

RETAIL EQUITY RESEARCH

Go Fashion (India) Ltd.

Textiles

SENSEX: 60,322

NIFTY: 17,999

SUBSCRIBE

Price Range Rs. 655 - Rs. 690

An exclusive player in Women’s bottom-wear

Go Fashion (India) Ltd (GFIL) is a women’s bottom-wear brand in India, with a market share of ~8% in the branded women’s bottom-wear market in FY20. GFIL is engaged in the development, design, sourcing, marketing and retailing of women’s bottom-wear products under the brand, ‘Go Colors’. Incorporated in 2010, GFIL is the first company to launch a brand exclusively dedicated to the women’s bottom-wear category. They have a pan India network of 459 Exclusive Brand Outlets (EBO) in the country, with significant number of stores in Southern and Western India.

- The women’s bottom-wear market in India accounted for 8.3% of the women’s apparel market and stood at ₹13,547cr in FY20 and is expected to grow at a CAGR of 12.3% to reach ₹24,315cr by FY25.
- GFIL sells the products through exclusive brand outlets (EBO) including franchise stores, large format stores (LFS), multi-brand outlets (MBO), and online channels such as online retailers and their websites.
- Sales of products through EBOs LFSs, franchisees, MBOs and online retailers, represented 69%, 22%, 1.3%, 2.8% and 4.7% respectively, of the total revenue from operations in FY21.
- The company plans to roll out 120 more EBOs with the funding proceeds from the IPO and to launch about 2000 exclusive brand outlets in the next six-seven years.
- GFIL follows a cluster-based expansion model for store expansion and will be opening new stores in the vicinity of existing stores to get better brand recall and visibility.
- Going forward, the company aims to adopt an omnichannel approach, given the online push due to the pandemic and will be enabling all its stores for online deliveries to neighbourhood areas.
- GFIL’s advertisement spends as a percentage of revenues was the lowest (~2%) among key women’s apparel companies in India.
- For FY21, the revenue of GFIL stood at ₹250.7cr against ₹392cr a year ago. Net loss for FY21 stood at ₹3.5cr versus a profit of ₹52.6cr in FY20, primarily on account of the impact of COVID-19 on the operations and on account of the adoption of Ind AS 116.
- The company was able to maintain attractive gross margins of 59% for FY19-21 period. Avg. EBITDA margin is at ~26% due to tight operational control.
- A Growing number of working women, rise in disposable income, consumer shift towards buying from safe & hygienic facilities triggered by COVID-19 augurs well for GFIL.
- At the upper price band of Rs.690, GFIL is available at Mcap/sales of 14.9x (FY21) which appears fully priced. However, considering GFIL’s investment in digital channels, omnichannel engagement, focus on E-retail, distributive growth strategy to tap customers from tier 1 to tier 3 cities and expansions plans for existing and newer geographies, we assign a “Subscribe” rating for the issue on a long-term basis.

Purpose of IPO

The Offer comprises of the fresh issue by the company and an offer for sale by the selling shareholders. They propose to utilize the net proceeds towards funding for the roll-out of 120 new EBOs (₹33.7cr), funding working capital requirements (₹61.4cr) and general corporate purposes.

Key Risks

- The current and continuing impact of the ongoing COVID-19 pandemic on the business and operations
- GFIL generated majority of the sales from the exclusive brand outlets located in Southern and Western India (69% of the total network of stores & ~75% of revenue).

Peer Valuation

Company	MCap ((₹ cr)	Sales (₹ cr)	EBITDA(%)	Mcap/Sales	EPS(₹)	RoE (%)	P/BV(x)	CMP
Go Fashion (India) Ltd	3,727	251	18.5	14.9	-0.7	-1.2	13.2	690
Page Industries Ltd	44,685	2,833	18.6	15.8	305.2	40.0	50.7	40,187
Trent Ltd	40,917	2,592	6.6	15.8	-5.6	-6.2	17.6	1,147
Adity Birla Fashion & Retail	28,234	5,249	10.6	5.4	-8.6	-36.2	10.7	300
TCNS Clothing	5,075	636	0.4	8.0	-8.7	-8.9	8.3	825

Source: Geojit Research, Bloomberg; Valuations of GFIL are based on upper end of the price band (post issue), Financials as per FY21 Consolidated.

Issue Details	
Date of opening	Nov 17, 2021
Date of closing	Nov 22, 2021
Total No. of shares offered (Cr.)	1.47
Post Issue No. of shares (cr)	5.40
Price Band	₹655- ₹690
Face Value	₹ 10
Bid Lot	21 Shares
Minimum application for retail (upper price band for 1 lot)	₹ 14,490
Maximum application for retail (upper price band for 13 lot)	₹ 1,88,370
Listing	BSE,NSE
Lead Managers	JM Financial Ltd, DAM Capital Advisors Ltd. ICICI Securities,

RegistrarsKFin Technologies Pvt. Ltd.

Issue size (upper price)	Rs.Cr
Fresh Issue	120.0
OFS	888.6
Total Issue	1,013.6

Shareholding (%)	Pre-Issue	Post Issue
Promoter & Promo. Group	57.5	52.8
Public	42.5	47.2
Total	100	100

Issue structure	Allocation %	Size Rs.cr
Retail	10	101.4
Non-Institutional	15	152.0
QIB	75	760.2
Employee Reservation	-	-
Total	100	1,013.6

Y.E March (Rs cr) Consol.	FY20	FY21	Q1FY22
Sales	392.0	250.7	31.0
Growth (%)	37.4	-36.1	-
EBITDA	126.5	46.3	-5.9
Margin%	32.3	18.5	-19.1
PAT Adj.	52.6	-3.5	-19.0
Growth (%)	70.1	-106.7	-
EPS	9.7	-0.7	-3.5
P/E (x)	70.8	-	-
Mcap/Sales	9.5	14.9	30.1*
RoE (%)	18.3	-1.2	-7.2

*Annualised.



Sales and Retail Network

The multi-distribution channel pan-India retail strategy across formats comprises sales through EBOs, LFSs, MBOs and online channels such as online marketplaces and their website.

	Fiscal 2019		Fiscal 2020		Fiscal 2021		Three Months Ended June 30, 2021	
	Amount (₹ million)	% of Total Revenue from Operations	Amount (₹ million)	% of Total Revenue from operations	Amount (₹ million)	% of Total Revenue from operations	Amount (₹ million)	% of Total Revenue from operations
EBOs ⁽¹⁾	1,859.23	65.18%	2,667.13	68.04%	1,727.62	68.92%	242.50	78.24%
LFSs	763.86	26.78%	1,030.17	26.28%	551.58	22.00%	41.66	13.44%
Online	35.97	1.26%	38.18	0.97%	119.40	4.76%	20.00	6.45%
MBOs and Others ⁽²⁾	193.42	6.78%	184.66	4.71%	108.08	4.31%	5.79	1.87%
Total	2,852.47	100.00%	3,920.14	100.00%	2,506.68	100.00%	309.96	100.00%

Source: Geojit Research, RHP

Exclusive Brand Outlets (EBOs)

GFIL opened their first store in 2014, with the launch of the first exclusive brand outlet in Chennai, Tamil Nadu. Revenue generated from sales of products at EBOs represented 65.2%, 68.0%, 68.9% and 78.2% of the revenue from operations in FY19, 20 and 21 and in the three months ended June 30, 2021, respectively.

Stores	Number of stores as of March 31,			Number of stores as of September 30, 2021
	2019	2020	2021	
East ⁽¹⁾	30	41	41	41
West ⁽²⁾	86	124	120	121
North ⁽³⁾	65	94	97	103
South ⁽⁴⁾	152	189	191	194
Total	333	448	449	459

Source: Geojit Research, RHP

As of September 30, 2021, they had 459 EBOs located in 118 cities, spread across 23 states and union territories in India. The EBOs are located in malls, high-street locations and airports, and they enter into leases with property owners for the EBOs. In addition, as of March 31, 2019, 2020 and 2021 and as of September 30, 2021, they operated 30, 25, 15 and 12 kiosks and 10, 11, 11 and 11 EBOs that are operated by the franchisees, based on a franchise agreement entered with them, respectively.

Large Format Stores

Revenue generated from sales of products at large format stores accounted for 26.8%, 26.3%, 22.0% and 13.4% of the revenue from operations in FY19, 20 and 21 and in the three months ended June 30, 2021, respectively. As of as of September 30, 2021, they had 1,270 LFSs located in 499 cities, spread across 31 states and union territories in India. These large format stores include Reliance Retail Limited, Central, Unlimited, Globus Stores Private Limited and Spencer’s Retail.

Online Channels

They also sell their products through online market places, and their website, www.gocolors.com.

	Fiscal 2019		Fiscal 2020		Fiscal 2021		Three Months ended June 30, 2021	
	Amount (₹ million)	% of Total Revenue from operations	Amount (₹ million)	% of Total Revenue from operations	Amount (₹ million)	% of Total Revenue from operations	Amount (₹ million)	% of Total Revenue from operations
Online Marketplaces	26.52	0.93%	27.96	0.71%	92.46	3.69%	11.37	3.67%
Website	9.44	0.33%	10.22	0.26%	26.95	1.08%	8.63	2.78%
Total	35.97	1.26%	38.18	0.97%	119.40	4.76%	20.00	6.45%

Source: Geojit Research, RHP

Multi-Brand Outlets (MBOs)

Revenue generated from sales of products at MBOs accounted for 4.9%, 2.9%, 2.8% and 1.2% of the revenue from operations in FY19,20 and FY21 and in the three months ended June 30, 2021, respectively. They sell the products to distributors who in turn supply to MBOs.

Women’s bottom-wear brand in India with well-diversified product portfolio

GFIL is a women’s bottom-wear brand in India, with a market share of approximately 8% in the branded women’s bottom-wear market in FY20. As of September 30, 2021, they retail 50 bottom-wear styles in a range of over 120 colours under the brand ‘Go Colors’. The product portfolio includes churidars, leggings, dhotis, harems, patiala, palazzo, culottes, pants, trousers and jeggings across multiple categories including ethnic wear, fusion wear, western wear, lounge wear, athleisure, Go Plus and girl’s wear. They are among the few women’s apparel retailers that offer bottom-wear products across all categories, including ethnic, western wear, fusion and denims and have one of the largest bottom-wear product offerings in women’s apparel. They offer customers premium quality products at a price range that caters across all income segments, which allows them to tap customers in tier II and tier III cities as well. Currently, the overall women’s bottom-wear market is inclined towards the unorganised sector with its share at 77% and the organised share at 23% in FY20. The reasonably priced, differentiated and quality product portfolio coupled with their extensive distribution network of EBOs, LFSs as well as online channel also allows them to sell the products directly to a wider customer base.

Extensive procurement base with highly efficient and technology-driven supply chain management

GFIL offers customers premium quality products at affordable prices and in FY21, more than 88.3% of the products were retailed at a price lower than ₹1,049. They outsource the manufacture of the products and thereby do not incur manufacturing costs.



They have been able to build and manage an extensive sourcing network to support the product development teams. As of September 30, 2021, they have a network comprising over 120 suppliers and job-workers across India many of whom they have longstanding relationship with the suppliers and job-workers. They manage the inventory and logistics as well as the entire supply chain for all the channels from the warehouse in Tirupur, Tamil Nadu that is situated over a 99,100 square foot area.

Multi-channel pan-India distribution network with a focus on EBOs, enhancing brand visibility

GFIL retail their products directly to consumers primarily through the network of EBOs and as of September 30, 2021, they operated 459 EBOs across 118 cities in 23 states and union territories across India. As of March 31, 2021, they had the largest network of EBOs among key women's apparel brands in India. They primarily follow the company owned company operated (COCO) model of retailing to ensure efficiency and offer customers a standardized experience and service. They have grown the EBO store network at a CAGR of 16.1% between FY19 and 21 while the revenue from operations through sales at the EBO stores grew by 43.4%.

As of September 30, 2021, 58.4% of EBOs, i.e., 268 EBOs were across eight cities in India, i.e. Ahmedabad, Bengaluru, Chennai, Delhi NCR, Hyderabad, Kolkata, Mumbai and Pune. As of September 30, 2021, they operate 297 EBOs in high street stores and 162 stores in malls. The EBOs are situated in locations that have significant footfalls such as high street locations, shopping malls, markets in residential areas and airports. The expansion model has also facilitated ease of inter-store stock movements allowing them flexibility of maximising benefits from capitalising on supply chain efficiencies. More EBOs in a particular area ensures better quality management, increases brand visibility, improves recall with customers and allows them to capitalize on economies of scale resulting in lower operating costs per store and thereby ensuring higher unit-level profitability

Key Strategies

- ◆ Leverage leadership position in women's bottom-wear market and focus on additional product launches and Same Store Sales Growth.
- ◆ Continue to expand retail network with a focus on EBOs.
- ◆ Grow sales through online channel.
- ◆ Leverage technology to bring cost efficiency and enhance customer experience.

Financial performance

The revenue from operations grew by 37.4% from ₹285.2cr in FY19 to ₹392cr in FY20 while they were ₹250.6cr in FY21 and were ₹30.9cr in the three months ended June 30, 2021. The Gross Margins were ₹170.3cr, ₹234.5cr, ₹146.7cr and ₹17.4cr or 59.7%, 59.8%, 58.5% and 56.2% in FY19, 20, 21 and in the three months ended June 30, 2021, respectively. The EBITDA for FY19, 20, 21 and the three months ended June 30, 2021 was ₹79.9cr, ₹126.5cr, ₹46.3cr and ₹(5.9cr) while the EBITDA Margins were 28.0%, 32.3%, 18.5% and (19.1)%, respectively, and was the highest among key women's apparel players in India in Fiscal 2020 (*Source: Technopak Report*). The restated (loss) / profit after tax was ₹ 30.9cr and ₹52.6cr in FY19 and 20, respectively, while they incurred a loss of ₹3.5cr in FY21 and had restated loss after tax of ₹18.9cr in the three months ended June 30, 2021. The restated (loss) / profit after tax margin was 10.8%, 13.4%, (1.4)% and (61.3)% in FY19, 20,21 and the three months ended June 30, 2021.

They have witnessed consistent improvement in the balance sheet position in the last three Fiscals and the three months ended June 30, 2021 and the ROCE was the highest among all major retail led women's apparel brands in India in Fiscal 2020 (*Source: Technopak Report*). The ROCE was 14.4%, 18.14%, 3.5% and 2.9%, while the ROE was 13.5% and 18.4%, as of March 31, 2019 and 2020, respectively, while it was (1.25)%, as of March 31, 2021 and was 7.2%, as of June 30, 2021.

Industry Outlook

The women's apparel market is estimated to be approximately 36% of the total apparel market of ₹ 447,666 million (US\$ 59.7 billion) at ₹163,291 million (approximately US\$ 21.8 billion) in 2020 while the women's bottom-wear market contributed 8.3% of women's apparel market amounting to ₹135,470 million (approximately US\$ 1.81 billion) in Fiscal 2020. The women's bottom-wear market is expected to grow at a CAGR of 12.4% to reach ₹ 243,150 million by Fiscal 2025 and is among the fastest growing categories in women wear. Women bottom-wear products comprise the ethnic, fusion and western categories. The overall share of bottom-wear category in women's apparel is expected to increase from 8.3% in Fiscal 2020 to 9.6% in FY25. The branded women's bottom wear market is expected to see the continued high growth in the future as well.

Promoter and promoter group

The Company was incorporated as 'Go Fashion (India) Private Limited' on September 9, 2010. The company was promoted by Prakash Kumar Saraogi, Gautam Saraogi, Rahul Saraogi, PKS Family Trust and VKS Family Trust. Currently the Promoters hold in aggregate 29,999,940 Equity Shares, which constitutes 57.47% of the pre-Offer issued Equity Share capital (on a fully diluted basis) of the company.

Brief Biographies of directors

- **Prakash Kumar Saraogi** is the Managing Director of the company. He is a promoter of the company and has over 28 years of experience in garment manufacturing, fashion industry and retail industry.
- **Gautam Saraogi** is the Executive Director and the Chief Executive Officer of the company. He is a promoter of the company and has over 10 years of experience in consumer retail, marketing, brand building and garment manufacturing.
- **Rahul Saraogi** is the Non-Executive Director of the company. He is a promoter of the company and has over 10 years of experience in the garment industry.
- **Ravi Shankar Ganapathy Agharam Venkataraman** is the Non-Executive Nominee Director of the company. He has over 15 years of experience in private equity funds. Previously, he was associated with McKinsey & Company, Inc. Presently, he is associated with Sequoia Capital India LLP, where he acts as the managing partner.
- **Srinivasan Sridhar** is the Chairperson of the Board and an Independent Director of the company. He has over 38 years of experience in commercial and development banking and is an associate of the Indian Institute of Bankers.
- **Rohini Manian** is the Independent Director of the company. She has over 8 years of experience in real estate and management space.
- **Dinesh Madanlal Gupta** is the Independent Director of the company. He has over 37 years of experience in the transport and manufacturing industry.



CONSOLIDATED FINANCIALS

PROFIT & LOSS

Y.E March (Rs cr)	FY20	FY21	Q1FY22
Sales	392.0	250.7	31.0
% change	37.4	-36.1	-
EBITDA	126.5	46.3	-5.9
% change	58.0	-63.0	-
Depreciation	46.6	60.5	16.0
EBIT	79.9	-14.2	-22.0
Interest	16.5	20.6	5.7
Other Income	4.8	31.6	9.3
Exceptional Items	-	-	-
PBT	68.3	-3.1	-18.4
% change	62	-104.6	-
Tax	15.7	0.4	0.6
Tax Rate (%)	23	-	-
Reported PAT	52.6	-3.5	-19.0
Adj	-	-	-
Adj. PAT	52.6	-3.5	-19.0
% change	70.1	-106.7	-
Post issue No. of shares (cr)	5.4	5.4	5.4
Adj EPS (Rs)	9.7	-0.7	-3.5
% change	70.1	-106.7	120.9

BALANCE SHEET

Y.E March (Rs cr)	FY20	FY21	Q1FY22
Cash	32.5	39.7	23.5
Accounts Receivable	55.6	47.1	38.7
Inventories	105.9	80.9	102.7
Other Cur. Assets	19.8	26.9	37.3
Investments	34.7	77.2	48.3
Deff. Tax Assets	5.6	7.6	7.0
Net Fixed Assets	255.0	259.0	262.9
CWIP	8.1	80.6	8.1
Intangible Assets	0.7	0.5	0.4
Other Assets	1.3	0.8	1.7
Total Assets	519	548	531
Current Liabilities	15.8	22.4	27.9
Provisions	4.6	5.5	5.8
Debt Funds	209.6	232.3	228.8
Other Fin. Liabilities	2.9	3.4	2.6
Deferred Tax liability	-	1.8	1.8
Equity Capital	79.0	79.0	79.0
Reserves & Surplus	207.3	203.9	184.9
Shareholder's Fund	286.3	282.9	263.9
Total Liabilities	519	548	531
BVPS (Rs)	53	52	49

CASH FLOW

Y.E March	FY20	FY21	Q1FY22
PBT Adj.	68.3	-3.1	-18.4
Non-operating & non cash adj.	62.4	30.0	14.3
Changes in W.C	-73.4	63.1	-20.8
C.F.Operating	57.2	89.9	24.9
Capital expenditure	-28.5	-10	-1
Change in investment	15.5	-37	-29.3
Sale of investment	-	-	-
Other invest.CF	-5.5	0.13	11.0
C.F - investing	-18.5	-47.3	39.2
Issue of equity	-	-	-
Issue/repay debt	-43.8	-37.1	-9
Dividends paid	-	-	-
Other finance.CF	-	-	-
C.F - Financing	-43.8	-37.1	-8.8
Change. in cash	-5.0	5	6
Closing cash	-3	3	8

RATIOS

Y.E March	FY20	FY21	Q1FY22
Profitab. & Return			
EBITDA margin (%)	32.3	18.5	-19.1
EBIT margin (%)	20.4	-5.6	-70.9
Net profit mgn.(%)	13.4	-1.4	-61.3
ROE (%)	18.3	-1.2	-7.2
ROCE (%)	7.4	1.9	-1.3
W.C & Liquidity			
Receivables (days)	45	75	136
Inventory (days)	203	328	644
Payables (days)	10	16	35
Current ratio (x)	12.2	9.8	7.4
Quick ratio (x)	5.6	3.9	2.2
Turnover &Levg.			
Net asset T.O (x)	1.8	1.1	0.1
Total asset T.O (x)	0.8	0.5	0.1
Int. covge. ratio (x)	4.9	-0.7	-3.9
Adj. debt/equity (x)	0.7	0.8	0.9
Valuation ratios			
Mcap/Sales (x)	9.5	14.9	30.1*
EV/EBITDA (x)	31.1	85.4	-
P/E (x)	70.8	-	-
P/BV (x)	13.0	13.2	14.1

*Annualised.

General Disclosures and Disclaimers

CERTIFICATION

I, Rajeev T, author(s) of this Report, hereby certify that all the views expressed in this research report reflect my personal views about any or all of the subject issuer or securities. This report has been prepared by the Research Team of Geojit Financial Services Limited, hereinafter referred to as Geojit.

COMPANY OVERVIEW

Geojit Financial Services Limited (hereinafter Geojit), a publically listed company, is engaged in services of retail broking, depository services, portfolio management and marketing investment products including mutual funds, insurance and properties. Geojit is a SEBI registered Research Entity and as such prepares and shares research data and reports periodically with clients, investors, stake holders and general public in compliance with Securities and Exchange Board of India Act, 1992, Securities And Exchange Board Of India (Research Analysts) Regulations, 2014 and/or any other applicable directives, instructions or guidelines issued by the Regulators from time to time.

DISTRIBUTION OF REPORTS

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Geojit will not treat the recipients of this report as clients by virtue of their receiving this report.

GENERAL REPRESENTATION

The research reports do not constitute an offer or solicitation for the purchase or sale of any financial instruments, inducements, promise, guarantee, warranty, or as an official confirmation of any transaction or contractual obligations of any kind. This report is provided for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. The information contained herein is from publicly available data or other sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied on as such. We have also reviewed the research report for any untrue statements of material facts or any false or misleading information. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

RISK DISCLOSURE

Geojit and/or its Affiliates and its officers, directors and employees including the analyst/authors shall not be in any way be responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Investors may lose his/her entire investment under certain market conditions so before acting on any advice or recommendation in these material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. This report does not take into account the specific investment objectives, financial situation/circumstances and the particular needs of any specific person who may receive this document. The user assumes the entire risk of any use made of this information. Each recipient of this report should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this report (including the merits and risks involved). The price, volume and income of the investments referred to in this report may fluctuate and investors may realize losses that may exceed their original capital.

FUNDAMENTAL DISCLAIMER

We have prepared this report based on information believed to be reliable. The recommendations herein are based on 12 month horizon, unless otherwise specified. The investment ratings are on absolute positive/negative return basis. It is possible that due to volatile price fluctuation in the near to medium term, there could be a temporary mismatch to rating. For reasons of valuations/return/lack of clarity/event we may revisit rating at appropriate time. The stocks always carry the risk of being upgraded to buy or downgraded to a hold, reduce or sell. The opinions expressed are subject to change but we have no obligation to tell our clients when our opinions or recommendations change. This report is non-inclusive and does not consider all the information that the recipients may consider material to investments. This report is issued by Geojit without any liability/undertaking/commitment on the part of itself or any of its entities. We may have issued or may issue on the companies covered herein, reports, recommendations or information which is contrary to those contained in this report.

The projections and forecasts described in this report should be evaluated keeping in mind the fact that these are based on estimates and assumptions and will vary from actual results over a period of time. The actual performance of the companies represented in the report may vary from those projected. These are not scientifically proven to guarantee certain intended results and hence, are not published as a warranty and do not carry any evidentiary value whatsoever. These are not to be relied on in or as contractual, legal or tax advice. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice.

JURISDICTION

The securities described herein may not be eligible for sale in all jurisdictions or to all categories of investors. The countries in which the companies mentioned in this report are organized may have restrictions on investments, voting rights or dealings in securities by nationals of other countries. Distributing/taking/sending/dispatching/transmitting this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe any such restrictions. Failure to comply with this restriction may constitute a violation of any foreign jurisdiction laws. Foreign currencies denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. Investors in securities such as ADRs, the value of which are influenced by foreign currencies effectively assume currency risk.

REGULATORY DISCLOSURES:

Geojit's Associates consists of privately held companies such as Geojit Technologies Private Limited (GTPL- Software Solutions provider), Geojit Credits Private Limited (GCPL- NBFC Services provider), Geojit Investment Services Limited (GISL- Corporate Agent for Insurance products), Geojit Financial Management Services Private Limited (GFMSL) & Geojit Financial Distribution Private Limited (GFDPL), (Distributors of Insurance and MF Units). In the context of the SEBI Regulations on Research Analysts (2014), Geojit affirms that we are a SEBI registered Research Entity and in the course of our business as a stock market intermediary, we issue research reports /research analysis etc that are prepared by our Research Analysts. We also affirm and undertake that no disciplinary action has been taken against us or our Analysts in connection with our business activities.

In compliance with the above mentioned SEBI Regulations, the following additional disclosures are also provided which may be considered by the reader before making an investment decision:

1. Disclosures regarding Ownership:

Geojit confirms that:

It/its associates have no financial interest or any other material conflict in relation to the subject company (ies) covered herein.

It/its associates have no actual beneficial ownership of 1% or more in relation to the subject company (ies) covered herein.

Further, the Analyst confirms that:

he, his associates and his relatives have no financial interest in the subject company (ies) covered herein, and they have no other material conflict in the subject company.

he, his associates and his relatives have no actual/beneficial ownership of 1% or more in the subject company covered

2. Disclosures regarding Compensation:

During the past 12 months, Geojit or its Associates:



(a) Have not received any compensation from the subject company; (b) Have not managed or co-managed public offering of securities for the subject company (c) Have not received any compensation for investment banking or merchant banking or brokerage services from the subject company. (d) Have not received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company (e) Have not received any compensation or other benefits from the subject company or third party in connection with the research report (f) The subject company is / was not a client during twelve months preceding the date of distribution of the research report.

3. Disclosure by Geojit regarding the compensation paid to its Research Analyst:

Geojit hereby confirms that no part of the compensation paid to the persons employed by it as Research Analysts is based on any specific brokerage services or transactions pertaining to trading in securities of companies contained in the Research Reports.

4. Disclosure regarding the Research Analyst's connection with the subject company:

It is affirmed that I, Rajeev T, Research Analyst(s) of Geojit have not served as an officer, director or employee of the subject company

5. Disclosure regarding Market Making activity:

Neither Geojit/its Analysts have engaged in market making activities for the subject company.

Please ensure that you have read the "Risk Disclosure Documents for Capital Market and Derivatives Segments" as prescribed by the Securities and Exchange Board of India before investing.

Geojit Financial Services Ltd., Registered Office: 34/659-P, Civil Line Road, Padivattom, Kochi-682024, Kerala, India. Phone: +91 484-2901000, Website: www.geojit.com. For investor queries: customercare@geojit.com, For grievances: grievances@geojit.com, For compliance officer: compliance@geojit.com.

Corporate Identity Number: L67120KL1994PLC008403, SEBI Stock Broker Registration No INZ000104737, Research Entity SEBI Reg No: INH200000345, Investment Adviser SEBI Reg No: INA200002817, Portfolio Manager: INP000003203, Depository Participant: IN-DP-325-2017, ARN Regn.Nos:0098, IRDA Corporate Agent (Composite) No.: CA0226

