

February 6, 2026

Q3FY26 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	ACCUMULATE		ACCUMULATE	
Target Price	6,575		6,620	
Sales (Rs. m)	5,01,951	5,34,426	5,00,310	5,42,946
% Chng.	0.3	(1.6)		
EBITDA (Rs. m)	73,787	79,629	73,546	80,899
% Chng.	0.3	(1.6)		
EPS (Rs.)	286.0	306.9	286.0	312.0
% Chng.	-	(1.6)		

Key Financials - Standalone

Y/e Mar	FY25	FY26E	FY27E	FY28E
Sales (Rs. bn)	408	458	502	534
EBITDA (Rs. bn)	59	67	74	80
Margin (%)	14.4	14.7	14.7	14.9
PAT (Rs. bn)	46	53	57	61
EPS (Rs.)	230.5	266.9	286.0	306.9
Gr. (%)	12.7	15.8	7.2	7.3
DPS (Rs.)	165.0	180.0	200.0	210.0
Yield (%)	2.9	3.1	3.5	3.6
RoE (%)	24.4	25.9	25.7	25.5
RoCE (%)	26.9	28.7	29.1	29.0
EV/Sales (x)	2.6	2.3	2.0	1.9
EV/EBITDA (x)	17.8	15.3	13.8	12.7
PE (x)	25.0	21.6	20.1	18.7
P/BV (x)	5.8	5.4	5.0	4.6

Key Data

HROM.BO | HMCL IN

52-W High / Low	Rs.6,390 / Rs.3,323
Sensex / Nifty	83,580 / 25,694
Market Cap	Rs.1,151bn / \$ 12,697m
Shares Outstanding	200m
3M Avg. Daily Value	Rs.4021.45m

Shareholding Pattern (%)

Promoter's	34.74
Foreign	27.05
Domestic Institution	27.77
Public & Others	10.44
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	(4.1)	28.6	36.0
Relative	(2.4)	23.9	27.0

Aditya Jakhotia

adityajakhotia@plindia.com | 91-22-66322532

Ample scope for growth despite uncertainties

Quick Pointers:

- HMCL expects to continue to outperform the 2W industry, which is anticipated to grow in double digits in Q4 (high single digit in FY27E).
- Highest ever ASP was reported in both ICE and EV portfolios.

HMCL's Q3FY26 standalone op revenue and adj PAT modestly beat street estimates (in line with PLe), while gross margin was dragged by commodity inflation and INR depreciation. However, the company has mitigation levers in place to further minimize the impact and sees headroom for growth opportunities in scooters, premium motorcycles, EVs, global market, and PAM business with focus on supply chain and capacity increase amidst global uncertainties. We estimate volume/ realization CAGR of 6.0%/3.2% over FY25-28E translating to revenue/EBITDA/APAT CAGR of 9.5%/10.7%/10.0%. Retain 'Accumulate' rating with TP of Rs6,575 (previous Rs6,620). We value the core business at 21x P/E Sep'27E and its stake in Hero Fincorp at Rs50 and Ather Energy at Rs300.

Standalone revenue grows 20.7% YoY to Rs123.3bn: Realization at Rs72.7k (+4.2% YoY, +1.3% QoQ) was in line with the estimates. Gross margin stood at 32.6% (-165bps YoY, -70bps QoQ), while EBITDA margin was 14.7% (+20bps YoY, -35bps QoQ) owing to lower staff and other expenses, missing BBGe by 20bps (in line with PLe). EBITDA stood at Rs18.1bn (+22.6% YoY), while adj PAT of Rs14.4bn (adjusted for one-time expense of Rs1.19bn due to new labor code impact) beat BBGe/PLe by 3.8%/2.4%. For 9MFY26, standalone op revenue was Rs340.3bn (+10.4% YoY); EBITDA, Rs50.2bn (+12.6% YoY); EBITDA margin, 14.7% (+30bps YoY); adj PAT, Rs39.6bn (+12.1% YoY); volume, 4.75mn units (+5.2%), and realization, Rs71.6k (+5.0% YoY).

Improving EV unit economics: The unit reported stable performance in Q3 with 10.8% market share (+610bps YoY), Rs4.5bn revenue and EBITDA investment of Rs2.09bn (vs. Rs2.55bn in Q3FY25). Our channel checks suggested supply constraints for EVs, for which HMCL is actively taking steps to ramp up volume and capacity. VIDA e-2W has 20%+ share in 28 towns, 10% share in 79 towns, and is amongst the top 2 players in 37 towns. It has been receiving PLI for 1 model and is building more models, which will add value to the overall portfolio. ICE EBITDA margin was 17% (+100bps YoY).

Global business grows 41% YoY: It outpaced industry growth with a market share of 7.5% (+90bps YoY). Premium portfolio stood at ~40% of HMCL's global volume. HMCL is a market leader in Bangladesh, and has been gaining market share despite geopolitical issues. Colombia business saw significant share expansion (~2x to 9%) and has enough headroom to grow further (700bps below the market leader). Several new products have been launched in the EU in Q3, and HMCL has expanded into LatAm, West and North Africa, Philippines, etc. With a low base and focus on the top 10 markets (>10% share in 3 of these), the momentum is expected to continue.

Exhibit 1: Q3FY26 standalone result overview (Rs mn)

Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Net Revenues	1,23,284	1,02,108	20.7	1,23,093	0.2	1,21,264	1.7	3,40,336	3,08,177	10.4
Raw Materials	83,131	67,152	23.8	82,473	0.8	80,939	2.7	2,27,974	2,05,619	10.9
% of Net Sales	67.4	65.8	166 bps	67.0	43 bps	66.7	68 bps	67.0	66.7	26 bps
Personnel	7,050	6,622	6.5	7,509	(6.1)	6,981	1.0	20,291	19,241	5.5
% of Net Sales	5.7	6.5	-77 bps	6.1	-38 bps	5.8	-4 bps	6.0	6.2	-28 bps
Manufacturing & Other Exp	15,003	13,569	10.6	15,140	(0.9)	15,109	(0.7)	41,919	38,797	8.0
% of Net Sales	12.2	13.3	-112 bps	12.3	-13 bps	12.5	-29 bps	12.3	12.6	-27 bps
Total Expenditure	1,05,183	87,343	20.4	1,05,122	0.1	1,03,029	2.1	2,90,184	2,63,656	10.1
EBITDA	18,101	14,765	22.6	17,972	0.7	18,234	(0.7)	50,152	44,521	12.6
EBITDA Margin (%)	14.7	14.5	22 bps	14.6	8 bps	15.0	-36 bps	14.7	14.4	29 bps
Depreciation	2,044	1,969	3.8	2,102	(2.7)	1,970	3.8	5,941	5,838	1.8
EBIT	16,056	12,796	25.5	15,870	1.2	16,265	(1.3)	44,211	38,683	14.3
Interest Expenses	60	55	9.4	49	21.6	57	5.5	172	152	13.4
Non-operating income	2,959	3,175	(6.8)	2,921	1.3	2,328	27.1	8,324	8,322	0.0
Extraordinary Expenses	1,190.00	-	-	-	-	-	-	1,190.00	0	-
PBT	17,765	15,916	11.6	18,742	(5.2)	18,537	(4.2)	51,172	46,854	9.2
Tax-Total	4,280	3,888	10.1	4,685	(8.7)	4,609	(7.1)	12,501	11,564	8.1
Tax Rate (%) - Total	24.1	24.4	-34 bps	25.0	-91 bps	24.9	-77 bps	24.4	24.7	-25 bps
Reported PAT	13,486	12,028	12.1	14,056	(4.1)	13,928	(3.2)	38,671	35,290	9.6
PAT Margin	10.9	11.8	-84 bps	11.4	-48 bps	11.5	-55 bps	11.4	11.5	-9 bps

Source: Company, PL

Exhibit 2: Key operating metrics

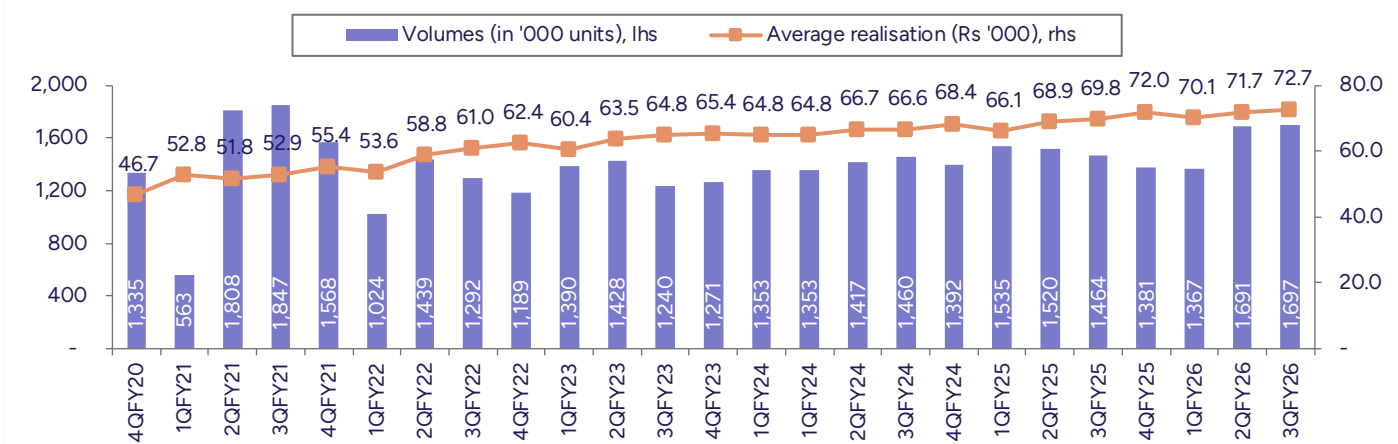
Y/e March	Q3FY26	Q3FY25	YoY gr. (%)	Q3FY26E	% Var.	Q2FY26	QoQ gr. (%)	9MFY26	9MFY25	YoY gr. (%)
Sales Volume (nos)	16,96,777	14,63,802	15.9	16,96,777	-	16,90,702	0.4	47,54,549	45,18,642	5.2
Net Realisation/Vehicle	72,658	69,755	4.2	72,545	0.2	71,724	1.3	71,581	68,201	5.0
Material cost / vehicle	48,993	45,875	6.8	48,605	0.8	47,873	2.3	47,949	45,504	5.4
Gross Profit / vehicle	23,664	23,880	(0.9)	23,940	(1.2)	23,851	(0.8)	23,633	22,697	4.1
Employee cost /vehicle	4,155	4,524	(8.2)	4,425	(6.1)	4,129	0.6	4,268	4,258	0.2
Other expenses / vehicle	8,842	9,269	(4.6)	8,923	(0.9)	8,936	(1.1)	8,817	8,586	2.7
EBITDA/vehicle	10,668	10,087	5.8	10,592	0.7	10,785	(1.1)	10,548	9,853	7.1
Net Profit/vehicle	7,948	8,217	(3.3)	8,284	(4.1)	8,238	(3.5)	8,133	7,810	4.1

Source: Company, PL

Conference call highlights:

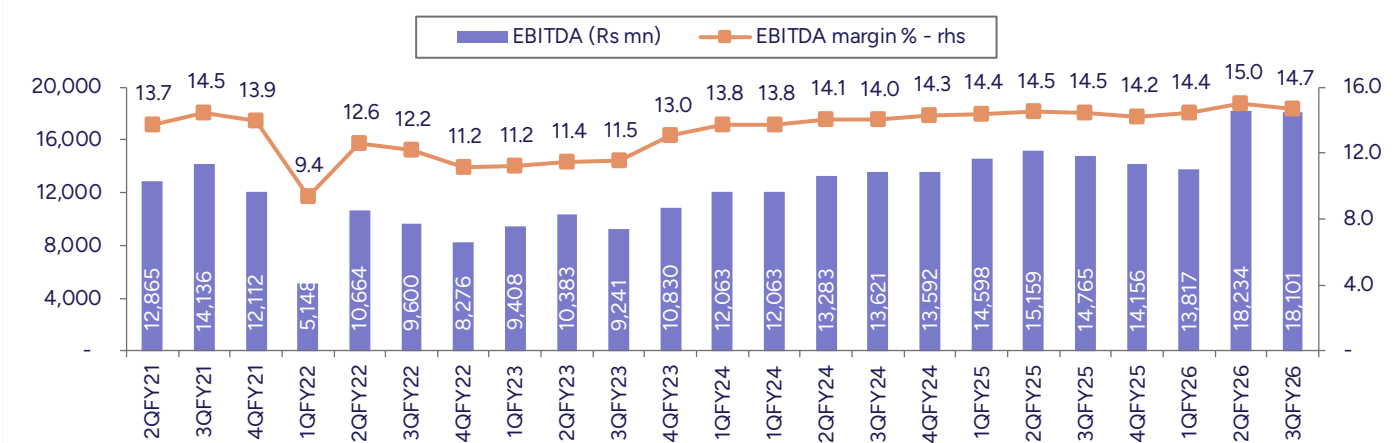
- 2W industry grew +21% YoY in Jan'26 and the positive trend is expected to continue in Feb'26. Urban markets grew faster than the rural YTD FY26, but the latter has also picked up post GST 2.0 benefits and improved farm cashflows.
- HMCL saw growth in the entry and deluxe segments after many years fueled by GST 2.0 benefits. With growing income levels, the premium segments should also see good growth.
- Margin pressure in Q3 came from INR depreciation and from commodity inflation (40-50bps impact, mainly from aluminum and precious metals). This was mitigated via judicious pricing (fractional compared to GST 2.0 benefits), LEAP savings and operating leverage, which should further help in Q4. Weighted average price hike (ex-showroom) taken in YTD FY26 is Rs2,950.
- Q3 retail sales grew 19% YoY to 2.2mn units. HMCL gained market share in the 100-125cc segment led by Splendor, Glamour, Xtreme & HF Deluxe (motorcycles), and Xoom, Destini and Pleasure (scooters).
- Operating cash in 9MFY26 was Rs70.45bn.
- Parts, accessories and merchandise (PAM) revenue grew by 8% YoY to Rs16.73bn.
- Financing penetration was 62.5% (-200bps QoQ). 25.1% (+350bps QoQ) of this was financed by Hero FinCorp which has increased secured lending from 61% to 68% now, and plans to increase it further to mid-70s next year.
- Inventory was healthy at 4-5weeks (vs. 6-7 weeks in Q3FY25). It is being built up to prepare for the continued strong demand.
- Interim dividend of Rs110/share has been announced for FY26 with 11th Feb'26 as the record date.
- Current demand trends, which are broad based, are expected to continue in FY27, although H2FY27 should see some moderation due to a high base.
- Capex guidance for FY26E is Rs10-11bn (FY25/24 at Rs9bn/8bn).
- Additional approval for cash investment of Rs2.75bn (in 1 or more tranches) in associate Euler Motors (designs and manufactures e-3Ws/4Ws).

Exhibit 3: Volume and realization improve YoY in Q3FY26



Source: Company, PL

Exhibit 4: EBITDA margin within the guided range of 14-16% since last 2 years



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Net Revenues	4,07,564	4,58,352	5,01,951	5,34,426
YoY gr. (%)	8.8	12.5	9.5	6.5
Cost of Goods Sold	2,70,687	3,07,096	3,36,809	3,57,531
Gross Profit	1,36,877	1,51,256	1,65,142	1,76,895
Margin (%)	33.6	33.0	32.9	33.1
Employee Cost	25,952	27,501	30,619	32,600
Other Expenses	52,248	56,377	60,736	64,666
EBITDA	58,677	67,378	73,787	79,629
YoY gr. (%)	11.6	14.8	9.5	7.9
Margin (%)	14.4	14.7	14.7	14.9
Depreciation and Amortization	7,759	8,264	9,004	9,873
EBIT	50,918	59,114	64,782	69,756
Margin (%)	12.5	12.9	12.9	13.1
Net Interest	199	213	226	242
Other Income	10,559	11,035	11,505	12,098
Profit Before Tax	61,278	71,125	76,061	81,613
Margin (%)	15.0	15.5	15.2	15.3
Total Tax	15,179	16,843	18,863	20,240
Effective tax rate (%)	24.8	23.7	24.8	24.8
Profit after tax	46,100	54,283	57,198	61,373
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	46,100	53,374	57,198	61,373
YoY gr. (%)	-	-	-	-
Margin (%)	11.3	11.6	11.4	11.5
Extra Ord. Income / (Exp)	-	(908)	-	-
Reported PAT	46,100	54,283	57,198	61,373
YoY gr. (%)	16.2	17.8	5.4	7.3
Margin (%)	11.3	11.8	11.4	11.5
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Equity Shares O/s (m)	200	200	200	200
EPS (Rs)	230.5	266.9	286.0	306.9

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
Non-Current Assets				
Gross Block	1,16,492	1,27,492	1,39,492	1,52,492
Tangibles	1,16,492	1,27,492	1,39,492	1,52,492
Intangibles	-	-	-	-
Acc: Dep / Amortization	63,070	71,334	80,339	90,212
Tangibles	63,070	71,334	80,339	90,212
Intangibles	-	-	-	-
Net fixed assets	53,421	56,157	59,153	62,280
Tangibles	53,421	56,157	59,153	62,280
Intangibles	-	-	-	-
Capital Work In Progress	10,517	10,517	10,517	10,517
Goodwill	-	-	-	-
Non-Current Investments	49,014	53,916	59,307	65,238
Net Deferred tax assets	(6,726)	(6,861)	(6,998)	(7,138)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	1,00,082	1,05,180	1,09,789	1,13,858
Inventories	14,576	17,581	19,253	20,499
Trade receivables	36,744	37,673	35,755	38,069
Cash & Bank Balance	3,532	12,320	19,517	25,866
Other Current Assets	10,335	11,369	12,506	13,756
Total Assets	2,79,201	3,05,813	3,27,003	3,51,366
Equity				
Equity Share Capital	400	400	400	400
Other Equity	1,97,669	2,13,571	2,30,769	2,50,142
Total Network	1,98,069	2,13,971	2,31,169	2,50,542
Non-Current Liabilities				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	55,661	65,300	68,760	73,209
Other current liabilities	18,745	19,682	20,075	20,477
Total Equity & Liabilities	2,79,201	3,05,813	3,27,003	3,51,366

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY25	FY26E	FY27E	FY28E
PBT	61,278	68,745	76,061	81,613
Add. Depreciation	7,759	8,264	9,004	9,873
Add. Interest	199	213	226	242
Less Financial Other Income	10,559	11,035	11,505	12,098
Add. Other	(10,559)	(11,035)	(11,505)	(12,098)
Op. profit before WC changes	58,677	66,188	73,787	79,629
Net Changes-WC	(2,739)	5,487	2,858	(37)
Direct tax	(14,176)	(16,708)	(18,726)	(20,100)
Net cash from Op. activities	41,762	54,966	57,919	59,492
Capital expenditures	(8,552)	(11,000)	(12,000)	(13,000)
Interest / Dividend Income	-	-	-	-
Others	10,310	6,133	6,113	6,168
Net Cash from Inv. activities	1,758	(4,867)	(5,887)	(6,832)
Issue of share cap. / premium	5,107	-	-	-
Debt changes	-	-	-	-
Dividend paid	(33,000)	(36,000)	(40,000)	(42,000)
Interest paid	(199)	(213)	(226)	(242)
Others	-	-	-	-
Net cash from Fin. activities	(28,092)	(36,213)	(40,226)	(42,242)
Net change in cash	15,427	13,887	11,806	10,418
Free Cash Flow	33,210	43,966	45,919	46,492

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Per Share(Rs)				
EPS	230.5	266.9	286.0	306.9
CEPS	269.3	308.2	331.0	356.2
BVPS	990.3	1,069.9	1,155.8	1,252.7
FCF	166.0	219.8	229.6	232.5
DPS	165.0	180.0	200.0	210.0
Return Ratio(%)				
RoCE	26.9	28.7	29.1	29.0
ROIC	44.9	51.0	52.2	51.9
RoE	24.4	25.9	25.7	25.5
Balance Sheet				
Net Debt : Equity (x)	(0.5)	(0.5)	(0.6)	(0.6)
Net Working Capital (Days)	(14)	(18)	(19)	(19)
Valuation(x)				
PER	25.0	21.6	20.1	18.7
P/B	5.8	5.4	5.0	4.6
P/CEPS	21.4	18.7	17.4	16.2
EV/EBITDA	17.8	15.3	13.8	12.7
EV/Sales	2.6	2.3	2.0	1.9
Dividend Yield (%)	2.9	3.1	3.5	3.6

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q4FY25	Q1FY26	Q2FY26	Q3FY26
Net Revenue	99,387	95,789	1,21,264	1,23,284
YoY gr. (%)	4.4	(5.6)	15.9	20.7
Raw Material Expenses	65,069	63,904	80,939	83,131
Gross Profit	34,318	31,885	40,324	40,153
Margin (%)	34.5	33.3	33.3	32.6
EBITDA	14,156	13,817	18,234	18,101
YoY gr. (%)	4.1	(5.3)	20.3	22.6
Margin (%)	14.2	14.4	15.0	14.7
Depreciation / Depletion	1,921	1,928	1,970	2,044
EBIT	12,235	11,889	16,265	16,056
Margin (%)	12.3	12.4	13.4	13.0
Net Interest	47	56	57	60
Other Income	2,237	3,037	2,328	2,959
Profit before Tax	14,425	14,870	18,537	17,765
Margin (%)	14.5	15.5	15.3	14.4
Total Tax	3,615	3,613	4,609	4,280
Effective tax rate (%)	25.1	24.3	24.9	24.1
Profit after Tax	10,809	11,257	13,928	13,486
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	10,809	11,257	13,928	14,389
YoY gr. (%)	6.4	0.3	15.7	19.6
Margin (%)	10.9	11.8	11.5	11.7
Extra Ord. Income / (Exp)	-	-	-	903
Reported PAT	10,809	11,257	13,928	13,486
YoY gr. (%)	6.4	0.3	15.7	12.1
Margin (%)	10.9	11.8	11.5	10.9
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	200	200	200	200
EPS (Rs)	54.0	56.3	69.6	71.9

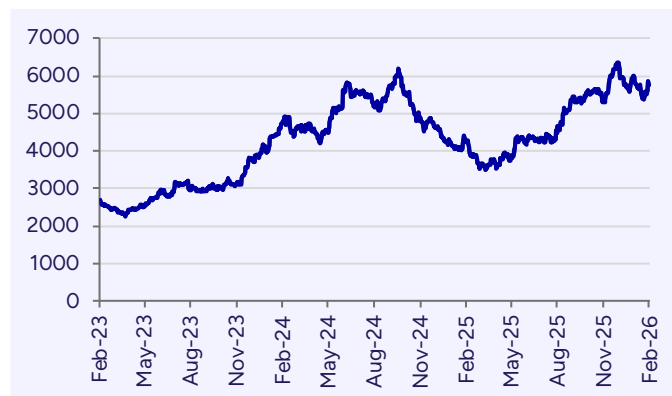
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY25	FY26E	FY27E	FY28E
Volume (units)	58,99,488	63,67,408	67,96,390	70,30,052
Net realisation (Rs/unit)	69,085	71,984	73,855	76,020

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Jan-26	Accumulate	6,620	5,981
2	28-Nov-25	Accumulate	6,555	6,175
3	18-Nov-25	Accumulate	6,190	5,799
4	08-Oct-25	Accumulate	6,049	5,513
5	08-Apr-25	Accumulate	4,036	3,574
6	07-Feb-25	Accumulate	4,736	4,275

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Bajaj Auto	Hold	9,500	9,500
2	Eicher Motors	Hold	7,350	7,583
3	Hero Motocorp	Accumulate	6,620	5,981
4	Mahindra & Mahindra	Accumulate	4,100	3,749
5	Maruti Suzuki	Hold	15,750	14,580
6	TVS Motor Company	Accumulate	4,200	3,655

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Aditya Jakhotia- MBA Finance, Passed CFA Level II Research Analysts, authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Aditya Jakhotia- MBA Finance, Passed CFA Level II Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com