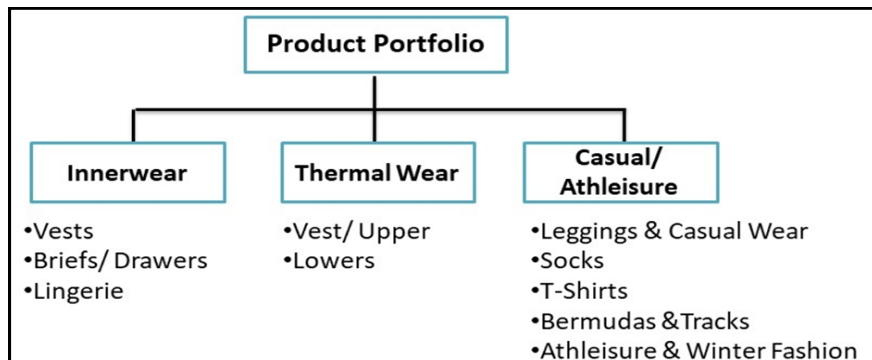


### About the Industry:

**Textile Industry:** The Indian textiles sector is one of the oldest industries in the Indian economy with a diverse spectrum of products which are hand-spun or hand-woven textiles on one hand to capital intensive sophisticated mills sector on the other hand. In pursuit of the same, the industry is capable of producing a wide variety of products suitable for a number of market segments, for the Indian as well as global soil. There has been strong domestic consumption as well as export demand witnessed for Indian textiles. As the international players enter the Indian markets, the changes in the consumer patterns, rising disposable income and higher economic growth add to the triggers. The main challenge for the industry players is to enhance consumer experience, build a strong brand connect with customers, increase the exclusive brand stores, capture the consumers imagination, cater to both the functional and aspirational needs of the consumer and offer premium quality innovative products with value for money proposition. Many industry players are looking at UAE as an imminent customer for exports of knitted garments. The signing of trade agreements with the UAE and Australia will give a boost to the Indian textile industry. In recent development, GOI has permitted three lakh bales of duty-free import of cotton having staple length of 28 mm and above from Australia under the India-Australia Economic Cooperation and Trade Agreement (ECTA). This is expected to benefit the cotton knitwear clusters such as Tiruppur to boost its exports and also bring some stability in the cotton price that has been increasing sharply since the beginning of the cotton season.

### Exhibit 01: Product Portfolio



Source: indianretailer.com/interview/retail-people/profiles/how-modernik-lifestyle-is-working-towards-increasing-market-penetration-in-the-category.11991, Progressive Research

**Innerwear Industry:** From being merely an essential commodity, today innerwear is seen as a fashion statement. Over the last decade, the changes in the consumer thoughts and patterns are compelling the industry players to expand their innerwear product range while exploring different channels to reach the customers. The premium innerwear market in India is seeing entry of global brands via partnerships and tie-ups with local players. The trend in the Indian innerwear market is gradually drifting towards a combo of leisureliness with the urban and sporting lifestyle. The innerwear market is classified into five product categories i.e. low, economy, midmarket, premium, and super premium. The innerwear market is gradually progressing from being a functional category to becoming a bold fashion statement where the system and consumer sentiments are shifting from a price sensitive segment to a brand sensitive category. The innerwear market is gradually evolving and moving towards organised retail. Looking at the opportunities, the organised players have started investing in building capabilities for basic design & fit, sourcing materials, strengthening the channel and building the retail connect with consumers. The well-known brands are focusing on better designs with product consistency to maintain stickiness to the customers while trying to generate higher realization than the regular innerwear.

SNAPSHOT				
52 week H / L		Mcap (INR mn)		
560.70 / 288.45		42004.87		
Face value: 1				
BSE Code		NSE CODE		
533552		RUPA		
Annual Performance				
(Rs mn)	FY19	FY20	FY21	FY22E
Total Revenue	11,547	9,746	13,127	14,837
EBITDA	1,511	1,137	2,573	2,892
EBITDA (%)	13.1	11.7	19.6	19.5
Other Income	20	74	73	93
Interest	186	186	134	146
Depreciation	150	185	138	142
PBT	1,195	840	2,374	2,696
PAT	742	619	1,753	2,076
Equity (Rs mn)	80	80	80	80
EPS (INR)	9.3	7.8	22.0	26.1
Quarterly Performance				
Parameters (Rs mn)	Mar-20	Jun-21	Sept-21	Dec-21
Sales (Net)	4,540	2,180	3,675	4,332
EBITDA	906	421	713	809
EBITDA (%)	20.0	19.3	19.4	18.7
Other Income	32	20	23	29
Interest	28	32	43	50
Depreciation	27	34	35	36
PAT	659	272	551	583
Equity (Rs mn)	80	80	80	80
Ratio Analysis				
Parameters (Rs mn)	FY19	FY20	FY21	FY22E
EV/EBITDA (x)	29.1	38.5	16.9	15.0
EV/Net Sales (x)	3.8	4.5	3.3	2.9
M Cap/Sales (x)	3.6	4.3	3.2	2.8
M Cap/EBITDA (x)	27.8	36.9	16.3	14.5
Debt/Equity (x)	0.6	0.5	0.3	0.2
ROCE (%)	25.7	17.6	36.4	32.6
Price/Book Value (x)	7.7	7.3	5.8	4.5
P/E (x) (TTM)	26.2	14.3	26.6	21.2
Shareholding Pattern as on 31st March, 2022				
Parameters	No of Shares	%		
Promoters	5,82,75,545	73.28		
Institutions	42,47,025	5.34		
Public	1,70,01,990	21.38		
<b>TOTAL</b>	<b>79524560</b>	<b>100.00</b>		

Source: Annual Report, Progressive Research

Note: Data is calculated as on 29 Apr, 2022

**About the Industry (contd):**

**Indian Innerwear Market:** New emerging trends where the players are focusing on outerwear like track pants, shorts, T-shirts, athleisure wear, etc. seems to be fetching higher margins on select products. These new products or steady stream of new products is also keeping the distributors and retailers active, interested and busy. In the current scenario, many of the equity funds have been showing interest in the Indian innerwear market segment. This renewed interest in what remained a dormant industry over the past two years provides a cushion for the players to make more investments in operations. While understanding the psyche of the market, various brands are optimizing their industrial operations to try to stay ahead of the competition. To make the innerwear apparel more comfortable, companies are taking into consideration the latest fabric which justifies the upsurge in innovative manufacturing with latest fabrication technology. This translates into an influx of international and national brands towards sustainable growth. In addition to this, most new-age brands do not have their own manufacturing facilities; they outsource the manufacturing through traditional companies. The spending of an Indian consumer on apparel, especially innerwear, is much lower compared to the Asian peers, which provides a significant opportunity for growth. Rising incomes, higher discretionary spends, increasing number of working women, growing fashion consciousness and evolving consumer tastes of the millennials are compelling the demand to show upticks. Looking at this new round of traction, most of the major brands are expanding their offering and portfolios.

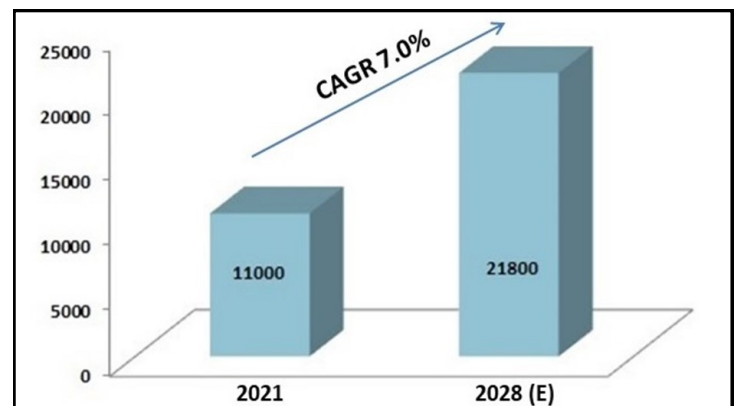
**Exhibit 02: Indian Innerwear Market**



Source: Rupa AR2021, indiancompanies.in/apparel-industry-in-india-garment-sector, Progressive Research

**Men's Innerwear Segment:** The men's innerwear market has been an undeveloped clothing category with little product innovation, lack of variety and options. Understanding consumer psychology is very important and thus multifunctional garments (as per consumers' needs) are introduced. Innovative and newer brands are coming up with comfortable and stylish innerwear, with sustainability in mind. There have been some traditional, national and international brands in India in this segment. Men's innerwear segment in India comprises of products from top brands which is obviously a mix of regular and high end labels (price points starting from Rs90 upto Rs2000) like Jockey, Levi's, Lux Cozi, Rupa, Van Heusen, Park Avenue, FCUK, Dixy Scott, Dollar etc. However, with time, the men's innerwear segment is on a growth trajectory due to factors like increasing availability of a wide range of products, increasing awareness about health, personal hygiene and growing millennial population. In the recent past, the Indian innerwear market has been witnessing a change in trend with consumers opting for better quality branded products. Thus, the market segment is slowly evolving towards organised retail.

**Exhibit 03: Men's Innerwear Market**



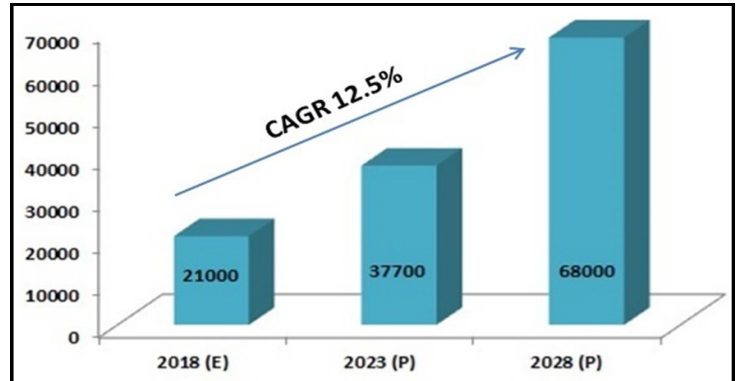
Source: Rupa AR2021, indiancompanies.in/apparel-industry-in-india-garment-sector, Progressive Research

**Women Innerwear Market:** The lingerie or women's innerwear market accounts for ~66% of the total innerwear market and accounts for ~15% of the women's apparel market; the branded innerwear contributes ~38- 42% of the women's innerwear market and this is anticipated to grow to ~45-48% by 2023. The market size of ~Rs210bn in 2018 is expected to reach ~Rs680bn by 2028 while growing at a growth rate of ~12.5%. Since the last few years, growth of the women's innerwear has been outperforming the overall innerwear segment where the leaders were medium, premium and super premium categories. This trend is not just restricted to metros but can be seen spreading in Tier-I, II and III cities. Women's innerwear has seen increasing momentum in sales and is increasing at a very rapid rate around the world. In tandem to this, the sales of luxury lingerie too are increasing with growing purchasing power of women. Key players operating in the global inner wear market are Amante, Zivame, Victoria's Secret, Calvin Klein, Jockey, M&S Group Plc, Ralph Lauren Corp., Hanesbrands Inc., Moet Hennessy Louis Vuitton etc. The lingerie market saw the emergence of several direct to consumer (D2C) brands and some of these have gained significant scale. Some of the key factors like, the rising number of working women, increase in income levels, greater awareness, increasing purchasing power, innerwear brands online, changing dressing preferences, celebrity endorsements and education around wearing the right lingerie have led to the inception of many startups during the decade. Learning from their success, some of the major retail companies have also realised the potential of this market.

**About the Industry (contd.):**

**Women Innerwear Market (contd.):** The entire concept of innerwear is evolving into casuals or at-home smart clothing where athleisure and activewear are gaining more traction. In addition to this, consumers are becoming fitness conscious, joining gyms and taking up activities like cycling which adds to further growth of the sub segments. The market for women's innerwear is projected to grow to USD11-12bn by 2025, according to a report by RedSeer Management Consulting. Sub-segments such as branded mid-premium lingerie, branded athleisure and branded ancillaries (swimwear and shapewear) are slated to witness rapid growth. In addition to this, the online female innerwear market is expected to be around USD1-1.2bn by 2025. According to RedSeer, the female innerwear market is anticipated to grow in smaller cities at 1.5 times as compared to the metro cities due to digital penetration, brand awareness, social media influence and online shopping. With the consumer shift, the share of the unorganised segment has dwindled to ~80-85% and small towns are expected to emerge as the major growth vector for many companies as consumers are rapidly upgrading to branded products. About half a decade ago, lingerie production was very low in India and most of the products were imported from Sri Lanka or China. However, this scenario has changed in the current world due to the surge of new-age brands and the explicit demand in this segment. Few brands that have succeeded in the mass segment in the men's segment such as Rupa Frontline and Dixcy Scott, etc. see scope for growth in the women's innerwear segment.

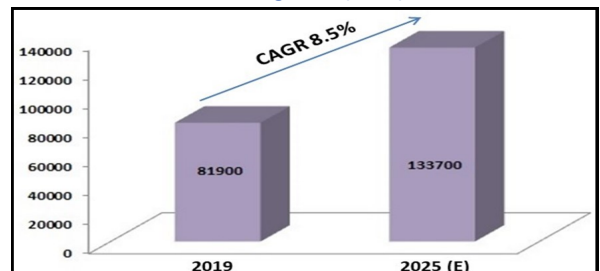
**Exhibit 04: Women Innerwear Market (Rs cr)**



Source: Rupa AR2021, indiancompanies.in/apparel-industry-in-india-garment-sector, Progressive Research

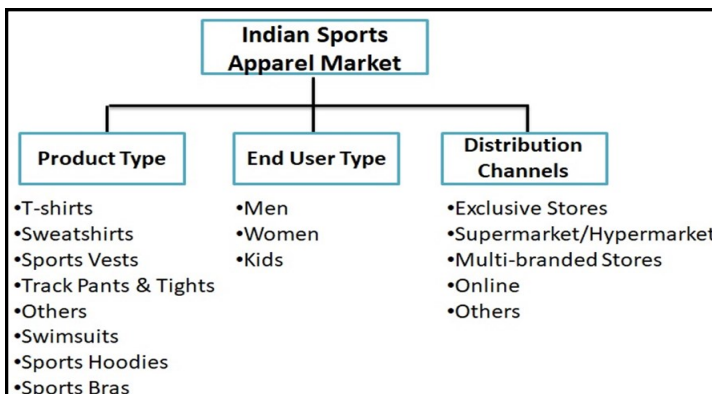
**Kids Wear Segment:** The market for kids wear in India is estimated at ~Rs819bn and anticipated to grow at a CAGR of ~8.5% in the next 5 years. This segment is a largely unorganised market today, but is anticipated to follow suit of the men's and women's segment to become the next organised sector in the innerwear industry. The market for the booming kid's population in India is poised to grow further due to growing trend of nuclear families, increased spending on children, brand awareness among kids, and the enhanced focus of the organized players in this domain.

**Exhibit 05: Kids Wear Segment (Rs cr)**



Source: Rupa AR2021, indiancompanies.in/apparel-industry-in-india-garment-sector, Progressive Research

**Exhibit 06: Indian Sports Market**



Source: India-Sports-Apparel-Market-By-Product-Type-By-End-User-By-Distribution-Channel-By-Company-By-Region-Competition-Forecast-Opportunities, Progressive Research

**Athleisure:** clothing is a trend which has recently evolved including people with preference specifically for athletic workouts; but these outfits can also be worn casually as these activewears are flexible. The sportswear industry including activewear and athleisure brands flourished more than ever in 2021 with immense daily use of leggings, sweatpants and loungewear. Sustainable athleisure products require proper designing and combination of various fabrics like polyester, nylon, polypropylene, spandex, neoprene etc. Fluctuations in commodity markets, raw material sourcing, fluctuations in global economies etc. are some of the key factors why these products are priced high and have low sales. The reasons for the trends favouring this include sustainability, innovative designs, diversity, exclusivity, limited launch and collections, entry of many luxury brands, increase in health awareness, on-demand classes (like yoga, fitness, wellness), more people opting for physical activities (such as swimming, cycling, running, gymnastic, mountain climbing, snowboarding) in developing

countries such as China, India, Japan and Australia. Making sustainable athleisure more desirable (especially amongst the youngsters), has created a demand for fitness among all age groups and thus nurturing market growth. Millennials are the key target customers while taking into account the perception of fitness. In addition to this, in the past few years, an increase in the number of women participating in sports and fitness events has been witnessed. Many women professionals have become conscious about their health, while some women prefer wearing sports apparel daily, which also adds to the growth of the sustainable athleisure market.

About the Industry: Athleisure (cont.):

Exhibit 07: Sportswear Exports (USD mn)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

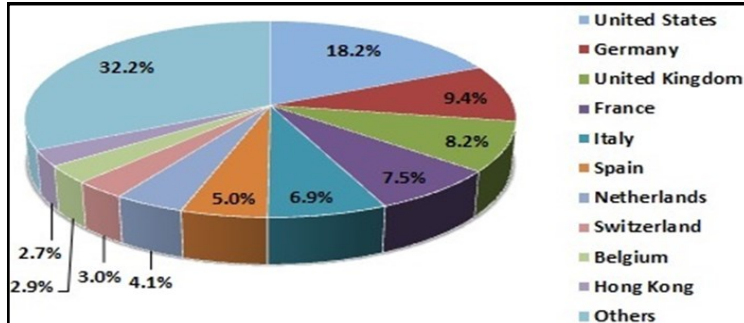
Exhibit 08: Sportswear Imports (USD mn)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

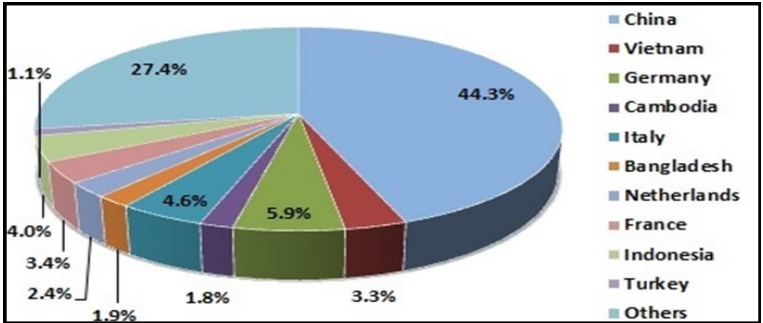
The demand for sportswear comes from a certain group of income levels which is directly correlated to those who are more active and trying to stay fit. One of the dampening factors for the sportswear and activewear industry could be a number of people going back to the pre-pandemic life exercising regimes. The global athleisure market size was valued at USD17.64bn in 2020, and is projected to reach USD53.43bn by 2030, while registering a CAGR of 11.6% from 2021 to 2030 (Allied Market Research). Asia Pacific is expected to grow at the fastest CAGR of 8.8% over the forecast period. Some of the major players operating in the global market include Adidas AG (Adidas), ASICS Corporation, Columbia Sportswear Company, Lululemon athletica INC., Nike, Inc. (Nike), PVH Corp., PUMA SE, The Gap, Inc., The North Face (VFC) etc. It is also anticipated that the supply from China could reduce further, and other Asian suppliers like Vietnam, Cambodia and Bangladesh may see an even greater number of orders.

Exhibit 09: Share of top 10 Importers of Sportswear (FY2010)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

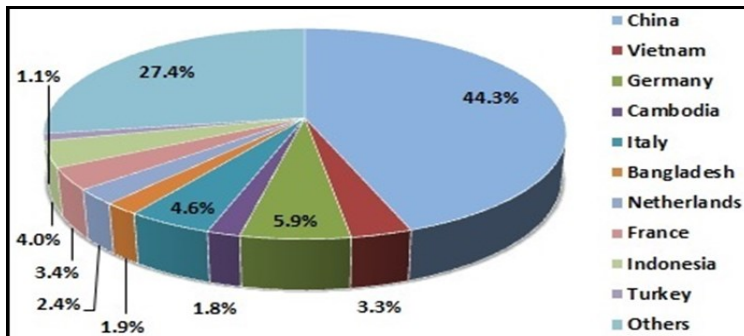
Exhibit 10: Share of Importers of Sportswear (FY2020)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

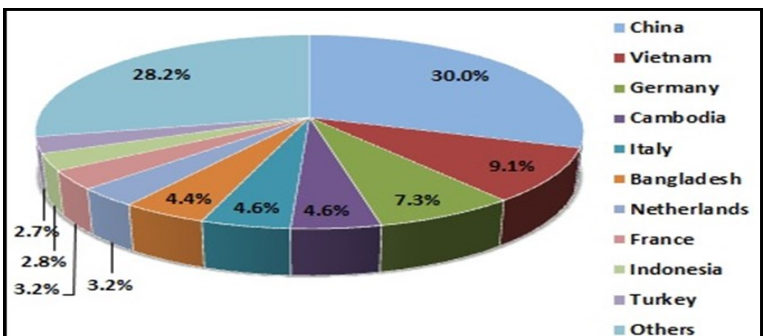
The activewear market in India is ruled by foreign players like Adidas India, Decathlon Sports India, Nike India, and Puma Sports India. While competing with these international brands, domestic players are trying to strengthen their footprint by offering products at a lower price range in tier II and tier III cities. The Indian athleisure market is assessed at Rs540bn growing at 18-20% annually. Higher participation of women and kids in sports activities and rising popularity of online retail channels has propelled the market growth.

Exhibit 11: Share of top 10 Exporters of Sportswear (FY2010)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

Exhibit 12: Share of top10 Exporters of Sportswear (FY2020)



Source: fibre2fashion.com/industry-article/9341/sportswear-treading-between-demand-sustainability , Progressive Research

### About the Industry (cont.):

**Knitwear Industry:** The popularity of comfort wear has been growing constantly among the young Indian demography. As the trend of casualization keeps swelling up and gains momentum, many companies in the industry have started expanding their knitwear range and offerings. To facilitate the significant upsurge, many domestic players are concentrating on outerwear, track pants, shorts, T-shirts and athleisure wear. Needless to mention, the entry barriers are created by the brands via celebrity endorsements. In addition to this, attractive packaging and modules or fixtures for product display has also helped the brands to surface into limelight. Rising income levels, higher purchasing power, increasing number of working women, growing consciousness, increasing per capita and media exposure are some of the factors for increased demand for quality knitwear products in India. This trend is not just restricted to metro cities but can be witnessed across Tier-I, II and III cities and small rural towns as well. The export market too offers a large number of growth opportunities for the Indian knitwear makers. Many global apparel brands are also looking at alternate suppliers which can propel growth for many domestic players. India is certainly confident of the massive opportunities in the knitwear industry owing to its sizable domestic market coupled with huge export opportunities.

**Growth Propellers (India):** As per many research articles, the innerwear market is driven by few key factors or trends like,

(a) **Urbanization:** There has been rapid growth in urban population with increase in the number of towns and cities in India as the country is moving on its path to transformation into a developed nation. As the masses keep shifting base to cities or metros, the rural population is gradually getting infused with urban culture and lifestyle

(b) **Dynamic Consumer Profiles:** The ever-changing consumer profiles find its roots in the new age consumers who are well-educated, fashion & quality conscious, with better spending capacity and higher disposable incomes

(c) **Working Women:** In the last few years, the number of working women has increased tremendously which has helped increase the spending power of women and thus adding to the growth of consumers with specific taste and style

(d) **Organized and Online:** The Indian retail market is among the top five retail markets in the world and is anticipated to reach ~USD2trn by 2025. The segment of emerging organized retail is beneficial for manufacturers while the digital revolution via e-commerce market will be beneficial for the online retail market

(e) **Emerging Categories:** There is an increased demand in special categories within intimate wear such as shape wear, sleepwear, swimwear, athleisure etc. The sleepwear category has already seen growth (in organised as well as unorganised segments), however, the categories of shape wear and swimwear present a lot of opportunities to grow

(f) **Competitive Advantage:** there is abundant availability of raw materials such as cotton silk and jute in India and the country also enjoys a comparative advantage in terms of skilled manpower with lower cost of production when compared to other textile producers

(g) **Electronic Media:** Increasing penetration of electronic media leading to branded products revenue generation

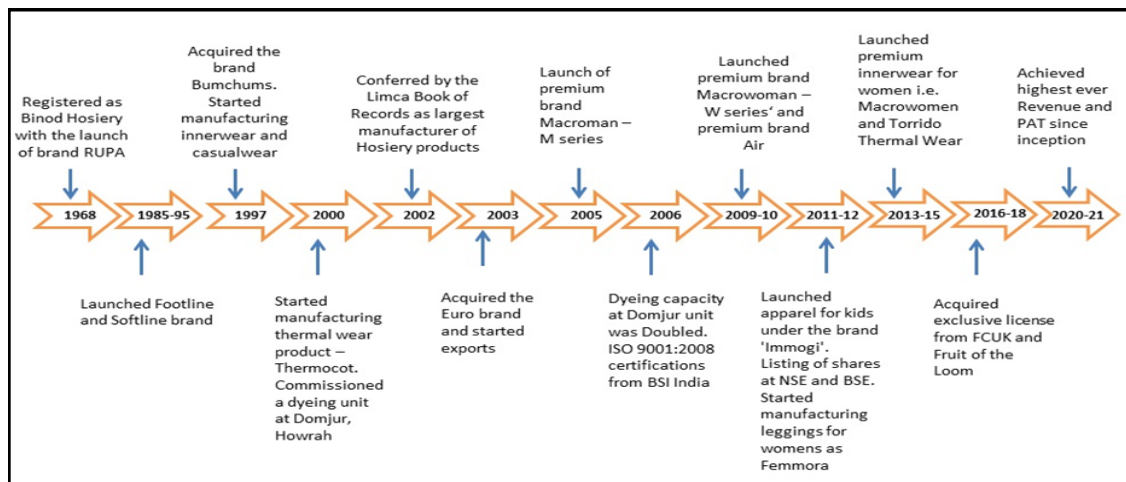
### About the Company:

Rupa & Company Limited is one of the leading and largest known knitwear brands in India with more than 5 decades of experience in the industry. In 1968, promoters started the business as Binod Hosiery and launched the brand Rupa which is derived from Bengali word *Rupo* (silver). Since then, Rupa has successfully built an iconic brand of international stature for both the masses as well as the classes. Today, the company is present across the entire value chain in the knitted garment space offering a gamut of products from innerwear to fashion wear. The company is engaged in the manufacturing, branding and marketing of men's and women's innerwear, thermal wear and casual wear for kids while catering to all the sections of the society i.e. economy, mid-premium, premium and super premium. The various sub-brands include, Frontline, Jon, Air, Macroman, Macroman M-series (premium brand), Macrowoman W-series (premium brand), Euro, Bumchums, Torrido, Thermocot, Kidline, Footline, Softline, etc. The company has its state-of-the-art manufacturing facilities located at 4 locations i.e. Domjur (West Bengal), Tirupur (Tamil Nadu), Bengaluru (Karnataka) and Ghaziabad (NCR). Its sales offices are situated in West Bengal, Tamil Nadu, Karnataka, Uttar Pradesh, Bihar, Maharashtra and Delhi.

The company has the capability of producing 7 Lac+ finished goods pieces per day, with ~25 tons per day fabric dyeing capacity, ~3 tons per day of yarn dyeing capability, with presence in 1.25 lakh retail outlets, 7000+ SKUs, 1200+ dealers serving 18 sub brands and 100+ registration of trademarks (domestic as well as internationally). Rupa has a well-equipped IT system which has helped the company achieve optimal capacity utilisation, maintain lower costs and maintain healthy margins. The company has a pan-India presence with a large distribution network consisting of 4 central warehouses. The company has five wholly-owned subsidiaries where Oban Fashions Private Limited, has an exclusive license for the brand FCUK and the brand Fruit of the Loom or FOTL, to manufacture, market and sell innerwear and other products in India. The FCUK and FOTL products have been launched in different locations in India. The company is certified with ISO 9001:2008 certification from BSI India for product quality and manufacturing excellence. Mr. Prahlad Rai Agarwala is the Chairman, Mr. Ghanshyam Prasad Agarwala is the Vice-Chairman and Mr. Kunj Bihari Agarwal is the Managing Director of the company.

About the Company:

Exhibit 13: Milestone Achievements



Source: Rupa Investor Q3FY22 PPT, Progressive Research

Investment Rationale:

**(A) Robust Operations:** Over the past 5 decades or so, Rupa has been growing slowly and consistently and is trying to fortify the already existing operations while tweaking technology. The various subsidiaries with different market strategies, technology and market presence have been the main pillars for the consistent performance by the company.

**(i) Subsidiaries:** The company has the following 5 wholly-owned subsidiaries as on March 31, 2021: **(a) Euro Fashion Inners International Private Limited:** was earlier engaged in selling hosiery premium products under the brand name EURO, and has transferred its business operations to the company (through a business collaboration agreement effective from April 1, 2014) and gets royalty for the brand EURO. **(b) Imoogi Fashions Private Limited:** is engaged in manufacturing, processing and selling hosiery and outer casual wear products (premium category) for female and kids segments under the brand name Femmora. **(c) Oban Fashions Private Limited:** has been incorporated to operate the Indian business of the international brands managed under licensing/ franchise/ joint venture/ ownership arrangements, etc. It has an exclusive license with respect to brands FCUK (from the French Connection Limited), and the brand Fruit of the Loom (from Fruit of the Loom, Inc, a New York Corporation, being a wholly-owned subsidiary of Berkshire Hathaway Company), to develop, manufacture, market and sell innerwear and related products under the respective brand names, in India. **(d) Rupa Fashions Private Limited:** is engaged in manufacturing and trading activities, etc. **(e) Rupa Bangladesh Private Limited:** was incorporated as wholly-owned subsidiary of the company in September 2019 to be engaged in manufacturing and other activities in Bangladesh.

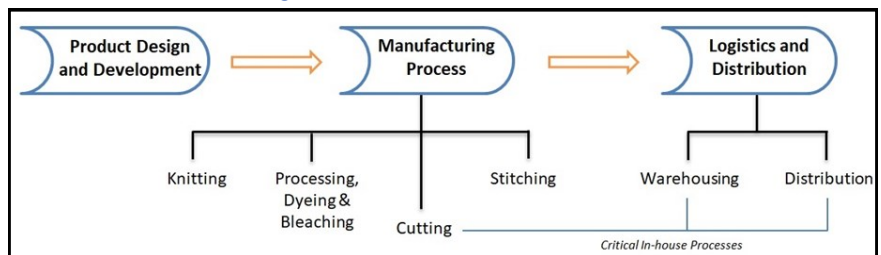
**(ii) Market Strategies:** As a standard procedure to fetch better operational efficiencies and to keep the business model lighter, some of the intermediary production is done on a job work basis (which reduces the need for capex). The company buys yarn, sends it for knitting, receives the fabric and again sends it for processing. The company has its own knitting and processing factories, and the company mixes and matches the operations based on the requirements and cost effectiveness. Recently, Rupa has been cutting the fabric in-house as it reduces the pilferage and wastage when compared to outsourcing. As a part of the strategy, the company outsources low end labour intensive work and utilizes its own resources for value addition, product differentiation, branding and distribution. This also helps the company maintain uniform quality across its products. As the consumers are rapidly becoming brand conscious, ensuring high product quality and consistency to capture market share from regional and unorganised players has become imperative. The entry level brands of Rupa compete with unorganised players and although the products are marginally more expensive, consumers still prefer to buy Rupa branded products. Over the years, the company has been able to build a stronger distribution system with bigger, better and stronger channel partners. For most of the entry level and middle segment brands, the company uses the sales channels involving wholesalers. For the premium brands, the company retails through distributors and sells the multiple range of products through a D2C model online through Amazon, Flipkart, its own website, and others portals. Currently, the online sales are very low as compared to brick and mortar sales model, but are picking up fast. The integrated marketing campaigns aim at building a strong brand and expanding the consumer base in targeted markets. The company is looking at enhancing its presence in e-commerce (tie-up with Amazon, Flipkart and other ecommerce platforms), MBOs (Multi-Brand Outlets) and LFRs (Large Format Retail Stores). Rupa is also looking at creating a small to mid-sized franchise store model with best-in-class standard operating procedure (SOPs). Going forward the company is planning to establish a franchise business model in the top 50 cities in India.

**Investment Rationale (contd.):**

(iii) **Technology:** The company continues to invest extensively in manufacturing integration and scaling up the operations via minor and consistent tweaking in the systems. In pursuit of the same there is constant maintenance capex for up-gradation and replacement of old machines (as and when required). The main aim is to reduce costs, improve efficiencies while maintaining high quality of output. In addition to this, the company also continues to invest in R&D to produce environmentally friendly clothes and minimize carbon footprints. The company is certified with ISO 9001:2008 certification from BSI India for product quality and manufacturing excellence. Rupa has a well-equipped IT system which has helped the company achieve optimal capacity utilisation, maintain lower costs and maintain healthy margins.

While the critical processes are performed in-house, the company also outsources labour intensive processes which have been helping in keeping the asset and employee base light. The company tries to incorporate the latest techniques for making the most advanced products. Some of the key areas which tend to have an edge to propel the operational efficiencies include state of the art **knitting process** at the manufacturing plants; best in class technology for **dyeing and bleaching** in order to maintain competitive quality standards; CNC and CAD technologies are adopted for accuracy in **cutting**, designing & consistency in quality while ensuring quantity with minimum use of labour; specification and technical know-how provided to all vendors for **stitching** to have consistency in quality of produce.

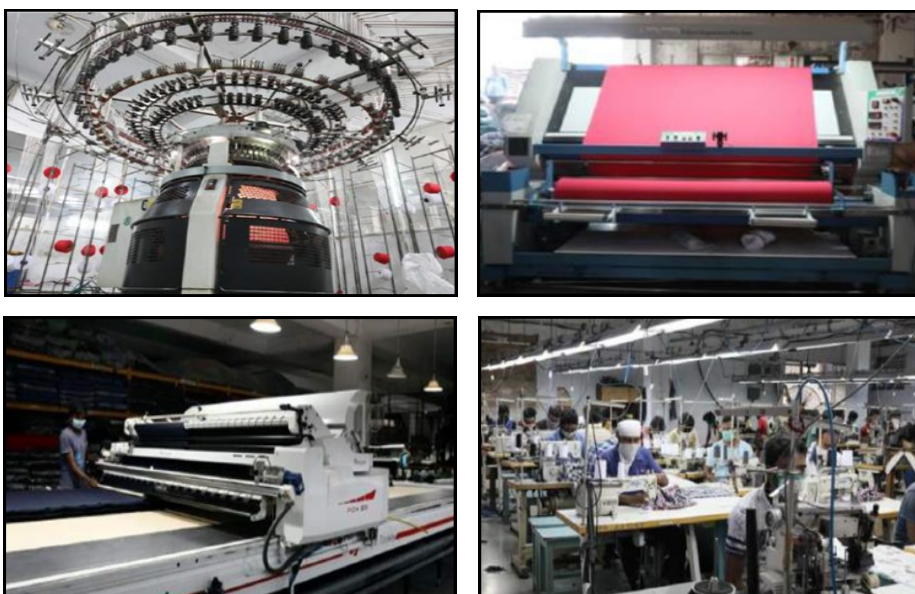
**Exhibit 14: Manufacturing Process**



Source: Source: Rupa Investor Q3FY22 PPT, Progressive Research

The company has stringent quality commitments right from procurement of raw materials to final dispatch of orders. The company has one of the most modern dyeing plants in India. There is continuous upgrading of machinery, stringent quality control measures, and quality is maintained to match international standard production norms via innovation and research which is implemented at all levels of operations from project planning, design & documentation to execution. The company has imported machines with the latest and updated technology. Between 2018-2021 several cutting, knitting, spreader machine, PLC controlled multi chamber stenter & compactor and slitting machines have been imported. These latest machines are purchased from good industry leaders in this business like Morgan Tecnica SPA, Bierrebi Italia SRL, Ferraro SPA from Italy, Unitex Texmac Pte Ltd (Singapore), Mahela Machines India Ltd (Bullmer), Bruckner Textile technologies GmbH & Co. KG (Germany) etc. Consumption of water as well as the treatment of the waste water is an important parameter for the operations of the company. Rupa has already identified the operational areas where water consumption can be minimised by use of advanced operational techniques and the staff is also trained for prudent use of water.

**Exhibit 15: Plant Workstations**



Source: [businessindia.co/magazine/rupas-well-knit-plans-for-consolidation](http://businessindia.co/magazine/rupas-well-knit-plans-for-consolidation)

**Investment Rationale:**

(iv) **Market Presence:** Rupa is present in a number of different modern retail formats and e-commerce platforms which are currently offering significant opportunities to propel growth. In the **modern retail trade format**, the company currently has more than 150 stores. The company has devised a strategy to increase the footprints of the brand across all categories and create a special product line which is more relevant for modern trade. In addition to this, the company is also looking at improving its order serviceability; make use of technology driven warehouse infrastructure and investing on the Brand. In case of the **EBO (exclusive brand outlets)** the company has 17 stores. The company aims to create a small to mid-sized franchise store model with a vision to establish franchise models in the top 50 cities in the country. The vision of the Management is to roll out ~150 EBOs in the next 2 years. The company is present on all **online portals** and e-commerce sites. In times to come, the company is looking at developing a robust tech-based warehouse infrastructure to support the business model and enhance the brand visibility.

(B) **What Next?** The company is looking at the next phase of growth, where the growth triggers include value generation, premiumization, geographical expansion, further brand building and capture more available opportunities. Some of the ways by which the company intends to enhance the shareholders' value include **competitiveness:** by making the products available across the value chain from innerwear to comfort wear and across all segments with dedicated focus to increase market share in the premium and super premium categories; **value generation:** via licencing/ brand association in casualwear and dedicated focus on female segment and thermal wear; **market expansion:** to be used as an enhanced derisking measure with an ambition to double exports and enter newer geographies (domestically and internationally); **newer touch points:** to strengthen the distribution network from wholesale to direct distribution, focus on LFS and EBOs and enhance brand visibility through e-retail.

(a) **Premiumization of Offerings:** Rupa has a much diversified product basket comprising of innerwear, thermal wear, casual and athleisure. This bouquet of brands is spread across all price segments including economy, mid-premium, premium as well as the super-premium categories. Looking at the demand and opportunities, the company is trying to ramp up its offerings across mid premium and premium segments. Rupa has been able to deliver diversified and targeted product offerings across demographics via a number of categories and price segments. The company is present in a gamut of products from innerwear to casual and athleisure wear (inner wear + thermal wear + active wear). As the company is targeting growth in times to come, they are strategically creating their presence in the mid-premium to super premium brands and also looking at licensing some international brands. The premium and super premium currently account for ~30% of the total turnover. The Management has set clear goals to improve its product mix, increase the share in premium and super premium category, increase focus on women wear, casual, and thermal wear.

(b) **Brand Building** and creating a positive perception is an imperative yard stick in the innerwear industry. At Rupa, the Management is aggressively involved in brand building investments and activities to support the market growth initiatives in core categories as well as expansion into adjacent categories. The teams are judiciously reallocating advertisement and promotional spends from non-media to media channels. The company has been consistently investing ~6-8% of the revenues earned in brand promotional expenses. The Management anticipates maintaining the same allocation to ensure successful and profitable product launches. Over the past decade, the company has been successful in creating a strong brand recall via consistent investment in advertising and brand promotions.

**Exhibit 16: Brand Building**



Source: Rupa & Co AR2021, Progressive Research

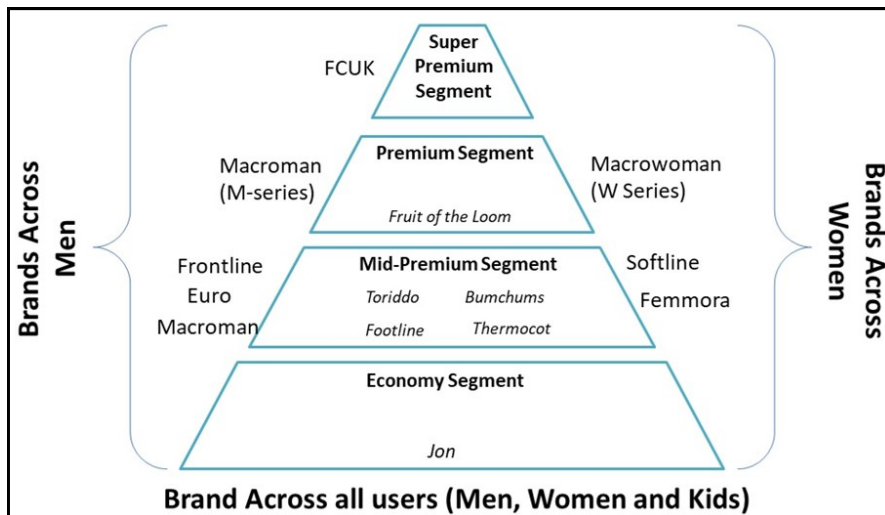
(c) **Geographical Expansion:** The company has pan India presence while enjoying a very strong position in the eastern states and is gaining significant presence in the north followed by the western states. The current strategy of the Management is to foray in newer markets by appointing new distributors and further penetrate in the existing markets. The company has ~1,300 dealers and distributors across the country and intends to add ~100 more distributors in central and south Indian states. The products are available in more than 1.25 Lakh outlets. Rupa is already trying to increase its footprints in South India and improve its market share. In south, the company is currently present in Karnataka and Telangana and is looking at strengthening presence further in markets including Kerala and Tamil Nadu. In the central part, Rupa is looking at strengthening its footprint in MP and Chhattisgarh. While providing a wide range of product portfolio, the company is trying to strategize the product offering to suit consumer preferences of different customers. If one was to divide the markets into three segments, then the focused markets would include states like MP, Chhattisgarh, Rajasthan, Gujarat, Maharashtra; while the growing markets include Punjab, Haryana, Delhi, Karnataka, Telangana, while the seeding markets contributes would include Southern states of India like Kerala, TN, Andhra Pradesh etc. The export markets include UAE, Saudi Arabia, Kuwait and Iraq and Rupa has also added newer markets like Myanmar, Ukraine, Algeria, Indonesia, Nigeria, Congo and Singapore.



**Investment Rationale:**

(d) **Inspirational Brands:** To keep pace with the evolving consumer preference and market demand Rupa continues to add new varieties to the existing brands as also to the sub-brands. In the pursuit to make luxury products accessible with latest fabric innovations and advance designs, the company is trying to manufacture products with finest style and comfort while **accelerating the launch of inspirational brands**. The company is trying to get premium products for the Indian consumers via exclusive license to develop, manufacture, market and sell the FCUK brand of innerwear and related products in India. In addition to this, the company also has an exclusive license from Fruit of the Loom, Inc., to manufacture, distribute, advertise and sell innerwear and outerwear products for men, boys, women, girls and toddlers in India, under its brand names. The concept behind adding Fruit of the Loom (a wholly owned subsidiary of Berkshire Hathaway) to the basket is to help increase penetration in the premium segment which is intended to drive margins going forwards. By making use of this strategy, the company has access to global brands with strong brand recognition in the super premium segment. Along with this comes global expertise and knowledge to help improve certain manufacturing processes, designing (international brands), logistic management etc.

**Exhibit 17: Brands Segmentation**



The company has been increasing the distribution points on a pan-India level and making these products available on e-commerce portals like Amazon, Myntra, Paytm, Flipkart etc. In some of the product categories, the company has exclusive tie ups with Amazon and Central. In the long run, the prospective benefits of demerged undertakings (FCUK and FOTL) of Oban Fashions seem to be brighter. The strategy to utilize the current market presence and customer base to access premium market segments can lead to higher top line growth. The process of consolidation of similar premium businesses to execute more efficiently while saving costs on marketing, distribution, benefits of the economies of scale and elimination of duplicate expenses will also benefit the entire concept. Moreover, this process also helps specialised focus of Management to achieve higher topline and also keep a watch on the capital allocation needs. These developments are anticipated to be a key growth driver for the company as there is only one international brand present in India in the premium and mass premium segment.

The company has chalked out growth strategies to boost the revenues in years to come by,

**High Margin Business:** aim to increase share in premium and super premium categories

**Active & Women's Wear:** the segment related to leggings under the brands Softline and Femmora have shown significant growth. In addition to this, the company plans to grow through in-licensing or inorganic brand associations as well through organic growth

**Thermal Wear:** the Management has planned to earn more than Rs2bn from the thermal wear segment in the next 2 years

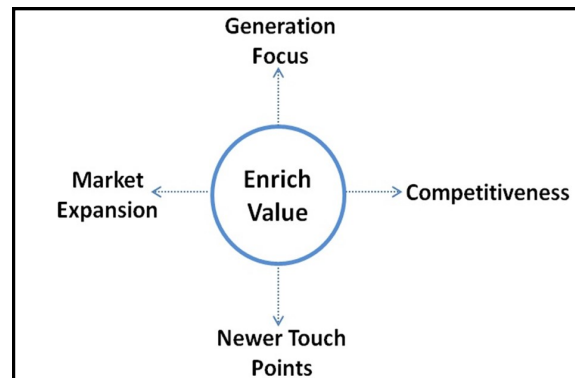
**Exports:** the company intends to tap new geographies and try to double the exports in the next 2 years

**New Markets:** Foray in newer markets and further penetrate in the already existing ones

**Reorganise Distribution Channel:** the Management is looking at moving from wholesale distribution channel to a direct distribution channel for some of the products

**Modern Retail EBOs and E-commerce:** the company has plans to enhance brand visibility and sales via 300 LFS, ~150 EBOs in the next 2 years as well as through increased online presence

**Exhibit 18: Supplementing Value**

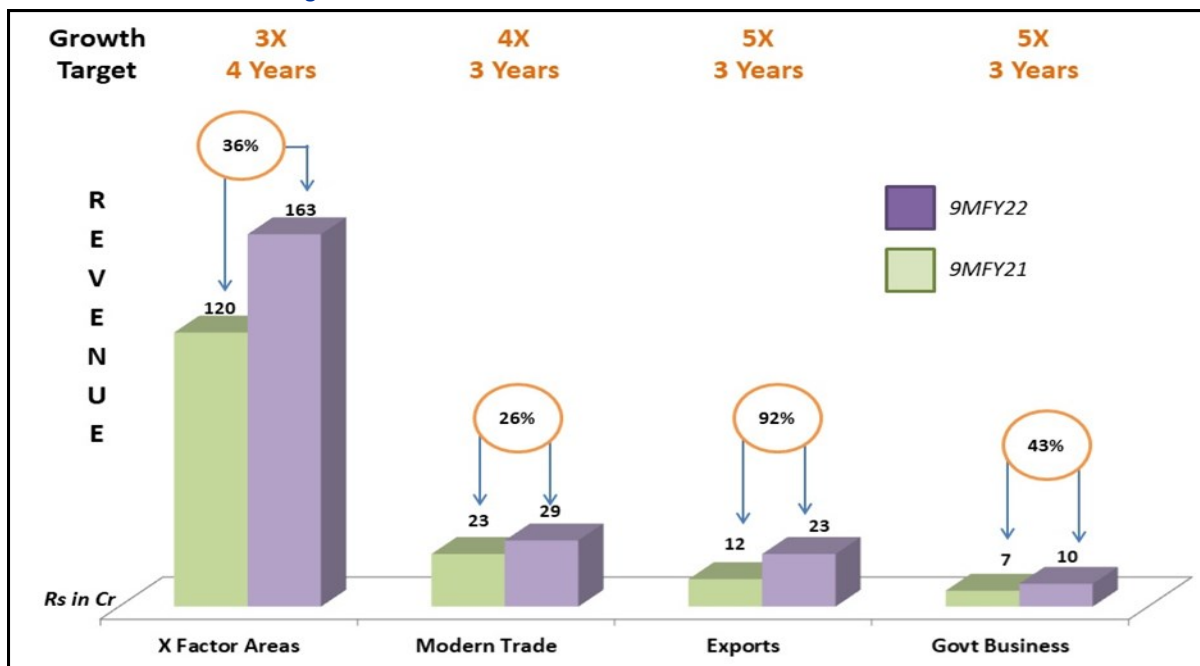


**(C) Sustainable Triggers:**

**Potential Areas:** There are a number of factors which favour the entire industry especially in the Indian context. Some of these include, the recent initiatives taken by GOI to promote local products through local manufacturing of quality offerings and making the same as a global brand via **Vocal for Local**. India is the largest producer of cotton and second largest producer of polyester in the world and **large-scale availability** of these textile fibres is helping the growth of downstream manufacturing value chain of yarns, fabrics, garments etc. The Make in India campaign is putting a lot of focus on increasing the skill level of the already available **manpower and its quality**. India already has some **well-established production and manufacturing** facilities in the textile value chain which gives a big boost to the available opportunities to local manufacturers. As **women participation** in fitness, sports and other physical activities increases coupled with increased women workforce, the same can give rise to the consumption of new categories like personal care, readymade products etc. In the current set-up **online players** are delivering products to the smallest of towns, thus increasing the consumer's awareness for many international and indigenous brands. In addition to this, **mall development** in Tier II & III cities is making the brands more visible to a **growth of potentially untapped market**.

The Management is reinforcing high growth segments like Athleisure, Active wear, thermal wear, health & lifestyle focused active wear segment, **Womens wear** etc. For the **high growth segments of Womens wear, the company is already focusing on** pioneering premium leggings (crafted from unique 4d cotton stretch fabric), lingerie and outerwear (western kurta pants, palazzo pants and knitted pants). The brand Softline aims to make comfortable clothing as the new fashion statement. Bumchums range of T-shirts, bermudas, tracks, and muscle tees are designed for the young demographic. As per the recent press release in January 2022, Rupa has ambitious growth plans for growth in all the segments.

**Exhibit 19: Penetration in High Potential Areas**



Source: Rupa & Co Investor Q3FY22 PPT, Progressive Research

The company is looking at growing the **X-Factor areas** like West Bengal, Maharashtra (ex-Mumbai and Pune), Gujarat, Madhya Pradesh, Chattisgarh, Western Uttar Pradesh, Uttarakhand, Haryana, Himachal Pradesh, Punjab, Tamil Nadu, Andhra Pradesh and Kerala. While building a complete ecosystem of marketing, retail & distribution network the Management is aiming at a **growth target 3X in 4 year**. As mentioned earlier as well, the company intends to reap the benefits from **Modern Trade**, focus on e-commerce via partnerships with Amazon, Flipkart etc as well as drive direct sales through their own website, with a **growth target of 4X in 3 year**, the company also aims to fetch assistance from select LFS play and EBO expansions.

Rupa has a very small exposure to the exports market. This provides the cushion to explore and expand in the international frontiers. In the current setup, international business has been seeing substantial traction and the Management expects the momentum to continue from the Middle East, Bangladesh, Africa, Russia etc. with the objective to achieve a **growth target of 5X in 3 year**.

The company has some exposure related to government business for Canteen Stores Department, (CSD) and Central police canteen (CPC) which according to the Management is offering opportunity to **growth by 5X in 3 year**

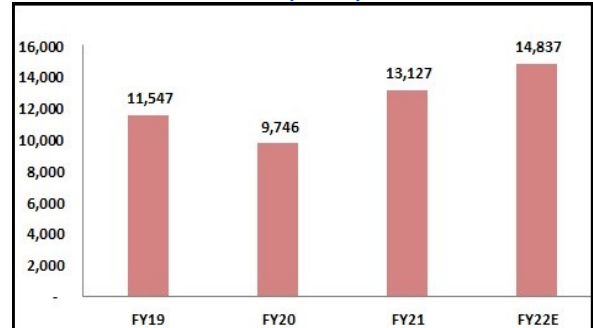
### Financials:

The company is witnessing strong demand across all its products. Rupa is gradually trying to increase its presence in the segments related to mid-premium and premium segment while directly focusing on high growth categories like women's leggings, thermal wear, premium inner-wear and leisure wear. The company is looking at higher growth of the sales due to premiumisation of its portfolio, foray into newer markets and strengthening the company's presence in existing markets. The Management is motivated to increase the exports sales by ~5x in the next 3 years and intends to export its own brand to select countries. Rupa has been trying to establish its presence in the mid-premium and premium segment and higher growth categories like women's leggings, thermal wear, premium inner-wear and leisure wear. The premium and super premium segments cover ~15% which caters to the brand-sensitive Indian youth and the Management is looking at trying to increase the same to ~20% in the next 2-3 years. In addition to this the company sees huge opportunity in the athleisure segment. It has already witnessed a growth of ~27-28% on a y-o-y basis in 9MFY22 and expects robust growth in this segment going forward. All these positive moves indicate the potential mid to long term growth potential. The Management has ambitious plans to grow the revenue by ~18-20% for FY23E and also try to maintain EBITDA margins in the range of ~18%-20%. This growth is backed by improved traction from premium products, thermal and athleisure wear segments.

The Management has guided to maintain a gross margin going forward. There could be some fluctuations in the same due to risks associated with higher input cost and un-favourable product mix, if any. The company has been taking price hikes in order to pass on higher raw material prices to the customers. The Management is targeting to improve its net working capital to ~150 days by FY22 end. Some of the basic but critical activities like sourcing of raw material, designing of apparel and majority of critical manufacturing are done in-house. A part of this entire production is sold directly through exclusive outlets and retail networks which has also helped the company to control inventory levels and streamline some production processes. The Management is strategizing to create value by better inventory management (with mapping of primary and secondary sales), better control on prices (with well-defined margins), improving inventory turnover with support to distributors & retailers, increasing sales through increasing presence and availability at retail counters of all the SKUs and making prudent investments to drive business forward. The male innerwear segment contributes significantly to the revenue pie. In 9MFY22 the men's inner wear segment contributed ~83% of the total revenue, while the Women segment contributed ~12% while the Kids segment contributed ~5%. If one breaks up the revenue mix from different segments, then in 9MFY22 the economy contributed ~31%, the Mid-Premium contributed ~60% while the premium brand segment contributed ~9%. The company is catering to the female innerwear and loungewear space through its brands Jon and Softline (for economy and premium category); and Macrowoman W-Series for super-premium category. The Management is striving to strengthen its female innerwear segment.

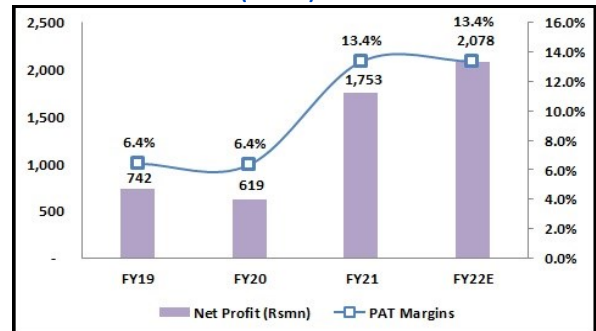
The shift from unorganised to the organised sector is anticipated to benefit the organised players in the innerwear industry. The company continues to grow in the high potential markets of West Bengal, Maharashtra (Ex-Mumbai, Pune), Gujarat, MP, Chhattisgarh, Western UP, Uttarakhand, Haryana, Himachal Pradesh, Punjab, Tamil Nadu, Andhra Pradesh & Kerala. In 9MFY22 the company has successfully achieved ~17%-18% on y-o-y basis in its woman's wear brand Softline, where actress Kiara Advani was appointed as the brand ambassador. Management expects ~30-35% y-o-y growth in the women's wear segment going forward. The company has plans to launch some specific products for the e-commerce channel and expects this channel to contribute ~10-11% of sales in the next 3-4 years. The advertising expense which stood at ~3.5% of its sales in 9MFY22 is anticipated to increase in Q4FY22 to be ~4.5% of sales for FY22E. At the end of Q3FY22, the company had 17 EBOs and is expecting to roll out ~150 more EBOs in the next 2 years.

Exhibit 20: Revenue Trend (Rs mn)



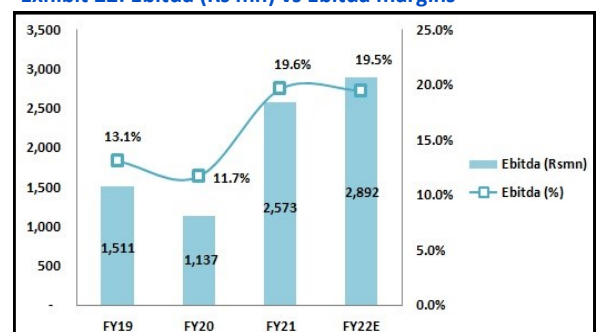
Source: Rupa & Co Ltd AR, Progressive Research

Exhibit 21: PAT Trend (Rs mn)



Source: Rupa & Co Ltd AR, Progressive Research

Exhibit 22: Ebitda (Rs mn) vs Ebitda margins



Source: Rupa & Co Ltd AR, Progressive Research

### Financials (contd.):

Rupa has been delivering good consistent ROE and ROCE in the range of ~17-19% and ~23-25% respectively. The company is a consistent dividend paying entity. The company is gradually shifting towards direct distribution channels for some of its products and is looking at reducing the inventory days and improving the working capital management cycle. The company has CRISIL AA- (Stable) and CRISIL A1+ for the long term and short term debt instruments or facilities respectively. The company has been investing in best-in-class equipment and machinery to ensure efficient and safe operation for the current setup as well as for the expansion projects to support strong and sustainable cash flow generation. The Management of the company is focused on optimising the capital allocation, maintaining a strong balance sheet while generating strong free cash flows to maximize returns to the stakeholders.

Rupa exports its products to Middle Eastern Countries like UAE, Saudi Arabia, Kuwait, Iraq, etc. Myanmar, Ukraine, Algeria, Indonesia, Nigeria, Congo, Russia, USA, Singapore etc. The company aims to strengthen its presence in the already existing markets while introducing localized products as per the preferences of the consumers. As per the Management commentary, the company is planning to double the exports sales to ~Rs400mn in FY22e and increase the exports sales by ~5x in the next 3 years. In addition to this, the company also intends to export its own brand to certain select countries. In December 2020, the Board of directors of the company approved the scheme of arrangement for the demerger of premium brand i.e., business pertaining to the brands FCUK and FOTL of its wholly owned subsidiary, Oban Fashions Private Limited into the Company. In April 2021, the demerger application filed by Oban was allowed.

### Risk and Concerns:

Cotton yarn and fabric account for ~70% of the total cost of the raw material where a number of factors impact the volatility of prices. The only way to mitigate these risks is to pass on the price rise to the customers, and inability to pass on the impact may negatively affect the earnings. The cost of packaging material like plastic, cardboard, etc. is also on the rise which is difficult to mitigate. Any increase in the GST rates not favouring the industry or the company is a major risk and concern. The world is gradually becoming a global and a digital market and thus it is easier for foreign brands to easily penetrate into Indian domestic markets. Competition from the unorganised players is an added threat to the entire system. This can create a stiff competition for the already existing players in the organized sector. The emerging multinational brands and their entry to the Indian market is a major threat to the local players. While at the same time, there are fears related to imports from other countries. Low level of awareness between the retailers as well their customers related to the offering from the company is something that needs to be tweaked a bit as they either are not aware themselves or consider it delicate to talk to customers regarding a personal product such as under garments. The industry as a whole faces the high cost of brand building which cannot be mitigated. In addition to this, the need to be abreast with the latest technology and investments thereafter is a constant spend to have high quality international standard products. Changing customer's preferences is a concern which can lead to loss of business to competitors. In such a situation preserving the brand equity and retaining the customers is a difficult task for any player in this industry. With the young demography which India currently has, the customers are very choosy and do not have much of loyalty towards brands; thus the task of the Management to preserve such customers becomes an added risk. The operations of the company have certain related party transactions which they intend to phase out gradually. Economic growth as well as any downward deviation affects the consumer spends which can negatively affect the earning potential of the company. The promoters of the company hold 73.3% of the company's stock, which invites liquidity issues and provides little scope for building a portfolio for retail investors.

### Outlook and Recommendation:

Rupa offers the best in knitted garments to the consumers and covers an entire boutique from innerwear, casual wear and fashion wear. The company seems to have well-knit plans for consolidation as well as growth in future. Rupa has a strong presence across various price points that can benefit the company as many consumers are shifting from the unorganised to organised segment. This move can help propel revenues for all the organised players where Rupa is looking at achieving sustainable double digit revenue growth. The company has a strong distribution reach with a diversified product portfolio (including innerwear, activewear and thermal), appointing new distributors to garner a higher share of consumer demand for its product categories, and enhancing its share of revenue of premium and super premium products. The vision of the Management is to create a global brand to cater to the new age customers and is emphasizing on a sustainable business model while creating new innovative designs with superior quality. Rupa has a long-term growth plan to further strengthen the brand equity, launch new products and fortify its long-standing operations in the innerwear industry. Going ahead, the focus of the company is to improve its product mix, increase share of premium and super premium category, as well as increase focus on women wear, athleisure wear, thermal wear and exports. In pursuit of the same the company plans to foray in newer markets with increased penetration in the already existing markets. In addition to this, the company has charted a few growth strategies like expanding new markets, focusing on high-margin business, increasing the share of outerwear products, growing exports revenue, growing thermal wear business, building a robust distribution model and expanding exclusive showrooms. The second and third generations of the family have entered the business and are successfully nurturing its growth.

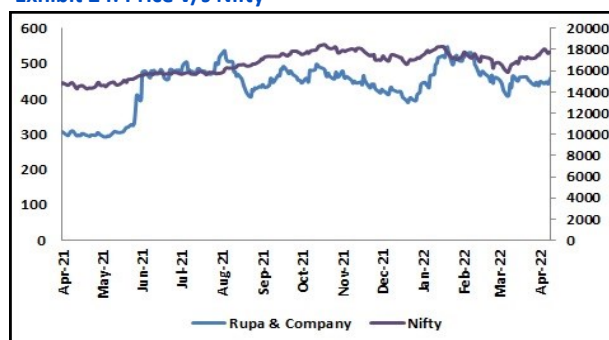
**Outlook and Recommendation (contd.):**

The Indian innerwear market is shifting from a price sensitive market to a fashion quotient market and so Rupa is gradually increasing its presence in the premium segment via direct or indirect strategic tie-ups with foreign brands. Rupa has always been responsive towards changing fashion needs by introducing new lines of products. One of the key strategies which the company is working on is the enhancement of product offerings in the children and women’s segment (while introducing new products and brands). The presence of organized players in both the segments is lower and provides a huge opportunity for the company. The company is constantly evolving in line with the consumer preferences and market demands, and has introduced new varieties in each sub-brand where the rolled out products have the latest fabric innovations, cutting edge production techniques and advanced design.

In the current scenario, industry players are constantly looking for new revenue streams and product segmentation to generate higher realization than the regular innerwear. Rupa is a significant player in the mid and mass segment of the innerwear market, which constitutes ~62-65% of the revenue for the company and is successfully building a resilient business. The innerwear segment will continue to be the main driving force while the Indian listed companies will try to switch focus to outer wear, especially, athleisure wear. Demand for inner wear is bound to surge further as people start to venture out of their homes and the consumption economy comes back on its feet. The industry today is not treating the innerwear segment as a basic necessity, but as a fashion statement with ever increasing preferences for products in the premium and athleisure segments. All these development in the changing preferences and lifestyle has resulted in the shelf life of innerwear going down and becoming more like an apparel business with requirement for product innovations at regular intervals.

Rupa is looking at enhancing its product offerings in the children and women’s segment, which currently has lower presence of organized players and thus provides a huge opportunity to the company. As the country’s innerwear segment is shifting from a price sensitive market to a fashion quotient market, the company is trying to increase its footprints in the premium segment via strategic tie-ups with foreign brands and also expanding its new international reach. One of the key reasons which are also a tailwind to the industry is the increasing aspiration of customers, extended reach of branded players and the share of organised players which is expected to grow at a faster pace which will also benefit players like Rupa. All the triggers mentioned above poise well for the company and thus we initiate a BUY on the company with a target price of Rs660 with a horizon of 12 months.

**Exhibit 24: Price v/s Nifty**



Source: Ace Equity, Progressive Research

## DISCLAIMERS AND DISCLOSURES-

Progressive Share Brokers Pvt. Ltd. and its affiliates are a full-service, brokerage and financing group. Progressive Share Brokers Pvt. Ltd. (PSBPL) along with its affiliates are participants in virtually all securities trading markets in India. PSBPL started its operation on the National Stock Exchange (NSE) in 1996. PSBPL is a corporate trading member of Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) for its stock broking services and is Depository Participant with Central Depository Services Limited (CDSL) and is a member of Association of Mutual Funds of India (AMFI) for distribution of financial products.

PSBPL is SEBI registered Research Analyst under SEBI (Research Analysts) Regulations, 2014 with SEBI Registration No. INH000000859. PSBPL hereby declares that it has not defaulted with any stock exchange nor its activities were suspended by any stock exchange with whom it is registered in last five years. PSBPL has not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has its certificate of registration been cancelled by SEBI at any point of time.

PSBPL offers research services to clients as well as prospects. 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.

Other disclosures by Progressive Share Brokers Pvt. Ltd. (Research Entity) and its Research Analyst under SEBI (Research Analyst) Regulations, 2014 with reference to the subject company (s) covered in this report:-

- PSBPL or its associates financial interest in the subject company: NO
- Research Analyst (s) or his/her relative's financial interest in the subject company: NO
- PSBPL or its associates and Research Analyst or his/her relative's does not have any material conflict of interest in the subject company. The research Analyst or research entity (PSBPL) has not been engaged in market making activity for the subject company.
- PSBPL or its associates 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: NO
- Research Analyst or his/her relatives 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: NO
- PSBPL or its associates may have received any compensation including for brokerage services from the subject company in the past 12 months. PSBPL or its associates may have received compensation for products or services other than brokerage services from the subject company in the past 12 months. PSBPL or its associates have not received any compensation or other benefits from the Subject Company or third party in connection with the research report. Subject Company may have been client of PSBPL or its associates during twelve months preceding the date of distribution of the research report and PSBPL may have co-managed public offering of securities for the subject company in the past twelve months.
- The research Analyst has served as officer, director or employee of the subject company: NO

PSBPL and/or its affiliates may seek investment banking or other business from the company or companies that are the subject of this material. Our sales people, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses (if any) may make investment decisions that may be inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest including but not limited to those stated herein. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein. This report is not directed to, 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 or regulation or which would subject PSBPL or its group companies to any registration or licensing requirement within such jurisdiction. If this document is sent or has reached any individual in such country, especially, USA, the same may be ignored. Unless otherwise stated, this message should not be construed as official confirmation of any transaction. None of the material, nor its content, nor any copy of it, may be altered in any way, transmitted to, copied or distributed to any other party, without the prior express written permission of PSBPL. All trademarks, service marks and logos used in this report are trademarks or registered trademarks of PSBPL or its Group Companies. The information contained herein is not intended for publication or distribution or circulation in any manner whatsoever and any unauthorized reading, dissemination, distribution or copying of this communication is prohibited unless otherwise expressly authorized. Please ensure that you have read "Risk Disclosure Document for Capital Market and Derivatives Segments" as prescribed by Securities and Exchange Board of India before investing in Indian Securities Market. In so far as this report includes current or historic information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

## Terms & Conditions:

This report has been prepared by PSBPL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of PSBPL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The information is obtained from publicly available media or other 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. The report is prepared solely for informational purpose and its at the discretion of the clients to buy or sell or subscribe for securities or other financial instruments. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. PSBPL will not treat recipients as customers by virtue of their receiving this report.

### Registered Office Address:

Progressive Share Brokers Pvt. Ltd,  
122-124, Laxmi Plaza, Laxmi Indl Estate,  
New Link Rd, Andheri West,  
Mumbai—400053, Maharashtra  
www.progressiveshares.com | Contact No.:022-40777500.

### Compliance Officer:

Mr. Shyam Agrawal,  
Email: compliance@progressiveshares.com,  
Contact No.:022-40777500.