Dated: 21 Jan 2026

Indiamart (INMART) - BUY

Result Update

Current Market Price (CMP)	Fair Value (FV)
Rs.2142	**Rs.2530**

Rationale:

- Recovery in collection growth seen after several quarters.
- Higher marketing spends and labour code provisions drive lower margins.
- Recent price hikes in the silver category weighed on customer addition.
- Collection growth stood at 14.4% yoy, a positive surprise after several quarters of 8-10% growth.
- Fresh investments into product and marketing are positives.
- We retain FY27-28E EPS and roll forward to Mar’27E.
- Valuations at 21x FY27E ex-cash P/E are supportive; upgrade to BUY with a revised FV of Rs2,530 (Rs2,450 previously).

Positives:

- Posted an ARPU of ~Rs67k, 1.5% ahead of expectation.
- Unique business inquiries improved 3.7% yoy in Q3FY26.

Negatives:

- EBITDA margin of 37.0% (Kotak estimate of 39.1%) was down 575 bps yoy.
- QoQ decline of ~1k paying subscription suppliers v/s expectation of addition of 3k.
- Delivery of enquiries has been weak in Q3FY26 compared to earlier quarters.

EPS: Earnings Per Share. PAT: Profit After Tax. ARPU: Average Revenue Per User.

Holding Period: 12 months

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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