

Sai Silks (Kalamandir)

VML's TN debut—a mixed bag

We recently conducted a comprehensive assessment of the saree ecosystem through management meetings and store visits across various Chennai-based saree companies. Our findings reveal several key insights: (1) Category growth and pace of growth among major organised players are not encouraging, except for Pothys. (2) The cash position across key players remains weak, suggesting that competitors with ample capital may enjoy an advantage in scaling operations over the next 2-3 years. (3) The weavers' network appears to be facing financial constraints as well, potentially favouring retailers who can make quick payments. In light of these observations, SSKL, especially after its recent IPO funding, appears to be well-placed to capitalise on the Tamil Nadu (TN) market. While non-VML brands, particularly KLM, continue to face challenges, VML continues to drive incremental sales. Although SSKL's TN sales are estimated to have reached ~INR0.2 bn per month on a run-rate basis (compared to ~INR1.2 bn in FY23), the sales density is lower than initially anticipated. Consequently, we are revising our EPS estimates downward by ~10% each for FY25/26 and adjusting our DCF-based target price to INR310/share, implying a 21x FY26 P/E and 14x FY26 EV/EBITDA. We retain our BUY recommendation.

- **Category growth likely to decline in FY24:** Our interaction with multiple saree companies suggests that ethnic wear and silk saree categories are likely to see a decline in FY24, given fewer weddings. Inventory levels across the ecosystem are high. Only multi-category players such as Pothys have performed better on an LTL basis. Cash position across the value chain (key retailers and weavers) seems anaemic. Hence, peers, well-endowed with capital (SSKL; courtesy IPO money) are better placed to milk the TN demand (via expansion) and supply (via better sourcing margins) in the next 2-3 years.
- **VML's initial performance—a mixed bag:** VML's expansion plan remains on track with seven new store additions in FY24. TN sales are estimated to have hit ~INR0.2bn/month on a run-rate basis (vs ~INR1.2bn in FY23); albeit at a lower sales density than earlier expected. The Pondy Bazar store (operational since Dec-23) does ~INR37.5k revenue per sq. ft vs the VML average of ~INR44k and does broadly similar sales vis-à-vis established peer Nalli Silks' Pondy Bazar store. GMs for new stores are currently lower than the portfolio average as the assortment is aggressively priced to gain market share. Sales incentives offered are 1.5-2x that of peers too. TN market (INR74bn, 32% share in South) enjoys higher footfall density and consumer affinity for saree purchases. Hence, it is key for all saree brands. Given that SSKL has a mere 1% share in TN, SSKL's foray into the state via VML seems promising—in terms of both growth and unit economics (note: 25 out of 30 stores earmarked for expansion will be VML stores in TN).
- **GM gains expected Q1FY25 onwards:** SSKL has already begun paying off vendors in advance to earn better cash discounts (~INR0.94/2.8bn spent). Corresponding GM benefits can be expected from Q1FY25 onwards. Overall INR1.54bn out of the INR5.66bn IPO money raised has been utilised.
- **Outlook:** SSKL predominantly is an FY25 and onwards story as the lion's share of store expansion (via IPO money) kicks in FY25. TN market execution is a key monitorable. Initial performance is a mixed bag (amid a weak market). The anemic cash position of peers could ensure a benign environment for SSKL to gain a share in TN. To add to this, the ask from valuations remains cheap (~13x FY26 P/E). That said, we've cut our EPS estimates for FY25/26E by 10% each to account for (1) a slower build-up in sales density and (2) lower other income courtesy a more aggressive stance towards vendor payment. We revise our DCF-based TP to INR310/sh (implying 21x FY26 P/E and 14x FY26 EV/EBITDA). Maintain BUY.

BUY

CMP (as on 26 Mar 2024)	INR 200
Target Price	INR 310
NIFTY	22,005

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 370	INR 310
EPS %	FY25E -10.8	FY26E -10.3

KEY STOCK DATA

Bloomberg code	SSKL IN
No. of Shares (mn)	153
MCap (INR bn) / (\$ mn)	31/375
6m avg traded value (INR mn)	-
52 Week high / low	INR 312/168

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(27.3)	(9.9)	-
Relative (%)	(29.2)	(19.7)	-

SHAREHOLDING PATTERN (%)

	Sep-23	Dec-23
Promoters	60.80	60.80
FIs & Local MFs	18.85	19.23
FPIs	7.11	4.59
Public & Others	13.24	14.78
Pledged Shares (%)	60.80	60.80

Source : BSE

Jay Gandhi

jay.gandhi@hdfcsec.com
+91-22-6171-7320

Tanuj Pandia

tanuj.pandia@hdfcsec.com
+91-22-6171-7332

Financial Summary (INR mn)

	FY22	FY23	FY24E	FY25E	FY26E
Net Sales	11,361	13,515	13,642	16,567	20,322
EBITDA	1,420	2,125	2,110	2,773	3,691
Pre-IND AS 116 EBITDA	1,263	1,858	1,783	2,380	3,255
APAT	544	976	975	1,588	2,282
Dil. EPS (Rs/sh)	4.5	8.1	6.4	10.4	14.9
P/E (x)	54.5	30.4	30.4	18.7	13.0
EV/EBITDA (x)	25.4	17.6	15.2	11.1	7.8
ROE (%)	18.2	26.5	11.9	12.9	15.8
ROCE (%)	15.2	22.8	12.6	12.8	15.5

Source: Company, HSIE Research

Estimate changes:

(Rs mn)	FY24E			FY25E			FY26E		
	New	Old	Change (%)	New	Old	Change (%)	New	Old	Change (%)
Revenue	13,642	13,841	(1.4)	16,567	17,362	(4.6)	20,322	21,986	(7.6)
Gross Profit	5,528	5,609	(1.4)	6,858	7,180	(4.5)	8,569	9,251	(7.4)
Gross Profit Margin (%)	40.5	40.5	0 bps	41.4	41.4	4 bps	42.2	42.1	9 bps
EBITDA	1,783	1,830	(2.6)	2,380	2,518	(5.5)	3,255	3,562	(8.6)
EBITDA margin (%)	13.1	13.2	(15 bps)	14.4	14.5	(14 bps)	16.0	16.2	(19 bps)
APAT	975	1,049	(7.1)	1,588	1,781	(10.8)	2,282	2,543	(10.3)
APAT margin (%)	7.1	7.6	(43 bps)	9.6	10.3	(67 bps)	11.2	11.6	(34 bps)
EPS (Rs)	6.4	6.8	(7.1)	10.4	11.6	(10.8)	14.9	16.6	(10.3)
Cost of Retailing (%)	27.5	27.3	15 bps	27.0	26.8	18 bps	26.2	25.9	28 bps

Key takeaways from saree category channel check in Tamil Nadu

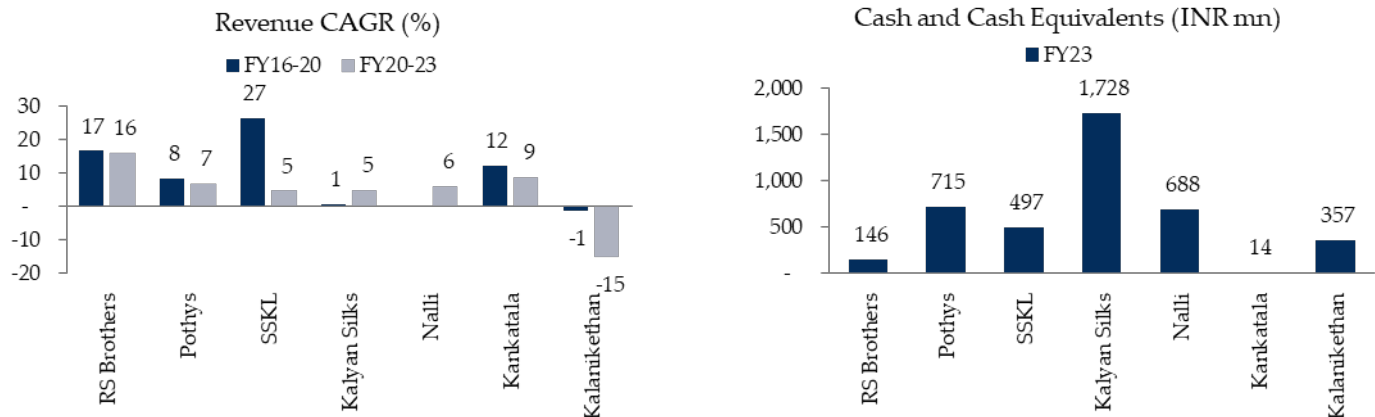
Figures are in INR mn

Company	Revenue			PAT		PATM		Remarks
	FY23	FY24E	Gr(%)	FY23	FY24E	FY23	FY24E	
Sai Silk	13,515	13,642	0.94	976	975	7.22	7.15	<ul style="list-style-type: none"> Engaged in mainly saree business (except KML). VML caters all the segments of customers. Weddings and festivals account 75% of VML's sale. VML store (Pondy Bazaar) has a high conversion/ repeat customer ratio of 85/60%. Stores are operated on 'lease and operate' basis. VML store has an ASP/Bill value of INR 5k/16.5k. Silk sarees performance of the VML store is at par with Pothys.
Pothys	37,069	42,000	13.30	3,707*	3,780	10.00	9.00	<ul style="list-style-type: none"> Engaged in sarees (both silk and Surat based) and other ready-made garments for entire family along with supermarket and jewellery. Only 38-40% of revenue is from saree business. Entire growth in FY24 is SSSG led (10-20% growth in all segments). Store is operated on 'Own and build' process as store size is very huge (owned by company). Created its own Kancheepuram brand 'Samudrika' which aided company in quick scaling vs peers and won customers belief as an original Kancheepuram saree. ASP for silk sarees/other sarees is INR 7-8k/600-650.
RMKV	5,450	6,000	10.09	300	110	5.50	1.83	<ul style="list-style-type: none"> Engaged in silk sarees business, targeting niche (premium) customers. Stores are operated on 'lease and operate' basis (Owned by promoters; Company pays rentals to owners). ASP for silk sarees/others ranges between INR20-25k/3-4k. 63% PAT reduction is after accounting INR 200-220mn of recurring store repairs (after every 4 years). Net debt of INR 120mn (net cash in FY23).

*Estimated

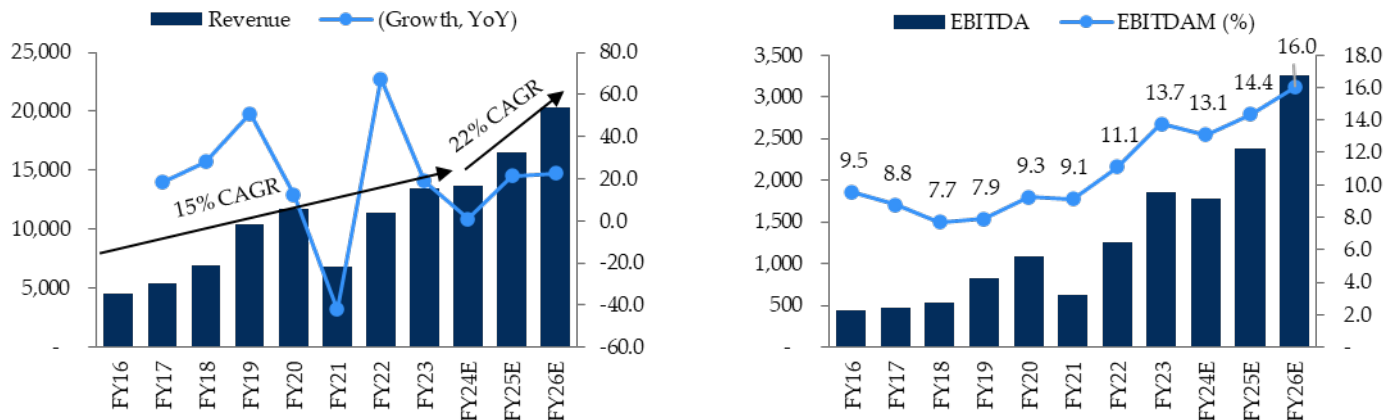
Focus Charts

SSKL has consistently gained share over FY16-23 even among immediate peers and holds surplus cash post IPO vs its peers that will help it scale quickly



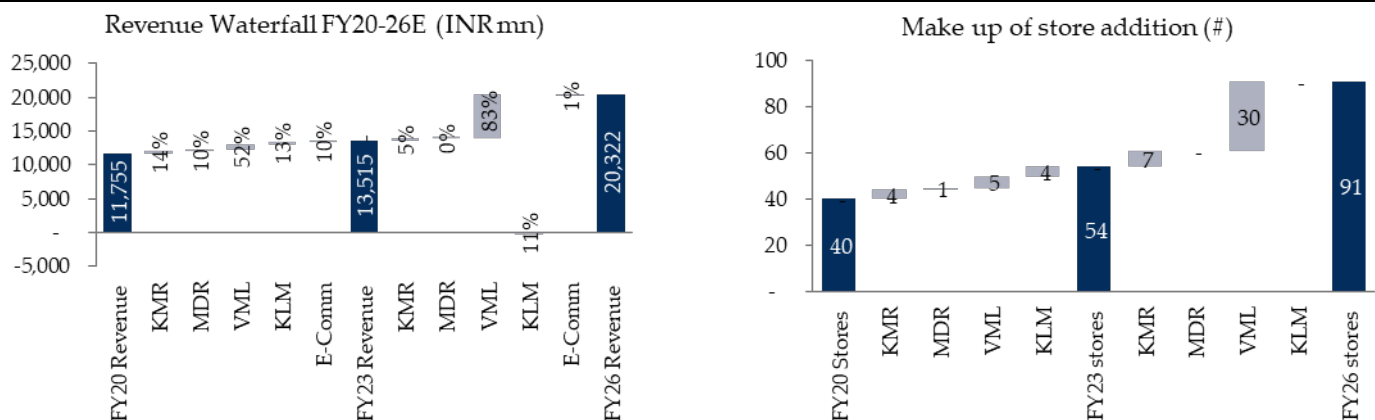
Source: Company, HSIE Research, Note: FY23 financials for Kalanikethan are estimated.

VML expansion to drive revenue growth for FY24-26 (22% CAGR) and EBITDAM to expand 294 bps over FY24-26



Source: Company, HSIE Research

25 out of 30 stores to be added via IPO proceeds earmarked for the unit-economics accretive VML format...we expect VML to add 80%+ of SSKL's incremental revenue over FY23-26



Source: Company, HSIE Research

Prudent capital allocation over last 7 years (barring 1-2 years) with a decreasing proportion of interest cost of the core cash generation (36% in FY17 to 15% in FY23)

Particular (INR mn)	FY17	FY18	FY19	FY20	FY21	FY22	FY23	Total
Sources of Funds								
Cash from Operations (excl. WC change)	475	534	826	1,259	832	1,550	2,240	7,716
Less : Rent Adjustment	0	(0)	(1)	146	154	189	268	755
: Int on Lease Liability Adjustment				82	80	96	147	405
Other Income	1	2	5	28	17	35	67	155
Sub Total (A)	476	536	831	1,060	615	1,301	1,892	6,711
Net Proceeds from Issue of Capital	-	45	5	10	61	-	-	121
Borrowings	(86)	40	566	(58)	591	(83)	850	1,821
Total (B)	390	621	1,402	1,012	1,267	1,218	2,742	8,653
Application of Funds								
Working Capital	32	(57)	528	276	917	466	1,827	3,989
Net Capex	164	401	448	515	56	261	601	2,446
Investments -								
- in subsidiary	-	43	-	-	-	-	-	43
- others	-	-	-	27	139	199	67	432
Other Investing Cash flows	(5)	53	30	-	-	-	-	78
Interest	172	181	204	269	279	262	287	1,654
Net Change in cash	27	0	192	(75)	(123)	29	(40)	11
Total (C)	390	621	1,402	1,012	1,267	1,218	2,742	8,653
As a % of Source of Funds (A)								
WC + Capex	41.1	64.2	117.4	74.7	158.0	55.9	128.4	95.9
Obligatory payments (Interest)	36.2	33.8	24.5	25.4	45.4	20.2	15.2	24.6
Total	77.2	98.0	141.9	100.0	203.4	76.1	143.5	120.5

Source: Company, HSIE Research

Income Statement

Year to March (INR mn)	Pro-FY20	Pro-FY21	Pro-FY22	FY23	FY24	FY25	FY26
Net Revenues	11,756	6,788	11,361	13,515	13,642	16,567	20,322
Growth (%)	4.1	(42.3)	67.4	19.0	0.9	21.4	22.7
Material Expenses	8,048	4,206	7,121	8,226	8,114	9,709	11,752
Employee Expense	1,244	968	1,174	1,408	1,610	1,905	2,317
A&P Expense	298	114	492	622	628	730	854
Rent Expenses	200	133	213	233	235	286	340
Other Expenses	778	618	942	899	945	1,164	1,367
EBITDA	1,188	749	1,420	2,125	2,110	2,773	3,691
EBITDA Growth (%)	(10.7)	(36.9)	89.5	49.7	(0.7)	31.4	33.1
EBITDA Margin (%)	10.1	11.0	12.5	15.7	15.5	16.7	18.2
Pre-IND AS EBITDA	1,088	620	1,263	1,858	1,783	2,380	3,255
Pre-IND AS EBITDA Growth (%)	(7.5)	(43.1)	103.8	47.1	(4.0)	33.5	36.7
Pre-IND-AS EBITDAM (%)	9.3	9.1	11.1	13.7	13.1	14.4	16.0
Depreciation	289	326	342	410	483	557	582
EBIT	900	423	1,078	1,715	1,627	2,216	3,109
Pre IND-AS EBIT	800	401	1,039	1,650	1,526	2,078	2,934
Other Income (Including EO Items)	32	26	41	75	230	352	388
Interest	368	366	372	454	554	436	447
Pre IND-AS Interest	368	302	296	307	346	205	193
PBT	563	83	747	1,336	1,303	2,133	3,050
Total Tax	125	24	203	360	328	537	768
PAT before share of associate earnings	439	59	544	976	975	1,596	2,282
Reported PAT	439	59	544	976	975	1,596	2,282
Adjusted PAT	439	59	544	976	975	1,596	2,282
APAT Growth (%)	(23.9)	(86.5)	816.5	79.4	(0.1)	63.8	43.0
Adjusted EPS (Rs)	2.9	0.4	3.5	6.4	6.4	10.4	14.9
EPS Growth (%)	(40.3)	(86.5)	816.5	79.4	(0.1)	63.8	43.0

Source: Company, HSIE Research

Balance Sheet

Year to March (INR mn)	Pro-FY20	Pro-FY21	Pro-FY22	FY23	FY24	FY25	FY26
SOURCES OF FUNDS							
Share Capital - Equity	420	426	426	241	307	307	307
Reserves	2,073	2,190	2,734	3,733	10,022	11,687	14,029
Total Shareholders' Funds	2,493	2,616	3,160	3,973	10,329	11,994	14,336
Long Term Debt	349	646	540	654	404	204	104
Short Term Debt	1,971	2,265	2,288	2,801	1,601	1,601	1,601
Total Debt	2,319	2,910	2,828	3,455	2,005	1,805	1,705
Lease Liabilities	855	782	1,098	1,804	1,804	1,804	1,804
Net Deferred Taxes	140	140	121	115	115	115	115
Other Non-current Liabilities & Provns	5	6	11	27	27	27	27
TOTAL SOURCES OF FUNDS	5,813	6,455	7,218	9,374	14,280	15,745	17,987
APPLICATION OF FUNDS							
Net Block	1,791	1,653	1,698	2,047	2,104	2,342	2,486
CWIP	-	21	-	-	-	-	-
RoU Assets	844	712	993	1,693	777	693	549
Other Non-current Assets	409	411	418	417	417	417	417
Total Non-current Assets	3,043	2,797	3,110	4,157	3,298	3,453	3,453
Inventories	5,214	5,141	6,531	6,897	7,101	7,943	9,465
Debtors	17	24	22	29	29	35	43
Other Current Assets	231	214	417	624	555	583	715
Cash & Equivalents	242	258	486	497	4,915	5,152	5,942
Total Current Assets	5,705	5,637	7,456	8,047	12,600	13,714	16,166
Creditors	2,459	1,729	2,821	2,300	1,121	908	1,002
Other Current Liabilities & Provns	477	251	528	530	498	513	630
Total Current Liabilities	2,936	1,980	3,349	2,830	1,619	1,421	1,632
Net Current Assets	2,769	3,657	4,108	5,217	10,982	12,293	14,534
TOTAL APPLICATION OF FUNDS	5,812	6,455	7,218	9,374	14,280	15,745	17,987

Source: Company, HSIE Research

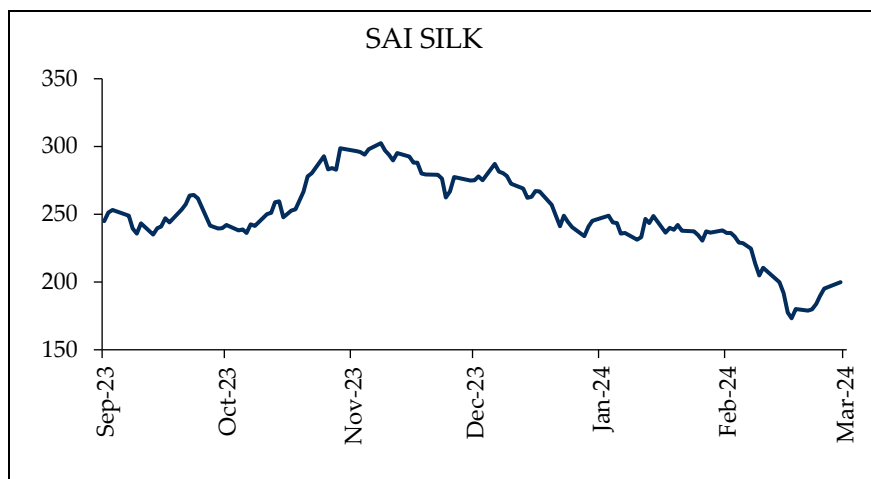
Cash Flow Statement

Year to March (INR mn)	Pro-FY20	Pro-FY21	Pro-FY22	FY23	FY24	FY25	FY26
Reported PBT	563	83	747	1,336	1,410	2,225	3,129
Non-operating & EO Items	43	62	101	62	(230)	(352)	(388)
Interest Expenses	364	360	360	432	346	205	193
Depreciation	289	326	342	410	257	302	320
Working Capital Change	(14)	(858)	(435)	(1,368)	(1,346)	(1,074)	(1,451)
Tax Paid	(262)	(59)	(31)	(459)	(355)	(560)	(788)
OPERATING CASH FLOW (a)	983	(84)	1,084	412	82	747	1,016
Capex	(515)	(56)	(261)	(601)	(314)	(541)	(464)
Free Cash Flow (FCF)	468	(140)	823	(189)	(232)	206	551
Investments	(27)	(139)	(199)	(67)	-	-	-
Non-operating Income	28	17	35	67	230	352	388
INVESTING CASH FLOW (b)	(514)	(177)	(425)	(601)	(84)	(188)	(76)
Debt Issuance/(Repaid)	(58)	591	(83)	850	(1,450)	(200)	(100)
FCFE	412	329	576	661	(1,452)	358	839
Share Capital Issuance	10	61	-	-	5,660	-	-
Others	(496)	(513)	(547)	(701)	(706)	(205)	(193)
FINANCING CASH FLOW (c)	(544)	139	(629)	149	3,505	(405)	(293)
NET CASH FLOW (a+b+c)	(75)	(123)	29	(40)	3,502	153	646
EO Items, Others	317	381	457	537	1,413	4,999	5,296
Closing Cash & Equivalents	242	258	486	497	4,915	5,152	5,942

Key Ratios

	Pro-FY20	Pro-FY21	Pro-FY22	FY23	FY24	FY25	FY26
PROFITABILITY (%)							
GPM	31.5	38.0	37.3	39.1	40.5	41.4	42.2
EBITDA Margin	10.1	11.0	12.5	15.7	15.5	16.7	18.2
Pre-EBITDA Margin	9.3	9.1	11.1	13.7	13.1	14.4	16.0
EBIT Margin	7.7	6.2	9.5	12.7	11.9	13.4	15.3
APAT Margin	3.7	0.9	4.8	7.2	7.1	9.6	11.2
RoE	20.0	2.3	18.8	27.4	13.6	14.3	17.3
RoIC (or Core RoCE)	17.2	5.9	14.0	19.4	15.4	17.9	21.7
RoCE	16.9	6.0	13.6	18.8	13.1	13.5	16.1
RoE*	15.7	2.3	18.2	26.5	11.9	13.0	15.8
RoIC*	14.6	6.7	15.4	22.1	18.4	18.4	21.9
RoCE*	15.9	5.9	15.2	22.8	12.6	12.9	15.5
EFFICIENCY							
Tax Rate (%)	22.1	28.7	27.1	26.9	25.2	25.2	25.2
Fixed Asset Turnover (x)	5.8	3.3	5.0	4.9	4.4	4.6	5.0
Inventory (days)	161.9	276.5	209.8	186.3	190.0	175.0	170.0
Debtors (days)	0.5	1.3	0.7	0.8	0.8	0.8	0.8
Other Current Assets (days)	7.2	11.5	13.4	16.8	14.8	12.8	12.8
Payables (days)	76.3	93.0	90.6	62.1	30.0	20.0	18.0
Other Current Liab & Provns (days)	14.8	13.5	17.0	14.3	13.3	11.3	11.3
Cash Conversion Cycle (days)	78.4	182.8	116.3	127.5	162.3	157.3	154.3
Net D/E (x)	0.8	1.0	0.7	0.7	(0.3)	(0.3)	(0.3)
Interest Coverage (x)	2.4	1.2	2.9	3.8	2.9	5.1	7.0
PER SHARE DATA (Rs)							
EPS	2.9	0.4	3.5	6.4	6.4	10.4	14.9
CEPS	5.3	3.2	6.4	9.8	9.5	14.0	18.7
Dividend	-	-	-	-	-	-	-
Book Value	21.3	22.2	26.3	33.0	67.3	78.2	93.5
VALUATION							
P/E (x)			54.5	30.4	30.4	18.6	13.0
P/BV (x)			7.4	5.9	2.9	2.5	2.1
EV/EBITDA (x)			25.4	17.6	15.0	11.1	7.8
EV/Revenues (x)			2.8	2.4	2.0	1.6	1.3
OCF/EV (%)			3.4	1.3	0.3	2.8	4.0
FCF/EV (%)			2.6	(0.6)	(0.9)	0.8	2.2
FCFE/Mkt Cap (%)			1.9	2.2	(4.9)	1.2	2.8
Dividend Yield (%)			-	-	-	-	-

Source: Company, HSIE Research

1 Yr Price Movement**Rating Criteria**

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: >10% Downside return potential

Disclosure:

We, **Jay Gandhi, MBA & Tanuj Pandia, CA** authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. does not have any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate does have/does not have any material conflict of interest.

Any holding in stock – NO

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600

For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400

HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

HDFC Securities**Institutional Equities**

Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,

Senapati Bapat Marg, Lower Parel, Mumbai - 400 013

Board: +91-22-6171-7330 www.hdfcsec.com