

# Persistent Systems

India | IT Services | Result Update

## Margin led by one-off benefit

21 January 2026

Persistent Systems' (PSYS IN) Q3 revenue was better, led by recovery in the healthcare vertical, while margin performance was helped by a one-time license fee. PSYS continues to maintain its annualized revenue guidance of USD 2bn by Q4FY27. Per our calculation, the ask rate to reach that target is 3.5% CAGR, which seems feasible considering recovery in healthcare and strong performance in BFSI and Hi-tech. PSYS maintains its aspiration to reach USD 5bn revenues by FY31, for which the growth rate needs to accelerate further. PSYS earlier seeks to improve margins aggressively over 2 years but now looking to balance revenue growth and margin expansion. We revise PSYS to SELL from Reduce with a higher TP of INR 5,630 (on an unchanged multiple).

**Broad-based growth across verticals:** PSYS reported a growth of 4.1% QoQ in CC terms and 4.0% in USD terms in Q3. In INR terms, growth was 5.5% QoQ and 23.4% YoY. In Q3, growth was led by North America and RoW, as revenue from these markets rose 6.2% QoQ and 34.6% QoQ, respectively. India and Europe markets were a drag on growth, declining 11.8% QoQ and 4.9% QoQ respectively. Vertical-wise, growth was led by healthcare, up 4.8% QoQ. BFSI grew 4.6% QoQ in USD terms, followed by Hi-Tech, up 3.0% QoQ. Total contract value (TCV) came in at USD 675mn, up 10.7% QoQ/13.5% YoY in Q3. Annual contract value (TCV) outpaced TCV growth, up 12.1% QoQ/17.2% YoY to USD 502mn. LTM attrition was down 30bps QoQ to 13.5%, while PSYS reported a net addition of 487 employees in Q3. The Board declared an interim dividend of INR 22 per share, with payout ratio of 78.7%.

**Margin expansion led by one-off benefit:** Q3 EBIT margin was up 40bps to 16.7%, led by a 30bps gain from favorable currency, 20bps from lower sub con costs, and 40bps from higher utilization, onsite pyramid rationalization and SG&A optimization. A one-time license fee contributed a further 150bps to margin improvement, though offset by 180bps of wage-hike impact, effective 1 October 2025, and 20bps impact from furloughs. PSYS recorded INR 890mn charge related to new Labor-Code provisioning, which hit PAT margins by 180bps. PSYS noted that it is not targeting aggressive margin expansion, preferring to reinvest gains to sustain growth.

**Revise to Sell from Reduce; TP raised to INR 5,630:** PSYS continues to report a strong broad-based growth across all customer segments. Top 5/10/20 customers, which forms 33% to 54% of its revenue mix, reported 18-20% CAGR in FY22-25, while CAGR growth in past few quarters was around 5%. TCV, on the other hand, has been growing strong as well, now crossing USD 675mn in the quarter. This is likely to help maintain growth momentum.

We raise our revenue estimates by 1-3% for FY27E/FY28E, in line with Q4FY27 guidance. We also revise our earnings estimates upwards by 6-8% as we continue to build margin expansion in the next two years. Accordingly, we raise our TP to INR 5,630 (from INR 5,250), while we revise PSYS to Sell from Reduce given expensive valuation (the stock is trading at 52x and 44x on FY26E/FY27E).

## Key Financials

YE March (INRm)	FY24	FY25	FY26E	FY27E	FY28E
Revenue (INR mn)	98,216	119,387	145,838	169,773	191,043
YoY (%)	17.6	21.6	22.2	16.4	12.5
EBITDA (INR mn)	17,242	20,580	27,271	32,064	36,843
EBITDA margin (%)	17.6	17.2	18.7	18.9	19.3
Adj PAT (INR mn)	11,302	14,001	18,895	22,676	26,367
YoY (%)	17.7	28.0	30.2	24.4	16.3
Fully DEPS (INR)	73.5	90.2	120.1	144.2	167.6
RoE (%)	25.3	24.8	27.1	27.4	27.0
RoCE (%)	29.6	30.5	33.5	33.6	33.3
P/E (x)	84.7	69.5	52.4	43.7	37.6
EV/EBITDA (x)	57.2	47.9	36.2	30.8	26.8

Note: Pricing as on 20 January 2026; Source: Company, Elara Securities Estimate

Rating: **Sell**

Target Price: **INR 5,630**

Downside: **11%**

CMP: **INR 6,343**

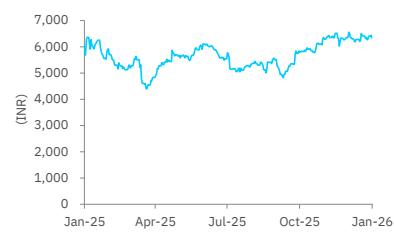
As on 20 January 2026

## Key data

Bloomberg	PSYS IN
Reuters Code	PERS.NS
Shares outstanding (mn)	158
Market cap (INR bn/USD mn)	1,001/10,998
EV (INR bn/USD mn)	986/10,840
ADTV 3M (INR mn/USD mn)	2,358/26
52 week high/low	6,599/4,149
Free float (%)	69

Note: as on 20 January 2026; Source: Bloomberg

## Price chart



Source: Bloomberg

Shareholding (%)	Q4 FY25	Q1 FY26	Q2 FY26	Q3 FY26
Promoter	30.7	30.6	30.6	30.3
% Pledge	0.0	0.0	0.0	0.0
FII	24.9	24.2	21.2	22.8
DII	26.8	27.8	30.6	29.8
Others	17.6	17.5	17.6	17.1

Source: BSE

Price performance (%)	3M	6M	12M
Nifty	(2.4)	1.1	8.1
Persistent Systems	8.5	14.3	4.1
NSE Mid-cap	(2.6)	(0.9)	6.1
NSE Small-cap	(9.2)	(12.9)	(7.4)

Source: Bloomberg

## Sameer Pardikar

IT Services

+91 22 4204 8692  
sameer.pardikar@elaracapital.com



Associates  
Yash Kudale  
yash.kudale@elaracapital.com

## Financials (YE March)

Income Statement (INRm)	FY24	FY25	FY26E	FY27E	FY28E
Total Revenue	98,216	119,387	145,838	169,773	191,043
Gross Profit	32,985	40,647	51,221	59,450	66,891
EBITDA	17,242	20,580	27,271	32,064	36,843
EBIT	14,149	17,511	23,323	27,818	32,442
Interest expense	467	671	610	465	724
Other income	813	710	1,304	1,823	2,252
Exceptional/ Extra-ordinary items	(486)	-	(890)	-	-
PBT	14,475	18,221	23,736	29,641	34,693
Tax	3,541	4,222	5,509	6,966	8,326
Minority interest/Associates income	-	-	-	-	-
Reported PAT	10,935	14,001	18,227	22,676	26,367
Adjusted PAT	11,302	14,001	18,895	22,676	26,367
Balance Sheet (INRm)	FY24	FY25	FY26E	FY27E	FY28E
Shareholders' Equity	49,577	63,191	76,010	89,615	105,435
Trade Payables	8,139	8,886	10,829	11,669	13,126
Provisions & Other Current Liabilities	13,703	12,442	14,518	16,261	17,810
Total Borrowings	2,073	-	-	-	-
Other long term liabilities	244	2,848	2,848	2,848	2,848
<b>Total liabilities &amp; equity</b>	<b>73,736</b>	<b>87,366</b>	<b>104,205</b>	<b>120,393</b>	<b>139,220</b>
Net Fixed Assets	11,302	13,073	11,125	8,879	6,478
Goodwill	10,913	12,338	12,338	12,338	12,338
Intangible assets	-	-	-	-	-
Business Investments / other NC assets	10,290	11,695	11,696	11,696	11,696
Cash, Bank Balances & treasury investments	10,229	10,255	19,079	29,870	44,304
Sundry Debtors	16,761	18,478	23,973	27,908	31,404
Other Current Assets	14,242	21,527	25,993	29,703	33,000
<b>Total Assets</b>	<b>73,736</b>	<b>87,366</b>	<b>104,205</b>	<b>120,393</b>	<b>139,220</b>
Cash Flow Statement (INRm)	FY24	FY25	FY26E	FY27E	FY28E
<b>Cashflow from Operations</b>	<b>12,213</b>	<b>11,569</b>	<b>16,232</b>	<b>21,861</b>	<b>26,981</b>
Capital expenditure	(2,839)	(2,367)	(2,000)	(2,000)	(2,000)
Acquisitions / divestitures	-	-	-	-	-
Other Business cashflow	(1,856)	(1,977)	-	-	-
<b>Free Cash Flow</b>	<b>9,374</b>	<b>9,202</b>	<b>14,232</b>	<b>19,861</b>	<b>24,981</b>
Cashflow from Financing	(5,937)	(6,282)	(5,408)	(9,070)	(10,547)
Net Change in Cash / treasury investments	1,196	26	8,825	10,790	14,434
Key assumptions & Ratios	FY24	FY25	FY26E	FY27E	FY28E
Dividend per share (INR)	26.0	35.0	34.4	57.7	67.1
Book value per share (INR)	322.2	407.3	483.3	569.8	670.3
RoCE (Pre-tax) (%)	29.6	30.5	33.5	33.6	33.3
ROIC (Pre-tax) (%)	37.1	37.1	42.5	47.7	53.7
ROE (%)	25.3	24.8	27.1	27.4	27.0
Asset Turnover (x)	7.1	9.8	12.1	17.0	24.9
Net Debt to Equity (x)	(0.2)	(0.2)	(0.3)	(0.3)	(0.4)
Net Debt to EBITDA (x)	(0.5)	(0.5)	(0.7)	(0.9)	(1.2)
Interest cover (x) (EBITDA/ int exp)	36.9	30.7	44.7	69.0	50.9
Total Working capital days (WC/rev)	18.0	16.9	20.4	23.0	22.7
Valuation	FY24	FY25	FY26E	FY27E	FY28E
P/E (x)	84.7	69.5	52.4	43.7	37.6
P/Sales (x)	10.2	8.4	6.9	5.9	5.2
EV/ EBITDA (x)	57.2	47.9	36.2	30.8	26.8
EV/ OCF (x)	80.7	85.2	60.8	45.1	36.6
FCF Yield	1.0	0.9	1.4	2.0	2.5
Price to BV (x)	19.7	15.6	13.1	11.1	9.5
Dividend yield (%)	0.4	0.6	0.5	0.9	1.1

Note: Pricing as on 20 January 2026; Source: Company, Elara Securities Estimate

**Exhibit 1: Quarterly financials**

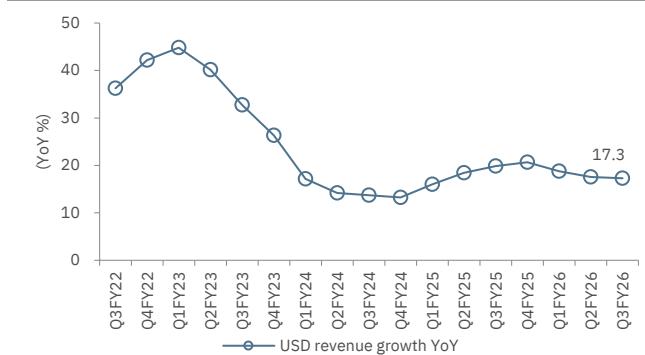
(INR mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Variance (%)
Revenue (USD mn)	423	360	17.3	406	4.0	419	1.0
Revenue (INR mn)	37,782	30,623	23.4	35,807	5.5	37,245	1.4
Operating expenditure	30,451	25,244	20.6	28,976	5.1	30,682	(0.8)
Employee benefit costs	20,409	17,639	15.7	19,461	4.9	21,018	(2.9)
Sub con costs	5,597	4,331	29.2	5,375	4.1	5,482	2.1
EBITDA	7,331	5,378	36.3	6,831	7.3	6,563	11.7
Depreciation	1,006	821	22.5	1,000	0.5	993	1.3
EBIT	6,325	4,557	38.8	5,830	8.5	5,570	13.6
Other income, net	215	263		338		361	(40.4)
Exceptional items	890						
PBT	5,650	4,820	17.2	6,168	(8.4)	5,931	(4.7)
Total tax	1,255	1,091	15.1	1,454	(13.6)	1,394	(9.9)
Reported PAT	4,395	3,730	17.8	4,715	(6.8)	4,537	(3.1)
Reported EPS (INR)	27.9	24.0	16.5	30.2	(7.3)	29.0	(3.7)

Source: Company, Elara Securities Estimate

**Conference call highlights**

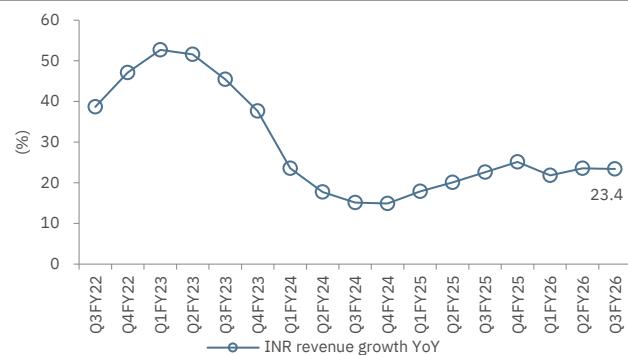
- ▶ **Macro environment stable but selective**, with enterprises prioritizing transformation-led spend over discretionary programs, particularly in application and data modernization, AI-driven productivity and cost-efficiency initiatives. Demand traction has strengthened across BFSI, Healthcare & Life Sciences, Hi-Tech and private-equity-owned businesses. Management expects growth to sustain and reaffirmed its strategic aspiration to reach USD 2bn in revenue by FY27 and progressing toward a USD 5bn revenue milestone by FY31, supported by AI-led platforms, disciplined execution and capability-driven acquisitions.
- ▶ **Deal wins improving**: In Q3FY26, PSYS secured several strategic, large-scale transformation wins across core verticals, including a USD 100mn TCV deal with a tier-1 US bank, including 25% new TCV, focused on data platform modernization, cybersecurity and governance automation. In Healthcare & Life Sciences, the company signed a USD 50mn+, five-year engagement with a US client. While decision cycles remain measured in some pockets, client confidence around AI ROI is improving, supporting larger, multi-year engagements.
- ▶ **Vertical-wise broad-based growth**: Growth was led by BFSI, supported by strong demand for data modernization, AI-led productivity and cybersecurity programs, followed by Software & Hi-Tech and Emerging Industries, driven by AI adoption in product engineering and cloud platform modernization. Healthcare & Life Sciences growth reflected steady transformation spend, particularly in data platforms, IT modernization and AI-enabled research productivity.
- ▶ **Software license** growth was driven by a mix of pass-through third-party licenses embedded in managed services deals and commercialization of PSYS's own AI platforms such as SASVA, iAURA, and GenAI Hub. Management clarified that these licenses are not sold as standalone products but are integrated with services and outcome-based engagements, with revenue recognition depending on deal structure and customer preference. Over time, PSYS expects the distinction between license and services revenue to progressively blur, as IP, platforms, and delivery are increasingly bundled into a single integrated commercial construct.
- ▶ **Platform-led AI strategy**: The AI strategy is anchored in a platform-led, agentic AI operating model that spans both internal transformation and scalable client offerings, with core platforms including AssistX for enterprise workflows, SASVA for engineering hyper-productivity, and data platforms like iAURA. Internally, AssistX enables autonomous, responsible AI-driven execution across sales, HR, IT, finance, legal and delivery, while externally, the company is monetizing AI through outcome-based, tool-and-people blended commercial models. With 200+ AI agents deployed, 105 patents filed and deep partnerships across hyperscalers and leading AI ecosystems, PSYS highlighted that AI has moved from pilots to production at scale and AI is becoming a structural growth and margin lever embedded across service portfolio.

## Exhibit 2: YoY USD revenue growth healthy



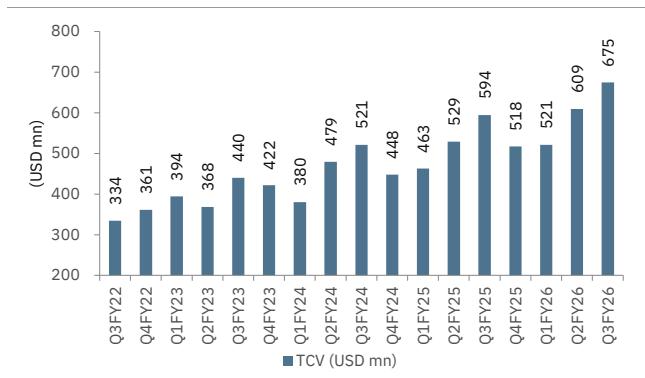
Source: Company, Elara Securities Research

## Exhibit 3: YoY INR growth supported by INR depreciation



Source: Company, Elara Securities Research

## Exhibit 4: TCV booking up, driven by increase in renewals



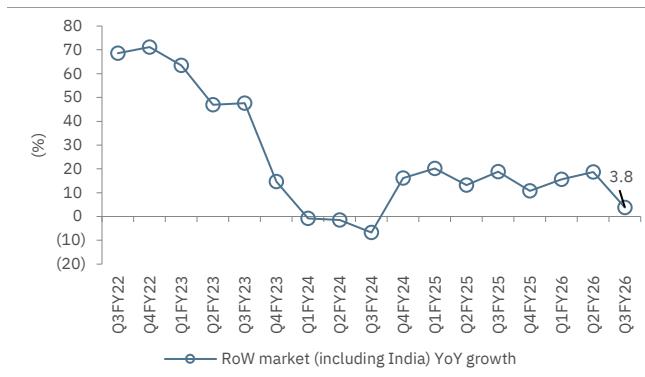
Source: Company, Elara Securities Research

## Exhibit 5: North America – Growth accelerated in Q3



Source: Company, Elara Securities Research

## Exhibit 6: RoW – India was a drag on growth



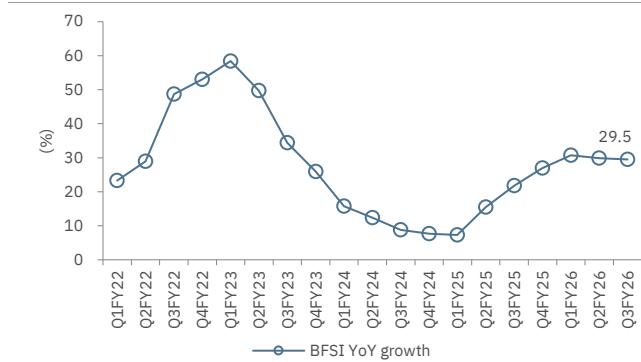
Source: Company, Elara Securities Research

## Exhibit 7: Europe market – Growth softer in Q3



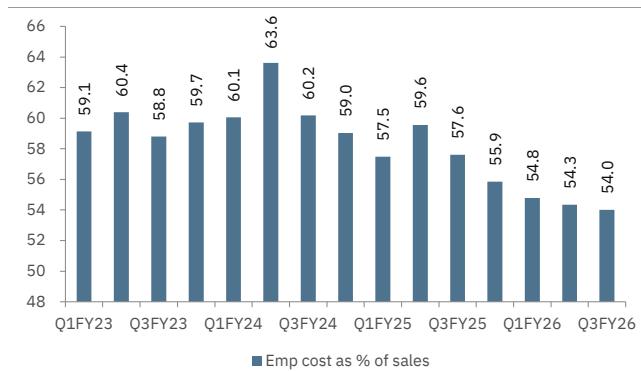
Source: Company, Elara Securities Research

**Exhibit 8: BFSI growth strong, supported by deal wins**



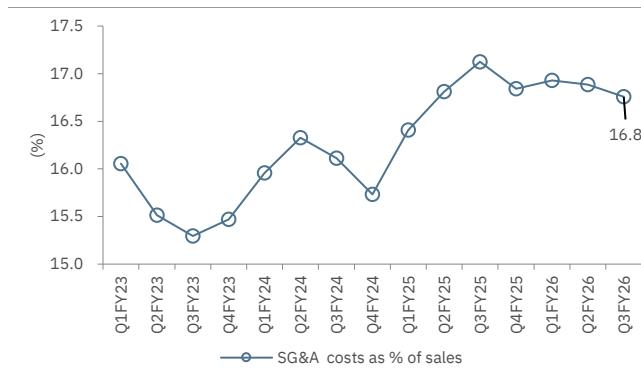
Source: Company, Elara Securities Research

**Exhibit 10: Employee cost trending downward**



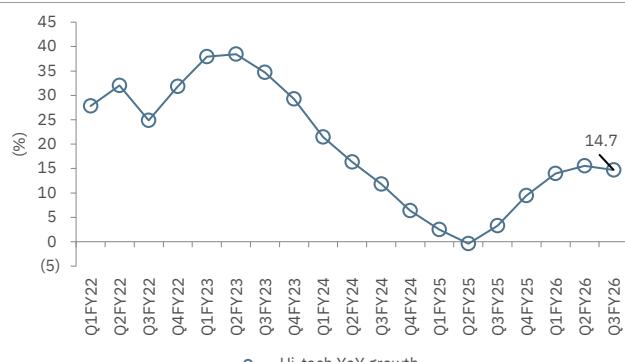
Source: Company, Elara Securities Research

**Exhibit 12: SG&A cost optimization underway**



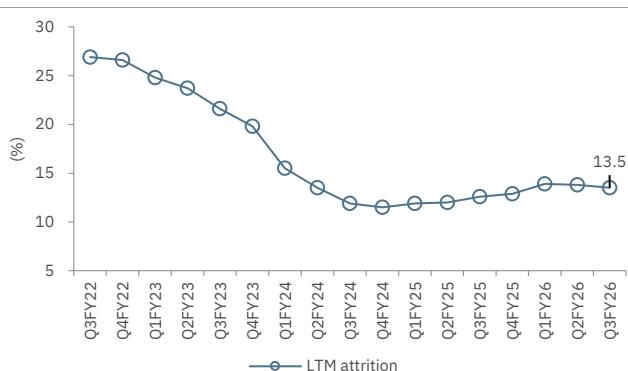
Source: Company, Elara Securities Research

**Exhibit 9: Hi-tech growth led by increasing AI adoption**



Source: Company, Elara Securities Research

**Exhibit 11: LTM attrition down 30bps sequentially**



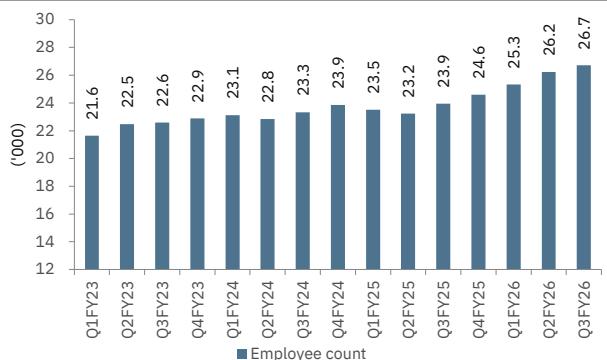
Source: Company, Elara Securities Research

**Exhibit 13: EBIT margin expanded 40bps sequentially**



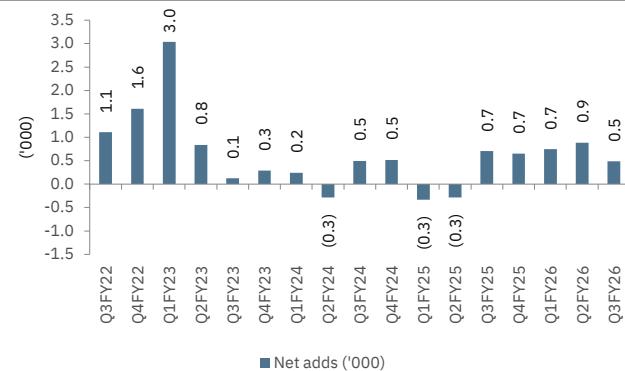
Source: Company, Elara Securities Research

## Exhibit 14: Employee base continued to see an uptick...



Source: Company, Elara Securities Research

## Exhibit 15: ... with five quarters of positive net adds



Source: Company, Elara Securities Research

## Exhibit 16: Valuation

(INR)	
Current trailing 12 months (TTM) EPS	111
Current market price (CMP)	6,343
Target EPS	144
Target EPS period	FY27E
Target multiple (x)	39
Target price (per share)	5,630
Downside (%)	11

Note: Pricing as on 20 January 2026; Source: Company, Elara Securities Estimate

## Exhibit 17: PSYS trading at 46.4x, +1SD above its 10 year mean



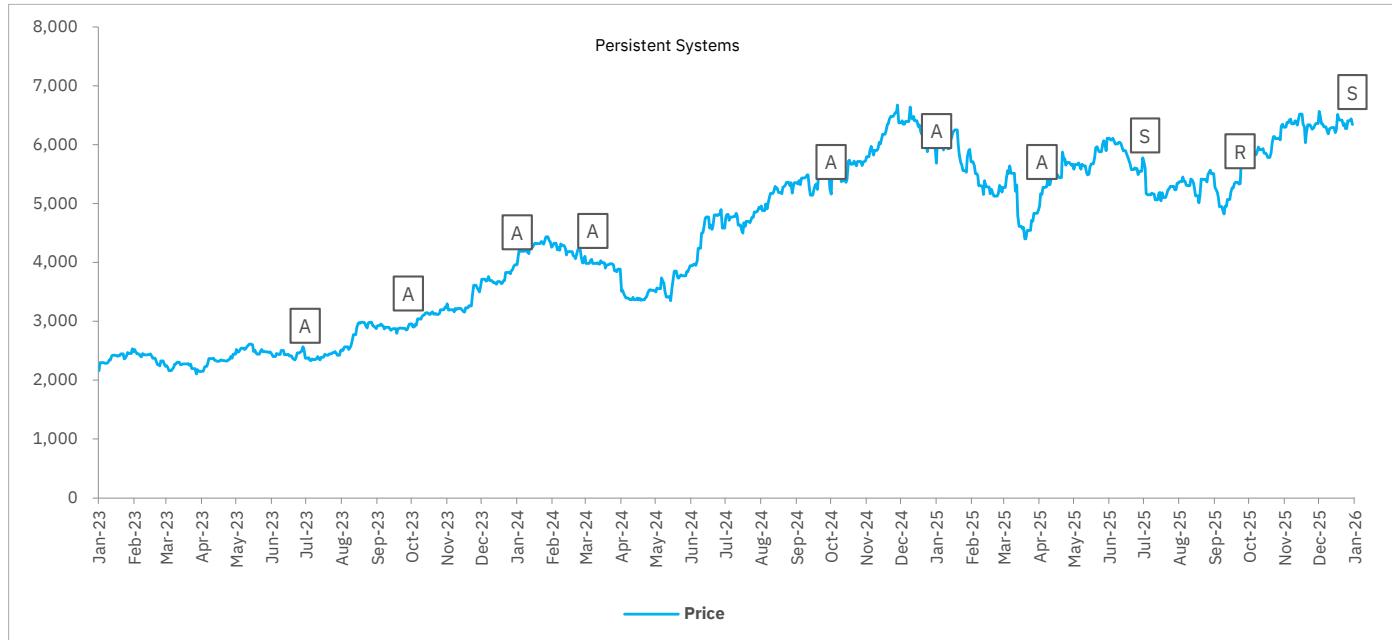
Note: Pricing as on 20 January 2026; Source: NSE, Elara Securities Estimate

## Exhibit 18: Change in estimates

(INR mn)	Earlier estimates			Revised estimates			% change		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue in USD	1,641	1,852	2,125	1,656	1,908	2,147	0.9	3.0	1.0
Revenue in INR	1,41,784	1,59,272	1,82,718	1,45,838	1,69,773	1,91,043	2.9	6.6	4.6
EBIT	22,176	25,601	30,551	23,323	27,818	32,442	5.2	8.7	6.2
EBIT margin (%)	15.6	16.1	16.7	16.0	16.4	17.0	40 bps	30 bps	30 bps
PAT	18,041	20,952	24,908	18,227	22,676	26,367	1.0	8.2	5.9
EPS (INR)	116	135	160	116	144	168	1.0	8.2	5.9
<b>TP (INR)</b>			<b>5,250</b>			<b>5,630</b>			<b>7.2</b>
<b>Rating</b>			<b>Reduce</b>			<b>Sell</b>			

Source: Elara Securities Estimate

## Coverage History



Date	Rating	Target Price (INR)	Closing Price (INR)
21-Jul-2023	Accumulate	5,290	4,750
19-Oct-2023	Accumulate	6,180	5,849
22-Jan-2024	Accumulate	8,300	7,922
28-Mar-2024	Accumulate	4,150	3,985
22-Oct-2024	Accumulate	5,880	5,182
22-Jan-2025	Accumulate	6,090	5,683
24-Apr-2025	Accumulate	5,620	5,157
23-Jul-2025	Sell	5,050	5,606
14-Oct-2025	Reduce	5,250	5,338
20-Jan-2026	Sell	5,630	6,343

## Guide to Research Rating

**BUY (B)** Absolute Return >+20%

**ACCUMULATE (A)** Absolute Return +5% to +20%

**REDUCE (R)** Absolute Return -5% to +5%

**SELL (S)** 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.**  
 230 Park Avenue, Suite 2415,  
 New York, NY 10169, USA  
 Tel: +1 212 430 5870  
 Fax: +1 212 208 2501

## Asia / Pacific

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



**Managing Director**

**Harendra Kumar** | [harendra.kumar@elaracapital.com](mailto:harendra.kumar@elaracapital.com) | +91 22 6164 8571



**Head of Research**

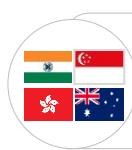
**Dr Bino Pathiparampil** | [bino.pathiparampil@elaracapital.com](mailto:bino.pathiparampil@elaracapital.com) | +91 22 6164 8572

## Sales Team



**India**

**Hitesh Danak** - [hitesh.danak@elaracapital.com](mailto:hitesh.danak@elaracapital.com) - +91 22 6164 8543  
**Ashok Agarwal** - [ashok.agarwal@elaracapital.com](mailto:ashok.agarwal@elaracapital.com) - +91 22 6164 8558  
**Himani Sanghavi** - [himani.sanghavi@elaracapital.com](mailto:himani.sanghavi@elaracapital.com) - +91 22 6164 8586



**India, APAC & Australia**

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



**India & UK**

**Prashin Lalvani** - [prashin.lalvani@elaracapital.com](mailto:prashin.lalvani@elaracapital.com) - +91 22 6164 8544



**India & US**

**Karan Rathod** - [karan.rathod@elaracapital.com](mailto:karan.rathod@elaracapital.com) - +91 22 6164 8570



**Corporate Access,  
Conference &  
Events**

**Anita Nazareth** - [anita.nazareth@elaracapital.com](mailto:anita.nazareth@elaracapital.com) - +91 22 6164 8520  
**Tina D'souza** - [tina.dsouza@elaracapital.com](mailto: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.: INH000000933  
 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](mailto:investor.grievances@elaracapital.com) - Tel. +91 22 6164 8509  
 Compliance Officer: Mr. Anand Rao - Email ID: [anand.rao@elaracapital.com](mailto:anand.rao@elaracapital.com) - Tel. +91 22 6164 8509