Sharekhan by BNP PARIBAS

Powered by the Sharekhan 3R Research Philosophy

Larsen & Toubro

Mixed quarter; Overall optimistic outlook

Capital Goods	Sharekhan code: LT

Reco/View: Buy	↔	CMP: Rs. 2,113	Price Target: Rs. 2,455	↑

↑ Upgrade ↔ Maintain ↓ Downgrade

Stock Update

Result Update

3R MATRIX

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		↔	

ESG Disclosure Score NEW

ESG RISK RATING 34.44

Updated Dec 08, 2022

High Risk

NEGL	LOW	MED	HIGH	SEVERE
0-10	10-20	20-30	30-40	40+

Source: Morningstar

Company details

Market cap:	Rs. 2,96,950 cr
52-week high/low:	Rs. 2,298/1,456
NSE volume: (No of shares)	18.5 lakh
BSE code:	500510
NSE code:	LT
Free float: (No of shares)	140.5 cr

Shareholding (%)

Promoters	0.0
FII	23.3
DII	40.1
Others	36.6

Price chart

Price performance

(%)	1m	3m	6m	12m
Absolute	1.4	7.1	17.0	11.4
Relative to Sensex	3.6	7.9	13.6	7.3

Sharekhan Research, Bloomberg

Summary

- Q3FY2023 numbers were a mixed bag, where in OPM and net profit missed ours and street estimates largely due to increased staff cost and LTIMindtree merger-related cost.
- L&T aims to exceed order intake guidance of 15% y-o-y for FY2023E, while is well poised to achieve revenue growth of 15%. OPM guidance for core business has been revised downwards by 30-50 bps. Working capital may improve to 19-20% of sales for FY2023E.
- Order inflows recorded a growth of 21% y-o-y at Rs. 60,710 crore comprising of 25% of the international orders, while order prospects for Q4FY202 stands at Rs 4.87 trillion. Order book stands strong at ~Rs 3.9 lakh crore (2.2xTTM revenue).
- Pick-up in infrastructure spendings by the government as well as private capex pick-up bodes well for growth. Apart from oil & gas, GCC region's spend on metals, renewable energy and infrastructure would drive the international order intake. We maintain a Buy on L&T with a revised PT of Rs. 2,455, factoring in execution and order intake tailwinds and revision in valuation of its subsidiaries.

Q3FY2023 consolidated numbers were a mixed bag, wherein revenue was broadly in-line with expectations, while OPM and Adjusted PAT fell short of expectations by ~80 bps/~9%. Consolidated revenues grew by ~17% y-o-y to Rs. 46,390 crore. The growth continued to be led by improved execution in the infrastructure projects segment and continued growth momentum in the IT&TS portfolio. GPM increased by 31 bps y-o-y to 40.1% as raw material cost declined but declined 84bps on q-o-q basis. Operating profit increased at a slower pace by ~12% y-o-y to Rs 5,073 crore. OPM, thus, came in lower at 52 bps y-o-y to 10.9% (down 52 bps y-o-y/q-o-q), below our estimate of 11.7%. Drop in OPM is largely caused by merger integration costs in LTIMindtree and higher staff cost in services portfolio. Its infrastructure projects business continued to witness cost pressures. However, margin remained stable y-o-y at 7% vs 7.1% in Q3FY2022. Reported profit grew by ~24% y-o-y to Rs 2,553 crore, including an exceptional gain of Rs 136 crore (net), attributed to net profit on the divestment of the mutual fund business of the financial services segment. Adjusted net profit grew by ~17.6% y-o-y to Rs. 2,417 crores (vs our estimate of Rs 2,654 crore) aided by higher other income (+32.1% y-o-y) and a decline in interest cost by 1.4% y-o-y. L&T's order book stands at a record level of Rs. 3.9 lakh crore (up 14% y-o-y), translating to 2.2x its TTM consolidated revenue. The management indicated that it could exceed the upper end of the order intake guidance and expects to achieve the upper end of the revenue growth guidance for FY2023E. It expects OPM in the core projects business to dip by 30-50 bps from ~9.5% levels and working capital requirements would further reduce to 19-20% of sales for FY2023E.

Key positives

- Order prospects for Q4FY2023 stand at Rs 4.87 lakh crore.
- Order inflows grew by 21% y-o-y at Rs. 60,710 crores comprising of 25% of the international orders. Orders were received across multiple segments like oil & gas, public spaces, hydel & tunnels, irrigation systems, ferrous metals and power transmission & distribution.
- The company stated that given robust order inflow in 9MFY23 (up ~30% y-o-y), it may surpass its order inflow guidance of 15% y-o-y growth in FY2023 but refrained from giving a certain number.
- Infrastructure projects segment secured order inflows of Rs 32,530 crore, registering a substantial growth of ~28% y-o-y.
- Energy projects segment's OPM came in at 8.7% vs 8.3% in Q3FY22 on account of cost savings in certain hydrocarbon projects
- Order book remains strong at Rs. 3.9 lakh crore, up 14% y-o-y – 74% domestic orders and 26% international orders.
- Infrastructure projects, Hi-tech manufacturing and IT & TS segments led the topline by growing at 20%/14%/25%, respectively.

Key negatives

- Revenues in energy projects grew moderately by 7% y-o-y.
- OPM declined by 52 bps y-o-y/q-o-q to 10.9%.
- The company revised its margin guidance downwards for core business for FY2023.
- Adjusted net Profit missed our and street estimates by ~9%.

Management Commentary

- Revenue growth guidance has been maintained at 15% y-o-y. Projects business OPM may come down at 8.5-8.7% and working capital @19-20% of sales for FY23.
- The company provided an optimistic long-term outlook on margins as the margin in the core business has bottomed out and is likely to improve from Q4FY2023 onwards.
- Company has removed slow-moving orders of Rs 1,900 crore from the order book in Q3FY2023 and Rs 5,000 crore of orders during 9MFY2023. Currently, ~3-4% of its order book is slow-moving.
- In Q3 order inflows, the share of private orders was at 32% vs 18% last year's corresponding quarter following strong inflows in B&F and ferrous sectors. The company sees a strong build-up in enquiries in the coming quarters as well.
- Order pipeline stands at Rs 4.87 trillion for Q4FY2023, which includes ~Rs 1.05 trillion in international market.
- OPM of infrastructure projects came in flat at 7% vs 7.1% in Q3FY22, although improved by 40 bps on a q-o-q basis.
- Increase in government and private capex bodes well for long-term growth and the company expects public/private capex to be higher in Q4FY2023 compared to the last year.
- International markets also look promising as the GCC region is seeing investments in non-oil sectors too such as, renewable energy, green hydrogen and water.
- Two-thirds of L&T's order book has certain price escalation clauses (although some are not complete pass-through), while the rest is fixed price contracts. Almost 20% of its order book is funded by bilateral and multilateral funding agencies.

Revision in estimates – We have marginally tweaked our estimates for FY2023-FY2025 following downgrade in margin estimates for FY2023.

Our Call

Maintain Buy with a revised PT of Rs. 2,455: L&T's Q3FY2023 performance has been below expectations as the street was expecting margin improvement, given the decline in commodity cost. Further, a cut in margin guidance for the core business may hurt investor sentiments in the short term. However, its 9MFY2023 performance has been commendable despite cost pressures in its core business and supply chain challenges. Further, a robust order book and strong order pipeline going forward gives us comfort from long-term perspective. The company also expects margin to improve from Q4FY2023 onwards. The international outlook is also buoyant, given a healthy order pipeline and emerging opportunities in non-oil segments as well. Although the stock may witness pressure in the near term, over the long term, L&T remains at the forefront to reap benefits from the 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. Therefore, we maintain a Buy on the stock with a revised SOTP-based price target (PT) of Rs. 2,455, rolling forward our estimates to FY2025E EPS and revision in the valuation of key IT & TS and finance subsidiaries.

Key Risks

A slowdown in the domestic macro-economic environment and geo-political conflicts on the international front can adversely impact its order prospects.

Valuation (Consolidated) Rs cr

Particulars	FY22	FY23E	FY24E	FY25E
Revenue	1,56,521	1,80,607	2,05,892	2,33,688
OPM (%)	11.6	11.4	11.7	11.8
Adjusted PAT	8,573	10,308	12,910	15,616
% YoY growth	24.2	20.2	25.2	21.0
Adjusted EPS (Rs.)	61.2	73.5	92.1	111.4
P/E (x)	34.6	28.7	22.9	19.0
P/B (x)	3.6	3.3	3.0	2.7
EV/EBITDA (x)	17.6	14.9	12.4	10.3
RoNW (%)	13.2	12.0	13.7	14.9
RoCE (%)	7.8	8.8	10.4	11.8

Source: Company; Sharekhan estimates

Profits miss estimates, strong order intake

Q3FY2023 consolidated numbers were a mixed bag, wherein revenue was broadly in-line with expectations, while OPM and Adjusted PAT fell short of expectations by ~80 bps/~9%. Consolidated revenues grew by ~17% y-o-y to Rs. 46,390 crores. The growth continued to be led by improved execution in the infrastructure projects segment and continued growth momentum in the IT&TS portfolio. GPM increased by 31 bps y-o-y to 40.1% but declined 84bps on q-o-q basis as raw material cost declined. Operating profit increased slower by ~12% y-o-y to Rs 5,073 crore. The slower growth in operating profit results from a proportionate increase in employee cost as a % of sales. OPM, thus, came in lower at 52 bps y-o-y to 10.9% (down 52 bps y-o-y/q-o-q), below our estimate of 11.7%. Reported profit grew by ~24% y-o-y to Rs 2,553 crore, including an exceptional gain of Rs 136 crore (net), profit on the divestment of the mutual fund business of the financial services off-set by a one-time charge due to remeasurement of the wholesale loan assets of the financial services segment at fair value. Adjusted net profit grew by ~17.6% y-o-y to Rs. 2,417 crore (vs our estimate of Rs 2,654 crore) aided by higher other income (+32.1% y-o-y) and decline in interest cost by 1.4% y-o-y. L&T's order book stands at a record level of Rs. 3.9 lakh crore (up 14% y-o-y), translating to 2.2x its TTM consolidated revenue.

Sanguine long-term outlook

The management expects to exceed its order intake guidance of 15% y-o-y growth and meet upper band of revenue growth guidance of 12-15% for FY2023E. The company's ROE has also improved sequentially to 12.4% in Q3FY23 as compared to 12.1% in Q2FY23. The infrastructure sector is witnessing healthy tendering and awarding activity, wherein private sector project announcements have also gained momentum. This bodes well for L&T. The company has chalked out a detailed five-year strategic plan, 'Lakshya 2026' for pursuing profitable growth in its traditional businesses of EPC projects and manufacturing and expanding the size and scale of its IT&TS portfolio. Further, unlocking current investments in a few non-core areas would be aggressively pursued. Under the plan, the company aims to grow its order inflows/revenue at 14%/15% CAGR and achieve core 8 at over 18% during FY21-FY26E.

Key highlights from Q3FY2023 earnings call

- **Robust order book at Rs. 3.9 lakh crore (up 14% y-o-y):** Out of the total order book of Rs 3.9 lakh crore – ~Rs. 1 lakh crore is international. Of the international order book, 81% comes from Middle East, 10% from Africa and the remaining 9% from South East Asian countries. In the Domestic order book of Rs 2.86 lakh crore – central government orders have a 9% share, state@ 31%, state-owned enterprises or PSU @ 40 % and private sector @ 20%. Also, 20% of the order book is funded by bilateral and multilateral agencies. 90% of orders are from infrastructure and energy segments.
- **Order prospects remain strong at Rs 4.87 trillion:** The order prospects for Q4FY23 is Rs 4.87 trillion, of which Rs 1.05 trillion is international. Out of domestic orders of Rs 3.82 trillion, the share of private orders is 10-15%. In total, the infrastructure segment has prospects of Rs 3.89 trillion, hydrocarbon is at Rs 0.61 trillion, power is at Rs 0.20 trillion, while heavy engineering & defence together is Rs 0.17 trillion. The award-to-tender ratio in Q3 was 56% vs 57% in Q3FY22 and for 9MFY23, the ratio stands higher at 52% vs 48% in 9MFY22.
- **Strong order intake:** Group order inflows were up 21% y-o-y to Rs. 60,710, led by infrastructure, oil & gas and power sectors. International orders stood at Rs 15,294 crore during the quarter and comprised 25% of the total order inflows.
- **Private sector orders likely to increase going forward:** The announcements in the private sector has been positive but tendering has been slow. However, the company is confident that private sector orders improving going forward. Major private capex investments are likely in energy transformation, emerging technology, healthcare, logistics, industrial parks, data centres, etc. which augurs well for its EPC and construction business.
- **Defence sector inflows to grow in the future:** The defence sector order prospects stand at ~Rs 15,000 crore. Increasing indigenization in the sector indicates a positive outlook for the subsequent years.
- **Order inflow guidance revised upwards:** The company is set to exceed the order inflow guidance of 15% y-o-y growth if the current tendering and award momentum continues at the same pace. Further, the company is well poised to achieve revenue guidance of 15% y-o-y growth given at the start of FY2023.
- **International order awards delayed in Q3 but no slowdown:** Some of the international orders have been delayed and could spill over to the next quarter. However, there is no slowdown in the GCC region.

- **Margin guidance:** The company expects core projects' business margin to be lower by 30-50 bps in FY2023 as compared to ~9.3% OPM in FY2022. The company has reduced the margin guidance from flat to y-o-y decline as the margin trajectory has been below expectations in the first nine months. Despite likely improvement in Q4FY2023 OPM sequentially, the company may witness decline in margin on y-o-y basis. Currently, the share of fixed and variable contracts stands at 1/3: 2/3. The company mentioned that the fixed price contracts in the last 4 quarters have been taken at elevated prices and therefore, execution ramp up on those projects should lead to sequential improvement in infrastructure margin from Q4FY2023 onwards.
- **Capex guidance:** In the last nine months, the company has incurred project-related capex , capex in its ITTS portfolio and therefore, at a gross level, capex has increased by Rs 2,500 crore. As the company executes projects in coastal areas and takes on hydel projects, the capex is likely to increase. The company would provide capex guidance for FY2024 at the end of Q4FY2023.
- **Working capital update:** The company expects working capital to be 19-20% of the sales for FY2023 as collection efficiency tends to improve towards the end of the fiscal year.
- **Fixed proportion in order book remains unchanged:** There has been no change since the last quarter and two-thirds of its order book is variable price based and adjustable as per inflation indices and the rest is fixed price-based.
- **Hyderabad metro monetization update:** The company expects to unlock Rs 1,000- 1,500 crore through stake sale/divestment each year over the next 2-3 years. On the liability side, it has Rs 13,000 crore– Rs 8,000 crore of external debt and Rs 5,000 crore in short-term borrowings, while L&T's equity exposure is Rs 7,500 crore. The subsidiary has had cumulative losses of Rs 4,500 crore so far. Structurally, the company is making good amount of positive EBITDA to cover the interest cost and L&T would not have to infuse further cash. The government has released Rs 100 crore of interest-free loan so far and Rs 900 crore of the first tranche (out of the total commitment of Rs 3,000 crore) is expected to be received in the current quarter.
- **L&T IDPL update:** During the quarter, the company entered into a share purchase agreement to sell its entire shareholding in L&T Infrastructure Development Projects Limited, a joint venture having road and power transmission assets to Epic Concesiones private limited, an infrastructure fund managed by Edelweiss Alternatives. The investment in the joint venture has been classified as held for sale, pending receipt of necessary approvals.
- **Investment in new avenues:** The company's total commitment for the production of electrolysers plant in a JV is likely to be around Rs 1,500 crore (both debt and equity combined). Further, for storage battery technologies, this could amount to Rs 2,500 crore.
- **Debt/Equity and ROE:** Gross debt/equity is at 1.3 and net debt/equity stands at 0.78. ROE is at 12.4% vs 12.1% in Q2FY23.

Results (Consolidated) Rs cr

Particulars	Q3FY23	Q3FY22	YoY%	Q2FY23	QoQ%
Net Sales	**46,390**	**39,563**	**17.3**	**42,763**	**8.5**
Total Expenditure	41,317	35,033	17.9	37,863	9.1
Operating Profit	**5,073**	**4,530**	**12.0**	**4,899**	**3.5**
Other Income	755	571	32.1	739	2.2
Interest	802	814	-1.4	836	-4.0
Depreciation	825	732	12.7	860	-4.1
PBT	**4,200**	**3,556**	**18.1**	**3,942**	**6.6**
Exceptional Item (net of tax)	(136)	-		-	
PBT	4,336	3,556	22.0	3,942	10.0
Tax	1,271	1,059	20.0	1,123	13.1
Reported PAT	2,553	2,055	24.2	2,229	14.5
Adjusted PAT	**2,417**	**2,055**	**17.6**	**2,229**	**8.4**
Adj. EPS (Rs.)	**17.2**	**14.6**	**17.6**	**15.9**	**8.4**
Margins (%)			**BPS**		**BPS**
GPM	40.1	39.8	*31*	40.9	*(84)*
OPM	10.9	11.5	*(52)*	11.5	*(52)*
PATM	5.2	5.2	*2*	5.2	*(0)*
Tax Rate	29.3	29.8	*(48)*	28.5	*81*

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 goal, the government drew up National Infrastructure Pipeline (NIP) through a bottom-up approach, wherein all projects cost over Rs. 100 crore per project under construction, proposed greenfield and brownfield projects and those at the 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%) are likely to 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 healthy order inflows and improved execution

The management expects strong growth momentum to continue with a focus on growth in both revenues and order inflows for FY2023/FY2024. The management aims to exceed the order intake guidance for FY2023 and achieve revenue guidance given the strong order book. The OPM is expected to decline y-o-y for FY2023. However, the margins have bottomed out for the core business and we could see improvement from current levels. Further, the working capital requirement (as a percentage of sales) would be at ~19-20%. Order prospects are also healthy with the rise in government spend and private capex and strong traction in international orders. On the asset divestment front, for the Hyderabad Metro, the company is evaluating various options while divestment of power assets to near closure. Thus, we expect L&T to perform consistently owing to multiple levers such as a strong business model, a diversified order book and a healthy balance sheet.

■ Valuation - Maintain Buy with a revised PT of Rs. 2,455

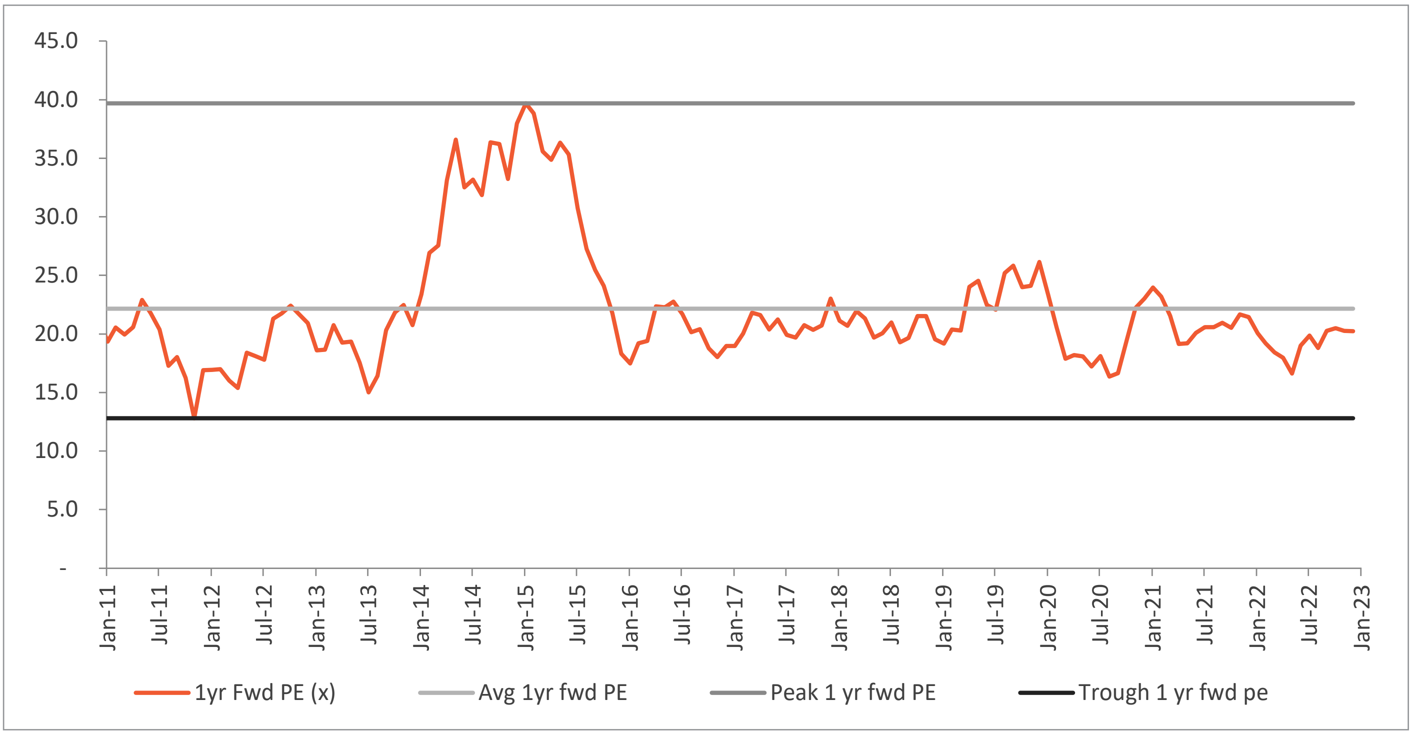
L&T's Q3FY2023 performance has been below expectations as the street was expecting margin improvement, given the decline in commodity cost. Further, a cut in margin guidance for the core business may hurt investor sentiments in the short term. However, its 9MFY2023 performance has been commendable despite cost pressures in its core business and supply chain challenges. Further, a robust order book and strong order pipeline going forward gives us comfort from long-term perspective. The company also expects margin to improve from Q4FY2023 onwards. The international outlook is also buoyant, given a healthy order pipeline and emerging opportunities in non-oil segments as well. Although the stock may witness pressure in the near term, over the long term, L&T remains at the forefront to reap benefits from the 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. Therefore, we maintain a Buy on the stock with a revised SOTP-based price target (PT) of Rs. 2,455, rolling forward our estimates to FY2025EPS and revision in the valuation of key IT & TS and finance subsidiaries.

SOTP Valuation

Particulars	Remarks	Value (Rs cr)	Per share (Rs)
L&T's core business (standalone)	At 16.5x FY2025E estimates	2,18,341	1,558
Subsidiaries			
LTIMindtree	Based on our target price	81,807	584
L&T Finance Holdings (L&TFH)	Based on our target price	12,372	88
L&T Technology Services Ltd (LTTS)	Based on our target price	20,784	148
Development projects (including IDPL)	At 0.8x Book Value	6720	48
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		**1,25,755**	**897**
Fair value		**3,44,096**	**2,455**

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 business 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 the 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 a 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.
- Weakness in domestic investment could impact growth and award of large projects, thus posing a downside risk.
- 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: Company

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	SBI Funds Management Ltd	4.36
2	ICICI Prudential Asset Management Co Ltd	2.56
3	HDFC Asset Management Co Ltd	2.02
4	Vanguard Group Inc	1.92
5	Blackrock Inc	1.46
6	Nippon Life India Asset Management Ltd	1.35
7	Capital Group Cos Inc	1.28
8	ICICI Prudential Life Insurance Co Ltd	1.23
9	Kotak Mahindra Asset Management Co Ltd	1.19
10	UTI Asset Management Co Ltd	1.14

Source: Bloomberg

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 detoriating 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

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