



3R MATRIX

	+	=	-
Right Sector (RS)	✓	■	■
Right Quality (RQ)	✓	■	■
Right Valuation (RV)	✓	■	■

+ Positive = Neutral - Negative

What has changed in 3R MATRIX

	Old		New
RS	■	↔	■
RQ	■	↔	■
RV	■	↔	■

Reco/View	Change
Reco: Buy	↔
CMP: Rs. 1,361	
Price Target: Rs. 1,550	↔

↑ Upgrade ↔ Maintain ↓ Downgrade

Company details

Market cap:	Rs. 191,183 cr
52-week high/low:	Rs. 1396/661
NSE volume: (No of shares)	2.5 lakh
BSE code:	500510
NSE code:	LT
Free float: (No of shares)	140.4 cr

Shareholding (%)

Promoters	0.0
FII	23.4
DII	32.8
Others	43.8

Price chart



Price performance

(%)	1m	3m	6m	12m
Absolute	8	43	51	0
Relative to Sensex	5	23	24	-16

Sharekhan Research, Bloomberg

Summary

- We maintain a Buy on Larsen and Toubro (L&T) with an unchanged PT of Rs. 1550, considering undemanding valuation for core business and healthy fundamentals.
- Q3FY2021 operational performance remained healthy despite commodity price headwinds leading to better than estimated PAT.
- Improving execution to boost revenues in coming quarters. Q3 order intake grew 76%y-o-y leading to healthy order book, providing strong revenue visibility. Order pipeline strong at Rs. 2.65 lakh crore for Q4FY21.
- Collections have been good due to front-loading of borrowings by central and state governments, leading to better cashflows. Working capital levels to remain stable y-o-y basis in absolute terms in FY2021.

Larsen and Toubro (L&T) reported healthy operational performance in Q3FY2021 despite commodity price headwinds leading to better than estimated PAT. Consolidated revenue declined by 1.8% y-o-y to Rs. 35,596 crore, affected by an 5% y-o-y decline in E&C revenue (49% of revenue) and a 34% decline in developmental projects, wherein COVID-19 restrictions continued to impact project site execution and Hyderabad Metro operations. L&T's core E&C is seeing operations near normalcy along with near-normal availability of labour and supply chain. OPM at 12% was better than our estimates, on the back of higher gross margins offset by higher other expenses leading to 3.9% growth in EBITDA at Rs 4280 crore. Better operating leverage, higher other income partly offset by higher interest cost y-o-y (down q-o-q) and higher tax rate (28.3% vs 22.1% in Q3FY20) led to a 5% net profit growth to Rs 2,467 crore (better than estimates). Order inflow grew 76% y-o-y to Rs. 73,200 crore taking the order book to record high at Rs. 3.31 lakh crore (negligible slow moving orders). Order pipeline remains healthy at Rs. 2.65 lakh crore (Rs. 2.2 lakh crore of domestic orders) for Q4FY2021. Collections remained healthy during Q3 due to front-loading of borrowings by Central and State governments and increased tax collections which is expected to stay that way. During 9MFY21, execution has been largely funded from customer collections. The company expects COVID-related expenses from government customers to progress over the next 3-4 quarters. Working capital levels too are expected to remain at same levels y-o-y and the company expects net working capital in March 2021 to be same as March 2020 level which factors higher asking rate of collection for Q4FY2021. The company expects overall improvement in revenues in the coming quarters of FY2021 as it has seen supply chain getting normalized along with labour availability at almost normal levels. Further the upcoming budget is expected to remain focused on infrastructure, wherein L&T is expected to be the major beneficiary. We have fine-tuned our estimates for FY2021E-FY2022E. We believe L&T remains at the forefront to reap benefits from AtmaNirbhar Bharat Scheme with its diversified businesses across sectors such as defence, infrastructure, heavy engineering, and IT. The company remains the best proxy for domestic capex and its improving business environment. L&T is trading at a P/E of 20x/17x its FY2022E/FY2023E, which remains lower to its long-term average and provides comfort on valuation. Hence, we maintain our Buy rating on the stock with an unchanged SOTP-based price target (PT) of Rs. 1,550.

Key positives

- Order inflow remains strong in Q3FY21 (up 76% y-o-y) along with healthy future order prospect pipeline
- Cashflows have been good led by good collections, enhanced borrowing by central and state government and increased tax collections

Key negatives

- Core E&C business revenues declined by 7% y-o-y.

Our Call

Maintain Buy with an unchanged PT of Rs. 1,550: L&T's strong order backlog along with its presence across verticals and geographies in its core E&C business provides healthy revenue visibility. We expect L&T to benefit from strong traction in its core E&C business (led by government-led infrastructure projects and revival in private capex). L&T order inflow have remained strong during 9MFY21, which along with strong order prospects pipeline is expected to maintain healthy order inflow momentum for the balance of FY2021 and the whole of FY2022. The company's current valuation at 20x/17x its P/E on FY2022E/FY2023E earnings provides limited downside risk. Hence, we continue to maintain our Buy rating on the stock with an unchanged SOTP-based PT of Rs. 1,550.

Key Risks

Slowdown in the domestic macro-economic environment or weakness in international capital investment can negatively affect business outlook and earnings growth.

Valuation (Consolidated)

Particulars	FY20	FY21E	FY22E	FY23E
Revenue	1,45,452	1,43,897	1,62,247	1,76,053
OPM (%)	11.2	11.0	11.5	11.8
Adjusted PAT	9,549	7,502	9,519	11,257
% YoY growth	7.2%	-21.4%	26.9%	18.3%
Adjusted EPS (Rs.)	68.0	53.5	67.9	80.3
P/E (x)	20.0	25.4	20.0	16.9
P/B (x)	2.9	2.4	2.2	2.0
EV/EBITDA (x)	15.9	16.3	13.8	12.7
RoNW (%)	13.8	10.2	11.3	12.4
RoCE (%)	7.3	6.6	7.7	8.4

Source: Company; Sharekhan estimates

Healthy operational performance in Q3FY2021 despite commodity headwinds leading to better than estimated PAT: Larsen and Toubro (L&T) reported healthy operational performance in Q3FY2021 despite commodity headwinds leading to better than estimated PAT. Consolidated revenue declined by 1.8% y-o-y to Rs. 35596 crore, affected by an 5% y-o-y decline in E&C revenue (49% of revenue) and 34% decline in developmental project wherein the Covid-19 restrictions continued to have an impact on project site execution and Hyderabad metro operations. L&T's core E&C is witnessing operations reaching near normalcy along with near normal availability of labour and supply chain. Operating profit margin (OPM) at 12% was better than our estimates, on the back of higher gross margins (+106 bps y-o-y) offset by higher other expenses leading to 3.9% growth in EBITDA at Rs 4280 crore. Better operating leverage, higher other income offset by higher interest cost y-o-y (improvement q-o-q) and higher tax rate (28.3% vs 22.1% in Q3FY20) led to 5% net profit growth to Rs 2467 (better than estimates).

Order inflow remains strong along with healthy orders pipeline prospects

Order inflow during the quarter grew 76% y-o-y to Rs. 73,200 crore taking the order book to record high at Rs. 3.31 lakh crore (negligible slow moving orders). The order prospects pipeline remains healthy at Rs. 2.65 lakh crore (Rs. 2.2 lakh crore domestic share) in Q4FY2021. The company is pursuing Rs. 3500 crore of order prospects for Q4 in the defence space. Earlier the Defence council cleared projects worth Rs. 28,000 crore, wherein L&T remains one of the beneficiaries. Collections remained healthy during Q3 due to front-loading of borrowings by central and state governments and increased tax collections which is expected to stay that way. During 9MFY21, execution has been largely funded through customer collections. The company expects over next three to four quarters, COVID-related expenses from government customers to achieve progress. Working capital levels too are expected to remain at same levels y-o-y and the company expects net working capital to sales ratio in March 2021 to be same as March 2020 levels, which factors in a higher asking rate of collection for Q4FY2021. The company expects overall improvement in revenues in the coming quarters of FY2021 as it has seen supply chain getting normalised along with labour availability. Further, the upcoming Budget is expected to remain focused on infra wherein L&T is expected to be the major beneficiary.

Key result highlights from earnings call

- ◆ **Reaching near normalcy:** Most high frequency economic indicators are near pre-COVID 19 levels by December 2020. The labour availability and supply chain reached near normal.
- ◆ **Order book:** Order inflow grew 76% y-o-y to Rs. 73,200 crore taking the order book to record high at Rs. 3.31 lakh crore (negligible slow moving orders). Out of Rs. 3.31 lakh crore, domestic orders comprise Rs. 2.6 lakh crore and international orders amounted to Rs. 67,300 crore. The share of central government is 12%, state government 34%, PSUs 41% and private players 15%. Of the total order book, Rs. 91,000 crore is funded by multilateral agencies. The order inflow of Rs. 1.2 lakh crore during 9MFY2021 was driven by Infrastructure and hydrocarbon.
- ◆ **Order prospects:** L&T sees an order pipeline of Rs. 2.65 lakh crore in Q4FY2021 versus Rs. 2.90 lakh crore order prospects in Q4FY2020. Out of Rs. 2.65 lakh crore, Rs. 2.2 lakh crore comprises of domestic order prospects and the balance are international.
- ◆ **Collections:** Cashflows have been good led by good collections, enhanced borrowing by central and state government and increased tax collections. During 9MFY21, execution has largely funded from customer collection. The company expects over next 3-4 quarters, COVID-related expense from government customers to achieve progress.
- ◆ **Surplus investments:** Out of the Rs. 45,000 crore surplus investments, Rs. 7000 crore each pertains to financial services and IT&ES with the rest largely in parent company in core business. A high cash surplus is maintained for L&T finance rights issue and Hyderabad metro funding requirement. The company reduced Rs. 5,000 crore in debt in Q3FY2021.
- ◆ **Working capital:** Net working capital to sales ratio in March 2021 to be same as March 2020 level which factors higher asking rate of collection for Q4FY2021. There was a drop in gross working capital led by improved customer collection but the company also supported its vendors. In Q3, the company received Rs. 450 crore as advance against a high-speed rail order and similar amount is expected in Q4.

- ◆ **Working capital:** The working capital at group level stands at Rs. 31,000 crore out of which Rs. 22,000 crore pertains to the core business.
- ◆ **Debt:** The company expects standalone debt to come down over 2-3 quarters.
- ◆ **Hyderabad Metro:** The company infused Rs. 500 crore in Hyderabad metro project in Q3 out of Rs. 2,000 crore in funds set aside. The company is working towards refinancing or restructuring of the asset. Revenue from Hyderabad metro in Q3 was Rs. 50 crore, operating expense Rs. 50-60 crore, depreciation Rs. 75 crore and interest Rs. 365 crore. The debt of Hyderabad metro project is Rs. 14,000 crore and equity Rs. 2,500 crore.
- ◆ **Real estate:** The company has 5,600 residential units out of which it has already sold and booked revenue for 2600 units. Out of balance 3,000 units, 1900 units are sold while 1100 units are unsold residential inventory. The company expects strong uptick in the health sector, a Data Centre and low cost residential segment. The real estate exposure is Rs. 45,000 crore and a large part is in executable stage.
- ◆ **Power T&D asset sale:** The company has commissioned the Uttaranchal hydel project but is yet to sign a long-term PPA. Currently, it is selling merchant power. It has also not yet identified buyer for Nabha power project.
- ◆ **Commodity price rise impact:** A rise in steel and cement prices by 9% and 6%, respectively have been factored in the OPM. It expects commodity prices to stabilise. About 50% of contracts are cost plus basis, so some part of the commodity price increase is expected to be compensated.
- ◆ **Defence:** The company is pursuing Rs. 3,500 crore worth of order prospects for Q4. The Defence Council has cleared defense projects totaling Rs. 28,000 crore.

Results (Consolidated)

Particulars	Rs cr				
	Q3FY21	Q3FY20	YoY(%)	Q2FY21	QoQ(%)
Net Sales	35,596	36,243	-1.8	31,035	14.7
Total Expenditure	31,316	32,125	-2.5	27,700	13.1
Operating profits	4,280	4,118	3.9	3,335	28.3
Other Income	1,065	469	127.0	559	90.4
Interest	962	703	36.8	1,042	-7.7
Depreciation	702	660	6.3	713	-1.5
PBT	3,681	3,223	14.2	(1,594)	-
Exceptional item(net of tax)	-	-		3,732	
PBT	3,681	3,223	14.2	(1,594)	-
Tax	1,041	711	46.4	675	54.1
PAT	2,467	2,352	4.9	5,520	-55.3
Adj. PAT	2,257	2,161	4.9	1,107	-
EPS	16.1	15.4	4.9	7.9	-
Margins (%)					
OPM	12.0	11.4	66	10.7	128
PATM	6.3	6.0	38	3.6	278
Tax Rate	28.3	22.1	-	(42.4)	-

Source: Company, Sharekhan Research

Segmental Performance

Particulars	Q3FY21	Q3FY20	YoY/bps	Comment
Infra	15,973	17,176	-7.0%	Sequential improvement in execution on higher work force mobilisation and supply chain normalisation, however strict safety protocols moderates progress.
PBIT margin (%)	5.2	5.1	3	
Power	904	698	29.4%	Revenue increase in Q3 driven by large opening order book. Major part of order book yet to cross margin recognition threshold.
PBIT margin (%)	1.0	2.0	-	
Heavy Engg.	803	806	-0.3%	Better capacity utilisation aids revenue recovery in Q3 and margin reflective of job mix.
PBIT margin (%)	16.8	19.7	-	
Defence Engg.	1,024	1,004	2.0%	Recent policy pronouncements encouraging for domestic industry; implementation over course of time. Final stages of execution of a large order drives revenue in Q3. Margins reflective of job mix and stage of execution
PBIT margin (%)	13.5	17.4	-	
Hydrocarbon	4,422	4,393	0.7%	Improved activity level aid revenues in Q3. Margins contributed by efficient execution and job mix
PBIT margin (%)	11.2	11.2	(7)	
IT & Tech	6,530	6,126	6.6%	LTI revenue growth led by BFS, Manufacturing, High Tech Media and Entertainment, CPG, Retail and Pharma. LTTS' revenue largely contributed by strong growth in Medical devices and Telecom & Hitech vertical. Mindtree revenue growth led by Communications, Media & Technology and Retail, CPG & Manufacturing. All entities are successfully operating on WFA model. Margin improvement aided by improved utilisation, onshore:offshore mix and operational efficiencies
PBIT margin (%)	20.8	16.3	-	
Developmental proj.	814	1,238	-34.3%	Revenue largely contributed by Power development Business. Decline in revenue attributed to lower PLF in Nabha. Metro margin impacted by OPEX under recovery
PBIT margin (%)	(9.3)	14.7	-	
Others	2,051	1,600	28.1%	Strong Q3 revenue growth led by Realty, Smart World & Communications and Valves. Higher Q3 margin due to sale of commercial space by Realty
PBIT margin (%)	32.0	16.5	-	

Source: Company, Sharekhan Research

Outlook and Valuation

■ Sector view - Continued government focus on infrastructure spending to provide growth opportunities

To make India a \$5 trillion economy by FY2025 and to continue growing at an escalated trajectory until 2030, it is estimated that the government would need to spend \$4.5 trillion on infrastructure. To achieve the desired goal, the government drew up National Infrastructure Pipeline (NIP) through bottoms-up approach wherein all projects costing more than Rs. 100 crore per project under construction, proposed greenfield and brownfield projects and those at conceptualization stage were captured. Consequently, the total capital expenditure in infrastructure sectors in India during FY2020-FY2025 is projected at ~Rs. 111 lakh crore. During the same period, sectors such as energy (24%), roads (18%), urban (17%) and railways (12%) amount to ~71% of the projected infrastructure investments in India. The huge outlay towards infrastructure is expected to provide healthy growth opportunities for companies in this space.

■ Company outlook - Expect improvement in revenue run-rate along with healthy order intake prospects

With most high-frequency economic indicators are near pre-COVID 19 levels by December 2020 and business operations improving along with labour availability and supply chain reached near normal, business is expected to gain traction. L&T sees order pipeline of Rs. 2.65 lakh crore in Q4FY2021 versus Rs. 2.90 lakh crore order prospects in Q4FY2020. Out of Rs. 2.65 lakh crore, Rs. 2.2 lakh crore comprises of domestic order prospects and the balance of international orders, providing a healthy order inflow visibility. The consolidated order book of Rs. 3.31 lakh crore provides strong revenue visibility over the next two years. FY2021 may be relatively weak on account of macroeconomic uncertainties, thus we expect L&T to bounce back from FY2022, owing to multiple levers such as a strong business model, a diversified order book, and a healthy balance sheet.

■ Valuation - Maintain Buy with an unchanged PT of Rs. 1,550

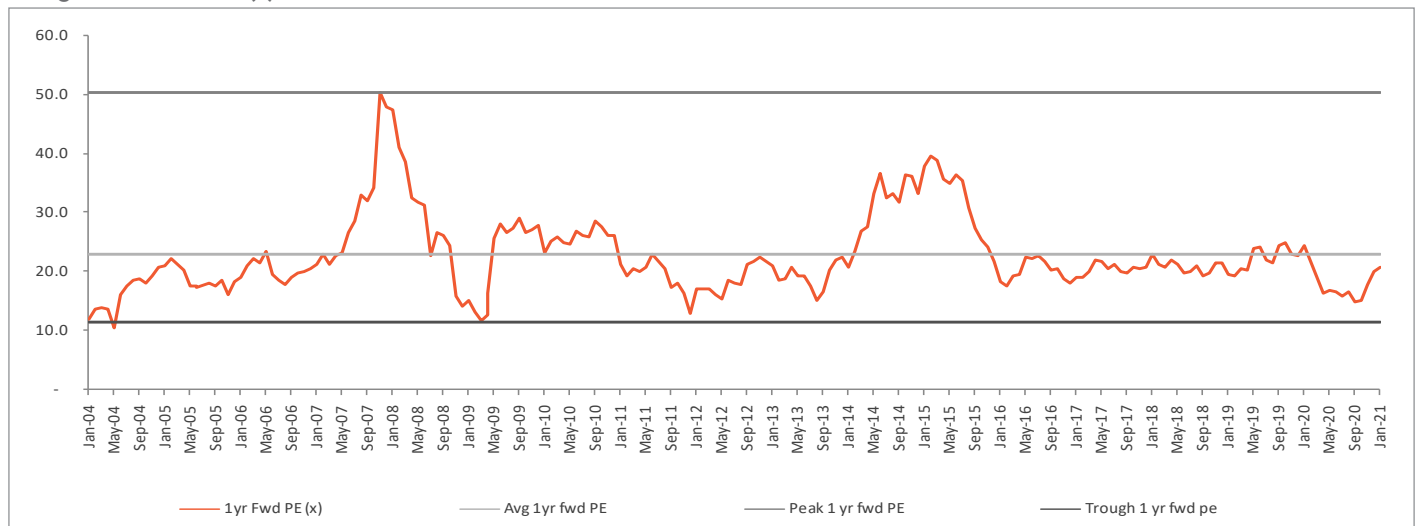
L&T's strong order backlog along with its presence across verticals and geographies in its core E&C business provides healthy revenue visibility. We expect L&T to benefit from strong traction in its core E&C business (led by government-led infrastructure projects and revival in private capex). L&T order inflow have remained strong during 9MFY21, which along with strong order prospects pipeline is expected to maintain healthy order inflow momentum for the balance of FY2021 and the whole of FY2022. The company's current valuation at 20x/17x its P/E on FY2022E/FY2023E earnings provides limited downside risk. Hence, we continue to maintain our Buy rating on the stock with an unchanged SOTP-based PT of Rs. 1,550.

SOTP Valuation

Particulars	Remarks	Value (Rs cr)	Per share (Rs)
L&T's core business (standalone)	At 15x FY2022 estimates	1,39,954	998
Subsidiaries			
L&T Infotech (LTI)	Based on our target price	36,099	258
L&T Finance Holdings (L&TFH)	Based on our target price	7,671	55
L&T Technology Services Ltd (LTTs)	Based on our target price	11,914	85
Mindtree	Based on current market cap at 20% discount	11,000	78
Development projects (including IDPL)	At 0.8x Book Value	6,552	47
Hydrocarbon subsidiary	At 0.8x Book Value	800	6
Other subsidiaries	At 0.8x Book Value	2,890	21
Associates & Other	At 0.8x Book Value	382	3
Total subsidiary valuation		77,309	552
Fair value		2,17,263	1,550

Source: Company, Sharekhan Research

One-year forward P/E (x) band



Source: Sharekhan Research

About company

L&T is an Indian multinational engaged in technology, engineering, construction, manufacturing, and financial services and is one of the largest players in India's private sector. A strong customer-focused approach and constant quest for top-class quality have enabled the company to attain and sustain a leadership position in major lines of businesses over eight decades. The company operates in over 30 countries worldwide.

Investment theme

Capex in the economy continues to be driven by the public sector mainly in the areas of power (renewable and T&D), transportation (roads, railways, and metro projects) and defence (mainly towards indigenisation); and L&T remains the key beneficiary. With India expected to invest significantly in infrastructure creation over the next few years and with re-election of the governments providing thrust on domestic manufacturing through 'Make in India' project, companies focusing on the domestic market are in a sweet spot compared to export-centric companies. Continued emphasis on infrastructure spending with focus on rail, road, and renewable is expected to benefit L&T.

Key Risks

Slower-than-expected project execution in domestic and international markets due to various reasons such as pending approvals and clearances from government agencies and land acquisition could affect revenue. Further, weakness in domestic investment could impact growth and award of large projects, thus posing a downside risk. Moreover, unexpected political changes in some of the developed countries, trade barriers, and conflict in the Middle East are some of the risks that can affect the company's performance.

Additional Data

Key management personnel

A.M Naik	Group Chairman
S.N Subrahmanyam	Chief Executive office and Managing Director
R. Shankar Raman	Chief Financial Officer
Shailendra Roy	Sr. Executive V.P- Power, Heavy Engineering and Nuclear
D.K. Sen	Sr. Executive V.P- Infrastructure
M.V. Satish	Sr. Executive V.P- Building, Minerals and Metals
J.D. Patil	Sr. Executive V.P- Defence

Source: Bloomberg

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Life Insurance Corp of India	14.90
2	L&T EMPLOYEES TRUST	13.37
3	HDFC Asset Management Co Ltd	4.42
4	SBI Funds Management Pvt Ltd	4.02
5	Republic of Singapore	2.25
6	ICICI Prudential Life Insurance Co	1.82
7	General Insurance Corp of India	1.80
8	ICICI Pru AMC	1.74
9	Kotak Mahindra AMC	1.33
10	Reliance Capital Trustee Co Ltd	1.21

Source: Bloomberg

Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

Understanding the Sharekhan 3R Matrix

Right Sector	
Positive	Strong industry fundamentals (favorable demand-supply scenario, consistent industry growth), increasing investments, higher entry barrier, and favorable government policies
Neutral	Stagnancy in the industry growth due to macro factors and lower incremental investments by Government/private companies
Negative	Unable to recover from low in the stable economic environment, adverse government policies affecting the business fundamentals and global challenges (currency headwinds and unfavorable policies implemented by global industrial institutions) and any significant increase in commodity prices affecting profitability.
Right Quality	
Positive	Sector leader, Strong management bandwidth, Strong financial track-record, Healthy Balance sheet/cash flows, differentiated product/service portfolio and Good corporate governance.
Neutral	Macro slowdown affecting near term growth profile, Untoward events such as natural calamities resulting in near term uncertainty, Company specific events such as factory shutdown, lack of positive triggers/events in near term, raw material price movement turning unfavourable
Negative	Weakening growth trend led by led by external/internal factors, reshuffling of key management personal, questionable corporate governance, high commodity prices/weak realisation environment resulting in margin pressure and deteriorating balance sheet
Right Valuation	
Positive	Strong earnings growth expectation and improving return ratios but valuations are trading at discount to industry leaders/historical average multiples, Expansion in valuation multiple due to expected outperformance amongst its peers and Industry up-cycle with conducive business environment.
Neutral	Trading at par to historical valuations and having limited scope of expansion in valuation multiples.
Negative	Trading at premium valuations but earnings outlook are weak; Emergence of roadblocks such as corporate governance issue, adverse government policies and bleak global macro environment etc warranting for lower than historical valuation multiple.

Source: Sharekhan Research

Sharekhan

by BNP PARIBAS

Know more about our products and services

For Private Circulation only

Disclaimer: This document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This Document is subject to changes without prior notice. This document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. 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. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report.

This report 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 SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

The analyst certifies that the analyst has not dealt or traded directly or indirectly in securities of the company and that all of the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst further certifies that neither he or its associates or his relatives has any direct or indirect financial interest nor have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report nor have any material conflict of interest nor has served as officer, director or employee or engaged in market making activity of the company. Further, the analyst has also not been a part of the team which has managed or co-managed the public offerings of the company and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Limited or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-61150000; email id: compliance@sharekhan.com;

For any queries or grievances kindly email igc@sharekhan.com or contact: myaccount@sharekhan.com

Registered Office: Sharekhan Limited, 10th Floor, Beta Building, Lodha iThink Techno Campus, Off. JVLR, Opp. Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042, Maharashtra. Tel: 022 - 61150000. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183;

Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com; Investment in securities market are subject to market risks, read all the related documents carefully before investing.