

Hindustan Aeronautics (HNAL IN)

**Q4FY26 Result
Update**

May 16, 2026

 Estimate Change | Target | Reco.

Change in Estimates

	Current		Previous	
	FY27E	FY28E	FY27E	FY28E
Rating	BUY		BUY	
Target Price	5,423		5,338	
Sales (INR mn)	3,69,597	4,38,755	3,77,803	4,45,368
% Chng.	-2.2	-1.5		
EBITDA (INR mn)	1,08,292	1,27,678	1,09,940	1,28,266
% Chng.	-1.5	-0.5		
EPS (INR)	138.5	154.9	137.5	152.8
% Chng.	0.8	1.4		

Key Data

HIAE.BO | HNAL IN

BSE Code	541154
NSE Code	HAL
52-W High / Low	INR 5,166 / INR 3,479
Face Value	5
Sensex / Nifty	75,238 / 23,644
Market Cap	INR 2,933 bn / \$ 30,566 mn
Shares Outstanding	668.78 mn
3M Avg. Daily Value	INR 6,698.73 mn

Shareholding Pattern (%)

Promoters	71.64
FII's	10.21
Mutual Funds	5.78
Domestic Institutions	3.96
Public & Others	8.42
Promoter's Pledge (INR bn)	-

Stock Performance (%)

	1M	3M	6M	12M
Absolute	3.5	4.1	(7.3)	(9.8)
Relative	7.4	14.4	4.2	(1.1)

Key Financials - Consolidated

Y/e Mar	FY25	FY26	FY27E	FY28E
Sales (INR mn)	309,810	330,888	369,597	438,755
EBITDA (INR mn)	96,081	97,698	108,292	127,678
Margin (%)	31.0	29.5	29.3	30.0
PAT (INR mn)	83,254	91,156	92,653	103,622
EV (INR mn)	2,551,606	2,471,558	2,368,421	2,265,593
Total Debt (INR mn)	12	110	110	110
C&C Eq. (INR mn)	45,486	37,677	315,104	417,933
EPS (INR)	124.5	136.3	138.5	154.9
Gr. (%)	17.7	9.5	1.6	11.8
DPS (INR)	38.7	40.9	41.6	46.5
Yield (%)	0.9	0.9	0.9	1.1
RoE (%)	26.0	24.0	20.9	20.3
RoCE (%)	15.9	11.2	11.0	12.5
EV/Sales (x)	8.2	7.5	6.4	5.2
EV/EBITDA (x)	26.6	25.3	21.9	17.7
PE (x)	35.2	32.2	31.7	28.3
P/BV (x)	8.4	7.1	6.2	5.4

Soft Q4, growth contingent on LCA deliveries

Quick Pointers

- Management guided for 10-12% YoY revenue growth with EBITDA margins likely to remain stable at 30-31% for FY27
- Order book stood at Rs2.5trn (7.7x TTM revenue) while order inflow stood at Rs 970bn for FY26

Hindustan Aeronautics (HAL) reported a soft quarterly performance with revenue grew by ~2% YoY with EBITDA margin contracted by 237bps YoY to 36.3%. However, management guided for ~10-12% revenue growth in FY27, driven by ramp-up in manufacturing revenues led by LCA Mk1A and HTT-40 deliveries, while EBITDA margins are expected to remain stable at ~30-31% supported by escalation clauses and pre-procured inventory. HAL expects robust order inflows of ~Rs900bn over the next two years, supported by large opportunities across ALH helicopters, Su-30 upgrades, Dornier aircraft and engine manufacturing programs. The LCA Mk1A program is witnessing improving execution visibility with GE engine supplies gradually normalising and deliveries expected to commence from Sep'26, while HAL targets delivery of ~15-20 aircraft in FY27 supported by three operational production lines and significant inventory already built. Execution across LCH Prachand, HTT-40 and engine programs also remains on track, while long-term opportunities in UAVs, AMCA and indigenous aero-engine programs continue to strengthen HAL's strategic positioning in India's defence ecosystem. Additionally, HAL plans cumulative investments of ~Rs120bn by 2030 towards capacity expansion, aero-engine infrastructure and next-generation defence platforms, which should support long-term growth. The stock is currently trading at a P/E of 31.7x/28.3x on FY27/28E earnings. We maintain 'Buy' rating valuing the stock at a PE of 35x Mar'28E (same as earlier) arriving at a TP of Rs5,423 (Rs5,338 earlier).

HAL's execution on the deliveries of Tejas Mk1A aircrafts and supply chain related issues will be a key monitorable in the coming quarters, however its long-term play on the growing strength & modernization of India's air defense given 1) it is the primary supplier of India's military aircraft, 2) long-term sustainable demand opportunity owing to government's push on indigenous procurement of defense aircraft, 3) a robust order book with a 2-year pipeline of Rs1.0trn+, 4) leap in HAL's technological capabilities due to development of advanced platforms (Tejas, AMCA, GE-414 & IMRH engines, etc.), and 5) improvement in profitability via scale & operating leverage.

Quarter Summary

Y/e Mar	Q4'26E	Q4'26A	% Var.	Q4'25A	YoY gr. (%)
Net Sales (INR mn)	1,31,037	1,39,424	6.0	1,36,999	2.0
EBITDA (INR mn)	47,380	50,586	7.0	52,949	-4.0
Margin (%)	36.2	36.3	10 bps	38.6	-230 bps
PAT (INR mn)	34,062	41,960	23.0	39,767	6.0

Source: Company, PL

Amit Anwani
 amitanwani@plindia.com | +91-22-66322250

Prathmesh Salunkhe
 prathmeshsalunkhe@plindia.com | +91-22-66322324

Hitesh Agarwal
 hiteshagarwal@plindia.com | +91-22-66322535

Margins contracted amid supply chain issues and delays in deliveries: Consolidated revenue increased by ~2% YoY to Rs139.4bn (PLe: Rs131.1bn) amid challenges faced in deliveries of LCA Mk1A and HTI 40 due to supply chain issues arising from geopolitical and technical challenges. Gross margin contracted by 969bps YoY to 54% against slightly higher base. EBITDA declined by 4.5% YoY to Rs50.6bn (PLe: Rs47.4bn) while EBITDA margin contracted by 237bps YoY to 36.3% due to lower gross margin partly offset by lower provision (Rs1.7bn vs Rs14.4bn in Q4FY25 against higher base) PBT increased by ~7% YoY to Rs55.7bn (PLe: Rs45.4bn) aided by significantly higher other income (+76.6% YoY to Rs11.5bn). Adj.PAT increased by 5.5% YoY to ~Rs42bn (PLe: Rs34bn) aided by higher other income and marginal increase in effective tax rate (24.9% vs 23.9% in Q4FY25).

Exhibit 1 : Revenue grew by ~2% YoY while gross margin contracted by 969bps YoY due to supply chain issues and delays in deliveries

Y/e March (INR mn)	Q4FY26	Q4FY25	YoY gr.	Q4FY26E	% Var.	Q3FY26	QoQ gr.	FY26	FY25	YoY gr.
Sales	1,39,424	1,36,999	1.8%	1,31,037	6.4%	76,988	81.1%	3,30,888	3,09,810	6.8%
Gross Profit	75,337	87,299	-13.7%	81,303	-7.3%	41,290	82.5%	1,86,567	1,86,929	-0.2%
Margin (%)	54.0	63.7	(969)	62.0	(801.2)	53.6	40	56.4	60.3	(395)
Employee Cost	17,245	18,113	-4.8%	16,154	6.8%	16,662	3.5%	61,077	57,304	6.6%
as % of sales	12.4	13.2	(85)	12.3	4.1	21.6	(927)	18.5	18.5	(4)
Other expenditure	7,506	16,237	-53.8%	17,769	-57.8%	5,919	26.8%	27,792	33,545	-17.2%
as % of sales	5.4	11.9	(647)	13.6	(817.7)	7.7	(230)	8.4	10.8	(243)
EBITDA	50,586	52,949	-4.5%	47,380	6.8%	18,710	170.4%	97,698	96,081	1.7%
Margin (%)	36.3	38.6	(237)	36.2	12.4	24.3	1,198	29.5	31.0	(149)
Depreciation	6,344	7,365	-13.9%	8,692	-27.0%	3,098	104.8%	13,549	13,404	1.1%
EBIT	44,242	45,584	-2.9%	38,688	14.4%	15,612	183.4%	84,150	82,677	1.8%
Margin (%)	31.7	33.3	(154)	29.5	220.7	20.3	1,145	25.4	26.7	(125)
Other Income	11,506	6,515	76.6%	6,813	68.9%	9,138	25.9%	36,991	23,727	55.9%
Interest	42	84	-50.8%	80	-48.4%	10	323.5%	58	87	-33.3%
PBT (ex. Extra-ordinaries)	55,706	52,015	7.1%	45,421	22.6%	24,740	125.2%	1,21,083	1,06,318	13.9%
Margin (%)	40.0	38.0	199	34.7	529.2	32.1	782	36.6	34.3	228
Extraordinary Items	-	-	-	-	-	-	-	-	4,509	
PBT	55,706	52,015	7.1%	45,421	22.6%	24,740	125.2%	1,21,083	1,10,827	9.3%
Total Tax	13,878	12,420	11.7%	11,435	21.4%	6,202	123.8%	30,364	25,032	21.3%
Effective Tax Rate (%)	24.9	23.9	103	25.2	(26.3)	25.1	(15)	25.1	22.6	249
PAT	41,828	39,595	5.6%	33,986	23.1%	18,539	125.6%	90,719	85,795	5.7%
Profit/(loss) from JVs	132	172	-23.0%	76	73.9%	128	3.4%	436	407	7.3%
Profit/(loss) from MI	-	(0)	-100.0%	-	#DIV/0!	-	#DIV/0!	(1)	(1)	0.0%
PAT after MI & JVs	41,960	39,767	5.5%	34,062	23.2%	18,667	124.8%	91,156	86,202	5.7%
Adj. PAT	41,960	39,767	5.5%	34,062	23.2%	18,667	124.8%	91,156	82,711	10.2%
Margin (%)	30.1	29.0	107	26.0	410.1	24.2	585	27.5	26.7	85
Adj. EPS	62.7	59.5	5.5%	50.9	23.2%	27.9	124.8%	136.3	123.7	10.2%

Source: Company, PL

Conference Call Highlights:

- **Guidance:** Management guided for ~10-12% revenue growth in FY27 driven by ramp-up in manufacturing revenues led by LCA Mk1A and HTT-40 deliveries. EBITDA margin is expected to remain stable at ~30-31% supported by escalation clauses and pre-procured inventory for key programs. HAL plans cumulative investments of ~Rs120bn by 2030 towards capacity expansion and infrastructure for LCA Mk2, GE F404/F414 engines, AMCA-related programs and indigenous aero-engine projects.
- **Order Prospects:** HAL expects order inflows of ~Rs900bn over the next two years including ROH contracts. Key opportunities include: 1) 143 ALH helicopters for Army and Air Force, 2) Su-30 upgrade program, 3) additional Dornier orders, and 4) engine manufacturing contracts.
- **LCA Mk1A Program:** HAL has received 6 GE F404 engines so far, while GE is expected to supply ~15-20 additional engines during FY27 with accelerated deliveries from Aug'26 onwards. Management expects LCA Mk1A deliveries to commence by Aug/Sep'26 after completion of remaining testing and refinements. HAL is targeting delivery of ~20 aircraft during FY27. HAL currently operates three LCA production lines with installed capacity of 24 aircraft per annum. Around 20+ aircraft structures are already built and equipped while LCA-related inventory stands at ~Rs80bn.
- **LCA Mk2 Program:** Structural assembly for LCA Mk2 is currently underway jointly with ADA, with prototype rollout expected by Q4FY27. HAL indicated that engines for initial prototype activities are already available, reducing near-term execution risks.
- **LCH Prachand & HTT-40 :** LCH Prachand execution remains on track with all major procurement orders already placed. HTT-40 deliveries are expected to commence in FY27 with management targeting ~20+ aircraft deliveries during the year. Engine supply constraints have largely stabilised.
- **SU-30 & Engines Programs:** Su-30 deliveries under the current order will begin from FY28 with one aircraft delivery in FY27-28 and balance 11 aircraft to be completed in FY29. HAL continues execution of AL-31FP and RD-33 engine programs with targeted annual deliveries of ~30-35 engines per annum. Su-30 upgrade program is currently in design stage with CCS approval expected during FY27.
- **UAV & AMCA Programs:** HAL stated that the Rotary UAV prototype is currently undergoing ground testing, while the CATS Warrior UAV program has completed ground runs with flight testing expected next year. On the AMCA program, management clarified that the current RFI pertains only to prototype development and not production rights. HAL remains interested in participating in the program and plans to invest in AMCA-related manufacturing infrastructure over the long term.
- **Supply Chain & Capacity Expansion:** HAL indicated that global aerospace supply-chain conditions are improving gradually though some delays persist. The company is increasingly focusing on multi-vendor sourcing and outsourcing of structures to private players while retaining final integration internally to improve efficiency and execution visibility.
- **Revenue Breakup:** FY26 revenue from operations stood at Rs331bn, comprising ~28% manufacturing revenue (~Rs93bn), ~62% Repair & Overhaul (ROH) and spares revenue (~Rs205bn), while the balance ~10% came from development activities and others. Export revenue during the year stood at Rs501cr.

Financials

Income Statement (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Net Revenues	309,810	330,888	369,597	438,755
YoY gr. (%)	3.9	6.8	11.7	18.7
Cost of Goods Sold	122,880	144,322	154,122	183,399
Gross Profit	186,929	186,567	215,475	255,355
Margin (%)	60.3	56.4	59.0	59.0
Employee Cost	57,304	61,077	65,419	74,588
Other Expenses	33,545	27,792	41,765	53,089
EBITDA	96,081	97,698	108,292	127,678
YoY gr. (%)	4.5	1.7	10.8	17.9
Margin (%)	31.0	29.5	29.3	30.0
Depreciation and Amortization	13,404	13,549	16,312	19,935
EBIT	82,677	84,150	91,980	107,743
Margin (%)	26.7	25.4	24.9	24.6
Net Interest	87	58	111	132
Other Income	23,727	36,991	31,387	31,206
Profit Before Tax	113,388	121,083	123,256	138,817
Margin (%)	36.6	36.6	33.3	31.6
Total Tax	25,032	30,364	31,060	35,676
Effective Tax Rate (%)	22.1	25.1	26.0	26.0
Profit After Tax	88,356	90,719	92,195	103,141
Minority Interest	(1)	(1)	-	-
Share Profit from Associate	407	436	458	481
Adjusted PAT	83,254	91,156	92,653	103,622
YoY gr. (%)	17.7	9.5	1.6	11.8
Margin (%)	25.0	24.8	23.1	22.0
Extra Ord. Income / (Exp)	5,509	-	-	-
Reported PAT	88,763	91,156	92,653	103,622
YoY gr. (%)	25.5	2.7	1.6	11.8
Margin (%)	28.7	27.5	25.1	23.6
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	88,763	91,156	92,653	103,622
Equity Shares O/s (mn)	669	669	669	669
EPS (INR)	124.5	136.3	138.5	154.9

Source: Company, PL

Balance Sheet (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
Non-Current Assets				
Gross Block	184,447	209,057	234,476	258,651
Tangibles	134,874	144,497	163,997	183,497
Intangibles	49,573	64,560	70,479	75,154
Acc: Dep / Amortization	117,739	136,124	149,306	165,535
Tangibles	75,171	82,820	90,840	101,265
Intangibles	42,568	53,304	58,466	64,270
Net Fixed Assets	66,708	72,934	85,170	93,116
Tangibles	59,703	61,678	73,157	82,232
Intangibles	7,005	11,256	12,013	10,884
Capital Work In Progress	30,978	33,130	34,582	36,701
Goodwill	-	-	-	-
Non-Current Investments	21,489	23,264	24,425	28,457
Net Deferred Tax Assets	15,680	11,348	11,348	11,348
Other Non-Current Assets	26,868	25,092	31,785	37,733
Current Assets				
Investments	-	-	-	-
Inventories	216,757	308,507	257,199	305,325
Trade Receivables	46,478	40,663	55,541	69,119
Cash & Bank Balance	381,823	461,968	565,104	667,933
Other Current Assets	83,453	140,795	93,710	111,000
Total Assets	1,062,669	1,324,146	1,364,101	1,599,984
Equity				
Equity Share Capital	3,344	3,344	3,344	3,344
Other Equity	346,472	407,067	472,012	544,588
Total Network	349,816	410,411	475,356	547,932
Non-Current Liabilities				
Long Term Borrowings	11	83	83	83
Provisions	18,681	18,389	20,934	23,868
Other Non Current Liabilities	248,206	446,891	295,677	351,004
Current Liabilities				
ST Debt / Current of LT Debt	-	27	27	27
Trade Payables	51,057	44,318	63,793	78,134
Other Current Liabilities	389,896	398,730	502,652	592,319
Total Equity & Liabilities	1,062,669	1,324,146	1,364,100	1,599,984

Source: Company, PL

Cash Flow (INR mn)

Y/e Mar	FY25	FY26	FY27E	FY28E
PBT	108,673	121,519	123,256	138,817
Add. Depreciation	13,627	13,672	16,312	19,935
Add. Interest	87	58	111	132
Less Financial Other Income	23,727	36,991	31,387	31,206
Add. Other	1,874	(18,277)	(24,020)	(23,731)
Op. Profit before WC Changes	124,260	116,973	115,659	135,152
Net Changes-WC	47,556	21,977	52,248	43,429
Direct Tax	(35,382)	(29,886)	(31,060)	(35,676)
Net Cash from Op. Activities	136,435	109,064	136,847	142,906
Capital Expenditures	(17,536)	(24,687)	(30,000)	(30,000)
Interest / Dividend Income	25,595	30,497	23,562	23,250
Others	(115,770)	(89,179)	173,923	(3,112)
Net Cash from Inv. Activities	(107,711)	(83,369)	167,484	(9,862)
Issue of Share Cap. / Premium	-	-	-	-
Debt Changes	-	-	-	-
Dividend Paid	(25,414)	(33,439)	(26,793)	(30,083)
Interest Paid	(371)	(52)	(111)	(132)
Others	-	(13)	-	-
Net Cash from Fin. Activities	(25,785)	(33,504)	(26,904)	(30,215)
Net Change in Cash	2,939	(7,809)	277,427	102,829
Free Cash Flow	118,865	83,572	106,847	112,906

Source: Company, PL

Quarterly Financials (INR mn)

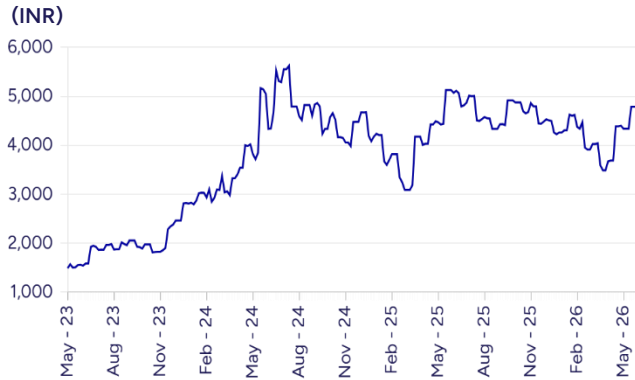
Y/e Mar	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Net Revenues	48,190	66,286	76,988	139,424
YoY gr. (%)	10.8	10.9	10.7	1.8
Raw Material Expenses	15,407	29,130	35,698	64,087
Gross Profit	32,784	37,156	41,290	75,337
Margin (%)	68.0	56.1	53.6	54.0
EBITDA	12,824	15,579	18,710	50,586
YoY gr. (%)	29.4	(5.0)	11.2	(4.5)
Margin (%)	26.6	23.5	24.3	36.3
Depreciation / Depletion	1,852	2,256	3,098	6,344
EBIT	10,972	13,323	15,612	44,242
Margin (%)	22.8	20.1	20.3	31.7
Net Interest	3	4	10	42
Other Income	7,471	8,877	9,138	11,506
Profit before Tax	18,440	22,196	24,740	55,706
Margin (%)	38.3	33.5	32.1	40.0
Total Tax	4,705	5,579	6,202	13,878
Effective Tax Rate (%)	25.5	25.1	25.1	24.9
Profit After Tax	13,735	16,617	18,539	41,828
Minority Interest	-	-	-	-
Share Profit from Associate	103	73	128	132
Adjusted PAT	13,838	16,691	18,667	41,960
YoY gr. (%)	7.8	10.8	29.6	5.5
Margin (%)	28.7	25.2	24.2	30.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	13,838	16,691	18,667	41,960
YoY gr. (%)	(18.3)	10.5	29.6	5.5
Margin (%)	28.7	25.2	24.2	30.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	13,838	16,691	18,667	41,960
Avg. Shares O/s (mn)	669	669	669	669
EPS (INR)	20.7	25.0	27.9	62.7

Source: Company, PL

Key Financial Metrics

Y/e Mar	FY25	FY26	FY27E	FY28E
Per Share (INR)				
EPS	124.5	136.3	138.5	154.9
CEPS	144.5	156.6	162.9	184.8
BVPS	523.1	613.7	710.8	819.3
FCF	177.7	125.0	159.8	168.8
DPS	38.7	40.9	41.6	46.5
Return Ratio (%)				
RoCE	15.9	11.2	11.0	12.5
ROIC	46.7	21.8	25.1	40.9
RoE	26.0	24.0	20.9	20.3
Balance Sheet				
Net Debt : Equity (x)	(1.1)	(1.1)	(1.2)	(1.2)
Net Working Capital (Days)	250	336	246	247
Valuation (x)				
PER	35.2	32.1	31.6	28.3
P/B	8.3	7.1	6.1	5.3
P/CEPS	30.3	28.0	26.9	23.7
EV/EBITDA	26.5	25.2	21.8	17.7
EV/Sales	8.2	7.4	6.4	5.1
Dividend Yield (%)	0.8	0.9	0.9	1.0
FCFF Yield (%)	4.0	2.8	3.6	3.8
PEG Ratio	1.9	3.3	19.2	2.3

Source: Company, PL

Price Chart

Recommendation History

No.	Date	Rating	TP (INR)	Share Price (INR)
1	09-Apr-26	BUY	5338	4033
2	13-Feb-26	BUY	5338	4159
3	07-Jan-26	BUY	5507	4525
4	12-Nov-25	BUY	5507	4749
5	07-Oct-25	BUY	5500	4838
6	12-Aug-25	BUY	5500	4409
7	09-Jul-25	Accumulate	5500	5003
8	19-May-25	Accumulate	5500	5128
9	09-Apr-25	Accumulate	4134	4042
10	13-Feb-25	Accumulate	4110	3594

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (INR)	Share Price (INR)
1	ABB India	HOLD	6523	7013
2	Apar Industries	Accumulate	9629	10767
3	BEML	Accumulate	1922	1603
4	Bharat Electronics	REDUCE	411	440
5	BHEL	REDUCE	321	377
6	Carborundum Universal	HOLD	825	855
7	Cummins India	Hold	4182	4907
8	Elgi Equipments	Accumulate	603	500
9	Engineers India	Buy	261	209
10	GE Vernova T&D India	Buy	4050	3911
11	Grindwell Norton	Accumulate	1887	1680
12	Harsha Engineers International	Hold	461	439
13	Hindustan Aeronautics	BUY	5338	4033
14	Hitachi Energy India	Hold	26108	27315
15	Ingersoll-Rand (India)	Buy	4589	3798
16	Kalpataru Projects International	Buy	1466	1143
17	KEC International	Accumulate	748	578
18	Kirloskar Pneumatic Company	BUY	1715	1448
19	Larsen & Toubro	BUY	4632	4055
20	Praj Industries	Accumulate	340	337
21	Siemens	ACCUMULATE	3409	3223
22	Siemens Energy India	Accumulate	3145	2768
23	Thermax	REDUCE	3969	4678
24	Triveni Turbine	Accumulate	585	455
25	Voltamp Transformers	Accumulate	10503	10002

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. Amit Anwani MBA (Finance), Mr. Prathmesh Salunkhe MBA Finance, Mr. Hitesh Agarwal MBA Finance 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.

Prabhudas Lilladher Pvt. Ltd.

Corporate Office: 6th Floor, Tower 2B South Annex, One World Centre, 841, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

Registered Office: 3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018

Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com

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 of 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 recipients 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 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 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 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. Amit Anwani MBA (Finance), Mr. Prathmesh Salunkhe MBA Finance, Mr. Hitesh Agarwal MBA Finance 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.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

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.