

## Building higher quality growth

Our recent interaction with Larsen & Toubro (LT IN) management indicates the company is entering a structurally diversified growth phase, with core infrastructure pre-tax ROCE sustaining at 30% (after improving from ~18% to ~35% in the past five years) on the back of 1) a healthy domestic ordering momentum by the government and private sectors, 2) developing new growth drivers via capex push, and 3) our deep-dive analysis of Middle East disruption to limit risk while potentially creating a USD 50–80bn, resilience-led capex opportunity in the medium term. We retain **Accumulate** with a SOTP-based TP of INR 4,251.

**Middle East disruption driving resilience capex opportunity:** The Middle East’s geopolitical disruptions could create near-term execution challenges for onshore hydrocarbon projects, although risks remain partly offset, as ~50% of LT’s hydrocarbon exposure is offshore-oriented with fabrication largely executed through India and Oman yards. **Management expects the disruption to accelerate a resilience-led capex cycle across the UAE, Qatar, and Kuwait, with potential opportunities of nearly USD 50–80bn in the medium term.**

**Core EPC delivering higher returns:** Our interaction highlights a structurally stronger and more capital-efficient EPC model, with core infrastructure pre-tax ROCE improving to ~35% from ~18% in the past five years. Management remains confident of sustaining ~30% normalized core ROCE despite investments in industrial electronics and hydrocarbons in core portfolio of projects, products and manufacturing (PPM). **FY31 consolidated ROE guidance of sustaining ~16% factors in the gestation impact from investment in emerging businesses, such as data centers & green hydrogen, reflecting disciplined capital allocation.**

**Disciplined growth strategy emerging:** Management’s capital allocation framework appears significantly more disciplined vs earlier infrastructure cycles, with investments focused on contracted cashflow models and high-credit counterparties to limit balance-sheet risk. Simultaneously, **defense, offshore wind, and electronics are emerging as key growth drivers**, with defense contributing ~4–5% of revenue with potential to grow meaningfully and offshore wind orders from the EU scaling up.

**Domestic capex and energy demand continue to drive ordering momentum:** LT continues to witness strong domestic capex momentum across infrastructure, thermal power, hydrocarbons, and manufacturing, supported by rising electricity demand and AI-led data center expansion. On the back of demand, **the company has committed a capex of INR 424bn by FY31, led by green hydrogen, data centers, industrial electronics, hydrocarbons and real estate with benefits accruing in the long term.**

**Reiterate Accumulate with a TP of INR 4,251:** We believe the previous five-year plan witnessed an accelerated growth phase and future performance would be based on its ability to scale up new businesses. We largely retain estimates. We reiterate **Accumulate** with a TP of INR 4,251 based on a SOTP method, assuming 26x FY28E P/E to E&C and a stake in IT subsidiaries at a 20% holdco discount.

### Key financials

YE March (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (INR mn)	2,557,345	2,858,744	3,203,865	3,673,715	4,158,848
YoY (%)	15.7	11.8	12.1	14.7	13.2
EBITDA (INR mn)	264,347	291,511	319,937	368,774	411,447
EBITDA margin (%)	10.3	10.2	10.0	10.0	9.9
Adj PAT (INR mn)	145,623	178,064	199,194	227,223	251,207
YoY (%)	12.3	22.3	11.9	14.1	10.6
Fully DEPS (INR)	105.9	129.4	144.8	165.2	182.6
RoE (%)	13.4	14.6	15.0	15.6	15.4
RoCE (%)	9.5	9.8	10.4	11.3	11.7
P/E (x)	38.1	31.2	27.9	24.4	22.1
EV/EBITDA (x)	23.4	21.3	19.4	16.8	15.1

Note: Pricing as on 27 May 2026; Source: Company, Elara Securities Estimate

Rating: **Accumulate**  
 Target Price: **INR 4,251**  
 Upside: **5%**  
 CMP: **INR 4,038**  
 As on 27 May 2026

#### Key data

Bloomberg	LT IN
Reuters Code	LART.NS
Shares outstanding (mn)	1,376
Market cap (INR bn/USD mn)	5,555/58,054
EV (INR bn/USD mn)	6,199/64,780
ADTV 3M (INR mn/USD mn)	15,361/161
52 week high/low	4,440/3,288
Free float (%)	85

Note: as on 27 May 2026; Source: Bloomberg

#### Price chart



Source: Bloomberg

Shareholding (%)	Q1	Q2	Q3	Q4
	FY26	FY26	FY26	FY26
Promoter	0.0	0.0	0.0	0.0
% Pledge	0.0	0.0	0.0	0.0
FII	19.3	19.5	20.1	18.8
DII	43.7	43.6	43.2	43.6
Others	37.0	36.9	36.7	37.7

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(6.2)	(8.7)	(4.4)
Larsen & Toubro	(5.8)	(0.6)	10.7
NSE Mid-cap	(0.9)	(2.6)	2.9
NSE Small-cap	6.0	1.1	2.3

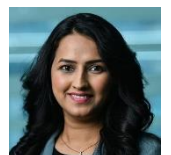
Source: Bloomberg

#### Ankita Shah

Industrials, Infrastructure, Ports & Logistics  
 +91 22 6164 8516  
 ankita.shah@elaracapital.com

Associate  
 Hem Raval  
 hem.raval@elaracapital.com

Het Patel  
 het.patel@elaracapital.com



## Financials (YE March)

Income Statement (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Total Revenue	2,557,345	2,858,744	3,203,865	3,673,715	4,158,848
Gross Profit	847,616	930,378	1,037,615	1,191,223	1,344,004
EBITDA	264,347	291,511	319,937	368,774	411,447
EBIT	223,136	247,864	271,026	312,101	346,591
Interest expense	33,344	28,488	29,058	29,639	30,232
Other income	41,248	57,607	58,183	58,765	59,352
Exceptional/ Extra-ordinary items	4,748	(17,224)	-	-	-
PBT	235,788	259,758	300,151	341,227	375,711
Tax	58,914	68,164	76,538	87,013	95,806
Minority interest/Associates income	(26,503)	(30,754)	(24,418)	(26,991)	(28,698)
Reported PAT	150,371	160,840	199,194	227,223	251,207
Adjusted PAT	145,623	178,064	199,194	227,223	251,207

We expect a revenue CAGR of 13%, an EBITDA CAGR of 12%, and an adjusted PAT CAGR of 12% during FY26-29E

Balance Sheet (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
Shareholders' Equity	976,556	1,092,898	1,234,127	1,395,228	1,573,333
Minority Interest	177,481	192,407	142,276	145,330	147,314
Provisions & Other Current Liabilities	1,293,306	1,745,405	1,960,720	2,246,957	2,547,776
Total Borrowings	1,337,851	1,283,089	1,291,060	1,312,345	1,335,629
Other long term liabilities	(27,881)	169,172	170,864	172,572	174,298
<b>Total liabilities &amp; equity</b>	<b>3,757,312</b>	<b>4,482,971</b>	<b>4,799,047</b>	<b>5,272,433</b>	<b>5,778,351</b>
Net Fixed Assets	466,441	341,779	369,590	412,223	454,870
Business Investments / other NC assets	1,538,876	2,116,682	2,196,106	2,279,090	2,365,801
Cash, Bank Balances & treasury investments	229,654	208,477	200,814	257,289	332,099
Inventories	76,706	95,309	106,816	122,480	138,654
Sundry Debtors	537,137	604,613	677,604	776,976	879,579
Other Current Assets	908,500	1,116,112	1,248,117	1,424,375	1,607,346
<b>Total Assets</b>	<b>3,757,312</b>	<b>4,482,971</b>	<b>4,799,047</b>	<b>5,272,433</b>	<b>5,778,351</b>

Cash Flow Statement (INR mn)	FY25	FY26	FY27E	FY28E	FY29E
<b>Cashflow from Operations</b>	<b>83,597</b>	<b>168,539</b>	<b>182,892</b>	<b>214,436</b>	<b>249,344</b>
Capital expenditure	(47,565)	81,015	(76,723)	(99,306)	(107,503)
Acquisitions / divestitures	(91,575)	(135,715)	(20,513)	(21,128)	(21,762)
Other Business cashflow	49,727	(195,521)	58,183	58,765	59,352
<b>Free Cash Flow</b>	<b>(5,815)</b>	<b>(81,682)</b>	<b>143,839</b>	<b>152,766</b>	<b>179,431</b>
Cashflow from Financing	81,884	60,505	(151,501)	(96,291)	(104,621)
Net Change in Cash / treasury investments	76,070	(21,177)	(7,662)	56,475	74,810

Key assumptions & Ratios	FY25	FY26	FY27E	FY28E	FY29E
Dividend per share (INR)	28.0	34.0	42.1	48.1	53.1
Book value per share (INR)	710.1	794.5	897.1	1,014.2	1,143.7
RoCE (Pre-tax) (%)	9.5	9.8	10.4	11.3	11.7
ROIC (Pre-tax) (%)	10.4	10.7	11.2	12.3	13.0
ROE (%)	13.4	14.6	15.0	15.6	15.4
Asset Turnover (x)	5.5	7.1	9.0	9.4	9.6
Net Debt to Equity (x)	1.1	1.0	0.9	0.8	0.6
Net Debt to EBITDA (x)	4.2	3.7	3.4	2.9	2.4
Interest cover (x) (EBITDA/ int exp)	7.9	10.2	11.0	12.4	13.6
Total Working capital days (WC/rev)	70.2	37.6	32.8	35.5	38.2

Valuation	FY25	FY26	FY27E	FY28E	FY29E
P/E (x)	38.1	31.2	27.9	24.4	22.1
P/Sales (x)	2.2	2.0	1.7	1.5	1.3
EV/ EBITDA (x)	23.4	21.3	19.4	16.8	15.1
EV/ OCF (x)	77.4	38.4	35.4	30.2	26.0
FCF Yield	(0.1)	(1.3)	2.2	2.4	2.8
Price to BV (x)	5.7	5.1	4.5	4.0	3.5
Dividend yield (%)	0.7	0.8	1.0	1.2	1.3

Note: Pricing as on 27 May 2026; Source: Company, Elara Securities Estimate

**Middle East disruption 'off-baseline' event:** Management acknowledged the current geopolitical situation in the Middle East is an “off-baseline” event and confirmed all affected project disruptions, logistics inflation, lower productivity, and execution delays are being continuously communicated to clients, which are largely sovereign-backed entities and strategic national institutions with low credit risk. Ongoing discussions with clients regarding compensation recovery is likely to happen in phases:

- ▶ Phase I: Some logistics-related cost escalations are being discussed.
- ▶ Phase II: Larger claims linked to schedule disruption and productivity losses may only crystallize toward the later stages or completion of contracts.

The company believes Middle East clients understand the disruptions are extraordinary and not contractor-driven, which improves probability of cost recoveries. There are no subcontracted orders; hence, the company is maintaining direct client relationships (with 50 years of operating history of LT in the Middle East) which is strategically critical, senior leadership remains engaged with clients & employees and long-term commitment to the region strengthen its negotiating position.

**Labour productivity, a major issue**

A major issue currently is lower labor productivity and efficiency rather than labor shortage. While workers continue to receive payments and collections from clients, they are operating at slower tempo, due to uncertainty and operational constraints. Labour contracts are a mix of fixed long-term labor arrangements and variable labor deployment structures.

The company is reluctant to demobilize labor aggressively because remobilization later could become difficult and expensive. The severity of labor cost impact will depend heavily on the duration of geopolitical disruption and speed of supply chain normalization.

Management says a short disruption of a few weeks is manageable, while a 6–9 month escalation would materially alter the economics.

**Large Middle East “resilience capex” opportunity**

Management believes the broader Middle East capex cycle remains intact despite the conflict. This is apart from the ongoing energy shift from oil projects towards natural gas, renewables, and transmission projects. Potential medium-term opportunities emerging in building the resilience infrastructure, such as upgrade redundancy pipelines, alternate export infrastructure, rail links, energy corridors. For e.g., the East-West Saudi pipelines, Fujairah-linked infrastructure, and alternate evacuation routes for Gulf hydrocarbons. These potential rebuilding and redundancy projects worth ~USD 50-80bn overtime are yet to be included in LT's stated prospect pipeline of INR 17.8tn. The company expects contractor availability may tighten if several rebuilding and resiliency projects emerge simultaneously, potentially reducing competition.

**Exhibit 1: Key maritime gateways acting as alternate routes for transportation**



Source: ISPI, Elara Securities Research

**Our estimate of the impact of disruption in the Middle East region**

The Middle East (ME) projects at INR 2,961bn form 40% of total orderbook as on FY26. Nearly 55-60% emanates from Saudi Arabia. In terms of segment, hydrocarbons (largely in Saudi Arabia and Qatar) form 50% of the Middle East orderbook, out of which 60% are offshore and 40% onshore, which are in the initial stages of execution at yards in India.

**Exhibit 2: Middle East orderbook breakdown**

Segment	Value (INR bn)	Type	Comments
<b>Saudi Arabia — INR 1,600bn   ~55% of ME orderbook</b>			
<b>Energy — Conventional: Hydrocarbon Onshore EPC</b>	<b>1,000</b>	<b>Onshore High Risk</b>	<ul style="list-style-type: none"> <li>▶ Logistics routes through the Persian Gulf have become inefficient</li> <li>▶ Cargo rerouting via Western Saudi ports or Oman has increased cross-country land transportation cost and transit times</li> <li>▶ Movement of oversized equipment has become difficult, hence splitting into smaller loads</li> <li>▶ Margin of 6-7% as huge bought-out components involved</li> <li>▶ Inventory availability onsite had initially cushioned the disruption impact during March</li> <li>▶ Around 40% includes steel cost which is more exposed because formal hedging mechanism are limited. Seamless pipe pricing as a potential bottleneck in future pipeline-related projects</li> </ul>
Jafurah Unconventional Gas Development — Pkg 1, 3 Gas Processing Plant	~335		<ul style="list-style-type: none"> <li>▶ Biggest client Saudi Aramco — the largest-ever award</li> </ul>
<b>Energy — Conventional: Hydrocarbon Offshore EPC</b>	<b>~100</b>	<b>Offshore Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Fabrication work happens in India (Chennai &amp; Hazira) and Oman yards</li> <li>▶ Offshore jacket and platform fabrication is not fully dependent on Gulf logistics routes</li> <li>▶ Steel prices remain relatively stable in recent months, helping contain cost pressures on offshore projects</li> </ul>
<b>Infra &amp; Utilities (Power T&amp;D) + Energy — Green (Solar)</b>	<b>~300</b>	<b>T&amp;D &amp; RENU Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Solar module cost is pass-through in Middle East renewable contracts</li> <li>▶ LT renegotiated solar contract structures in the past few years based on previous experiences of module price volatility</li> <li>▶ This significantly reduces module-related margin risk in renewable projects</li> </ul>
Infrastructure & Utilities: Buildings & Factories	~100	<b>B&amp;F Moderate Risk</b>	
<b>UAE (Abu Dhabi &amp; Dubai) — INR 600–750bn   ~20–24% of ME orderbook</b>			
<b>Infrastructure &amp; Utilities: Power T&amp;D</b>	<b>~400–500</b>	<b>T&amp;D Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Aluminum and copper price risks are generally hedged wherever market hedging instruments are available</li> <li>▶ Management indicates copper and aluminium, are not major current concerns due to existing hedging mechanisms</li> </ul>
<b>Infrastructure &amp; Utilities: Water &amp; Effluent Treatment, Metals, Mining</b>	<b>~180–220</b>	<b>Civil</b>	
<b>Qatar — INR 600–750bn   ~20–25% of ME orderbook</b>			
<b>Energy — Conventional: Hydrocarbon Offshore EPC</b>	<b>~350</b>	<b>Offshore Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Project is recently awarded</li> <li>▶ Still in engineering or early mobilization phases</li> </ul>
North Field Production Sustainability Offshore Compression Project (NFPS COMP 4) — Engg, fabrication & installation of two offshore compression complexes	~335		<ul style="list-style-type: none"> <li>▶ March 2025 — Largest single award in LT history from Qatar Energy LNG</li> </ul>
<b>Energy — Conventional: Hydrocarbon Onshore EPC</b>	<b>~250–400</b>	<b>Onshore High Risk</b>	
<b>Kuwait — INR 20–40bn   ~1% of ME orderbook</b>			
<b>Infrastructure &amp; Utilities: Power T&amp;D</b>	<b>~20–40</b>	<b>T&amp;D Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Low orderbook exposure</li> </ul>
<b>Oman — INR 20–40bn   ~1% of ME orderbook</b>			
<b>Infrastructure &amp; Utilities: Power T&amp;D</b>	<b>~10–20</b>	<b>T&amp;D Moderate Risk</b>	<ul style="list-style-type: none"> <li>▶ Low orderbook exposure</li> </ul>
<b>Infra &amp; Utilities (Buildings &amp; Factories + Minerals &amp; Metals)</b>	<b>~10–20</b>	<b>B&amp;F &amp; M&amp;M</b>	<ul style="list-style-type: none"> <li>▶ Low orderbook exposure</li> </ul>
<b>Total Middle East Orderbook (As on 31 March 2026)</b>	<b>~2,961</b>		

Source: Company, Elara Securities Research

**Artificial intelligence impact on execution not a major threat**

Management believes AI could improve efficiency significantly in standardized construction activities, such as buildings, commercial structures, and repetitive engineering tasks. However, large hydrocarbon EPC projects remain highly customized and engineering-intensive materially differing in design, engineering complexity, bill of quantities, process requirements. The company does not currently view AI as a major threat to its competitive positioning. LT believes its fabrication ecosystem in India remains a structural advantage vs the EU & Japan's peers.

**Despite lower consolidated ROE target; core EPC ROCE strong**

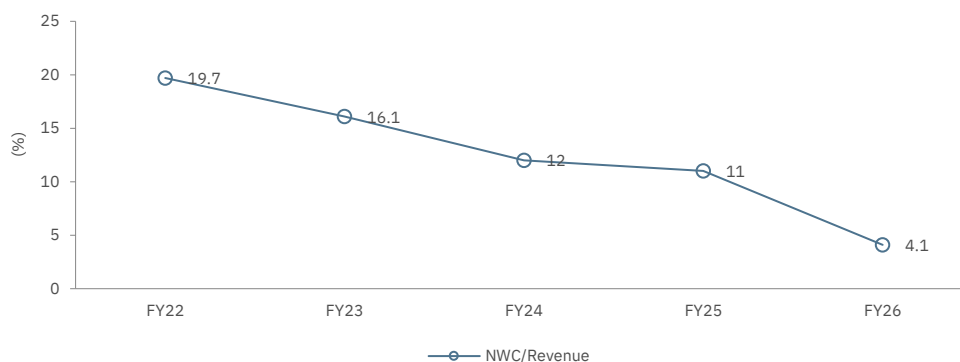
Management's FY31 ROE target of ~16–17% factors in investment drag from data centers, electronics, green hydrogen, and new incubation businesses. These businesses are set to require upfront capital deployment along with multi-year gestation periods before full earnings contribution. However, core EPC businesses to continue generating 20% normalized ROCE. Lower consolidated ROE guidance does not reflect weakness in core EPC economics, but rather temporary denominator expansion from incubation investments.

**Exhibit 3: Core return ratios improving, led by lower working capital cycle**

%	P&M	IT&TS	FS	DP	Corporate	Total
<b>FY22</b>	22.5	23.8	7.9	(1.1)	4.5	13.5
<b>FY23</b>	23.6	24.6	11.4	2.0	3.7	14.9
<b>FY24</b>	28.3	23.2	14.0	5.3	5.1	17.5
<b>FY25</b>	35.5	20.4	14.6	3.9	3.4	17.7
<b>FY26</b>	47.5	22.2	15.4	2.9	5.3	19.8

Source: Company, Elara Securities Research

**Exhibit 4: Net working capital intensity continuously improving**



Source: Company, Elara Securities Research

**Exhibit 5: Lakshya 31 target**

(INR tn)	FY26	FY26-31 CAGR (%)
Order inflow	4.4	10-12
Revenue	2.9	12-15
RoE (%)	16.6	16-17

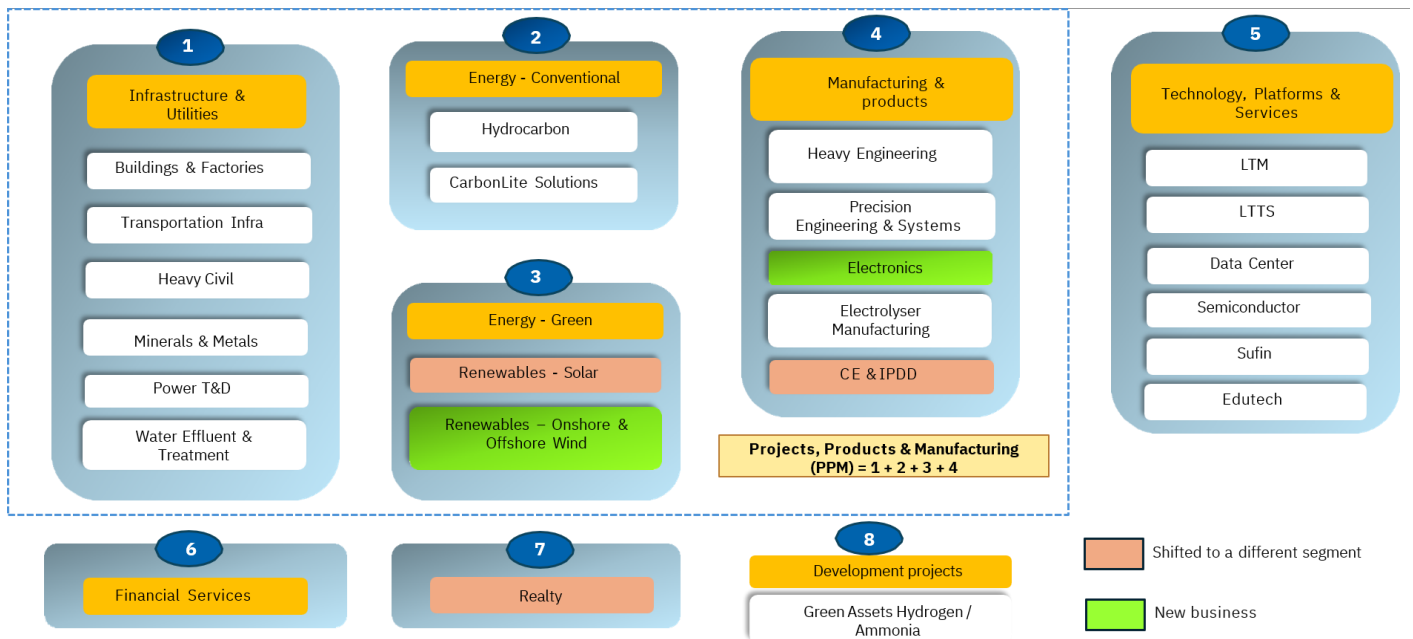
Source: Company, Elara Securities Research

**Exhibit 6: Lakshya – 31 capex targets**

Segment	(INR bn)	Funding structure	Comments
Green Hydrogen	150	Project finance-led structure expected	Unlike earlier PPP assets, this will long-term contracted cashflow, take-or-pay structures, and high-credit counterparties. Expected equity requirement of INR 30-40bn. Target IRR of 12%
Data Centres	100	Internal resources. Strategic partnerships may expand investment size later	Business model evolving whether to operate as pure co-location infrastructure (estimated capex of INR 5bn) or technology-intensive AI model (estimated capex of several multiples higher)
Defense and Industrial Electronics	50	Equity funded initially	Primarily domestic government driven opportunity with capex investments are project-led. Current contribution of 4-5% of revenue could improve meaningfully
Hydrocarbon	50		Increasing capacity of modular fabrication yard and shipping facility
Real Estate	44	Subsequent expansion could involve - IPO, debt markets, external capital	Current orderbook of INR 170bn witnessing strong pickup in presales
Semi-conductors	30		

Source: Company, Elara Securities Research

**Exhibit 7: Building next-gen businesses**



Source: Company, Elara Securities Research

**India private capex outlook strong**

Management highlighted strong momentum across several private capex areas, such as data centers (led by hyperscalers, AI infrastructure demand, and digital infrastructure expansion), commercial real estate, semiconductor facilities, manufacturing plants, thermal power (led by rising baseload energy requirements), cement plants, steel, metals and minerals (led by domestic demand and India's global competitiveness).

**Geographic expansion to Central Asia and the EU**

Management says the company carefully manages expansion risk by avoiding geography risk, client risk, and engineering risk.

- ▶ Entry into Uzbekistan is happening alongside an existing Saudi client relationship, reducing client risk
- ▶ LT has secured ~INR 200bn offshore wind-related orders from the EU. Projects involve: offshore substations, jackets, and shallow-water platforms. Fabrication will largely occur in India before shipment to the EU. The company acknowledged offshore installation still carries execution risk but believes engineering complexity remains manageable, due to prior experience.

**Near-term view**

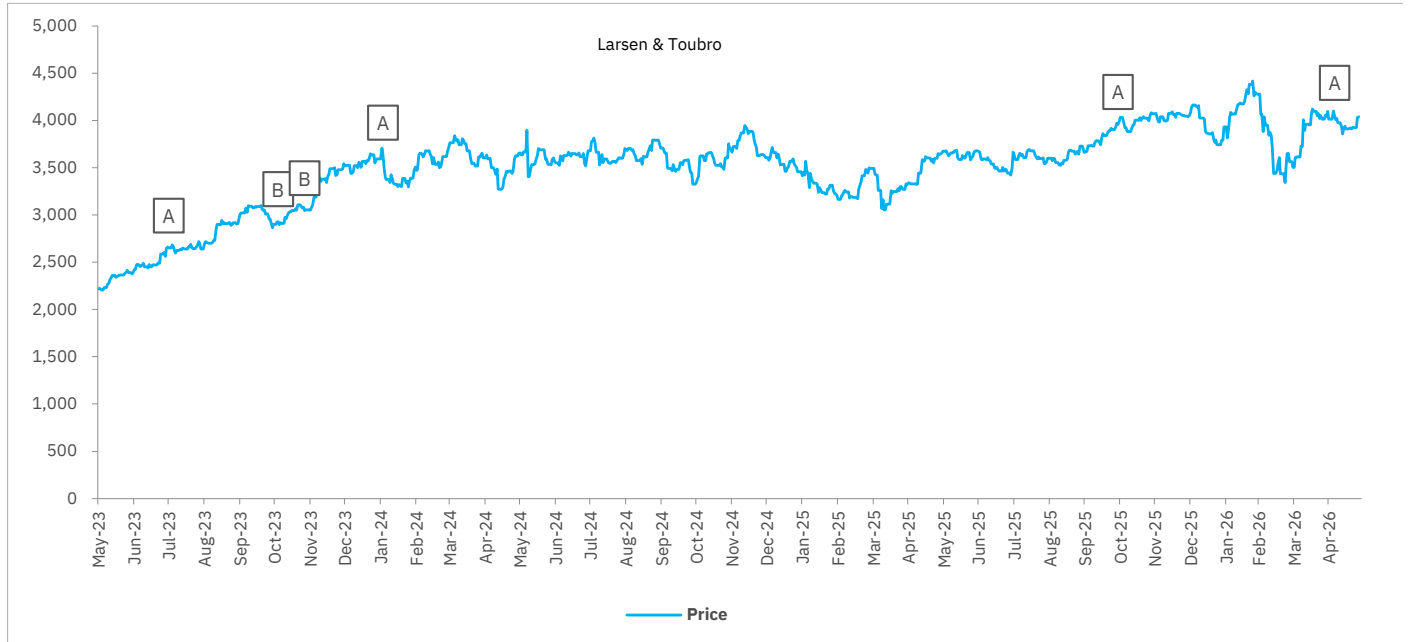
We expect soft Q1-Q2 performance due to lower execution tempo, temporary revenue moderation, assuming normalization takes another few months. However, most projects remain operational and continue functioning despite reduced efficiency.

**Exhibit 8: Valuation**

	Earnings & Investments	Target multiple	Equity value	Valuation	Stake	Value per share
	(INR bn)	(x)	(INR bn)		(%)	(INR)
<b>Standalone E&amp;C</b>	<b>174</b>	<b>26</b>	<b>4,532</b>	<b>P/E</b>	<b>100.0</b>	<b>3,295</b>
<b>Subsidiaries</b>						
L&T Finance			727	(at mkt cap)	66.0	349
LTIMindtree			1,274	(at mkt cap)	68.5	635
L&T Technology Services			396	(at mkt cap)	73.6	212
<b>Total subsidiaries</b>						<b>1,195</b>
Holdco discount					20.0	956
<b>Fair value (INR)</b>						<b>4,251</b>
Shares (mn)						1,376

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
28-Oct-2021	Buy	2,363	1,814
28-Jan-2022	Buy	2,253	1,898
13-Jun-2022	Buy	1,981	1,532
26-Jul-2022	Accumulate	1,981	1,751
28-Jul-2023	Accumulate	3,041	2,650
31-Oct-2023	Buy	3,540	2,929
23-Nov-2023	Buy	3,750	3,046
30-Jan-2024	Accumulate	4,051	3,633
29-Oct-2025	Accumulate	4,487	3,958
05-May-2026	Accumulate	4,251	4,055

### Guide to Research Rating

<b>BUY (B)</b>	Absolute Return >+20%
<b>ACCUMULATE (A)</b>	Absolute Return +5% to +20%
<b>REDUCE (R)</b>	Absolute Return -5% to +5%
<b>SELL (S)</b>	Absolute Return < -5%

## Disclosures & Confidentiality for non U.S. Investors

The Note is based on our estimates and is being provided to you (herein referred to as the "Recipient") only for information purposes. The sole purpose of this Note is to provide preliminary information on the business activities of the company and the projected financial statements in order to assist the recipient in understanding / evaluating the Proposal. Nothing in this document should be construed as an advice to buy or sell or solicitation to buy or sell the securities of companies referred to in this document. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. Nevertheless, Elara Securities (India) Private Limited or any of its affiliates is committed to provide independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Elara Securities (India) Private Limited or any of its affiliates have not independently verified all the information given in this Note and expressly disclaim all liability for any errors and/or omissions, representations or warranties, expressed or implied as contained in this Note. The user assumes the entire risk of any use made of this information. Elara Securities (India) Private Limited or any of its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for or solicit investment banking or other business from any company referred to in this Note. Each of these entities functions as a separate, distinct and independent of each other. This Note is strictly confidential and is being furnished to you solely for your information. This Note should not be reproduced or redistributed or passed on directly or indirectly in any form to any other person or published, copied, in whole or in part, for any purpose. This Note is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Elara Securities (India) Private Limited or any of its affiliates to any registration or licensing requirements within such jurisdiction. The distribution of this document in certain jurisdictions may be restricted by law, and persons in whose possession this document comes, should inform themselves about and observe, any such restrictions. Upon request, the Recipient will promptly return all material received from the company and/or the Advisors without retaining any copies thereof. The Information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This Information is subject to change without any prior notice. Elara Securities (India) Private Limited or any of its affiliates reserves the right to make modifications and alterations to this statement as may be required from time to time. However, Elara Securities (India) Private Limited is under no obligation to update or keep the information current. Neither Elara Securities (India) Private Limited nor any of its affiliates, group companies, directors, employees, agents or representatives shall be liable for any damages whether direct, indirect, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. This Note should not be deemed an indication of the state of affairs of the company nor shall it constitute an indication that there has been no change in the business or state of affairs of the company since the date of publication of this Note. The disclosures of interest statements incorporated in this document are provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. Elara Securities (India) Private Limited generally prohibits its analysts, persons reporting to analysts and their family members from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. The analyst 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.

Any clarifications / queries on the proposal as well as any future communication regarding the proposal should be addressed to Elara Securities (India) Private Limited. It is important to note that any dispute with respect to this research report, would not have access to stock exchange investor redressal forum or arbitration mechanism.

Elara Securities (India) Private Limited was incorporated in July 2007 as a subsidiary of Elara Capital (India) Private Limited.

Elara Securities (India) Private Limited is a SEBI registered Stock Broker in the Capital Market and Futures & Options Segments of National Stock Exchange of India Limited [NSE] and BSE Limited [BSE] and a Depository Participant registered with Central Depository Services (India) Limited [CDSL].

Elara Securities (India) Private Limited's business, amongst other things, is to undertake all associated activities relating to its broking business.

The activities of Elara Securities (India) Private Limited were neither suspended nor has it defaulted with any stock exchange authority with whom it is registered in last five years. However, during the routine course of inspection and based on observations, the exchanges have issued advise letters or levied minor penalties on Elara Securities (India) Private Limited for minor operational deviations in certain cases. Elara Securities (India) Private Limited has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has the certificate of registration been cancelled by SEBI at any point of time.

Elara Securities (India) Private Limited offers research services primarily to institutional investors and their employees, directors, fund managers, advisors who are registered or proposed to be registered.

Details of Associates of Elara Securities (India) Private Limited are available on group company website [www.elaracapital.com](http://www.elaracapital.com)

Elara Securities (India) Private Limited is maintaining arms-length relationship with its associate entities.

Research Analyst or his/her relative(s) may have financial interest in the subject company. Elara Securities (India) Private Limited does not have any financial interest in the subject company, whereas its associate entities may have financial interest. Research Analyst or his/her relative does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Elara Securities (India) Private Limited does not have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Associate entities of Elara Securities (India) Private Limited may have actual/beneficial ownership of 1% or more securities of the subject company at the end of the month immediately preceding the date of publication of Research Report. Research Analyst or his/her relative or Elara Securities (India) Private Limited or its associate entities does not have any other material conflict of interest at the time of publication of the Research Report.

Artificial Intelligence (AI) tools may have been used only for compilation or collating publicly available research data or internally generated research data during the information gathering and/or summarizing the final report.

Research Analyst or his/her relative(s) has not served as an officer, director or employee of the subject company.

Research analyst or Elara Securities (India) Private Limited have not received any compensation from the subject company in the past twelve months. Associate entities of Elara Securities (India) Private Limited may have received compensation from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities have not managed or co-managed public offering of securities for the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associates have not received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months. Research analyst or Elara Securities (India) Private Limited or its associate entities may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company or third party in connection with the Research Report in the past twelve months.

## Disclaimer & Standard warning

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

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

## Disclaimer for non U.S. Investors

The information contained in this note is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

## Disclosures for U.S. Investors

**Rule 15a6 Disclosure:** This research report ("Report") was prepared, approved, published, and distributed by Elara Securities (India) Private Limited a company located outside of the United States (the "Foreign Counterparty"). Avior Capital Markets US LLC ("Avior US"), a US registered broker-dealer, distributes this Report in the US on behalf of the Foreign Counterparty. Only major U.S. institutional investors (as defined in Rule 15a-6 under the US Securities Exchange Act of 1934 (the "Exchange Act")) may receive this Report under the exemption in Rule 15a-6. A US institutional investor must effect any transaction in the securities described in this Report through Avior US.

Neither the Report nor any analyst who prepared or approved the Report is subject to US legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other US regulatory requirements concerning research reports or research analysts. The Foreign Counterparty is not a registered broker-dealer under the Exchange Act nor is it a member of the Financial Industry Regulatory Authority, Inc., or any other US self-regulatory organisation.

**Disclosures on Subject Companies:** Analysts of the Foreign Counterparty produced this material solely for informational purposes and the use of the intended recipient. No person may reproduce, this Report under any circumstances. No person may copy or make this Report available to any other person other than the intended recipient.

Avior US distributes this Report in the United States of America. The Foreign Counterparty distributes this Report elsewhere in the world. This document is not an offer, or invitation by or on behalf of Avior US, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Avior US and the Foreign Counterparty and their affiliates obtained the information contained herein from published information and other sources, which Avior US and the Foreign Counterparty and their affiliates reasonably consider to be reliable.

Avior US and the Foreign Counterparty accept no liability or responsibility whatsoever for the accuracy or completeness of any such information. All estimates, expressions of opinion and other subjective judgments contained herein are valid as of the date of this document. Avior US assumes responsibility for the Report content with regards to research distributed in the US.

Neither Avior US nor the Foreign Counterparty has managed or co-managed a public offering of securities for the subject company in the past 12 months, have not received compensation for investment banking services from the subject company in the past 12 months and do not expect to receive and does not intend to seek compensation for investment banking services from the subject company in the next three months. Avior US and the Foreign Counterparty have not owned any class of equity securities of the subject company. There are no other actual, material conflicts of interest of Avior US and the Foreign Counterparty at the time of the publication of this Report. As of the publication of this Report, Avior US nor the Foreign Counterparty makes a market in the subject securities.

Avior US and its affiliates, to the fullest extent permissible by law, accept no liability of any nature whatsoever for any claims, damages or losses arising from, or in connection with, the contents of this Report or the use, reliance, publication, distribution, dissemination, disclosure, alteration or reproduction of this Report, or any views or recommendations recorded therein.

Participants in foreign exchange transactions may incur risks arising from several factors, including the following: (i) exchange rates can be volatile and are subject to large fluctuations; (ii) the value of currencies may be affected by numerous market factors, including world and national economic, political and regulatory events, events in equity and debt markets and changes in interest rates; and (iii) currencies may be subject to devaluation or government imposed exchange controls which could affect the value of the currency. Investors in securities such as ADRs, whose values are affected by the currency of an underlying security, effectively assume currency risk.

Subject to the applicable laws, all transactions should be executed through Avior US. Aside from within this Report, important conflict disclosures can also be found at <https://aviorcapital.us/us-regulatory-disclosures/and> Investors are strongly encouraged to review this information before investing.

## Additional Disclaimer for UK Investors

Note that Elara Securities (India) Private Limited ("Foreign Counterparty") has concluded a MiFID II research intermediary agreement with Avior Capital Markets International Limited ("Avior UK"), regulated by the Financial Conduct Authority (FRN: 191074), pursuant to which Avior UK distributes the Foreign Counterparty's research in the UK, in return for which the Foreign Counterparty pays Avior UK a percentage of the income received in relation to such research. This research report including any recommendations recorded therein ("Report") have been prepared by the Foreign Counterparty, and not by Avior UK.

The Report: (a) has been objectively prepared from public sources which are believed to be reliable and therefore constitutes independent investment research and is presented as such; and (b) may only be distributed to, and relied on by, qualifying investors, who are permitted to receive same in the UK.

Securities, money market instruments, strategies, financial or investment instruments mentioned in this Report may not be suitable for all investors. The information and opinions provided in this Report do not constitute a personal recommendation/investment advice and take no account of the investor's individual circumstances. Investors should consider this Report as only a single factor in making any investment decisions and, if appropriate, should seek advice from an investment advisor. This Report is not an offer, or invitation by or on behalf of Avior UK, the Foreign Counterparty, their affiliates, or any other person, to buy or sell any security.

Save as disclosed otherwise, the Foreign Counterparty's relationship with Avior UK is not reasonably expected to impair the objective presentation of the recommendations in the Report, including any interests or conflicts of interest concerning any financial instruments or the issuers to which the recommendations, directly or indirectly, relate. The Report is deemed to be first disseminated at the date and time recorded on the relevant distribution platform, data network or email (as applicable), and which information is available on request. A list of the Foreign Counterparty's research reports disseminated in the UK over the past 12 months is also available on request.

Avior UK does not assume any responsibility or liability of any nature whatsoever arising from or in connection with the content, use, reliance or dissemination of the Report or any recommendation in respect thereof and disclaims any such liability.

## Certification by Each of the Authors of this Report

The analyst(s) (singular includes plural) ("Analyst") certifies that the views expressed in this Report are an accurate representation of the Analyst's personal opinions on the stock or sector as covered and reported on by the Analyst hereinabove. The Analyst furthermore certifies that no part of the Analyst's compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views as expressed in this document. The Analyst is principally responsible for the preparation of this Report and does not have any material conflict of interest at the time of publication of this Report. The Analyst(s) has not served as an officer, director or employee of the subject company in the last 12-month period ending on the last day of the month immediately preceding the date of publication of the Report.

**Analyst Certification:** In connection with the companies or securities that; each analyst identified in this Report certifies that: The views expressed on the subject companies and securities in this Report reflect their personal views. No part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this Report.

Note that:

- (i) The Foreign Counterparty is the employer of the research analyst(s) responsible for the content of this Report, and
- (ii) Research analysts preparing this Report are resident outside the United States and are not associated persons of any US regulated broker-dealer. Therefore, the analyst(s) are not subject to supervision by a US broker-dealer and are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with US rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

**Avior Capital Markets US, LLC** is a FINRA registered broker-dealer (CRD # 172595) formed for that purpose in the State of Delaware with its principal office at 45 Rockefeller Plaza, Suite 2335, New York, New York 10111.

**Avior Capital Markets International Limited** is regulated by the Financial Conduct Authority (FRN: 191074), with its principal office at 10 South Street, Elgin, Scotland IV30 1LE.

**Elara Securities (India) Private Limited** is a SEBI-registered Research Analyst (Regn. No.: INH000000933), Stock Broker (Regn. No.: INZ000238236) and Depository Participant (Regn. No.: IN-DP-370-2018). Its registered address is One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India

**India**  
**Elara Securities (India) Private Limited**  
 One International Center, Tower 3,  
 21st Floor, Senapati Bapat Marg,  
 Elphinstone Road (West)  
 Mumbai – 400 013, India  
 Tel : +91 22 6164 8500

**Europe**  
**Elara Capital Plc.**  
 6th Floor, The Grove,  
 248A Marylebone Road,  
 London, NW1 6JZ,  
 United Kingdom  
 Tel : +44 20 7486 9733

**USA**  
**Elara Securities Inc.**  
 950 Third Avenue, Suite 1900  
 New York, NY 10022 United States  
 Tel: +1 212 430 5870  
 Fax: +1 212 208 2501

**Asia / Pacific**  
**Elara Capital (Singapore) Pte.Ltd.**  
 One Marina Boulevard,  
 Level 20,  
 Singapore 018989  
 Tel : +65 6978 4047



**Managing Director**

**Harendra Kumar** | harendra.kumar@elaracapital.com | +91 22 6164 8571



**Head of Sales**

**Prashin Lalvani** - prashin.lalvani@elaracapital.com - +91 22 6164 8544



**Head of Research**

**Dr Bino Pathiparampil** | bino.pathiparampil@elaracapital.com | +91 22 6164 8572



**Deputy Head of Research & Strategist**

**Garima Kapoor** | garima.kapoor@elaracapital.com | +91 22 6164 8527

### Sales Team



**India & UK**

**Prashin Lalvani** - prashin.lalvani@elaracapital.com - +91 22 6164 8544



**India**

**Hitesh Danak** - hitesh.danak@elaracapital.com - +91 22 6164 8543  
**Ashok Agarwal** - ashok.agarwal@elaracapital.com - +91 22 6164 8558  
**Himani Sanghavi** - himani.sanghavi@elaracapital.com - +91 22 6164 8586  
**Pooja Soni** - pooja.soni@elaracapital.com - +91 22 6164 8558



**India, APAC & Australia**

**Sudhanshu Rajpal** - sudhanshu.rajpal@elaracapital.com - +91 22 6164 8508  
**Joshua Saldanha** - joshua.saldanha@elaracapital.com - +91 22 6164 8541  
**Shraddha Shrikhande** - shraddha.shrikhande@elaracapital.com - +91 22 6164 8567  
**Suyash Maheshwari** - suyash.maheshwari@elaracapital.com - +91 22 4204 8698



**India & US**

**Karan Rathod** - karan.rathod@elaracapital.com - +91 22 6164 8570



**Corporate Access, Conference & Events**

**Anita Nazareth** - anita.nazareth@elaracapital.com - +91 22 6164 8520  
**Tina D'souza** - tina.dsouza@elaracapital.com - +91 22 6164 8595

By clicking this link, you acknowledge and agree to the [Terms and Conditions of Research Services](#)  
 Access our reports on Bloomberg: Type **RESP ESEC <GO>**

Also available on **Thomson & Reuters**

**Elara Securities (India) Private Limited**

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500  
 CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: INH00000933  
 Member of BSE Limited and National Stock Exchange of India Limited | SEBI REGN. NO.: INZ000238236  
 Member of Central Depository Services (India) Limited | SEBI REGN. NO.: IN-DP-370-2018  
 Investor Grievance Email ID: investor.grievances@elaracapital.com - Tel. +91 22 6164 8509  
 Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509