

Defence

India | Sector Update

09 July 2026

Combat ready for next growth cycle

We expect India's defence industry to enter the next phase of high growth in the next 4-5 years led by high double-digit growth in defence capex over FY27BE-FY32E, all-time high Acceptance of Necessities (AoNs) accorded in FY26, growing focus on indigenization (especially in air force and naval platforms) and rising export opportunity. Private defence companies will play a pivotal role in achieving these – their share of defence production has risen by 60bps to ~24% in FY26.

We maintain **Buy** on Zen Technologies (ZEN IN) with a higher TP of INR 2,330 from INR 1,870 on 40x March FY28E P/E (from 32x; 20% discount to private defence companies) on better order visibility and heightened focus on drones and anti-drone systems. We revise Bharat Dynamics (BDL IN) to **Reduce** from Accumulate with a TP of INR 1,315 (unchanged) on lower margins. We remain positive on Hindustan Aeronautics (HNAL IN), Bharat Electronics (BHE IN) in DPSUs and Solar Industries (SOIL IN), Axiscades Technologies (AXET IN), Data Patterns (DATAPATT IN) and Astra Microwave (ASTM IN) in the private defence space.

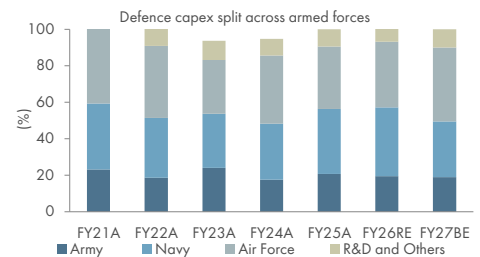
FY26 AoNs at record high of INR 6.7tn: AoNs accorded by the Ministry of Defence (MoD) witnessed record levels of INR 6.7tn as of FY26 (excluding AoN for 114 MRFA – Rafales procurement worth INR 3.25tn), up 3x YoY versus INR 2.2tn in FY25. In FY26, 503 contracts have been signed, up from 124 last year. These AoNs may translate into tenders in 2-3 years, thus underscoring massive order visibility for domestic defence companies in the next few years.

Defence capex to grow at 15-20% in the next five years: Per MoD and armed forces, earlier, a 10-12% growth in defence capex every year was viewed as sufficient to sustain equipment requirement. However, with ongoing global conflicts and recent lessons learned from Operation Sindoor, the MoD and armed forces are of the view that 15-20% should be the consistent growth in the defence capital outlay in the next five years. In line with this, FY27BE defence capex allocation surged 18% YoY to INR 2.2tn.

Domestic procurement sustained at 75% in FY27BE: Defence capex allocation to domestic companies has substantially grown from 50% as of FY19 to 75% consistently in FY25-27BE. In FY25, MoD had significantly overspent on domestic companies to 88% share (out of the overall defence capex) at INR 1.2tn versus targeted spend of 75% at INR 1.05tn. Through 10MTDFY26, MoD spend on domestic companies touched ~70% at INR 885bn. In FY27, 75% of the defence capex has been allocated to domestic companies at INR 1.4tn and 25% to foreign companies at INR 460bn. Within the 75% share to domestic companies, 25% share or INR 347bn has been allocated to private domestic companies.

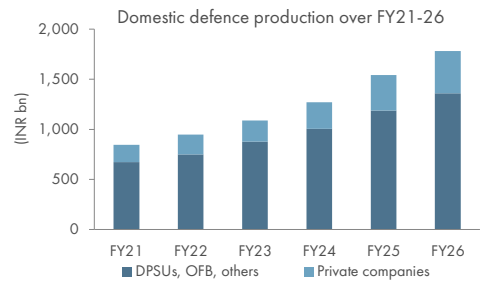
We remain positive on Indian Defence – DPSUs and private companies – led by capex momentum, which should continue for the next 4-5 years, growing indigenization in air force and naval platforms, and rising export opportunity Hindustan Aeronautics (HNAL IN), Bharat Electronics (BHE IN) in DPSUs. We believe the shift in MoD's focus will be more beneficial for private defence companies, as observed in various tenders now shifting to competitive bidding. We remain positive on HNAL, BHE in DPSUs and ZEN, SOIL, AXET, DATAPATT and ASTM in the private defence space.

Historically, the Air Force has received the highest share of armed forces capex



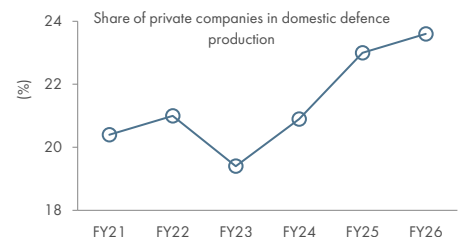
Note: Actual expenditure for FY21-25, Revised estimates for FY26, Budget estimates for FY27; Source: Standing Committee Report, Elara Securities Research

Domestic defence production has compounded at a 16% CAGR over FY21-26



Source: Standing Committee Report, PIB, Elara Securities Research

Private contribution to defence production has compounded from 20% to 24% in FY21-26



Source: Standing Committee Report, PIB, Elara Securities Research

Harshit Kapadia

Capital Goods, Consumer Electricals,
Consumer Electronics
+91 22 6164 8542
harshit.kapadia@elaracapital.com

Associates

Nemish Sundar
nemish.sundar@elaracapital.com

Parshv Sutar
parshv.sutar@elaracapital.com



Elara Defence universe – Coverage matrix

Company	Ticker	Rating	Mcap	CMP	TP	Upside	P/E (x)				EV/EBITDA (x)				ROE (%)			
			(USD mn)	(INR)	(INR)	(%)	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E	FY26	FY27E	FY28E	FY29E
Bharat Dynamics	BDL IN	REDUCE ↓	5,130	1,337	1,315	(2)	116.6	51.9	38.7	34.1	198.4	53.5	36.7	30.7	10.2	21.0	24.6	24.0
Bharat Electronics	BHE IN	ACCUMULATE	31,178	408	465	14	49.8	42.7	37.1	31.2	36.0	31.3	27.4	23.1	27.2	26.5	25.5	25.2
Garden Reach Shipbuilders	GRSE IN	SELL	3,140	2,620	2,230	(15)	40.1	28.3	26.8	25.3	33.5	28.1	29.4	26.9	31.8	34.4	27.7	23.5
Hindustan Aeronautics	HNAL IN	BUY	30,545	4,365	5,350	23	31.1	30.5	26.9	22.0	24.2	23.4	20.0	15.7	24.7	22.1	22.2	23.7
Solar Industries India	SOIL IN	BUY	17,017	17,971	21,290	18	96.9	70.3	54.9	43.8	62.5	46.2	36.1	28.9	32.4	32.0	30.6	29.0
Zen Technologies	ZEN IN	BUY	1,718	1,819	2,330 ↑	28	75.7	44.2	31.3	25.0	65.3	36.2	25.2	20.0	12.1	17.9	20.8	21.1

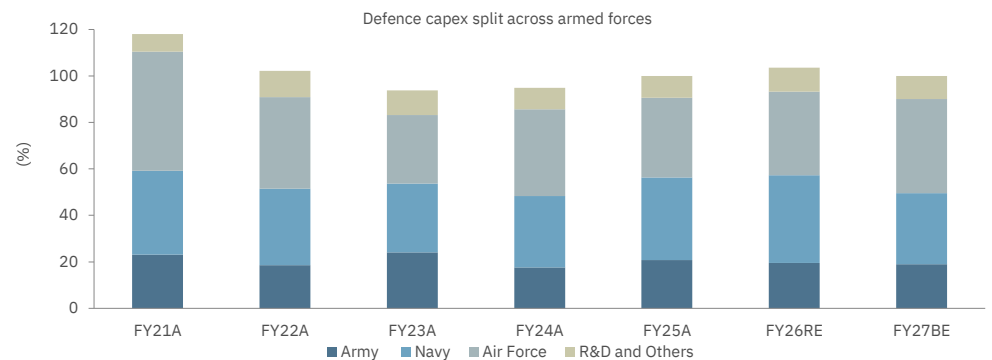
Note: Pricing as on 09 July 2026; Source: Company, Elara Securities Estimate

Defence capex has compounded at a 9% CAGR in FY21-27BE

The defence capital budget has compounded at a 9% CAGR in FY21-27BE to INR 2.2tn (up 18% YoY in FY27BE versus FY26RE). Of this, the IAF has received the highest share at an average of 38%, of the overall budgetary allocation, followed by the Navy at an average 33% of capex over FY21-27BE. This is mainly due to higher cost of platforms such as fighter aircraft, helicopters, submarines, destroyers etc. The Army's share of the overall budget has fallen from 23% in FY21 to 19% in FY27BE, while the balance allocation to R&D, joint staff and others has remained at ~10% over the past years.

Through FY21-27BE, the Naval budget has grown the fastest at a CAGR of 17%, followed by the Air Force at 13%, and the Army at a low 4% CAGR. R&D and others have grown at a steady 10% CAGR.

Exhibit 1: Historically, the Air Force has received the highest share of armed forces capex

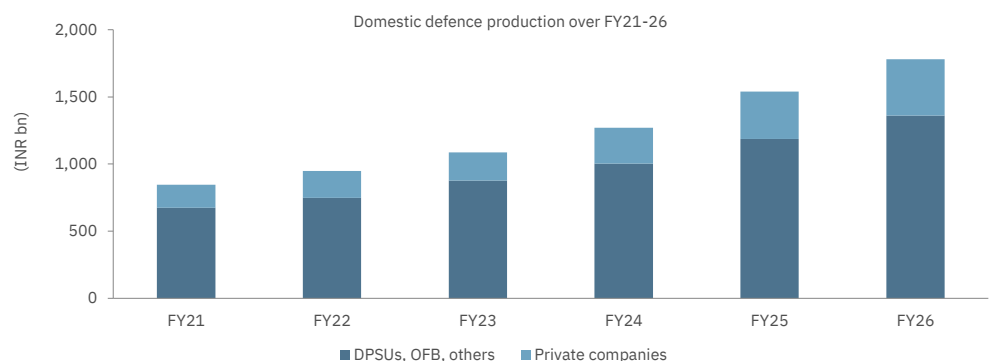


Note: Actual expenditure for FY21-25, revised estimates for FY26, Budget estimates for FY27; Source: Standing Committee Report, Elara Securities Research

Domestic defence production up 16% YoY in FY26

India's annual defence production has grown by 15% YoY to an all-time high of INR 1.78tn in FY26, and has doubled versus FY21 production of INR 846bn. Historically, defence production has been dominated by DPSUs, which accounted for ~80% share in FY21. However, with the rise of private defence contribution, DPSUs' share stood at 76% of total production at INR 1.36tn in FY26, up 15% YoY and having grown at a CAGR of 15% in FY21-26. On the other hand, private defence contribution has grown from 20% in FY21 to 24% in FY26. Private defence production was INR 420bn in FY26, up 19% YoY, and having grown at a 20% CAGR in FY21-26. We expect defence production to rise by 15-20% over FY27-30 based on order book and delivery schedule. We further expect private sector contribution to rise as the government pushes to increase competition.

Exhibit 2: Domestic defence production has compounded at a 16% CAGR over FY21-26



Source: Standing Committee Report, PIB, Elara Securities Research

Exhibit 3: Private contribution to defence production has grown from 20% to 24% in FY21-26



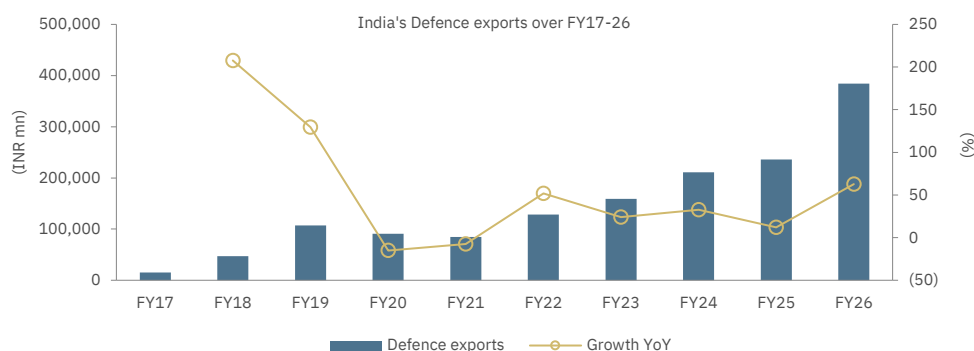
Source: Standing Committee Report, PIB, Elara Securities Research

Defence exports up 62% YoY to INR 384bn in FY26

India's transition from among the top defence importers to a net defence exporter continues, with FY26 defence exports witnessing new heights, surging 62% YoY to INR 384bn. India's defence exports have compounded at a CAGR of 43% in FY17-26. In FY26, defence exports by DPSUs and unlisted government defence companies skyrocketed 1.5x YoY to INR 211bn, contributing 55% to overall exports, while private defence contributed ~45% to overall exports, growing 14% YoY to INR 174bn. Apart from being a global partner for systems and sub-systems, India is exporting defence equipment to more than 80 countries as of FY26.

We expect the key export products to be BrahMos missiles, Akash SAM, 155mm ammunition, counter drone systems, bulletproof jackets and helmets, radars and electronics, explosives, artillery guns, fuselages, electronics etc.

Exhibit 4: Defence exports have compounded at a 43% CAGR over FY17-26



Source: Standing Committee Report, Elara Securities Research

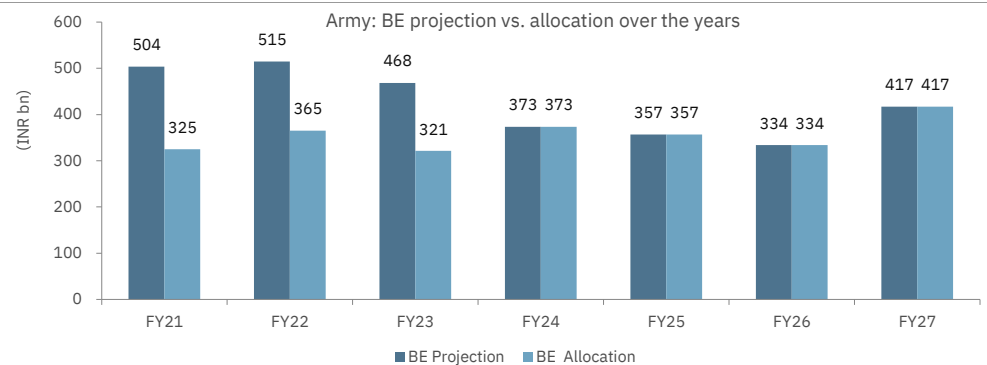
Army – Decade Of transformation

Budget allocation up 18% YoY in FY27BE

The capital budget allocation for the Indian Army has grown 18% YoY in FY27BE to INR 417bn (versus FY26RE), at 19% of the overall capital budget of INR 2.2tn in FY27BE. In the past six years (FY21-27BE), the Army's expenditure has compounded at an 8% CAGR, lower than other armed forces due to lumpy platform requirements for the Air Force and the Navy along with lower indigenization shares compared with the Army. The Army's share of the overall budget has grown to 18.9% in FY26RE and to 19% in FY27BE, highlighting renewed focus on procurement and modernization of the Army.

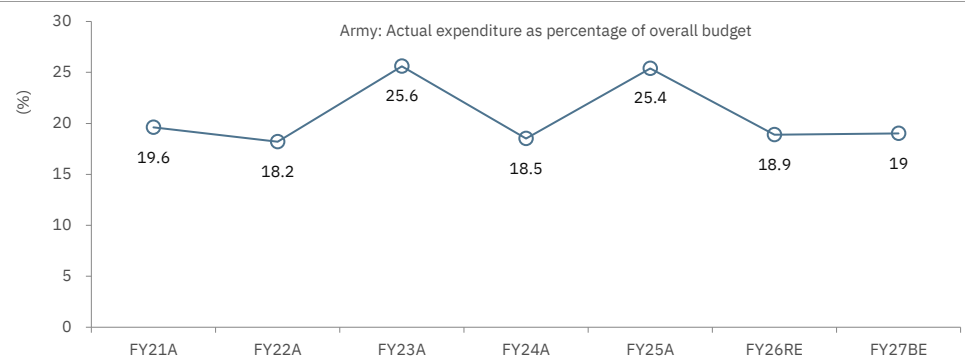
In the past, the Army's actual budgetary allocation has been significantly lower than the budgetary projections/ expectations. For example, in FY21BE, the budgetary projection was INR 504bn, whereas the actual budgetary allocation stood at INR 325bn. However, since FY24BE, the Army has been allocated capital fully as per its requirement.

Exhibit 5: Army – BE projection versus allocation over the years



Source: Standing Committee Report, Elara Securities Research

Exhibit 6: Army – Actual expenditure as a percentage of overall capex has remained at 19% in FY27BE



Note: Actual Expenditure For FY21-25, Revised estimates For FY26, budget estimates For FY27; Source: Standing Committee Report, Elara Securities Research

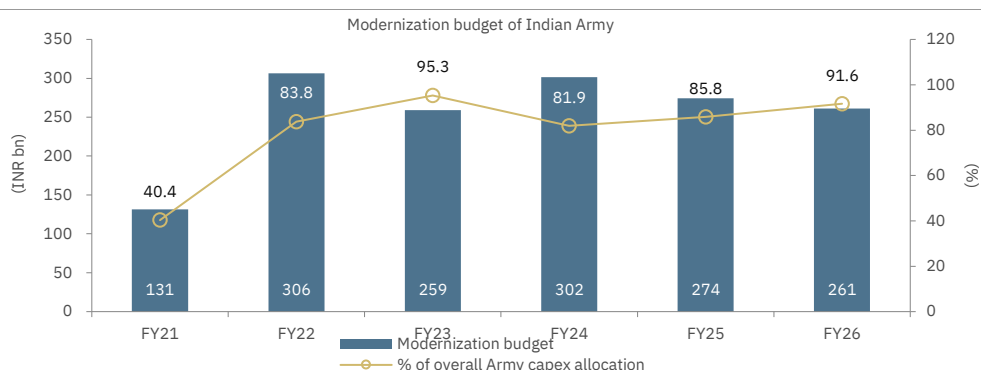
Army modernization budget at 92% of FY26 capital outlay

With the evolving nature of modern warfare, focus has increased on procurement of modern equipment with integration of latest technologies. The Army is actively involved in integration of 6G technology, national quantum mission, high performance AI computing and cloud, chip to startup missions etc. and is partnering with various IITs, startups and private institutions.

The Indian Army has identified 16 technology clusters and outlined each with responsibilities and outcomes. It is involved in developing a high power computing AI cloud for all three services. Post Operation Sindoor, emergency procurement provisions has been accorded which had been utilized for procurement of drones, counter drone systems, weapon systems, precise ammunitions, electronics warfare and surveillance systems.

The allocation of Army budget towards modernization as a share of overall capex allocation has risen from 40% in FY21 to 92% in FY26, and has grown at a CAGR of 15% in FY21-26 to INR 261bn in FY26.

Exhibit 7: Army – Modernization budget as a percentage of overall capex at 92%



Source: Standing Committee Report, Elara Securities Research

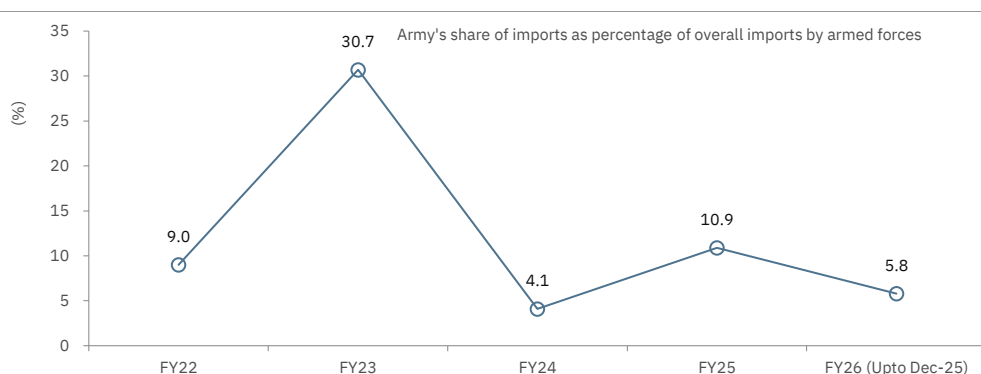
Cumulative AoNs worth INR 1.61tn signed through FY25 to Dec 2025

In FY25, AoNs worth INR 663bn were accorded for procurement by the Indian Army (up to INR 947bn through April 2025-December 2025). Cumulatively, 21 contracts worth INR 1.6tn have been accorded in the past two years, which are currently under various stages of acquisition processes for induction in subsequent years.

Army has the highest indigenization level of all forces

The Indian Army has the highest level of indigenization of all the armed forces. About 75% of the budget has been earmarked for procurement from domestic vendors in the past three years, up from 64% in FY22. Despite this, the Army's share of overall imports has been at levels as low as 6% up to December 2025, with average levels of 12% of overall imports by armed forces over FY22-FY26. Further, in FY27BE, 84.65% of the overall allocation has been earmarked for capital acquisition from domestic vendors.

Exhibit 8: Army accounted for just 6% of overall imports by armed forces in YTD FY26



Source: Standing Committee Report, Elara Securities Research

Focusing on strengthening non-kinetic warfare

In addition to growing its kinetic warfare capabilities, the Army is also strengthening its non-kinetic warfare capabilities through cyber-defence, electronic warfare, spectrum management, counter drone systems, information operations, operationalization of dedicated cyber and electronic warfare units, enhancement of secure communication networks, leveraging AI, data analytics etc.

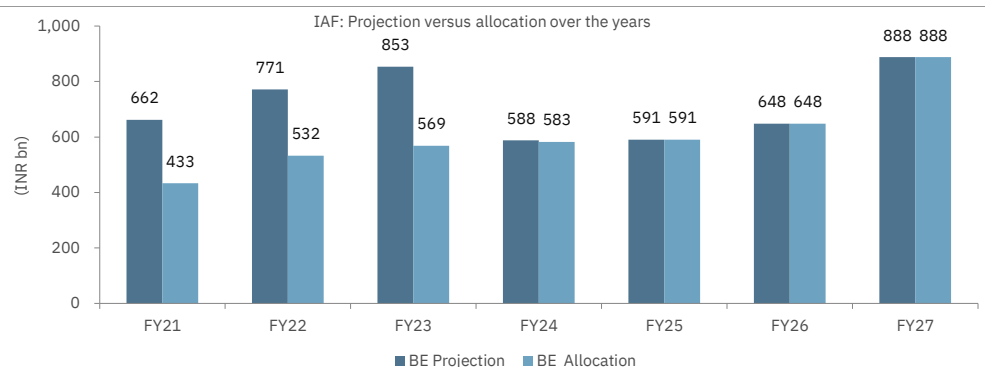
Indian Air Force – Scaling new heights with Rafale-led boost

Highest share of overall defence capex, with historic high in FY27BE

In the past six years, the Indian Air Force has had the highest share of the overall defence capex (except in FY26RE), on account of large lumpy orders for platforms such as fighter aircraft, helicopters, transport and trainer aircraft, both from domestic and foreign vendors. In FY27BE, the allocation towards IAF has touched historically high levels of 40.5% of the overall defence capital budget. The budget for the IAF has more than doubled from FY21 allocation of INR 433bn to FY27BE allocation of INR 888bn, and is up 37% YoY compared with FY26RE.

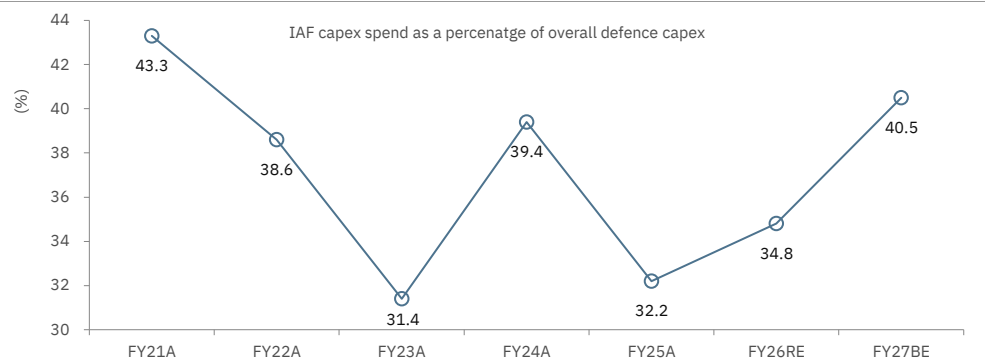
Similar to the Indian Army, in the past, the budgetary allocation for the IAF has been lower than the expectation. However, since FY24 up to FY27BE, the budgetary allocation has been in accordance with the budgeted projection/ expectation of the IAF. The budgetary allocation of the IAF has grown at a 13% CAGR in FY21-27BE.

Exhibit 9: IAF's allocation doubled over FY21-27BE



Source: Standing Committee Report, Elara Securities Research

Exhibit 10: IAF's share of overall defence budget at historical high



Note: Actual expenditure for FY21-25, revised estimates for FY26, budget estimates for FY27; Source: Standing Committee Report, Elara Securities Research

Capex to be utilized for MRFA, drones and modernization programs

This record high allocation for the IAF in FY27BE would be used to procure 114 Multi Role Fighter Aircraft – Rafales by the IAF (AoN worth INR 3.25tn accorded in February 2026). Other programs against which the budget would be utilized would be combat enablers (AEW & C Mk 1A), medium transport aircraft, medium altitude long endurance drones, etc.

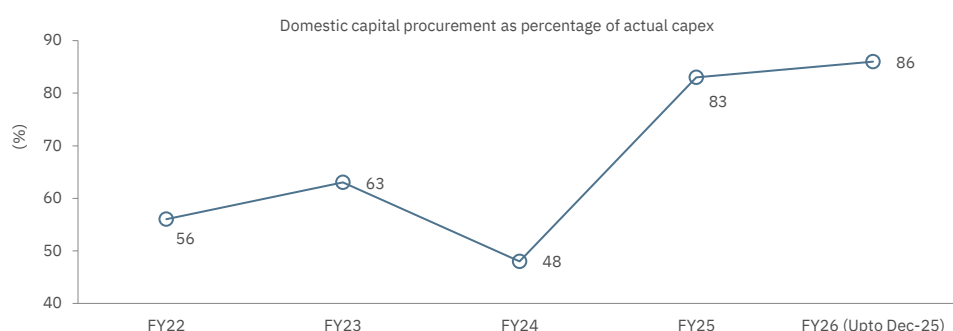
The budget would also be used to modernize the acquisition of flight refuellers, unmanned systems, air to air, air to ground, and surface to air ammunition, loitering munitions etc. Additionally, a portion would be utilized for new schemes as well as committed liabilities and pre-contractual obligations for various schemes.

Indigenization rose to highest ever 83% in FY25

The Air Force has historically been at a lower indigenization due to dependency on Russia, France, the USA etc. for aircraft, helicopters, and certain missiles and equipment. In FY22, domestic capital procurement was only ~56% of the actual expenditure incurred by the IAF during the year. Since then, this has surged to as high as 83% in FY25. Up to December 2025, domestic capital procurement stood at 86% of the actual capital expenditure incurred until the same period.

While the IAF's focus has remained on growing indigenization through various programs such as LCA, LCA Mk 1A, LCA Mk 2, AMCA, LCH, LUH, IMRH etc., the squadron strength has depleted to 29 versus the requirement of 42. The procurement of 114 MRFA (Rafales) is being done to bridge this gap. The MoD may also be evaluating importing other aircraft in flyaway condition to further lower the gap. As a result, the domestic procurement levels may be lower in the upcoming years as more foreign aircraft are procured.

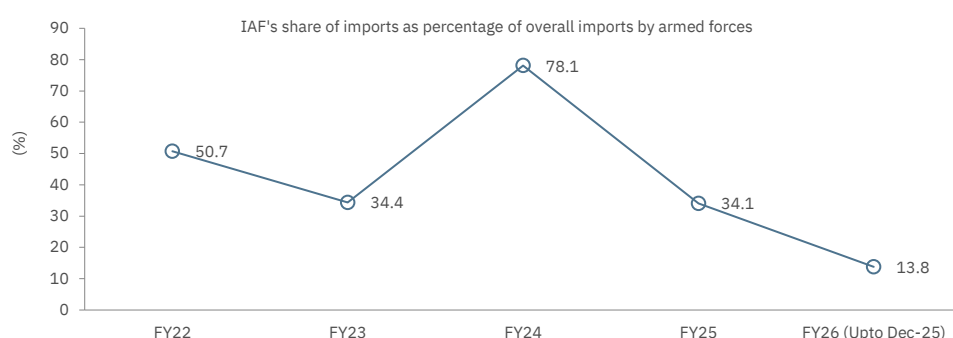
Exhibit 11: Indigenous procurement has risen to 83% for IAF as of FY25



Source: Standing Committee Report, Elara Securities Research

Out of the overall imports by the armed forces, the IAF's import share has fallen from 51% of overall imports in FY22 to only 34% in FY25, and further down to 14% until December 2025.

Exhibit 12: IAF's share of overall imports has fallen to 34% as of FY25



Source: Standing Committee Report, Elara Securities Research

Navy – Sailing steady on capex momentum

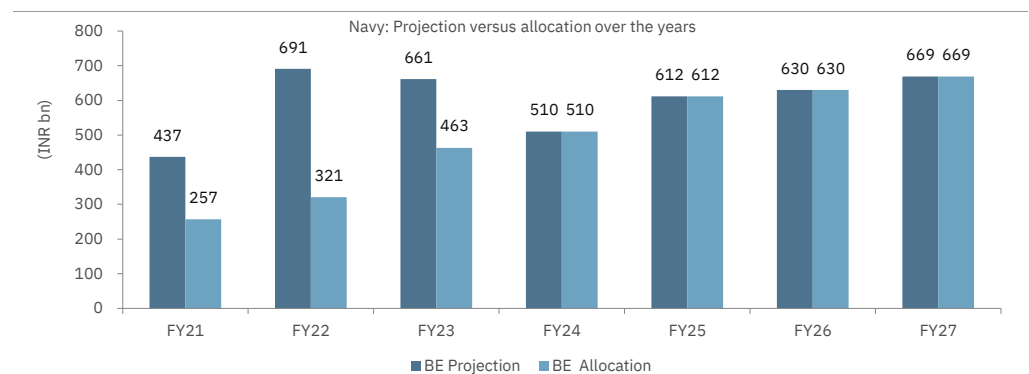
Navy capex spend has compounded at a 8% CAGR in FY21-27BE

Compared with FY21, the Navy's share of overall defence capex has remained consistent at ~31% (focus on shipbuilding in accordance with Maritime India Vision has grown over the years). The Navy's 31% allocation of the budget is lower than FY26 budgetary allocation contribution of ~35-36% of the overall budget, as large projects were expected to be tendered and awarded during the years but have been delayed.

Through FY21-27, the Indian Navy's capex spend has compounded at a 8% CAGR to INR 669bn in FY27BE, similar to FY26RE.

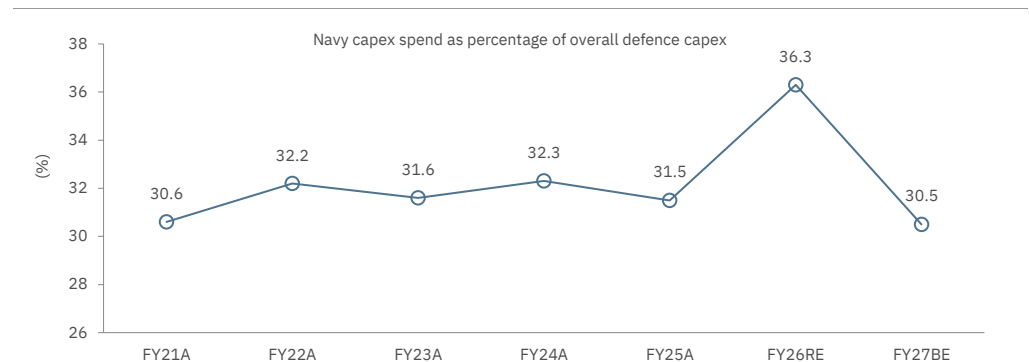
Similar to the other armed forces, in the past, the budgetary allocation for the Navy has been lower than the expectation. However, through FY24-FY27BE, the budgetary allocation has been in accordance with the budgeted projection/ expectation of the Navy.

Exhibit 13: Allocation to Navy has grown by ~2.5x in FY21-27



Source: Standing Committee Report, Elara Securities Research

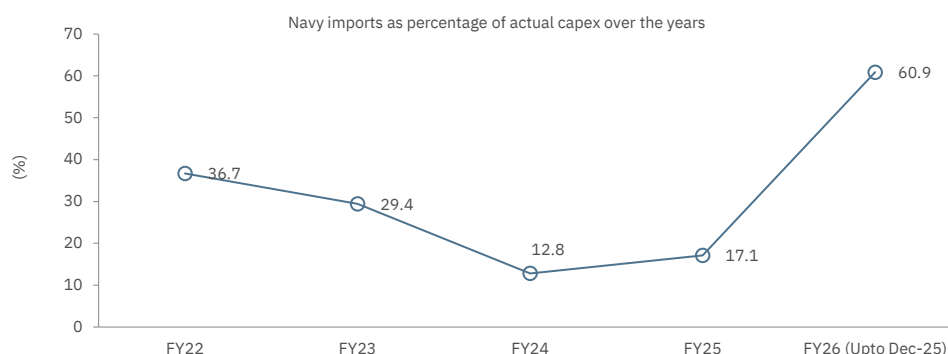
Exhibit 14: The Navy's share of the overall defence budget at 31% in FY27



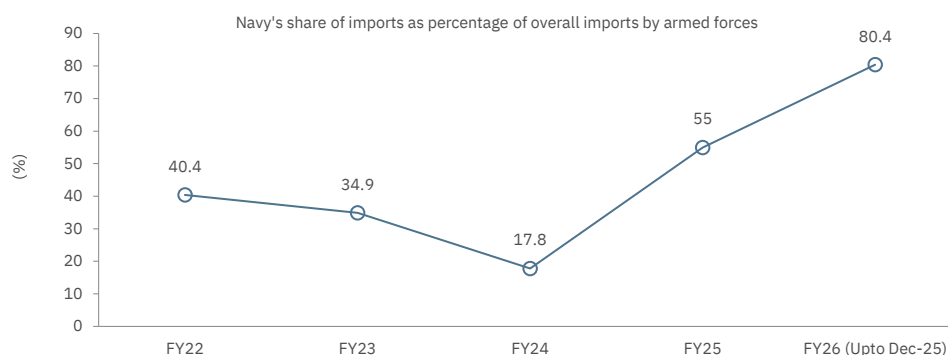
Note: Actual expenditure over FY21-25, revised estimates as of FY26, budget estimates for FY27; Source: Standing Committee Report, Elara Securities Research

Imports up to 61% of actual capex as of December 2025

The Navy's share of imports has declined over FY22-25 from 37% in FY22 to 17% in FY25, as major tenders were signed with domestic players for manufacturing. However, in 9MFY26, the share sharply increased to 61% of the actual capex incurred YTD, likely due to a large contract for 26 Rafale-M for the Navy (signed in Apr-25) and two large tenders of Next Generation Corvettes and P-75I submarines which were expected to be signed during March 2026 being deferred to FY27.

Exhibit 15: Navy imports up in 9MFY26 likely due to the signing of Rafale-M contract


Source: Standing Committee Report, Elara Securities Research

Exhibit 16: Navy's share of overall armed forces imports spiked to 80% as of 9MFY26


Source: Standing Committee Report, Elara Securities Research

Contracts worth INR 1.8tn to be signed over FY27-28

The current year's budget allocation has been used to support several new schemes in addition to committed liabilities and ongoing projects. Large projects among these are –

- ▶ Contract for Rafale-M Aircraft
- ▶ Follow on support for MH60R helicopters
- ▶ Heavy weight torpedoes for Scorpene class submarines

Further, as per the Indian Navy, contracts worth INR 1.8tn may be signed in FY27 and FY28 for various projects (warships, aircraft, submarines, weapons and equipment). The category wise break-down is as follows:

Exhibit 17: Projects worth INR 1.8tn likely to be signed in the next two years

Categories	Total cost (INR bn)
Warships and Survey Vessels	188.94
Submarines and Refits	426.98
Aircrafts and maintenance	812.64
Weapons and Ammunition	376.58
Equipment and Vehicle	27.42
Total	1832.56

Source: Standing Committee Report, Elara Securities Research

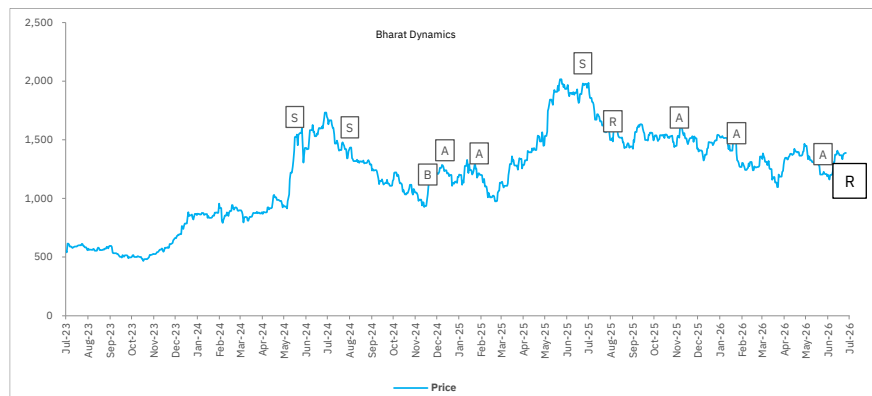
Also, two major contracts of Next Generation Corvettes (eight ships; AoN value of INR 360bn, actual value likely at ~INR 528bn) and P-75I submarines (six submarines; AoN value of INR 400bn; actual value expected at INR 990bn) were expected to be signed in March 2026, but this has been delayed and is now expected in FY27, resulting in further increase in the amount for projects to be signed, from INR 1.8tn likely to INR 3.35tn.

Exhibit 18: Valuation - Zen Technologies

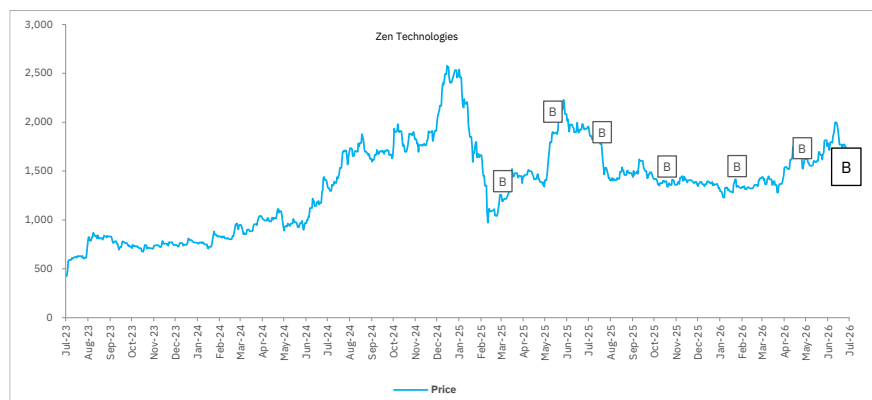
(INR)	
EPS – FY27E	41.2
EPS – FY28E	58.2
Five-year average P/E (x)	34.3
Target multiple (x)	40
March FY28E EPS	58
Target price	2,330

Source: Elara Securities Estimate

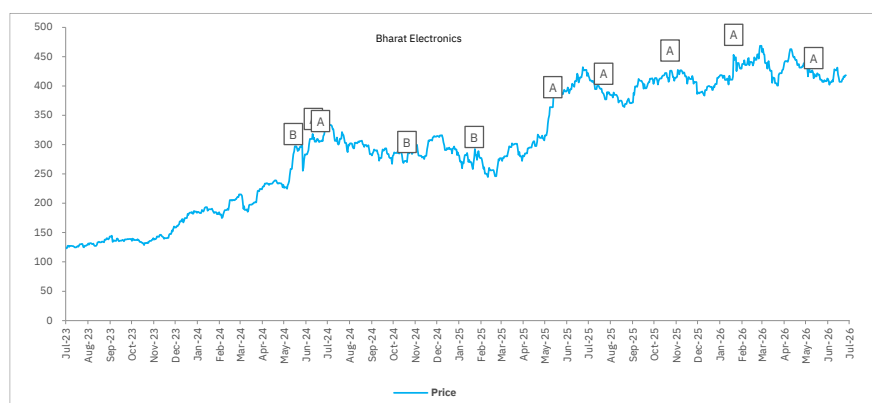
Coverage History



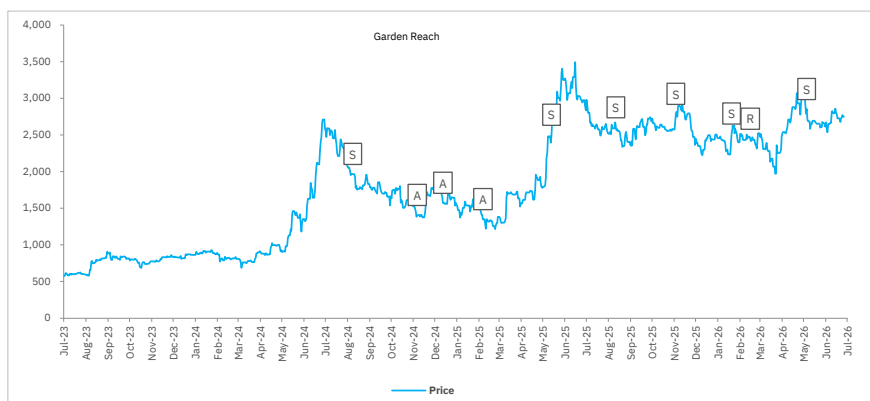
Date	Rating	Target Price (INR)	Closing Price (INR)
24-May-2024	Sell	750	1,523
09-Aug-2024	Sell	1,100	1,434
26-Nov-2024	Buy	1,230	1,032
20-Dec-2024	Accumulate	1,300	1,239
06-Feb-2025	Accumulate	1,360	1,212
01-Jul-2025	Sell	1,480	1,980
12-Aug-2025	Reduce	1,480	1,486
13-Nov-2025	Accumulate	1,625	1,518
01-Feb-2026	Accumulate	1,580	1,384
02-Jun-2026	Accumulate	1,315	1,206
08-Jul-2026	Reduce	1,315	1,337



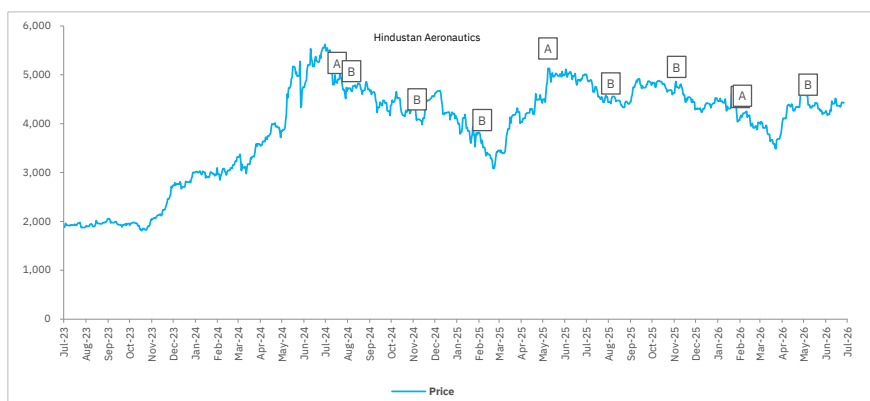
Date	Rating	Target Price (INR)	Closing Price (INR)
11-Mar-2025	Buy	1,535	1,192
20-May-2025	Buy	2,290	1,901
28-Jul-2025	Buy	2,225	1,691
27-Oct-2025	Buy	2,120	1,340
02-Feb-2026	Buy	2,025	1,346
04-May-2026	Buy	1,870	1,528
08-July-2026	Buy	2,330	1,819



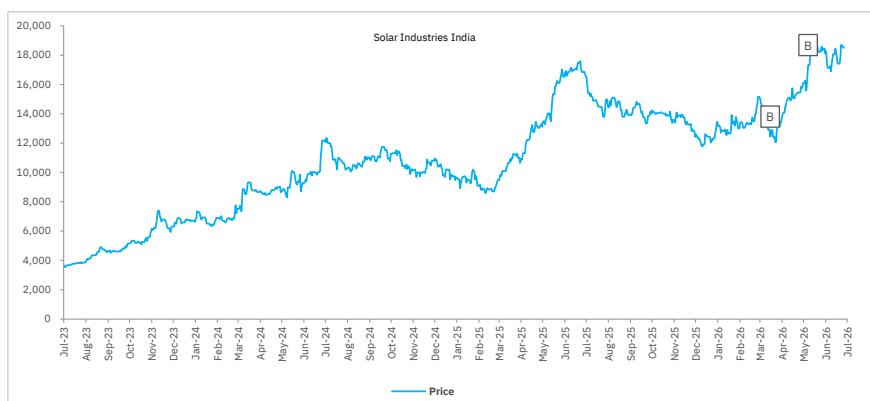
Date	Rating	Target Price (INR)	Closing Price (INR)
22-May-2024	Buy	340	284
19-Jun-2024	Accumulate	340	309
29-Jun-2024	Accumulate	355	321
28-Oct-2024	Buy	345	270
30-Jan-2025	Buy	370	279
20-May-2025	Accumulate	400	364
30-Jul-2025	Accumulate	415	387
31-Oct-2025	Accumulate	470	426
28-Jan-2026	Accumulate	485	453
20-May-2026	Accumulate	465	413



Date	Rating	Target Price (INR)	Closing Price (INR)
16-Aug-2024	Sell	1,370	1,967
14-Nov-2024	Accumulate	1,500	1,406
20-Dec-2024	Accumulate	1,660	1,572
14-Feb-2025	Accumulate	1,620	1,351
21-May-2025	Sell	2,260	2,501
19-Aug-2025	Sell	2,140	2,587
11-Nov-2025	Sell	2,200	2,786
28-Jan-2026	Sell	2,030	2,519
23-Feb-2026	Reduce	2,300	2,416
13-May-2026	Sell	2,230	2,791



Date	Rating	Target Price (INR)	Closing Price (INR)
25-Jul-2024	Accumulate	5,590	4,830
14-Aug-2024	Buy	5,730	4,662
14-Nov-2024	Buy	5,465	4,087
13-Feb-2025	Buy	5,160	3,660
16-May-2025	Accumulate	5,640	5,128
12-Aug-2025	Buy	5,440	4,406
12-Nov-2025	Buy	5,680	4,749
09-Feb-2026	Accumulate	4,480	4,131
12-Feb-2026	Accumulate	4,700	4,159
15-May-2026	Buy	5,350	4,386



Date	Rating	Target Price (INR)	Closing Price (INR)
23-Mar-2026	Buy	15,450	12,430
15-May-2026	Buy	21,290	17,314

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

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

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

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

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

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

Disclaimer & Standard warning

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

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

Disclaimer for non U.S. Investors

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

Disclosures for U.S. Investors

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

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

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

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

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

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

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

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

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

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

Additional Disclaimer for UK Investors

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

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

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

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

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

Certification by Each of the Authors of this Report

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

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

Note that:

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

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

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

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

India Elara Securities (India) Private Limited One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500	Europe Elara Capital Plc. 6th Floor, The Grove, 248A Marylebone Road, London, NW1 6JZ, United Kingdom Tel : +44 20 7486 9733	USA Elara Securities Inc. 950 Third Avenue, Suite 1900 New York, NY 10022 United States Tel: +1 212 430 5870 Fax: +1 212 208 2501	Asia / Pacific Elara Capital (Singapore) Pte.Ltd. One Marina Boulevard, Level 20, Singapore 018989 Tel : +65 6978 4047
---	--	--	---



Managing Director

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



Head of Sales

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



Head of Research

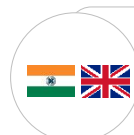
Dr Bino Pathiparampil | bino.pathiparampil@elaracapital.com | +91 22 6164 8572



Deputy Head of Research & Strategist

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

Sales Team



India & UK

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



India

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



India, APAC & Australia

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



India & US

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



Corporate Access, Conference & Events

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

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

Also available on **Thomson & Reuters**

Elara Securities (India) Private Limited

Registered Office Address: One International Center, Tower 3, 21st Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai – 400 013, India Tel : +91 22 6164 8500

CIN: U74992MH2007PTC172297 | SEBI Research Analyst Registration No.: 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 - Tel. +91 22 6164 8509

Compliance Officer: Mr. Anand Rao - Email ID: anand.rao@elaracapital.com - Tel. +91 22 6164 8509