Strategy

Clean sweep for NDA; JDU in commanding position

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Exceeding most exit poll predictions, the NDA stormed back to power in the Bihar assembly election with a commanding mandate of 202 seats, far higher than 122 it won in the previous election. The recently launched women-centric cash transfer scheme played a major role in improving the voter turnout – especially among women, which reflected in the results as well. The Nitish Kumar-led JDU was a clear winner, snatching 40+ seats from the RJD, while the BJP (the single-largest party in terms of seats won) gained at the cost of the Congress (-13 seats). Although the results of the Bihar election send a clear signal of the political appeal of the BJP and its allies, we believe the JDU with 85 seats is currently in a commanding position at the Centre.

- **Clean sweep by NDA:** The National Democratic Alliance (NDA) made a clean sweep with 202 seat wins in the Bihar assembly elections vs 122 seats in the previous election. Unlike the past trend, the actual results were in line with the exit polls but the mandate was stronger this time vs 146 seats predicted by exit polls for the NDA. There is a clear shift in seats from the RJD to the Nitish Kumar led JD(U), with a gain of 42 seats, while the BJP gained 15 seats at the cost of the Congress (-13 seats) vs the previous election. The Lok Jan Shakti Party garnered a sizable chunk of 19 seats for the NDA alliance. The Jan Suraaj Party did not win even a single seat in its debut election; the exit polls had predicted it could win two seats. Although the BJP is the single largest party (89), the opposition RJD had the highest vote share of 23% vs. 20% for BJP.

- **Women made their presence felt:** In the run-up to the election results, the highest voter turnout of 66.91% in both phases gathered eyeballs as it generally indicates anti-incumbency. In hindsight, it is clear that the extensive review of the voter list, which removed ~6.5nn inactive names, may have been the main reason. The highest turnout (71.6%) among women was also the key highlight in this election, as it exceeded male turnout by ~9ppts. The recently launched "Mukhyamantri Mahila Rozgar Yojana" wherein INR 10,000 was transferred to one women per family played its role in increasing the turnout among women. It is worth highlighting that 11mn women were identified for this scheme, which is one-third of the total women voters in the state.

- **Decisive mandate to add stability at the centre:** The decisive mandate in Bihar in favour of the NDA and the magnitude of shift in votes from the opposition parties (RJD & Congress) sends a clear signal of the political appeal of the BJP and its allies. However, we believe that with 85 seats the JDU is currently in a commanding position in the alliance, which will provide it greater negotiating power at the Centre. We expect the markets to react positively to this victory, considering that it will add stability to the coalition at the Centre.

Exhibit 1. Clean sweep for NDA in Bihar; Highest vote share with RJD

Party Name	Seat Wins 2025	Seat Wins 2020	Change	Vote Share (%)
National Democratic Alliance (NDA)	**202**	**122**	**80**	
Bharatiya Janata Party - BJP	89	74	15	20
Janata Dal (United) - JD(U)	85	43	42	19.3
Lok Janshakti Party (Ram Vilas) - LJPRV	19	n.a	19	5.0
Others	9	5	4	
Mahagathbandhan	**35**	**114**	**-79**	
Rashtriya Janata Dal - RJD	25	75	-50	23
Indian National Congress - INC	6	19	-13	8.7
Others	4	20	-16	
Others	**6**	**7**	**-1**	

Source: Election commission, JM Financial

Exhibit 2. Exit polls had predicted comfortable majority for NDA in Bihar

	No. of seats			
Polling agency	NDA	Mahagathbandhan	Jan Suraaj	Others
P-MARQ	142-162	80-98	1-4	0-3
Chanakya Strategies	130-138	100-108	-	3-5
People's Pulse	133-159	75-101	0-5	2-8
People's Insight	133-148	87-102	0-2	3-6
Matrize Projects	147-167	70-90	-	-
JVC Poll	135-150	88-103	0-1	3-6
Dainik Bhaskar	145-160	73-91	-	5-10
Average	**146**	**90**	**2**	**5**

Source: Media, JM Financial

APPENDIX I

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Rating	**Meaning**
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SELL	Expected return < -10% over the next twelve months.

Note: For REITs (Real Estate Investment Trust) and InvIT (Infrastructure Investment Trust) total expected returns include dividends or DPU (distribution per unit)

Previous Rating System: Definition of ratings	
Rating	**Meaning**
BUY	Total expected returns of more than 10% for stocks with market capitalisation in excess of INR 200 billion and REITs* and more than 15% for all other stocks, over the next twelve months. Total expected return includes dividend yields.
HOLD	Price expected to move in the range of 10% downside to 10% upside from the current market price for stocks with market capitalisation in excess of INR 200 billion and REITs* and in the range of 10% downside to 15% upside from the current market price for all other stocks, over the next twelve months.
SELL	Price expected to move downwards by more than 10% from the current market price over the next twelve months.

* REITs refers to Real Estate Investment Trusts.

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