

HSIE Results Daily

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Results Reviews

- Bajaj Finance:** Bajaj Finance (BAF) reported largely in-line earnings, driven by steady AUM growth (+22.4% YoY), marginal reflation in NIMs (9.1%), and lower credit costs. GS-III/NS-III and credit costs (adjusted for recoveries from written-off loans and accelerated provisions) improved sequentially and improvement in vintage credit performance (3MOB, 6MOB, etc.) is likely to drive lower credit costs for FY27, although global uncertainties remain an overhang. The ongoing FINAI transformation remains on track and is expected to drive higher productivity and operating efficiency gains, going ahead. BAF remains the best-in-class franchise with a diversified franchise and multiple levers to sustain loan growth and superior profitability. We revise our FY27E/FY28E credit costs estimates marginally and maintain BUY with a revised RI-based TP of INR 1,100 (implying 4.3x Mar-28 ABVPS; 22x FY28E EPS).
- Indian Bank:** Indian Bank (INBK) reported a steady print of Q4FY26 on the back of strong business growth, steady operating performance; partly offset by additional one-time provision of INR3.1bn as a buffer against West Asia crises. Deposit growth (+12% YoY; 5% QoQ) was strong with CASA ratio being flat at 37.9% (+5bps QoQ). Pick-up in credit growth (~15% YoY, ~5% QoQ) was driven by retail, gold, and MSME segments. Credit costs came in higher at 0.5%, with higher slippages in MSME and agri segments and additional provisioning buffer. While we draw great comfort from the granularity of deposits (especially high SA mix) of INBK coupled with sustained business momentum in recent times, the higher exposure of MSME and agri segment (excl. gold) does make it more vulnerable to an uncertain macro environment. We retain our BUY stance on INBK with a revised TP of INR990 (1.3x Mar-28 ABVPS).
- Federal Bank:** Federal Bank's (FB) Q4FY26 marginally missed estimates (excluding one-off tax benefit), with relatively softer NII growth, offset by continued traction in other income, in-line asset quality and gradual uptick in business momentum. Credit growth (+13% YoY/+3.5% QoQ) saw continued traction in medium-yielding segments. Deposit growth (+11% YoY; +5% QoQ) was healthy as the CASA ratio continued to improve (32.9%; +87 bps QoQ), driven by higher traction in current account balances. The bank received one-off interest on IT refund of INR4.6bn, which was utilized to create a floating provision on NPA pool, factoring in ECL transition. Even as we believe that FB is well-placed to capitalize on its balance sheet strengths (quality deposit franchise, superior underwriting standards, capital buffer), we argue that loan growth is likely to be moderate (14% CAGR FY26E-FY28E), alongside higher provisions from rising stress in the core MSME portfolio as highlighted in our recent company update. We maintain ADD with a revised TP of INR305 (1.6x Mar-28 ABVPS).
- Star Health and Allied Insurance:** Star Health and Allied Insurance (STARHEAL) reported Q4FY26 NEP growth below expectations (+14% YoY), though reported PAT aligned with estimates, as the Q4FY26 loss ratio (LR) came in at 64.8%, improving by over 440bps YoY. This improvement is apparently driven by lower incidence rates, which we believe is temporary. That said, we view the full-year FY26 LR (68.2%) as a new baseline for FY27-28E. Our analysis suggests that re-pricing of the renewal book, having already

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contributed meaningfully to FY26 earnings improvement, remains crucial to sustain profitability. As flagged in our insurance thematic, STARHEAL faces several structural headwinds, including poor risk selection, agency channel fatigue, weak product pricing, and sub-optimal data. On a more constructive note, STARHEAL is investing in customer experience, reflected in a steady improvement in claims settlement ratio. Given the loss ratio outcomes, we raise our FY27/28E PAT estimates by 7%/6% respectively and maintain ADD with a DCF-based TP of INR545 (implying 26.6x FY28E EPS).

- **Piramal Pharma:** EBITDA (-18% YoY) was 5/4% above our/consensus estimates, with margins at 16.7% (-363bps YoY, +759bps QoQ), largely due to lower sales (flat YoY; CDMO declined -4% YoY due to the absence of one on-patent product supply), moderate costs (+4% YoY), and lower gross margins at 61.6% (-369 bps YoY). Piramal expects (1) early-to-mid-teen revenue growth (factors in no sales from one on-patent product supplies) and EBITDA to grow faster than revenue due to operating leverage. (2) CDMO: expects healthy growth in FY27E on the back of recovery in global biopharma funding (Oct-25 onwards) which is leading to the pick-up in RFPs and order inflows, along with rising demand in overseas sites and strong growth in differentiated capabilities. Investment of USD 90mn to expand Lexington (sterile injectable) and Riverview (payload-linker) facilities on track; Piramal is optimistic of supply opportunity for Obicetrapib and Ezetimibe for NewAmsterdam Pharma. Moreover, opportunity from Sofpironium Bromide (Sofdra; gross sales at ~USD 100mn) supply agreement with Botanix Pharma from Piramal's Riverview facility in FY27E provides visibility on improvement in oversea subsidiaries business. (3) CHG: to sustain growth momentum in FY27E, driven by steady traction from Sevoflurane, growth in Inhalation Anesthesia in ex-US markets, and integration of Kenalog portfolio (sales potential of USD 25-30 mn). (4) ICH: to sustain double-digit growth in sales with margin expansion. (5) Net debt was at ~INR 41bn as of Mar-26 and net debt to EBITDA was at 3.6x and it expects to remain steady at FY27; Capex at USD 120-135 mn in FY27E. Factoring in FY26 and guidance for FY27E, we have cut our EBITDA estimates by 14/8% for FY27/28E. We retain BUY and a TP of INR 220, based on 16x FY28E EV/EBITDA (implying 44x PE).

Bajaj Finance

A steady quarter

Bajaj Finance (BAF) reported largely in-line earnings, driven by steady AUM growth (+22.4% YoY), marginal reflation in NIMs (9.1%), and lower credit costs. GS-III/NS-III and credit costs (adjusted for recoveries from written-off loans and accelerated provisions) improved sequentially and improvement in vintage credit performance (3MOB, 6MOB, etc.) is likely to drive lower credit costs for FY27, although global uncertainties remain an overhang. The ongoing FINAI transformation remains on track and is expected to drive higher productivity and operating efficiency gains, going ahead. BAF remains the best-in-class franchise with a diversified franchise and multiple levers to sustain loan growth and superior profitability. We revise our FY27E/FY28E credit costs estimates marginally and maintain BUY with a revised RI-based TP of INR 1,100 (implying 4.3x Mar-28 ABVPS; 22x FY28E EPS).

- **Steady P&L outcomes adjusted for accounting change:** NIM reflatd marginally QoQ at 9.1% due to reduction in cost of funds (by 4bps). AUM growth was driven by LAP (+36% YoY), LRD (+42% YoY), LAS (+31% YoY), sales finance (+29% YoY) and new products (~9.3% of AUM), with growth likely to improve in FY27. Recoveries from written-off loans (~18-20bps of net loans) will be netted off from provisions from Q4FY26 onwards vs a part of other operating income earlier, leading to a drop in non-interest income.
- **Credit costs likely to improve; global uncertainties remain an overhang:** GS-III/NS-III improved QoQ to 1.01%/0.41% (Q3FY26: 1.21%/0.47%), while GS-II remained steady at 0.94%. Credit costs (adjusted for accounting change and accelerated provisioning in Q3) improved by 9bps QoQ to 1.65% and is likely to improve further to ~1.45-1.6% in FY27 with improving collection efficiencies across products, as per management. However, the global uncertainties remain an overhang with downside risks to these estimates.
- **Robust franchise with multiple growth, operating efficiency levers:** BAF's new products (car loans, gold loans, MFI, open market 2W/3W, tractors, and CV) are scaling up well, now contributing to ~9.1% of AUM. The ongoing FINAI transformation remains on track and is likely to drive higher cross-sell, improve productivity levels, and aid credit costs in the medium term. With strong customer acquisitions, scale-up of new products, and FINAI transformation underway, BAF is poised to deliver a healthy AUM CAGR of ~23-24% and profitability (RoE of ~20%) during FY27-FY28E.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	QoQ (%)	FY26	FY27E	FY28E
NII	117.8	98.1	20.1	113.2	4.1	441	543	673
PPOP	94.1	79.7	18.1	90.5	3.9	353	433	540
PAT	54.6	44.8	22.0	39.8	37.4	190	250	311
EPS (INR)	8.8	7.2	21.8	6.4	37.8	31	40	50
ROAE (%)						18.1%	20.0%	20.9%
ROAA (%)						3.7%	4.0%	4.1%
ABVPS (INR)						180	213	254
P/ABV (x)						5.2	4.4	3.7
P/E (x)						30.4	23.1	18.6

Change in estimates

INR bn	FY27E			FY28E		
	Old	New	Chg	Old	New	Chg
AUM	6,271	6,265	-0.1%	7,766	7,757	-0.1%
NIM (%)	8.8	8.8	1 bps	8.9	8.9	0 bps
NII	546.1	543.3	-0.5%	675.4	672.7	-0.4%
PPOP	448.9	433.0	-3.6%	556.0	539.8	-2.9%
PAT	251.1	249.9	-0.5%	312.1	311.4	-0.2%
ABVPS (INR)	211	213	1.1%	253	254	0.4%

Source: Company, HSIE Research

BUY

CMP (as on 29 Apr 2026) INR 930

Target Price INR 1,100

NIFTY 24,178

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1080	INR 1100
EPS %	FY27E	FY28E
	-0.5%	-0.2%

KEY STOCK DATA

Bloomberg code	BAF IN
No. of Shares (mn)	6,226
MCap (INR bn) / (\$ mn)	5,790/61,087
6m avg traded value (INR mn)	8,278
52 Week high / low	INR 1,103/788

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(0.6)	(12.5)	2.4
Relative (%)	5.6	(3.7)	5.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	54.7	54.7
FIs & Local MFs	14.9	15.2
FPIs	21.5	21.3
Public & Others	8.9	8.8

Pledged Shares - -

Source: BSE

Pledged shares as % of total shares

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Indian Bank

Steady quarter; asset quality key monitorable

Indian Bank (INBK) reported a steady print of Q4FY26 on the back of strong business growth, steady operating performance; partly offset by additional one-time provision of INR3.1bn as a buffer against West Asia crises. Deposit growth (+12% YoY; 5% QoQ) was strong with CASA ratio being flat at 37.9% (+5bps QoQ). Pick-up in credit growth (~15% YoY, ~5% QoQ) was driven by retail, gold, and MSME segments. Credit costs came in higher at 0.5%, with higher slippages in MSME and agri segments and additional provisioning buffer. While we draw great comfort from the granularity of deposits (especially high SA mix) of INBK coupled with sustained business momentum in recent times, the higher exposure of MSME and agri segment (excl. gold) does make it more vulnerable to an uncertain macro environment. We retain our BUY stance on INBK with a revised TP of INR990 (1.3x Mar-28 ABVPS).

- **Healthy growth loan growth; consistent operating performance:** NII growth (+11%YoY) was supported by lower cost of funds (5bps QoQ), largely offset by drop in yields on advances (-11bps QoQ) as margins declined by 5bps to 3.2%. The bank sustained its health loan growth trajectory (~15% YoY), driven by home loans (13% YoY), vehicle loans (40% YoY), retail gold loans (90% YoY), and MSME loans (16% YoY).
- **Asset quality key tracking variable:** Even as gross slippages inched up to 0.8% (Q3FY26:0.6%), driven by higher agri and MSME slippages, credit costs (excluding one-offs) remained low at ~27 bps (FY26:30bps). While INBK has created an additional provisioning buffer of INR3.1bn, higher loss given defaults due to high exposure to MSME and agri segment make it more vulnerable to a weaker economic environment compared to peers. Hence, we build an average credit cost of ~51 bps for FY26-FY28E.
- **Sustaining margins and benign asset quality key to earnings:** INBK has managed to strongly reflate its earnings on the back of balance sheet strength while improving asset quality alongside healthy growth. We believe sustainability of current profitability is subject to stable margin trajectory and benign asset quality outcomes, both of which are challenging in the expected monetary tightening phase.

Financial summary

(INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	71.1	63.9	11.3%	69.0	3.1%	269.1	301.2	328.7
PPOP	52.9	50.2	5.3%	50.2	5.2%	199.1	215.4	242.0
PAT	31.0	29.6	5.0%	30.6	1.4%	121.5	127.3	146.5
EPS (INR)	23.0	22.0	5.0%	22.7	1.4%	90.2	94.5	108.7
ROAE (%)						16.5	15.3	15.5
ROAA (%)						1.3	1.2	1.3
ABVPS (INR)						572.2	648.3	739.2
P/ABV (x)						1.5	1.4	1.2
P/E (x)						9.7	9.3	8.1

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	Δ	New	Old	Δ
Net advances	7,410	7,343	0.9%	8,377	8,298	0.9%
NIM (%)	3.1	3.2	-8 bps	3.1	3.2	-9 bps
NII	301.2	311.6	-3.3%	328.7	341.8	-3.8%
PPOP	215.4	222.4	-3.1%	242.0	251.7	-3.9%
PAT	127.3	129.3	-1.6%	146.5	148.3	-1.3%
Adj. BVPS (INR)	648.3	657.0	-1.3%	739.2	748.9	-1.3%

Source: Company, HSIE Research

BUY

CMP (as on 29 Apr 2026) INR 876

Target Price INR 990

NIFTY 24,178

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR1,000	INR990
	FY27E	FY28E
EPS %	-1.6%	-1.3%

KEY STOCK DATA

Bloomberg code	INBK IN
No. of Shares (mn)	1,347
MCap (INR bn) / (\$ mn)	1,179/12,442
6m avg traded value (INR mn)	1,871
52 Week high / low	INR 1,001/540

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.7)	2.5	51.6
Relative (%)	2.4	11.3	55.1

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	73.8	73.8
FIs & Local MFs	17.8	17.8
FPIs	5.6	5.8
Public & Others	2.7	2.6
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Federal Bank

Sustained IRR lift key to earnings reflation

Federal Bank's (FB) Q4FY26 marginally missed estimates (excluding one-off tax benefit), with relatively softer NII growth, offset by continued traction in other income, in-line asset quality and gradual uptick in business momentum. Credit growth (+13% YoY/+3.5% QoQ) saw continued traction in medium-yielding segments. Deposit growth (+11% YoY; +5% QoQ) was healthy as the CASA ratio continued to improve (32.9%; +87 bps QoQ), driven by higher traction in current account balances. The bank received one-off interest on IT refund of INR4.6bn, which was utilized to create a floating provision on NPA pool, factoring in ECL transition. Even as we believe that FB is well-placed to capitalize on its balance sheet strengths (quality deposit franchise, superior underwriting standards, capital buffer), we argue that loan growth is likely to be moderate (14% CAGR FY26E-FY28E), alongside higher provisions from rising stress in the core MSME portfolio as highlighted in our recent [company update](#). We maintain ADD with a revised TP of INR305 (1.6x Mar-28 ABVPS).

- **Gradual pick-up in credit growth; softer operating performance:** NII growth excluding one-offs was soft (2.4% QoQ) with 11bps QoQ drop in loan yields, partly offset by 4bps QoQ drop in the cost of funds with NIMs remaining flat at 3.2%. Loan growth was led by growth in commercial (26% YoY), gold loans (26% YoY), alongside scaling of higher-yielding segments. We build in a 14% loan CAGR over FY26-F28E, factoring in an inflationary macro environment.
- **Asset quality in line; strengthening provision buffer:** Gross slippages (0.7%) and credit costs (47bps excluding one-offs) were flat, with benign asset quality across segments. The management created a floating provision of INR4.6bn from the one-off tax gain, boosting the PCR to 87.8%. We build average credit costs at 65bps for FY26E-FY28E, factoring in stress in the core MSME segment.
- **Critical to deliver profitability plus growth for valuation re-rating:** Given FB's pivot towards enhancing profitability, the bank's ability to exercise pricing power on both sides of the balance sheet, while concomitantly picking up credit growth, is critical for a valuation upgrade.

Financial summary

(INR bn)	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26A	FY27E	FY28E
NII	27.2	23.8	14.3%	26.5	2.4%	106.6	127.5	147.7
PPOP	18.2	14.7	24.2%	17.2	5.9%	72.0	84.5	99.5
PAT	8.0	10.3	-22.0%	10.3	-22.1%	41.1	48.7	60.1
EPS (INR)	5.1	4.2	21.4%	4.2	20.5%	16.7	19.8	22.0
ROAE (%)						11.4	11.9	12.4
ROAA (%)						1.1	1.2	1.3
ABVPS (INR)						155.2	172.0	192.2
P/ABV (x)						1.8	1.7	1.5
P/E (x)						17.1	14.4	13.0

Source: Company, HSIE Research

Change in estimates

(INR bn)	FY27E			FY28E		
	New	Old	% chg	New	Old	% chg
Net advances	3,002	2,994	0.3%	3,462	3,449	0.4%
NIM (%)	3.5	3.5	-3bps	3.6	3.6	-6bps
NII	127.5	128.3	-0.6%	147.7	149.2	-1.0%
PPOP	84.5	83.9	0.7%	99.5	98.6	0.9%
PAT	48.7	48.2	1.1%	60.1	59.1	1.7%
Adj. BVPS (INR)	172.0	170.3	1.0%	192.2	190.6	0.8%

Source: Company, HSIE Research

ADD

CMP (as on 29 Apr 2026)	INR 285
Target Price	INR 305
NIFTY	24,178

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR300	INR305
	FY27E	FY28E
EPS %	+1.1%	+1.7%

KEY STOCK DATA

Bloomberg code	FB IN
No. of Shares (mn)	2,464
MCap (INR bn) / (\$ mn)	702/7,401
6m avg traded value (INR mn)	2,558
52 Week high / low	INR 302/183

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(1.0)	21.2	40.0
Relative (%)	5.1	30.0	43.5

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	0	0
FIs & Local MFs	51.1	50.4
FPIs	24.9	26.1
Public & Others	24.0	23.6
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Star Health and Allied Insurance

Low loss ratio surprises positively

Star Health and Allied Insurance (STARHEAL) reported Q4FY26 NEP growth below expectations (+14% YoY), though reported PAT aligned with estimates, as the Q4FY26 loss ratio (LR) came in at 64.8%, improving by over 440bps YoY. This improvement is apparently driven by lower incidence rates, which we believe is temporary. That said, we view the full-year FY26 LR (68.2%) as a new baseline for FY27-28E. Our analysis suggests that re-pricing of the renewal book, having already contributed meaningfully to FY26 earnings improvement, remains crucial to sustain profitability. As flagged in our [insurance thematic](#), STARHEAL faces several structural headwinds, including poor risk selection, agency channel fatigue, weak product pricing, and sub-optimal data. On a more constructive note, STARHEAL is investing in customer experience, reflected in a steady improvement in claims settlement ratio. Given the loss ratio outcomes, we raise our FY27/28E PAT estimates by 7%/6% respectively and maintain ADD with a DCF-based TP of INR545 (implying 26.6x FY28E EPS).

- Loss ratio cools off:** The LR improved to 64.8% (Q4FY25: 69.2%), benefitting from a high base, lower incidence rates, and reduced claims cost following GST rationalization on consumables. We treat the incidence rates as seasonal - claim count grew just 7% for FY26 (9MFY26: 10%). Meanwhile, the claim size (adjusted for PHC) averaged INR39,700 (+7% YoY), while the incidence rates came in at 10.7% (-10bps YoY), together implying 7% growth in loss costs for FY26. Within the retail portfolio, the FY26 LR improved to 68.2%, attributable to a ~1% increase in the share of fresh business NEP.
- Stable investment income:** Investment income clocked in at INR3.2bn (+14% YoY), lending stability to overall earnings. While this level appears broadly sustainable, it continues to introduce earnings volatility given its dependence on management's discretion over gains realization.
- Re-rating hinges on sustained improvement in LR and renewal re-pricing:** Management guided for high-teens RoE and mid-teens growth, underpinned by an improving combined ratio (CoR). As the company transitions to INDAS reporting from FY27E, the CoR is likely to benefit from deferral of acquisition costs. We do not expect any material change in the LR during FY27/28E, as the primary lever remains effective re-pricing of the renewal book.

Financial summary

Y/E Mar (INR bn)	Q4FY26	Q4FY25	YoY (%)	Q3FY26	FY25	FY26	FY27E	FY28E
Net earned premium	43.3	38.0	13.9	42.5	148.2	166.0	202.7	236.3
Underwriting profits	-1.5	-2.7	NM	-1.2	-3.7	-4.1	-2.2	-1.0
PAT	1.1	0.0	NM	1.3	6.5	5.6	9.2	12.1
EPS (INR/shr)	1.9	0.0	NM	2.2	11.0	9.5	15.6	20.5
CoR (%)	94.8	99.1	-437bps	102.1	101.1	100.4	99.4	98.9
P/E (x)					48.5	56.3	34.2	26.0
RoE (%)					9.7	7.6	11.4	13.3

Change in estimates

(INR bn)	FY27E			FY28E		
	Revised	Old	% chg	Revised	Old	% chg
Net earned premiums	202.7	204.3	-0.8	236.3	237.4	-0.5
Underwriting profit/(loss)	-2.2	-3.4	NM	-1.0	-2.5	NM
CORs	99.4	100.2	-73bps	98.9	99.7	-73bps
APAT	9.2	8.6	6.9	12.1	11.4	6.2
RoE (%)	11.4	10.7	69bps	13.3	12.6	64bps

Source: Company, HSIE Research

ADD

CMP (as on 29 Apr 2026)	INR 532
Target Price	INR 545
NIFTY	24,178

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR480	INR545
EPS %	FY7E	FY28E
	+7%	+6%

KEY STOCK DATA

Bloomberg code	STARHEAL IN
No. of Shares (mn)	588
MCap (INR bn) / (\$ mn)	314/3,310
6m avg traded value (INR mn)	306
52 Week high / low	INR 587/341

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	18.4	11.0	33.9
Relative (%)	24.5	19.8	37.4

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	58.0	58.0
FIs & Local MFs	21.0	20.3
FPIs	14.1	15.1
Public & Others	7.0	6.7
Pledged Shares	Nil	Nil

Source : BSE

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Piramal Pharma

Muted FY26; CDMO recovery in FY27 is key

EBITDA (-18% YoY) was 5/4% above our/consensus estimates, with margins at 16.7% (-363bps YoY, +759bps QoQ), largely due to lower sales (flat YoY; CDMO declined -4% YoY due to the absence of one on-patent product supply), moderate costs (+4% YoY), and lower gross margins at 61.6% (-369 bps YoY). Piramal expects (1) early-to-mid-teen revenue growth (factors in no sales from one on-patent product supplies) and EBITDA to grow faster than revenue due to operating leverage. (2) CDMO: expects healthy growth in FY27E on the back of recovery in global biopharma funding (Oct-25 onwards) which is leading to the pick-up in RFPs and order inflows, along with rising demand in overseas sites and strong growth in differentiated capabilities. Investment of USD 90mn to expand Lexington (sterile injectable) and Riverview (payload-linker) facilities on track; Piramal is optimistic of supply opportunity for Obicetrapib and Ezetimibe for NewAmsterdam Pharma. Moreover, opportunity from Sofpironium Bromide (Sofdra; gross sales at ~USD 100mn) supply agreement with Botanix Pharma from Piramal's Riverview facility in FY27E provides visibility on improvement in oversea subsidiaries business. (3) CHG: to sustain growth momentum in FY27E, driven by steady traction from Sevoflurane, growth in Inhalation Anesthesia in ex-US markets, and integration of Kenalog portfolio (sales potential of USD 25-30 mn). (4) ICH: to sustain double-digit growth in sales with margin expansion. (5) Net debt was at ~INR 41bn as of Mar-26 and net debt to EBITDA was at 3.6x and it expects to remain steady at FY27; Capex at USD 120-135 mn in FY27E. Factoring in FY26 and guidance for FY27E, we have cut our EBITDA estimates by 14/8% for FY27/28E. We retain BUY and a TP of INR 220, based on 16x FY28E EV/EBITDA (implying 44x PE).

- Q4 highlights:** Sales remained flat YoY at INR 27.51bn. CDMO (62% of sales) was down 4% YoY to INR 17.1bn (+29% QoQ), CHG (27%) grew 7% YoY to INR 7.55bn (+13% QoQ), and ICH (12%) grew 17% YoY to INR 3.2bn. Lower GM was at 61.6% (-369bps YoY), offset by lower staff (-4%) and SG&A (+4%) led to an EBITDA of INR 4.61bn (-18% YoY) and margin of 16.7% (-363bps YoY). Higher other income (+10% YoY), lower interest (-20%), and higher depreciation (+10%) led to an adjusted PAT[^] of INR 1.67bn.
- Con call takeaways:** CDMO: (1) It is getting healthy traction in demand for CDMO and also in their 25 Phase-3 clinical molecules; (2) strong growth in differentiated offerings like ADCs, HP-APIs in overseas sites (FY26 revenue from ADC services at ~USD 64mn) and; (3) USD 90mn CAPEX on track for Lexington and Riverview sites. CHG: (1) Inhalation anesthesia: The US continues to grow with market share for Sevoflurane at 47%; initiated Sevoflurane supplies for ex-US and expects traction in FY27, (2) Intrathecal: maintain leadership in Baclofen segment in the US, and (3) Specialty: Continue investing in 505(b)(2), complex and differentiated generics.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	16,961	17,991	-6	13,536	25	81,712	91,512	88,691	1,01,890	1,18,124
EBITDA	4,605	5,610	-18	1,957	135	11,963	14,448	9,216	14,672	19,845
APAT	1,670	1,983	-16	(951)	NA	502	978	(1,298)	2,414	6,724
EPS (INR)	1.3	1.5	-16	(0.7)	NA	0.4	0.7	(1.0)	1.8	5.1
P/E (x)						434	217	(164)	88	32
EV/EBITDA (x)						21.6	17.7	27.7	17.6	12.6
RoCE (%)						5	6	2	6	10

Source: Company, HSIE Research, PAT adjusted for one-offs, One-off impairment of INR 1.79bn

BUY

CMP (as on 29 Apr 2026)	INR 160
Target Price	INR 220
NIFTY	24,178

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 230	INR 220
	FY27E	FY28E
EBITDA %	-13.9	-7.8

KEY STOCK DATA

Bloomberg code	PIRPHARMA IN
No. of Shares (mn)	1,329
MCap (INR bn) / (\$ mn)	213/2,246
6m avg traded value (INR mn)	652
52 Week high / low	INR 226/132

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	4.2	(21.5)	(24.4)
Relative (%)	10.3	(12.7)	(21.0)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	34.85	34.85
FIs & Local MFs	15.68	15.61
FPIs	29.66	30.17
Public & Others	19.81	19.37
Pledged Shares	-	-

Source: BSE

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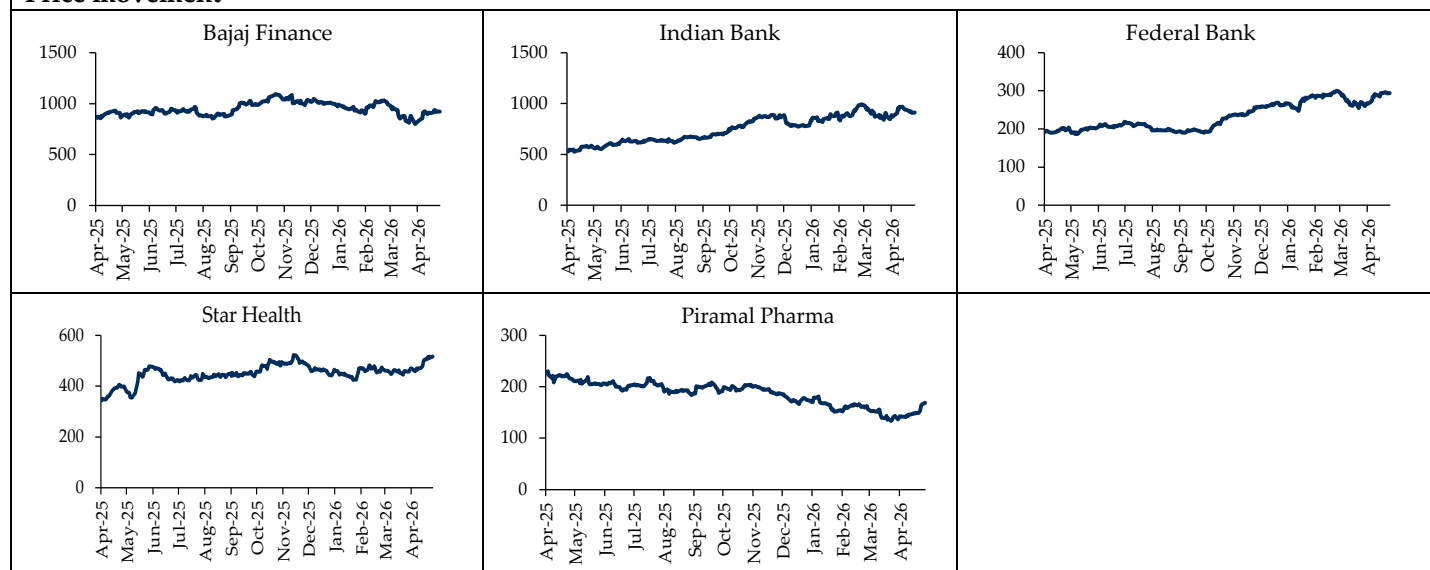
Rating Criteria

BUY: >+15% return potential
 ADD: +5% to +15% return potential
 REDUCE: -10% to +5% return potential
 SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Deepak Shinde	Bajaj Finance	PGDM	NO
Krishnan ASV	Bajaj Finance, Indian Bank, Federal Bank, Star Health and Allied Insurance	PGDM	NO
Ayush Pandit	Bajaj Finance	CA	NO
Akshay Badlani	Indian Bank, Federal Bank	CA	NO
Shobhit Sharma	Star Health and Allied Insurance	CA	NO
Mehul Sheth	Piramal Pharma	MBA	NO
Divyaxa Agnihotri	Piramal Pharma	MSc	NO

Price movement



Disclosure:

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