HSIE Results Daily

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Results Reviews

- **Persistent Systems:** Persistent Systems (PSYS) delivered a strong Q3FY26, beating expectations with +4.1% QoQ CC revenue growth and a +40bps QoQ adjusted margin expansion, driven by robust execution. Growth was broad-based, led by strong performance in the Healthcare and BFSI verticals and the Americas region. The order book remained healthy with a new TTM TCV of USD 369mn (+11% YoY) and new ACV of USD 256mn (+31% YoY), supporting a continued growth momentum. Key deal wins included a USD 100 mn cybersecurity and data provisioning contract from a Tier 1 US bank and a USD 50 mn healthcare deal for cloud infra and application modernization. The company remains on track to achieve a USD 2bn run rate by FY27E (~4% CQGR) and USD 5 bn by FY31E, underpinned by solid deal momentum and continued investments in GenAI and data modernization. PSYS is rapidly embedding AI across its offerings and internal operations, transitioning toward AI-led, platform-centric engagements. It continues to stand out in the mid-cap IT space with a strong combination of growth, quality client base, robust services portfolio, sales rigor combined with margin expansion. We maintain our ADD rating with a revised TP of INR 7,550, based on 42x Mar-28E EPS.
- **AU Small Finance Bank:** AUBANK's Q3FY26 earnings beat estimates on the back of improvement in asset quality, reflation in margins, and healthy growth on both sides of the balance sheet, partly offset by higher opex intensity. Gross advances growth (~19% YoY) was led by secured retail assets and commercial banking, with a gradual uptick in the MFI book. Deposit growth (+23% YoY) was strong, while CASA ratio came in at 28.9% (-58bps QoQ). Asset quality improved significantly (0.8% of GLP) with lower delinquencies in the unsecured book as the management continues to guide for a credit cost of 1% of GLP for FY26. While we raise our FY26E/FY27E earnings by ~3%/5%, factoring in improvement in asset quality, we argue that management of the unsecured businesses (MFI+ credit cards) and rapid geographic expansion into new territories shall pose a challenge in the medium term. We maintain REDUCE with a revised TP of INR820 (2.6x Sep-27 ABVPS) v/s INR650 earlier.
- **Oberoi Realty:** Oberoi Realty (ORL) registered presales of INR 8.3bn (-56%/-36% YoY/QoQ, HSIE est INR 10bn) for Q3FY26. Quarterly print was muted, mainly due to no new launch during the quarter. Moreover, this quarter, its uber-luxury project 360W managed to sell 3 units (vs 2/4 in Q2FY25/Q2FY26, INR 1bn miss). We expect strong INR 25bn presales for Q4FY26, driven by final tower launch in Borivali (INR 20bn GDV) and opening of higher floor inventory in Goregaon (INR 18bn GDV). FY26 presales are expected at INR 60-65bn (20%+ YoY). Gurgaon project launch in Q1FY27, Adarsh Nagar, National Garage, Goregaon final tower, and Thane new phase are the other launches for FY27. ORL is in advanced stages of closure of three large land parcels, and we expect INR 150bn of BD for FY26. ORL's strong financial position has enabled strategic expansions, including new projects in prime Mumbai locations and a major land parcel in Alibaug, set to launch post FY27. With disciplined land acquisitions and a focus on timely execution, ORL is well-placed to capitalize on robust demand across residential and mixed-use segments, ensuring sustained growth. Given the expected robust cash flows

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from ready-to-move-in inventory in 360W, a robust launch pipeline, and net cash balance sheet, we remain constructive on ORL and maintain BUY, with an NAV-based TP to INR 2,302/sh.

- **CreditAccess Grameen:** CreditAccess Grameen (CREDAG) reported improved operating performance, driven by significant moderation in credit costs (5.3%). Business momentum witnessed a further uptick with AUM/disbursals growth of 7.1%/13% YoY, driven by retail finance (14% of AUM), while the growth in group loans remained muted. Asset quality improved further with reducing PAR-0 portfolio (4.4% vs. 4.7% in Q2FY26) and improving monthly PAR 15+ accretion rate. With improvement in credit environment, we expect loan growth to further gain traction during FY27-FY28, driven by borrower additions and retail finance. We revise our FY26E/FY27E/FY28E earnings estimates to factor in higher NIMs, offset by higher credit costs in FY28, and maintain ADD with a revised RI-based TP of INR1,425 (implying 2.4x Sep-27 ABVPS). We expect the premium multiple to sustain due to superior cross-cycle operating performance.

- **IndiaMART InterMESH:** IndiaMART delivered a decent quarter with revenue growth of +2.7% QoQ / +13.4% YoY, supported by strong cash collection growth of +17% YoY. Revenue growth was driven by ARPU expansion (+3.1% QoQ / +6.5% YoY) led by price hikes and package upgrades among gold and platinum customers. However, this was partly offset by a decline in net subscriber additions (~1K QoQ, the lowest in the last four quarters) due to price hikes and continued churn. The impact of price increases is expected to weigh on net additions in the coming quarters, with revenue growth primarily supported by ARPU expansion, guided at 6–8% YoY. Despite several initiatives to reduce churn in the silver bucket, improvement remains limited, though overall platform experience has enhanced with better-quality RFQs for sellers. Traffic and unique business enquiry growth have moderated but are expected to recover with marketing initiatives. We expect ARPU growth of ~7% YoY and a pick-up in supplier additions by FY27E. PAT increased in the quarter due to a one-time remeasurement gain of ~INR 824mn from Baldor Technologies. We trim our estimates by ~1% and maintain BUY with a DCF-based TP of INR 2,710 (~26x FY28E EPS), factoring in revenue/PAT CAGR of 17%/20% over FY26–28E.

Persistent Systems

Persistent growth momentum

Persistent Systems (PSYS) delivered a strong Q3FY26, beating expectations with +4.1% QoQ CC revenue growth and a +40bps QoQ adjusted margin expansion, driven by robust execution. Growth was broad-based, led by strong performance in the Healthcare and BFSI verticals and the Americas region. The order book remained healthy with a new TTM TCV of USD 369mn (+11% YoY) and new ACV of USD 256mn (+31% YoY), supporting a continued growth momentum. Key deal wins included a USD 100 mn cybersecurity and data provisioning contract from a Tier 1 US bank and a USD 50 mn healthcare deal for cloud infra and application modernization. The company remains on track to achieve a USD 2bn run rate by FY27E (~4% CQGR) and USD 5 bn by FY31E, underpinned by solid deal momentum and continued investments in GenAI and data modernization. PSYS is rapidly embedding AI across its offerings and internal operations, transitioning toward AI-led, platform-centric engagements. It continues to stand out in the mid-cap IT space with a strong combination of growth, quality client base, robust services portfolio, sales rigor combined with margin expansion. We maintain our ADD rating with a revised TP of INR 7,550, based on 42x Mar-28E EPS.

- **Q3FY26 highlights:** (1) PSYS's revenue at USD 422.5mn was up 4.1% QoQ CC (ahead of our estimate of 3.4% QoQ CC), with broad-based growth across verticals. (2) Within these verticals, Healthcare & Lifesciences grew +4.8% QoQ, followed by BFSI growing by +4.6% QoQ and tech growing +3% QoQ. (3) The total TCV grew 11% QoQ to USD 675mn, and total ACV grew 31% QoQ to USD 502mn. (4) New Labor Code Provisioning (-230bps), wage hike (-180bps), and furloughs (-20bps), were partially offset by AI Platforms and Tool-Driven Pricing (+150bps), operational efficiencies (+40bps), FX tailwind (+30bps) and lower sub-contracting (+20bps), resulting in a sequential net decline of 190bps in EBIT margin to 14.4%. Excluding the one-time impact of the new labor code, EBIT margin at 16.7% (+40bps QoQ) was higher than our estimate of 15.5%.
- **Outlook:** We have factored in USD revenue growth of 17.8/17.9/15.3% and EBITM of 15.9/16.8/17.4% for FY26/27/28E respectively, translating to a 25% EPS CAGR.

Quarterly Financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	423	360	*17.3*	406	*4.0*	1,186	1,409	1,660	1,957	2,256
Net Sales	37.78	30.62	*23.4*	35.81	*5.5*	98.22	119.39	146.43	175.17	204.20
EBIT	5.43	4.56	*19.1*	5.84	*(7.0)*	14.15	17.51	23.28	29.48	35.44
APAT	4.39	3.73	*17.8*	4.71	*(6.8)*	11.30	14.00	18.65	22.61	27.66
Diluted EPS (INR)	28.6	24.2	*17.8*	30.6	*(6.8)*	73.4	91.0	121.2	147.0	179.8
P/E (x)						86.4	69.7	52.3	43.2	35.3
EV / EBITDA (x)						55.6	46.4	35.6	27.7	22.9
RoE (%)						24.5	24.8	27.0	27.6	28.3

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,657	1,660	*0.2*	1,958	1,957	*(0.0)*	2,257	2,256	*(0.0)*
Revenue	146.04	146.43	*0.3*	175.23	175.17	*(0.0)*	204.27	204.20	*(0.0)*
EBIT	23.18	23.28	*0.4*	29.44	29.48	*0.1*	35.53	35.44	*(0.3)*
EBIT margin (%)	15.9	15.9	*3bps*	16.8	16.8	*2bps*	17.4	17.4	*-4bps*
APAT	17.80	18.65	*4.8*	22.59	22.61	*0.1*	27.74	27.66	*(0.3)*
EPS (INR)	115.7	121.2	*4.8*	146.8	147.0	*0.1*	180.3	179.8	*(0.3)*

Source: Company, HSIE Research

ADD

CMP *(as on 20 Jan 2026)*	INR 6,342
Target Price	INR 7,550
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,570	INR 7,550
	FY27E	FY28E
EPS %	+0.1	-0.3

KEY STOCK DATA	
Bloomberg code	PSYS IN
No. of Shares (mn)	158
MCap (INR bn) / ($ mn)	1,001/10,997
6m avg traded value (INR mn)	2,747
52 Week high / low	INR 6,599/4,149

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	8.5	14.3	4.1
Relative (%)	11.1	13.8	(2.5)

SHAREHOLDING PATTERN (%)

	Sep-25	Dec-25
Promoters	30.56	30.29
FIs & Local MFs	30.60	29.82
FPIs	21.23	22.80
Public & Others	17.61	17.09
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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AU Small Finance Bank

Receding unsecured stress driving beat on earnings

AUBANK's Q3FY26 earnings beat estimates on the back of improvement in asset quality, reflation in margins, and healthy growth on both sides of the balance sheet, partly offset by higher opex intensity. Gross advances growth (~19% YoY) was led by secured retail assets and commercial banking, with a gradual uptick in the MFI book. Deposit growth (+23% YoY) was strong, while CASA ratio came in at 28.9% (-58bps QoQ). Asset quality improved significantly (0.8% of GLP) with lower delinquencies in the unsecured book as the management continues to guide for a credit cost of 1% of GLP for FY26. While we raise our FY26E/FY27E earnings by ~3%/5%, factoring in improvement in asset quality, we argue that management of the unsecured businesses (MFI+ credit cards) and rapid geographic expansion into new territories shall pose a challenge in the medium term. We maintain REDUCE with a revised TP of INR820 (2.6x Sep-27 ABVPS) v/s INR650 earlier.

- **Healthy growth coupled with margin reflation:** Loan growth (~19% YoY) was led by Wheels (+27%), MBL (+25%), and commercial segments (+25% YoY), with marginal uptick in MFI book and continued de-growth in credit card book. Our forecasts build ~20% loan CAGR over FY25-28E, lower than management guidance (2-2.5x of nominal GDP). Margins improved 25bps QoQ to 5.7%, as cost of funds improved by 22bps QoQ on the back of SA rate cut, better liquidity management, and deposit re-pricing.
- **Continued moderation of stress in unsecured segments:** Gross slippages came in lower at 2.6% (Q2FY26: 3.2%) coupled with lower credit costs in the MFI (Q3FY26: 1.3% v/s Q2FY26: 7.6%) and credit cards (Q3FY26: 5.6%v/s 9.7% in Q2FY26) portfolios. The management shall need another year to revive its credit card business. Our FY26 credit cost forecast (1.1% of average assets) is ~10bps higher than management guidance.
- **Unsecured book management and calibrated expansion key monitorable:** We believe the rescaling of the unsecured businesses and replicating the strengths of the northern market into the southern and eastern markets shall pose a challenge in the medium term. We build in an average RoA of ~1.65% for FY27E/FY28E against the RoA guidance of 1.8%.

Financial summary

(INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	23.4	20.2	15.7%	21.4	9.2%	80.1	90.8	113.6	138.1
PPOP	12.2	12.0	0.9%	12.1	0.5%	45.8	52.4	64.9	77.8
PAT	6.7	5.3	26.3%	5.6	19.0%	21.1	25.4	33.6	40.6
EPS (INR)	8.9	7.1	25.9%	7.5	19.5%	28.3	34.2	45.1	54.5
ROAE (%)						14.2	13.9	15.9	16.4
ROAA (%)						1.6	1.5	1.6	1.7
ABVPS (INR)						219.4	246.7	289.0	343.0
P/ABV (x)						4.6	4.1	3.5	2.9
P/E (x)						35.4	29.3	22.2	18.4

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Δ	New	Old	Δ	New	Old	Δ
Net advances	1,315	1,280	2.8%	1,563	1,519	2.9%	1,854	1,795	3.3%
NIM (%)	5.6	5.6	-2 bps	5.8	5.8	3 bps	5.9	5.9	8 bps
NII	90.8	90.5	0.4%	113.6	110.6	2.6%	138.1	132.6	4.2%
PPOP	52.4	54.2	-3.3%	64.9	63.0	3.1%	77.8	72.7	7.1%
PAT	25.4	24.7	2.9%	33.6	31.8	5.5%	40.6	39.4	2.9%
Adj. BVPS (INR)	246.7	246.8	0.0%	289.0	289.1	0.0%	343.0	340.1	0.8%

Source: Company, HSIE Research

REDUCE

CMP *(as on 20 Jan 2026)*	INR 1,001
Target Price	INR 820
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR650	INR820
EPS %	FY26E	FY27E
	+2.9%	+5.5%

KEY STOCK DATA	
Bloomberg code	AUBANK IN
No. of Shares (mn)	747
MCap (INR bn) / ($ mn)	748/8,223
6m avg traded value (INR mn)	2,350
52 Week high / low	INR 1,030/478

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	15.7	26.0	65.2
Relative (%)	18.3	25.4	58.6

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	22.8	22.8
FIs & Local MFs	31.9	31.3
FPIs	34.5	36.5
Public & Others	10.8	9.5
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

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Oberoi Realty

Launches to drive presales

Oberoi Realty (ORL) registered presales of INR 8.3bn (-56%/-36% YoY/QoQ, HSIE est INR 10bn) for Q3FY26. Quarterly print was muted, mainly due to no new launch during the quarter. Moreover, this quarter, its uber-luxury project 360W managed to sell 3 units (vs 2/4 in Q2FY25/Q2FY26, INR 1bn miss). We expect strong INR 25bn presales for Q4FY26, driven by final tower launch in Borivali (INR 20bn GDV) and opening of higher floor inventory in Goregaon (INR 18bn GDV). FY26 presales are expected at INR 60-65bn (20%+ YoY). Gurgaon project launch in Q1FY27, Adarsh Nagar, National Garage, Goregaon final tower, and Thane new phase are the other launches for FY27. ORL is in advanced stages of closure of three large land parcels, and we expect INR 150bn of BD for FY26. ORL's strong financial position has enabled strategic expansions, including new projects in prime Mumbai locations and a major land parcel in Alibaug, set to launch post FY27. With disciplined land acquisitions and a focus on timely execution, ORL is well-placed to capitalize on robust demand across residential and mixed-use segments, ensuring sustained growth. Given the expected robust cash flows from ready-to-move-in inventory in 360W, a robust launch pipeline, and net cash balance sheet, we remain constructive on ORL and maintain BUY, with an NAV-based TP to INR 2,302/sh.

- **Q3FY26 financial highlights**: Revenue: INR 14.9bn (+5.8%/-16.1% YoY/QoQ, largely in line). EBITDA was INR 8.6bn (+0.1%/-16.0% YoY/QoQ, in-line). EBITDA margin was 57.4% (-324bps/+8bps YoY/QoQ) vs our estimate of 57%. RPAT was INR 6.4bn (+3.5%/-15.8%, YoY/QoQ, a beat by 4.7%). Average price realization (ASP) was at INR 44.9k psf (+52%/-13% YoY/QoQ).
- **Muted presales in the absence of a new launch:** Oberoi Realty (ORL) registered presales of INR 8.3bn (-56%/-36% YoY/QoQ). It shall launch its Borivali and Goregaon projects higher floor inventory in Q4FY26; however, Gurgaon project can be a touch and go for Q4FY26. Project launches were delayed due to design refinements and a required sequential approval process, which pushed key launches into FY27. The developer is experiencing robust leasing momentum across its three office assets, with full occupancy expected by the end of FY26.
- **Balance sheet position comfortable**: The consolidated gross/net cash stood at INR 28.8/2.75bn vs. INR 30.1/1.1bn, as of Sep '25, with net cash/equity at 0.02x. Additionally, strategic land acquisitions are advancing, with three significant deals in the MMR nearing completion.

Consolidated financial summary (INR mn)

YE Mar (INR mn)	3QFY26	3QFY25	YoY	2QFY26	QoQ	FY25	FY26E	FY27E	FY28E
Net Sales	14,926	14,111	5.8	17,790	(16.1)	52,863	59,807	66,623	69,648
EBITDA	8,573	8,561	0.1	10,203	(16.0)	31,031	34,555	39,060	40,742
APAT	6,400	6,184	3.5	7,603	(15.8)	22,255	24,290	27,331	28,193
Diluted EPS (INR)	17.6	17.0	3.5	20.9	(15.8)	61.2	66.8	75.2	77.5
P/E (x)						30.2	22.8	20.3	19.6
EV / EBITDA (x)						21.7	16.1	14.1	13.4
RoE (%)						15.0	14.4	14.0	13.3

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	Chg. (%)	New	Old	Chg. (%)	New	Old	Chg. (%)
Revenues	59,807	59,807	0.0	66,623	68,902	(3.3)	69,648	64,741	7.6
EBITDA	34,555	34,555	0.0	39,060	40,404	(3.3)	40,742	37,050	10.0
EBITDA (%)	57.8	57.8	0.0	58.6	58.6	(1.3)	58.5	57.2	126.8
APAT	24,290	24,118	0.7	27,331	28,124	(2.8)	28,193	20,255	39.2

Source: HSIE Research

BUY

CMP *(as on 20 Jan 2026)*	INR 1,524
Target Price	INR 2,302
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,302	INR 2,302

EPS Change (%)	FY26E	FY27E	FY28E
	0.7	*-2.8*	*39.2*

KEY STOCK DATA	
Bloomberg code	OBER IN
No. of Shares (mn)	364
MCap (INR bn) / ($ mn)	554/6,090
6m avg traded value (INR mn)	1,036
52 Week high / low	INR 2,024/1,440

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(10.3)	(17.0)	(23.9)
Relative (%)	(7.7)	(17.5)	(30.5)

SHAREHOLDING PATTERN (%)	Sept-25	Dec-25
Promoters	67.70	67.70
FIs & Local MFs	16.06	16.58
FPIs	13.85	13.46
Public & Others	2.39	2.26
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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CreditAccess Grameen

Gradual reversion to steady state

ADD

CMP *(as on 20 Jan 2026)*	**INR 1,243**
Target Price	**INR 1,425**
NIFTY	**25,233**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,450	INR 1,425
EPS %	FY26E	FY27E
	2.5%	0.9%

KEY STOCK DATA	
Bloomberg code	CREDAG IN
No. of Shares (mn)	160
MCap (INR bn) / ($ mn)	199/2,187
6m avg traded value (INR mn)	541
52 Week high / low	INR 1,490/750

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(3.4)	(2.1)	24.3
Relative (%)	(0.8)	(2.7)	17.7

SHAREHOLDING PATTERN (%)	Sep25	Dec-25
Promoters	66.4	66.3
FIs & Local MFs	13.3	13.2
FPIs	12.3	11.7
Public & Others	8.0	8.8
Pledged Shares	0.0	0.0

Source: BSE

Pledged shares as % of total shares

CreditAccess Grameen (CREDAG) reported improved operating performance, driven by significant moderation in credit costs (5.3%). Business momentum witnessed a further uptick with AUM/disbursals growth of 7.1%/13% YoY, driven by retail finance (14% of AUM), while the growth in group loans remained muted. Asset quality improved further with reducing PAR-0 portfolio (4.4% vs. 4.7% in Q2FY26) and improving monthly PAR 15+ accretion rate. With improvement in credit environment, we expect loan growth to further gain traction during FY27-FY28, driven by borrower additions and retail finance. We revise our FY26E/FY27E/FY28E earnings estimates to factor in higher NIMs, offset by higher credit costs in FY28, and maintain ADD with a revised RI-based TP of INR1,425 (implying 2.4x Sep-27 ABVPS). We expect the premium multiple to sustain due to superior cross-cycle operating performance.

- **NIM reflation, lower credit costs drive strong earnings growth:** CREDAG reported RoA/RoE of 3.5%/13.8% (annualized) vs. 1.9%/7.9% in FY25. AUM growth witnessed an uptick (+7.1% YoY), despite reduction in the number of borrowers (-8.4% YoY), driven by retail finance (+200% YoY) and increasing contribution of vintage borrowers (>6 yrs). Opex ratios inched up with opex to AUM at 5.4% (C/I at 34%), partly driven by the impact of wage bill. NIMs reflated sequentially by 60bps to 13.9%, due to lower cost of funds and lower interest reversals, and is likely to reflate further as lending rates increase.
- **Asset quality normalizing:** GS-III/NS-III deteriorated sequentially to 4%/1.4%, with PAR-0/PAR-30 at 4.4%/3.8% (Sep-25: 4.7%/3.7%). With improving monthly PAR 15+ accretion rate at 37/18bps in Nov'25/Dec'25, management expects credit costs to improve further in Q4. However, credit costs are likely to be ~4-4.5% for FY27, assuming monthly PAR 15+ accretion rate of 30bps, due to the impact of ECL model refresh in FY27.
- **Portfolio diversification to augment loan growth:** CREDAG's retail finance grew by +200% YoY, driven by unsecured loans, well ahead of management guidance. This is likely to augment the overall loan growth with AUM growth in group loans at ~15%, largely led by new borrower additions. However, higher steady state credit costs compared to previous cycles are likely to drive RoA to ~4.5% for CREDAG.

Financial summary (consolidated)

Y/E Mar (INR bn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
NII	9.8	8.6	*13.1*	9.3	*4.4*	36.0	38.3	45.1	53.0
PPOP	6.8	6.2	*9.2*	6.9	*(2.1)*	26.4	27.9	32.8	38.1
PAT	2.5	(1.0)	*NM*	1.3	*100.4*	5.3	8.0	14.8	19.8
EPS (INR)	15.7	(6.2)	*NM*	7.8	*100.3*	33.3	50.2	92.8	123.8
ROAE (%)						7.9	10.9	17.4	19.3
ROAA (%)						1.9	2.7	4.2	4.7
ABVPS (INR)						385.5	440.4	542.4	664.9
P/ABV (x)						3.2	2.8	2.3	1.9
P/E (x)						37.3	24.8	13.4	10.0

Change in estimates

INR bn	FY26E			FY27E			FY28E		
	Old	New	Chg	Old	New	Chg	Old	New	Chg
AUM	296.9	291.5	-1.8%	349.9	346.2	-1.1%	413.1	410.5	-0.6%
NIM (%)	12.7	12.9	16 bps	12.9	13.1	23 bps	12.8	13.0	24 bps
NII	38.2	38.3	0.2%	45.0	45.1	0.2%	52.7	53.0	0.6%
PPOP	28.1	27.9	-1.0%	32.7	32.8	0.4%	37.9	38.1	0.6%
PAT	7.8	8.0	2.5%	14.7	14.8	0.9%	20.8	19.8	-5.1%
ABVPS (INR)	438.5	440.4	0.4%	540.5	542.4	0.4%	668.3	664.9	-0.5%

Source: Company, HSIE Research

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IndiaMART InterMESH

Net additions weak; collections strong

IndiaMART delivered a decent quarter with revenue growth of +2.7% QoQ / +13.4% YoY, supported by strong cash collection growth of +17% YoY. Revenue growth was driven by ARPU expansion (+3.1% QoQ / +6.5% YoY) led by price hikes and package upgrades among gold and platinum customers. However, this was partly offset by a decline in net subscriber additions (~1K QoQ, the lowest in the last four quarters) due to price hikes and continued churn. The impact of price increases is expected to weigh on net additions in the coming quarters, with revenue growth primarily supported by ARPU expansion, guided at 6–8% YoY. Despite several initiatives to reduce churn in the silver bucket, improvement remains limited, though overall platform experience has enhanced with better-quality RFQs for sellers. Traffic and unique business enquiry growth have moderated but are expected to recover with marketing initiatives. We expect ARPU growth of ~7% YoY and a pick-up in supplier additions by FY27E. PAT increased in the quarter due to a one-time remeasurement gain of ~INR 824mn from Baldor Technologies. We trim our estimates by ~1% and maintain BUY with a DCF-based TP of INR 2,710 (~26x FY28E EPS), factoring in revenue/PAT CAGR of 17%/20% over FY26–28E.

- **Q3FY26 highlights:** (1) Q3 revenue stood at INR 4.02bn, +2.7/13.4% QoQ/YoY. Gold and platinum customers contributed ~75% to revenue and the net additions to paid suppliers declined by ~1,000. (2) EBITDA margin stood at 33.4%, marginally up 24bps QoQ, due to decrease in outsource sales cost (-23% QoQ). (3) In Q3FY26, BUSY revenue increased by 10% QoQ to INR 0.32bn and EBITDA margin declined to 19% vs 21% in Q2FY26. (4) Standalone EBITDA margin stood at 36.7%, +474bps QoQ, given the 34% QoQ decline in G&A cost. (5) Top 1/10 supplier ARPU stood at 1,103K/333K, +5.7/8% YoY. (6) Top 10% of customers account for 50% of revenue. (7) PAT stood at INR 1.88bn, an increase of 127.7% QoQ. (8) Net cash stood at INR 30.5bn (~23.8% of market cap).
- **Outlook:** We expect revenue growth of +13.6/15.8/17.8%, based on paid supplier growth of +2.3/7.0/8.8% and ARPU growth of +8.0/7.5/8.2% for FY26/27/28E. Consolidated EBITDA margin estimates stand at 33.1/32.2/32.3% for FY26/27/28E.

Quarterly financial summary

YE March (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	4,016	3,543	*13.4*	3,910	*2.7*	11,968	13,884	15,778	18,267	21,515
EBITDA	1,342	1,382	*-2.9*	1,297	*3.5*	3,314	5,228	5,223	5,883	6,946
APAT	1,883	1,210	*55.6*	827	*127.7*	3,340	5,507	4,319	5,418	6,242
EPS	31.0	19.9	*55.6*	13.6	*127.7*	55.0	91.8	71.7	89.9	103.6
P/E (x)						38.9	23.3	29.9	23.8	20.7
EV / EBITDA (x)						32.7	19.7	18.5	15.2	11.5
RoE (%)						17.6	28.1	18.3	19.7	19.4

Source: Company, HSIE research

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	15,788	15,778	*-0.1*	18,433	18,267	*-0.9*	21,768	21,515	*-1.2*
EBITDA	5,263	5,223	*-0.8*	5,936	5,883	*-0.9*	7,054	6,946	*-1.5*
EBITDA margin (%)	33.3	33.1	-23 bps	32.2	32.2	0 bps	32.4	32.3	-12 bps
APAT	4,336	4,319	*-0.4*	5,457	5,418	*-0.7*	6,322	6,242	*-1.3*
EPS (Rs)	71.9	71.7	*-0.3*	90.5	89.9	*-0.6*	104.8	103.6	*-1.2*

Source: Company, HSIE Research

BUY

CMP *(as on 20 Jan 2026)*	INR 2,142
Target Price	INR 2,710
NIFTY	25,233

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,740	INR 2,710
	FY26E	FY27E
EPS %	-0.3	-0.6

KEY STOCK DATA	
Bloomberg code	INMART IN
No. of Shares (mn)	60
MCap (INR bn) / ($ mn)	129/1,415
6m avg traded value (INR mn)	283
52 Week high / low	INR 2,799/1,835

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(8.3)	(19.3)	(4.9)
Relative (%)	(5.7)	(19.8)	(11.5)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	49.17	49.12
FIs & Local MFs	13.00	16.41
FPIs	21.53	18.27
Public & Others	16.38	16.15
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

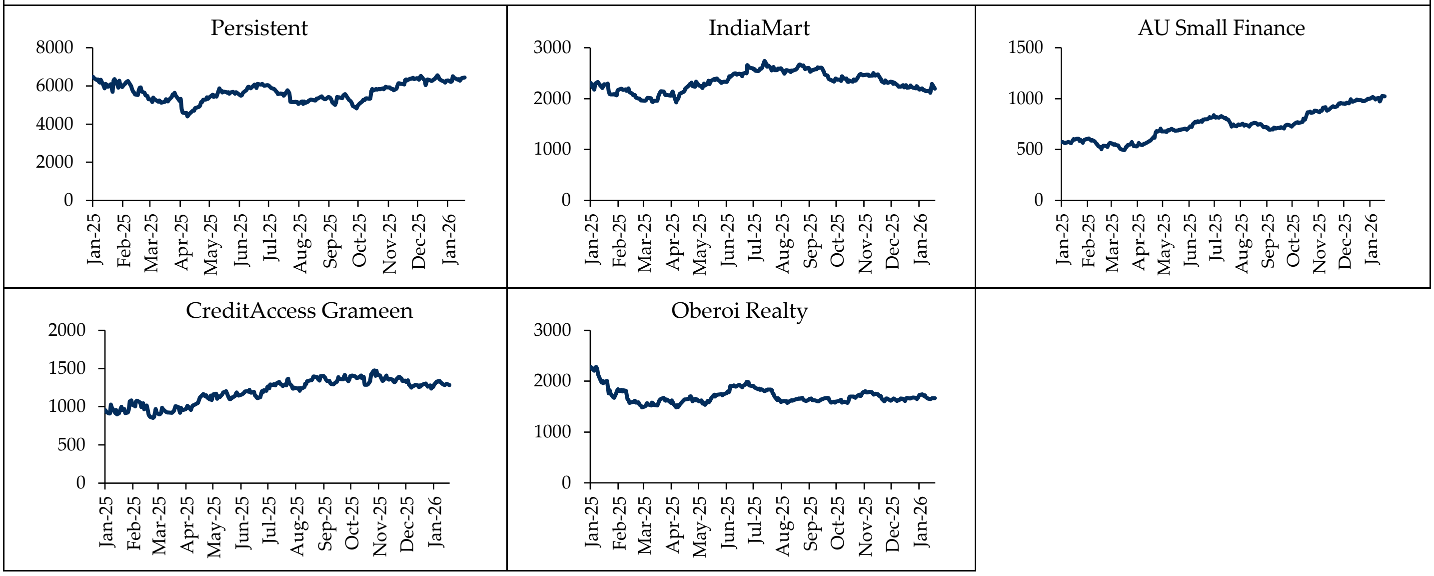
REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Amit Chandra	Persistent Systems, IndiaMART InterMESH	MBA	NO
Vinesh Vala	Persistent Systems	MBA	NO
Maitreyee Vaishampayan	Persistent Systems	MSc	NO
Arjun Savla	IndiaMART InterMESH	CA	NO
Krishnan ASV	AU Small Finance Bank, CreditAccess Grameen	PGDM	NO
Akshay Badlani	AU Small Finance Bank	CA	NO
Deepak Shinde	CreditAccess Grameen	PGDM	NO
Ayush Pandit	CreditAccess Grameen	CA	NO
Parikshit Kandpal	Oberoi Realty	CFA	NO
Jay Shah	Oberoi Realty	CA	NO
Aditya Sahu	Oberoi Realty	MBA	NO

Price movement



Disclosure:
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