INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **Eicher Motors:** Despite the company's "volume over margin" strategy, we have seen the company's standalone EBITDA margin expand to a seven-quarter high. While operating leverage played a big part, the company's value engineering and cost reduction efforts are also aiding the margin expansion. Demand momentum continues post the key festive season and management's visibility of sustained demand momentum in the medium term has led to a brownfield capacity expansion plan of increasing capacity by almost 1/3rd. We also expect that the company's efforts of the last few years as well as continued efforts in international markets to pay off, once global macro turns more favorable. We value the company at 29x Dec-27 EPS, and along with the value of VECV (INR 688), we achieve a TP of INR 7,721, and maintain our ADD rating.
- **Samvardhana Motherson International:** The company continues to well execute its strong order book, with a focus on improving the operational performance further in the coming quarters. The aerospace and consumer electronics business continues to grow well, as the company also expands its product portfolio. The company has many plants globally, and believes in local for local, which has largely protected it from direct impacts of higher tariffs. However, there has been indirect impact via customers. Now with the US tariff situation becoming clearer globally and the India EU FTA benefits coming in, we expect the company to benefit from improved planning at the customers' end. Additionally, given continuing global demand headwinds, supplier distress, and company's strong balance sheet, we expect it to close in on acquisition/s, now that the US tariff scenario is becoming less foggy. Considering the positives, we value SAMIL at 22x Dec-27 EPS (from 21x earlier) for a TP of INR 142 and maintain ADD.
- **Zydus Lifesciences:** EBITDA grew 36% YoY, led by a 30% YoY sales increase (M&A-led) as muted US sales (flat QoQ) were offset by 13% YoY growth in India and contributions from M&As (Amplitude, Comfort Click). While gross margin improved by 330bps YoY (to 73.2%), higher costs from M&As (staff/SG&A up 20%/58% YoY) resulted in a muted EBITDA margin of 24.1% (down 64 bps YoY). The company expects to meet its guidance of single-digit growth and a margin above 26% in FY26 and 23%+ in Q4FY26. For the US business, steady growth is expected in FY27, led by continued traction in gMyrbetriq, new launches (40+ including complex generics and exclusivity launches), ongoing momentum in the base business, and scale-up in its specialty segment (505-(b)(2)). Optimism remains for its specialty business with visibility of (1) steady traction from Sitagliptin 505(b)(2) brands, (2) approval for Zycubo (CUTX101) in the US, (3) Saroglitozar NDA filing in Q4FY26/H1FY27, (4) in-license Beizray, a oncology 505(b)(2) brand; launched in the US in Q4FY26, (5) in-license Nufymco (bRanibizumab) and hopes to enter the US market in H2FY27, (6) FYB206 (bKeytruda) phase-1 read-out is expected in H1CY26; launch visibility in CY28, and (7) Usnoflast under development. Patent litigation is ongoing for Mirabegron, no comments on settlement. It guides for an SG&A (ex-R&D) run-rate of INR 16-17bn; incremental costs related to commercial and pre-launch activities for its specialty products to increase SG&A/ employee costs (new hirings), and R&D to remain at 7.5-8% of sales. Factoring in Q3 and margin outlook, we have cut

HSIE Research Team
hdfcsec-research@hdfcsec.com

EPS by 2/3% for FY26/27E and revise TP to INR 1,000 (23x Q3FY28E). ADD stays, as the broader thesis of steady growth in the US and India, monetization of R&D assets, Medtech scale-up intact. However, the declining margin to ~26%+ in FY26 and ~23.5% in FY27/28 (from 29.8% in FY25) remains a key concern.

- **Aurobindo Pharma:** EBITDA grew 9% YoY, which was 4% beat to consensus estimates, as sales increased 8% YoY (US flat QoQ; EU up 27% YoY) and GM improved by 129bps YoY, though this was offset by a 16/15% YoY rise in staff costs/SG&A. Excluding gRevlimid, sales grew 9% YoY and EBITDA growth was at 15% YoY. ARBP indicates (1) to meet its guidance of single-digit growth (ex-gRevlimid) in FY26 and expects to sustain momentum in the coming years, with steady US OSD business (at USD 1bn) through new launches, improvements in injectables (+17% YoY), normalization of Eugia-3 plant supplies, and commercialization of Vizag plant (three products filed and 10+ in process of filing); (2) strong growth in the EU, led by geographical/product expansion and support from scale-up in China plant, with improved EBITDA; (3) ramp-up in its Pen-G plant – utilization improved to 60-70% in Q4FY26 and targets 10k MT in FY27 to support the margin (captive) and external sales (from 6-APA; support from MIP); (4) to sustain EBITDA margins at 20–21% in FY26, with operating leverage supporting margins in subsequent years; (5) scaling up the biosimilar business, with four launches in the EU and stronger traction expected from FY27 and inflection point in FY29 (meaningful contribution); and (6) Lannett acquisition will complement the US OSD business growth; we have not factored in our estimated as transaction is excepted to complete in H1FY27; after factoring in Q3 results, we have tweaked FY26/27E EPS and revised the TP to INR 1,280 (16x Q3FY28E). ADD stays, led by improvements in the US base business, steady EU growth, ramp-up in Pen-G/ China/US plants, and gradual biosimilar scale-up, all likely to drive steady mid-to-long-term growth.

- **Amber Enterprises:** Amber's Q3FY26 revenue grew 38% YoY to INR 29.43bn, driven by 79% YoY growth in electronics segment. EBITDAM expanded by 90/280bps YoY/QoQ to 8.4%, leading to 55/42% YoY growth in EBITDA/APAT. The company has booked INR 940mn exceptional loss on account of impairment of investment and loan to Shivalik – JV of subsidiary due to financial stress issues. Management noted that RAC channel inventory is close to normal levels, with the industry expected to stay largely flat in FY26, though its consumer durables segment should outperform the market with 13-15% growth. The company expects electronics segment will report double-digit margin in FY27 and targets 2x revenue in railway segment in the next two years, owing to strong order book visibility. It has budgeted INR 8bn in capex for FY26. The company is expected to have a gross block capitalization of INR 11–12bn for FY27. Factoring healthy Q3 performance, we increase our revenue estimates by 4% each, and APAT estimates by 1/3/9% for FY26/27/28E. We maintain BUY with a revised TP of INR 8,520/sh, based on DCF valuation.

- **Sansera Engineering:** The Aerospace, Defense, and Semiconductor (ADS) segment continues to perform well, and is at an inflection point—margin accretive and a key driver of diversification beyond the auto Internal Combustion Engine (ICE) business. The company has improved its capability to provide complex parts in the aerospace segment, while it is seeing huge potential in the semiconductor space, having already acquired a major customer. Additionally, while it is diversifying, it is also mindful of opportunities to juice the auto ICE segment, and is working to capitalize on the trend of OEMs seeking to outsource crankshaft assemblies. Considering the interim trade deal between India and the US (US forms ~9% of revenue), as well as the India EU FTA, it would help reduce uncertainty as well as create opportunities. However, it is awaiting the final signing and fine print of the India-US trade deal for clarity on the exact tariff and regional content value, to decide on setting up a plant in the US. Considering improving visibility of good growth in the medium to long term, which is also led by improving product mix, we revise our financials upward and increase our target multiple from 24x earlier to 28x Dec-27 EPS for a TP of INR2,443 and upgrade to a BUY rating.

- **Lemon Tree:** Lemon Tree Hotels (LTH) recorded a lacklustre Q3FY26 performance, reflected in 9% YoY RevPAR growth, led by 11% YoY ARR growth but 82 bps YoY decline in occupancy (73.4% in Q3FY26). This clearly shows reluctance of key markets to accept ARR increase. Further analysis indicates that in the markets of Gurugram, Hyderabad, and Bengaluru, raising ARR resulted in a sharp decline in occupancies, reflecting resistance to further ARR increase. On the other hand, Delhi, Mumbai, and Pune easily accommodated ARR increase reflected in increased occupancies, thus proving market depth and demand strength. Revenue grew 15% YoY to INR4.1bn, reflecting soft RevPAR growth and unchanged owned room inventory (total owned rooms: 5759). EBITDA margin for the quarter declined to 44% (-820 bps YoY), led by renovation, GST, and labor code impact to the tune of INR 313mn. The number of managed rooms grew impressively by 32% YoY to 6,013; however; management fee income (INR 482 mn) rose by only 10% YoY as several newly opened hotels are yet to stabilize and ramp up their operations. Management expects to be debt-free post the listing of Fleur Hotels. All asset heavy operations including under construction Aurika Shimla and Shillong hotels will be under Fleur hotels post restructuring. We believe the key growth drivers for LTH include RevPAR growth, led by occupancy and ARR growth in the owned hotels portfolio (Mumbai, Pune, and Delhi) and rising fee income, driven by mid-teen growth in number of managed rooms. Additionally, EBITDA margin expansion levers are a reduction in renovation expenses. Driven by a favorable supply demand mismatch in key locations and expected improvement in operational parameters, we believe revenue and EBITDA will grow at ~11% and ~15% over FY25-FY28E. We have cut EBITDA estimates for FY26 and FY27 by ~2-3% but retain estimates for FY28. We continue with a BUY rating for a TP of INR 187 (17x FY28 EV/EBITDA).
- **Dilip Buildcon:** Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of -11.4/-12.6/-18% respectively. DBL has cut FY26 revenue guidance from INR 80bn to INR 70-75bn, with EBITDA margin of 10% and has surpassed its order inflow (OI) target of INR150bn. It expects strong INR 100bn in revenue for FY27 on the back of strong opening order book with EBITDA margin expected to improve to 12-13%. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. FYTD OI stands at INR 175.7bn while the OB stood at INR 293.7bn. NHAI awarding is expected to pick up in FY27. DBL has divested 26/24.99% equity stake in 7/11 HAM projects to Alpha Alternatives (AA). The balance 13 assets are under construction. From the combined AA/Shrem platform, DBL expects INR 0.8/10.2/11.98/5.9/5.9bn in cash/InvIT units by Q4FY26/27/28/29/30. Given the slower execution and back ended order booking, we have cut our FY26/27/28 EPS estimates. We retain ADD with an increased SOTP-based TP of INR 545 (12x Dec-27E EPS, 1.1x P/BV HAM equity investment).
- **PNC Infratech:** PNC Infratech (PNC) reported Q3FY26 revenue/EBITDA/APAT of INR 10.6/1.3/0.8bn, a miss on our estimates by -13.2/-19.4/-22.6% respectively. FY26 has been impacted by a prolonged monsoon, lower tendering, delay in appointed dates, subdued execution in

water & canal, stretched JJM receivables and land availability issues. The OB as of Dec'25 stood at INR 193bn (~3.8x FY25 revenue). Road Highway, Road Expressway, Railway, Airport Runway and Canal EPC projects constitute 71% of OB. FY26 revenue is expected to decline 10% YoY vs. +5% growth earlier, with an EBITDA margin of 12.5% and OI for FY26 expected at INR 120bn (Q4FY26: INR 60bn). OB remains diversified, comprising Solar+BESS and mining projects (revenue guidance – INR 1/5/6bn in FY26/27/28 respectively). PNC's standalone has INR 13bn cash and robust FY26 order backlog. We expect orders awards to pick up in FY27, new revenue streams like renewables and mining to aid order inflow and bid pipeline of INR 287bn remains healthy. We have cut estimates and valuation multiple to factor slow ordering; maintain BUY with a reduced SOTP of INR 318/sh (12x Dec-27E EPS vs. 14x, 1.2x FCFE Dec-27E for BOT, and 1.1x P/BV for HAM).

- **Happiest Minds Technologies:** HAPPSTMN delivered a steady Q3 performance, with revenue growth in line with expectations and margins exceeding forecasts. The company reported +1.2% QoQ CC revenue growth, driven by the BFSI and healthcare verticals. This company clocked 10.2% CC growth for 9MFY26, in line with the target to deliver double-digit CC revenue growth for FY26E. The management remains confident in its multi-year growth trajectory, supported by the scaling GBS unit and an improving deal pipeline with greater visibility. The GBS unit turned profitable in Q3, marking an important milestone, and continues to broaden its suite of replicable AI solutions. HAPPSTMN plans to increase its AI team to 1,000 people by the end of FY27E. The demand environment remains selective, with momentum cantered around workflow automation using GenAI and Agentic AI, AI-enabled productivity, and modernization of core platforms. The FY26E outlook is maintained, targeting CC revenue growth of >10% and EBITDA margins in the 20–22% band (including other income). We maintain our BUY rating on HAPPSTMN with a TP of INR 670, based on 30x Mar-28E EPS, supported by a 13/21% revenue/EPS CAGR over FY25–28E.

- **Route Mobile:** Route Mobile's Q3 performance was defined by a strategic transformation toward higher-margin business, resulting in a gross profit margin expansion to 24.5% (+340/243bps improvement YoY/QoQ). While revenue witnessed a 6.5% YoY and 1.1% QoQ decline due to a deliberate shift away from low-margin ILD messaging, absolute gross profit grew 8.6% YoY. The company's growth strategy emphasizes on high-margin OTT solutions like WhatsApp and RCS (new products revenue grew 14.5% YoY for 9M) alongside specialized telco offerings such as firewalls and network API platforms through the Konera initiative. Domestic messaging trends show improvement, but it has a lower price points compared to international business and require higher volumes but yield superior margins. To propel future growth Route Mobile is leveraging its partnership with Proximus Global and global SIs like Infosys and TechM. This strategic direction is further strengthened by the elevation of Tushar Agnihotri as the new CEO, who brings over 30 years of experience. We reduce our revenue estimate by ~5-6% to factor business shifts but increase margins leading to ~2-3% cut in EPS. We maintain our ADD with a TP of INR 885, based on 14x Dec-27E EPS. The stock is trading at a PE of 10/9x FY27/28E EPS and generates a RoE of ~15% for FY25.

Eicher Motors

Demand momentum sustains even post festive season

Despite the company's "volume over margin" strategy, we have seen the company's standalone EBITDA margin expand to a seven-quarter high. While operating leverage played a big part, the company's value engineering and cost reduction efforts are also aiding the margin expansion. Demand momentum continues post the key festive season and management's visibility of sustained demand momentum in the medium term has led to a brownfield capacity expansion plan of increasing capacity by almost 1/3rd. We also expect that the company's efforts of the last few years as well as continued efforts in international markets to pay off, once global macro turns more favorable. We value the company at 29x Dec-27 EPS, and along with the value of VECV (INR 688), we achieve a TP of INR 7,721, and maintain our ADD rating.

- **Standalone performance:** EBITDA margin at 26.6% improved 162bps YoY and 167bps QoQ, 191bps above our estimate and 152bps above Bloomberg consensus estimate. The good performance was on the back of higher operating leverage and lower marketing spends. Revenue at Rs.59.9bn grew 22% YoY and 1.5% QoQ, led entirely by volumes.
- **VECV performance:** VECV revenue grew 21.0% YoY and 15% QoQ to INR 70.2bn, with EBITDA margin of 9.3% (up 51bps YoY and 144bps QoQ). PAT grew 12.3% YoY to INR 3.38bn.
- **Demand momentum still strong:** Management indicated sustained retail traction with higher bookings and conversions. Additionally, international markets too are well poised, aided by recent new launches. While it expects the domestic 2W industry to grow in high single digits in FY27, it expects the company to outperform. It hinted at new products lined up for FY27.
- **Capacity expansion:** It is seeking to expand capacity of Royal Enfield bikes from the current 1.45mn units p.a. to 2mn units p.a. by FY28, for which it will invest INR9.58bn over the next two years. This expansion is on the back of management's visibility of sustained demand momentum in the medium term. It is also working with vendors to ensure they too increase capacity so as to fulfill the company's orders seamlessly. At VECV too, management is in early consideration of capacity increase since the capacity is 85-90% utilized.
- **Other key highlights:** 1) Rate of recovery has been good for the 650cc segment, which was impacted due to higher GST rates. (2) Blended price hike of 0.5% taken in Jan and along with value engineering efforts should help soften higher commodity cost impact, going forward. (3) Rural and semi-urban markets are growing well, though even urban markets are making a comeback, aided by income tax cuts. (4) Age profile of the 'Hunter' customer is moving downward as the 23-24 year group now forms 40% of the buyer mix, vs 34-35% which was there pre-GST rate cuts.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	59,878	49,081	22.0	59,021	1.5	1,84,515	2,29,689	2,66,408	3,06,731
EBITDA	15,899	12,237	29.9	14,687	8.2	47,680	58,824	69,829	81,954
EBITDA %	26.6	24.9	163bps	24.9	167bps	25.8	25.6	26.2	26.7
APAT	13,454	10,562	27.4	12,080	11.4	42,793	51,702	59,646	68,774
EPS (INR)	49.0	38.5	27.3	44.1	11.3	156.1	188.6	217.5	250.8
P/E (x)						46.8	38.7	33.5	29.1
RoE (%)						25.0	25.6	25.1	24.6

Source: Company, HSIE Research

ADD

CMP *(as on 10 Feb 2026)*	INR 7,296
Target Price	INR 7,721
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 7,549	INR 7,721
	FY27E	FY28E
EPS %	+2.1%	+1.6%

KEY STOCK DATA	
Bloomberg code	EIM IN
No. of Shares (mn)	274
MCap (INR bn) / ($ mn)	2,001/22,092
6m avg traded value (INR mn)	3,506
52 Week high / low	INR 7,614/4,644

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.3	28.8	36.7
Relative (%)	5.4	23.3	27.7

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	49.06	49.06
FIs & Local MFs	14.72	14.74
FPIs	26.98	27.01
Public & Others	9.24	9.19
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal
shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

Samvardhana Motherson International

Operational improvement to continue

The company continues to well execute its strong order book, with a focus on improving the operational performance further in the coming quarters. The aerospace and consumer electronics business continues to grow well, as the company also expands its product portfolio. The company has many plants globally, and believes in local for local, which has largely protected it from direct impacts of higher tariffs. However, there has been indirect impact via customers. Now with the US tariff situation becoming clearer globally and the India EU FTA benefits coming in, we expect the company to benefit from improved planning at the customers' end. Additionally, given continuing global demand headwinds, supplier distress, and company's strong balance sheet, we expect it to close in on acquisition/s, now that the US tariff scenario is becoming less foggy. Considering the positives, we value SAMIL at 22x Dec-27 EPS (from 21x earlier) for a TP of INR 142 and maintain ADD.

- **Quarterly performance:** EBITDA margin at 10% was up 27bps YoY and 132bps QoQ, 113bps above our estimate and 94bps above Bloomberg consensus estimate. Margin improvement QoQ was led by the Integrated Assembly division as well as the Modules and Polymer Products division. Revenue grew 13.9% YoY to INR 315.1bn, also aided by the Asumitec acquisition.
- **Earnings call takeaways**: (1) Margins were aided by benefits from favorable forex and savings from transformative measures being undertaken in the European operations. (2) Outlook for the global PV production is positive, estimated at 93mn units in FY27 from an estimated 91mn units in FY26. (3) The consumer electronics business is ramping up as planned (grew 75% QoQ) with two plants already operational, while a third one is expected to commence operations in Q3FY27, which should double the capacity of the division. (4) The aerospace business grew 40% YoY with the order book seeing sustained growth, supported by product portfolio expansion. (5) It has also secured government incentives under the ECMS scheme which will further support scalability, competitiveness, and long-term profitability. (6) The integrated assembly division's performance is being aided by the group strength where the company is also doing more manufacturing to support the customer's operations. (7) It has planned two more greenfield plants (one for vision systems in India and the other for wiring harness in Morocco), taking the total greenfield plants to 12 now, across emerging markets, spanning both auto and non-auto segments. (8) Capex guidance stands at INR 60bn (+/- 10%) for FY27.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	3,15,094	2,76,659	13.9	3,01,730	4.4	11,36,626	12,53,041	14,03,534	15,74,184
EBITDA	31,431	26,858	17.0	26,107	20.4	1,05,519	1,14,864	1,37,443	1,64,484
EBITDA %	10.0	9.7	27bps	8.7	133bps	9.3	9.2	9.8	10.4
APAT	11,586	8,786	31.9	8,541	35.6	38,030	38,860	56,019	72,440
EPS (INR)	1.10	0.83	31.9	0.81	35.6	3.6	3.7	5.3	6.9
P/E (x)						35.9	35.2	24.4	18.9
EV / EBITDA (x)						12.3	11.0	9.1	7.3
RoE (%)						12.5	10.8	14.6	17.1

Source: Company, HSIE Research

ADD

CMP *(as on 10 Feb 2026)*	INR 129
Target Price	INR 142
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 132	INR 142
EPS %	FY27E	FY28E
	+0.7%	+4.0%

KEY STOCK DATA	
Bloomberg code	MOTHERSO IN
No. of Shares (mn)	10,554
MCap (INR bn) / ($ mn)	1,366/15,079
6m avg traded value (INR mn)	2,047
52 Week high / low	INR 132/72

Note: Company issued a bonus of 1:2 on 21 July 2025.

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	26.2	41.5	43.3
Relative (%)	25.3	36.0	34.3

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	48.6	48.6
FIs & Local MFs	21.0	21.6
FPIs	12.0	11.8
Public & Others	18.4	18.0
Pledged Shares	1.4	1.4

Source : BSE

Pledged shares as % of total shares
Note: Sumitomo Wiring Systems, Ltd., Japan and H. K. Wiring Systems, Limited, Hong Kong have been reclassified from 'Promoters' to 'Public & Others'.

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal
shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

Zydus Lifesciences

Margin pressure visible; investing in specialty assets

EBITDA grew 36% YoY, led by a 30% YoY sales increase (M&A-led) as muted US sales (flat QoQ) were offset by 13% YoY growth in India and contributions from M&As (Amplitude, Comfort Click). While gross margin improved by 330bps YoY (to 73.2%), higher costs from M&As (staff/SG&A up 20%/58% YoY) resulted in a muted EBITDA margin of 24.1% (down 64 bps YoY). The company expects to meet its guidance of single-digit growth and a margin above 26% in FY26 and 23%+ in Q4FY26. For the US business, steady growth is expected in FY27, led by continued traction in gMyrbetriq, new launches (40+ including complex generics and exclusivity launches), ongoing momentum in the base business, and scale-up in its specialty segment (505-(b)(2)). Optimism remains for its specialty business with visibility of (1) steady traction from Sitagliptin 505(b)(2) brands, (2) approval for Zycubo (CUTX101) in the US, (3) Saroglitozar NDA filing in Q4FY26/H1FY27, (4) in-license Beizray, a oncology 505(b)(2) brand; launched in the US in Q4FY26, (5) in-license Nufymco (bRanibizumab) and hopes to enter the US market in H2FY27, (6) FYB206 (bKeytruda) phase-1 read-out is expected in H1CY26; launch visibility in CY28, and (7) Usnoflast under development. Patent litigation is ongoing for Mirabegron, no comments on settlement. It guides for an SG&A (ex-R&D) run-rate of INR 16-17bn; incremental costs related to commercial and pre-launch activities for its specialty products to increase SG&A/ employee costs (new hirings), and R&D to remain at 7.5-8% of sales. Factoring in Q3 and margin outlook, we have cut EPS by 2/3% for FY26/27E and revise TP to INR 1,000 (23x Q3FY28E). ADD stays, as the broader thesis of steady growth in the US and India, monetization of R&D assets, Medtech scale-up intact. However, the declining margin to ~26%+ in FY26 and ~23.5% in FY27/28 (from 29.8% in FY25) remains a key concern.

- **Q3 highlights**: Sales grew 30% YoY to INR 68.64bn (ex-M&A growth was in low double-digit) as the US sales (41% of sales) at USD 314mn were flat QoQ on negligible gRevlimid sales and +10% YoY, led by traction in gMyrbetriq and new launches. India formulations (25%) grew 13% YoY. Wellness (14%) grew 113% YoY. EMs/EU (12%) grew 38% YoY, API (3%) grew 26% YoY, and Medtech sales was at INR 2.9bn. Higher GM (+330 bps YoY to 73.2%) and higher staff/SG&A (+20/ 58%) led to EBITDA^ of INR 16.5 bn (+27% YoY) and 24.1% margin (-64 bps). Higher interest (+306% YoY), depreciation (+57%), and other income (+94%) led to a PAT^ of INR 9.8bn (+13% YoY).
- **Con call takeaways:** Volume quota for gRevlimid exhausted in 9M; no sales in Q4. Semaglutide launch will be in the first wave of launch after patent expiry in India; RoW market entry is expected in FY28. The company completed acquisition of two biologic CDMO plants from Agenus Inc (for USD 90 mn); it expects scale-up over the next 2-3 years.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	68,645	52,691	30	61,232	12	195,474	232,415	266,700	286,356	301,981
EBITDA	16,520	13,017	27	16,382	1	52,979	69,134	70,045	67,294	70,362
APAT	9,854	9,509	4	10,076	(2)	37,790	45,972	43,972	42,266	44,225
EPS (INR)	9.8	9.5	4	10.0	(2)	37.6	45.7	43.7	42.0	44.0
P/E (x)						23.6	19.4	20.3	21.1	20.2
EV/EBITDA (x)						17.2	12.6	13.5	13.7	12.7
RoCE (%)						21	22	17	14	14

Source: Company, HSIE Research, ^EBITDA/ PAT adjusted for forex and INR 849 mn one-offs

ADD

CMP *(as on 10 Feb 2026)*	INR 887
Target Price	INR 1,000
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1020	INR 1000
EPS %	FY26E	FY27E
	(1.8)	(3.0)

KEY STOCK DATA	
Bloomberg code	ZUDUSLIF IN
No. of Shares (mn)	1,006
MCap (INR bn) / ($ mn)	893/9,856
6m avg traded value (INR mn)	843
52 Week high / low	INR 1,059/795

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.4)	(5.2)	(8.0)
Relative (%)	(7.3)	(10.7)	(17.0)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	10.86	11.08
FPIs	7.34	7.06
Public & Others	6.80	6.86
Pledged Shares	-	-

Source: BSE

Mehul Sheth
mehul.sheth@hdfcsec.com
+91-22-6171-7349

Divyaxa Agnihotri
divyaxa.agnihotri@hdfcsec.com
+91-22-6171-7362

Aurobindo Pharma

Steady US/EU, Pen-G ramp-up to improve margin

EBITDA grew 9% YoY, which was 4% beat to consensus estimates, as sales increased 8% YoY (US flat QoQ; EU up 27% YoY) and GM improved by 129bps YoY, though this was offset by a 16/15% YoY rise in staff costs/SG&A. Excluding gRevlimid, sales grew 9% YoY and EBITDA growth was at 15% YoY. ARBP indicates (1) to meet its guidance of single-digit growth (ex-gRevlimid) in FY26 and expects to sustain momentum in the coming years, with steady US OSD business (at USD 1bn) through new launches, improvements in injectables (+17% YoY), normalization of Eugia-3 plant supplies, and commercialization of Vizag plant (three products filed and 10+ in process of filing); (2) strong growth in the EU, led by geographical/product expansion and support from scale-up in China plant, with improved EBITDA; (3) ramp-up in its Pen-G plant – utilization improved to 60-70% in Q4FY26 and targets 10k MT in FY27 to support the margin (captive) and external sales (from 6-APA; support from MIP); (4) to sustain EBITDA margins at 20–21% in FY26, with operating leverage supporting margins in subsequent years; (5) scaling up the biosimilar business, with four launches in the EU and stronger traction expected from FY27 and inflection point in FY29 (meaningful contribution); and (6) Lannett acquisition will complement the US OSD business growth; we have not factored in our estimated as transaction is excepted to complete in H1FY27; after factoring in Q3 results, we have tweaked FY26/27E EPS and revised the TP to INR 1,280 (16x Q3FY28E). ADD stays, led by improvements in the US base business, steady EU growth, ramp-up in Pen-G/ China/US plants, and gradual biosimilar scale-up, all likely to drive steady mid-to-long-term growth.

- **Q3 highlights:** Sales grew 8% YoY to INR 86.4bn as the US (43% of sales) grew 1% QoQ to USD 420mn (-3% YoY), led by volume growth. EU sales (31%) grew 27% YoY. ARV sales (4%) grew 22% YoY, and API (11%) declined 4% YoY. Higher GM at 59.7% (+129 bps YoY), higher staff/SG&A (+16/15%), and lower R&D (-9%) led to an EBITDA of INR 17.73bn (+9% YoY) and margin of 20.5% (+11 bps). Higher other income (17%) and depreciation (11%), and lower interest (-22%) resulted in a PAT^ of INR 9.32bn (+8% YoY).
- **Con call takeaways: US OSD:** Sales were up QoQ, led by volume growth. **China plant:** ramping up to support the EU supplies. **Dayton plant**: Commercialized and contribution to start in FY27E. **Biosimilars**: (1) launched Bevqolva (Bevacizumab) in the UK, Dazublys (Trastuzumab) in Lithuania, and supplies initiated to France and Germany for upcoming launches. (2) Received approval for Dyrupeg (pegfilgrastim) in Canada. (3) Denosumab filing delayed due to extended validation requirements. (4) Targets Bevacizumab filing in the US in H2CY26.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	86,459	79,785	8	82,857	4	290,019	317,237	333,985	364,889	393,086
EBITDA	17,733	16,278	9	16,781	6	58,430	67,331	68,801	76,627	83,727
APAT	9,319	8,626	8	8,451	10	32,837	35,558	36,671	42,757	47,685
EPS (INR)	16.0	14.9	8	14.6	10	56.5	61.2	63.1	73.6	82.1
P/E (x)						19.9	18.3	17.8	15.2	13.7
EV/EBITDA (x)						11.2	9.7	9.2	7.9	6.9
RoCE (%)						14	14	13	14	15

Source: Company, HSIE Research, ^Adjusted for one-offs: INR 653 mn New Labor Code and forex

ADD

CMP *(as on 10 Feb 2026)*	INR 1,122
Target Price	INR 1,280
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1260	INR 1280
EPS %	FY26E	FY27E
	-1.3	-1.4

KEY STOCK DATA	
Bloomberg code	ARBP IN
No. of Shares (mn)	581
MCap (INR bn) / ($ mn)	653/7,207
6m avg traded value (INR mn)	1,435
52 Week high / low	INR 1,279/994

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(2.7)	7.9	(4.5)
Relative (%)	(3.5)	2.3	(13.5)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	51.82	51.82
FIs & Local MFs	27.60	27.66
FPIs	14.21	13.95
Public & Others	6.37	6.57
Pledged Shares	17.5	17.5

Source: BSE

Mehul Sheth
mehul.sheth@hdfcsec.com
+91-22-6171-7349

Divyaxa Agnihotri
divyaxa.agnihotri@hdfcsec.com
+91-22-6171-7362

Amber Enterprises

Healthy performance across all segments

BUY

CMP *(as on 10 Feb 2026)*	INR 7,511
Target Price	INR 8,520
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 8,015	INR 8,520
	FY26E	FY27E
EPS %	0.9	3.2

KEY STOCK DATA	
Bloomberg code	AMBER IN
No. of Shares (mn)	35
MCap (INR bn) / ($ mn)	264/2,916
6m avg traded value (INR mn)	2,404
52 Week high / low	INR 8,626/5,235

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	7.0	2.1	8.4
Relative (%)	6.2	(3.4)	(0.6)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	38.22	38.19
FIs & Local MFs	20.20	23.86
FPIs	30.60	26.98
Public & Others	10.98	10.97
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Amber's Q3FY26 revenue grew 38% YoY to INR 29.43bn, driven by 79% YoY growth in electronics segment. EBITDAM expanded by 90/280bps YoY/QoQ to 8.4%, leading to 55/42% YoY growth in EBITDA/APAT. The company has booked INR 940mn exceptional loss on account of impairment of investment and loan to Shivalik – JV of subsidiary due to financial stress issues. Management noted that RAC channel inventory is close to normal levels, with the industry expected to stay largely flat in FY26, though its consumer durables segment should outperform the market with 13-15% growth. The company expects electronics segment will report double-digit margin in FY27 and targets 2x revenue in railway segment in the next two years, owing to strong order book visibility. It has budgeted INR 8bn in capex for FY26. The company is expected to have a gross block capitalization of INR 11–12bn for FY27. Factoring healthy Q3 performance, we increase our revenue estimates by 4% each, and APAT estimates by 1/3/9% for FY26/27/28E. We maintain BUY with a revised TP of INR 8,520/sh, based on DCF valuation.

- **Q3FY26 highlights:** Revenue grew 38% YoY (2-yr CAGR: 51%) to INR 29.43bn, driven by 79/27/20% YoY growth in electronics segment, consumer durables segment, and railways subsystem segment. Gross margins improved 100bps YoY to 19.7% (-80bps QoQ), while EBITDAM expanded by 90/280bps YoY/QoQ to 8.4%, leading to 55% YoY EBITDA growth. Consumer durables' EBITDAM declined 30bps YoY to 7.2%. Electronics and railways subsystem witnessed margin expansion of 320bps and 290bps YoY to 10.4% and 14.2% respectively. APAT grew 42% YoY, led by EBITDA growth, increase in other income (up 243% YoY), partially offset by higher minority interest income, depreciation, and finance cost. The company has booked INR 940mn exceptional loss on account of impairment of investment and loan to Shivalik – JV of subsidiary due to financial stress issues.
- **Earnings call takeaways:** Management noted that RAC channel inventory is close to normal levels, with the industry expected to stay largely flat in FY26, though its consumer durables segment should outperform the market with 13-15% growth. The company expects electronics segment to report double-digit margin in FY27 and target 2x revenue in railway segment in the next two years, owing to strong order book visibility. It has budgeted INR 8bn in capex for FY26. The company is expected to have a gross block capitalization of INR 11-12bn for FY27. Additionally, it highlighted receiving government approval under ECMS for Ascent Circuits and Ascent K-Circuit to manufacture various PCB types; planned capex includes INR 10bn for Ascent Circuits' to be made in phases (Phase 1: INR 6.5bn over FY26-27, with trial production to start from Q2FY27) and INR 32bn capex for Ascent K-Circuit (INR 12bn in phase 1 expected by Q2FY28). Factoring healthy Q3 performance, we increase our revenue estimates by 4% each, and APAT estimates by 1/3/9% for FY26/27/28E. We maintain BUY with a revised TP of INR 8,520/sh, based on DCF valuation.

Financial summary

(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ(%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	29,428	21,333	37.9	16,470	78.7	67,293	99,730	1,29,519	1,62,931	1,95,537
EBITDA	2,461	1,587	55.0	913	169.6	4,919	7,634	10,013	12,998	16,180
APAT	509	359	41.8	(329)	(254.8)	1,329	2,436	3,184	5,428	6,520
EPS (INR)	14.5	10.6	36.7	(9.4)	(254.8)	39.4	72.0	90.7	154.7	185.9
P/E (x)						189.8	104.0	82.5	48.4	40.3
EV / EBITDA (x)						52.6	34.6	24.9	19.6	15.9
RoE (%)						6.7	11.2	8.3	9.6	10.5

Source: Company, HSIE Research

Keshav Lahoti
keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Riddhi Shah
riddhi.shah@hdfcsec.com
+91-22-6171-7359

Sansera Engineering

Impressive traction in the non-auto segment

The Aerospace, Defense, and Semiconductor (ADS) segment continues to perform well, and is at an inflection point—margin accretive and a key driver of diversification beyond the auto Internal Combustion Engine (ICE) business. The company has improved its capability to provide complex parts in the aerospace segment, while it is seeing huge potential in the semiconductor space, having already acquired a major customer. Additionally, while it is diversifying, it is also mindful of opportunities to juice the auto ICE segment, and is working to capitalize on the trend of OEMs seeking to outsource crankshaft assemblies. Considering the interim trade deal between India and the US (US forms ~9% of revenue), as well as the India EU FTA, it would help reduce uncertainty as well as create opportunities. However, it is awaiting the final signing and fine print of the India-US trade deal for clarity on the exact tariff and regional content value, to decide on setting up a plant in the US. Considering improving visibility of good growth in the medium to long term, which is also led by improving product mix, we revise our financials upward and increase our target multiple from 24x earlier to 28x Dec-27 EPS for a TP of INR2,443 and upgrade to a BUY rating.

- **Quarterly performance:** Consolidated EBITDA margin at 18.1% was up 60bps YoY and 72bps QoQ, 19bps above our estimate and 46bps above the Bloomberg consensus estimate. This was led by higher growth in the ADS segment and thus in turn the exports segment, with the ADS segment forming 13.9% of the mix in Q3FY26 (vs 6.4% in Q2FY26 and 4% in Q3FY25).
- **ADS segment at an inflection point:** Revenue for the segment stood at ~INR 1.19bn in Q3FY26, registering a growth of 344% YoY and 141% QoQ. Its current order book stands at INR 38.7bn with good visibility until FY30. It has one major customer in the semiconductor segment and is in active dialogue with others too, and sees huge potential in the segment.
- **New plant for crankshafts:** Inauguration of the new and highly automated plant is expected in Feb 2026, where the company will focus on crankshafts and crankshaft assemblies, with a focus to cater to domestic 2W OEMs. It highlighted that more than half the OEMs are assembling crankshafts in-house and are looking at gradually outsourcing the same.
- **Other key drivers:** 1) It indicated that based on production schedules, it expects to see sustained growth in the coming months. 2) New model launches are aiding the domestic business. 3) Considering the order book, it expects a steep ramp-up in revenue over FY28-FY30. 4) It is seeking to supply to the energy business as well as for humanoids and autonomous car segments of a large North American EV customer.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	9,077	7,278	24.7	8,252	10.0	30,168	34,243	42,887	50,763
EBITDA	1,639	1,271	29.0	1,431	14.6	5,148	5,952	8,218	10,163
EBITDA Margin (%)	18.1	17.5	61bps	17.3	73bps	17.1	17.4	19.2	20.0
APAT	687	557	23.4	717	-4.2	2,186	2,928	4,476	5,712
Diluted EPS (INR)	11.1	9.0	23.4	13.3	-16.5	35.3	47.3	72.3	92.3
P/E (x)						57.5	42.9	28.1	22.0
RoE (%)						10.7	10.2	13.9	15.5

Source: Company, HSIE Research

BUY

CMP *(as on 10 Feb 2026)*	INR 2,035
Target Price	INR 2,443
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	BUY
Price Target	INR 1,776	INR 2,443
EPS %	FY27E	FY28E
	+15.1%	+18.7%

KEY STOCK DATA	
Bloomberg code	SANSERA IN
No. of a Shares (mn)	62
MCap (INR bn) / ($ mn)	127/1,398
6m avg traded value (INR mn)	229
52 Week high / low	INR 2,143/953

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	33.1	64.5	64.7
Relative (%)	32.2	59.0	55.7

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	30.24	30.18
FIs & Local MFs	36.99	36.31
FPIs	19.58	19.36
Public & Others	13.19	14.15
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal
shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

Lemon Tree

Soft performance continues in a seasonally strong Q3

Lemon Tree Hotels (LTH) recorded a lacklustre Q3FY26 performance, reflected in 9% YoY RevPAR growth, led by 11% YoY ARR growth but 82 bps YoY decline in occupancy (73.4% in Q3FY26). This clearly shows reluctance of key markets to accept ARR increase. Further analysis indicates that in the markets of Gurugram, Hyderabad, and Bengaluru, raising ARR resulted in a sharp decline in occupancies, reflecting resistance to further ARR increase. On the other hand, Delhi, Mumbai, and Pune easily accommodated ARR increase reflected in increased occupancies, thus proving market depth and demand strength. Revenue grew 15% YoY to INR4.1bn, reflecting soft RevPAR growth and unchanged owned room inventory (total owned rooms: 5759). EBITDA margin for the quarter declined to 44% (-820 bps YoY), led by renovation, GST, and labor code impact to the tune of INR 313mn. The number of managed rooms grew impressively by 32% YoY to 6,013; however; management fee income (INR 482 mn) rose by only 10% YoY as several newly opened hotels are yet to stabilize and ramp up their operations. Management expects to be debt-free post the listing of Fleur Hotels. All asset heavy operations including under construction Aurika Shimla and Shillong hotels will be under Fleur hotels post restructuring. We believe the key growth drivers for LTH include RevPAR growth, led by occupancy and ARR growth in the owned hotels portfolio (Mumbai, Pune, and Delhi) and rising fee income, driven by mid-teen growth in number of managed rooms. Additionally, EBITDA margin expansion levers are a reduction in renovation expenses. Driven by a favorable supply demand mismatch in key locations and expected improvement in operational parameters, we believe revenue and EBITDA will grow at ~11% and ~15% over FY25-FY28E. We have cut EBITDA estimates for FY26 and FY27 by ~2-3% but retain estimates for FY28. We continue with a BUY rating for a TP of INR 187 (17x FY28 EV/EBITDA).

- **Q3FY26 highlights (consolidated):** ARR for the quarter was INR 7,487 (+11% YoY) along with occupancy of 73.4% (-82 bps YoY), resulting in a RevPAR growth of 9% to INR 5,494. Available hotel rooms grew by a 14% to 11,772, led by 32% YoY growth in managed rooms to 6,013, as the number of owned rooms remained unchanged. Revenue grew 15% YoY to INR4.1bn, in line with estimates. EBITDA declined by 3% YoY to INR 1.8bn. PAT growth was stagnant YoY at INR 627mn, missing the estimates by 21.6%.
- **Brand-wise performance in Q3FY26**: Aurika's occupancy increased to 74% (+266 bps YoY), while ARR rose by 5% YoY to INR 10,984. This led to a 9% growth in RevPAR to INR 8,109 for the flagship brand. Lemon Tree Premier has reached near-peak occupancy, maintaining it at ~81% (-35 bps YoY), and increased ARR by 8% YoY to INR 8,506. Lemon Tree Hotel's ARR grew by 13% YoY to INR 7,081, maintaining an occupancy of 73% (-353 bps YoY), resulting in a RevPAR growth of 8%. Red Fox and Keys had an average ARR of INR5,016 (+17%YoY) and INR4,443 (+19% YoY) at occupancy rates of 70% (-470 bps YoY) and 62% (+317 bps YoY). Keys has a lower occupancy due to ongoing renovation. Overall, occupancy and ARR for the entire portfolio could improve steadily once renovation is over in FY27.
- **Outlook:** LTH is planning a strong expansion by building a portfolio of 21,942 rooms across 259 hotels, up from 11,772 at present (owned and leased: 5,759 rooms across 41 hotels). 93% of the pipeline could be managed/franchised, reiterating an asset-light growth strategy. Management estimates operationalize ~3,000 rooms in FY26 (opened in 9M FY26: 1,480 rooms) and ~2,000 in FY27, which we believe has a downside risk. Hence, we build ~2,000 and ~1,300 room additions for FY26 and FY27. We expect increase in ARR for Aurika, Mumbai. We also expect stable occupancy and mid-single-digit growth in ARR for the overall portfolio to be driven by demand tailwinds and support a ~15% EBITDA CAGR over FY25-FY28E.

Financial Summary

(INR mn, Mar YE)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	4,061	3,552	*14%*	3,063	*33%*	8,392	10,711	12,861	14331	16287	17954
EBITDA	1,791	1,842	*-3%*	1,307	*37%*	4,476	5,237	6,341	7297	8524	9479
APAT	627	625	*0%*	346	*81%*	1,144	1,485	1,966	2740	3530	4307
Diluted Consol EPS (INR)	0.79	0.79	*0%*	0.44	*80%*	1.4	1.9	2.5	3.4	4.4	5.4
P/E (x)						0.0	70.9	53.5	38.4	29.8	24.4
EV/EBITDA						0.0	25.7	21.2	18.0	15.3	13.8
RoE (%)						13.6%	16.3%	17.3%	20.4%	21.3%	21.4%

Source: Company, HSIE Research

BUY

CMP *(as on 10 Feb 2026)*	**INR 133**
Target Price	**INR 187**
NIFTY	**25,935**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR187	INR187
EPS Change %	FY26E	FY27E
	-3%	-2%

KEY STOCK DATA	
Bloomberg code	LEMONTRE IN
No. of Shares (mn)	792
MCap (INR bn) / ($ mn)	105/1,162
6m avg traded value (INR mn)	618
52 Week high / low	INR 181/111

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(17.6)	(7.3)	(2.7)
Relative (%)	(18.5)	(12.8)	(11.7)

SHAREHOLDING PATTERN (%)	**Sep-25**	**Dec-25**
Promoters	22.3	22.3
FIs & Local MFs	19.7	19.5
FPIs	21.5	21.5
Public & Others	36.6	36.8
Pledged Shares	-	-

Source : BSE

Amit Kumar, CFA
amit.kumar1@hdfcsec.com
+91-22-6171-7354

Aryan Singh Dalal
aryan.dalal@hdfcsec.com
+91 22 6171 7330

Dilip Buildcon

Muted execution; record-high OB

ADD

CMP (*as on 10 Feb 2026*)	**INR 469**
Target Price	**INR 545**
NIFTY	**25,935**

KEY CHANGES	**OLD**	**NEW**
Rating	ADD	ADD
Price Target	INR 519	INR 545

	FY26E	FY27E	FY28E
EPS Change (%)	-35.3	-12.7	-11.1

Dilip Buildcon (DBL) reported revenue/EBITDA/APAT beat/(miss) of -11.4/-12.6/-18% respectively. DBL has cut FY26 revenue guidance from INR 80bn to INR 70-75bn, with EBITDA margin of 10% and has surpassed its order inflow (OI) target of INR150bn. It expects strong INR 100bn in revenue for FY27 on the back of strong opening order book with EBITDA margin expected to improve to 12-13%. Capex is expected to be stable (INR 1bn annually), focused mainly on replacement needs. FYTD OI stands at INR 175.7bn while the OB stood at INR 293.7bn. NHAI awarding is expected to pick up in FY27. DBL has divested 26/24.99% equity stake in 7/11 HAM projects to Alpha Alternatives (AA). The balance 13 assets are under construction. From the combined AA/Shrem platform, DBL expects INR 0.8/10.2/11.98/5.9/5.9bn in cash/InvIT units by Q4FY26/27/28/29/30. Given the slower execution and back ended order booking, we have cut our FY26/27/28 EPS estimates. We retain ADD with an increased SOTP-based TP of INR 545 (12x Dec-27E EPS, 1.1x P/BV HAM equity investment).

- **Q3FY26 financial highlights:** Revenue: INR 17.2bn (-20.3/+21.3% YoY/QoQ, a 11.4% miss); EBITDA: INR 1.8bn (-14.4/+17.8%, YoY/QoQ, a 12.6% miss); EBITDA margin: 10.4% (+72/-30.6bps YoY/QoQ), vs. our estimate of 10.6%. RPAT: INR 6.1bn (+597.8/+1395.8% YoY/QoQ)—due to exceptional income on monetization of assets and implementation of labor code. APAT: INR 0.34bn (+28/+255% YoY/QoQ, a miss of 18%).
- **Uptick in order inflows:** DBL OB at INR 293.7bn as of Dec'25 is 3.3x of FY25 revenue. OI has surpassed management expectation in FY26 of INR 150bn (INR 175.5bn won FYTD). OB comprises 86/14% of EPC/HAM respectively. The OB is well diversified, with exposure across mining/ metro/tunnel/bridges/optical fiber/renewables/road/irrigation/water/ transmission at 20/4/6/6/3/18/19/16/2/6% respectively.
- **Balance sheet net cash status by FY28:** Amid lower OI and revenue degrowth, the net cash status has been extended to FY28 (from FY27). Total equity requirement for 13 road HAM, 1 ERCP-HAM, BOT-ZOTL, solar, transmission projects stands at INR 47bn, of which INR 17.8bn is invested as of Dec'25. The balance equity investment of INR 29.2bn (INR 0.8/12.9/11.3/1.5/0.5bn) is expected to be invested in Q4FY26/27/28/29/30. The standalone equity/net debt and net DE ratio stood at INR 67.5/21.5bn and 0.32x as of Dec'25 (Sep'25: 0.45x).

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	17,182	21,549	(20.3)	14,166	21.3	90,045	70,235	91,306	106,189
EBITDA	1,795	2,096	(14.4)	1,523	17.8	9,033	7,020	10,511	11,890
APAT	1,781	264	575.7	95	1,770.6	1,638	1,128	3,726	4,989
Diluted EPS (INR)	12.2	1.8	575.7	0.7	1,770.6	11.2	7.7	25.5	34.1
P/E (x)						41.9	60.8	18.4	13.8
EV / EBITDA (x)						9.5	8.0	6.1	5.8
RoE (%)						3.1	2.1	6.7	8.3

Source: Company, HSIE Research

Change in estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Chg.	New	Old	% Chg.	New	Old	% Chg.
Revenue	70,235	79,060	(11.2)	91,306	96,453	(5.3)	106,189	112,175	(5.3)
EBIDTA	7,020	8,200	(14.4)	10,511	10,890	(3.5)	11,890	13,064	(9.0)
EBITDA (%)	10.0	10.4	(37.7)	11.5	11.3	22.1	11.2	11.6	(45.0)
APAT	1,128	1,742	(35.3)	3,726	4,269	(12.7)	4,989	5,611	(11.1)

Source: HSIE Research

KEY STOCK DATA	
Bloomberg code	DBL IN
No. of Shares (mn)	162
MCap (INR bn) / ($ mn)	76/841
6m avg traded value (INR mn)	212
52 Week high / low	INR 588/376

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(1.7)	0.9	7.9
Relative (%)	(2.6)	(4.7)	(1.1)

SHAREHOLDING PATTERN (%)	**Sep-25**	**Dec-25**
Promoters	63.14	63.14
FIs & Local MFs	6.13	6.23
FPIs	2.91	2.47
Public & Others	27.82	28.16
Pledged Shares	8.94	8.94

Source: BSE

Pledged shares as % of total shares

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Aditya Sahu
aditya.sahu@hdfcsec.com
+91-22-6171-7338

Jay Shah
jay.shah1@hdfcsec.com
+91-22-6171-7353

PNC Infratech

Muted performance

PNC Infratech (PNC) reported Q3FY26 revenue/EBITDA/APAT of INR 10.6/1.3/0.8bn, a miss on our estimates by -13.2/-19.4/-22.6% respectively. FY26 has been impacted by a prolonged monsoon, lower tendering, delay in appointed dates, subdued execution in water & canal, stretched JJM receivables and land availability issues. The OB as of Dec'25 stood at INR 193bn (~3.8x FY25 revenue). Road Highway, Road Expressway, Railway, Airport Runway and Canal EPC projects constitute 71% of OB. FY26 revenue is expected to decline 10% YoY vs. +5% growth earlier, with an EBITDA margin of 12.5% and OI for FY26 expected at INR 120bn (Q4FY26: INR 60bn). OB remains diversified, comprising Solar+BESS and mining projects (revenue guidance – INR 1/5/6bn in FY26/27/28 respectively). PNC's standalone has INR 13bn cash and robust FY26 order backlog. We expect orders awards to pick up in FY27, new revenue streams like renewables and mining to aid order inflow and bid pipeline of INR 287bn remains healthy. We have cut estimates and valuation multiple to factor slow ordering; maintain BUY with a reduced SOTP of INR 318/sh (12x Dec-27E EPS vs. 14x, 1.2x FCFE Dec-27E for BOT, and 1.1x P/BV for HAM).

- **Q3FY26 financial highlights:** Revenue stood at: INR 10.6bn (-12.3/+7.5% YoY/QoQ, a miss by 13.2%). EBITDA: INR 1.3bn (-10.3/-3.9% YoY/QoQ, a miss by 19.4%). EBITDA margin: 12.4% (+28/-146bps YoY/QoQ, vs. our estimate of 13.3%). APAT: INR 0.8bn (-6.5/+6.1% YoY/QoQ, a beat of 22.6%).
- **Robust order pipeline supported by RE and mining:** The OB as of Dec'25 stood at INR 193bn, including solar+BESS (to be executed in 24 months) and coal mining project (to be executed in five years). Road highway, road expressway, railway, and canal EPC projects constitute 83% of the total OB. The company guided for its FY26 OI at INR 120bn (Q4FY26 OI expected at INR 60bn). The current bid pipeline stands at INR 287bn. The total OB of RE and mining stands at INR 49.6bn.
- **Strong balance sheet through strategic asset monetization:** PNC's standalone debt stands at INR 11bn as of Dec'25, while net D/E is at 0.19 (Sep'25: 0.14x). The total equity investment in ongoing/awarded HAM projects stands at INR 17.44bn, of which INR 11.1bn has been infused until Dec'25 with a balance of INR 6.3bn to be spread across FY26/27/28. NWC days stood at 137/139/113 as of Dec'25/Sep'25/Mar'25. Capex in 9MFY26 stood at INR 1.25bn while annual capex targeted in FY26/27 stands at INR 4/1.5bn. Management has guided for equity requirement of INR 4bn for BESS, spread across FY27/28.

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Revenue	10,564	12,051	(12.3)	9,830	7.5	50,779	49,759	60,706	71,633
EBITDA	1,309	1,460	(10.3)	1,362	(3.9)	6,137	6,330	7,581	8,903
APAT	772	826	(6.5)	823	(6.1)	4,162	3,809	4,496	5,411
Diluted EPS (INR)	3.0	3.2	(6.5)	3.2	(6.1)	10.4	14.8	17.5	21.1
P/E (x)						22.3	15.6	13.2	11.0
EV / EBITDA (x)						9.2	9.2	8.2	7.0
RoE (%)						8.1	7.3	8.6	9.6

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenues	49,759	52,666	(5.5)	60,706	60,566	0.2	71,633	71,468	0.2
EBIDTA	6,330	6,899	(8.3)	7,581	7,969	(4.9)	8,903	9,220	(3.4)
EBIDTA (%)	12.7	13.1	(37.9)	12.5	13.2	(67.0)	12.4	12.9	(47.3)
APAT	3,809	4,207	(9.4)	4,496	4,850	(7.3)	5,411	5,255	3.0

Source: HSIE Research

BUY

CMP (*as on 10 Feb 2026*)	INR 232
Target Price	INR 318
NIFTY	25,935

KEY CHANGES		OLD	NEW
Rating		BUY	BUY
Price Target (INR)		INR 380	INR 318
EPS Change (%)	FY26E -9.4	FY27E -7.3	FY28E +3.0

KEY STOCK DATA	
Bloomberg code	PNCL IN
No. of Shares (mn)	257
MCap (INR bn) / ($ mn)	60/657
6m avg traded value (INR mn)	90
52 Week high / low	INR 332/205

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(16.2)	(24.5)	(22.7)
Relative (%)	(17.1)	(30.0)	(31.7)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	56.07	56.07
FIs & Local MFs	26.51	26.22
FPIs	6.99	6.95
Public & Others	10.43	10.77
Pledged Shares	-	-

Source: BSE

Pledged shares as % of total shares

Parikshit D Kandpal, CFA
parikshitd.kandpal@hdfcsec.com
+91-22-6171-7317

Aditya Sahu
aditya.sahu@hdfcsec.com
+91-22-6171-7338

Jay Shah
jay.shah1@hdfcsec.com
+91-22-6171-7353

Happiest Minds Technologies

AI-led growth acceleration; margin focus

HAPPSTMN delivered a steady Q3 performance, with revenue growth in line with expectations and margins exceeding forecasts. The company reported +1.2% QoQ CC revenue growth, driven by the BFSI and healthcare verticals. This company clocked 10.2% CC growth for 9MFY26, in line with the target to deliver double-digit CC revenue growth for FY26E. The management remains confident in its multi-year growth trajectory, supported by the scaling GBS unit and an improving deal pipeline with greater visibility. The GBS unit turned profitable in Q3, marking an important milestone, and continues to broaden its suite of replicable AI solutions. HAPPSTMN plans to increase its AI team to 1,000 people by the end of FY27E. The demand environment remains selective, with momentum cantered around workflow automation using GenAI and Agentic AI, AI-enabled productivity, and modernization of core platforms. The FY26E outlook is maintained, targeting CC revenue growth of >10% and EBITDA margins in the 20–22% band (including other income). We maintain our BUY rating on HAPPSTMN with a TP of INR 670, based on 30x Mar-28E EPS, supported by a 13/21% revenue/EPS CAGR over FY25–28E.

- **Q3FY26 highlights:** (1) Revenue came in at USD 65.7mn (vs HSIE USD 65.8mn), +1.2% QoQ CC, supported by healthy growth in healthcare (+16% QoQ), BFSI (+3.7% QoQ) and industrial verticals (+2.4% QoQ). (2) GBS revenue grew 50% QoQ and turned profitable in Q3, driven by improved execution discipline and more use cases moving from pilots to production. (3) EBITDA margin stood at 18.2% (+100bps QoQ), led by operational efficiencies, favorable forex, GBS turning profitable, and improved utilization, partially offset by fewer working days and a forex loss (INR 62mn). (4) Q4 revenue growth is expected to be driven by continued momentum in BFSI, healthcare, and GBS while stability is expected in retail and hi-tech verticals. Management has maintained its revenue growth target of 10% plus CC for FY26 with EBITDA margin in the 20-22% range.
- **Outlook:** We have factored in USD revenue growth of 7.8% for FY26E (4.8% organic) and 14/17% for FY27/28E. EBITM has been factored in 13.7/14.9/15.4% for FY26/27/28E. At CMP, HAPPSTMN is trading at 22/17x FY27/28E, lower than its historical average multiple of 48x.

Quarterly financial summary

YE Mar (INR bn)	Q3 FY26	Q3 FY25	*YoY (%)*	Q2 FY26	*QoQ (%)*	FY24	FY25	FY26E	FY27E	FY28E
Revenue (USD mn)	66	63	*4.8*	65	*1.0*	196	244	263	299	350
Net Sales	5.88	5.31	*10.7*	5.74	*2.4*	16.25	20.61	23.14	26.78	31.64
EBIT	0.85	0.73	*16.6*	0.76	*11.2*	2.78	2.66	3.18	4.00	4.86
APAT	0.57	0.50	*13.1*	0.54	*4.9*	2.38	1.93	2.26	2.77	3.44
Diluted EPS (INR)	3.7	3.3	*13.1*	3.5	*4.9*	15.6	12.7	14.8	18.2	22.6
P/E (x)						25.2	31.0	26.5	21.6	17.4
EV / EBITDA (x)						15.2	16.2	14.0	11.3	9.3
RoE (%)						20.5	12.7	13.9	15.8	18.0

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)	264	263	*(0.3)*	303	299	*(1.1)*	353	350	*(1.0)*
Revenue	23.21	23.14	*(0.3)*	27.08	26.78	*(1.1)*	31.95	31.64	*(1.0)*
EBIT	3.29	3.18	*(3.2)*	4.06	4.00	*(1.6)*	4.95	4.86	*(1.8)*
EBIT margin (%)	14.2	13.7	*-42bps*	15.0	14.9	*-7bps*	15.5	15.4	*-13bps*
APAT	2.37	2.26	*(4.8)*	2.91	2.77	*(5.0)*	3.62	3.44	*(4.9)*
EPS (INR)	15.6	14.8	*(4.8)*	19.1	18.2	*(5.0)*	23.7	22.6	*(4.9)*

Source: Company, HSIE Research

BUY

CMP *(as on 10 Feb 2026)*	**INR 394**
Target Price	**INR 670**
NIFTY	**25,935**

KEY CHANGES	**OLD**	**NEW**
Rating	BUY	BUY
Price Target	INR 710	INR 670
	FY27E	FY28E
EPS %	-5.0	-4.9

KEY STOCK DATA	
Bloomberg code	HAPPSTMN IN
No. of Shares (mn)	152
MCap (INR bn) / ($ mn)	60/662
6m avg traded value (INR mn)	188
52 Week high / low	INR 774/382

STOCK PERFORMANCE (%)

	3M	**6M**	**12M**
Absolute (%)	(21.8)	(33.6)	(40.9)
Relative (%)	(22.7)	(39.1)	(49.9)

SHAREHOLDING PATTERN (%)

	Sep-25	**Dec-25**
Promoters	44.21	44.21
FIs & Local MFs	10.20	9.63
FPIs	5.39	5.89
Public & Others	40.20	40.27
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Vinesh Vala
vinesh.vala@hdfcsec.com
+91-22-6171-7332

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Maitreyee Vaishampayan
maitreyee.vaishampayan@hdfcsec.com
+91-22-6171-7308

Route Mobile

Focus on higher-margin business; valuations attractive

ADD

CMP *(as on 10 Feb 2026)*	INR 577
Target Price	INR 885
NIFTY	25,935

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 970	INR 885
	FY27E	FY28E
EPS %	-3.4%	-2.0%

KEY STOCK DATA	
Bloomberg code	ROUTE IN
No. of Shares (mn)	63
MCap (INR bn) / ($ mn)	36/401
6m avg traded value (INR mn)	289
52 Week high / low	INR 1,202/561

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(15.5)	(33.2)	(51.0)
Relative (%)	(16.4)	(38.7)	(6.0)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	74.86	74.85
FIs & Local MFs	7.19	5.99
FPIs	2.98	2.74
Public & Others	14.97	16.41
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

Route Mobile's Q3 performance was defined by a strategic transformation toward higher-margin business, resulting in a gross profit margin expansion to 24.5% (+340/243bps improvement YoY/QoQ). While revenue witnessed a 6.5% YoY and 1.1% QoQ decline due to a deliberate shift away from low-margin ILD messaging, absolute gross profit grew 8.6% YoY. The company's growth strategy emphasizes on high-margin OTT solutions like WhatsApp and RCS (new products revenue grew 14.5% YoY for 9M) alongside specialized telco offerings such as firewalls and network API platforms through the Konera initiative. Domestic messaging trends show improvement, but it has a lower price points compared to international business and require higher volumes but yield superior margins. To propel future growth Route Mobile is leveraging its partnership with Proximus Global and global SIs like Infosys and TechM. This strategic direction is further strengthened by the elevation of Tushar Agnihotri as the new CEO, who brings over 30 years of experience. We reduce our revenue estimate by ~5-6% to factor business shifts but increase margins leading to ~2-3% cut in EPS. We maintain our ADD with a TP of INR 885, based on 14x Dec-27E EPS. The stock is trading at a PE of 10/9x FY27/28E EPS and generates a RoE of ~15% for FY25.

- **Q3FY26 highlights:** Revenue grew -1.1/6.5% QoQ/YoY to INR 11.07bn (vs our estimate of INR 11.52bn) due to a decline in ILD messaging volumes although partially offset by rise in domestic business growth. Gross profit margin expanded by 243bps QoQ to 24.5%, marking the highest level in the past eight quarters. New product sales declined 3.9% QoQ to INR 902mn. Reported EBITDA increased 7.7% QoQ to INR 1.46bn, and the EBITDA margin improved by 108bps QoQ to 13.2%, materially lower compared to the gross margin expansion of 243bps, mainly led by an increase in other expenses by 29.4% QoQ. Finance costs stood at INR 0.01bn, down by 40.1% QoQ. Revenue from India terminations (~47% of revenue) declined 13.8% YoY and international revenue increased 1.2% YoY. Net cash stood at INR 12.88bn, ~36.5% of the market cap.
- **Outlook:** We expect +8/9% revenue/EPS CAGR for FY26-28E, led by –3.9/+3.4/+12.0% revenue growth and 11.9/11.5/11.7% EBITDA margin for FY26/27/28E respectively.

Quarterly financial summary

YE March (INR bn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	11.07	11.84	*-6.5*	11.19	*-1.1*	40.23	45.76	43.95	45.44	50.89
Gross Profit	2.71	2.50	*8.6*	2.47	*9.8*	8.61	9.51	10.12	10.62	12.03
EBITDA	1.46	1.30	*12.8*	1.36	*7.7*	5.11	5.11	5.21	5.21	5.97
APAT	0.98	0.82	*18.5*	0.98	*-0.3*	3.58	3.37	3.49	3.55	4.11
Diluted EPS (INR)	15.6	13.1	*18.5*	15.6	*-0.3*	57.1	53.7	55.6	56.6	65.4
P/E (x)						10.1	10.7	10.4	10.2	8.8
EV / EBITDA (x)						6.3	5.3	4.8	4.2	3.1
RoE (%)						18.0	14.7	13.7	12.8	13.3

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

INR bn	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	44.97	43.95	*-2.3*	48.25	45.44	*-5.8*	54.03	50.89	*-5.8*
EBITDA	5.10	5.21	*2.1*	5.39	5.21	*-3.3*	6.11	5.97	*-2.2*
EBITDA margin (%)	11.3	11.9	*50bps*	11.2	11.5	*30bps*	11.3	11.7	*44bps*
APAT	3.36	3.49	*4.0*	3.68	3.55	*-3.4*	4.19	4.11	*-2.0*
EPS (INR)	53.4	55.6	*4.0*	58.6	56.6	*-3.4*	66.7	65.4	*-2.0*

Source: Company, HSIE Research

Amit Chandra
amit.chandra@hdfcsec.com
+91-22-6171-7345

Arjun Savla
arjun.savla@hdfcsec.com
+91-22-6171-7339

Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

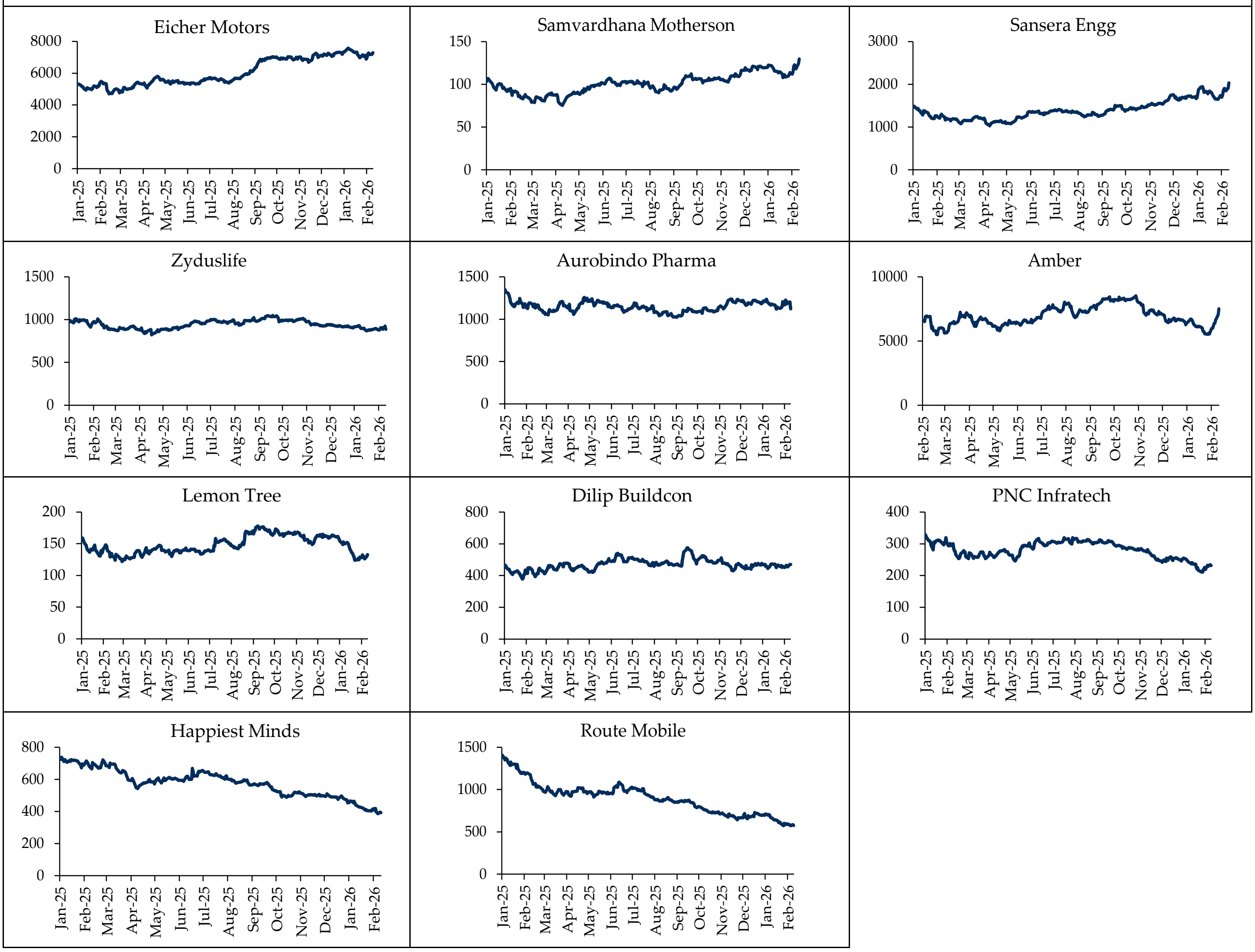
REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Hitesh Thakurani	Eicher Motors, Samvardhana Motherson International, Sansera Engineering	MBA	NO
Shubhangi Kejriwal	Eicher Motors, Samvardhana Motherson International, Sansera Engineering	MSc	NO
Mehul Sheth	Zydus Lifesciences, Aurobindo Pharma	MBA	NO
Divyaxa Agnihotri	Zydus Lifesciences, Aurobindo Pharma	MSc	NO
Keshav Lahoti	Amber Enterprises	CA, CFA	NO
Rajesh Ravi	Amber Enterprises	MBA	NO
Mahesh Nagda	Amber Enterprises	CA	NO
Riddhi Shah	Amber Enterprises	MBA	NO
Amit Kumar	Lemon Tree	CFA	NO
Aryan Dalal	Lemon Tree	BCom	NO
Parikshit Kandpal	Dilip Buildcon, PNC Infratech	CFA	NO
Aditya Sahu	Dilip Buildcon, PNC Infratech	MBA	NO
Jay Shah	Dilip Buildcon, PNC Infratech	CA	NO
Amit Chandra	Happiest Minds Technologies, Route Mobile	MBA	NO
Vinesh Vala	Happiest Minds Technologies	MBA	NO
Maitreyee Vaishampayan	Happiest Minds Technologies	MSc	NO
Arjun Savla	Route Mobile	CA	NO

Price movement



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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400
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HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board: +91-22-6171-7330 www.hdfcsec.com