

HSIE Results Daily

Contents

Results Reviews

- Mazagon Dock Shipbuilders:** Mazagon Dock Shipbuilders Ltd (MDL) recorded a strong FY26 performance, reflected in 13.8% revenue growth in FY26 over FY25, led by faster execution of the order book and final platform deliveries in Q4FY26. EBITDA margin for the quarter rose sharply to 13.6% due to P17A delivery. We expect MDL to continue this robust performance over the next few years due to its robust order pipeline consisting of submarines, frigates, and destroyers. The expectation of the order value of 6 next-gen submarines of INR 990bn over an earlier estimate of INR 770bn makes us increase our estimates for FY27E and FY28E. We expect the revenue to start kicking in from FY28 for these platforms. MDL has also acquired a 51% stake in Colombo Dockyard PLC, which will help the company build an MRO orderbook diversifying its revenue streams and reducing revenue cyclicality. With this multi-year revenue visibility, we continue with an ADD rating for a TP of INR 3,000 (40x FY28E EPS).
- Laurus Labs:** EBITDA growth of 25% YoY, with a margin of 29% (+452bps YoY), was led by strong CDMO sales growth of +20% YoY, though offset by flattish growth in generic business. Margin expansion was supported by gross margin expansion (+685 bps YoY). Laurus expects the strong momentum to continue in the CDMO business in FY27E, supported by accelerated expansion in CDMO, late-phase NCE projects with big pharma clients, steady traction from recently commercialized patented APIs (three APIs partnered with Innovators for which the company does not expect any near-term de-stocking risk), and fermentation capacity addition by CY26-end. Laurus Bio progress on long-term contracts is intact and scale-up is expected from FY27 and beyond, with commissioning of the new Vizag block (~400 KL capacity) by CY26. The company is advancing its commercial peptides capability and manufacturing capacities for integrated services. It expects the generics business to see steady growth in the near term. It expects to sustain GM (61+%) and expects operating leverage to aid margin expansion. While it expects steady traction in its Animal Health product-related API supplies, the crop protection projects will take 1-2 years to scale up to contribute meaningfully. Further, the company guides for (1) ~INR 30 bn capex over FY27 and FY28 (up from INR 20bn earlier; ~INR 10.7bn in FY26) for the ongoing expansion projects, (2) ETR at 25-26% in FY27, and (3) gross debt to inch up in FY27 and reduce in FY28; while net debt to EBITDA should continue to improve (at 1.3x in FY26). Factoring in the healthy Q4 and guidance, we have increased our EBITDA estimates by 6% for FY27/28E and revised the TP to INR 1,130, based on 26x FY28E EV/EBITDA (implying 50x PE). REDUCE stays.
- Mphasis:** Mphasis reported a strong performance, which was broadly in line with expectations, delivering revenue growth of 2.5% QoQ in CC terms. The direct business grew 3.3% QoQ in CC terms, led by sustained momentum in BFS (+6.4% QoQ) and insurance (+7.3% QoQ), while TMT faced pressure (-9.2% QoQ). EBIT margin expanded 17bps QoQ to 15.4%, near the upper end of the guided range. The deal engine remained robust, with FY26 net new TCV at USD 2.1bn, up 68% YoY, driven by strong client demand for AI-first transformation programs. The deal pipeline hit an all-time high, up 38% YoY, with AI-led opportunities comprising 69% of the mix— signalling a structural shift in client spending toward enhancing business functions like supply

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chain and underwriting beyond cost-cutting. The Theory and Practice Business Intelligence (TAP) acquisition in April 2026 bolsters decision intelligence capabilities. For FY27E, the company guides high-single-digit to low-double-digit revenue growth amid macro uncertainties, EBIT margins in the 14.75%-15.75% band, and operating cash flow conversion at ~80% of net income. We stay positive on the stock, backed by differentiated AI strengths, a record pipeline, and balanced deal momentum; we upgrade FY27E/FY28E earnings estimates by ~2-3% and reiterate ADD with a revised TP of INR 2,715 (21x Mar-28E EPS).

- **Aster DM Healthcare:** EBITDA (+21% YoY) beat consensus/our estimates by 11/13% respectively, led by 17% growth in the hospital business, steady occupancy at 59% (vs 59% in Q4FY25), and a 14% YoY increase in ARPOB. Hospital EBITDA rose 31% YoY, with margin increasing by 252bps to 23.4% despite a ~INR 80mn drag from the new hospital (at Kasargod). ASTERDM expects: (1) steady growth in hospital business with strong performance and scale-up in core clusters; (2) bed capacity expansion on track (brownfield expansions: Aster Whitefield (Block D) – 159 beds, Aster Ramesh Ongole – 75 beds, in Apr'26). While the bed addition is well spread over FY26-28, the EBITDA drag from new hospitals keep margins in check; (3) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (1,700 beds with capex outlay of INR 20 bn). The QCIL merger is on track though with a completion timeline by Q1FY27. Factoring in FY26 numbers and bed capacity expansion (W&C, Hyderabad: 300 beds in H2FY27, Aster Trivandrum: 300 beds in Oct'27, Sarjapur Phase I: 300 beds in FY28), we have slightly adjusted our FY27/28E EBITDA estimates and revised our TP to INR 750 (26x FY28E blended EV/E). ADD stays.
- **Dr. Lal Pathlabs:** EBITDA grew by 11% YoY, led by a 17% YoY increase in sales, supported by 9%/13% YoY growth in patient/sample volumes. SwasthFit continues to sustain a strong momentum with 26% YoY growth in Q4FY26 (up 23% in FY26), which was partly offset by higher costs. DLPL has guided on sustaining volume-led growth and an early to mid-teen growth for FY27, while sustaining margins at 27-28% in FY27. The key growth driver is geographic expansion (core markets and tier 2/3 regions), portfolio innovation (broadening its high-complexity testing in genomics, oncology, and auto-immunity), and digital enablement. It expects a continued higher contribution from SwasthFit (at 27% in FY26 vs 24% in FY25) and is looking to expand its portfolio offering and presence to sustain the growth momentum. It is looking for M&As to expand its presence in south India (organic or inorganic) and in other regions (acquired Shahbazkars Diagnostic Centre Pvt. Ltd for a cash consideration of INR 200mn; Mumbai FY26 sales at INR 61.1mn). CAPEX consideration for FY27 is expected to be ~INR 1-1.25bn, toward extra infra in Delhi NCR and other regions. We expect volume-led growth, supported by steady performance in the north and east India, scale-up in suburban in the west, and combination of organic expansion as well as M&As in the south. This is supported by a steady price environment. We reiterate BUY with a revised TP of INR 1,720, based on 42x FY28E EPS.
- **Acutaas Chemicals:** We are downgrading Acutaas Chemicals (ACL) to SELL with a target price of INR 1,358. Revenue from FY26 to FY29E will be driven by (1) ramp-up of Block 3 (Fermion contract), (2) new CDMO molecules from Blocks 1 and 2, and (3) the growth in electrolyte and semiconductor business. We expect ACL's revenue to grow at 21% CAGR over FY26-29E while EBITDA and PAT to report 17% and 16% CAGR over the same period. We expect RoE to decline by 410bps, from 24.1% in FY26 to 20.0% in FY29. ACL's growth story is promising, led by growth in the CDMO business. However, near-term valuations are contextually high, the stock is trading at 49.1/40.2/37.7x FY27/28/29E. In Q4FY26, EBITDA was 63% above our estimates while APAT was 66% above our estimate, owing to higher-than-

expected revenue, better than expected revenue from high margin CDMO business and operating leverage.

- **Kajaria Ceramics:** Kajaria Ceramics' (KJC) revenue grew 12% YoY to INR 13.7bn, driven by 11% YoY growth in tiles volume, while NSR remain broadly flat YoY. EBITDA grew strong 90% YoY, owing to lower fixed expenses leading EBITDAM expansion by robust 790bps YoY to 19.2%. Consequently, APAT (ex. discontinued ply operations) rose 118% YoY. After a healthy Q4 performance, management remained confident of sustaining EBITDA margins at 18-19%, supported by ongoing cost optimization initiatives and calibrated price hikes to offset elevated input costs. The company has approved a buyback of 2.15mn shares (1.35% of outstanding equity) at INR 1,380 per share, aggregating to INR 3bn; promoters will not participate. Factoring in a healthy Q4 performance, we increase our revenue estimates by 3-4% and APAT estimates by 11/6% for FY27/28E. We maintain REDUCE on Kajaria Ceramics with a revised TP of INR 1,140/share (30x its Mar'28E consolidated EPS).
- **CemIndia Projects:** CemIndia Projects' (CPL) revenue/EBITDA/APAT was a beat on our estimates by 10/30.5/64.3% respectively, on the back of execution in Mumbai and Bangalore metro projects and INR 1bn of old claims realization; nonetheless execution delays continued to affect Vadhavan Port project (order value: INR 10bn). With an OI of INR 148bn in FY26 (9MFY26: INR 97.3bn), the OB as of Mar'26 stood at INR 245bn (~2.44x FY26 revenue, excluding L1 of INR 50bn). CPL management has guided for 20-25% revenue growth for FY27/28, 10-11% EBITDA margin, and OI of ~INR 250bn for FY27, with current bid pipeline at INR 700bn (35-40% from group entities). The OB is well-diversified, offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. Focus is on bidding for higher ticket-sized orders, expanding into new segments such as data centres (INR 30bn group orders) and ports based on Adani group requirements, and sustaining execution of projects in hand. We have tweaked our estimates higher to factor in execution outperformance, reiterate BUY, with an increased TP of INR 942/sh (18x Jun-28E EPS, rollover from Mar-28 to Jun-28).
- **IndiaMART InterMESH:** IndiaMart posted a weak Q4, with standalone revenue declining 0.5% QoQ, due to weak paying supplier addition (-1.2K, -0.5% QoQ) and flat ARPU sequentially. Net addition suffered from continued higher churn in the silver bucket, moderation in gross hiring due to the weak macro, and Q2 price hike. ARPU growth moderated QoQ but stood at 8% YoY, driven by the ARPU of top-1 (+1.7% YoY) and top-10 (+10% YoY) paying customers. Collections growth reached 10% YoY at INR 5.95bn, versus mid-teen growth in the last four quarters, impacted by a drop in net subscribers, lower ARPU realization, and war effects on long-term renewals. We expect ARPU to revive once price hike impact is absorbed and net subscriber addition recovers amid stable churn. The company has ramped up marketing and technology spends to boost platform traffic and user experience. Initiatives to revive net paying supplier growth include enhancing inquiry quality via detailed product specifications, introducing buyer-side OTP verification for greater platform trust, and rolling out GST verification. Moreover, IndiaMart is leveraging AI-led discovery and a three-tier differential pricing architecture to optimize demand-supply curation and improve seller retention. We trim estimates by ~4% and maintain BUY with a DCF-based TP of INR 2,550 (~27x FY28E EPS), incorporating revenue/PAT CAGR of 13%/21% over FY26-28E.

Mazagon Dock Shipbuilders

Riding the wave of naval growth

Mazagon Dock Shipbuilders Ltd (MDL) recorded a strong FY26 performance, reflected in 13.8% revenue growth in FY26 over FY25, led by faster execution of the order book and final platform deliveries in Q4FY26. EBITDA margin for the quarter rose sharply to 13.6% due to P17A delivery. We expect MDL to continue this robust performance over the next few years due to its robust order pipeline consisting of submarines, frigates, and destroyers. The expectation of the order value of 6 next-gen submarines of INR 990bn over an earlier estimate of INR 770bn makes us increase our estimates for FY27E and FY28E. We expect the revenue to start kicking in from FY28 for these platforms. MDL has also acquired a 51% stake in Colombo Dockyard PLC, which will help the company build an MRO orderbook diversifying its revenue streams and reducing revenue cyclicity. With this multi-year revenue visibility, we continue with an ADD rating for a TP of INR 3,000 (40x FY28E EPS).

- Q4FY26 highlights (consolidated):** Revenue for the quarter stood at INR 38,504mn (21% YoY), led by faster execution of the order book, EBITDA margins rose sharply to 13.6% in Q4FY26 over 3.8% in Q4FY25 due to delivery of P17A stealth frigates. EBITDA grew to INR 5,249mn, posting a 340% increase YoY, APAT stood at INR 6,742mn, a 107% growth YoY. EPS grew to 18.84 in Q4FY26 from 8.1 in Q4FY25, with other income remaining stable.
- FY26 highlights (consolidated):** Revenue at INR 130,063mn (beat by 3.3%), EBITDA at INR 22,656mn (beat by 2%) and APAT at INR 25,784mn (beat by 6.8%; this was due to share of MDL's associate company and other income).
- Colombo Dockyard Acquisition, providing revenue diversification:** As of now, Mazagon Dock has acquired a controlling stake of 51% in Colombo Dockyard PLC for roughly INR 2495mn. This acquisition allows the company to tap strategic key naval routes, which would fetch additional revenue from shipbuilding and repair projects from that port. This also helps MDL build a steady revenue stream from MRO, helping reduce revenue volatility.
- Strong order pipeline providing revenue visibility in longer term:** MDL boasts a strong order pipeline. Contracts like six AIP submarines under P751 (~INR 990 bn) and 3 additional Kalvari class submarines (~INR 300 bn) have already been cleared by government and expected to be concluded over the next few quarters, next gen corvettes is also likely to be signed in FY27 (MDL's associate company – Goa Shipyard is L2 with expected order value of INR 130bn). The pipeline also has next-gen frigates and destroyers with an expected value of INR 1500bn. We expect revenue for these to start kicking in from FY28E. This huge order pipeline provides multi-year visibility.

Financial Summary

(INR mn, Mar YE)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY25	FY26	FY27E	FY28E
Net Revenues	38,504	31,744	21%	36,011	7%	114,319	130,063	148,776	164,251
EBITDA	5,249	1,193	340%	8,870	-41%	20,894	22,656	26,201	28,842
APAT	6,742	3,253	107%	8,798	-23%	24,135	25,784	28,323	30,254
Diluted Consol EPS (INR)	18.84	8.06	134%	21.81	-14%	59.83	64.04	70.22	75.00
P/E (x)						45.7	42.7	38.9	36.4
EV/EBITDA						45.7	42.9	36.9	33.3
RoE (%)						34.0%	28.8%	25.7%	23.1%

Source: Company, HSIE Research

ADD

CMP (as on 30 Apr 2026)	INR 2,733
Target Price	INR 3,000
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2950	INR 3,000
EPS Change %	FY27E 8.6%	FY28E 1.7%

KEY STOCK DATA

Bloomberg code	MAZDOCKS IN
No. of Shares (mn)	403
MCap (INR bn) / (\$ mn)	1,102/11,615
6m avg traded value (INR mn)	4,236
52 Week high / low	INR 3,778/2,057

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.2	0.2	(10.6)
Relative (%)	12.7	8.5	(6.5)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	81.22	81.22
FIs & Local MFs	5.37	5.09
FPIs	1.80	1.73
Public & Others	11.61	11.95
Pledged Shares	-	-

Source : BSE

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Laurus Labs

Strong FY26; CDMO growth momentum to continue

EBITDA growth of 25% YoY, with a margin of 29% (+452bps YoY), was led by strong CDMO sales growth of +20% YoY, though offset by flattish growth in generic business. Margin expansion was supported by gross margin expansion (+685 bps YoY). Laurus expects the strong momentum to continue in the CDMO business in FY27E, supported by accelerated expansion in CDMO, late-phase NCE projects with big pharma clients, steady traction from recently commercialized patented APIs (three APIs partnered with Innovators for which the company does not expect any near-term de-stocking risk), and fermentation capacity addition by CY26-end. Laurus Bio progress on long-term contracts is intact and scale-up is expected from FY27 and beyond, with commissioning of the new Vizag block (~400 KL capacity) by CY26. The company is advancing its commercial peptides capability and manufacturing capacities for integrated services. It expects the generics business to see steady growth in the near term. It expects to sustain GM (61+%) and expects operating leverage to aid margin expansion. While it expects steady traction in its Animal Health product-related API supplies, the crop protection projects will take 1-2 years to scale up to contribute meaningfully. Further, the company guides for (1) ~INR 30 bn capex over FY27 and FY28 (up from INR 20bn earlier; ~INR 10.7bn in FY26) for the ongoing expansion projects, (2) ETR at 25-26% in FY27, and (3) gross debt to inch up in FY27 and reduce in FY28; while net debt to EBITDA should continue to improve (at 1.3x in FY26). Factoring in the healthy Q4 and guidance, we have increased our EBITDA estimates by 6% for FY27/28E and revised the TP to INR 1,130, based on 26x FY28E EV/EBITDA (implying 50x PE). REDUCE stays.

- **Q4 highlights:** Revenue grew 5% YoY to INR 18.11bn. The CDMO business (33% of sales) grew 20% YoY to INR 5.89bn – small molecules were up 14% YoY (+28% QoQ) and Laurus Bio grew by 124% YoY (+51% QoQ). Generic API business (43%) grew by 13% YoY and generic FDF (25%) declined 17% YoY.
- **EBITDA growth on higher sales:** GM expanded by 685bps YoY to 61.4% on better product mix. Higher staff (+26% YoY) and SG&A (+7%) led to an EBITDA of INR 5.24bn (+25%) and margin of 29% (+452bps YoY). Reported PAT at INR 2.79bn (+19% YoY) and adj. PAT[^] was INR 2.91bn (+54%).
- **Con call takeaways:** Greenfield capacity Unit-7 (Vizag): first production block commenced commercial validation by Mar-27 and four additional blocks to commission by Mar-28; combined reactor capacity of 2,000 m³. KRKA's FDF facility construction is on track and Phase-1 expansion is expected to be completed by mid-CY27. Commercial peptide manufacturing block to be ready by Q2FY27. NexCAR19 sales at INR 750mn (+22% YoY); sustained demand with > 600 patients, as of Mar-26.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	18,116	17,203	5	17,783	2	50,408	55,540	68,129	77,876	88,805
EBITDA	5,247	4,206	25	4,885	7	7,775	10,553	17,986	21,027	24,333
APAT	2,918	1,896	54	2,600	12	1,611	3,589	9,045	10,384	12,193
EPS (INR)	5.4	3.5	54	4.8	12	3.0	6.6	16.8	19.2	22.6
P/E (x)						368.3	165.3	65.6	57.1	48.7
EV/EBITDA (x)						79.5	58.8	34.4	29.5	25.4
RoCE (%)						6	10	17	17	18

Source: Company, HSIE Research, PAT adjusted for one-offs, ^ Labor code one-offs of INR 126 mn

REDUCE

CMP (as on 30 Apr 2026)	INR 1,101
Target Price	INR 1,130
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1040	INR 1130
	FY27E	FY28E
EBITDA %	5.9	5.8

KEY STOCK DATA

Bloomberg code	LAURUS IN
No. of Shares (mn)	540
MCap (INR bn) / (\$ mn)	594/6,262
6m avg traded value (INR mn)	1,872
52 Week high / low	INR 1,145/572

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	14.1	15.4	82.3
Relative (%)	20.6	23.8	86.5

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	27.49	27.49
FIs & Local MFs	12.43	13.96
FPIs	26.52	25.82
Public & Others	33.56	32.73
Pledged Shares	2.69	2.69

Source: BSE

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Mphasis

Strong deal engine; margins steady

Mphasis reported a strong performance, which was broadly in line with expectations, delivering revenue growth of 2.5% QoQ in CC terms. The direct business grew 3.3% QoQ in CC terms, led by sustained momentum in BFS (+6.4% QoQ) and insurance (+7.3% QoQ), while TMT faced pressure (-9.2% QoQ). EBIT margin expanded 17bps QoQ to 15.4%, near the upper end of the guided range. The deal engine remained robust, with FY26 net new TCV at USD 2.1bn, up 68% YoY, driven by strong client demand for AI-first transformation programs. The deal pipeline hit an all-time high, up 38% YoY, with AI-led opportunities comprising 69% of the mix— signalling a structural shift in client spending toward enhancing business functions like supply chain and underwriting beyond cost-cutting. The Theory and Practice Business Intelligence (TAP) acquisition in April 2026 bolsters decision intelligence capabilities. For FY27E, the company guides high-single-digit to low-double-digit revenue growth amid macro uncertainties, EBIT margins in the 14.75%-15.75% band, and operating cash flow conversion at ~80% of net income. We stay positive on the stock, backed by differentiated AI strengths, a record pipeline, and balanced deal momentum; we upgrade FY27E/FY28E earnings estimates by ~2-3% and reiterate ADD with a revised TP of INR 2,715 (21x Mar-28E EPS).

- Q4FY26 highlights:** (1) Mphasis' revenue came in at USD 463mn (in line with our estimate), +2.5/7.1% QoQ/YoY CC. (2) TCV stood at USD 407mn (+4.4% YoY), of which 64% was AI-led. The company won four large deals in Q4 (USD 50mn+ deals). For FY26, TCV stood at USD 2.1bn with growth of 68% YoY. The deal pipeline is strong, with BFS pipeline growth of 89% YoY and non-BFS pipeline growth of +6% YoY. (3) Within verticals, growth was led by insurance (16% of revenue) at 8% QoQ, driven by continued ramp-up of recent large deal wins. BFS (54% of revenue) grew 5.8% QoQ, driven by wallet share gains and growth in new wins/accounts. TMT (16% of revenue) was impacted by ending of projects, with revenue down 10.8% QoQ, but it is expected to have a stronger Q1. (4) EBITM at 15.4% (above our estimate of 15.1%) improved 17bps QoQ, supported by FX tailwind.
- Outlook:** We have factored in USD revenue growth of 9.3/10.7%, implying CQGR of 2.4/2.7% for FY27/28E respectively. EBITM is factored in at 15.6/15.8% for FY27/28E, translating to a ~13% EPS CAGR over FY26-28E.

Quarterly Financial summary

YE Mar (INR bn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Revenue (USD mn)	463	430	7.5	451	2.5	1,609	1,681	1,797	1,963	2,173
Net Sales	42.43	37.10	14.4	40.03	6.0	132.79	142.30	158.80	179.61	201.01
EBIT	6.53	5.67	15.0	6.09	7.2	20.11	21.71	24.28	28.00	31.70
APAT	5.10	4.47	14.1	4.78	6.7	15.55	17.02	18.98	21.38	24.18
Diluted EPS (INR)	27.2	23.8	14.3	25.5	6.7	83.1	91.0	101.5	114.3	129.3
P/E (x)						27.4	25.0	22.4	19.9	17.6
EV / EBITDA (x)						16.7	15.2	13.8	11.6	10.1
RoE (%)						18.6	18.5	18.6	19.2	20.1

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue (USD mn)	1,960	1,963	0.1	2,167	2,173	0.3
Revenue	179.34	179.61	0.1	200.43	201.01	0.3
EBIT	27.76	28.00	0.9	31.25	31.70	1.4
EBIT margin (%)	15.5	15.6	11bps	15.6	15.8	18bps
APAT	20.77	21.38	2.9	23.72	24.18	1.9
EPS (INR)	111.0	114.3	2.9	126.8	129.3	1.9

Source: Company, HSIE Research

ADD

CMP (as on 30 Apr 2026)	INR 2,277
Target Price	INR 2,715
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,660	INR 2,715
EPS %	FY27E +2.9	FY28E +1.9

KEY STOCK DATA

Bloomberg code	MPHL IN
No. of Shares (mn)	191
MCap (INR bn) / (\$ mn)	434/4,577
6m avg traded value (INR mn)	2,041
52 Week high / low	INR 3,037/2,013

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(17.5)	(17.6)	(7.8)
Relative (%)	(11.0)	(9.3)	(3.6)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	30.59	30.55
FIs & Local MFs	45.25	45.65
FPIs	19.79	19.50
Public & Others	4.37	4.30
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Aster DM Healthcare

Strong Q4; capacity expansion to drive sales

EBITDA (+21% YoY) beat consensus/our estimates by 11/13% respectively, led by 17% growth in the hospital business, steady occupancy at 59% (vs 59% in Q4FY25), and a 14% YoY increase in ARPOB. Hospital EBITDA rose 31% YoY, with margin increasing by 252bps to 23.4% despite a ~INR 80mn drag from the new hospital (at Kasargod). ASTERDM expects: (1) steady growth in hospital business with strong performance and scale-up in core clusters; (2) bed capacity expansion on track (brownfield expansions: Aster Whitefield (Block D) – 159 beds, Aster Ramesh Ongole – 75 beds, in Apr'26). While the bed addition is well spread over FY26-28, the EBITDA drag from new hospitals keep margins in check; (3) Quality Care Hospital (QCIL) to see steady growth along with bed capacity expansion (1,700 beds with capex outlay of INR 20 bn). The QCIL merger is on track though with a completion timeline by Q1FY27. Factoring in FY26 numbers and bed capacity expansion (W&C, Hyderabad: 300 beds in H2FY27, Aster Trivandrum: 300 beds in Oct'27, Sarjapur Phase I: 300 beds in FY28), we have slightly adjusted our FY27/28E EBITDA estimates and revised our TP to INR 750 (26x FY28E blended EV/E). ADD stays.

- Q4 highlights:** Sales grew 18% YoY to INR 11.87 bn, led by 17% YoY growth in hospitals (occupancy at 59%, ARPOB growth of 14%). GM was steady at 77.7% (+26 bps YoY), offset by higher staff costs (+20% YoY) and SG&A (+18%), leading to an EBITDA of INR 2.3bn (+21% YoY) and 19.7% margin (+47 bps). PAT was ~INR 1.39bn (+34%). **EBITDA:** (1) Hospital: +31% YoY, margin at 23.4% (-252 bps); (2) Labs: EBITDA grew 26% YoY, margin at 6.2%.
- Operating metrics:** ARPOB at INR 54,300 (+14% YoY) and occupancy at 59% (59% in Q4FY25). IP/OPD volumes were up +7/+13% YoY. ALOS was steady at 3.1 days. **Clusters:** Kerala: ARPOB was up 17% YoY and occupancy was at 60%; Karnataka, Maharashtra: ARPOB was up 13% YoY and occupancy was at 57%; AP, Telangana: ARPOB was up 12% YoY, and occupancy was at 58%.
- QCIL:** Sales at INR 11.78bn (+18% YoY), EBITDA at INR 2.72bn (+30% YoY), and margins expanded by 211 bps YoY to 23.1%, supported by procurement synergies across QCIL entities, which led to ~INR 850mn of EBITDA improvement for FY26.
- Key takeaways from con call:** In Q4, Aster saw strong 51% growth in MVT sales, despite geopolitical headwinds, led by 51% YoY growth in Kerala. The CONGO mix increased by 200bps to 53% in Q4FY26. In Q4FY26: (1) Aster Medcity sales grew by 16% YoY, EBITDA grew 26% and margin was at 32.5%; (2) Aster MIMS Calicut sales grew by 21% YoY, EBITDA grew 41%, and margin was at 23.8%; (3) Aster Whitefield sales grew by 15% YoY.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	11,824	10,003	18	11,858	(0)	36,989	41,385	46,432	58,409	74,159
EBITDA	2,326	1,921	21	2,113	10	5,780	7,645	9,010	11,540	15,280
APAT	1,398	1,041	34	807	73	1,226	3,568	4,209	5,589	8,315
EPS (INR)	2.8	2.1	34	1.6	73	2.4	6.9	8.1	10.8	16.0
P/E (x)						296.4	101.9	86.3	65.0	43.7
EV/EBITDA (x)						65.9	48.7	41.6	32.6	24.3
RoCE (%)						3	6	12	13	16

Source: Company, HSIE Research, PAT adjusted for one-offs.

ADD

CMP (as on 30 Apr 2026)	INR 707
Target Price	INR 750
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 640	INR 750
	FY27E	FY28E
EPS %	(0.5)	1.0

KEY STOCK DATA

Bloomberg code	ASTERDM IN
No. of Shares (mn)	518
MCap (INR bn) / (\$ mn)	366/3,859
6m avg traded value (INR mn)	487
52 Week high / low	INR 732/497

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	28.1	4.3	40.0
Relative (%)	34.6	12.6	44.2

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	40.39	40.39
FIs & Local MFs	26.12	27.57
FPIs	18.46	17.18
Public & Others	15.03	14.86
Pledged Shares	40.67	40.67

Source: BSE

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Dr. Lal Pathlabs

Steady FY26; volume-led growth visibility intact

EBITDA grew by 11% YoY, led by a 17% YoY increase in sales, supported by 9%/13% YoY growth in patient/sample volumes. SwasthFit continues to sustain a strong momentum with 26% YoY growth in Q4FY26 (up 23% in FY26), which was partly offset by higher costs. DLPL has guided on sustaining volume-led growth and an early to mid-teen growth for FY27, while sustaining margins at 27-28% in FY27. The key growth driver is geographic expansion (core markets and tier 2/3 regions), portfolio innovation (broadening its high-complexity testing in genomics, oncology, and auto-immunity), and digital enablement. It expects a continued higher contribution from SwasthFit (at 27% in FY26 vs 24% in FY25) and is looking to expand its portfolio offering and presence to sustain the growth momentum. It is looking for M&As to expand its presence in south India (organic or inorganic) and in other regions (acquired Shahbazkars Diagnostic Centre Pvt. Ltd for a cash consideration of INR 200mn; Mumbai FY26 sales at INR 61.1mn). CAPEX consideration for FY27 is expected to be ~INR 1-1.25bn, toward extra infra in Delhi NCR and other regions. We expect volume-led growth, supported by steady performance in the north and east India, scale-up in suburban in the west, and combination of organic expansion as well as M&As in the south. This is supported by a steady price environment. We reiterate BUY with a revised TP of INR 1,720, based on 42x FY28E EPS.

- Q4 highlights:** Sales grew 17% YoY to INR 7.03bn as patient volume grew 9% YoY to 7.4mn, and sample volume grew 13% YoY to 23.6mn (realization per patient and sample grew 7% and 3% YoY). Steady GM at 80.8% (+27 bps YoY), higher SG&A (+23%) and fees to franchise (+30%), and moderate staff cost (+12%) led to EBITDA of INR 1.9bn (+11% YoY) and 26.6% margin (-146 bps). Lower other income (-7% YoY) as well as higher depreciation (+23%)/interest (+22%) led to an adjusted PAT of INR 1.31bn (+15% YoY).
- Key con call takeaways:** The company expects organic patient volume growth to be led by expansion and access, new customer acquisition in existing markets, and scale-up in tier 2/3 cities (added 14 labs in FY26). B2C:B2B mix was steady at 75%:25%. 'Sovaaka' labs are scaling up well and are expected to grow in FY27. The company acquired Shahbazkars Diagnostic Centre Pvt. Ltd for a cash consideration of INR 200mn. FY26 sales in Mumbai stood at INR 61.1mn, with pathology and basic radiology capabilities. Price increases should happen over the next few quarters. ETR is expected to be ~24-25% range for FY27. As of Mar-25, the company is holding INR 15.26bn in cash. It continues to evaluate radiology business and enhance its strategy; it expects meaningful contribution to start in the next 2-3 years.

Quarterly financial summary

(INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Revenue	7,027	6,026	17	6,598	7	22,266	24,614	27,629	31,330	35,219
EBITDA	1,868	1,690	11	1,793	4	6,092	6,955	7,825	8,772	9,897
APAT	1,313	1,140	15	1,126	17	3,577	4,463	5,048	6,048	6,865
EPS (INR)	7.8	13.6	(43)	6.7	17	21.3	26.6	30.1	36.1	41.0
P/E (x)						64.1	51.4	45.4	37.9	33.4
EV/EBITDA (x)						36.6	31.6	27.9	24.4	21.1
RoCE (%)						25	29	28	28	28

Source: Company, HSIE Research

BUY

CMP (as on 30 Apr 2026)	INR 1,368
Target Price	INR 1,720
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1740	INR 1720
	FY27E	FY28E
EPS %	0.7	0.5

KEY STOCK DATA

Bloomberg code	DLPL IN
No. of Shares (mn)	168
MCap (INR bn) / (\$ mn)	229/2,413
6m avg traded value (INR mn)	466
52 Week high / low	INR 1,771/1,272

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(3.0)	(12.8)	(1.3)
Relative (%)	3.5	(4.4)	2.9

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	53.21	53.21
FIs & Local MFs	19.2	21.37
FPIs	20.29	17.18
Public & Others	7.3	8.24
Pledged Shares	-	-

Source: BSE

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Acutaas Chemicals

Ramp-up in the CDMO business

We are downgrading Acutaas Chemicals (ACL) to SELL with a target price of INR 1,358. Revenue from FY26 to FY29E will be driven by (1) ramp-up of Block 3 (Fermion contract), (2) new CDMO molecules from Blocks 1 and 2, and (3) the growth in electrolyte and semiconductor business. We expect ACL's revenue to grow at 21% CAGR over FY26-29E while EBITDA and PAT to report 17% and 16% CAGR over the same period. We expect RoE to decline by 410bps, from 24.1% in FY26 to 20.0% in FY29. ACL's growth story is promising, led by growth in the CDMO business. However, near-term valuations are contextually high, the stock is trading at 49.1/40.2/37.7x FY27/28/29E. In Q4FY26, EBITDA was 63% above our estimates while APAT was 66% above our estimate, owing to higher-than-expected revenue, better than expected revenue from high margin CDMO business and operating leverage.

- Financial performance:** Revenue changed by +40.3/+10.1% YoY/QoQ to INR 4,328mn. Revenue during the quarter was driven by growth in the CDMO business. EBITDA changed by +116/+21.8% YoY/QoQ to INR 1,835mn. EBITDA margin changed by +1,490/+410bps YoY/QoQ to 38.3%, owing to favorable product mix change, operating leverage, and cost optimization.
- Segmental information:** (1) Revenue from advanced pharma intermediates changed by +44/+12% YoY/QoQ and came in at INR 3,924mn. It was led by ramp-up in the CDMO business. (2) The revenue of specialty chemicals business changed by +13/-4% YoY/QoQ to INR 403mn.
- Con call takeaways:** ACL has guided for a 25% revenue growth in both FY27 and FY28, EBITDA margins are expected to be sustained in FY27 as it plans to maintain a similar product mix; (2) ACL commenced the phase 1 of Jhagadia facility for the battery chemicals Fluoroethylene Carbonate(FEC) and Vinylene Carbonate(VC). Phase 2 for the 3rd product is expected to commence by Q1FY27 with a Capex of INR 0.6bn along with a 4th product being under development; (3) Capex under the JV Indichem Inc (with a South Korean company J & Materials Co Ltd) is expected to complete by CY27. ACL has invested INR 1.3bn in the same. (5) The Ankleshwar site is currently running at 30% utilization and has scope for ramping up.
- Change in estimates:** We revise our FY26/27/FY28 EPS estimates by +18.6/38.6/46.5% to INR 43.5/52.8/64.5x, factoring in the strong Q4 performance and management guidance for FY27 and FY28.

Financial summary (consolidated)

INR mn	4Q	3Q	QoQ	4Q	YoY	FY26	FY25	FY27E	FY28E	FY29E
	FY26	FY26	(%)	FY25	(%)					
Net Sales	4,328	3,932	10.1	3,085	40.3	13,394	10,069	16,754	20,670	23,585
EBITDA	1,835	1,507	21.8	850	116.0	4,805	2,321	5,805	7,184	7,717
APAT	1,343	1,062	26.4	627	114.1	3,564	1,603	4,326	5,280	5,635
AEPS (INR)	16.4	13.0	26.4	7.7	114.1	43.5	19.6	52.8	64.5	68.8
P/E (x)						59.5	132.3	49.1	40.2	37.7
EV/EBITDA(x)						43.8	90.4	36.0	28.6	26.2
RoE (%)						24.1	16.2	23.3	22.9	20.0

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E	FY26E	%Ch	FY27E	FY27E	%Ch	FY28E	FY28E	%Ch
	Old	New		Old	New		Old	New	
EBITDA (INR mn)	4,095	4,804	17.3%	4,440	5,805	30.8%	5,153	7,184	39.4%
Adj. EPS (INR/sh)	36.70	43.53	18.6%	38.1	52.8	38.6%	44.0	64.5	46.5%

Source: Company, HSIE Research

SELL

CMP (on 30 Apr 2026) INR 2,594

Target Price INR 1,358

NIFTY 23,998

KEY CHANGES	OLD	NEW
Rating	REDUCE	SELL
Price Target	INR 1,170	INR 1,358
EPS %	FY27E	FY28E
	+38.6%	+46.5%

KEY STOCK DATA

Bloomberg code	ACUTAAS IN
No. of Shares (mn)	82
MCap (INR bn) / (\$ mn)	212/2,237
6m avg traded value (INR mn)	857
52 Week high / low	INR 2,711/1,059

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	35.6	50.1	129.4
Relative (%)	42.1	58.5	133.6

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	32.66	32.66
FIs & Local MFs	21.70	19.60
FPIs	16.67	19.48
Government	0.01	0.01
Public & Others	28.96	28.24
Pledged Shares	0.00	0.00

Source: BSE

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Kajaria Ceramics

Strong performance across both volume and margin

Kajaria Ceramics' (KJC) revenue grew 12% YoY to INR 13.7bn, driven by 11% YoY growth in tiles volume, while NSR remain broadly flat YoY. EBITDA grew strong 90% YoY, owing to lower fixed expenses leading EBITDAM expansion by robust 790bps YoY to 19.2%. Consequently, APAT (ex. discontinued ply operations) rose 118% YoY. After a healthy Q4 performance, management remained confident of sustaining EBITDA margins at 18-19%, supported by ongoing cost optimization initiatives and calibrated price hikes to offset elevated input costs. The company has approved a buyback of 2.15mn shares (1.35% of outstanding equity) at INR 1,380 per share, aggregating to INR 3bn; promoters will not participate. Factoring in a healthy Q4 performance, we increase our revenue estimates by 3-4% and APAT estimates by 11/6% for FY27/28E. We maintain REDUCE on Kajaria Ceramics with a revised TP of INR 1,140/share (30x its Mar'28E consolidated EPS).

- Q4FY26 performance:** Revenue grew 12% YoY to INR 13.7bn, driven by 11% YoY growth in tiles volume, while NSR remained broadly flat YoY (up 2% QoQ). Sanitary ware/adhesive revenue grew by a healthy 6/92% YoY. EBITDA grew by a strong 90% YoY (+31% QoQ), due to lower fixed expenses. Employee costs/other expenses declined by 10/23% YoY. Consequently, EBITDAM rose by a robust 790bps YoY (+200bps QoQ) to 19.2%. APAT rose 118% YoY, led by an improved EBITDA and a higher tax rate in the base quarter.
- Con call KTAs and outlook:** The company increased tiles prices by 12-13% in the north and 16-17% in Morbi to offset higher gas costs. Management remained confident of sustaining EBITDA margins at 18-19%. The company's all plants have been operating at full utilization since mid-April, while outsourcing continues to face near-term pressures due to gas shortages. The company has announced a 10 MSM capacity expansion at the Srikalahasti plant (Andhra Pradesh) with a capex of INR 2.1bn, targeted for completion by March-27. The company has approved a buyback of 2.15mn shares (1.35% of outstanding equity) at INR 1,380/share, aggregating to INR 3bn; promoters will not participate. Factoring in a healthy Q4 performance and price hikes, we increase our revenue estimates by 3-4% and APAT estimates by 11/6% for FY27/28E. We maintain REDUCE on Kajaria Ceramics with a revised TP of INR 1,140/share (30x its Mar'28E consolidated EPS).

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q4 FY26	Q4 FY25	YoY (%)	Q3 FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Tiles sales (MSM)	33.5	30.1	11.3	29.0	15.7	108.1	114.7	118.5	129.2	136.9
NSR (Rs/Kg)	362	361	0.1	356	1.8	414	404	408	425	424
Tiles Revenue	12,126	10,884	11.4	10,299	17.7	40,609	41,720	42,803	48,521	50,918
Other Revenue	1,608	1,335	20.4	1,384	16.2	4,131	4,630	5,501	6,324	7,133
Net Sales	13,734	12,219	12.4	11,683	17.6	44,740	46,351	48,304	54,845	58,052
EBITDA	2,635	1,384	90.4	2,012	31.0	7,068	6,262	8,650	9,639	9,929
EBITDAM (%)	19.2	11.3		17.2		15.8	13.5	17.9	17.6	17.1
APAT	1,609	740	117.5	1,261	27.6	4,435	3,483	5,341	6,024	6,060
Diluted EPS (Rs)	10.1	4.6	117.5	7.9	27.6	27.8	21.9	33.6	38.4	38.6
EV / EBITDA (x)						26.2	29.5	21.1	18.9	18.2
P/E (x)						42.4	53.9	35.1	30.7	30.5
RoE (%)						17.5	12.7	18.0	19.2	18.4

Source: Company, HSIE Research

REDUCE

CMP (as on 30 Apr 2026) INR 1,188

Target Price INR 1,140

NIFTY 23,998

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 1,070	INR 1,140
EPS	FY27E	FY28E
revision %	12.4	7.7

KEY STOCK DATA

Bloomberg code	KJC IN
No. of Shares (mn)	159
MCap (INR bn) / (\$ mn)	189/1,993
6m avg traded value (INR mn)	299
52 Week high / low	INR 1,322/765

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	31.6	(1.7)	47.6
Relative (%)	38.1	6.7	51.8

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	47.69	47.69
FIs & Local MFs	26.30	27.48
FPIs	11.66	10.23
Public & Others	14.35	14.60
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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CemIndia Projects

Execution-led performance beat

CemIndia Projects' (CPL) revenue/EBITDA/APAT was a beat on our estimates by 10/30.5/64.3% respectively, on the back of execution in Mumbai and Bangalore metro projects and INR 1bn of old claims realization; nonetheless execution delays continued to affect VadHAVAN Port project (order value: INR 10bn). With an OI of INR 148bn in FY26 (9MFY26: INR 97.3bn), the OB as of Mar'26 stood at INR 245bn (~2.44x FY26 revenue, excluding L1 of INR 50bn). CPL management has guided for 20-25% revenue growth for FY27/28, 10-11% EBITDA margin, and OI of ~INR 250bn for FY27, with current bid pipeline at INR 700bn (35-40% from group entities). The OB is well-diversified, offering a natural hedge against any slowdown in specific business segments and targeting maritime, industrials, urban infra/MRTS/airports, roads, hydro, data centre, and other segments. Focus is on bidding for higher ticket-sized orders, expanding into new segments such as data centres (INR 30bn group orders) and ports based on Adani group requirements, and sustaining execution of projects in hand. We have tweaked our estimates higher to factor in execution outperformance, reiterate BUY, with an increased TP of INR 942/sh (18x Jun-28E EPS, rollover from Mar-28 to Jun-28).

- **Q4FY26 financial summary:** Revenue: INR 29.7bn (+17.4/+28.4% YoY/QoQ, 10% beat). EBITDA: INR 3.6bn (+40.3/+50.3% YoY/QoQ, 30.5% beat). EBITDA margin: 12% (+196/+175bps YoY/QoQ, vs. our estimate of 10.1%). APAT: INR 2.4bn (+113.6/+96.2, a 64.3% beat aided by higher other income INR 0.7bn, 28% adjusted beat).
- **Growth in OB, supported by OI in road, ports, and water in Q4FY26:** As of Mar-26, client-wise, the OB shows diverse distribution among government, private, and PSU accounting for 36/6/58%. Business-wise, the OB is spread across maritime/industrials/urban infra (including MRTS and airports) /hydro/data center/highway/specialist engineering and water at 33.3/15.7/23.2/4/7.1/13.1/2 and 1.6% respectively. CPL plans to add more complex projects to its portfolio with increased focus on marine, airports, and data centers (EPC), which it considers highly profitable.
- **Comfortable balance sheet:** The net debt-EBITDA stands at 0.36x as of Mar'26 (Mar'25: 0.57x), with debt at INR 8.7bn. CPL guides for INR 3.5-4bn capex in FY27 (FY26: INR 2.6bn deployed). Receivables from Bangladesh continued to be at normalized levels, with completion expected by Jun-26.

Consolidated Financial Summary (INR mn)

Particulars	4QFY26	4QFY25	YoY (%)	3QFY26	QoQ (%)	FY26	FY27E	FY28E	FY29E
Revenue	29,735	25,323	17.4	23,155	28.4	100,605.8	118,714.8	141,270.7	162,786.2
EBITDA	3,577	2,550	40.3	2,380	50.3	10,215.6	12,284.2	14,789.2	16,694.8
APAT	2,422	1,134	113.6	1,234	96.2	5,977.3	6,986.8	8,691.4	9,877.9
EPS (INR)	14.1	6.6	113.6	7.2	96.2	34.8	40.7	50.6	57.5
P/E (x)						23.4	20.0	16.1	14.2
EV/EBITDA (x)						13.6	10.9	8.7	7.3
RoE (%)						28.2	25.4	24.6	22.1

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY27E			FY28E		
	New	Old	% Chg. / Bps	New	Old	% Chg. / Bps
Revenue	141,271	142,128	(0.6)	118,715	117,461	1.1
EBITDA	14,789	14,468	2.2	12,284	11,786	4.2
EBIDTA (%)	10.5	10.2	26.9	10.3	10.0	34.8
APAT	8,691	8,405	3.4	6,987	6,615	5.6

Source: Company, HSIE Research

BUY

CMP (as on 30 Apr 2026)	INR 815
Target Price	INR 942
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 834	INR 942
EPS Change %	FY27E +3.4	FY28E +5.6

KEY STOCK DATA

Bloomberg code	CEMPRO IN
No. of Shares (mn)	172
MCap (INR bn) / (\$ mn)	140/1,475
6m avg traded value (INR mn)	236
52 Week high / low	INR 944/477

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	27.5	0.6	67.2
Relative (%)	34.0	9.0	71.4

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	67.46	67.46
FIs & Local MFs	1.50	1.94
FPIs	8.19	7.31
Public & Others	22.84	23.28
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

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IndiaMART InterMESH

Stress on net additions continues; investing for revival

IndiaMart posted a weak Q4, with standalone revenue declining 0.5% QoQ, due to weak paying supplier addition (-1.2K, -0.5% QoQ) and flat ARPU sequentially. Net addition suffered from continued higher churn in the silver bucket, moderation in gross hiring due to the weak macro, and Q2 price hike. ARPU growth moderated QoQ but stood at 8% YoY, driven by the ARPU of top-1 (+1.7% YoY) and top-10 (+10% YoY) paying customers. Collections growth reached 10% YoY at INR 5.95bn, versus mid-teen growth in the last four quarters, impacted by a drop in net subscribers, lower ARPU realization, and war effects on long-term renewals. We expect ARPU to revive once price hike impact is absorbed and net subscriber addition recovers amid stable churn. The company has ramped up marketing and technology spends to boost platform traffic and user experience. Initiatives to revive net paying supplier growth include enhancing inquiry quality via detailed product specifications, introducing buyer-side OTP verification for greater platform trust, and rolling out GST verification. Moreover, IndiaMart is leveraging AI-led discovery and a three-tier differential pricing architecture to optimize demand-supply curation and improve seller retention. We trim estimates by ~4% and maintain BUY with a DCF-based TP of INR 2,550 (~27x FY28E EPS), incorporating revenue/PAT CAGR of 13%/21% over FY26-28E.

- Q4FY26 highlights:** (1) Q4 revenue stood at INR 4.04bn, +0.7/13.9% QoQ/YoY. The net additions to paid suppliers declined by ~1,000. (2) EBITDA margin stood at 32.8%, down 62bps QoQ, due to increase in other expenses (including outsourced sales cost; 10.1% QoQ). (3) In Q4FY26, BUSY revenue increased by 6% QoQ to INR 0.34bn and EBITDA margin declined to 14.7% vs 18.8% in Q3FY26. (4) Standalone EBITDA margin stood at 36.4%, -36bps QoQ, given the elevated Customer Selling Cost and Selling Costs. (5) Top 1/10 supplier ARPU stood at 1,096K/333K, +1.7/10% YoY. (6) Top 10% of customers account for 50% of revenue. (7) PAT stood at INR 0.50bn, a decrease of 48.2% QoQ, due to other income loss of INR 0.34bn vs INR 1.3bn gain last quarter. (8) Net cash stood at INR 32.8bn (~26% of market cap).
- Outlook:** We expect revenue growth of +11.9/14.9%, based on paid supplier growth of +3.9/5.7% and ARPU growth of +7.5/8.4% for FY27/28E. Consolidated EBITDA margin estimates stand at 33.7/33.0% for FY27/28E.

Quarterly financial summary

YE March (INR mn)	4Q FY26	4Q FY25	YoY (%)	3Q FY26	QoQ (%)	FY24	FY25	FY26	FY27E	FY28E
Net Sales	4,043	3,551	13.9	4,016	0.7	11,968	13,884	15,690	17,558	20,173
EBITDA	1,326	1,304	1.7	1,342	-1.2	3,314	5,228	5,300	5,910	6,652
APAT	549	1,806	-69.6	1,059	-48.2	3,340	5,507	3,967	5,216	5,776
EPS	9.0	29.8	-69.6	17.5	-48.2	55.0	91.8	65.6	86.3	95.5
P/E (x)								32.1	24.4	22.0
EV / EBITDA (x)								17.8	14.8	12.0
RoE (%)								16.7	18.8	18.0

Source: Company, HSIE research

Change in estimates

YE March (INR mn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	17,933	17,558	-2.1	20,616	20,173	-2.1
EBITDA	5,903	5,910	0.1	6,637	6,652	0.2
EBITDA margin (%)	32.9	33.7	74 bps	32.2	33.0	78 bps
APAT	5,434	5,216	-4.0	6,009	5,776	-3.9
EPS (Rs)	90.1	86.3	-4.3	99.7	95.5	-4.2

Source: Company, HSIE Research

BUY

CMP (as on 30 Apr 2026)	INR 2,098
Target Price	INR 2,550
NIFTY	23,998

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,650	INR 2,550
EPS %	FY27E -4.3	FY28E -4.2

KEY STOCK DATA

Bloomberg code	INMART IN
No. of Shares (mn)	60
MCap (INR bn) / (\$ mn)	126/1,328
6m avg traded value (INR mn)	336
52 Week high / low	INR 2,799/1,925

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(4.7)	(14.7)	(8.4)
Relative (%)	1.8	(6.3)	(4.2)

SHAREHOLDING PATTERN (%)

	Dec-25	Mar-26
Promoters	49.12	49.12
FIs & Local MFs	16.41	13.54
FPIs	18.27	19.17
Public & Others	16.15	18.17
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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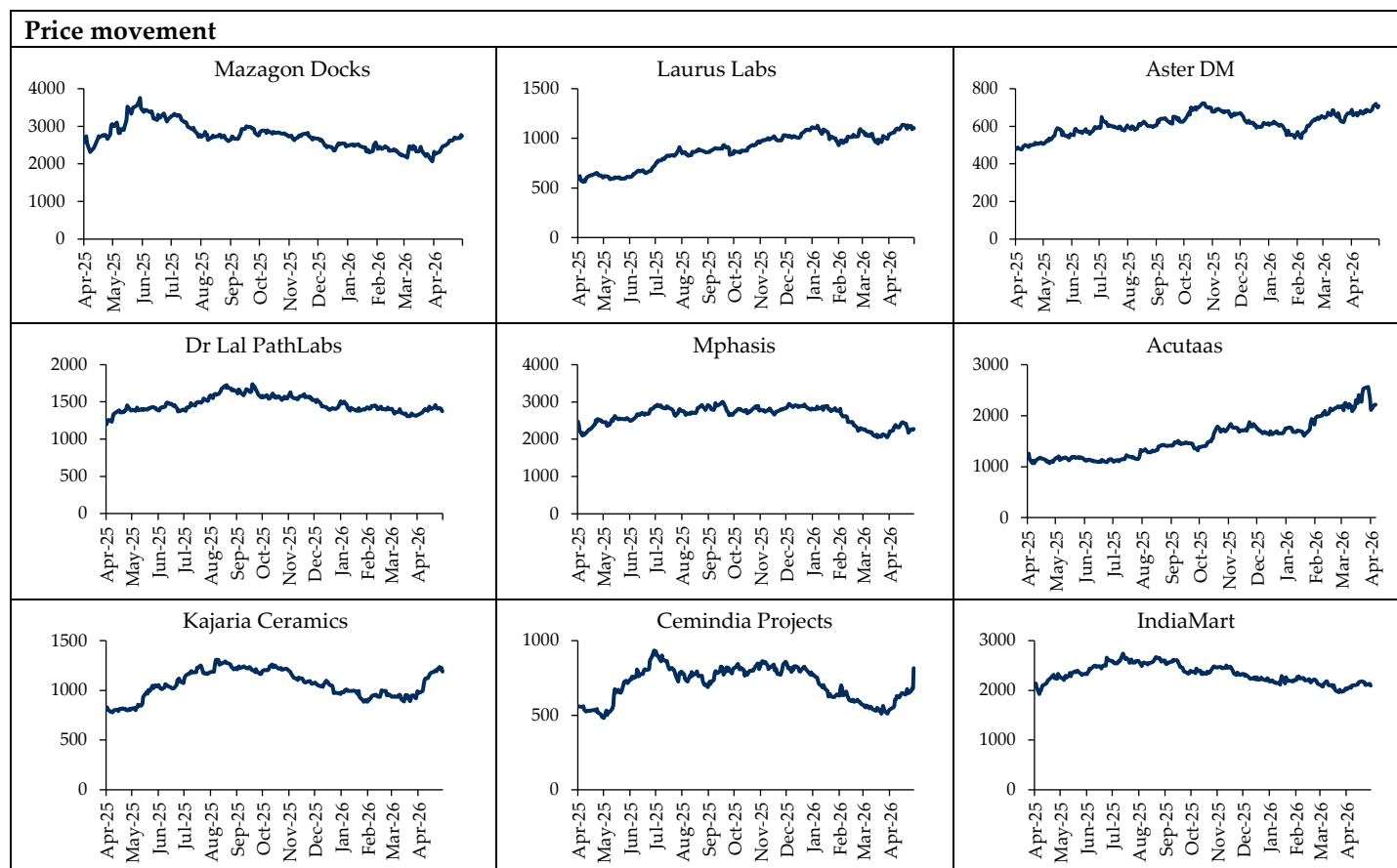
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Rating Criteria

- 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 Kumar	Mazagon Dock Shipbuilders	CFA	NO
Nikunj Khetan	Mazagon Dock Shipbuilders	PGDM	NO
Aryan Singh Dalal	Mazagon Dock Shipbuilders	BCom	NO
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Divyaxa Agnihotri	Laurus Labs, Aster DM Healthcare, Dr. Lal Pathlabs	MSc	NO
Vinesh Vala	Mphasis	MBA	NO
Amit Chandra	Mphasis	MBA	NO
Maitreyee Vaishampayan	Mphasis	MSc	NO
Nilesh Ghuge	Acutaas Chemicals	MMS	NO
Aditya Iyer	Acutaas Chemicals	PGDM	NO
Keshav Lahoti	Kajaria Ceramics	CA, CFA	NO
Rajesh Ravi	Kajaria Ceramics	MBA	NO
Riddhi Shah	Kajaria Ceramics	MBA	NO
Mahesh Nagda	Kajaria Ceramics	CA	NO
Parikshit Kandpal	CemIndia Projects	CFA	NO
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Disclosure:

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