Valuation INDIA

Valuation ARABIA

MARKET PULSE

OCTOBER 2026

Valuation, deals and macro intelligence for CFOs, promoters and founders

India's largest-ever IPO met a tightening central bank: Jio Platforms' INR 30,213 crore issue drew 22x bids in the same month the RBI raised rates for the first time since 2023.

5.50%	5.54%	22.19x	95.22
RBI REPO RATE	**CPI, SEPTEMBER**	**JIO IPO BOOK**	**USD / INR**
+25 bps on 7 Oct	*food 7.74%*	*QIB 70.55x*	*26 Oct close*

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India Policy & Macro Pulse

Rates, tax and regulation that moved valuations in October

RBI MONETARY POLICY

RBI hikes 25 bps to 5.50%, pivots to 'calibrated tightening'

The MPC voted **unanimously** on 7 October to raise the repo rate by 25 bps to **5.50%** – its first increase since February 2023 – and moved its stance from neutral to **calibrated tightening**, signalling that cuts are off the table in the near term. SDF now stands at 5.25%; MSF and Bank Rate at 5.75%. The RBI lifted its FY27 GDP forecast to **7.1%** (from 6.7%) but raised FY27 CPI to **5.2%** (from 5.0%), with Q3 seen at 6.0% and Q4 at 5.7%. September CPI, released on 12 October, printed **5.54%** (food 7.74%) – a fourth straight month above the 4% target. The next meeting is on **2-4 December**.

> **Valuation lens:** the 10-year G-sec rose to about 7.23%, a two-year high, after the decision. Refresh risk-free rates in every live DCF – a 25-40 bps move in Rf lifts cost of equity and can trim terminal values materially for long-duration businesses.

DIRECT TAX

Income-tax Act, 2025 in year one: rules and forms still moving

The Income-tax Act, 2025 and the Income-tax Rules, 2026 (Notification No. 22/2026 dated 20 March 2026) have applied since 1 April 2026, replacing the 1961 Act and 1962 Rules. CBDT continues to fine-tune the framework – most recently through the Income-tax (Fourth Amendment) Rules dated 17 September 2026, which revised Forms 169 and 171. **Action:** valuation reports, merchant-banker certificates and ESOP FMV workings must now cite the new section and rule numbers; legacy references to the 1962 Rules should be re-mapped before issue.

SEBI / MCA

SEBI reopens the SME IPO rulebook; MCA aligns Ind AS

On 15 October SEBI issued two consultation papers: a review of ICDR provisions for **SME IPOs** (comments by 4 November) and a review of how listed entities **monitor and disclose the use of issue proceeds**. Its 24 September board meeting approved enhanced ESG disclosures, and BRSR Core assessment/assurance reaches the top 1,000 listed companies in FY2026-27. NSE received SEBI's no-objection for corporate bond index futures on 1 October (RBI approval pending). MCA's Companies (Ind AS) Amendment Rules, 2026 (G.S.R. 725(E), 12 August) amended Ind AS 101, 107, 109, 110 and 7 – relevant to September-quarter closes.

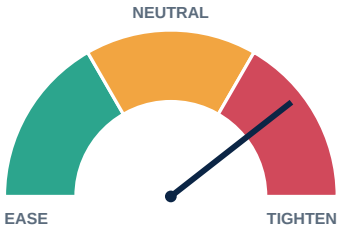
THIS MONTH'S CFO CHECKLIST

1. Re-run WACC on live valuations: Rf ~7.2%, repo 5.50%, and a tighter-for-longer RBI.
2. Stress-test interest cover and covenants as repo-linked loans reset upward.
3. Update report and certificate templates to Income-tax Act, 2025 / Rules, 2026 citations.
4. SME IPO aspirants: SEBI comments on the ICDR review are due by 4 November.
5. Exporters: map realisation and reporting to the FEMA export-import rules in force from 1 October.

MARKET SNAPSHOT

BSE Sensex	**73,123.83** *close, 23 Oct*
Nifty 50	**~22,600** *close, 23 Oct*
Repo rate	**5.50%** *+25 bps, 7 Oct*
10-Y G-sec	**~7.23%** *2-yr high, 7 Oct*
USD / INR	**95.22** *close, 26 Oct*
Brent (USD/bbl)	**~116.7** *6-mth high, 23 Oct*
Gold 24K (10 g)	**INR 1,47,170** *20 Oct*
FPI equity, Oct	**-INR 52,100 cr** *to mid-month*

MPC POLICY DIAL



CALIBRATED TIGHTENING

Repo 5.25% → 5.50% | vote 6-0

KEY DATES

21 Oct	MPC minutes published
28 Oct	FOMC decision; Jio listing
4 Nov	SEBI SME IPO comments due
2-4 Dec	Next RBI MPC meeting

Sources: RBI MPC resolution (7 Oct 2026); MoSPI CPI release (12 Oct); CBDT notifications; SEBI consultation papers (15 Oct); MCA G.S.R. 725(E); Business Standard; HDFC Sky/PTI; Trading Economics; CDSL/PTI.

Deal Street

M&A, IPOs and the valuation signals behind them

LEAD DEAL | CAPITAL MARKETS

Jio's INR 30,213 cr IPO: India's largest ever, booked 22x

Fresh issue of 27 crore shares at INR 1,065-1,119 | Implied m-cap INR 10.30 lakh cr at the top end | Listing 28 October on BSE & NSE

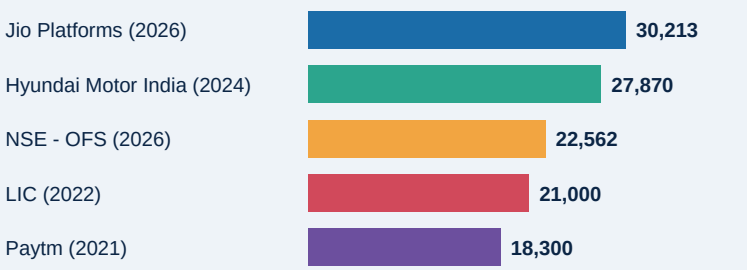
The book. Jio Platforms closed its three-day offer on 23 October subscribed **22.19 times**. Demand built late and was overwhelmingly institutional: QIBs bid 70.55x their portion, non-institutional investors 14.00x and retail just 2.72x. The book stood at 3.04x after day one and 5.57x after day two before closing-day institutional bids nearly doubled it. At INR 30,213 crore the issue surpasses Hyundai Motor India's INR 27,870 crore offer of 2024 as India's largest IPO.

Valuation lens. At the INR 1,119 upper band the offer values Jio at about **INR 10.30 lakh crore** (roughly USD 137 bn on brokers' estimates) – pricing institutions clearly accepted while retail stayed price-sensitive. Grey-market quotes of INR 245-254 imply an unofficial ~22% premium, but GMP is neither regulated nor reliable. The more durable signal is depth: a record issue cleared in a month when FPIs sold over INR 52,000 crore of Indian equities and the Sensex fell four straight sessions into the close.

Why it matters beyond Jio. A listed Jio creates a large, liquid comparable for telecom, digital-infrastructure and platform businesses – directly useful for PPA, fairness opinions and impairment testing. It also sets the tone for the 2027 pipeline: with SEBI reviewing SME IPO rules and proceeds-utilisation monitoring at the same time, governance and use-of-funds disclosure will be scrutinised harder at every issue size.

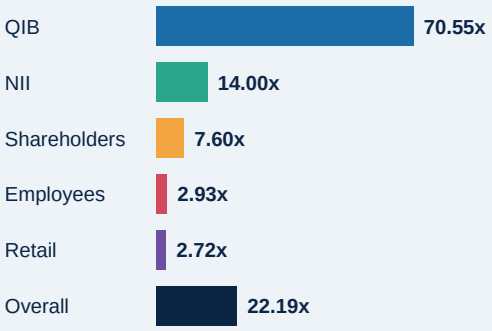
> ***"Institutions set the price; retail, at 2.7x, simply took it."***

INDIA'S LARGEST IPOs BY ISSUE SIZE (INR cr)



Jio at upper band; NSE figure is its completed OFS; LIC approx. Sources: Business Today, IPO Market, exchange filings.

IPO PULSE: JIO BOOK BY CATEGORY (x subscribed)



Final day, 7:00 pm IST, 23 Oct 2026. Source: HDFC Sky / exchange data.

ELSEWHERE ON DEAL STREET

- **Sahajanand Medical Technologies** IPO closed 14.21x; **Tonbo Imaging**, **Zetwerk Manufacturing** and **Bonfiglioli Transmissions** also completed bidding in October.
- **KPI Green Energy** agreed an INR 2,410 cr wind-asset acquisition; **KKR** is buying Cisternina Logistics as a liquid-storage platform.
- **ITC** took full ownership of Yoga Bar's parent with a INR 645 cr stake purchase.
- Q3 2026: 255 M&A deals worth USD 13.2 bn – volumes up, values down from Q2's Sun-Organon quarter.

VALUATION INDIA TAKE

Large, well-governed issuers can still raise record sums – but at a price institutions set. Promoters targeting 2027 listings should lock their peer set and valuation narrative now, and budget for discount rates 25-50 bps above where they stood six months ago.

Sources: Business Today; Chittorgarh; 5paisa; HDFC Sky; Communications Today; Ventura Securities; Investorgain (GMP); M&A Community weekly (26 Sep-2 Oct); Forvis Mazars Q3 2026 deal tracker.

Sector Spotlight

Four sectors, the month's numbers, and what they mean for value

01 IT / SAAS / GCC

Top line holds; IT the only sector FPIs bought

+10.7% Infosys Q2 FY27 revenue, YoY

- Infosys Q2 FY27: revenue INR 49,244 cr (+10.7% YoY), net profit INR 7,823 cr (+6.2%).
- Wipro: revenue INR 24,752.7 cr (+9.1%), PAT INR 3,199.7 cr (-1.9%); IT-services margin up 50 bps to 16.5% though constant-currency growth was flat QoQ.
- 1-15 Oct: IT drew INR 2,599 cr net FPI inflows while 18 of 23 sectors saw outflows.
- A rupee near 95/USD is flattering reported INR margins.

Valuation India takes: *Strip FX tailwinds from FY27 margins before capitalising earnings – a weaker rupee is not a durable moat for SaaS or GCC valuations.*

02 MANUFACTURING / PLI / EV

PLI-Auto investment outruns its outlay; cells ramp

INR 44,326 cr PLI-Auto investment to 31 Mar 2026

- MHI: PLI-Auto attracted INR 44,326 cr of investment and 67,820 jobs by 31 March 2026, against a budgetary outlay of INR 25,938 cr.
- PLI-ACC battery winners (Ola Cell, Reliance New Energy and others) are ramping domestic cell output from 2026.
- PM E-Drive subsidies for e-2W/e-3W ended in March 2026 – demand now rests on economics.
- Defence electronics (Tonbo Imaging) and contract manufacturing (Zetwerk) tapped the IPO market in October.

Valuation India takes: *Model PLI incentives as a separate, time-bound cash stream – never in terminal value – and stress-test EV volumes without subsidies.*

03 PHARMA & HEALTHCARE

Consolidation wave: deal value ~4x last year's

INR 1,386 bn Healthcare M&A YTD 2026 (CY25: INR 354 bn)

- September alone saw INR 19 bn of healthcare M&A across three deals; PE was led by hospitals and health-tech.
- Anupam Rasayan bought 50.1% of Bliss GVS Pharma for ~INR 1,750 cr, entering formulations.
- Sun Pharma's USD 11.75 bn EV purchase of Organon (60% premium) still anchors 2026 pharma value.
- Equity appetite is strong: Symbiotec's IPO was subscribed 71.3x; ChrysCapital took a minority stake in Linux Laboratories.

Valuation India takes: *Control premia are expanding – benchmark against 2026 precedents, not 2023 multiples, in fairness opinions and swap ratios.*

04 ESG & ENVIRONMENTAL IMPACT

Green capital goes offshore via GIFT City

263 GW RE installed (Jan 2026) vs 500 GW 2030 goal

- IEEFA puts India's 2026-35 clean-energy investment need at USD 1.5 trillion.
- ReNew raised USD 600 mn of green bonds via GIFT City (6.5%, due 2031); Continuum has followed with USD 450 mn.
- BRSR Core assessment/assurance reaches the top 1,000 listed companies in FY2026-27, pushing value-chain ESG data requests down to unlisted suppliers.
- Augment Infrastructure sold a INR 1,096 cr Clean Max stake – secondary RE assets are trading.

Valuation India takes: *Unlisted suppliers to BRSR-1000 companies should build an ESG data room now – it is fast becoming a diligence item and a pricing factor.*

Sources: Free Press Journal; Univest/company filings; PSU Connect; Finnovate (NSDL FPI data); Ministry of Heavy Industries; Argus; Indian Pharma Post; Grant Thornton Bharat; Bloomberg; IEEFA; The Corporate Treasurer; KPMG (BRSR).

Startups, ESOPs, FEMA & Global Lens

Private capital, cross-border rules and the world outside

STARTUP FUNDING

Fewer cheques, bigger rounds: USD 10.3 bn in nine months

Tracxn data for 1 January-21 September 2026 show Indian tech companies raised **USD 10.3 bn**, up 7% YoY, even as funding rounds fell 38% to 1,134. Capital is concentrating: in the week of 21-25 September, Ultraviolette (USD 85 mn) and Ema (USD 77 mn) took nearly 80% of the USD 203.4 mn raised across 21 deals (Inc42). Six start-ups became unicorns in 2026 to 21 September, and Dealroom tracks two further Indian entrants in October.

ESOP TRENDS

ESOP season: refresh, re-document, re-value

From our current mandates: **(1) Refresh, don't reprice** – new grants at today's FMV avoid modification accounting under Ind AS 102 that repricing underwater options triggers. **(2) Re-document** – perquisite and allotment FMV reports must now cite the Income-tax Act, 2025 and Rules, 2026. **(3) Liquidity windows** – buybacks and secondary sales each need a fresh independent valuation, not a roll-forward of the last round.

UNICORN TRACKER 2026

Company	Sector	Month	Valuation
Juspay	Payments infra	Jan	~USD 1.0 bn
Neysa	AI infrastructure	Feb	USD 1.4 bn
KreditBee	Consumer lending	Apr	~USD 1.5 bn
Skyroot Aerospace	Space launch	May	>USD 1.0 bn

Tracxn: 6 new Indian unicorns, 1 Jan-21 Sep 2026; Dealroom: 2 more in October.

FEMA / CROSS-BORDER

New export-import FEMA regime live from 1 October

The FEM (Export and Import of Goods and Services) Regulations, 2026 and accompanying Directions came into force on **1 October 2026**; exporters should re-check realisation and reporting timelines. RBI's draft FEM (Foreign Investment) Rules, 2026 – set to replace the NDI Rules, 2019 – closed for comments on 31 August and define FDI as 10% or more of equity. Mid-month, RBI moved oil companies' dollar buying off the open market and made large rupee-linked hedges costlier, giving the rupee its best week in four years.

CAPITAL MARKETS

FPIs sell INR 3.1 lakh cr in 2026; domestic money absorbs it

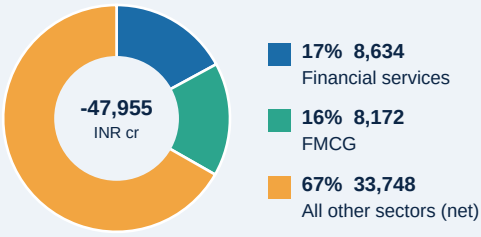
FPIs pulled **INR 52,100 crore** from Indian equities in October to mid-month, taking 2026 outflows to **INR 3.12 lakh crore** – nearly double 2025's full-year INR 1.66 lakh crore – after INR 35,861 crore of selling in September. Drivers are global (US yields, crude, a firm dollar) rather than India-specific; Jio's record book still cleared.

GLOBAL MACRO

Fed decides 28 Oct after September hike; Brent at six-month high

The FOMC raised the fed funds range 25 bps to **3.75-4.00%** on 16 September (12-0), its first hike since July 2023; the 27-28 October meeting carries no new dot plot. Brent settled near **USD 116.7** on 23 October after fresh tanker strikes off Oman, with the Strait of Hormuz shut for 237 days; the dollar index is near 101.9. For India: imported inflation, support for the RBI's tightening bias and pressure on the current account.

FPI EQUITY SELLING, 1-15 OCT 2026 (INR cr, net)



IT was the only major net buyer (+INR 2,599 cr). Source: NSDL data via Finnovate.

BY THE NUMBERS

USD 10.3 bn	**INR 3.12 lakh cr**	**3.75-4.00%**	**USD 116.7**	**237 days**	**101.9**
Start-up funding, 1 Jan-21 Sep	FPI equity outflow, 2026 YTD	Fed funds range	Brent, 23 Oct	Strait of Hormuz closed	US dollar index

Sources: Tracxn via People Matters; Inc42; Dealroom; RBI FEMA notifications & press releases; CorpLawUpdates; Vantage Markets; CDSL via PTI; Federal Reserve calendar; Admiral Markets; GoodCarBadCar oil tracker; HDFC Sky.

About Valuation India

Independent valuation and financial advisory | Pune | Dubai | Singapore | USA

Valuation India is an independent financial-advisory firm headquartered in Pune, with offices in Dubai, Singapore and the USA. Our team of IBBI-registered valuers, Chartered Accountants and credentialed valuation professionals (including CVA / NACVA standards) advises CFOs, promoters, founders and investors on the numbers that matter most – what a business is worth, how a deal should be priced and structured, and how performance is reported. We serve start-ups, SMEs, listed companies and global groups across India, the GCC, the USA and Europe, with reports built to stand up to regulators, auditors, tax authorities and counterparties.

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- ESOP & sweat-equity valuation
- US 409A & NACVA-standard reports

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- Fund-raising & investor support
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TALK TO US

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OUR STANDARDS

IBBI-registered valuers | Chartered Accountants | CVA (NACVA) | Reports aligned to ICAI Valuation Standards, IVS and Ind AS 113 / IFRS 13

Next issue: November 2026 – RBI's December MPC preview, Q2 FY27 earnings scorecard and the Jio listing review.

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Sources: Valuation India practice information; valuationindia.co.in.