INSTITUTIONAL RESEARCH

HSIE Results Daily

Contents

Results Reviews

- **Torrent Pharma:** EBITDA grew 19% YoY (in line with our/consensus estimates), with 18% YoY sales growth, led by 14% YoY growth in India and 27% growth in Brazil. The company expects: (1) India to outperform IPM growth, driven by price increases, steady volumes, and new launches in focused therapies. The focus is to improve field-force productivity with new divisions for launches and expand market reach. Looking to add 500-600 MRs to reach field force size of 7,500 in FY27E (As of Dec-25, MRs count at 6,900); (2) steady growth in Brazil, led by traction in key brands and new launches; it GLP-1 (Semaglutide) launch to see one quarter delay to Q1FY27E (equivalent to Ozempic; approval for generic of Wegovy would be in later part of FY27); (3) Germany business to remain soft in the near term due to supplies constraint from its outsourced partnered; started shifting manufacturing to alternate CMO and at its own plants but this will take time; and (4) steady scale-up in the US in FY27 with a focus on improving profitability supported by new launches. It is looking to launch GLP-1 molecules on patent expiry in India (both OSD and injectable). The company has completed acquisition of controlling stake in J.B Chemical (JBC) and expects to complete the merger in the near term; it sees INR 4-4.5bn cost synergies over next 2-3 years; post JBC acquisition, it guides for net debt to EBITDA at 1-1.1x in FY28E and 0.6x in FY29E. We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil—new launches in chronic) and gradual turnaround in US generics (profitability improvement and new launches) and Germany (tender wins), with margins steady around 32-34% over the next few years. We have tweaked our EPS for FY26/27E and revised the TP to INR 4,300 (41x Q3FY28E EPS; implying EV/ EBITDA of 26x). Maintain ADD. We will factor-in JB Chemical after some clarity on merger process.
- **Lupin:** EBITDA grew 52% YoY, given 24% YoY sales growth (US: +11% QoQ, while India was muted at 6% YoY) and GM expansion (+364 bps YoY at 73.8%), partly offset by higher costs. LPC expects (1) in FY26 – overall sales growth to sustain, margin at 27-28% (revised up from 25-26% earlier), R&D at 7.5-8.5%, and ETR at 21-22%; In FY27, steady revenue growth, margin at 24-25%, and R&D to remain steady (large part directed for complex generics); (2) the US to sustain base business at USD 1+ bn revenues in FY27, led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and incremental sales from new launches (including injectables) and scale-up in institutional business; and (3) India to beat IPM growth by 1.2-1.3x in near term led by new launches (80+ products in pipeline), in-licensing (including Bofanglutide, a novel fortnightly GLP-1), traction in focused therapies, and increasing MR productivity. The focus on (1) Respiratory: Dulera, Spiriva Respimat, Ellipta franchise, and green propellant; (2) Biosimilars: Pegfilgrastim launch in CY26 partnered with Valorum Biologics as front-end in the US, Ranibizumab in FY27, Aflibercept, Pegfilgrastim Onpro, Etanercept in CY29/ FY30; and (3) Injectables: 45+ product pipeline; expects to generate sales of USD 100 mn in the next 2-3 years. It expects to launch Semaglutide in India on patent expiry and plans to start a new division with 200 MRs. The alliance with PolyPeptide Group to scale global peptide supply chain to support GLP opportunity. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine,

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etc.) over the next 3-5 years. M&A focus (As of Dec-25, net cash was at INR 28.79 bn) on specialty assets, adjacencies, and India region. Factoring in Q3FY26 beat, we have raised EPS estimates by 8%/4% for FY26/27E and revised the TP to INR 2,400 (25x Q3FY28E EPS). ADD stays, given growth visibility in the US (new launches) and India (traction in key therapies) and steady margin (cost controls) are intact.

- **Siemens Energy:** Siemens Energy Ltd (SEL) delivered a steady quarter with revenue/EBITDA/APAT at INR 19.1/4.6/3.1bn, a miss/beat on estimates by -1%/+24.1/+26.5%. Margin excluding forex and commodity gains is 18.8%. SEL received new orders worth INR 33.4bn (+3% YoY) on the back of stable demand both in domestic as well as export market, which led to an order backlog of INR 175.9bn (+37.6% YoY) as on date. SEL continues to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. SEL has planned a significant CAPEX plan of ~INR 20bn to establish a new power transformer factory. This strategic investment, to be funded through internal accruals, aims to add a substantial production capacity of around 30,000MVA. The new facility is tentatively scheduled to become operational in phases between the FY30 and FY32. We have marginally tweaked our estimates to reflect better execution and slightly lower margins. Bid pipeline remains strong and new awards are expected to pick up pace in a few quarters. Given the strong cash flows, robust order book, limited competitive intensity, and export opportunities, we maintain a BUY rating on SEL with an increased TP of INR 3,584/sh (60x Dec-27E EPS, rollover from Sep to Dec).
- **Infoedge:** Info Edge delivered a decent Q3 with overall billings up 13.4% YoY, driven by 11% YoY growth in recruitment billings and recruitment margin expansion to 59% vs 55.8% in Q2. Recruitment growth was led by traction in GCCs (+13% YoY), Naukri Gulf (+19% YoY), and strong momentum in premium (>30LPA) and value (<5LPA) segments. Non-IT sectors like BFSI and retail saw softness, while healthcare and manufacturing maintained double-digit growth. Future growth is backed by continued AI investments, including the agentic AI Rex platform (20,000 job mandates closed) and Naukri 360's discovery solutions. Despite AI-led IT hiring uncertainty, GCCs are scaling India operations driving growth, the management aims to maintain recruitment margins if billings growth stays in the teens. In real estate, 99acres clocked 14% YoY billings growth on 30% YoY rise in new project responses and a 46% traffic share, with EBITDA breakeven contingent on billings conversion. Jeevansathi saw 31% YoY billings growth, aided by 45% Hindi market profile share achieving breakeven from losses. We expect recruitment billings to grow at ~11% CAGR over FY25–28E, aligning with pre-COVID trends. EPS estimates rise ~2-3%, but recruitment EV/EBITDA multiple is cut to 30x (vs 35x) on IT hiring uncertainty. Maintain BUY with SoTP-based TP of INR 1,460 valuing Naukri at 30x EV/EBITDA; 99acres/Jeevansathi+Shiksha at 3/3x P/S; Zomato and Policybazaar at market prices. Core recruitment trades at 23x/21x FY26/27E EV/EBITDA.
- **Alkem Laboratories:** EBITDA grew 9% YoY, led by 11% YoY sales growth (+6% YoY India, -3% QoQ in the US, and 42% YoY in ex-US exports), higher gross margin (+163 bps YoY at 65.9%), offset by higher costs (SG&A/ staff +15%/ +18% YoY). The company expects (1) India business to see 10+% YoY growth in Q4FY26, and it will beat IPM growth by 100-150 bps in FY27, led by steady traction in key acute therapies, strong scale-up in chronic segment, and field force expansion; (2) gross margin to sustain at 64-65% and potential to see 50-100 bps benefits from Pen-G/ derivatives price revision under Minimum Import Price; and (3) to improve EBITDA margin by 100 bps p.a. for the next few years. On track to launch Semaglutide (GLP-1) in the first

wave after patent expiry. The company expects Enzene Bio to see strong scale-up over the next few years and targets to achieve EBITDA margin of ~25% in next 4-5 years. It plans to acquire 55% stake in Occlutech, a Medtech company for Euro 99.4mn; to foray into orthro and cardiac impact market; acquisition is expected to be completed by Jun-26 (we will factor in Occlutech post the completion of transaction process). Factoring in Q3 performance, we have tweaked our EPS for FY26/27E and revised the TP to INR 5,980 (29x Q2FY28E EPS). ADD stays as we expect the India business to remain steady with ~10% CAGR over FY25-28E and a gradual scale-up in the US business with steady improvement in margin.

- **Endurance Technologies:** While the domestic auto segment has kicked off well post the GST rate cuts, the European business is currently operating in a challenging environment. Going forward, the company is set to continue to benefit from increasing premiumization of the domestic 2W industry, auguring well for its portfolio of inverted front forks, slip/assist clutches, and hydraulic brake systems. Management is working well to expand the product portfolio along with improving the product mix, which is allowing it to add new customers as well as increase its sales content with existing customers. However, we remain cautious on softer demand in Europe and higher aluminum prices, which is a key raw material for the company's die casting business. We value the company at 28x Dec-27 EPS for a TP of Rs 2,778 and maintain an ADD rating.

- **Deepak Nitrite:** We maintain SELL on Deepak Nitrite (DNL), with a price target of INR 1,452. DNL is venturing into polycarbonate (PC) manufacturing with an investment of INR 50bn and expanding into polycarbonate compounding. The PC plant shall commence operation by FY28-end and start contributing to revenue from FY29. Additionally, the company will invest INR35bn for setting up a PC intermediate plant (Bisphenol A) and an additional phenol capacity. However, the balance sheet will become debt-ridden (from being debt-free) with a peak net debt to equity of 0.92x and net debt to EBITDA of 2.8x in FY28. The RoCE will remain ~9.7% over the next four years while RoE will remain below ~14.9% until FY29. The stock is currently trading at 29.9/18.5x FY27/28E. EBITDA/APAT were 5/17% below our estimates, owing to higher-than-expected raw material cost, and one-off expenses related to employee benefit as per new labour code.

- **Eris Lifesciences:** EBITDA grew 13% YoY, supported by steady sales growth of 11% YoY (+10% YoY for DBF, +46% for Swiss exports) and effective cost control, offsetting the +334bps gross margin decline leading to an EBITDA margin of 34.9% (+47 bps YoY). Key Eris highlights: (1) DBF expected to grow ~12% YoY in FY26 (10% YoY in 9MFY26) with an EBITDA margin of 37%, led by Rh-Insulin scale-up (started from Dec-25) and new launches; (2) strategic partnership (with Natco Pharma) to enter the first wave launch of Semaglutide injectable generic (Mar'26), with approvals in place; (3) capturing 25% market share (16% as of Dec'25) in overall insulin market through key product launches (Aspart and Aspart mix to launch in FY27, and Degludec/Degludec + Liraglutide/Aspart + Degludec in H2FY28); (4) Exports business sales guidance of INR 3.7-3.75bn and EBITDA of INR 1.15bn, given EU CDMO (strong order book visibility) and Swiss business scale-up, despite margin compression due to increased investments. It is targeting sales of INR 7bn by FY27 and INR 10bn by FY30; (5) INR 7.5-8bn capex over FY26-28 (INR 2-2.5bn for FY26); (6) Net debt stood at INR 22.70bn in Q3FY26, with the target of reducing net debt to INR 18bn by Dec'26. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS and VMN) is a key (visibility of FDC launches in FY27 and FY28). Factoring in Q3, we have cut our EPS for FY26 by 7%, while retaining those for FY27E/28E and retain our TP of INR 1,730 (28x Q3FY28E EPS). BUY stays.

- **Bata India:** Bata's revenue grew 2.8% YoY to INR 9.4bn in Q3 (in-line), driven by a demand recovery following the GST 2.0 rollout and sustained marketing efforts. While premium brands like Hush Puppies and Power led the growth with robust performance, recovery in the mass-market segment remains gradual. Zero Base Merchandising (ZBM) was scaled to 400 stores, delivering 5% delta in turnover and volume compared to control stores. The company plans to rollout ZBM to 800 stores by Q3FY27. GM contracted by 18bps YoY to 56% (HSIE: 56.2%). However, EBITDAM expanded by 73bps YoY to 22.4% (HSIE: 21.5%) due to initiatives in decluttering, inventory freshness, and cost efficiencies but partially offset by higher marketing investments. We have toned down our FY27/28 EPS estimates by 7-9% and maintain our REDUCE rating with a DCF-based TP of INR890/sh, implying 30x Mar-28 P/E.
- **Sudarshan Chemical:** We maintain SELL on Sudarshan Chemical (SCIL), with a price target of INR 920. SCIL has completed the acquisition of Heubatch Group. Heubach's expansive global production and service network uniquely position the company to serve a worldwide customer base. Operational optimization and cost reduction programme undertaken by SCIL will improve efficiency. However, the global pigment manufacturers are uncertain about the demand outlook, given the geopolitical situation and ongoing tariff war. Weak demand in global pigment markets, high inventory level at the customer end, and strong competition is expected to continue in the medium term. Q3 EBITDA/APAT was 17/62% below our estimates, owing to lower-than-expected revenue and one-time expenses related to employee benefit due to new labour code.
- **HG Infra:** HG Infra (HG) reported its quarterly revenue/EBITDA/APAT of INR 14.5/2.2/1bn, a beat/miss by -0.9/+5.3/-14.8%. HG's order book (OB) as of Dec'25 stood at INR 136.2bn (~2.25x FY25 revenue). It has reduced its FY26 revenue guidance from INR INR 65-70bn in FY26 to INR 62bn, while aiming to achieve INR 70bn in FY27 vs. INR 78-80bn guidance earlier. EBITDA margins for FY26/27 expected at 15/15-16%. Guidance downgrade is attributable to a prolonged monsoon, delays in appointed dates, and weak ordering. HG has embarked upon diversification strategy into new business segments, as is evident from its OB, which now includes roads, rails, solar, buildings, and BESS. This reduces segmental concentration risk, particularly in light of muted awards and intense competition in the road infrastructure sector. Other segments being evaluated include buildings and water. Execution risks, including potential delays in the Nagpur-Chandrapur project due to land acquisition (expected to be resolved by April-26, execution to begin by H2FY27) and design challenges may impact revenue recognition. Additionally, margin volatility persists amid competitive pressures, despite targeted recovery efforts, while efficient management of receivables remains crucial to sustain healthy working capital and cash flows. We have cut our estimates to factor in delay in project awards and cut our valuation multiple from 14x to 11x to factor in lower growth and likely miss on new guidance (our estimates are lower than guidance). Given a stable OB, likely pick-up in project execution, and a healthy balance sheet, we maintain BUY on HG, with a reduced TP of INR 1,158 (11x Dec-27E EPS).

Torrent Pharma

India, Brazil growth intact; JB integration key

EBITDA grew 19% YoY (in line with our/consensus estimates), with 18% YoY sales growth, led by 14% YoY growth in India and 27% growth in Brazil. The company expects: (1) India to outperform IPM growth, driven by price increases, steady volumes, and new launches in focused therapies. The focus is to improve field-force productivity with new divisions for launches and expand market reach. Looking to add 500-600 MRs to reach field force size of 7,500 in FY27E (As of Dec-25, MRs count at 6,900); (2) steady growth in Brazil, led by traction in key brands and new launches; it GLP-1 (Semaglutide) launch to see one quarter delay to Q1FY27E (equivalent to Ozempic; approval for generic of Wegovy would be in later part of FY27); (3) Germany business to remain soft in the near term due to supplies constraint from its outsourced partnered; started shifting manufacturing to alternate CMO and at its own plants but this will take time; and (4) steady scale-up in the US in FY27 with a focus on improving profitability supported by new launches. It is looking to launch GLP-1 molecules on patent expiry in India (both OSD and injectable). The company has completed acquisition of controlling stake in J.B Chemical (JBC) and expects to complete the merger in the near term; it sees INR 4-4.5bn cost synergies over next 2-3 years; post JBC acquisition, it guides for net debt to EBITDA at 1-1.1x in FY28E and 0.6x in FY29E. We believe Torrent Pharma is well-poised for steady growth, led by a strong branded franchise (new launches, consumer wellness, traction in Brazil—new launches in chronic) and gradual turnaround in US generics (profitability improvement and new launches) and Germany (tender wins), with margins steady around 32-34% over the next few years. We have tweaked our EPS for FY26/27E and revised the TP to INR 4,300 (41x Q3FY28E EPS; implying EV/ EBITDA of 26x). Maintain ADD. We will factor-in JB Chemical after some clarity on merger process.

- **Q3 highlights**: Sales grew 18% YoY to INR 33.03bn, with India (54% of sales) up 14% YoY to INR 17.9bn. Brazil (11%) grew 27% YoY (+10% cc). The US (10%) was down 3% QoQ to USD 36mn, and Germany (9%) grew 6% YoY. GM was down 23bps YoY to 75.8%. Higher staff/SG&A costs (+19%/ +17% YoY) led to EBITDA of INR 10.8bn (+19% YoY) and 32.9% margin (+40 bps). Lower interest costs, muted depreciation, adjusted for one-offs/forex^, and PAT stood at INR 6.77bn (+35% YoY).
- **Key con call takeaways:** India business growth of 14% YoY in Q3FY26 was led by 5.5% volume, 5.8% price, and 2.7% new launches. Curatio business saw 27% YoY growth in Q3FY26. JBC: it expects smooth transition of senior management, but it will result in muted Q4 and recovery from Q1FY27; it will look to discontinue JBC's trade generic business; JBC M&A related debt will have interest cost of ~7.6%. As of Dec-25, net debt stood at INR 8.82 bn.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	33,030	28,090	18	33,020	0	107,278	115,161	130,660	150,826	171,382
EBITDA	10,880	9,140	19	10,830	0	33,677	37,210	42,857	50,527	58,270
APAT	6,779	5,030	35	6,299	8	15,969	19,404	25,460	31,070	36,977
EPS (INR)	20.0	14.9	35	18.6	8	47.2	57.3	75.2	91.8	109.3
P/E (x)						86.3	71.1	54.2	44.4	37.3
EV/EBITDA (x)						41.8	37.7	32.6	27.3	23.4
RoCE (%)						22	25	29	32	35

Source: Company, HSIE Research, ^ one-off expenses of INR 100 mn and forex loss of INR 450 mn

ADD

CMP *(as on 13 Feb 2026)*	INR 4,074
Target Price	INR 4,300
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3980	INR 4300
EPS %	FY26E	FY27E
	0.9	0.2

KEY STOCK DATA	
Bloomberg code	TRP IN
No. of Shares (mn)	338
MCap (INR bn) / ($ mn)	1,380/15,226
6m avg traded value (INR mn)	946
52 Week high / low	INR 4,240/2,886

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	6.6	12.7	32.7
Relative (%)	8.8	10.1	24.1

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	68.31	68.31
FIs & Local MFs	9.17	9.05
FPIs	15.92	16.13
Public & Others	6.60	6.51
Pledged Shares	-	-

Source: BSE

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Lupin

Strong Q3; near-term growth to sustain

ADD

EBITDA grew 52% YoY, given 24% YoY sales growth (US: +11% QoQ, while India was muted at 6% YoY) and GM expansion (+364 bps YoY at 73.8%), partly offset by higher costs. LPC expects (1) in FY26 – overall sales growth to sustain, margin at 27-28% (revised up from 25-26% earlier), R&D at 7.5-8.5%, and ETR at 21-22%; In FY27, steady revenue growth, margin at 24-25%, and R&D to remain steady (large part directed for complex generics); (2) the US to sustain base business at USD 1+ bn revenues in FY27, led by traction in key products (Tolvaptan, gSpiriva, gMyrbetriq) and incremental sales from new launches (including injectables) and scale-up in institutional business; and (3) India to beat IPM growth by 1.2-1.3x in near term led by new launches (80+ products in pipeline), in-licensing (including Bofanglutide, a novel fortnightly GLP-1), traction in focused therapies, and increasing MR productivity. The focus on (1) Respiratory: Dulera, Spiriva Respimat, Ellipta franchise, and green propellant; (2) Biosimilars: Pegfilgrastim launch in CY26 partnered with Valorum Biologics as front-end in the US, Ranibizumab in FY27, Aflibercept, Pegfilgrastim Onpro, Etanercept in CY29/ FY30; and (3) Injectables: 45+ product pipeline; expects to generate sales of USD 100 mn in the next 2-3 years. It expects to launch Semaglutide in India on patent expiry and plans to start a new division with 200 MRs. The alliance with PolyPeptide Group to scale global peptide supply chain to support GLP opportunity. Lupin aims to scale up its specialty portfolio (Xopenex, NaMuscla, Zaxine, etc.) over the next 3-5 years. M&A focus (As of Dec-25, net cash was at INR 28.79 bn) on specialty assets, adjacencies, and India region. Factoring in Q3FY26 beat, we have raised EPS estimates by 8%/4% for FY26/27E and revised the TP to INR 2,400 (25x Q3FY28E EPS). ADD stays, given growth visibility in the US (new launches) and India (traction in key therapies) and steady margin (cost controls) are intact.

- **Q3 highlights**: Sales grew 24% YoY to INR 71.6bn, as US sales (44% of sales) grew 11% QoQ to USD 350mn (+46% YoY), led by traction in Tolvaptan (under exclusivity) and in the base business. India (29%) at INR 20.38 bn (+6% YoY). Higher GM at 73.8% (+364 bps) and higher staff/ R&D/ SG&A (+16%/23%/19%) led to an EBITDA of INR 22.09 bn (+52%) and a margin of 30.8% (+566 bps). Adjusted for one-offs, PAT^ was at INR 14.1 bn (+52% YoY).
- **Key takeaways from con call: gSpiriva**: market share at 32%; no visible competition. **gMyrbetriq**: settled with innovator (for USD 90 mn); ~40% generic share. **gJynarque**: it hopes of seeing extended exclusivity and no new major competition in near term. **gRisperdal Consta**: launched in Nov-25 and to see scale-up in next few quarters. **Albuterol**: market share at 16%. **Arfomoterol (Rx+Gx)**: market share was at 12%. **India business**: Field force at ~11,400 (MRs at ~8,900); in-licensing portfolio contribution at 6% of sales.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	71,675	57,677	24	70,475	2	200,108	227,079	269,725	283,728	292,247
EBITDA	22,095	14,515	52	21,376	3	38,000	54,718	75,523	70,081	70,139
APAT	14,172	9,318	52	13,272	7	20,669	35,364	48,100	43,536	43,961
EPS (INR)	31.0	20.4	52	29.1	7	45.2	77.4	105.3	95.3	96.2
P/E (x)						48.6	28.4	20.9	23.1	22.9
EV/EBITDA (x)						26.7	18.6	13.4	14.0	13.5
RoCE (%)						16	22	26	20	18

Source: Company, HSIE Research, ^Adjusted for exceptional items of INR 4.26bn

CMP *(as on 13 Feb 2026)*	INR 2,199
Target Price	INR 2,400
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2170	INR 2400
EPS %	FY26E	FY27E
	8.4	4.4

KEY STOCK DATA	
Bloomberg code	LPC IN
No. of Shares (mn)	457
MCap (INR bn) / ($ mn)	1,005/11,088
6m avg traded value (INR mn)	1,856
52 Week high / low	INR 2,249/1,775

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	7.1	10.5	7.0
Relative (%)	9.3	7.9	(1.5)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	46.89	46.89
FIs & Local MFs	26.56	25.58
FPIs	20.5	21.5
Public & Others	6.05	6.03
Pledged Shares	-	-

Source: BSE

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Siemens Energy

Steady show

Siemens Energy Ltd (SEL) delivered a steady quarter with revenue/EBITDA/APAT at INR 19.1/4.6/3.1bn, a miss/beat on estimates by -1%/+24.1/+26.5%. Margin excluding forex and commodity gains is 18.8%. SEL received new orders worth INR 33.4bn (+3% YoY) on the back of stable demand both in domestic as well as export market, which led to an order backlog of INR 175.9bn (+37.6% YoY) as on date. SEL continues to benefit from sustained traction in the power transmission segment, backed by rising demand for grid infrastructure. SEL has planned a significant CAPEX plan of ~INR 20bn to establish a new power transformer factory. This strategic investment, to be funded through internal accruals, aims to add a substantial production capacity of around 30,000MVA. The new facility is tentatively scheduled to become operational in phases between the FY30 and FY32. We have marginally tweaked our estimates to reflect better execution and slightly lower margins. Bid pipeline remains strong and new awards are expected to pick up pace in a few quarters. Given the strong cash flows, robust order book, limited competitive intensity, and export opportunities, we maintain a BUY rating on SEL with an increased TP of INR 3,584/sh (60x Dec-27E EPS, rollover from Sep to Dec).

- **Q1FY26 financial snapshot:** Revenue came in at INR 19.1bn (+26.3%/-27.8% YoY/QoQ, in-line). EBITDA was INR 4.6bn (+37.4/-3.9% YoY/QoQ, a beat of 24.1%). EBITDA margin came in at 24.1% (+201bps/+600bps YoY/QoQ, vs our estimates of 19.1%). Consequently, RPAT/APAT came in at INR 3.1/3.5bn (+31.4%/+36.9% YoY/QoQ, a 26.5% beat). Margins excluding forex and commodity gains is 18.8%. Margins in Q1FY26 improved on the back of power transmission segment contributing more than power gen business.
- **Robust order book**: SEL is well-poised to support India's energy transition and serve global demand. With a strong order intake of INR 33.4bn in Q1FY26 and order backlog of INR 175.9bn (+37.6% YoY), the core power transmission segment continues to see sustained traction, supported by domestic grid expansion (notably 765kV lines) and export opportunities. The bid pipeline remains strong, with new awards expected to accelerate in coming quarters.
- **Post-demerger, SEL is well-positioned to support India's energy transition:** It is looking to strengthen the Indian footprint through capacity expansion, backed by strong electricity demand from domestic consumption, public infrastructure CAPEX, industrial growth, and data centers. SEIL is expanding capacities across 1) transformer manufacturing, 2) high-voltage switchgear, and 3) a new Industrial Steam Turbine Service Centre in Raipur.

Standalone financial summary (INR mn)

Y/E - Sep	1Q FY26	1Q FY25	YoY (%)	4Q FY25	QoQ (%)	FY25E	FY26E	FY27E	FY28E
Net Revenues	19,109	15,169	26.0	26,457	(27.8)	78,267	95,094	116,443	141,408
EBITDA	4,608	3,353	37.4	4,793	(3.9)	15,134	19,970	25,268	31,817
APAT	3,518	2,317	51.8	3,596	(2.2)	11,001	15,870	19,991	25,114
EPS (INR)	9.9	6.5	51.8	10.1	(2.2)	30.9	44.6	56.1	70.5
P/E (x)						88.7	61.5	48.8	38.9
EV/EBIDTA (x)						62.2	46.9	36.7	28.6
RoE (%)						29.0	31.4	30.6	29.8

Source: Company, HSIE Research

Change in Estimates (INR mn) – Y/E – Sep

Particulars	FY26E			FY27E			FY28E		
	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)	New	Old	Change (%)/ (bps)
Revenue	95,094	95,094	-	116,443	116,443	-	141,408	141,408	-
EBITDA	19,970	19,685	1.4	25,268	25,850	(2.3)	31,817	32,524	(2.2)
EBITDA (%)	21.0	20.7	30.0	21.7	22.2	(50.0)	22.5	23.0	(50.0)
PAT	15,870	15,650	1.4	19,991	20,667	(3.3)	25,114	25,933	(3.2)

Source: HSIE Research

BUY

CMP (as on 13 Feb 2026)	INR 2,740
Target Price	INR 3,584
NIFTY	25,471

KEY CHANGES		OLD	NEW
Rating		BUY	BUY
Price Target		INR 3,482	INR 3,584
EPS	FY26E	FY27E	FY28E
Change %	1.4	-3.3	-3.2

KEY STOCK DATA	
Bloomberg code	ENRIN IN
No. of Shares (mn)	356
MCap (INR bn) / ($ mn)	976/10,766
6m avg traded value (INR mn)	2,206
52 Week high / low	INR3,625/2,105

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(16.9)	(13.4)	-
Relative (%)	(14.7)	(15.9)	-

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	6.16	7.21
FPIs	8.05	6.70
Public & Others	10.79	11.07
Pledged Shares	-	-

Source: BSE

Pledge share as a % of total shares

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Infoedge

Core business stable; investing for growth

Info Edge delivered a decent Q3 with overall billings up 13.4% YoY, driven by 11% YoY growth in recruitment billings and recruitment margin expansion to 59% vs 55.8% in Q2. Recruitment growth was led by traction in GCCs (+13% YoY), Naukri Gulf (+19% YoY), and strong momentum in premium (>30LPA) and value (<5LPA) segments. Non-IT sectors like BFSI and retail saw softness, while healthcare and manufacturing maintained double-digit growth. Future growth is backed by continued AI investments, including the agentic AI Rex platform (20,000 job mandates closed) and Naukri 360's discovery solutions. Despite AI-led IT hiring uncertainty, GCCs are scaling India operations driving growth, the management aims to maintain recruitment margins if billings growth stays in the teens. In real estate, 99acres clocked 14% YoY billings growth on 30% YoY rise in new project responses and a 46% traffic share, with EBITDA breakeven contingent on billings conversion. Jeevansathi saw 31% YoY billings growth, aided by 45% Hindi market profile share achieving breakeven from losses. We expect recruitment billings to grow at ~11% CAGR over FY25–28E, aligning with pre-COVID trends. EPS estimates rise ~2-3%, but recruitment EV/EBITDA multiple is cut to 30x (vs 35x) on IT hiring uncertainty. Maintain BUY with SoTP-based TP of INR 1,460 valuing Naukri at 30x EV/EBITDA; 99acres/Jeevansathi+Shiksha at 3/3x P/S; Zomato and Policybazaar at market prices. Core recruitment trades at 23x/21x FY26/27E EV/EBITDA.

- **Q3FY26 highlights**: Infoedge revenue grew +2.5/13.9% QoQ/YoY to INR 7.65bn, driven by 3.0/3.0/2.4% QoQ growth in Recruitment, 99acres, Jeevansathi revenue, marginally offset by 6.3% QoQ decline in Shiksha revenue; (2) total billings improved by +3.9/13.4% QoQ/YoY, led by 11/14.4/66.7/4.3% YoY growth for recruitment, 99acres, Jeevansathi and Shiksha; (3) EBITDA margin for recruitment/99acres/Jeevansathi/Shiksha stood at +59.3/-17.3/-4.9/-1.7%; (4) standalone margin increased by 285bps QoQ to 42.5% due to a decline of 10.6/1.3% QoQ in advertising costs/employee costs respectively; (5) Zomato/Policybazaar contribute INR 505/120 per share, representing ~35/8% of SoTP valuation. The recruitment segment accounted for ~48% of the SoTP (valued at INR 702/share).
- **Outlook**: We expect a 12.6% revenue CAGR over FY25-28E, led by 11/15/26% CAGRs in recruitment/99acres/Jeevansathi. EBITDA margin estimates for FY26/27/28E stand at 39.6/39.8/40.6%, leading to an EPS CAGR of 11.4% over FY25-28E. Recruitment EBITDA margin estimates for FY26/27/28E stand at 56.2/56.5/57.0%.

Quarterly financial summary*

YE March (INR bn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	7.65	6.72	13.9	7.46	2.5	23.81	26.54	30.31	33.44	37.88
EBITDA	3.25	2.90	12.0	2.95	9.9	9.55	10.73	12.03	13.29	15.35
APAT	2.95	2.59	13.8	2.64	11.8	8.46	9.77	10.95	11.87	13.49
Diluted EPS (INR)	4.6	4.0	13.8	4.1	11.8	13.1	15.1	16.9	18.3	20.8
P/E (x)						86.8	0.8	67.1	61.9	54.5
EV / Revenue (x)						29.2	25.9	20.8	18.5	15.9
EV / EBITDA (x)						72.7	64.1	52.5	46.5	39.2
RoE (%)						5.9	9.1	7.6	6.8	7.3

Source: Company, HSIE Research, *standalone financials

Change in estimate

YE March (INR bn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	30.27	30.31	0.1	33.55	33.44	-0.3	38.30	37.88	-1.1
EBITDA	11.80	12.03	1.9	13.35	13.29	-0.4	15.58	15.35	-1.5
EBITDA margin (%)	39.0	39.7	69bps	39.8	39.8	-4bps	40.7	40.5	-15bps
APAT	10.54	10.95	3.9	11.56	11.87	2.7	13.24	13.49	1.9
EPS (INR)	16.3	16.9	3.9	17.9	18.3	2.7	20.5	20.8	1.9

Source: Company, HSIE Research

BUY

CMP *(as on 13 Feb 2026)*	INR 1,141
Target Price	INR 1,460
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,610	INR 1,460
EPS %	FY27E	FY28E
	+2.7	+1.9

KEY STOCK DATA	
Bloomberg code	INFOE IN
No. of Shares (mn)	648
MCap (INR bn) / ($ mn)	740/8,163
6m avg traded value (INR mn)	1,607
52 Week high / low	INR 1,567/1,104

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(15.3)	(13.9)	(25.3)
Relative (%)	(13.1)	(16.5)	(33.9)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	37.59	37.59
FIs & Local MFs	21.67	22.49
FPIs	30.33	29.66
Public & Others	10.41	10.12
Pledged Shares	0.00	0.00

Source : BSE

Pledged shares as % of total shares

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Alkem Laboratories

Moderate Q3; India growth recovery is key

EBITDA grew 9% YoY, led by 11% YoY sales growth (+6% YoY India, -3% QoQ in the US, and 42% YoY in ex-US exports), higher gross margin (+163 bps YoY at 65.9%), offset by higher costs (SG&A/ staff +15%/ +18% YoY). The company expects (1) India business to see 10+% YoY growth in Q4FY26, and it will beat IPM growth by 100-150 bps in FY27, led by steady traction in key acute therapies, strong scale-up in chronic segment, and field force expansion; (2) gross margin to sustain at 64-65% and potential to see 50-100 bps benefits from Pen-G/ derivatives price revision under Minimum Import Price; and (3) to improve EBITDA margin by 100 bps p.a. for the next few years. On track to launch Semaglutide (GLP-1) in the first wave after patent expiry. The company expects Enzene Bio to see strong scale-up over the next few years and targets to achieve EBITDA margin of ~25% in next 4-5 years. It plans to acquire 55% stake in Occlutech, a Medtech company for Euro 99.4mn; to foray into orthro and cardiac impact market; acquisition is expected to be completed by Jun-26 (we will factor in Occlutech post the completion of transaction process). Factoring in Q3 performance, we have tweaked our EPS for FY26/27E and revised the TP to INR 5,980 (29x Q2FY28E EPS). ADD stays as we expect the India business to remain steady with ~10% CAGR over FY25-28E and a gradual scale-up in the US business with steady improvement in margin.

- **Q3 highlights**: Sales grew 11% YoY to INR 37.36bn as India (67% of sales) grew 6% YoY to INR 24.95bn (excluding impact for channel adjustment, the growth was ~10% YoY), with growth in pain, VMN, and chronic therapies offset by muted anti-infectives and gastro. The US (20%) declined 3% QoQ to USD 85mn (+13% YoY), and international sales (12%) grew 42% YoY. Strong GM at 65.9% (+163 bps YoY), higher staff (+15%) and SG&A (+18%) costs, offset by lower R&D (+6%) led to INR 8.28bn EBITDA (+9% YoY) and a 22.2% margin (-35 bps YoY). Higher depreciation, interest, and other income (+11%/+17%/+54%) led to a PAT^ of INR 6.8bn (+9% YoY).
- **Key con call takeaways:** While the company expects to benefit from Pen-G/ its derivatives MIP by 50 bps, it currently holds 4-5 months of inventory and benefits to reflect from H2FY27. As of Dec-25, net cash was ~INR 55.9bn. The company proposed to acquire Occlutech Holding (Occlutech) in Switzerland, a global medical devices company; to acquire 55% stake for Euro 99.4 mn (EV of Euro 181 mn). Occlutech sales were at Euro 49.4 mn and it is expected to see 14% revenue CAGR over next five years; gross margin of ~73% and EBITDA margin of ~10% and it expects EBITDA margin to improve to 22-23% in next 2-3 years; payback period of 10 years. The company is not looking for any big sized M&As in the near term.

Quarterly financial summary

(INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	37,368	33,743	11	40,010	(7)	126,676	129,645	146,709	162,851	176,739
EBITDA	8,280	7,594	9	9,208	(10)	22,455	25,122	30,222	34,524	38,352
APAT	6,802	6,258	9	7,651	(11)	19,346	21,322	24,992	23,446	25,053
EPS (INR)	56.9	52.3	9	64.0	(11)	161.8	178.3	209.0	196.1	209.6
P/E (x)						33.4	30.3	25.8	27.5	25.8
EV/EBITDA (x)						28.8	25.5	21.2	18.3	16.1
RoCE (%)						19	20	20	20	21

Source: Company, HSIE Research. ^One-offs of INR 528mn related to New Labor Codes

ADD

CMP (*as on 13 Feb 2026*)	INR 5,402
Target Price	INR 5,980
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 6,070	INR 5,980
EPS %	FY26E	FY27E
	(0.6)	0.0

KEY STOCK DATA	
Bloomberg code	ALKEM IN
No. of Shares (mn)	120
MCap (INR bn) / ($ mn)	646/7,126
6m avg traded value (INR mn)	857
52 Week high / low	INR 5,934/4,492

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(5.6)	0.3	14.5
Relative (%)	(3.4)	(2.3)	5.9

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	51.2	51.2
FIs & Local MFs	21.93	21.54
FPIs	9.47	9.97
Public & Others	17.4	17.29
Pledged Shares	-	-

Source: BSE

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Endurance Technologies

Soft demand in Europe; higher aluminum prices a concern

While the domestic auto segment has kicked off well post the GST rate cuts, the European business is currently operating in a challenging environment. Going forward, the company is set to continue to benefit from increasing premiumization of the domestic 2W industry, auguring well for its portfolio of inverted front forks, slip/assist clutches, and hydraulic brake systems. Management is working well to expand the product portfolio along with improving the product mix, which is allowing it to add new customers as well as increase its sales content with existing customers. However, we remain cautious on softer demand in Europe and higher aluminum prices, which is a key raw material for the company's die casting business. We value the company at 28x Dec-27 EPS for a TP of Rs 2,778 and maintain an ADD rating.

- **Quarterly performance:** Consolidated EBITDA margin at 13.2% improved 20bps YoY but declined 9bps QoQ, 36bps above our estimate but 14bps below Bloomberg consensus estimate, where the standalone margins made up for the hit in the subsidiaries business. Standalone EBITDA margin at 12.4% declined 17bps YoY but improved 35bps QoQ, aided by 50bps QoQ improvement in gross margin despite higher aluminum prices, indicating a likely improvement in product mix.
- **Update on ABS norms:** Management indicated that final guidelines on the draft proposal mandating ABS for almost all 2W could come in by the end of Q4. It believes that even if the government were to go ahead with mechanical CBS instead of ABS, the drum brakes would have to be replaced by the hydraulic system, thus not leaving much delta in the content values.
- **Battery pack plant to commence soon:** The battery pack plant has completed the assembly line battery acceptance test. A comprehensive battery pack validation and EV safety compliance testing will be concluded in Q1 and post OEM and regulatory approvals, commercial ramp-up will happen by Apr'26.
- **Inverted front forks gaining traction:** It mentioned that the company has maintained market leadership in inverted front forks, with steady growth led by wider OEM adoption. In FY26, it commenced supplies of inverted front forks along with monoshock to TVS Motors. SOP with Hero MotoCorp started in Jan 2026 and validation is going on with a leading Chinese OEM. Schedules from KTM have also improved.
- **Expanding business with Hero MotoCorp:** It highlighted that the company has been a prominent supplier of suspension and castings to Hero, with brakes added early last year. In Q3, it added five new brake platforms and is now supplying a full bouquet of products to Hero, including the BMS and aluminum forgings. It expects to double sales to Hero over the next two years.

Quarterly/annual financial summary

YE Mar (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY25	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	36,082	28,592	26.2	35,828	0.7	1,15,608	1,43,432	1,61,390	1,84,505
EBITDA	4,771	3,725	28.1	4,768	0.1	15,511	18,804	21,645	27,015
EBITDA %	13.2	13.0	20bps	13.3	-9bps	13.4	13.1	13.4	14.6
APAT	2,216	1,844	20.2	2,273	(2.5)	8,242	9,270	11,160	14,890
Diluted EPS (INR)	15.8	13.1	20.2	16.2	(2.5)	58.6	65.9	79.3	105.9
P/E (x)						42.3	37.6	31.3	23.4
RoE (%)						15.4	15.2	16.2	18.7

Source: Company, HSIE Research

ADD

CMP *(as on 13 Feb 2026)*	INR 2,480
Target Price	INR 2,778
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 2,775	INR 2,778
EPS %	FY27E	FY28E
	-2.0%	+0.7%

KEY STOCK DATA	
Bloomberg code	ENDU IN
No. of Shares (mn)	141
MCap (INR bn) / ($ mn)	349/3,849
6m avg traded value (INR mn)	382
52 Week high / low	INR 3,080/1,556

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(7.9)	(2.0)	29.6
Relative (%)	(5.7)	(4.6)	21.1

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	75.00	75.00
FIs & Local MFs	9.06	9.20
FPIs	13.84	13.72
Public & Others	2.1	2.08
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

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Deepak Nitrite

Subdued quarter

SELL

CMP *(as on 13 Feb 2026)*	INR 1,634
Target Price	INR 1,452
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 1,466	INR 1,452
EPS %	FY26E	FY27E
	-11%	-8.9%

KEY STOCK DATA	
Bloomberg code	DN IN
No. of Shares (mn)	136
MCap (INR bn) / ($ mn)	223/2,459
6m avg traded value (INR mn)	323
52 Week high / low	INR 2,258/1,513

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(5.1)	(12.8)	(27.0)
Relative (%)	(2.9)	(15.4)	(35.5)

SHAREHOLDING PATTERN (%)	Sept-25	Dec-25
Promoters	49.28	49.33
FIs & Local MFs	22.70	23.20
FPIs	6.21	6.05
Public & Others	21.81	21.42
Pledged Shares	0	0

Source : BSE

We maintain SELL on Deepak Nitrite (DNL), with a price target of INR 1,452. DNL is venturing into polycarbonate (PC) manufacturing with an investment of INR 50bn and expanding into polycarbonate compounding. The PC plant shall commence operation by FY28-end and start contributing to revenue from FY29. Additionally, the company will invest INR35bn for setting up a PC intermediate plant (Bisphenol A) and an additional phenol capacity. However, the balance sheet will become debt-ridden (from being debt-free) with a peak net debt to equity of 0.92x and net debt to EBITDA of 2.8x in FY28. The RoCE will remain ~9.7% over the next four years while RoE will remain below ~14.9% until FY29. The stock is currently trading at 29.9/18.5x FY27/28E. EBITDA/APAT were 5/17% below our estimates, owing to higher-than-expected raw material cost, and one-off expenses related to employee benefit as per new labour code.

- **Financial performance:** Revenue increased by 3.8/3.8% YoY/QoQ to INR19.75bn in Q3FY26. EBITDA margins increased by 182bps YoY while remaining in line with Q2 to 10.7%. EBTIDA changed by +25.1/+3.2% YoY/QoQ to INR 2.11bn.

  Deepak Phenolic (DPL): Revenue remained in line with Q2 while decreasing by 2.3% YoY to INR 13.34bn. It was driven by higher sales volumes of phenol and acetone. EBIT margins remained in line sequentially to 10.9%. EBIT changed by -32.6/+22.8% YoY/QoQ to INR 1.45bn.

  Advanced intermediates (AI): Revenue in quarter increased by 25.7/12.8% YoY /QoQ to INR 6.93bn. EBIT changed by -11.4/-35% YoY/QoQ to INR 0.149bn. Margins changed by -90/-158 bps to 2.2%. EBIT margins impacted due to significant Chinese dumping and global oversupply.
- **Con call takeaways**: (1) Management has outlined a CAPEX plan of INR 25bn for FY26–FY27. (2) Polycarbonate project is on track, with dismantling in Germany underway and a targeted on-stream date of December 2027. (3) The MIBK/MIBC project is targeted for commissioning within the current quarter. (4) Company commissioned nitric acid project mid-December.
- **Change in estimates:** We have trimmed FY26/27/28 EPS estimates by 11.0/8.9/4.1% to INR 35.1/54.9/88.6, factoring in the Q3 performance.

Financial summary (consolidated)

Year Ending March (Rs mn)	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	19,750	19,019	*3.8*	19,034	*3.8*	76,818	82,819	78,683	88,474	1,03,861
EBITDA	2,109	2,043	*3.2*	1,685	*25.1*	11,233	10,918	8,389	14,911	24,325
APAT	1,087	1,188	*(8.4)*	981	*10.8*	7,538	6,974	4,744	7,492	12,082
Diluted EPS(Rs)	8.0	8.7	*(8.4)*	7.2	*10.8*	55.3	51.1	35.1	54.9	88.6
P/E (x)						29.7	32.1	46.7	29.9	18.5
EV / EBITDA (x)						19.7	21.2	29.6	18.1	12.1
RoE (%)						17.0	13.7	8.5	12.3	17.4

Source: Company, HSIE Research

Change in estimates (Consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	9,004	8,389	(6.8)	15,715	14,911	(5.1)	24,781.9	24,325	(1.8)
Adj. EPS (INR/sh)	39.5	35.1	(11.0)	60.3	54.9	(8.9)	92.4	88.6	(4.1)

Source: Company, HSIE Research

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Eris Lifesciences

In-line Q3; margin improves, led by cost control

EBITDA grew 13% YoY, supported by steady sales growth of 11% YoY (+10% YoY for DBF, +46% for Swiss exports) and effective cost control, offsetting the +334bps gross margin decline leading to an EBITDA margin of 34.9% (+47 bps YoY). Key Eris highlights: (1) DBF expected to grow ~12% YoY in FY26 (10% YoY in 9MFY26) with an EBITDA margin of 37%, led by Rh-Insulin scale-up (started from Dec-25) and new launches; (2) strategic partnership (with Natco Pharma) to enter the first wave launch of Semaglutide injectable generic (Mar'26), with approvals in place; (3) capturing 25% market share (16% as of Dec'25) in overall insulin market through key product launches (Aspart and Aspart mix to launch in FY27, and Degludec/Degludec + Liraglutide/Aspart + Degludec in H2FY28); (4) Exports business sales guidance of INR 3.7-3.75bn and EBITDA of INR 1.15bn, given EU CDMO (strong order book visibility) and Swiss business scale-up, despite margin compression due to increased investments. It is targeting sales of INR 7bn by FY27 and INR 10bn by FY30; (5) INR 7.5-8bn capex over FY26-28 (INR 2-2.5bn for FY26); (6) Net debt stood at INR 22.70bn in Q3FY26, with the target of reducing net debt to INR 18bn by Dec'26. While Eris is well-placed to monetize GLP-1, Rh-insulin, and other pipeline opportunities, gradual scale-up in other core segments (CVS and VMN) is a key (visibility of FDC launches in FY27 and FY28). Factoring in Q3, we have cut our EPS for FY26 by 7%, while retaining those for FY27E/28E and retain our TP of INR 1,730 (28x Q3FY28E EPS). BUY stays.

- **Q3 highlights**: Sales grew 11% YoY to INR 8.07 bn, led by 10% YoY growth in DBF and Swiss sales of INR 1.11bn (+46% YoY). GM declined to 72.3% (-334 bps YoY). Higher staff costs (+10% YoY) were offset by lower SG&A (-6% YoY), resulting in an EBITDA of INR 2.81bn (+13% YoY) and 34.9% margin (+47 bps). DBF's margin was 36.5% (vs. 36.2% in Q3FY25) and Swiss was 29.7% (vs. 28.9%). Lower other income, depreciation (-13%), and interest (-15%) led to a PAT^ of INR 1.12bn (+35% YoY).
- **Key takeaways from con call:** Eris has discontinued certain non-core brands, resulting in DBF revenue impact of 2% in FY27, while operating margins are expected to improve. Launched Esaxerenone in India for hypertension management by their Eris in-house R&D team, adding to their growth momentum in cardiac segment. **EU CDMO**: revenue guidance of INR 5.5-6bn, with EBITDA of INR 1.8-2.0bn in FY27. New Swiss unit (Unit 3) to come up by FY28. Recombinant Semaglutide regulatory filings expected soon, launch timelines remain intact.

Quarterly financial summary

(INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	8,075	7,275	11	7,924	2	16,851	20,092	28,936	32,307	37,932	42,507
EBITDA	2,816	2,503	13	2,882	(2)	5,367	6,748	10,172	11,567	13,969	15,800
APAT	997	836	19	1,202	(17)	3,822	3,904	3,517	4,931	7,220	8,811
EPS (INR)	7.3	6.1	19	8.8	(17)	28.1	28.7	25.8	36.2	53.0	64.7
P/E (x)						50.4	49.4	54.8	39.1	26.7	21.9
EV/EBITDA (x)						37.4	31.5	21.6	19.1	15.5	13.3
RoCE (%)						16	10	11	14	16	18

Source: Company, HSIE Research, ^Adjusted for one-offs of INR 172mn related to New Labor Code.

BUY

CMP *(as on 13 Feb 2026)*	INR 1,415
Target Price	INR 1,730
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1730	INR 1730
EPS %	FY26E	FY27E
	-6.5	0.0

KEY STOCK DATA	
Bloomberg code	ERIS IN
No. of Shares (mn)	136
MCap (INR bn) / ($ mn)	193/2,126
6m avg traded value (INR mn)	207
52 Week high / low	INR 1,910/1,097

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.8)	(15.5)	11.8
Relative (%)	(4.6)	(18.1)	3.3

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	54.85	54.85
FIs & Local MFs	19.36	20.32
FPIs	7.21	6.85
Public & Others	18.58	17.98
Pledged Shares	16.92	16.92

Source: BSE

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Bata India

Premiumization continues; core remains a concern

Bata's revenue grew 2.8% YoY to INR 9.4bn in Q3 (in-line), driven by a demand recovery following the GST 2.0 rollout and sustained marketing efforts. While premium brands like Hush Puppies and Power led the growth with robust performance, recovery in the mass-market segment remains gradual. Zero Base Merchandising (ZBM) was scaled to 400 stores, delivering 5% delta in turnover and volume compared to control stores. The company plans to rollout ZBM to 800 stores by Q3FY27. GM contracted by 18bps YoY to 56% (HSIE: 56.2%). However, EBITDAM expanded by 73bps YoY to 22.4% (HSIE: 21.5%) due to initiatives in decluttering, inventory freshness, and cost efficiencies but partially offset by higher marketing investments. We have toned down our FY27/28 EPS estimates by 7-9% and maintain our REDUCE rating with a DCF-based TP of INR890/sh, implying 30x Mar-28 P/E.

- **Q3FY26 highlights**: Bata's revenue grew 2.8% YoY to INR 9.4bn in Q3 (in-line), led by improvement in demand post GST 2.0 and step-up in marketing investments. Premium products continue to drive growth, led by strong performance in Hush Puppies and Power. ZBM expanded to 400 stores, with positive deltas reported in turnover (+5%), volume (+5%) and UPT (+0.7%) vs non-ZBM stores. The company targets ZBM rollout to 800 stores by Q3FY27. Bata added nine franchise stores (net) in Q3, with plans to reach 1,000 stores in next few years (franchise/total store count: 670/1,975). Hush Puppies EBO count stood at 160 stores with plans to reach 200 in the next 12 months. The e-commerce business continues to deliver robust growth, with digital sales contributing 7/33/60% from Bata.in/B2C/B2B respectively in Q3. GM contracted by 18bps YoY to 56% (HSIE: 56.2%). However, EBITDAM expanded by 73bps YoY to 22.4% (HSIE: 21.5%) due to initiatives in decluttering, inventory freshness, and cost efficiencies but partially offset by higher marketing investments. EBITDA/APAT grew by 6.3/6.5% YoY to INR 2.12bn/740mn (HSIE: INR 2bn/614mn) in Q3 respectively.
- **Outlook**: While growth in premium products and focus on improving inventory agility have been encouraging, growth in the core portfolio remains a concern. We have toned down our FY27/28 EPS estimates by 7-9% and maintain our REDUCE rating with a DCF-based TP of INR890/sh, implying 30x Mar-28 P/E.

Quarterly financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Revenue	9,447	9,188	2.8	8,013	17.9	34,516	34,786	34,888	35,161	38,387	41,890
EBITDA	2,120	1,995	6.3	1,449	46.3	4,822	4,426	3,840	3,835	4,514	5,286
APAT	740	695	6.5	222	234.0	3,230	3,034	2,075	2,046	2,891	3,868
EPS (Rs)	5.8	5.4	6.5	1.7	234.0	25.1	23.6	16.1	15.9	22.5	30.1
P/E (x)						34.1	36.3	53.1	53.8	38.1	28.5
EV/EBITDA (x)						21.7	24.0	27.0	26.8	21.9	17.9
Core RoCE(%)						31.9	24.5	15.4	13.3	16.9	20.3

Source: Company, HSIE Research

Change in estimates

(INR mn)	FY26E			FY27E			FY28E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	35,161	35,249	*(0.3)*	38,387	38,864	*(1.2)*	41,890	42,653	*(1.8)*
Gross Profit	19,569	19,708	*(0.7)*	21,333	21,671	*(1.6)*	23,146	23,589	*(1.9)*
Gross Profit Margin(%)	55.7	55.9	***(26 bps)***	55.6	55.8	***(19 bps)***	55.3	55.3	***(5 bps)***
EBITDA	3,835	3,781	*1.4*	4,514	4,831	*(6.6)*	5,286	5,710	*(7.4)*
EBITDA margin (%)	10.9	10.7	***18 bps***	11.8	12.4	***(67 bps)***	12.6	13.4	***(77 bps)***
APAT	2,046	1,989	*2.8*	2,891	3,188	*(9.3)*	3,868	4,161	*(7.0)*
APAT margin (%)	5.8	5.6	***17 bps***	7.5	8.2	***(67 bps)***	9.2	9.8	***(52 bps)***
Post IND-AS 116 EPS	15.9	15.5	*2.8*	22.5	24.8	*(9.3)*	30.1	32.4	*(7.0)*

Source: Company, HSIE Research

REDUCE

CMP *(as on 13 Feb 2026)*	**INR 854**
Target Price	**INR 890**
NIFTY	**25,471**

KEY CHANGES	**OLD**	**NEW**
Rating	REDUCE	REDUCE
Price Target	INR 950	INR 890
	FY27E	FY28E
EPS %	-9.3	-7.0

KEY STOCK DATA	
Bloomberg code	BATA IN
No. of Shares (mn)	129
MCap (INRs bn) / ($ mn)	110/1,208
6m avg traded value (INR mn)	222
52 Week high / low	INR 1,377/839

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(18.6)	(22.3)	(36.1)
Relative (%)	(16.4)	(24.9)	(44.6)

SHAREHOLDING PATTERN (%)	**Sep-25**	**Dec-25**
Promoters	50.16	50.16
FIs & Local MFs	29.39	29.31
FPIs	6.89	6.18
Public & Others	13.56	14.35
Pledged Shares	0	0

Source : BSE

Pledged shares as % of total shares

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Sudarshan Chemical

Navigating through inventory destocking

We maintain SELL on Sudarshan Chemical (SCIL), with a price target of INR 920. SCIL has completed the acquisition of Heubatch Group. Heubach's expansive global production and service network uniquely position the company to serve a worldwide customer base. Operational optimization and cost reduction programme undertaken by SCIL will improve efficiency. However, the global pigment manufacturers are uncertain about the demand outlook, given the geopolitical situation and ongoing tariff war. Weak demand in global pigment markets, high inventory level at the customer end, and strong competition is expected to continue in the medium term. Q3 EBITDA/APAT was 17/62% below our estimates, owing to lower-than-expected revenue and one-time expenses related to employee benefit due to new labour code.

- **Financial performance:** Revenue decreased by 11.9% QoQ to INR 21.03bn. The business was adversely impacted, owing to (1) high level of inventory at customer end and (2) lower offtake from the US-based customers due to uncertainty related to tariff imposition. EBITDA decreased by 71% QoQ to INR 0.379bn, owing to higher operating expenses. EBITDA margin decreased by -374 bps QoQ to 1.8%. The revenue was impacted by decrease in pricing and volumes, partially offset by controlling operating expenses. Sudarshan Legacy Business revenue was INR6.48bn while EBITDA margin was 14.1%. Acquired business revenue was INR16.83bn while margin was -1.5%.
- **Pigment segment:** Revenue decreased by 12% QoQ to INR 20.52bn. EBITDA decreased by 34% QoQ to INR 1.26bn. EBITDA margin decreased by 349bps QoQ to 1.94%. Revenue from pigment in legacy business was flattish due to muted demand.
- **Con call takeaways**: (1) Management expects demand to pick up in Q4 once existing stock is replenished. Global key players have major stock-up during insolvency. Global key players have started placing orders from January. (2) Over next 2-3 quarters, the company will liquidate finished goods inventory in acquired business. It will likely impact margins while it will lower the working capital requirements.
- **Change in estimates**: We have cut EPS estimates of FY26/FY27/FY28 by 61%/9%/7% to INR 8.6/36.5/44.1, due to (1) one-off expenses-related employee cost as per new labor code, (2) factoring in Q3FY26 performance, and (3) demand weakness in global pigment business.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	*QoQ (%)*	3Q FY25	*YoY (%)*	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	21,030	23,874	*(11.9)*	6,664	*215.6*	25,388	33,456	94,780	1,04,935	1,11,220
EBITDA	379	1,322	*(71.3)*	790	*(52.0)*	3,164	3,810	5,454	7,919	8,730
APAT	(649)	286	*(327.0)*	363	*(279.0)*	2,716	1,436	678	2,870	3,461
AEPS (INR)	(9.4)	4.1	*(327.0)*	5.2	*(279.0)*	34.6	18.3	8.6	36.5	44.1
P/E (x)						26.8	50.6	107.2	25.3	21.0
EV/EBITDA(x)						24.2	20.6	14.4	9.9	8.9
RoE (%)						27.5	6.3	2.0	8.0	9.2

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	*Change (%)*	FY27E Old	FY27E New	*Change (%)*	FY28E Old	FY28E New	*Change (%)*
EBITDA (INR mn)	6,611	5,454	(17.5)	8,303	7,919	(4.6)	9,083	8,730	(3.9)
Adj. EPS (INR/sh)	22.5	8.6	(61.7)	40.2	36.5	(9.1)	47.4	44.1	(7.1)

Source: Company, HSIE Research

SELL

CMP *(as on 13 Feb 2026)*	INR 925
Target Price	**INR 920**
NIFTY	**25,471**

KEY CHANGES	OLD	NEW
Rating	SELL	SELL
Price Target	INR 1,093	INR 920
EPS %	**FY26E**	**FY27E**
	-62%	-9%

KEY STOCK DATA	
Bloomberg code	SCHI IN
No. of Shares (mn)	79
MCap (INR bn) / ($ mn)	73/802
6m avg traded value (INR mn)	129
52 Week high / low	INR 1,604/796

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(13.5)	(36.0)	(2.6)
Relative (%)	(11.3)	(38.6)	(11.1)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	8.19*	8.19*
FIs & Local MFs	24.19	24.61
FPIs	8.54	8..20
Public & Others	59.08	59.00
Pledged Shares	-	-

Source: BSE
**Reclassified some promoter and promoter group to public category*

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HG Infra

Muted performance

HG Infra (HG) reported its quarterly revenue/EBITDA/APAT of INR 14.5/2.2/1bn, a beat/miss by -0.9/+5.3/-14.8%. HG's order book (OB) as of Dec'25 stood at INR 136.2bn (~2.25x FY25 revenue). It has reduced its FY26 revenue guidance from INR INR 65-70bn in FY26 to INR 62bn, while aiming to achieve INR 70bn in FY27 vs. INR 78-80bn guidance earlier. EBITDA margins for FY26/27 expected at 15/15-16%. Guidance downgrade is attributable to a prolonged monsoon, delays in appointed dates, and weak ordering. HG has embarked upon diversification strategy into new business segments, as is evident from its OB, which now includes roads, rails, solar, buildings, and BESS. This reduces segmental concentration risk, particularly in light of muted awards and intense competition in the road infrastructure sector. Other segments being evaluated include buildings and water. Execution risks, including potential delays in the Nagpur-Chandrapur project due to land acquisition (expected to be resolved by April-26, execution to begin by H2FY27) and design challenges may impact revenue recognition. Additionally, margin volatility persists amid competitive pressures, despite targeted recovery efforts, while efficient management of receivables remains crucial to sustain healthy working capital and cash flows. We have cut our estimates to factor in delay in project awards and cut our valuation multiple from 14x to 11x to factor in lower growth and likely miss on new guidance (our estimates are lower than guidance). Given a stable OB, likely pick-up in project execution, and a healthy balance sheet, we maintain BUY on HG, with a reduced TP of INR 1,158 (11x Dec-27E EPS).

- **Q3FY26 financial highlights:** Revenue of INR 14.5bn (-3.9/-25.7% YoY/QoQ, a miss by 0.9%). EBITDA: INR 2.2bn (-10.3/+53.1% YoY/QoQ, a beat by 5.3%). EBITDA margin came in at 15.5% (-110.3/+277bps YoY/QoQ, vs. our estimate of 14.6%). APAT: INR 969mn (-29.1/+43.9% YoY/QoQ, a miss by 14.8%).
- **Well-diversified OB:** The OB as of Dec'25 stood at INR 136.2bn (~2.3x FY25 revenue). Sector-wise, the OB is spread across road/rail/BESS/solar/buildings, each accounting for 64/20/12/3/1% respectively. Segment-wise, the OB is spread between HAM and EPC at 36.4% and 63.6%. Geographically, the OB is spread well across 13 states with Maharashtra/Jharkhand/Gujarat/UP as major contributors at 39.5/15/16.2/7.6% respectively. Region-wise, east/west/north/south contributed 21/56/17/6% to the OB.
- **Balance sheet:** The standalone gross debt as of Dec'25 stood at INR 15.5bn (Sept'25/Jun'25 stood at INR 16.3/15bn). Of the equity requirement of INR 17.5bn, INR 12.4bn is infused until date and INR 2.2/1.7bn is expected to be infused in FY27/28. Further, HG plans to monetize five assets in the near term and three assets to be monetized by March'26, with an inflow of INR 5-6bn.

Standalone Financial Summary (INR mn)

Particulars	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY26E	FY27E
Revenue	14,498	15,085	(3.9)	11,537	25.7	60,519	61,608	69,001	79,351
EBITDA	2,243	2,501	(10.3)	1,466	53.1	9,507	8,952	9,798	11,030
APAT	969	1,366	(29.1)	673	43.9	5,771	4,345	5,437	6,327
EPS (INR)	14.9	21.0	(29.1)	10.3	43.9	88.5	66.7	83.4	97.1
P/E (x)						7.5	10.0	8.0	6.9
EV/EBITDA (x)						5.5	5.5	5.1	4.5
RoE (%)						22.2	14.5	16.1	17.4

Source: Company, HSIE Research

Change in Estimates (INR mn)

Particulars	FY26E			FY27E			FY28E		
	New	Old	% Change	New	Old	% Change	New	Old	% Change
Revenue	61,608	61,608	-	69,001	71,773	(3.9)	79,351	84,858	(6.5)
EBIDTA	8,952	8,594	4.2	9,798	10,551	(7.1)	11,030	11,795	(6.5)
EBIDTA (%)	14.5	14.0	58.0	14.2	14.7	(50.0)	13.9	13.9	-
APAT	4,345	4,697	(7.5)	5,437	5,937	(8.4)	6,327	6,649	(4.8)

Source: HSIE Research

BUY

CMP (*as on 13 Feb 2026*)	INR 666
Target Price	INR 1,158
NIFTY	25,471

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,480	INR 1,158

EPS Change %	FY26E	FY27E	FY28E
	-7.5	-8.4	-4.8

KEY STOCK DATA	
Bloomberg code	HGINFRA IN
No. of Shares (mn)	65
MCap (INR bn) / ($ mn)	43/479
6m avg traded value (INR mn)	132
52 Week high / low	INR 1,275/546

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(24.5)	(33.0)	(42.0)
Relative (%)	(22.4)	(35.6)	(50.6)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	71.78	71.78
FIs & Local MFs	11.61	11.14
FPIs	2.32	1.92
Public & Others	14.29	15.16
Pledged Shares	-	-

Source: BSE

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Rating Criteria

BUY: >+15% return potential

ADD: +5% to +15% return potential

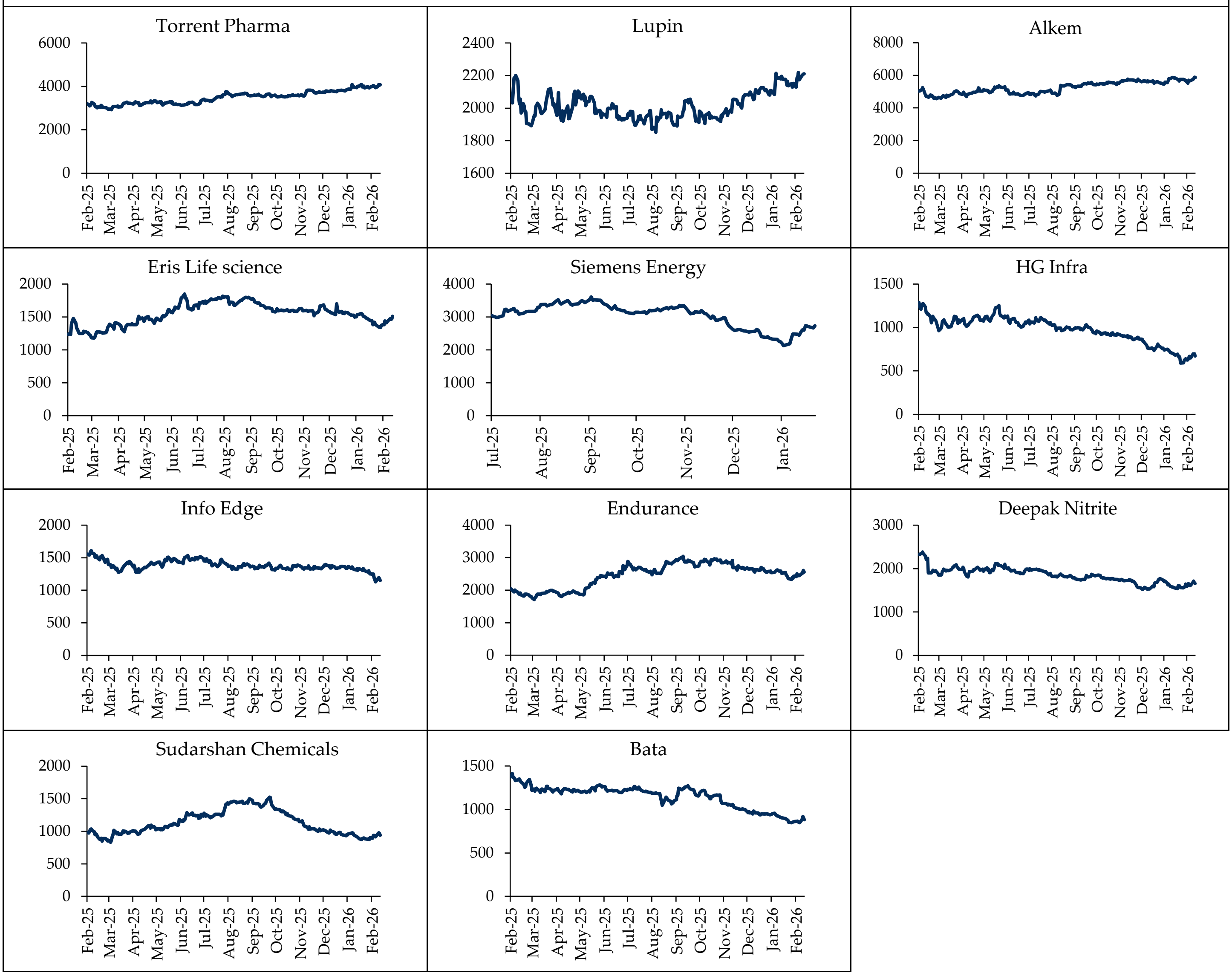
REDUCE: -10% to +5% return potential

SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Mehul Sheth	Torrent Pharma, Lupin, Alkem Laboratories, Eris Lifesciences	MBA	NO
Divyaxa Agnihotri	Torrent Pharma, Lupin, Alkem Laboratories, Eris Lifesciences	MSc	NO
Parikshit Kandpal	Siemens Energy, HG Infra	CFA	NO
Aditya Sahu	Siemens Energy, HG Infra	MBA	NO
Jay Shah	Siemens Energy, HG Infra	CA	NO
Amit Chandra	Infoedge	MBA	NO
Arjun Savla	Infoedge	CA	NO
Hitesh Thakurani	Endurance Technologies	MBA	NO
Shubhangi Kejriwal	Endurance Technologies	MSc	NO
Nilesh Ghuge	Deepak Nitrite, Sudarshan Chemical	MMS	NO
Prasad Vadnere	Deepak Nitrite, Sudarshan Chemical	MSc	NO
Dhawal Doshi	Deepak Nitrite, Sudarshan Chemical	CA	NO
Jay Gandhi	Bata India	MBA	NO
Vedant Mulik	Bata India	CA	NO

Price movement



Disclosure:

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