

Pick of the Week

BUY – Indus Towers (INDUSTOW)

CMP: ₹430 as on 18 May 2026

Fair Value (FV): ₹500

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Time Period: 12 months

Why Invest?

- Indus has resumed payouts after three years, with a dividend of Rs14/share, equivalent to FY26 Free Cash Flow.
- Indus is on track to enter the African tower market within the next six months.
- Indus' tower additions increased to 4,892 in Q4FY26 (3,548 in Q3FY26). The Indian order book remains healthy.
- Management expects tenancy growth to improve as VI accelerates rollouts.
- Receivables/bad debt provision issue about VI is largely behind.
- Maintain BUY, given the attractive risk-reward at 6.5x adj. Enterprise Value/Earnings before Interest, Tax, Depreciation, & Amortization with 10%/5.9% Adjusted Funds From Operations/dividend yields on FY28E.
- Our FV is Rs500 on Mar'28E financials.

Maintain BUY with **FV Rs-500**

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

- BUY** – We expect the stock to deliver more than 15% returns over the next 12 months
- ADD** – We expect the stock to deliver 5% - 15% returns over the next 12 months
- REDUCE** – We expect the stock to deliver -5% - +5% returns over the next 12 months
- SELL** – We expect the stock to deliver < -5% returns over the next 12 months
- NR** – **Not Rated.** Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
- SUBSCRIBE** – We advise investor to subscribe to the IPO.
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- NA** – **Not Available or Not Applicable.** The information is not available for display or is not applicable
- NM** – **Not Meaningful.** The information is not meaningful and is therefore excluded.
- NOTE** – Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

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