JM Financial

MONTHLY Spotlight

October 2025

THOUGHT LEADERSHIP

48 FORTUNE INDIA · GUEST COLUMN

Will NBFCs Drive the Consumption Credit Landscape?

If NBFCs succeed in striking a balance between growth impulse and diligence, they could well become the force to reckon with in financing India's consumption story.

VISHAL KAMPANI, Vice Chairman & MD, JM Financial

61.4%

Share of private consumption in India's normal GDP, in FY25.

Mr. Vishal Kampani

Vice Chairman & Managing Director, JM Financial Ltd.

Authored article published with **Fortune** India, wherein he highlighted that if NBFCs succeed in striking a balance between growth impulse and diligence, they could well become the force to reckon with in financing India's consumption story.

Market maturity fuelled India's IPO boom, say i-bankers

BS REPORTER
Mumbai, 29 October

The domestic initial public offering (IPO) market is experiencing a significant surge, fuelled by the financialisation of savings, digital ease of investing, and expanding participation from both retail and institutional investors, investment bankers said on Wednesday.

The depth of the domestic capital pool has reduced India's reliance on foreign institutional investors, enhancing market stability, a sentiment echoed by most panellists during a discussion moderated by Samie Modak of *Business Standard*.

Sonia Dasgupta, managing director (MD) & chief executive officer (CEO) of investment banking at JM Financial, noted that liquidity generated from post-pandemic financialisation of savings, coupled with repricing in the secondary market, deepened the domestic equity capital markets.

Gesu Kaushal, MD & co-head of equity corporate finance at Kotak Mahindra Capital Company, said the broader adoption of digital payment methods like UPI for IPO applications has democratised participation, expanding capital sourcing from regions like Bihar and UP. Market infrastructure improvements, such as shortened IPO listing timelines and streamlined processes, are also boosting market buoyancy.

In 2024, IPOs mobilised a record ₹1.6 trillion, and this year's IPO mobilisation is on track to surpass ₹1.3 trillion, setting the stage to break last year's record.

Sunil Khaitan, MD & head of financing at Goldman Sachs India, said domestic mutual funds and institutional investors became crucial providers of intellectual and financial capital by understanding and supporting innovative business models previously uncommon in the domestic market.

Last year, Hyundai Motor India's IPO raised a record ₹27,859 crore while earlier this month, LG Electronics India's ₹11,607 crore IPO garnered record bids totalling ₹4.4 trillion.

Amitabh Malhotra, vice chairman of capital markets and advisory at HSBC India, observed that MNC subsidiaries are increasingly choosing India as a standalone, mature capital market for listings.

"Previously, MNCs listed only in global hubs and overlooked their Indian arms for public offerings. This has changed due to regulatory reforms, a large domestic investor base, and the maturity of Indian capital markets, which now better absorb shocks and provide stability," he said.

Khaitan elaborated: "Indian subsidiaries of MNCs often command significantly higher valuation multiples than their global parents. This 'MNC premium' is driven by India's faster economic growth, stronger investor confidence, and a more dynamic market environment compared to the slower, saturated markets of the parent companies."

Kaushal underscored a notable shift in company mindset toward going public. "Many family-owned businesses, traditionally wary of IPOs, now view public listings as a key growth opportunity, largely due to leadership transitions to the second generation who are more open to professionalising operations and engaging with retail investors for the long term," she said.

Driving the IPO boom is robust participation from domestic institutional investors, especially mutual funds, with ₹3-4 trillion of household flows channelled annually into equities.

Dasgupta highlighted, "Strong domestic participation is enhancing price discovery, establishing valuation benchmarks, and reducing market volatility."

Malhotra added: "The surge in domestic institutional involvement has brought a better balance among issuers, bankers, and investors, leading to more pragmatic IPO pricing."

On post-listing performance, bankers noted positive trends. "Most companies going public in 2025 are backed by non-permanent capital such as venture capital and private equity rather than traditional family or MNC ownership. These investors, aiming for exits within 3-5 years, have a vested interest in ensuring strong post-listing performance to maximise returns," said Khaitan.

Bankers also emphasised an ever-growing domestic investor base that is becoming increasingly discerning, prioritising sustainable business fundamentals.

(From left) Sonia Dasgupta, MD & CEO, investment banking, JM Financial; Gesu Kaushal, MD & co-head, equity corporate finance, Kotak Mahindra Capital Company; Sunil Khaitan, MD & head — financing, Goldman Sachs India; and Amitabh Malhotra, head — global banking, HSBC India

"LIQUIDITY GENERATED FROM POST-PANDEMIC FINANCIALISATION OF SAVINGS, COUPLED WITH REPRICING IN THE SECONDARY MARKET, DEEPENED THE DOMESTIC EQUITY CAPITAL MARKETS"
SONIA DASGUPTA
MD & CEO, Investment Banking, JM Financial

"MANY FAMILY-OWNED BUSINESSES, TRADITIONALLY WARY OF IPOS, NOW VIEW PUBLIC LISTINGS AS A KEY GROWTH OPPORTUNITY, LARGELY DUE TO LEADERSHIP TRANSITIONS TO THE SECOND GENERATION"
GESU KAUSHAL
MD & Co-Head, Equity Corporate Finance, Kotak Mahindra Capital Company

"MNC PREMIUM IS DRIVEN BY INDIA'S FASTER ECONOMIC GROWTH, STRONGER INVESTOR CONFIDENCE, AND A MORE DYNAMIC MARKET ENVIRONMENT COMPARED TO THE SLOWER, SATURATED MARKETS OF THE PARENT COMPANIES"
SUNIL KHAITAN
MD & Head — Financing, Goldman Sachs India

"PREVIOUSLY, MNCS LISTED ONLY IN GLOBAL HUBS & OVERLOOKED THEIR INDIAN ARMS FOR PUBLIC OFFERINGS. THIS HAS CHANGED DUE TO REGULATORY REFORMS, A LARGE DOMESTIC INVESTOR BASE, AND THE MATURITY OF INDIAN CAPITAL MARKETS"
Amitabh Malhotra
Head — Global Banking, HSBC India

Ms. Sonia Dasgupta

MD and CEO, Investment Banking,
JM Financial Ltd.

Ms. Dasgupta joined industry leaders at the **BFSI Insight Summit (Business Standard)** to discuss how policy, innovation, and investment are strengthening India's role in global capital flows. This was covered in Business Standard Print edition.

JM Financial

ETPrime

ETMarkets Smart Talk| Growth themes to outperform value in FY26–27 as domestic demand stays strong: Ankur Jhaveri of JM Financial

Synopsis

India's equity markets navigate global headwinds, with domestic demand and reforms expected to drive growth sectors. Despite FII outflows and valuation concerns, strong SIP flows indicate a deepening investment culture. Experts anticipate growth themes to outperform value plays in FY26-27, supported by policy stability and structural reforms.

This transition is supported by easier access to financial education, enabling retail investors to better understand long-term compounding and digest short-term volatility.

In this edition of ETMarkets Smart Talk, Ankur Jhaveri, Managing Director & CEO – Institutional Equities at JM Financial Institutional Securities Ltd, shares his insights on how India's equity markets are navigating a complex global environment marked by Western trade headwinds, elevated tariffs, and FII outflows.

Despite external uncertainties, Jhaveri believes India's strong domestic demand, policy stability, and structural reforms like GST rationalisation will continue to drive growth-oriented sectors ahead of value plays in FY26–27.

Mr. Ankur Jhaveri

Managing Director & CEO - Institutional Equities,
JM Financial Institutional Securities Ltd.

In an interview with **The Economic Times,** he spoke about how India's equity markets are navigating a complex global environment marked by Western trade headwinds, elevated tariffs, and FII outflows.

JM Financial

Stock market is not in a bubble zone, FIIs no longer sole price setters: Anuj Kapoor

Kapoor said he believes the private wealth boom in India is "real and durable," driven by more households shifting savings to financial investments and creating steady, predictable demand.

Anuj Kapoor, Managing Director & CEO, Private Wealth, JM Financial Services Ltd

While strong domestic flows are providing a cushion against record foreign selling, Indian markets still need FPI money for a bull market to sustain, says **Anuj Kapoor**, Managing Director & CEO, Private Wealth, JM Financial Services Ltd.

In an interview with **Ritik Raj** of **Business Today**, Kapoor said he believes the private wealth boom in India is "real and durable," driven by more households shifting savings to financial investments and creating steady, predictable demand.

Mr. Anuj Kapoor

Managing Director & CEO, Private Wealth, JM Financial Services Ltd.

In an interview with **Business Today**, he shared his views on why the current market rally is backed by strong domestic flows, not a bubble.

Growing wealth management industry creates demand for relationship managers

Salaries soaring, yet seasoned RMs hard to come by

NESIL STANEY
Mumbai, October 23

INDIA'S $1.1-TRILLION (₹88 lakh crore) wealth management industry, which is expected to more than double to $2.3 trillion (around ₹200 lakh crore) by FY29, is witnessing an unparalleled high demand for experienced relationship managers (RMs).

Sample this: Bhupinder Singh, founder of InCred Group, says he wants 300 RMs in the near term. The demand is similar at 360One and ASK Wealth, while Gautam Kalia, head of investment solutions and distribution at Mirae Asset Sharekhan, wants to hire 400 RMs immediately.

"Wealth management is more profitable than mutual funds' specialised investment funds (SIFs); growing significantly faster and no firm in the business is able to get enough RMs," laments Kalia.

Ajay Menon, whole-time director & CEO of wealth management business at Motilal Oswal Financial Services (MOFSL), is also on the RM hunt, particularly in Tier-2 and Tier-3 cities where his firm is expanding.

According to industry players, top wealth management companies have built a war chest of over ₹3,000 crore to hire top-rung RMs. "Top RMs are not just sales people but mini-chief investment officers (CIOs) to clients," said Feroze Azeez, Joint CEO, Anand Rathi Wealth. The additional benefit that these RMs provide is a ready book of clients, which firms see as a faster and more cost-effective route to shore up their assets under management.

WAGE WAR

- Top wealth management companies have built a war chest of over **₹3,000 cr** to hire top-rung RMs, industry players say
- A Deloitte India report has underlined significant unmet demand for wealth management services
- India witnessed a significant wealth boom in 2024, adding more than **33,000 millionaires** in a single year
- The number of high networth individuals rose by **5.6%** to 378,810 in 2024
- Number of family offices has risen from 45 in 2018 to 300 by 2024

The rise in the number of new millionaires (investible assets between $1 million to $5 million) has been quite staggering. India witnessed a significant wealth boom in 2024, adding more than 33,000 millionaires in a single year, according to the World Wealth Report 2025 by Capgemini Research Institute. The number of high networth individuals rose by 5.6% to 378,810, up from around 345,000 in 2023. The number of family offices has risen from 45 in 2018 to 300 by 2024, according to an E&Y report.

According to the latest Deloitte India report, the demand for wealth management services in terms of assets under management (AUM) is expected to more than double, climbing from US$1.1 trillion in FY24 to US$2.3 trillion by FY29. The report underlined significant unmet demand for wealth management services.

In this backdrop, the high demand for RMs is not at all surprising, neither are the whopping salaries. A upper middle or senior level RM can easily attract annual salaries of ₹1 crore, excluding bonuses for exceeding targets.

"Firms increasingly pay richer variable components, long-term incentives including deferred bonus, retention bonus, ESOPs, and client-transfer fees to protect against churn and to align RMs with AUM growth," said Anuj Kapoor, MD & CEO of private wealth at JM Financial. Newer and smaller wealth management firms are also under intense pressure to offer even higher packages to hire and retain. "That's creating intense competition for experienced RMs, upward pressure on the pay — large lateral hikes and sign-on bonuses," he added.

Continued on Page 7

He also contributed to a **Financial Express** industry story on how India's wealth management sector is booming, pushing firms to offer soaring salaries and incentives to attract Relationship Managers. However, experienced RMs remain scarce, making talent acquisition a major industry challenge.

Bloomberg

Bumper IPO Gains Shrink in India's Record-Setting Primary Market

By Alex Gabriel Simon
October 28, 2025 at 11:54 AM GMT+5:30

Save | Translate | Listen 2:06

Takeaways by Bloomberg AI — Show

Follow Bloomberg India on WhatsApp for exclusive content and analysis on what billionaires, businesses and markets are doing. Sign up here.

Outsized gains from Indian initial public offerings seen in the past are fading in 2025, as investors become more picky in what remains one of the world's hottest IPO markets.

The median return for stocks one month after listing has shrunk to 2.9% this year, down from 22% last year and 25% in 2023, according to a Bloomberg analysis. Meanwhile, about 40% of all main board entrants traded below their offer price a month after debut.

Even so, India's primary market remains busy. More than 80 companies have gone public in 2025, raising over $15 billion and boosting hopes that proceeds could beat last year's record of about $21 billion. But the boom is also drawing closer attention, as investors grow uneasy about paying high prices for companies whose profits are still uncertain.

Ms. Neha Agarwal

Managing Director & Head, Equity Capital Markets,
JM Financial Institutional Securities Ltd.

She contributed to a **Bloomberg** industry story on Indian IPOs are experiencing a slowdown in post-listing gains, with median one-month returns dropping significantly in 2025. While the primary market remains active, investors are becoming more discerning, favoring companies with strong fundamentals and reasonable valuations. This shift is leading to more pragmatic pricing and a return of discipline to the market.

JM FINANCIAL
IN THE NEWS

moneycontrol
Go PRO Now

Home › News › Business › Markets › Daily Voice: With government increasingly focused on consumption, infrastructure capex appears to have peaked, says Ashish Chaturmohta

Trending Topics | Sensex Today | Studds Accessories Shares | IndiGo Shares | RBL Bank Shares | Patanjali Shares

Daily Voice: With government increasingly focused on consumption, infrastructure capex appears to have peaked, says Ashish Chaturmohta

Ashish Chaturmohta of JM Financial is particularly positive on companies poised to benefit from a rural consumption recovery, which forms a significant part of overall demand.

SUNIL SHANKAR MATKAR | OCTOBER 04, 2025 / 07:53 IST

Join Us | Follow Us | Add as a preferred source on Google

Ashish Chaturmohta is the Managing Director & Fund Manager, at Apex PMS, JM Financial

According to Ashish Chaturmohta, Managing Director & Fund Manager, at Apex PMS, JM Financial, with the government increasingly focused on consumption, infrastructure capex appears to have peaked.

Mr. Ashish Chaturmohta

Managing Director & Fund Manager,
Apex PMS, JM Financial Ltd.

In an interview with **Moneycontrol**, he spoke about how he is particularly positive on companies poised to benefit from a rural consumption recovery, which forms a significant part of overall demand.

moneycontrol

Daily Voice: Tepid EPS growth, rich market valuations indicate risks persist, JM Financial's Venkatesh warns

If the US President Trump decides to cut India's tariffs from 50 percent to 10-25 percent, that could be a boost for the market, said Venkatesh Balasubramaniam.

SUNIL SHANKAR MATKAR | OCTOBER 13, 2025 / 06:33 IST

Join Us | Follow Us | Add as a preferred source on Google

Venkatesh Balasubramaniam is the Managing Director and Head of Research at JM Financial Institutional Securities.

Max Healthcare | Apollo Hospital | Aster DM Health

Trade | Watchlist | Portfolio | Message | Set Alert

NSE LI | 1,120.60 -4.80 (-0.43%)

The market is expensive, trading at 22.8x FY26E P/E, says Venkatesh Balasubramaniam, Managing Director and Head of Research at JM Financial Institutional Securities.

Mr. Venkatesh Balasubramaniam

Managing Director & Head of Research,
JM Financial Institutional Securities Ltd.

In an interview with **Moneycontrol**, he spoke about how the market is expensive, trading at 22.8x FY26E P/E, and that expensive valuations coupled with tepid EPS growth suggest the risks are not fully priced in.

In an interview with **ET Now**, he discussed the rising market valuations, the sharp moderation in EPS growth, and why muted returns could define the road ahead.

Easing yields may trigger corporate bond mkt rebound

Subhana Shaikh
subhana.shaikh@livemint.com
MUMBAI

The wave of corporate bond sales in the first quarter ebbed in the second as borrowing costs rose, but bankers expect the lull to reverse soon as falling yields revive the bond market's lure.

Corporate bond sales in the September quarter plunged to ₹2 trillion from ₹3.44 trillion in the June quarter and ₹3.2 trillion a year earlier, primedatabase.com figures showed. The decline came alongside a rise in yield on the 10-year bonds of National Bank for Agriculture and Rural Development (Nabard), considered a benchmark in the corporate debt market. The jump in the Nabard bond yield by 18-20 basis points to 7.24% was in line with the 10-year government bond, where the yield rose 20 bps to 6.50%.

The change reflects the monetary policy transition, market supply pressures and shifting investor preferences amid heightened economic uncertainties. "Yields had hardened, and then there was a whole lot of uncertainty in the geopolitical environment. It had become so volatile that it wasn't possible for some of the players to take on further debt," said Killol Pandya, head of fixed income - debt at JM Financial Asset Management Ltd. The September quarter rise in yield was a reversal from the 25 bps fall since early February, when the Reserve Bank of India began its interest rate easing cycle.

A weaker macroeconomic environment also depressed bond sales, Pandya said, worsened by a seasonal tightening of liquidity typical of the quarter-end and half year-end.

"The Reserve Bank of India's change in stance to neutral from accommodative created uncertainty about future rate trajectory and dampened issuer confidence, with many preferring to wait for clearer signals before locking into long-term borrowing costs," said Venkatakrishnan Srinivasan, founder and managing partner, Rockfort Fincap LLP.

Borrowing by Union and state governments also crowded out corporate bonds. "State development securities offered wider spreads with zero credit risk, diverting institutional demand away from corporate papers, especially in the long-tenor segment," Srinivasan said.

The last time corporate bond sales were at their lowest was in September quarter FY24 at ₹1.75 trillion. Clarity on the domestic economic environment and reduction in goods and services tax rates will drive growth for some firms, a senior debt merchant banker said, adding some of the indecisive issuers will start returning to the market.

For an extended version of the story, go to livemint.com

Corporate bond sales in the Sep quarter fell to ₹2 trillion. AFP

The last time corporate bond sales were at their lowest was in the September quarter of FY24 at ₹1.75 trillion

Mr. Killol Pandya

Head of Fixed Income,
JM Financial Asset Management Ltd.

He contributed to **Mint's** industry story which talked about how the wave of corporate bond sales in the first quarter ebbed in the second as borrowing costs rose, but bankers expect the lull to reverse soon as falling yields revive the bond market's lure.

Mr. Asit Bhandarkar

Senior Fund Manager-Equity,
JM Financial Asset Management Ltd.

In an interview with **ET Now Swadesh**, he shared views on the markets and investments.

Mr. Dharmesh Shah

Cement Research Analyst,
JM Financial Institutional Securities Ltd.

In an interview with **CNBC TV18**, he discussed the impact of the recent GST rate cut on the cement sector.

Mr. Sachin Dixit

Lead Internet Research Analyst,
JM Financial Institutional Securities Ltd.

In an interview with **Moneycontrol's** Special Diwali edition - Fireworks and Fallout Themes, he shared his take on what will drive new age stocks in Samvat 2082.

MARQUEE
RESEARCH REPORTS

Key Research Reports of the month

8 October 2025 India | Strategy | Sector Update

Strategy

Weak banks results could mar 2QFY26E PAT growth

Venkatesh Balasubramaniam
venkatesh.balasubramaniam@jmfl.com | Tel: (91 22) 66303081

Shalin Choksy
shalin.choksy@jmfl.com | Tel: (91 22) 66303380

Shanay Mehta
shanay.mehta@jmfl.com | Tel.: (91 22) 69703680

We acknowledge the contribution of **Dharmendra Sahu** in preparation of this report.

Over the past 12 months, the Nifty50 has gone up by a muted 1.3% due to India's inflated valuations and uncertainty over US tariffs. While DIIs have been net buyers in both 1Q and 2Q FY26, FIIs who were net buyers in 1Q have turned net sellers in 2Q. For the JM Financial universe, we forecast PAT growth of 8.7% YoY in 2QFY26E. Ex-BFSI, we see growth at 13% YoY. Further, we expect Nifty 2QFY26E PAT to grow 4.4% YoY (ex-BFSI growth is expected to be 10.8% YoY). With Nifty50 PAT YoY growth of 10.5% in 1Q and 4.4% in 2Q the ask rate for 2HFY26 is 7.8%. Nifty50 PAT growth in 2QFY26E will be driven by: (1) IT Services (12% weight in Nifty50 earnings), expected to rise 9% YoY, (2) Metals & Mining (5% weight in Nifty50 earnings), expected to rise 49% YoY, (3) Utilities (4% weight in Nifty50 earnings) expected to rise 39% YoY, and (4) Telecom (3% weight in Nifty50 earnings), expected to rise 103% YoY. Weak BFSI performance (-3% PAT YoY) can be attributed to muted loan growth, margin compression, weak core fee income, lower treasury gains and elevated credit costs in both private and SoE banks

- **Bullish on consumption:** The Government of India and the RBI are taking steps to boost consumption through income tax cuts, interest rate cuts, an increase in banking system liquidity and GST rate reduction. On the back of this, we had rejigged our model portfolio: (1) autos moved to overweight (neutral earlier), (2) consumer moved to overweight (underweight earlier), (3) cement moved to overweight (underweight earlier), (4) internet moved to overweight (underweight earlier), and (5) overweight on hotels and real estate.
- **Domestic flows positive in 2QFY26, but FIIs on a selling spree:** In 2QFY26 DIIs were net buyers in Indian equities to the tune of USD 25.3bn, while FIIs offloaded Indian equities worth USD 9.5bn. YTDFY26 too, the trend remains similar with DIIs being large buyers (+ USD 45bn), and FIIs net sellers (-USD 4.9bn). FII activity in YTDFY26 can be split into two halves; net buyers in 1QFY26 to the tune of USD 4.6bn, and net sellers in 2Q to the tune of USD 9.5bn. DIIs have remained net buyers in each month of FY26 so far.
- **JM Financial universe 2QFY26E PAT growth of 8.7% YoY:** For the JM Financial universe, we forecast PAT growth of 8.7% YoY in 2QFY26E. Sectors driving this are: (1) Oil and Gas (15% weight in earnings) expected to rise 10% YoY, (2) IT Services (12% weight in earnings), expected to rise 5%, (3) Utilities (7% weight in earnings), expected to rise 15% and (4) Metals & Mining (5% weight in earnings), expected to rise 55%. Muted BFSI performance (2% PAT YoY) can be attributed to muted loan growth, margin compression, weak core fee income, lower treasury gains and elevated credit costs. Ex-BFSI, the JM Financial universe is expected to register 13% YoY growth in 2QFY26E PAT. Ex BFSI and Oil & Gas, this should rise 14% YoY.
- **2QFY26E Nifty50 PAT to grow 4.4% YoY:** We expect Nifty 2QFY26E PAT to grow 4.4% YoY, led by: (1) IT Services (12% weight in Nifty50 earnings), expected to rise 9%, (2) Metals & Mining (5% weight in Nifty50 earnings), expected to rise 49%, (3) Utilities (4% weight in Nifty50 earnings) expected to rise 39%, and (4) Telecom (3% weight in Nifty50 earnings), expected to rise 103%. Ex-BFSI, 2QFY26E Nifty PAT is expected to rise 11% YoY. Weak BFSI performance (-3% PAT YoY) can be attributed to muted loan growth, margin compression, weak core fee income, lower treasury gains and elevated credit costs. Ex BFSI and oil & gas, Nifty50 PAT is expected to register 14% YoY growth.

Nifty Valuation table (JMFL Estimates)

Particulars	FY25A	FY26E	FY27E
Nifty Index	25,108	25,108	25,108
EPS (INR)	1,019	1,098	1,268
YoY (%)	3.4	7.7	15.5
BPS (INR)	6,908	7,348	8,057
YoY (%)	6.2	6.4	9.7
PE (x)	24.6	22.9	19.8
PB (x)	3.6	3.4	3.1
ROE (%)	15.2	15.4	16.3

Source: Company, JM Financial

Nifty Valuation table (Bloomberg Estimates)

Particulars	FY25A	FY26E	FY27E
Nifty Index	25,108	25,108	25,108
EPS (INR)	1,019	1,128	1,313
YoY (%)	3.4	10.7	16.4
PE (x)	24.6	22.3	19.1
ROE (%)	15.1	15.7	16.6

Source: Company, JM Financial

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

Strategy
Weak banks results could mar 2QFY26E PAT growth

1 October 2025 India | IT Services | Sector Report

IT Services

2QFY26 Preview: No fireworks

Abhishek Kumar
abhishek.kumar@jmfl.com | Tel: (91 22) 66303053

Nandan Arekal
nandan.arekal@jmfl.com | Tel: (91 22) 62243683

Anushree Rustagi
anushree.rustagi@jmfl.com | Tel: (91 22) 69703668

2QFY26 has been uneventful. Demand neither improved (not expected) nor deteriorated (feared). That, coupled with less frequent pauses/ramp-downs, mean sequential growth should imporve for most, a sign of bottom formation, we believe. We estimate 0-2.2% cc QoQ growth for the large-caps (top-6) vs. (3.3)-2.6% in 1Q. For the next-4 (MPHL, COFORGE, PSYS, HEXT), we estimate 1.1-5.2% cc QoQ, led by Coforge again. INR depreciation (2.8% QoQ) and deferred wage hikes for most would likely drive 20-80bps margin expansion for large caps (except WPRO). Outlook for Auto ER&D, on the other hand, is mixed. TATATECH, after two quarters of decline, could see a sequential uptick while KPIT's organic revenues could decline for a second consecutive quarter. BPO cohort will likely be the most stable with even better 2H outlook. ACN's stable deal TCV share suggests Indian peers have been winning their fair share of deals, including mega deals. That said, H-1B proclamation could elongate deal decision cycles as clients reassess the impact of visa fee hike (on TCO, delivery). That, along with possibility of higher furloughs, could prevent INFO from raising the upper end of its guidance just yet. We however expect it to raise the lower end of the guidance. We expect WPRO to guide for -1% to +1% cc QoQ for 3Q. Our revised estimates reflect these views and updated FX assumption. We have lowered target PER across the board to account for potential delay in recovery. However, the sharp stock correction post H-1B announcements have priced these in, in our view. We upgrade HCL (HOLD->ADD) and TECHM (HOLD->ADD), in-line with our revised rating system.

- **2QFY26 revenue growth – Better than 1Q:** We expect large-cap IT Services players (top-6) to report 0-2.2% cc QoQ growth. USD growth could be 4-53 bps due to cross-currency benefits. Barring INFO (base effect), we expect sequential growth to improve across large-caps. We expect LTIM to lead on the back of its largest deal (~USD 64mn ACV) ramp-up. Next-4 should continue to outpace larger peers with 1.1-5.2% cc QoQ growth, led by Coforge. Demand environment for Auto ER&D is unlikely to have improved. We estimate KPIT to report 2.5% cc QoQ decline in organic revenue. TATATECH could however grow 1.1% cc QoQ on the back of non-auto verticals. BPOs should exhibit resilience.
- **Margins – INR to the rescue:** We expect 20-80bps margin expansion QoQ for large caps (except WPRO). INR depreciation and deferred wage hikes will be sectoral tailwinds. These would be partially offset by player specific headwinds – restructuring cost for HCLT (40bps; JMFe), deal transition cost (WPRO/MPHL). TECHM/LTIM's ongoing efficiency drive should support margin expansion. Coforge could get closer to its year-end target of 14% EBIT margin, as Sabre transition cost are now behind. PSYS could benefit from operating leverage/absence of visa cost. Offshore-heavy BPO players should benefit more from INR depreciation. Auto ER&Ds' should report stable margins as INR cushions lower growth.
- **Deal wins, outlook and things to watch out for:** ACN's stable deal TCV share suggests Indian players are winning their share of deals as well, including mega deals. TCS-Tryg (EUR 550mn TCV) and HCLT's engagement with a Swedish OEM are cases in point (Exhibit 6). That said, H-1B fee hike could drive price renegotiations, delivery strategy rethink, possibly delaying deal signings in the second half. Besides, furloughs (potentially higher this year given the environment) are factors that could restrict players from raising guidance. We however expect INFO to revise lower end of its FY26 guide from 1 to 1.5% cc (excluding Versent contribution) given the low ask rate now. We expect WPRO to guide for -1% to +1% cc QoQ for 3Q. We expect HCL to retain its 3-5% guidance.
- **Estimate changes and stocks' view:** HCLT/TECHM are down 19%/15% over past three months, making the risk reward balanced. We upgrade both from HOLD to ADD. We also revise our reco for IKS Health from Hold to Add, to align with our new rating system. Taking a clue from ACN's FY26 guidance (limited acceleration), we lower FY27E cc growth outlook for most. We have also built some impact of H-1B led wage inflation in margins, which offsets revised (weaker) INR assumption. EPS changes are highest for Sagility. Top-line estimate cuts, on the other hand, are higher for KPIT/PSYS.

Tier I	Rating	Target Multiple	TP (INR)	Upside
TCS	BUY	21x	3,410	18.1%
Infosys	BUY	22x	1,740	20.7%
HCL Tech	ADD	21x	1,550	11.9%
Wipro	BUY	18x	280	17.0%
Tech M	ADD	19x	1,490	6.4%
LTIM	SELL	22x	4,470	-13.3%
Tier II	**Rating**	**Target Multiple**	**TP**	**Upside**
Mphasis	BUY	25x	3,060	15.3%
Persistent	BUY	40x	5,870	21.7%
Coforge	BUY	32x	1,850	16.3%
Hexaware	BUY	26x	780	16.3%
Auto ERD	**Rating**	**Target Multiple**	**TP**	**Upside**
Tata Tech	BUY	35x	800	19.5%
KPIT Tech	BUY	35x	1,360	23.9%
BPO	**Rating**	**Target Multiple**	**TP**	**Upside**
Sagility	BUY	25x	65	52.4%
IKS	ADD	27.5x	1,570	8.0%
Firstsource	ADD	25x	370	12.5%
SaaS	**Rating**	**Target Multiple**	**TP**	**Upside**
MapMyIndia	BUY	40x	2,360	43.1%
Data Centre	**Rating**	**Target Multiple**	**TP**	**Upside**
Black Box	BUY	25x	620	20.3%

JM Financial Research is also available on: Bloomberg - JMFR <GO>, Thomson Publisher & Reuters, S&P Capital IQ, FactSet and Visible Alpha

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

IT Services
2QFY26 Preview:
No fireworks

Telecom

2QFY26 preview: Steady quarter aided by additional day

3 October 2025 India | Telecom | Sector Report

Telecom

2QFY26 preview: Steady quarter aided by additional day

Dayanand Mittal
dayanand.mittal@jmfl.com | Tel: (+91 22) 66303063
Shivam Gupta
shivam.gupta@jmfl.com | Tel: (+91 22) 66303082
Anupam Jakhotia
anupam.jakhotia@jmfl.com | Tel: (91 22) 69703686

Telcos are expected to witness 1.1%-1.6% QoQ ARPU growth in 2QFY26, aided by ongoing upgrades-led improved subs mix and 1 more day QoQ. We expect Jio's ARPU to improve 1.1% QoQ to ~INR 211 in 2QFY26, while its subs gains will be robust at 7.0mn (vs. 9.9mn in 2QFY26). Hence, Jio's 2QFY26 revenue/EBITDA is likely to grow by 2.4%/2.5% QoQ. Bharti is expected to register 2%/2.1% QoQ growth in its India wireless revenue/EBITDA, led by robust MBB subs gains (at ~7.2mn), and as ARPU is likely to improve 1.6% QoQ (to INR 254). Similarly, BHL is expected to register 2% QoQ growth in its wireless EBITDA due to healthy MBB subs gain (at 0.7mn) and 1.6% QoQ ARPU improvement (to INR 250). Separately, VIL's revenue/reported EBITDA/cash EBITDA is expected to grow by 0.8%/1.1%/ 0.9% QoQ as ARPU is likely to improve 1.2% QoQ to INR 167, though it will be partly offset by net subs loss of ~0.5mn (though MBB subs is likely to grow by ~1mn). We expect net tenancy additions to remain healthy for Indus Towers, driven by VIL's network expansion and Bharti's rural rollouts; reported EBITDA could grow 0.3% QoQ while adjusted EBITDA may grow 2.4% QoQ in 2QFY26. Separately, we expect TCOM's revenue and EBITDA to grow 1.2%/1.8% QoQ led by digital portfolio, though partly offset by weakness in core connectivity on account of SAARC region-related issues.

- **Telcos' ARPU to grow 1.1%-1.6% QoQ aided by ongoing upgrades-led improved subs mix and 1 more day QoQ in 2QFY26; Subs gain likely to be strong for Jio (7mn) but lower for Bharti (2mn):** We expect Jio's ARPU to improve 1.1% QoQ to ~INR 211, aided by upgrades and 1 more day QoQ in 2QFY26, while its subs gains (including FTTH/UBR/5G FWA) will be robust at 7.0mn (vs. 9.9mn in 2QFY26). Hence, Jio's revenue and EBITDA is likely to grow by 2.4% and 2.5% QoQ respectively. However, Bharti's overall wireless subs addition is expected to be lower at 2mn in 2QFY26. Hence, Bharti is expected to register 2% QoQ and 2.1% QoQ growth in its India wireless revenue and EBITDA respectively, led by robust mobile broadband (MBB) subs gains (at ~7.2mn) and as ARPU is likely to improve 1.6% QoQ (to INR 254) due to ongoing healthy upgrades to smartphone/post-paid plans and 1 more day QoQ in 2QFY26. Similarly, BHL is also expected to register 2% QoQ growth in its wireless EBITDA due to healthy MBB subs gain (at 0.7mn) and 1.6% QoQ ARPU improvement (to INR 250). Separately, VIL's revenue, reported EBITDA and cash EBITDA are expected to grow by 0.8%, 1.1% and 0.9% QoQ respectively as ARPU is likely to improve 1.2% QoQ to INR 167 due to improved subs mix and 1 more day QoQ in 2QFY26, though it will be partly offset by net subs loss of ~0.5mn (though MBB subs likely to grow by ~1mn).
- **Indus Adj. EBITDA likely to grow 2.4% QoQ on healthy net tenancy additions driven by Bharti's rural expansion and VIL rollouts; TCOM's EBITDA may grow 1.8% QoQ in 2QFY26 led by digital portfolio:** We expect net tenancy additions to remain healthy (~6.1k in 2QFY26 vs. ~5.8k in 1QFY26) for Indus Towers, driven by VIL's network expansion and Bharti's rural rollouts. However, we assume that the average rental per tenancy (ARPT) could be 0.3% lower QoQ on account of sharing discount due to tenancies from VIL on account of its ongoing network expansion rollouts (largely forming second tenancy on existing towers). Hence, its reported EBITDA could grow 0.3% QoQ while adjusted EBITDA may grow 2.4% QoQ in 2QFY26 (adjusting for recovery of ~INR 0.9bn of past dues from VIL in 1QFY26). Separately, we expect TCOM's revenue and EBITDA to grow 1.2% and 1.8% QoQ respectively led by digital portfolio, though partly offset by weakness in core connectivity on account of SAARC region-related issues (difficulty in recoverability of dues from a few clients in the SAARC region, leading to subsequent exits).
- **Reiterate BUY on Bharti/BHL/TCOM; maintain positive view on Jio:** We reiterate BUY on Bharti (unchanged TP of INR 2,240) and BHL (unchanged TP of INR 2,000) and our positive view on Jio as we believe industry's wireless ARPU will grow at ~13% CAGR in the next 3-5 years, driven by regular tariff hike and multiple premiumisation strategies. Further, there is improved visibility of the next tariff hike of 12-15% in the next few months due to Jio's likely IPO by 1HCY26, coupled with the government's intent to ensure a '3+1' player market. Bharti/Jio's 5G subs penetration has risen to ~42%; 5G monetisation is a potential opportunity in future but is currently limited via tariff hike, push towards high-ARPU plans, reduction in cost/GB of data and FWA rollouts. We have revised our rating on VIL to ADD (from HOLD, revised TP of INR 9.5) and on Indus to REDUCE (from HOLD, unchanged TP of INR 340) to align with our new rating system; there is a 9% increase in TP for VIL factoring in possibility of some AGR relief. We reiterate BUY on TCOM (unchanged TP of INR 2,000) on expectation of improvement in profitability of the digital portfolio segment.

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

Oil and Gas

2Q preview: Steady quarter for RIL; muted quarter for O&G companies

06 October 2025 India | Oil and Gas | Sector Update

Oil and Gas

2Q preview: Steady quarter for RIL; muted quarter for O&G companies

Dayanand Mittal
dayanand.mittal@jmfl.com | Tel: (+91 22) 6630 3063
Shivam Gupta
shivam.gupta@jmfl.com | Tel: (91 22) 66303082
Anupam Jakhotia
anupam.jakhotia@jmfl.com | Tel: (91 22) 69703686

In 2QFY26, we expect RIL's EBITDA to be up 3.6% QoQ, led by 3.1% QoQ throughput-led-growth in O2C EBITDA, 3.5% QoQ (and 12.7% YoY) growth in Retail EBITDA and 2.5% QoQ growth in Digital EBITDA (robust subs gains and steady ARPU growth aided by one extra day QoQ). Oil India/ONGC is likely to witness slightly higher crude and gas realisation and crude sales volume QoQ. Hence, Oil India EBITDA could be up 2.3% QoQ but ONGC EBITDA may decline 2.2% QoQ on higher opex. Further, OMCs' 2QFY26 EBITDA may decline 16-37% QoQ on sharp moderation in auto fuel GMM, though supported by moderation in LPG under-recovery, robust diesel cracks and lower inventory loss QoQ (not assuming INR 300bn LPG compensation recognition in 2QFY26). GAIL's EBITDA is likely to decline 7.4% QoQ on normalised gas transmission revenue and weak LPG earnings; GSPL's PAT is likely to be higher on seasonal jump in dividend income while PLNG's PAT is also expected to recover QoQ on higher regas volume. IGL's EBITDA could grow 9.3% QoQ on a low base led by volume growth and slightly better margin while MGL's EBITDA may decline 23% QoQ on a high base (due to one-off income in 1QFY26); GGas' EBITDA is likely to decline 17% QoQ led by weak industrial PNG volume/margin in Morbi.

- **RIL's 2QFY26 EBITDA likely to be up 3.6% QoQ, led by healthy growth in O2C, Retail and Digital businesses but partly offset by decline in E&P business:** We expect RIL's EBITDA to be up 3.6% QoQ, led by **a)** O2C EBITDA (up 3.1% QoQ on higher refining throughput, slight improvement in GRM and strong auto-fuel marketing margin); **b)** Retail EBITDA (up 12.7% YoY and 3.5% QoQ); and **c)** Digital EBITDA (up 2.5% QoQ, led by robust 7mn subscriber gains and 1.1% QoQ rise in ARPU to INR 211 driven by upgrades and 1 more day QoQ in 2QFY26), though partly offset by E&P EBITDA (down 3.4% QoQ on natural decline in KG D6 gas output).
- **ONGC and Oil India's earnings to be largely steady QoQ, while OMCs' EBITDA to fall 16-37% QoQ on sharp moderation in auto fuel GMM, though supported by moderation in LPG UR, robust diesel cracks & lower inventory loss:** Oil India/ONGC is likely to witness higher crude and gas realisation and crude sales volume QoQ. Hence, Oil India's EBITDA is likely to be up 2.3% QoQ while ONGC's EBITDA is expected to decline 2.2% QoQ on higher opex in 2QFY26. Separately, OMCs 2QFY26 EBITDA may fall 16-37% QoQ on sharp moderation in auto fuel GMM (to INR 5.6/ltr in 2QFY26 vs. INR 9.8/ltr in 1QFY26, but still significantly higher than historical INR3.5/ltr), though supported by moderation in LPG under-recovery, robust diesel cracks and lower inventory loss QoQ (not assuming INR 300bn LPG compensation recognition in 2QFY26 in absence of details around its modalities).
- **Mixed 2QFY26 outlook for gas companies:** GAIL's EBITDA is likely to decline 7.4% QoQ on normalised gas transmission revenue (as 1QFY26 EBITDA had a one-off income) and weak LPG earnings. Separately, GSPL's 2QFY26 PAT is likely to be higher on seasonal jump in dividend income while PLNG PAT is also expected to recover QoQ on higher regas volume. Further, IGL's EBITDA could grow 9.3% QoQ on a weak base led by volume growth and slightly better margin while MGL's EBITDA may decline 23% QoQ (due to one-off income in 1QFY26). Further, GGas' EBITDA is likely to fall 17% QoQ led by weak industrial PNG margin/volume in Morbi due to decline in competitiveness of gas vs. propane and seasonal weakness in volume due to festival holidays.
- **Reiterate BUY on RIL/ Oil India/ ONGC/GGas/GAIL and SELL on HPCL/IGL; upgrade MGL/PLNG/GSPL to ADD while downgrade BPCL/IOCL to REDUCE as per our new rating system:** We maintain BUY on RIL (unchanged TP INR 1,700) as we believe RIL has industry leading capabilities across businesses to drive robust 15-20% EPS CAGR over the next 3-5 years, particularly driven by both consumer businesses with Jio's ARPU expected to rise at ~13% CAGR over FY25-28 with ARPU being on a structural uptrend given the industry structure, future investment needs, and the need to avoid a duopoly market. We also reiterate BUY on Oil India (revised TP of INR 515) and ONGC (revised TP of INR 285) based on our Brent assumption of USD 70/bbl (while CMP is discounting USD 60/bbl) and also due to likely oil and gas output growth in the next 2-3 years; we prefer Oil India as it could be an earnings-compounding story over the next 2-3 years. We also maintain our BUY on GAIL and GGas and maintain our SELL on HPCL and IGL. Aligning with our new rating system, we upgrade MGL to ADD (from SELL), PLNG to ADD (from HOLD) and GSPL to ADD (from HOLD) as recent correction in stock price factors key concerns and limits downside risk. Further, we downgrade our rating for BPCL and IOCL to REDUCE (from HOLD) after the recent up-move in the stock limits upside.

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

6 October 2025 India | Cement | Sector Update

Cement

2Q Preview: Near-term softness; structural story intact

Dharmesh Shah
dharmesh.shah@jmfl.com | Tel: (91 22) 66303541
Shouvik Chakraborty
shouvik.chakraborty@jmfl.com | Tel: (91 22) 66301692

We estimate the average EBITDA/tn for cement companies under our coverage to decline (INR 193/tn) sequentially in 2QFY26, primarily due to a ~1.5% fall in realisation and the impact of operating de-leverage. On a YoY basis, however, EBITDA/tn is expected to record a sharp increase of >INR 250/tn, driven largely by improved pricing (+5% YoY). Consequently, the aggregate EBITDA of our coverage universe is likely to grow by >50% YoY, aided by a low base. Industry volume is estimated to have grown by 4–5% YoY during the quarter, with coverage companies, particularly UltraTech Cement and the Adani Group, likely to outperform this growth owing to acquisition-led expansions. Cement players have passed on the benefit of the GST rate cut (from 28% to 18%), effective 22nd Sep'25. In the near term, we expect cement prices to remain range-bound, with companies focusing on volume growth. We have revised our aggregate EBITDA estimates downward by ~1-2% for FY26-FY28E. In the long term, we believe industry consolidation, sustained demand tailwinds, cost-optimisation, and de-risking efforts should support profitability. In line with our new rating system, we upgrade Shree Cement and Dalmia Bharat (from Hold to ADD), and Star Cement (from Hold to BUY), and downgrade ACC and Ramco Cements (from Hold to REDUCE). UltraTech Cement and JK Cement remain our preferred picks in the sector.

- **Industry volume likely grew 4-5% YoY in 2QFY26:** Coverage companies are expected to post a strong >10% YoY growth, significantly outperforming industry levels. This outperformance is largely driven by acquisition-led expansion, particularly by Ambuja Cements and UltraTech Cement, which are expected to report >15% YoY volume growth. JK Cement is also likely to deliver double-digit YoY growth, while Birla Corp and Shree Cement are estimated to grow by ~7-8% YoY. In contrast, Dalmia Bharat and Ramco Cements are expected to record modest growth of around ~3% YoY.
- **Pan-India cement prices fell ~4% QoQ in 2QFY26, factoring in the GST rate cut:** Following the reduction in GST rates (from 28% to 18%), pan-India average cement prices likely declined by ~4% QoQ in 2QFY26. However, after adjusting for the tax rate change, effective prices were down ~1.5% QoQ, though still up 4-5% YoY. On a sequential basis (adjusted for GST), prices were broadly stable in the East, declined 1-1.5% in the North and the West, and 4% in the South, while they increased by 1-1.5% QoQ in the Central region.
- **Coverage universe profitability to decline ~INR 200/tn QoQ in 2QFY26:** The coverage companies' profitability is expected to decline by ~INR 200/tn sequentially in 2QFY26, primarily due to lower realisation and operating de-leverage. Among major producers, Shree Cement is likely to post the highest unitary EBITDA (>INR 1,200/tn), while JK Cement and Dalmia Bharat are also expected to report four-digit EBITDA/tn. UltraTech Cement and Ambuja Cements are estimated to record profitability of over INR 900/tn, whereas Ramco Cements is expected to remain < INR 800/tn.
- **Estimate changes and stock view:** Cement companies have passed on the benefit of GST rate cut (from 28% to 18%) post its implementation w.e.f. 22nd Sep'25. In the short term, we believe cement prices are expected to remain rangebound and companies are likely to focus on higher volume push. We have cut our aggregate EBITDA estimates by ~1-2% for FY26-28E.

Exhibit 1. Valuation matrix

Company Name	Mcap (USD mn)	Rating	TP (INR/sh)	EV/EBITDA (x)			EV/Tonne (USD)		
				FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
ACC	3,953	REDUCE	1,920	11.3	10.0	8.4	88	82	72
Ambuja	16,208	BUY	670	19.3	15.9	13.2	151	146	138
Birla Corp	1,053	BUY	1,550	8.6	7.6	7.1	62	60	61
Dalmia	4,905	ADD	2,450	13.9	12.5	11.1	117	119	97
JK Cement	5,625	BUY	7,300	20.6	17.5	14.5	186	187	154
Ramco Cements	2,654	REDUCE	1,000	16.7	14.0	12.1	127	107	98
Shree Cement	12,121	ADD	33,000	19.7	16.7	14.7	163	146	133
Star Cement	1,183	BUY	300	12.7	10.9	9.7	128	107	106
UltraTech	40,738	BUY	14,000	21.8	17.7	15.4	213	197	181

Source: JM Financial

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

Please see Appendix I at the end of this report for important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

Cement
2Q Preview: Near-term softness; structural story intact

08 October 2025 India | Internet | Sector Report

Internet

Steady execution aided by early festive season

Sachin Dixit
sachin.dixit@jmfl.com | Tel: (91 22) 66303078
Swapnil Potdukhe
swapnil.potdukhe@jmfl.com | Tel: (91 22) 62241876
Atul Borse
atul.borse@jmfl.com | Tel: (91 22) 66303134
Avnish Sharma
avnish.sharma@jmfl.com | Tel: (91 22) 66303054

Across the internet space, we expect steady sequential trends with early festive demand and GST cuts supporting consumption-oriented names. While Eternal will report a sequential improvement in NOV growth as well as margin across its FD and QC businesses, balance sheet challenges will weigh on Swiggy on account of minimal change in absolute QC losses. Nykaa is expected to sustain growth in BPC while Fashion segment is expected to gain further momentum to deliver early thirties GMV growth. Meanwhile, FirstCry is likely to see c.11% growth in IMC due to slower consumption in September owing to uncertainty on GST with GlobalBees expected to be impacted due to curtailing on non-core categories. PB Fintech would likely see normalised new business premium growth, while benefitting from strong renewals persistency. In Paytm, we expect c.7% QoQ revenue growth with CM dip but EBITDA margin will see sequential expansion due to flattish fixed costs. In travel-tech, TBO Tek GTV growth will accelerate sequentially while margins will continue to be under pressure. ixigo will sustain GTV growth momentum as well as EBITDA improvement. Yatra too will see a strong quarter in terms of EBITDA/PAT growth. Among classifieds, CarTrade' New Auto vertical will benefit from GST related demand boost along with recovery in Remarketing, while Info Edge's recruitment segment should report low-teens billings due to hiring challenges in IT. Indiamart's collection growth will be driven by Busy with continuance of high churn in standalone business. In Delhivery, EPS shipment volumes are expected to grow strongly due to industry consolidation though margins might dip due to preparation for festive spike. BlackBuck should maintain growth momentum with margins under pressure due to wage hikes and investments in Superloads. Affle is expected to deliver high-teens revenue growth driven by developed markets and other emerging markets. In gaming, Nazara's numbers will be uncertain due to segmental restructuring, though underlying momentum in Curve and other segments remains intact. We remain constructive on Eternal, Nykaa, Paytm, ixigo and Delhivery.

Hyperlocal Delivery

- Eternal: In **Zomato (FD)**, normal seasonality should play out and hence we see sequential NOV growth of 6% with MTUs expanding to 23.2mn in 2Q versus 22.9mn in 1Q. On a YoY basis, NOV growth will be ~15%, slightly better than 13% reported in 1Q on account of an easing base. Take-rates (as % of NOV) are likely to improve to 25.6% from 25.2%/24.3% in 1QFY26/2QFY25, respectively, due to the recent platform fee increase that, in turn, should drive revenue growth of 8% QoQ (+21% YoY). While contribution margin (as % of NOV) can improve ~20bps QoQ to 10.1%, Adj. EBITDA margin (as % of NOV) expansion will be limited to ~10bps due to wage hikes. In **Blinkit**, we expect sequential NOV growth of 28% led by robust increase of 23% in order volumes (that, in turn, should be driven by MTU increase to 20.0mn from 16.9mn in 1Q). Due to the recent pivot to an inventory-led model, we expect a sharp 175% QoQ (470% YoY) jump in revenue. We see contribution margin expanding to 4.4% (as % of NOV) versus 3.9% in 1Q, on the back of scale benefits and the recent shift to an inventory-led business model. Adj. EBITDA margin (as % of NOV) can expand c.98bps sequentially to -0.8% due to contribution margin expansion as well as fixed cost leverage. At a **consolidated level**, we expect reported EBITDA to improve to INR 2.52bn vs. INR 1.15bn in 1Q whereas PAT is expected to improve to INR 784mn vs. INR 250mn in 1Q. **We have a BUY rating with a Sep'26 TP of INR 400.**
- Swiggy: In **Food Delivery (FD)**, we expect normal seasonality to play out and hence forecast sequential GOV growth of 6% (+19% YoY) with MTUs expanding to 17.0mn versus 16.3mn in 1QFY26. Take-rates (as % of GOV) are likely to improve 20bps sequentially to 22.4%. Sequential GOV expansion and take-rate increase should lead to revenue growth of 6.8% QoQ (+22.0% YoY). We expect contribution margin (as % of GOV) to improve to 7.4% from 7.3% in 1Q, while Adj. EBITDA margin (as % of GOV) is expected to improve to 2.7% from 2.4% in 1Q. In **Instamart**, we expect sequential GOV growth of 23% led by robust increase of c.8% in AOVs, whereas order volumes can grow 15% led by MTU increase from 11.1mn to 11.7mn. Take-rates are likely to expand by ~54bps QoQ to 14.8%. We expect contribution margin to improve to -2.8% (as % of GOV) versus -4.6% in 1Q, due to AOV and take-rate expansion. Adj. EBITDA margin (as % of GOV) could improve c.407bps sequentially to -12.5% as fixed costs are unlikely to increase at the same rate as GOV. At a **consolidated level**, we expect reported EBITDA/PAT to be at loss of INR 8.4bn/ INR 10.9bn respectively versus loss of INR 9.5bn/ ~INR 12bn in 1Q. **We maintain REDUCE with an unchanged Sep'26 TP of INR 440.**

Hyperlocal Delivery	Rating	TP (INR)	Change in TP (%)	Upside
Eternal	BUY	400	0.0%	17.1%
Swiggy	REDUCE	440	0.0%	4.5%
E-commerce	**Rating**	**TP (INR)**	**Change in TP (%)**	**Upside**
Nykaa	BUY	300	15.4%	16.5%
FirstCry	BUY	460	-0.1%	23.7%
Delhivery	BUY	560	12.0%	19.8%
Classifieds	**Rating**	**TP (INR)**	**Change in TP (%)**	**Upside**
Info Edge	ADD	1,480	5.7%	8.2%
IndiaMART	BUY	3,000	0.0%	23.1%
Just Dial	BUY	1,150	-4.2%	40.4%
CarTrade	REDUCE	2,370	0.9%	-5.1%
Fintech	**Rating**	**TP (INR)**	**Change in TP (%)**	**Upside**
Policybazaar	REDUCE	1,630	1.2%	-7.6%
Paytm	BUY	1,420	7.6%	15.9%
Travel-tech	**Rating**	**TP (INR)**	**Change in TP (%)**	**Upside**
TBO Tek	ADD	1,680	8.4%	8.8%
Yatra Online	BUY	190	11.8%	18.6%
ixigo	BUY	340	54.5%	15.3%
Others	**Rating**	**TP (INR)**	**Change in TP (%)**	**Upside**
Affle	SELL	1,520	1.3%	-21.4%
Route	REDUCE	800	0.0%	3.6%
BlackBuck	BUY	740	10.4%	19.4%
Nazara	ADD	300	-12.5%	12.7%

*Price as of 8th Oct'25

JM Financial Research is also available on: Bloomberg - JMFR <GO>, FactSet, LSEG and S&P Capital IQ.

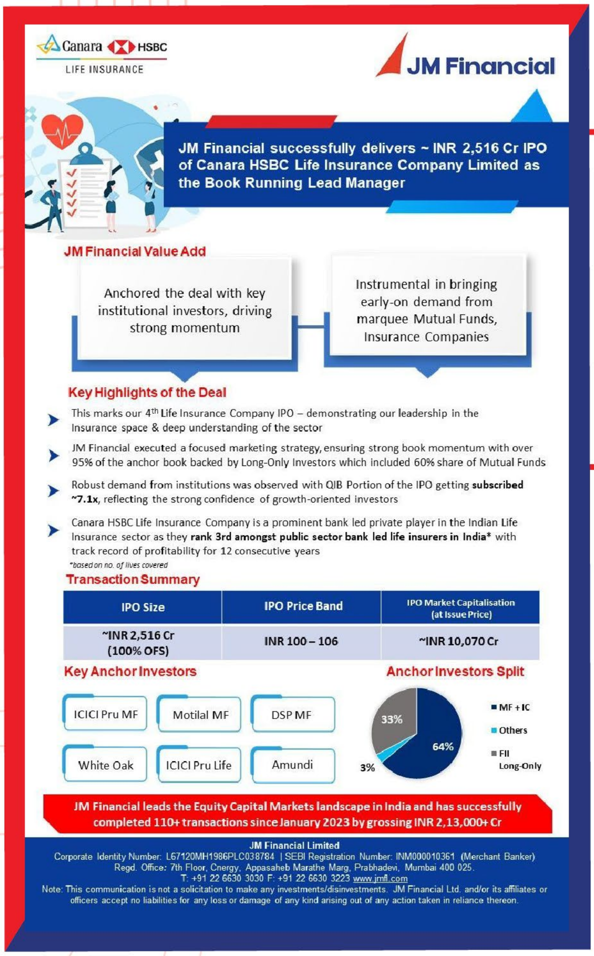
Please see Appendix I at the end of this report for Important Disclosures and Disclaimers and Research Analyst Certification.

JM Financial Institutional Securities Limited

Internet
Steady execution aided by early festive season

CYNOSURES

Deals of the month



Canara HSBC LIFE INSURANCE

JM Financial

JM Financial successfully delivers ~ INR 2,516 Cr IPO of Canara HSBC Life Insurance Company Limited as the Book Running Lead Manager

JM Financial Value Add

Anchored the deal with key institutional investors, driving strong momentum

Instrumental in bringing early-on demand from marquee Mutual Funds, Insurance Companies

Key Highlights of the Deal

- This marks our 4th Life Insurance Company IPO – demonstrating our leadership in the Insurance space & deep understanding of the sector
- JM Financial executed a focused marketing strategy, ensuring strong book momentum with over 95% of the anchor book backed by Long-Only Investors which included 60% share of Mutual Funds
- Robust demand from institutions was observed with QIB Portion of the IPO getting **subscribed ~7.1x**, reflecting the strong confidence of growth-oriented investors
- Canara HSBC Life Insurance Company is a prominent bank led private player in the Indian Life Insurance sector as they **rank 3rd amongst public sector bank led life insurers in India*** with track record of profitability for 12 consecutive years

*based on no. of lives covered

Transaction Summary

IPO Size	IPO Price Band	IPO Market Capitalisation (at Issue Price)
~INR 2,516 Cr (100% OFS)	INR 100 – 106	~INR 10,070 Cr

Key Anchor Investors

ICICI Pru MF, Motilal MF, DSP MF, White Oak, ICICI Pru Life, Amundi

Anchor Investors Split

JM Financial leads the Equity Capital Markets landscape in India and has successfully completed 110+ transactions since January 2023 by grossing INR 2,13,000+ Cr

JM Financial Limited
Corporate Identity Number: L67120MH1986PLC038784 | SEBI Registration Number: INM000010361 (Merchant Banker)
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com
Note: This communication is not a solicitation to make any investments/disinvestments. JM Financial Ltd. and/or its affiliates or officers accept no liabilities for any loss or damage of any kind arising out of any action taken in reliance thereon.

JM Financial successfully delivered ~ INR 2,516 Cr IPO of Canara HSBC Life Insurance Company Limited as the Book Running Lead Manager.

CANARA ROBECO Mutual Fund

JM Financial

JM Financial successfully delivers ~ INR 1,326 Cr IPO of Canara Robeco Asset Management Company (Canara Robeco AMC) as the BRLM

JM Financial Value Add

Instrumental in bringing in marquee institutional demand, **including the largest MF***

JM Financial's strong distribution network was key in mobilizing the **highest number of retail applications** amongst all other banks

Guided the company and ensured timely closure of **post-issue activities** of the IPO lifecycle

Key Highlights of the Deal

- JM Financial has served as the banker to all **5 publicly listed AMCs** in India, a testament to our unrivalled leadership as the **go-to ECM powerhouse** in the asset management space
- JM Financial executed a highly focused marketing strategy across HNI and retail channels via pan-India franchise helped in procuring the **highest number of retail applications** in the Syndicate
- IPO received a significant oversubscription and robust demand was observed across investor category with the **IPO subscribed ~ 10x overall**, including **~26x QIB** subscription reflects the strong confidence of growth – oriented investors

* as per total AUM

Transaction Summary

IPO Size	IPO Price Band	IPO Market Capitalisation (at Issue Price)
~INR 1,326 Cr (100% OFS)	INR 253 - 266	~INR 5,304 Cr

Key Anchor Investors

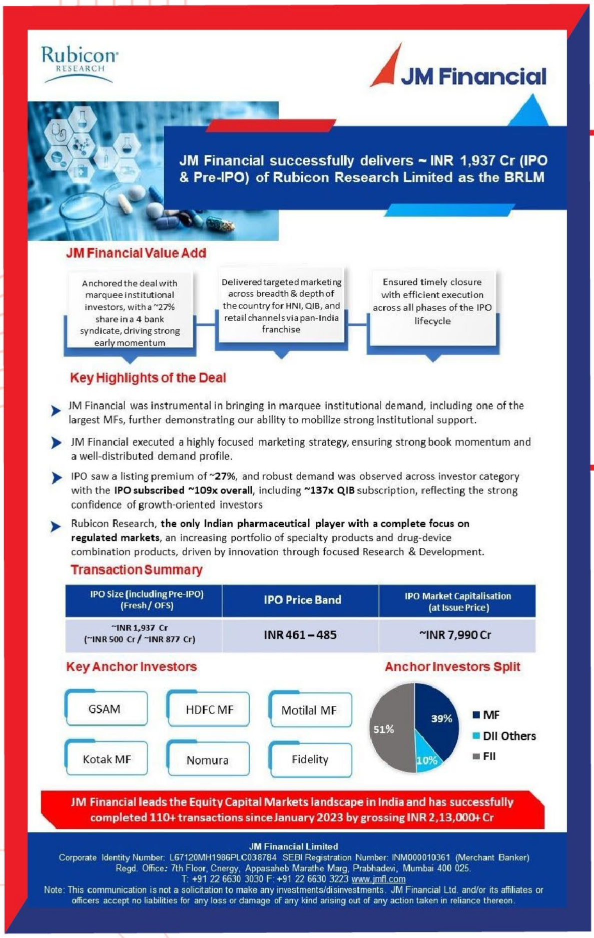
SBI MF, ICICI Pru MF, Nippon MF, Kotak MF, Motilal MF, Mirae MF

Anchor Investors Split

JM Financial leads the Equity Capital Markets landscape in India and has successfully completed more than ~90 transactions since April 2023 by grossing over ~INR 1,65,000 Cr

JM Financial Limited
Corporate Identity Number: L67120MH1986PLC038784 | SEBI Registration Number: INM000010361 (Merchant Banker)
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com
Note: This communication is not a solicitation to make any investments/disinvestments. JM Financial Ltd. and/or its affiliates or officers accept no liabilities for any loss or damage of any kind arising out of any action taken in reliance thereon.

JM Financial successfully delivered ~ INR 1,326 Cr IPO of Canara Robeco Asset Management Company as the BRLM.


Rubicon RESEARCH

JM Financial

JM Financial successfully delivers ~ INR 1,937 Cr (IPO & Pre-IPO) of Rubicon Research Limited as the BRLM

JM Financial Value Add

- Anchored the deal with marquee institutional investors, with a ~27% share in a 4 bank syndicate, driving strong early momentum
- Delivered targeted marketing across breadth & depth of the country for HNI, QIB, and retail channels via pan-India franchise
- Ensured timely closure with efficient execution across all phases of the IPO lifecycle

Key Highlights of the Deal

- JM Financial was instrumental in bringing in marquee institutional demand, including one of the largest MFs, further demonstrating our ability to mobilize strong institutional support.
- JM Financial executed a highly focused marketing strategy, ensuring strong book momentum and a well-distributed demand profile.
- IPO saw a listing premium of ~27%, and robust demand was observed across investor category with the **IPO subscribed ~109x overall**, including **~137x QIB** subscription, reflecting the strong confidence of growth-oriented investors
- Rubicon Research, **the only Indian pharmaceutical player with a complete focus on regulated markets**, an increasing portfolio of specialty products and drug-device combination products, driven by innovation through focused Research & Development.

Transaction Summary

IPO Size (including Pre-IPO) (Fresh / OFS)	IPO Price Band	IPO Market Capitalisation (at Issue Price)
~INR 1,937 Cr (~INR 500 Cr / ~INR 877 Cr)	INR 461 – 485	~INR 7,990 Cr

Key Anchor Investors

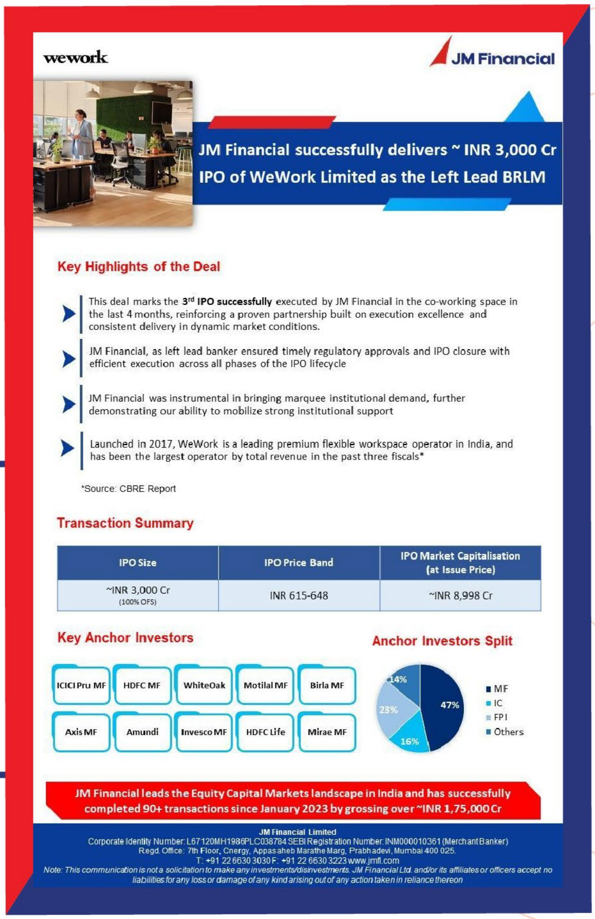
GSAM | HDFC MF | Motilal MF | Kotak MF | Nomura | Fidelity

Anchor Investors Split

JM Financial leads the Equity Capital Markets landscape in India and has successfully completed 110+ transactions since January 2023 by grossing INR 2,13,000+ Cr

JM Financial Limited
Corporate Identity Number: L67120MH1986PLC038784 SEBI Registration Number: INM000010361 (Merchant Banker)
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com
Note: This communication is not a solicitation to make any investments/disinvestments. JM Financial Ltd. and/or its affiliates or officers accept no liabilities for any loss or damage of any kind arising out of any action taken in reliance thereon.

JM Financial successfully delivered ~INR 1,937 Cr (IPO & Pre-IPO) of Rubicon Research Limited as BRLM.


wework

JM Financial

JM Financial successfully delivers ~ INR 3,000 Cr IPO of WeWork Limited as the Left Lead BRLM

Key Highlights of the Deal

- This deal marks the 3rd **IPO successfully** executed by JM Financial in the co-working space in the last 4 months, reinforcing a proven partnership built on execution excellence and consistent delivery in dynamic market conditions.
- JM Financial, as left lead banker ensured timely regulatory approvals and IPO closure with efficient execution across all phases of the IPO lifecycle
- JM Financial was instrumental in bringing marquee institutional demand, further demonstrating our ability to mobilize strong institutional support
- Launched in 2017, WeWork is a leading premium flexible workspace operator in India, and has been the largest operator by total revenue in the past three fiscals*

*Source: CBRE Report

Transaction Summary

IPO Size	IPO Price Band	IPO Market Capitalisation (at Issue Price)
~INR 3,000 Cr (100% OFS)	INR 615-648	~INR 8,998 Cr

Key Anchor Investors

ICICI Pru MF | HDFC MF | WhiteOak | Motilal MF | Birla MF | Axis MF | Amundi | Invesco MF | HDFC Life | Mirae MF

Anchor Investors Split

JM Financial leads the Equity Capital Markets landscape in India and has successfully completed 90+ transactions since January 2023 by grossing over ~INR 1,75,000 Cr

JM Financial Limited
Corporate Identity Number: L67120MH1986PLC038784 SEBI Registration Number: INM000010361 (Merchant Banker)
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3223 www.jmfl.com
Note: This communication is not a solicitation to make any investments/disinvestments. JM Financial Ltd. and/or its affiliates or officers accept no liabilities for any loss or damage of any kind arising out of any action taken in reliance thereon

JM Financial successfully delivered the ~INR 3,000 Cr IPO of WeWork India as the Left Lead BRLM.

AT A
FLASH

Educating Investors & Empowering IFDs

Aligned with SEBI's vision of fostering a financially informed investor community, we conducted 12 Investor Awareness Programs (IAPs) across India in October, in collaboration with our empanelled AMCs and Independent Financial Distributors (IFDs), following AMFI and SEBI guidelines. These sessions educated over 710 investors, helping them understand financial products, market behaviour, and make informed investment decisions.

We have also taken the initiative, in partnership with HDFC AMC, to conduct specialised training for our IFDs on Retirement Planning, an important area of financial education. The first session of this series was organised in Bengaluru. In addition, we hosted 7 IFD meets covering topics such as NFO launches, Growth Strategies with Solution Products, and Market Outlook, enabling distributors to guide clients more effectively.

MAKING A **DIFFERENCE**

From Manokola to Mumbai
Rise of Sanoj Murmu

We are proud to celebrate the incredible journey of Sanoj Murmu, a young footballer from Manokola village in Chakai block of Jamui district, Bihar. His determination has taken him from a small village to the professional football arena in Mumbai.

Training at the JM Financial Foundation's Future Stars Sports Academy (FSSA) since March 2023, he is the first player from the Foundation's sports project to sign a professional contract with Maharashtra Oranje FC, a 3-star AIFF-accredited football club based in Mumbai.

From taking his first-ever flight to Mumbai to scoring 4 goals and 2 assists in 4 matches in the AIFF U18 Youth League, Sanoj's journey stands as a powerful reminder that, with the right guidance, opportunity, and grit, dreams can truly take flight.

JM Financial

www.jmfl.com