

Valuation INDIA

Business Valuation | Financial Advisory | CFO Services | ESOPs

MONTHLY INSIGHTS

MARKET PULSE

April 2026

RBI holds at 5.25%, a new Income-tax era begins, Brent breaches USD 100, and a USD 3 bn Gulf bid reshapes Indian banking.

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India Policy & Macro Pulse

MONETARY POLICY

RBI holds repo at 5.25% — neutral, watching geopolitics

The Monetary Policy Committee, which met from 6 to 8 April 2026, voted unanimously to hold the policy repo rate at **5.25%**, the Standing Deposit Facility at **5.00%**, and the Marginal Standing Facility and Bank Rate at **5.50%**. The stance was retained as *neutral*. In its commentary, the Committee flagged heightened geopolitical risks in West Asia, supply-chain disruption, and elevated energy and commodity prices as supply-side shocks that warrant a wait-and-watch posture.

The RBI projected real GDP growth at **6.9% for FY 2026-27** and average headline inflation at **4.6%**. Markets read the policy as modestly hawkish given the still-strong growth print, with one rate cut now priced in only towards Q4 of CY 2026.

DIRECT TAX

A new Income-tax era — Act 2025 and Rules 2026 live

The **Income-tax Act, 2025**, together with the **Income-tax Rules, 2026** notified vide G.S.R. 198(E) dated 20 March 2026, came into effect on **1 April 2026**, replacing the 1962 Rules after more than six decades. The framework operationalises the new Act for Tax Year 2026-27 onwards. CBDT followed up with **Corrigendum Notification 64/2026 dated 16 April 2026**, correcting 42 textual errors spanning section references, Form numbering and Aadhaar-related references.

Practical headline changes for promoters and finance teams include the expansion of the **50% HRA exemption to four additional cities**, revised **PAN-quoting thresholds** for high-value transactions, and a refreshed set of ITR forms aligned to the new Act. Valuation India is currently mapping every Rule 11UA-equivalent reference to its successor in the new framework; clients with pending FMV assignments should expect an updated reference grid by mid-May.

INDIRECT TAX

GST four-slab rationalisation now in force

Following the 56th GST Council meeting decisions, the rationalised **four-rate structure (0%, 5%, 18%, 40%)** replaced the legacy 5-12-18-28% plus cess regime from 1 April 2026. Two changes warrant particular attention for cross-border services firms: the place of supply for **intermediary services** is now aligned with the recipient's location, treating off-shore engagements as exports of service with full ITC on inputs; and the **minimum threshold for refund sanction** on exports made with payment of GST has been removed. Together, these are materially supportive for India's IT, BPM and consulting

MARKET SNAPSHOT

as on 26 Apr 2026

Indicator	Level	Δ MoM
Sensex	76,664	-1.3%
Nifty 50	23,898	-1.1%
Repo Rate	5.25%	Held
10-Y G-sec*	6.45%	+8 bps
USD / INR	94.11	-0.3%
Brent (USD/bbl)	96.0	+3.0%
Gold (INR/10g)*	78,250	+1.6%
FII (Apr, INR cr)*	(18,420)	Outflow

*Indicative levels; FII = NSDL net equity flow (Apr MTD).

MPC POLICY DIAL

Stance: **NEUTRAL** | Repo **5.25%**



Source: RBI MPC Resolution, 8 Apr 2026

Deal Street — M&A and IPO Intelligence

LEAD DEAL | CROSS-BORDER BANKING

First-ever foreign majority in a profitable Indian private bank

USD 3 bn primary infusion clears RBI; sets precedent for valuation, fit-and-proper and cross-border deal architecture.

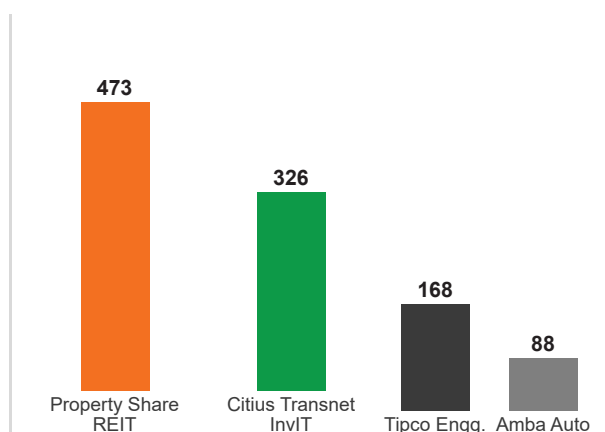
In what is being described as the largest-ever foreign direct investment into Indian banking, a Gulf-headquartered bank's **USD 3 billion** primary infusion to acquire up to **74% of a profitable Indian private-sector bank** received Reserve Bank of India clearance in April 2026, with closing in the same month. It is the first time a foreign bank has been cleared to cross into majority ownership of a profitable Indian lender, marking a regulatory inflection point.

From a valuation lens, the transaction is being scrutinised on three fronts: **(i)** the implied price-to-book multiple versus the listed Indian private-bank cohort and Gulf-listed acquirer comparables; **(ii)** the goodwill and PPA architecture under Ind AS 103, given the cross-border nature and dual-listing implications; and **(iii)** the open-offer trigger and minority squeeze-out economics under SEBI SAST, 2011. We expect the transaction to reset entry multiples for India banking M&A through the rest of FY27.

IPO PULSE

April 2026 — Public market issuances

April 2026 mainboard / SME issue sizes (INR cr, indicative)



Source: BSE / NSE filings; Valuation India estimates

The April calendar leaned **income-yielding rather than equity-growth**. **Property Share Investment Trust REIT** opened on 10 April and closed on 16 April with listing on 24 April on BSE; **Citius Transnet InvIT** ran 17–21 April for an NSE SME listing on 29 April. Among smaller mainboard/SME names, **Tipco Engineering** listed on 1 April with a soft -5% debut, while **Amba Auto Sales & Services** opened its book 27–29 April for listing on 5 May.

The bigger story remains the pipeline. Mega-listings from **Jio**, **Zepto** and the **NSE** are collectively expected to mobilise approximately **INR 1 lakh crore**. Zepto is advancing its DRHP filing in March/April; the NSE listing remains subject to SEBI clearances. For founders and PE sponsors planning exits in CY 2026, anchor-book pricing for these mega issues will anchor listed comparables across e-commerce, fintech and exchange infrastructure for at least four quarters.

VALUATION INDIA TAKE

With the Gulf-bank deal anchoring banking M&A and the REIT/InvIT calendar deepening yield-product supply, expect renewed enquiry for **fairness opinions, swap-ratio reports and PPA exercises** across BFSI and infrastructure. Promoters considering minority dilution in calendar Q3 should lock comparable-set baselines now, before the mega-IPO pipeline distorts trading multiples.

Sector Spotlight

01 INFORMATION TECHNOLOGY

IT, SaaS and GCC — multiples reset around GenAI

The Indian IT services complex enters Q1 of FY27 in a curious bind. Q4 FY26 deliveries from **TCS, HCL Tech and Wipro**, and **Infosys's** 23 April print, signalled resilient profitability but slowing top-line — Infosys's net profit was projected to grow ~9.3% year-on-year to about **INR 7,693 crore**. Yet equity markets have punished the cohort: **Infosys is down ~22% calendar-year-to-date**, as a wave of new GenAI platforms — including Anthropic's Claude and Palantir's enterprise stack — has reignited fears of disruption to traditional services and SaaS pricing models.

Forward multiples reflect the de-rating: **Wipro** trades at a P/E of approximately **15.8x**, **Infosys** at **16.7x** and **TCS** at **17.5x**, all materially below their five-year averages. The brighter sub-segment is **Global Capability Centres**: in a sector survey, **47% of GCCs plan to increase hiring** in FY27 against only 17% expecting reductions, marking a third consecutive year of expansion. For valuation work, comparable-set selection now matters more than at any point since 2020 — pure-play services names are increasingly poor proxies for hybrid GCC-and-product hybrids.

02 INDUSTRIALS & MOBILITY

Manufacturing, PLI and EVs — capex cycle holds

The Production-Linked Incentive scheme for Automobiles and Auto Components — outlay **INR 25,938 crore** — continues to be the fulcrum of India's mobility transition. The FY25 PLI auto allocation was lifted to **INR 3,500 crore**, against INR 604 crore in FY24, with cumulative committed capex by approved players exceeding **INR 25,000 crore**. **Tata Motors, Mahindra, Hyundai, Ola Electric, Ather** and **TVS** remain anchor participants, joined by several global tier-1s.

In February 2026, Tata Motors expanded its electric passenger-vehicle portfolio with new long-range models featuring localised lithium-ion battery packs and improved battery management systems. For valuation and CFO advisory engagements in this space, three sensitivities are now structural: (i) the slope of **cell-import duty pass-through**, (ii) the **FAME-style demand subsidy roll-off** in 2-W and 3-W, and (iii) the timing of **PLI accrual recognition**, which can swing FY27 EBITDA by 200–400 basis points for OEMs near the qualification thresholds.

03 PHARMA & HEALTHCARE

Pharma and healthcare — life-sciences chases scale

April brought the **India Pharma Expo 2026** to Hyderabad's HITEC Centre (23–25 April), running concurrent with the NextGen Pharma Summit and Awards. The event coincided with the unveiling of the **Telangana Life Sciences Policy 2026-30**, which targets **USD 25 billion of investment** and positions the state as a global biopharma hub. Industry participation was deep, with **DATWYLER, Vizen Life Sciences** and **Rapidion** among the lead partners.

For deal advisory, two angles are noteworthy. First, **customs duty rationalisation effective 1 April 2026** has made select **cancer drugs more expensive**, which alters the gross-margin architecture for oncology-focused formulators and hospitals — a factor we are now layering into impairment reviews. Second, consolidation pressure in **single-specialty hospital chains and diagnostic platforms** is intensifying as PE sponsors seek pre-IPO scale, lifting strategic buyer interest. Expect higher EV/EBITDA transaction multiples in regional diagnostic platforms over the next two quarters.

Startups, ESOPs, FEMA & The Global Lens

STARTUPS & VC

Funding pulse — softer YoY, but pockets are alive

Calendar 2026 has so far seen **USD 5.62 billion** raised across **531 equity rounds** in India, against USD 6.56 billion in 1,020 rounds in the same period of 2025 — a **14.3% decline in deployed capital** alongside a sharp drop in deal count. April was anchored by **KreditBee crossing into the unicorn club** on 8 April with a USD 280 million round; **Lawyered** closed a USD 2.5 million pre-Series A and **NudgeBee** raised USD 3 million seed from Kalaari Capital on 21 April.

ESOPS

ESOPs — secondary liquidity sets a new bar

Indian start-up **ESOP buybacks in Q1 2026 already exceed both the 2024 and 2025 full-year prints**, taking cumulative liquidity to **USD 2 billion** since 2020. **Groww's** fresh ESOP grant of **INR 51 crore**, announced in April on the back of a strong Q4, illustrates the trend. For founders contemplating buyback rounds, two practical reminders: (i) the perquisite-tax mechanics under the **new Income-tax Act, 2025** require an updated FMV report aligned to Rule equivalents in IT Rules 2026; and (ii) cash-out ratios above 30% of fresh primary continue to attract heightened diligence from secondary buyers.

GOVERNMENT

FoF 2.0 — INR 10,000 cr for deep-tech

The Government notified **Startup India Fund of Funds 2.0** with an **INR 10,000 crore** corpus on 13 April 2026, with a tilt towards deep-tech and manufacturing. The structure mobilises capital through SEBI-registered Alternative Investment Funds, and is expected to improve early-stage capital availability that has been crowded out by softer foreign VC inflows.

CROSS-BORDER

FEMA — ECB framework consolidated

The **Foreign Exchange Management (Borrowing and Lending) (First Amendment) Regulations, 2026** consolidate India's External Commercial Borrowing framework, widening eligible borrowers and lenders, simplifying compliance and codifying a more detailed **negative list** on end-use. Operationally, the legacy **monthly Form ECB-2** requirement has been removed; a fresh **Form ECB 1** obtains the Loan Registration Number, and a **Revised Form ECB 1 must be filed within 7 days of month-end** for any change in previously reported parameters.

Two parallel regulations also matter for cross-border CFO desks: the **FEMA (Guarantees) Regulations, 2026** introduce quarterly reporting and an expanded automatic route for cross-border guarantees; and the **FEMA (Export and Import of Goods and Services) Regulations, 2026** (Notification FEMA 23(R)/2026-RB dated 13 January 2026) come into force on **1 October 2026**. Clients with USD-INR or EUR-INR exposures should re-test hedge-effectiveness reporting ahead of the Q2 FY27 close.

DIRECT TAX

Angel tax — abolition holds

Section 56(2)(viib) — long known as the **angel tax** — stands **abolished from FY 2025-26**, removing what had been a recurring friction in early-stage fundraising. DPIIT recognition continues to matter for the **80-IAC tax holiday**, FoF eligibility and other Startup India benefits, but is no longer required as an angel-tax shield. Independent valuer reports remain best-practice for shareholder agreements, secondary transfers and FEMA pricing.

GLOBAL MACRO

Global lens — Fed waits, Brent climbs

The **US Federal Reserve** held the federal funds rate at **3.50–3.75%** at its 17–18 March 2026 meeting, with the dot-plot still penciling in just **one 25 bps cut** later in 2026 and another in 2027. The next FOMC meeting on **28–29 April 2026** will be the immediate catalyst for emerging-market flows. Meanwhile, **Brent crude** traded near **USD 96/bbl on 27 April** after spiking to **USD 105/bbl on 24 April** on Strait of Hormuz tensions and renewed US–Iran skirmishes. The rupee's slide to **~94.2** per dollar reflects the combination of higher oil and FII outflows.

Partner with Valuation India

Valuation India is an independent advisory firm headquartered in Pune, serving CFOs, promoters, founders, private-equity sponsors and corporate boards across India, the United Arab Emirates, Singapore and the United States. Our practice is anchored in **Business Valuation**, supported by deep capabilities in financial advisory, taxation, audit assurance, financial modelling, MIS reporting, ESOP design and outsourced CFO services.

Each engagement is led by a CA/CVA-qualified partner and supported by sector specialists. Our reports are designed to withstand scrutiny from regulators, auditors, acquirers and counterparties — combining rigorous methodology with a commercial lens that promoters can act on.

HOW WE CAN HELP

Valuation India advisory — built for cycles like this one

Business & Equity Valuations • Purchase Price Allocation • Fairness & Swap-Ratio Opinions • ESOP & Sweat-Equity Valuations • FEMA / RBI Pricing Reports • Financial Modelling • CFO Services • MIS Reporting • Audit & Assurance • International Tax & Transfer Pricing

VALUATION

Independent fair-value reports

FMV under Income-tax Rules, Ind AS impairment, ESOP / Sweat-equity, RBI / FEMA pricing, business / brand / intangible valuations.

TRANSACTION

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Fairness opinions, swap-ratio reports, purchase-price allocation under Ind AS 103, financial due diligence and deal structuring.

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Virtual CFO services, financial modelling, MIS reporting, board-pack design, fund-raise readiness and audit closure support.

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