

The Issue

Type of Issue	Issue size Rs. Mn
Fresh Issue*	6,000
Offer for Sale	6,010
Total	12,010
Post Issue Market cap (Rs. bn)*	34.05
Lot size	67 shares

*At Upper Price Band

Issue Break-Up

Reservation for	% of Issue
QIB	50%
NIB	15%
Retail	35%
Total	100%

Indicative Offer Timeline	Indicative Date
Bid/Offer Opening Date	20 Sept, 2023
Bid/Offer Closing Date	22 Sept, 2023
Finalization of the Basis of Allotment	27 Sept, 2023
Credit of shares	3 Oct, 2023
Initiation of refunds	29 Sept, 2023
Listing Date	4 Oct, 2023

Use of Net Proceeds

Capex towards setting up 30 new stores	Rs. 1,251 mn
Capex for setting up 2 warehouses	Rs. 254 mn
Funding WC requirements	Rs. 2,801 mn
Repayment of Borrowings	Rs. 500 mn
General Corporate Purposes	---

General Information

Manager	Motilal Oswal, HDFC Bank, Nuvama
Registrar	Bigshare Services Pvt Ltd

Saral Seth

VP—Institutional Equities

sarals@indsec.co.in

+91 22 61146139

Nikita Kukreja

Research Associate

nikitak@indsec.co.in

+91 22 61146109

Strong player in women ethnic wear; SUBSCRIBE for long term

Company Overview:

- Sai Silks (Kalamandir) is amongst the top 10 retailers of ethnic apparel, particularly sarees, in south India in terms of revenues and PAT in FY20, FY21 and FY22. With a store network of 54 stores having an aggregate area of ~603k sq.ft. as of 31.07.23, Sai Silks has presence across 4 states, i.e. Andhra Pradesh, Telangana, Karnataka and Tamil Nadu, Sai Silks with a diversified product basket catering to ~5.98mn customers across all market segments.
- Sai Silks operate through 4 store formats, i.e., Kalamandir, VaraMahalakshmi Silks, Mandir and KLM Fashion Mall, through which it offers its products to various segments of the market that include premium ethnic fashion, ethnic fashion for middle income and value-fashion, with a variety of products across different price points, thereby leading to a wide addressable market.
- While, majority of the revenue comes from sarees, Sai Silks also have SKUs in non-saree category (mainly ethnic), men's wear and kids wear.
- The average store size as of 31.07.23 is 10,390 square feet for our Kalamandir format stores, 3,310 square feet for our Mandir format stores, 6,099 square feet for our VaraMahalakshmi format stores, and 18,400 square feet for our KLM Fashion Mall format stores.
- **Market Share:** Sai Silks market size in Sarees segment in South India is ~3%. Saree market is expected to grow at a CAGR of 16.5% between FY23 to FY27.
- **Future Expansion:** Sai Silks proposes to expand 25 VaraMahalakshmi Stores and 5 Kalamandir Stores in Tamil Nadu over the next 2 FYs. It also plans to open up 2 new warehouses, 1 in Chennai and 1 in Hyderabad given large no. of stores in these cities. On an average, Sai Silks incurs ~Rs.1.25bn including WC for opening a new store with a payback period of ~16-17 months. Demand for silks in Tamil Nadu goes hand in hand with VaraMahalakshmi product portfolio. Strategy is to grow in a cluster model.
- **Financial Highlights:** In FY23, The company reported revenues of Rs. 13.5bn (+20% YoY) with EBITDA margins of 15.7% (+390bps YoY) and PAT of Rs. 976mn (PAT margin rose by 210bps YoY to 7.2%). Revenue Mix: In FY23, 68% revenue was from sarees and 32% from non-saree women's wear (mainly ethnic), men's wear and kids wear. Average revenue per store has risen by 1.9% YoY to Rs.250mn in FY23 due to new store launches which have a high payback period on account of high fixed costs due to luxury interiors. Average capex per store was Rs.52mn in FY23 and has remained flat over the past 2 years. Average revenue from matured stores grew by 8.3% YoY to Rs.274mn in FY23 indicating majority growth in revenue from volumes.
- **Valuation and Outlook:** At the upper price band of Rs. 222, the IPO is valued at post issue P/E of 34.9x and EV/EBITDA of 17.4x on FY23 Earnings and EBITDA and Market cap/Sales of 2.5x on FY23 sales. Avg P/E ratio, EV/EBITDA and Market cap/Sales of listed peers is ~76.1x, 31.7x and 7.9x respectively. We thus assign a "**SUBSCRIBE for long term**" rating to the IPO given fair valuation of the stock, further expansion in high margin store formats and positive outlook on rising demand for sarees in South India coupled with an expectation of rise in discretionary spending coupled with rise in per capita income. IPO proceeds would also be deployed towards reducing payable days thereby leading to improved gross margins.

Sai Silks (Kalamandir) Ltd.

Strengths

- **Among the leading ethnic and value-fashion retail company in south India having a portfolio of established formats with focused sales and marketing strategy:** Sai Silks offer a diverse range of products which includes (a) various types of ultra-premium and premium sarees suitable for weddings, party wear as well as occasional and daily wear; (ii) lehengas, (iii) men’s ethnic wear, (iv) children’s ethnic wear (v) value fashion products comprising fusion wear and western wear for women, men and children and (vi) North Indian women ethnic celebration wear such as designer lehengas. By leveraging the experience in selling ethnic wear, Sai Silks has expanded its store portfolio to four formats ie “Kalamandir”, “Mandir”, “VaraMahalakshmi” and “KLM Fashion Mall”, hybrids and derivatives like “Valli silks” (combination of KLM Fashion Mall and VaraMahalakshmi Silks) and “Kalamandir Royale” (Kalamandir store format with higher range products and exclusive collections) ,each offering different set of products catering to the respective target segments and it continues to expand the product range to meet the demand of different target segments.

Retail Store Positioning: The stores are strategically located in prime / central areas of the cities to tap the purchasing power of customers, with a cluster-based model. Further, for effective inventory management and higher average transaction value, new retail stores in all 4 formats are opened in the same city rather than extending to other cities. **Marketing Strategy:** Sai Silks engage popular South Indian actors as brand ambassadors. Other strategies include selling products through live shows and social media marketing. Total Ad spends as a % of revenue: 1.3%/ 2.4%/ 2.6% in FY21, FY22 and FY23 respectively.

Expansion of 15 new stores between FY21 to FY23

Store Format	FY21		FY22		FY23	
	Rs mn	% revenue	Rs mn	% revenue	Rs mn	% revenue
Kalamandir	2,845	42%	5,116	45%	6,064	45%
VaraMahalakshmi	2,611	39%	4,153	37%	4,429	33%
Mandir	445	7%	766	7%	1,219	9%
KLM Fashion Mall	870	13%	1,258	11%	1,802	13%
Total	6,771	100%	11,293	100%	13,515	100%

- **Leading ethnic wear retail brand in India with a scalable model:** Sai Silks consider business model to be scalable and efficient and it generally achieves immediate positive cash flow for new format stores and achieves break even for capital expenditure incurred for setting up the exclusive format store within a reasonable period from store opening, depending on the store format.

Sai Silks (Kalamandir) Ltd.

Strengths

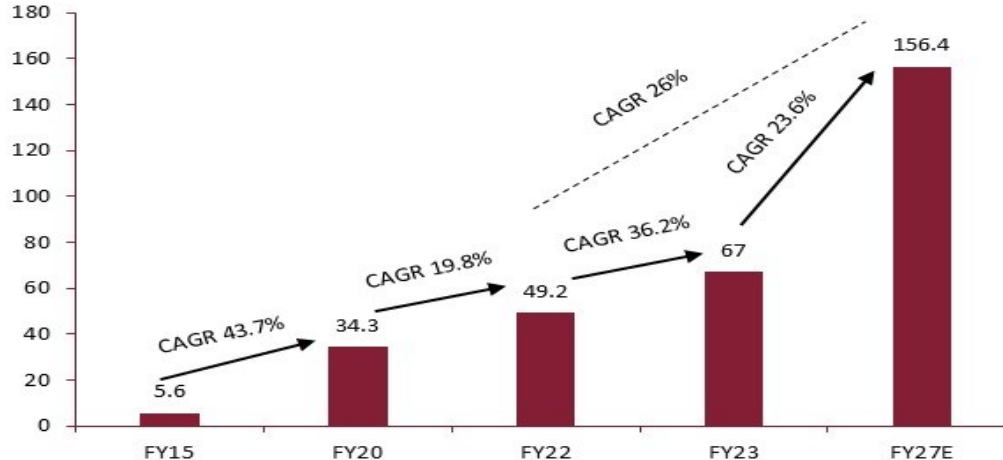
- **Strong presence in offline and online marketplace with an omni-channel network:** Sai Silk's focus has remained on creating a differentiated shopping experience for customers, which has led to word-of-mouth references leading to increase in average business per customer. We have introduced certain unique experiences involving religious and traditional rituals to bless product purchases, particularly for purchases for weddings and other key social occasions. We have also made appropriate investments on interior works at our stores to ensure that the overall ambience matches the shopping experience. Sai Silks further expanded its reach by foraying into e-commerce along with brick and mortar stores. Its operates through its own websites and has also collaborated with third party e-commerce websites to provide an omnichannel network to its customers. Sai Silk's focus towards e-commerce has expanded its geographical reach to 25 states and six union territories in India in FY23. E-commerce contributed 0.8%/ 1.5%/ 1.4% respectively in FY21, FY22 and FY23 respectively. Sai silk's websites recorded 3,158, 9,715 and 6,463 average visits per day in FY21, FY22 and FY23 respectively.
- **Experienced Promoter, management and in-house teams with proven execution capabilities:** Since inception, Sai Silks has been led by our Managing Director, Nagakanaka Durga Prasad Chalavadi who has more than 18 years of experience in the retail business. He has been instrumental in building our store formats and its operational efficiencies. The large senior management team has extensive experience in the retail and fashion industry, which positions it well to capitalize on future growth opportunities. The inhouse teams are also responsible for creating IT solutions that are deployed across our stores for productivity improvements and increasing operational efficiency.

Sai Silks (Kalamandir) Ltd.

Strategies

- Expand footprint within India through owned stores and franchise network by leveraging brand appeal:** The saree and others category (which includes lehengas, Indian dresses and gowns) is expected to grow at a CAGR of 19% from FY22 to FY27, to reach ₹ 1,248 bn in FY27. To increase market share, brand recognition and benefit from operating leverage, Sai Silks focus has been towards expanding its store network in south India and other regions of the country. Sai Silks proposes to utilise part IPO proceeds towards expansion of ~30 new stores over the new 2 FYs with more focus on expanding VaraMahalakshmi Silks store formats. Sai Silks also intends to focus on expanding of the KLM Fashion Mall in order to tap the growing potential of valuefashion brand and propose to open 5 additional stores through a franchisee model. It also wishes to explore further franchisee and B2B models with the objective of tapping the unorganized market as well as improve return ratios through additional margins.
- Increase focus on sale of products through e-commerce:** The e-commerce market in India has witnessed an accelerated growth and is expected to reach 11% (US\$ 156 bn) of the total retail market by FY27 from its share of 4.6% in FY20 (US\$ 36.6 bn) at a growth rate of ~ 23% CAGR. intend to continue to focus on further strengthening our online sales channels to benefit from evolving customer trends. Sai Silks intend to make further investments in digital channels to build an omni-channel engagement experience for the customers, improve and upgrade the websites and have a dedicated team for e-commerce operations.





Growth of E-retail in India (\$ bn)



- Leverage technology to bring cost efficiency and enhance customer experience:** Sai Silks intends to invest further in IT infrastructure and data analytics by migrating into better software resources at the back-end of our operations in order to improve productivity and time savings. It further intends to expand and upgrade existing warehouses to optimize inventory and supply management. It also intends to strategically expand warehouse operations as well as implement new technologies and launch new royalty programmes to further expand and improve customer deliveries and enhance customer buying experience with faster dispatches.

Sai Silks (Kalamandir) Ltd.

Store Format and Product Portfolio

Format	Target Segment	Product Portfolio	Average Price Range
	Contemporary ethnic fashion for middle income	Different variety of sarees, such as <i>Tusser, Silk, Kota, Kora, Khadi, Georgette, Cotton and Matka</i>	Approximately ₹ 1,000 to ₹ 100,000
	Premium ethnic silk sarees and handlooms targeting wedding and occasional wear.	The major product offerings includes premium variety of sarees such as <i>Banarasi, Patola, Kota, Kanchipuram, Paithani, and Organza, Kuppadam</i> , with major focus on handlooms such as <i>Kacheepuram silk sarees</i>	Approximately ₹ 4,000 to ₹ 250,000
	Ultra-premium designer sarees targeting high net-worth individuals	The major product offerings includes ultra-premium variety of designer sarees such as <i>Banarasi, Patola, Ikat, Kanchipuram, Paithani, Organza and Kuppadam</i>	Approximately ₹ 6,000 to ₹ 350,000.
	Value-fashion at affordable price points	Value fashion products comprising fusion wear, sarees for daily wear and western wear for women, men and children	Approximately ₹ 200 to ₹ 75,000

Average revenue per store for each store format

Brand	FY21		FY22		FY23	
	No of stores	Rs. Mn	No of stores	Rs. Mn	No of stores	Rs. Mn
KalaMandir	8	146	8	226	12	197
Mandir	2	105	3	147	4	114
VaraMahalakshmi	15	177	17	264	19	274
KLM Fashion Mall	17	158	18	243	19	279
Total	42	160	46	242	54	247

Sai Silks (Kalamandir) Ltd.

Store Format and Product Portfolio

States	No of Stores (as of 31.7.23)	Aggregate store area (sq. ft) (as of 31.7.23)	FY21		FY22		FY23	
			Revenue (Rs.mn)	% revenue	Revenue (Rs.mn)	% revenue	Revenue (Rs.mn)	% revenue
Telangana	25	275,503	2,845	42%	5,116	45%	6,064	45%
Andhra Pradesh	16	193,557	2,611	39%	4,153	37%	4,429	33%
Tamil Nadu	4	26,770	445	7%	766	7%	1,219	9%
Karnataka	9	107,584	870	13%	1,258	11%	1,802	13%
Total	54	603414	6771	100%	11293	100%	13515	100%

Store Format	FY21		FY22		FY23	
	Revenue (Rs mn)	% revenue	Revenue (Rs mn)	% revenue	Revenue (Rs mn)	% revenue
Kalamandir	2,845	42%	5,116	45%	6,064	45%
VaraMahalakshmi	2,611	39%	4,153	37%	4,429	33%
Mandir	445	7%	766	7%	1,219	9%
KLM Fashion Mall	870	13%	1,258	11%	1,802	13%
Total	6,771	100%	11,293	100%	13,515	100%

State	No of Stores as on 31.7.23				
	Kalamandir	Mandir	Vara Mahalakshmi	KLM Fashion	Total
Telangana	5	4	6	10	25
Andhra Pradesh	4		6	6	16
Tamil Nadu			4		4
Karnataka	3		3	3	9
Total	12	4	19	19	54

No. of Stores	FY21	FY22	FY23	31.7.23
KalaMandir	8	8	12	12
Mandir	2	3	4	4
VaraMahalakshmi	15	17	19	19
KLM Fashion Mall	17	18	19	19
Total	42	46	54	54

Sai Silks (Kalamandir) Ltd.

Key Risks

- The business is highly concentrated on the sale of women's sarees and is vulnerable to variations in demand and changes in consumer preference, could have an adverse effect on our business, results of operations and financial condition. Sai Silks earned 66%/ 67% and 68% revenue from saree business in FY21, FY22 and FY23 respectively.
- Current locations of the stores may become unattractive, and suitable new locations may not be available for a reasonable price or acceptable terms, if at all. In addition, we are exposed to risks associated with leasing real estate and any adverse developments could materially affect our business, results of operations and financial condition. 46% of the stores are concentrated in Telangana followed by Andhra Pradesh having 30% store concentration. All stores and warehouses operate on leased premises, Sai Silks is thus exposed to the market conditions of the retail rental market. Total lease expenses as a % of total expenses: 3.8% / 3.5% / 4% in FY21, FY22 and FY23 respectively.
- Sai Silks has entered into a business assets transfer agreement to acquire the business assets of Sai Retail India Limited (Promoter Group Company). Any failure to realise the anticipated benefits of the transfer or any future acquisition, partnership or purchase, may have an adverse effect on the business, results of operations, cash flows and financial condition. Sai Silks had entered into a supplier's agreement with Sai Retail India Limited in April 2017 for the purchase of apparel products from Sai Retail India Limited for a period of five years until FY22. In view of the changing business dynamics, Sai Silks and Sai Retail India Limited did not continue with arrangements under such Suppliers Agreement with effect from April 1, 2022. Sai Silks entered into a business assets transfer Agreement dated April 1, 2022 pursuant to which it acquired the business assets of Sai Retail.

- Related Party Transactions between Sai Silks and Sai Retail**

Particulars	FY21	FY22	FY23
Purchases (Rs. Mn)	4421.87	8416.9	2008.59
Rent (expense) (Rs. Mn)	2.45	3.16	-
Other Income-Rent (Rs. Mn)	0.12	0.12	-
Fixed Assets Purchased (Rs. Mn)	-	-	61.31
Rent Deposits taken over	-	-	27.13
Salary Advances taken over	-	-	27.54

- Any downgrade in credit ratings could increase the borrowing costs, affect the ability to obtain financing, and adversely affect business, results of operations and financial condition.

Rating Agency	Facilities	Previous Credit Rating	Current Credit Rating
India Ratings and Research	Fund-based WC facilities	IND A-, Negative Outlook	Ind A-, Stable Outlook
	Term Loan	IND A-, Negative Outlook	Ind A-, Stable
CARE Ratings	Bank Facilities	CARE A-, Stable Outlook	Rating withdrawn by the Company

Sai Silks (Kalamandir) Ltd.

- The nature of the business requires maintaining sufficient inventories resulting into high inventory costs. As of March 31, 2021, 2022 and 2023, the inventory as a percentage of current assets was 89.7%, 85%, and 85.7%, while inventory as a percentage of revenue from operations was 54.2%, 42.2%, and 51%, respectively. In FY 2021, 2022 and 2023, total payables was ₹ 1.01bn, ₹ 1.29bn and ₹ 2.3 bn, respectively and represented 15.9%, 11.4% and 17%, respectively, of revenue from operations in such periods. The average inventory turnover of Sai Silks is 2.32x which is lower than all its listed peers. The average inventory turnover of listed peers is ~4.8x.

Company	Sai Silks	Vedant Fashions	TCNS Clothing	Go Fashion	Aditya Birla Fashion	Shoppers Stop	Trent
Inventory Turnover	2.32x	8.56x	2.81x	3.36x	3.48x	3.21x	7.4x

- Majority of the women Indian wear is sold through the unorganized/traditional channel within which the saree market is dominated by unorganized and single store players. The fragmented market could impact market share and business operations.
- Sai Silks procure the products from third-party vendors and master weavers. They do not enter into long term formal agreements with such vendors and may not be able to procure sufficient quantities or desired quality of products from such vendors and master weavers in a timely manner or at acceptable prices, or on an exclusive basis, which may adversely affect the business, financial condition and results of operations.
- Sai Silks is dependent on third-party transportation providers for the delivery of its products, and any disruption in such delivery or failure by third parties to provide their services may adversely affect the operations.
- The growth of online retailers and current trends of discounting and pricing strategies may adversely affect the pricing ability, which may have an adverse effect on the results of operations and financial condition.

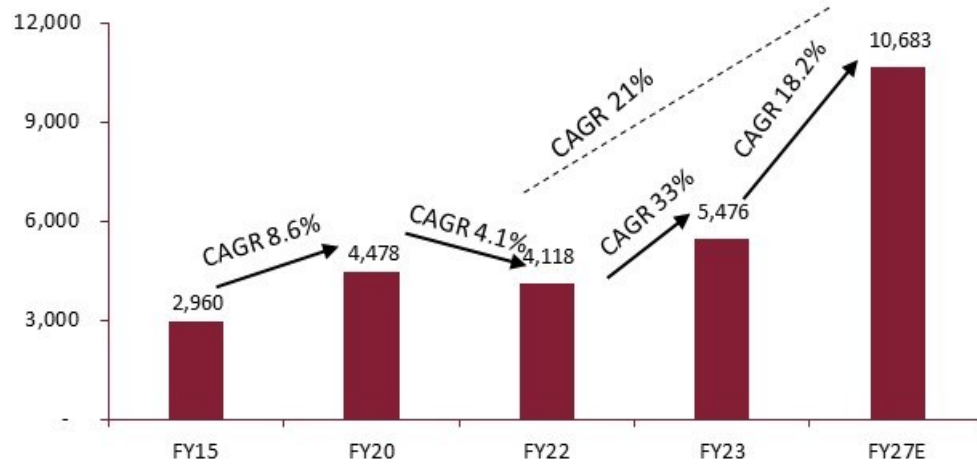
Pre-issue and Post-issue holding structure

Shareholding Pattern	Pre-Offer		Post-Offer		Post-Offer	
	Shares (Mn)	% Holding	Shares (+/-)	Type	Shares (Mn)	% Holding
Promoters	120.32	95.2%	-27.07	Offer for Sale	93.25	60.8%
Public	6.02	4.8%	27.03	Fresh Issue	60.12	39.2%
Total	126.34	100.0%			153.37	100.0%

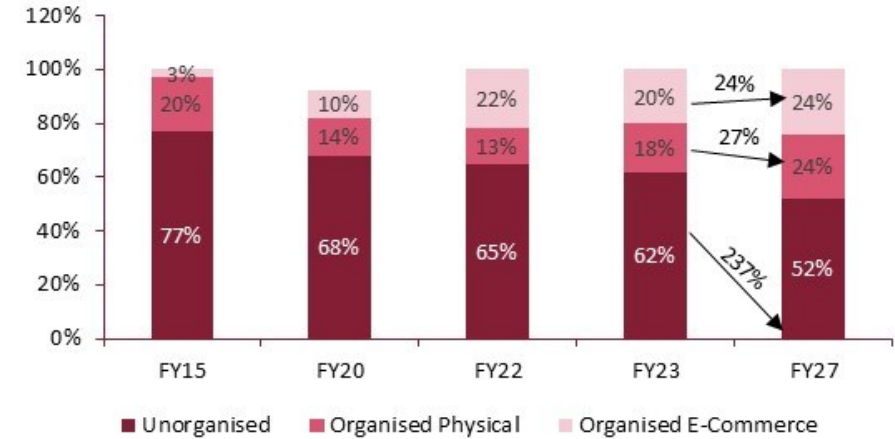
Industry at a Glance

India's Saree Market Size in FY22 was Rs.524 bn out of which South region constitutes 50%. Thus, Sai Silk's Market Share in Sarees in South is ~3%.

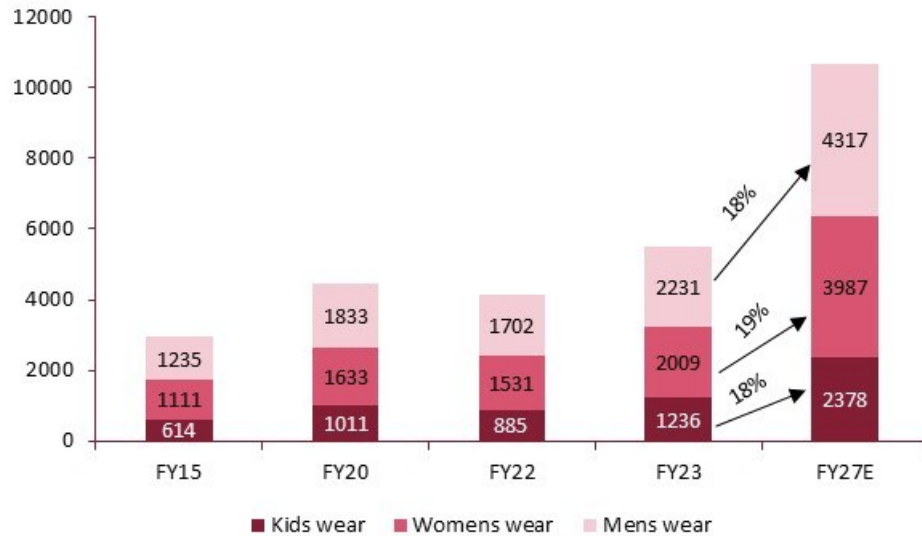
Apparel Market Size in India (Rs. Bn) expected to grow at a CAGR of 18%



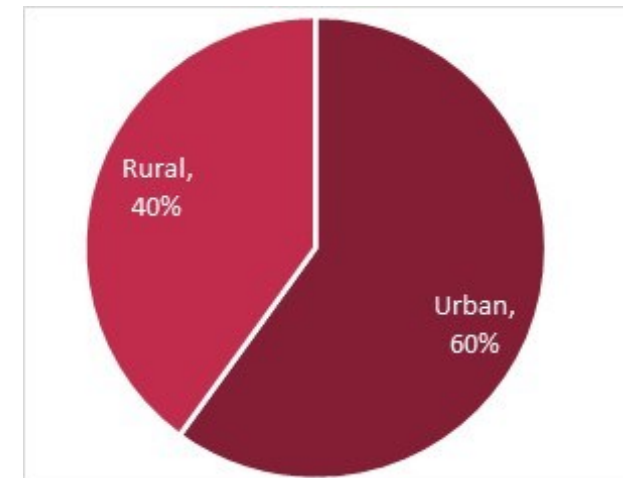
Share of Organised vs Unorganised Apparel Industry



Apparel market by Gender (Rs. Bn)

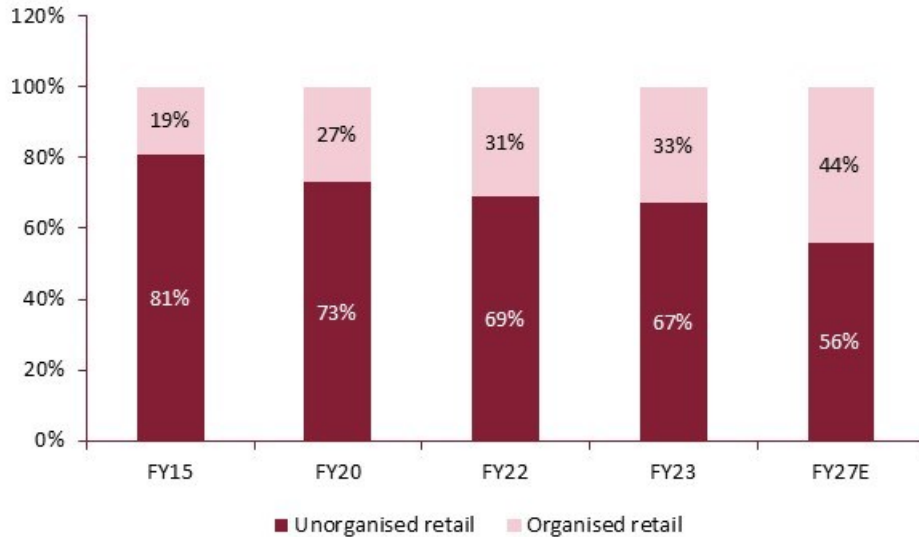


Apparel Market Urban vs Rural

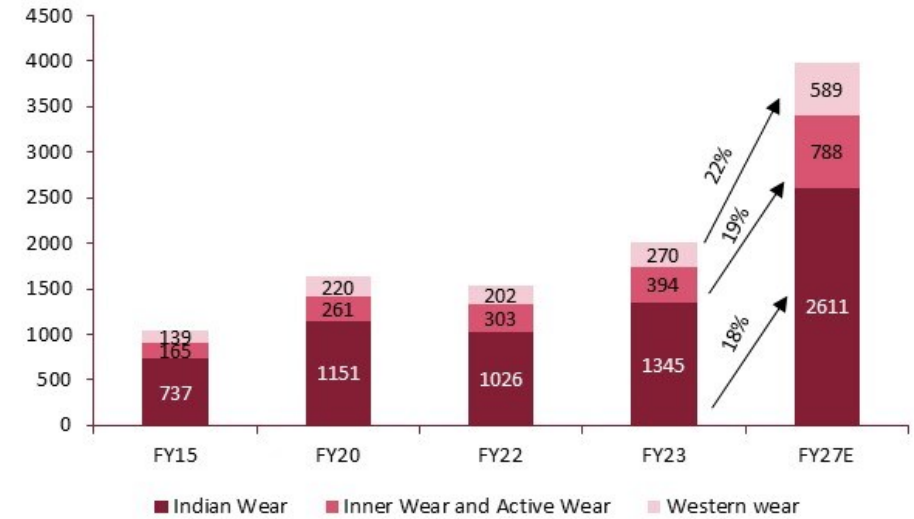


Industry at a Glance

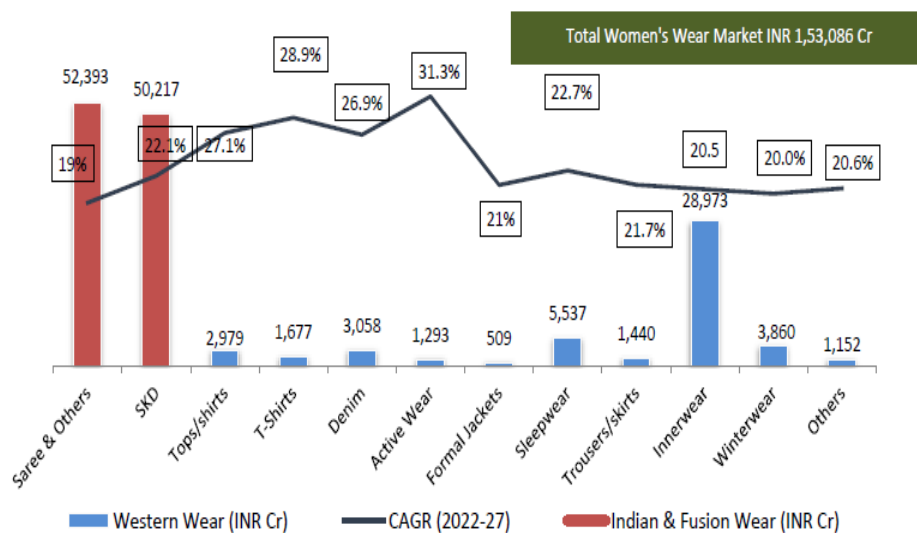
Organised vs Unorganised Retail in Women's Apparel Market



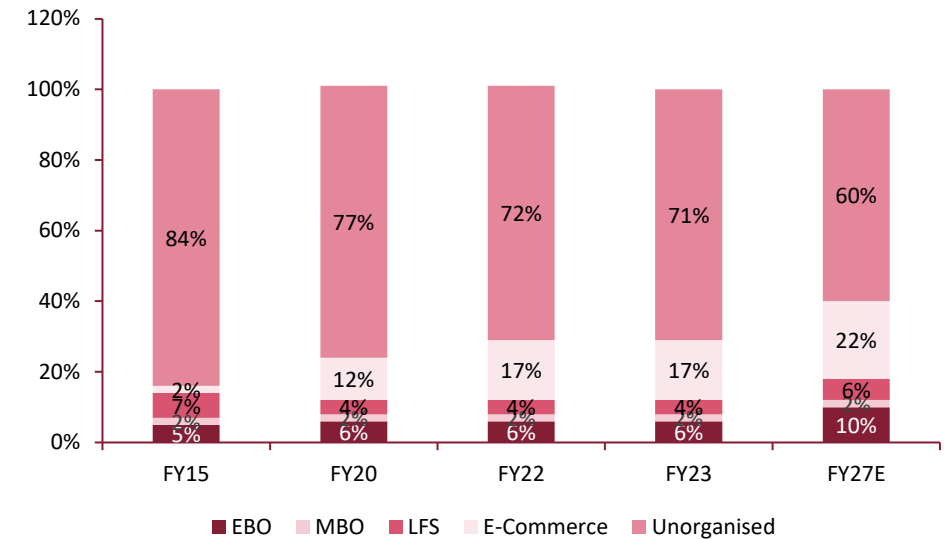
Women's Apparel Market (Rs. Bn)



Product wise Segmentation of Women's Wear market FY22 and CAGR FY22-FY27E

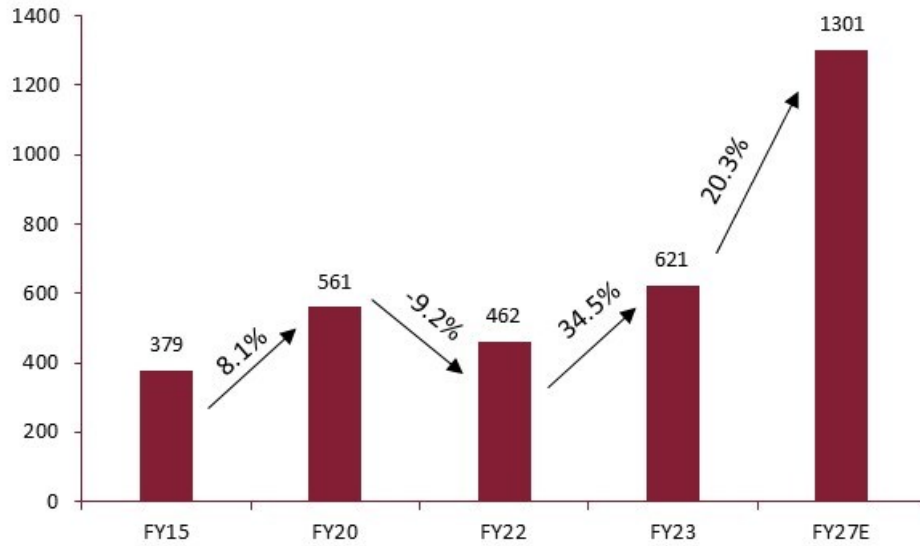


Women's Wear Channel Wise Segmentation

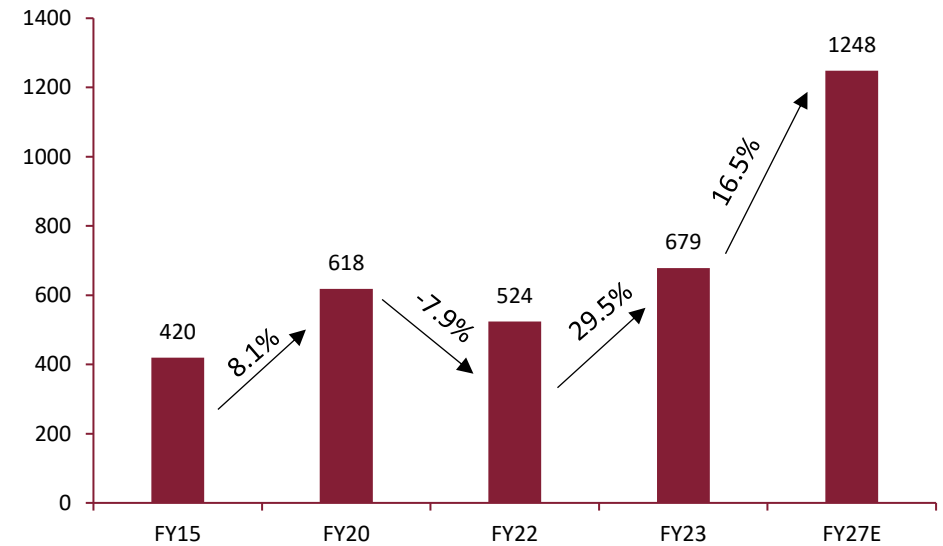


Industry at a Glance

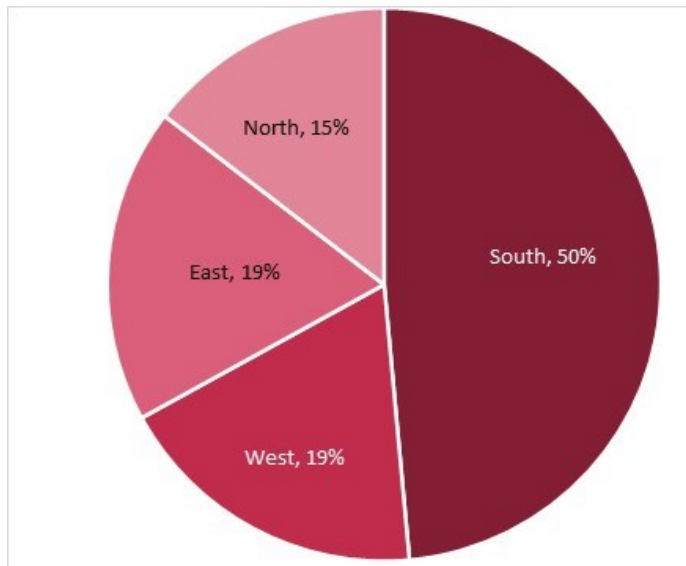
Women's Indian Wedding and Festive Wear Market (Rs. Bn)



Women's Saree Category Market (Rs. Bn)



Region Wise share of Saree Market FY22



Share of organised market in Women's Indian Wear



Peer Analysis

Peer Analysis as per FY23 financials

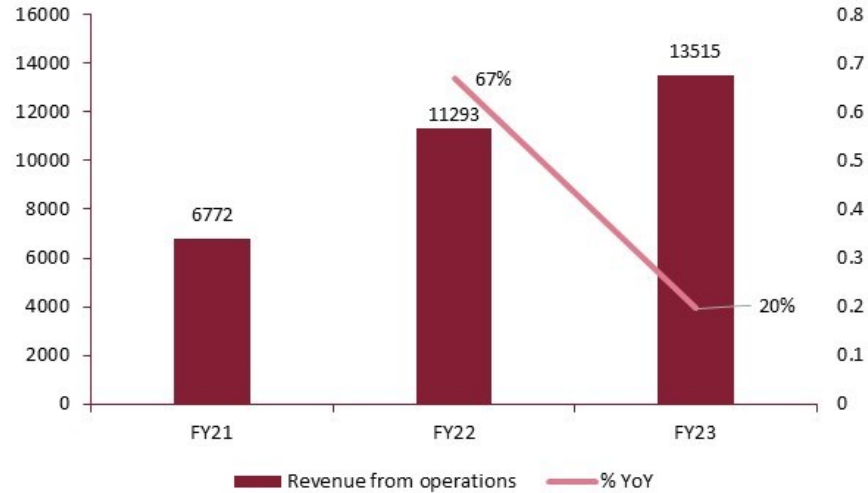
Particulars (Rs. in mn)	Sai Silks	Vedant Fashions	TCNS Clothing	Go Fashion	Aditya Birla Fashion	Shoppers Stop	Trent
Revenue	13,515	13,549	12016	6653	124179	40221	82420
% YoY	20%	30%	34%	66%	53%	60%	83%
Gross Profit	5288	10030	8012	4438	68659	16938	35223
Gross Profit Margins	39.1%	74%	66.7%	66.7%	55.3%	42.1%	42.7%
EBITDA	2,125	6,708	1,256.15	2,122.86	15004.2	6932.5	11541.2
EBITDA Margin	15.7%	49.5%	10.5%	31.9%	12.1%	17.2%	14.0%
PAT	976	4,291	-175	828	-595	1160	3937
PAT Margin	7.2%	31.7%	-1.5%	12.4%	-0.5%	2.9%	4.8%
EPS	8.10	17.7	-2.8	15.3	-0.4	10.5	12.5
Return on Net Worth	24.6%	30.7%	NM	15.9%	NM	56.3%	14.8%
P/E ratio	34.89*	71.3	NM	87.7	NM	69.3	163.8
EV/EBITDA	17.41*	45.4	29.5	31.8	18.5	13.1	51.9
Market Cap/Sales	2.52*	23.6	2.03	10.4	1.67	1.9	8.1
ROCE	23.6%	47.5%	3.2%	25.7%	8.3%	65.7%	27.6%
ROE	28.0%	34.6%	-2.9%	17.3%	-1.9%	82.3%	15.5%
Debt/Equity#	0.87	-	0.06	-	0.69	0.61	0.19
Net Debt/ EBITDA	0.40	-	-	-	1.50	0.12	0.40
Creditor Turnover days	62.1	23.1	78.9	16.6	113.1	165.9	29.5
Inventory Turnover days	157.5	42.7	129.9	108.7	105.0	113.8	49.4
Cost to retail ratio	60.87%	25.97%	33.32%	33.30%	44.71%	57.89%	57.26%
Inventory to Total Assets	0.57	0.08	0.33	0.25	0.25	0.33	0.17
Net Sales to Inventory	1.96	7.8	2.43	2.89	2.95	2.68	6.06
No of Stores	54	649	675	630	3,546	270	590
Cities	12	245	NA	143	NA	52	139
Avg Store Area (sq ft)	11,174	2,265	NA	429	3,046	14,444	10,508
Avg Revenue/ sq ft	22,397	9,217	NA	18,186	11,498	10,313	13,294
Avg Revenue/ Store	250	21	18	11	35	149	140

* at upper price band

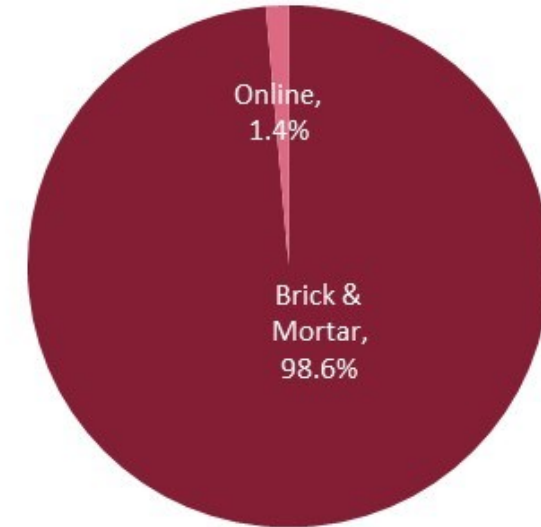
Debt/ Equity= Total Term Liabilities divided by Equity Share Capital and Other Equity

Financial Story in Charts

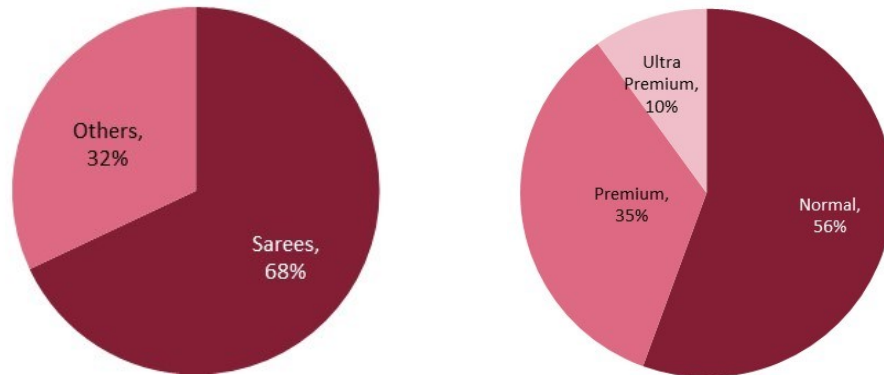
Revenue (Rs. Mn)



FY23 Revenue - Online vs Brick & Mortar

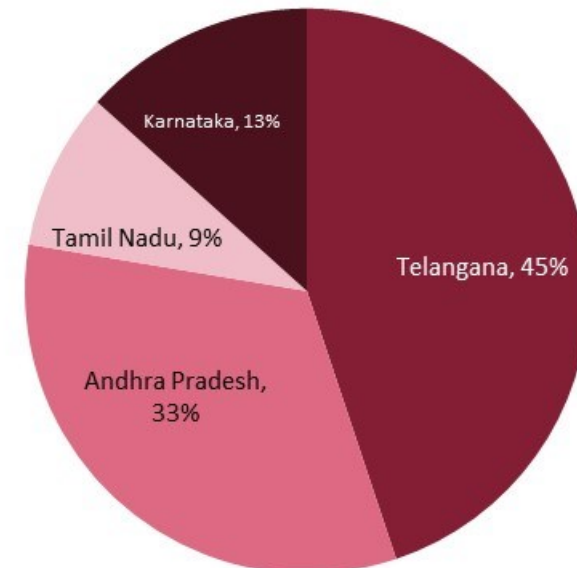


FY23 Revenue - by Segment



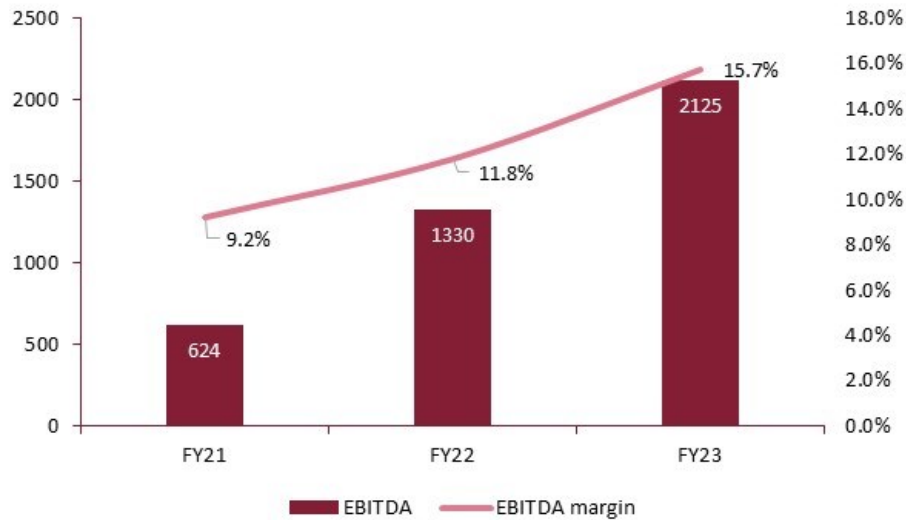
Normal– Sarees priced upto Rs.10k
 Premium– Sarees priced between Rs.10k-30k
 Ultra-Premium– Sarees priced above Rs.30k

FY23 Revenue - Geography wise

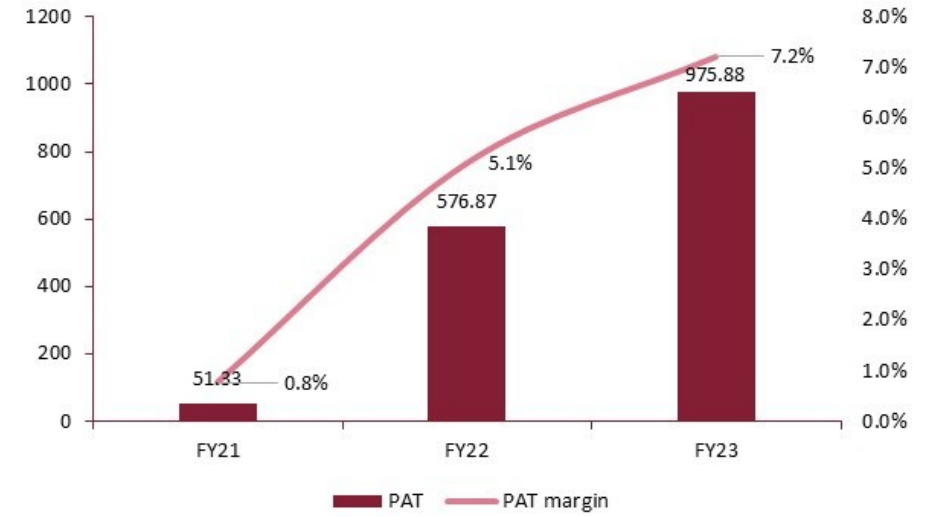


Financial Story in Charts

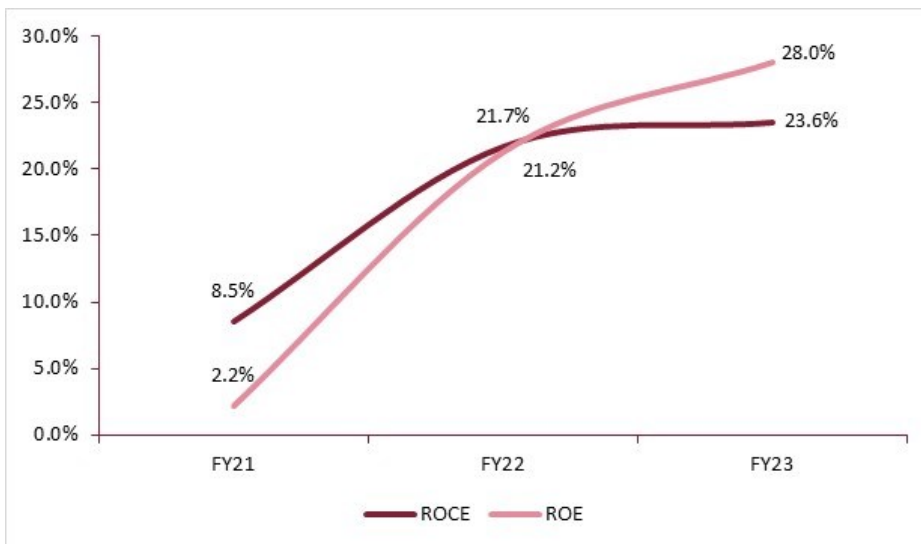
EBITDA (Rs. Mn) & margins (%)



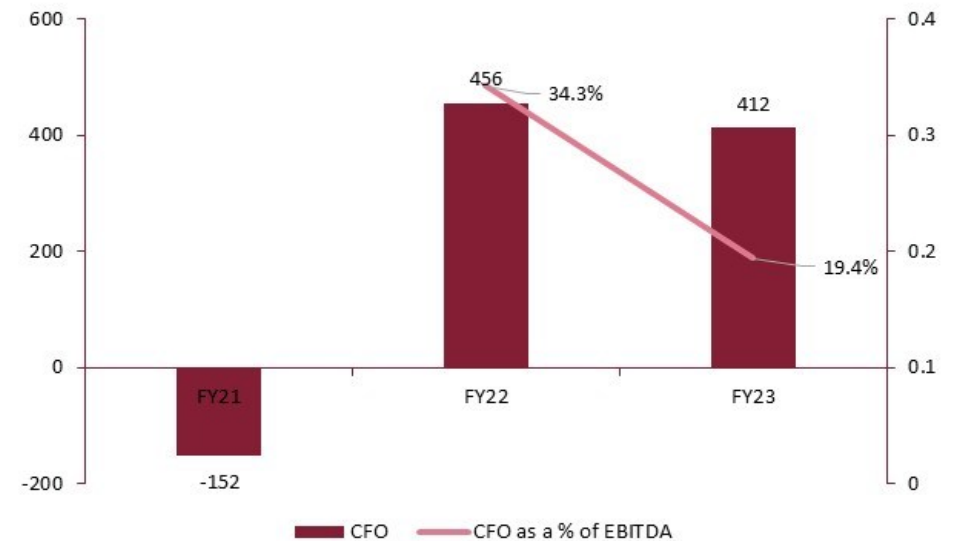
PAT (Rs. Mn) and PAT Margin



ROCE and ROE

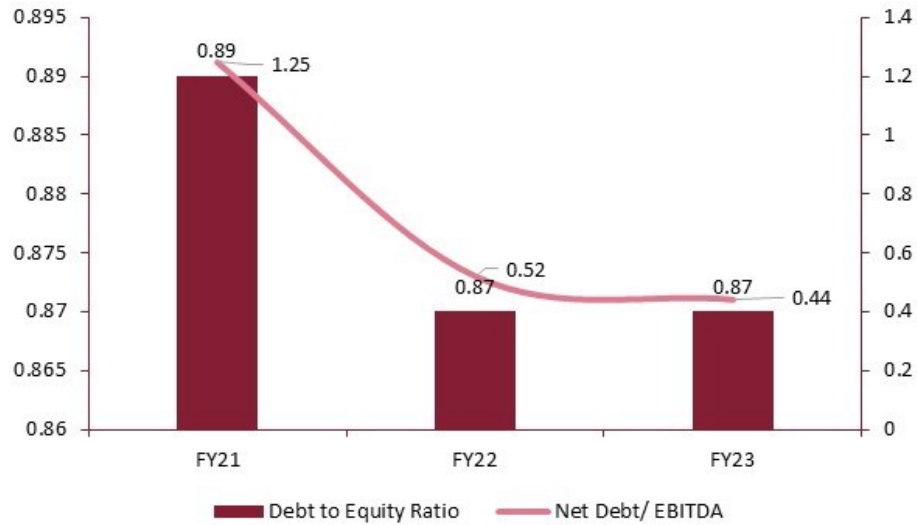


Cash Flow from Operations (Rs. Mn) % CFO as a % of EBITDA

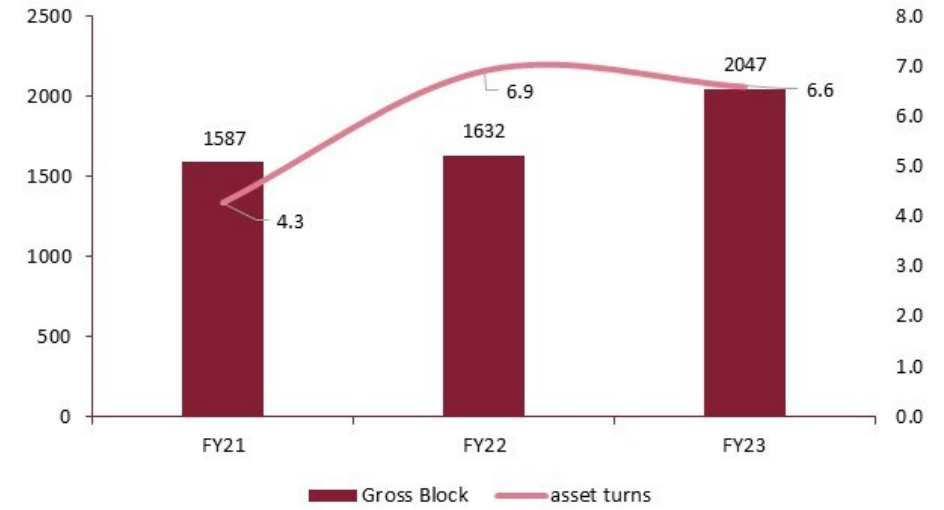


Financial Story in Charts

Debt to Equity* and Net Debt to EBITDA



Gross Block (Rs. Mn) and Asset Turns



***Debt to Equity= Total Term Liabilities (ie without considering lease liabilities) divided by Equity Share Capital and Other Equity**

INDSEC Rating Distribution

BUY : Expected total return of over 15% within the next 12-18 months.

HOLD : Expected total return between 0% to 15% within the next 12-18 months.

SELL : Expected total return is negative within the next 12-18 months.

NEUTRAL: No investment opinion, stock under review.

Note: Considering the current pandemic situation, the duration for the price target may vary depending on how the macro scenario plays out. Therefore, the duration which has been mentioned as a period of 12-18 months for upside/downside target may be higher for certain companies.

DISCLOSURE

DISCLOSURE

BUSINESS ACTIVITIES:

Indsec Securities and Finance Limited (ISFL) is a corporate member of BSE (Equity, WDM segment), of NSEIL (Equity, WDM, Futures & Options and Currency Derivative segments) and has also secured membership of the MSEI Exchange (Currency Derivative Segment) vide registration No. INZ000236731. ISFL is an AMFI Registered Mutual Fund Advisor (MRMFA) vide Registration Number 9194. ISFL is also a Depository Participant of the National Securities Depository Limited (NSDL) and a SEBI registered Portfolio Manager. With this setup ISFL is in a position to offer all types of services in the securities industry.

Since inception company's focus has been on research. In view of its research capabilities ISFL focused mainly on institutional business and is today empaneled with most of the local financial institutions, insurance companies, banks and mutual funds. ISFL has grown from being a medium size broking outfit to become one of the largest capitalized Indian broking company offering the complete range of broking services.

ISFL was incorporated on 28th July 1993 and doesn't have any associates/ subsidiaries. ISFL is a registered Portfolio Manager under SEBI (Portfolio Managers) Regulations, 1993 vide registration No. INP000001892.

DISCIPLINARY HISTORY:

- No material penalties / directions have been issued by the SEBI under the securities laws, SEBI Act or Rules or Regulations made there under
- No penalties have been imposed for any economic offence by any authority.
- No material deficiencies in the systems and operations of the Company have been observed by any regulatory agency.
- There are no pending material litigations or legal proceedings, findings of inspections or investigations for which action has been taken or initiated by any regulatory authority against the Company or its Directors, principal officers or employees or any person directly or indirectly connected with the Company.

DECLARATION:

- ISFL/Research Analysts or their associates or their relatives do not have any financial interest in the subject company (ies);
- ISFL/Research Analysts or their associates or their relatives do not have actual or beneficial ownership of 1 % or more in the subject company (ies);
- Directors may have actual or beneficial ownership of 1 % or more in the subject company (ies);
- ISFL/Research Analysts or their associates or their relatives do not have any material conflict of interest in the subject company(ies) at the time of publication of this document;
- ISFL has not received any compensation from the subject company (ies) in the past twelve months;
- ISFL has not managed or co-managed public offering of securities for the subject company (ies) in the past twelve months;
- ISFL has not received any compensation for investment banking or merchant banking or brokerage services or any other service from the subject company (ies) in the past twelve months;
- ISFL has not received any compensation or other benefits from the subject company (ies) or third party in connection with this document;
- None of the research analysts have served as an officer, director or employee of the subject company (ies);
- ISFL has not been engaged in the market making activity for the subject company (ies);

DISCLOSURE

GENERAL TERMS AND CONDITION/ DISCLAIMERS:

This document has been issued by ISFL and is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of security.

This document has been prepared and issued on the basis of publicly available information, internally developed data and other sources believed to be reliable. However, we do not guarantee its accuracy and the information may be incomplete and condensed. Note however that, we have taken meticulous care to ensure that the facts stated are accurate and opinions given are fair and reasonable, neither the analyst nor any other employee of our company is in any way responsible for its contents. The Company's research department has received assistance from the subject company (ies) referred to in this document including, but not limited to, discussions with management of the subject company (ies). All opinions, projections and estimates constitute the judgment of the author as of the date of this document and these, including any other information contained in this document, are subject to change without notice. Prices and availability of financial instruments also are subject to change without notice. While we would endeavor to update the information herein on reasonable basis, we are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent us from doing so.

Securities recommended in this document are subject to investment risks, including the possible loss of the principal amount invested. Any decision to purchase/sale securities mentioned in this document must take into account existing public information on such security or any registered prospectus. The appropriateness of a particular investment, decision or strategy will depend on an investor's individual circumstances and objectives. The securities, instruments, or strategies discussed in this document may not be suitable for all investors, and certain investors may not be eligible to purchase or participate in some or all of them. 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).

This document 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 the company to any registration or licensing requirement within such jurisdiction. Further, this document is not directed or intended for distribution to the US taxpayers covered under US Foreign Account Tax Compliance Act (FATCA) provisions. 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

This is just a suggestion and the company will not be responsible for any profit or loss arising out of the decision taken by the reader of this document. Any comments or statements made herein are those of the analyst and do not necessarily reflect those of the company. No matter contained in this document may be reproduced or copied without the consent of the company. Any unauthorized use, duplication, redistribution or disclosure is prohibited by law and will result in prosecution. The information contained in this document is intended solely for the recipient and may not be further distributed by the recipient. The Company accepts no liability whatsoever for the actions of third parties.

The research analyst(s) of this document certifies that all of the views expressed in this document accurately reflect their personal views about those issuer(s) or securities. **Analyst's holding in the stocks mentioned in the Report:-NIL**