

IPO Flash

November 27, 2020

Index

Burger King India Limited

Issue details •

About the company •

Key Strengths •

Key concerns •

Valuation •

Financials •

Visit us at www.sharekhan.com

Sharekhan

by BNP PARIBAS

For Private Circulation only

IPO Details:	
Issue opens	December 2,2020
Issue closes	December 4,2020
Issue size	Rs. 804crore -810crore
Type of issue	Fresh issue of equity share (~7.5crore -7.6crore equity shares based on the price band) and offer for sale (OFS) 6.0crore shares
offer size	Fresh issue of Rs. 450crore; OFS of Rs. 354 crore-360crore
Pre-IPO placement	Pre-IPO placement of Rs. 150crore via rights issue of shares and preferential allotment
Face value	Rs. 10 per share
Price band	Rs. 59-60 per share
Bid Lot	250 shares and in multiple of 250 shares there after
QIB Portion	Not more than 75%
Non Institution portion	Not more than 15%
Retail Portion	Not more than 10%

Source: Company RHP

* The company and promoter selling shareholder in consultation with BRLM might offer 60% of QIB portion to anchor investor

Burger King India Limited (BKIL) is coming out with an initial public offer (IPO), which consists of a fresh issue of equity shares amounting to Rs.450 crore and an offer for sale (OFS) of 6.0 crore equity shares (amounting to Rs. 354 crore-360crore) with a face value of Rs. 10 per share. The price band for the said issue is Rs. 59-60 per share. At lower and upper price band the fresh equity issuance stands at 7.5-7.6crore shares. The company did pre-IPO placement of Rs. 150crore through rights issue of 1.32 lakh shares at Rs. 44 each (amounting to Rs. 58crore) and preferential allotment of 1.57crore shares at a price of Rs. 58.50 to Amansa Investments Limited (AIL; amounting to Rs 92 crore).

Shareholding pattern

Shareholder	Pre-issue		Post-issue*		Post-issue^	
	No. of shares	Holding (%)	No of shares	Holding (%)	No of shares	Holding (%)
Promoters & its group	289311111	94.3	229311111	59.9	229311111	60.1
Public & employee trust	17343494	5.7	153614680	40.1	152343494	39.9
Total	306654605.0	100.0	382925791	100.0	381654605	100.0

Source: Company RHP, *Lower Price band ^Upper price band

Objects of the issue

Repayment or prepayment of outstanding borrowings utilised for setting up of new stores	Rs. 165 crore
Capital expenditure incurred for setting up of new company owned Burger King stores	Rs. 177 crore
General corporate purpose	**
Net proceeds	***

Source: Burger King addendum to DRHP

(*** Net Proceeds = Gross proceeds - Offer-related expenses in relation to the issue)

About the company

Burger King India Limited (BKIL) is one of the fastest growing international Quick Service Restaurants (QSR) chains in India with 261 stores as on September 20 (first store was opened in November 2014). Its master franchisee arrangement aides to use Burger Kings' globally recognised brand name to grow its business in India while leveraging the technical, marketing, and operational expertise associated with the global brand. BKIL has 5% market share in India's Rs. 348 billion QSR market. The company's revenue grew by 2.2x over FY2018-FY2020 to Rs.841.2 crore with store addition by 2.95x to 260 stores in FY2020 (same-store-sales growth stood at 12.2% and 29.2% in FY2018 and FY2019, respectively). The company's average ticket value stands at Rs. 500-550 and OPM at 12%-14% (post Ind AS116) is in-line with close peers. Covid-19 had significant impact on H1FY2021 performance of BKIL with same-store-sales growth down by 59%, as a large number of stores was non-operational during the period (revenue down by ~68% and the company registered an operating loss of Rs. 3.9 crore). However, according to RHP, H2FY2021 is expected to be better than H1 as most cities have removed restrictions. Exclusive national franchise rights in India, strong customer proposition, vertically managed and scalable supply chain coupled with well-defined restaurant roll out, and experience and passionate team are some of the key strengths of the company, which will help post good operational performance in the coming years. Its franchisee agreement facilitates flexibility to tailor its menu according to Indian taste and preferences along with promotions and pricing, while its customer proposition such as variety, wide range of vegetarian offerings, taste advantage, and flame grilling experience attract customers to drive footfall in the stores. The company aims to have 370 stores by the end of December 2022 (700 stores by December 2026). Fund raising through the IPO will largely be utilised for expanding its store base in India and reduce debt on its books.

Business fundamentals of key QSR brands

Particulars	Dominos	McDonalds	KFC	Subway	Burger King
Average Ticket Value (Rs.)	500-550	550-600	500-550	250-300	500-550
Gross margins	77-78%	64-66%	64-66%	66-68%	64-65%
Royalty	3-4%	4-5%	7-8%	7-8%	4-5%
Store EBIDTA margins	21-23%	13-15%	14-16%	20-22%	12-14%
Capex per store	Rs1.5-2.0cr	Rs3.5-4cr	Rs3-3.5cr	Rs0.4-0.5cr	Rs. 2 crore-2.5 crore
Average store size (in sq.ft.)	1400-1600	2600-3200	2500-3000	750-1000	1300-1400
Average sales / Day	Rs. 0.7 lakh -0.8 lakh	Rs. 1.2 lakh -1.3 lakh	Rs. 1.2 lakh -1.3 lakh	Rs. 0.3 lakh- 0.35 lakh	Rs1.1 lakh-1.2 lakh

Source: RHP

Same-store-sales growth of key brands

Brands	FY2018	FY2019	FY2020
Jubilant Foodworks (Dominos)	13.9	16.4	3.2
Westlife (McDonalds)	15.7	17.4	4.0
Burger King	12.2	29.2	-0.30

Source: RHP

Combo meal offers value to the customer

Brands	Product price	Combo price	Discount realised on combo meal
McDonalds (Veg. Mcaloo Tikki, Medium Cola and medium fries)	C:55, B: 65, S:75	149	21%
Dominos (Veg. Regular Margaritta Pizza and Cola pet)	C:165, B: 60	199	23%
Burger King (Veg. Crispy, Regular Cola and Regular fries)	C:45, B:59, S:69	145	16%
KFC (Veg. Zinger burger, Regular Cola and small fries)	C:130, B:70, S:75	220	20%

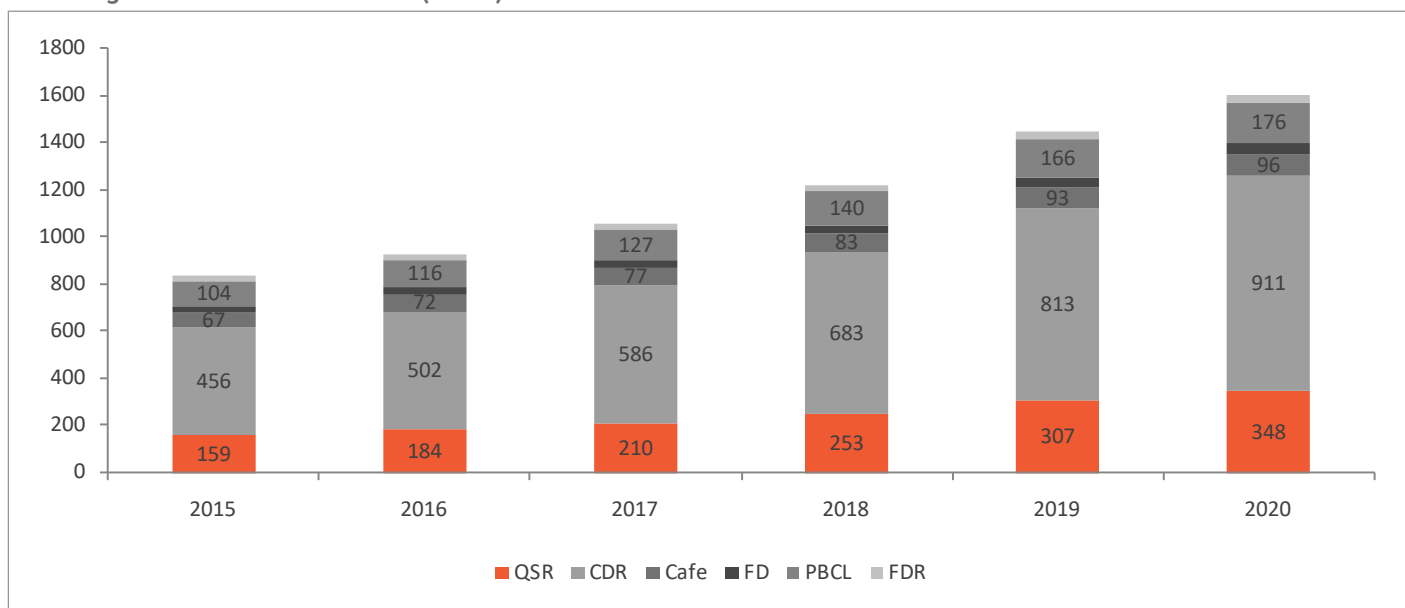
Source: DRHP

C: core product, B: Beverage, S: Sides

Industry - QSR segment grew at a CAGR of 17% over FY2015-FY2020

The food services market in India has shown consistent growth since FY2014 and was estimated at Rs. 4,096 billion in FY2019. The organised food services market in India (chain and standalone outlets, excluding restaurants in hotels) was estimated at ₹1,600 billion in FY2020. The QSR segment stands at Rs. 348 billion (CAGR of 17% over FY2015-FY2019). The growth of chain QSR is primarily driven by international brands such as Domino’s Pizza, McDonald’s, Burger King, KFC, and Subway, which combined account for approximately 45% of the total chain outlets in India. Some of the key near-term growth levers are improving demographics (rising young population and growing urbanisation), trend of increasing eating out, rising trend of online ordering, and higher traction for value meals. The rise of digital technology, with increased penetration of internet and smartphone use, is driving major changes in the online delivery market in India, allowing online food delivery platforms to capture the market by offering a wide range of food products. This has helped QSR companies increase their reach and has had a positive impact on their sales. However, key challenges/risks to growth are unavoidable events (such as the pandemic environment), slowdown in the macro environment, higher real estate prices, and regulatory hurdles, which are likely to impact business fundamentals of QSR companies. In FY2021, most companies are expected to post dismal performance as spread of Covid-19 will have a severe impact on the performances of most hotels and QSR companies.

Indian organised food service market (Rs. bn)



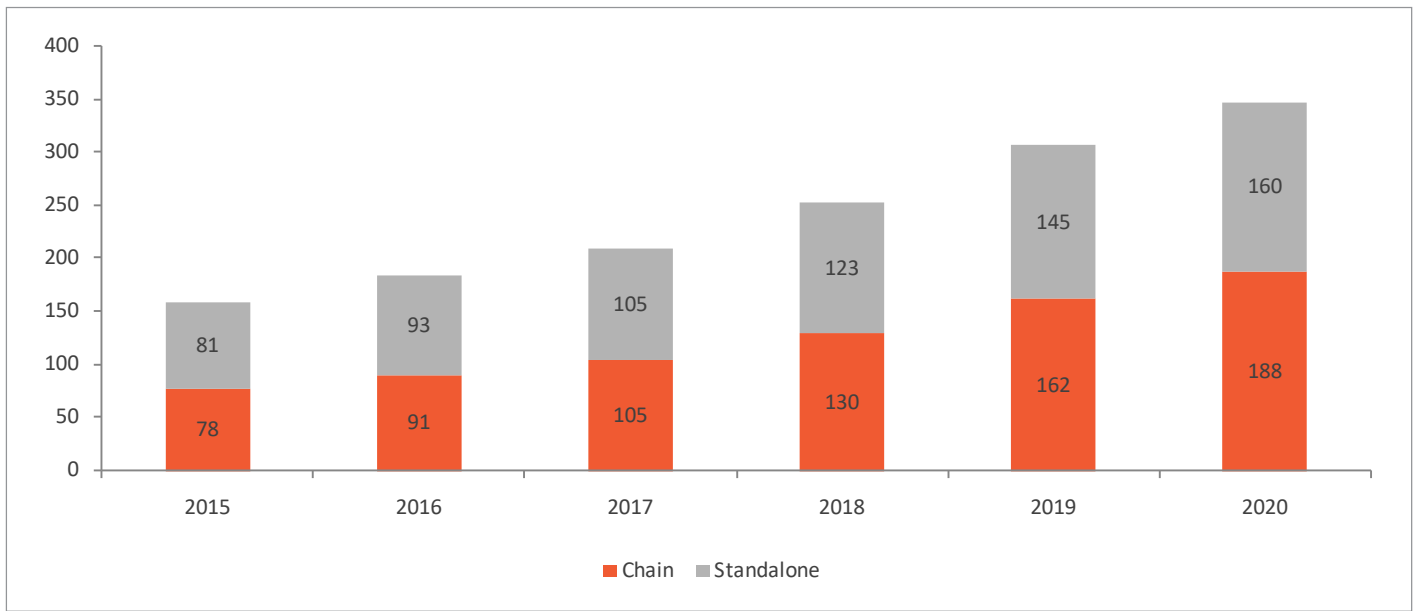
Source: RHP
(QSR - Quick Service Rest., CDR - Casual Dining Rest, FDR - Fine Dining, and FD - Frozen Dessert)

QSR segment grew faster than the other segments over FY2015-FY2020

Format	CAGR FY15-20	CAGR FY20-25
Quick Service Restaurants	17%	19%
Casual Dining Restaurants	15%	16%
Cafe	7%	7%
Frozen Dessert / Ice Cream	11%	11%
PBCL	11%	11%
Fine Dining Restaurants	3%	5%

Source: RHP

India's organised QSR market



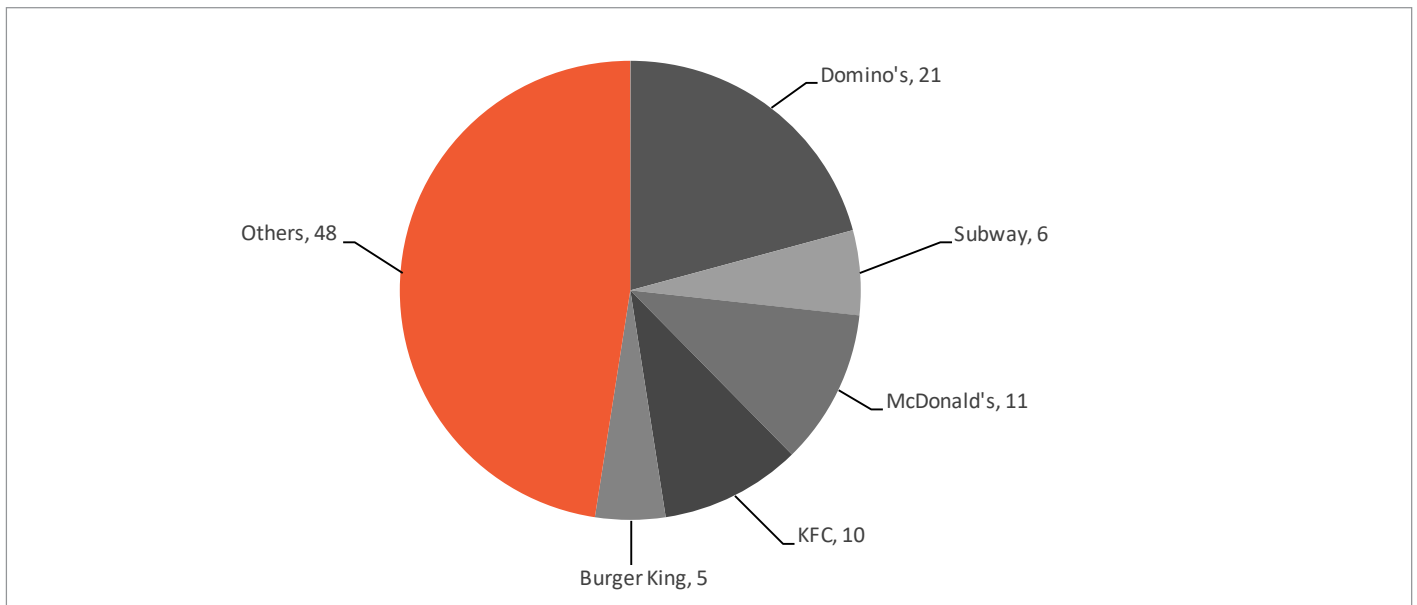
Source: RHP

Growth in key QSR segments

Format	CAGR FY2015-FY2020
Chain QSRs	19%
Standalone QSRs	15%

Source: RHP

Market share (by revenue)



Source: RHP

Key Strengths

Exclusive national master franchisee rights in India

The company is national master franchisee of the Burger King brand in India, with exclusive rights to develop, establish, operate, and franchise Burger King branded restaurants in India. The master franchisee arrangement, which expires on December 31, 2039, provides BKIL with the ability to use Burger King's globally recognised brand name to grow its business in India, while leveraging the technical, marketing, and operational expertise associated with the global Burger King. It also provides the company with the flexibility to tailor its menu, promotions, and pricing to Indian tastes and preferences while meeting Burger King's global quality assurance standards. Further, it provides BKIL with the flexibility to manage supply chain. Sub-franchise rights also provide additional flexibility to sub-franchise restaurants in locations where access to direct ownership of restaurants may be restricted due to the type of location, such as in airports and certain shopping malls where one party directly owns all outlets. The company also benefits from Burger King's extensive global marketing and advertising concepts, product development capabilities, and cooking techniques to drive sales and generate increased restaurant footfalls, while being guided by Burger King Corporation restaurant development procedures and standards. The right to use the Burger King brand exclusively on a national basis also provides BKIL with substantial advantages with respect to operational efficiencies and the speed with which it is able to roll out national advertising campaigns, manage supply chain, and tailor menu architecture, promotions and pricing to customers' tastes and preferences.

Strong customer proposition

The company offers a customer proposition that enables to attract customers and drive footfalls at restaurants. The key pillars of customer proposition include value leadership, variety, a wide range of vegetarian offerings, taste advantage, and flame grilling expertise.

- ◆ **Value leadership:** BKIL's aim has not only been to offer quality products that are tailored to Indian taste and preferences, but to provide substantial value at attractive price points. The key driver of this strategy has been our 'two good menu with variety', '2 for' promotions, such as our 2 Crispy Veg burgers for just Rs69 and our 2 Crispy Chicken burgers for just Rs89, as well as the launch of King Deals, which include '3 for Rs99' and '3 for Rs129' with varied option promotion combining burgers/wraps with fries and Pepsi.
- ◆ **Variety:** BKIL has a wide variety of 18 different vegetarian and non-vegetarian burgers covering both value and premium offerings. BKIL prices the majority of the company burgers using incremental pricing, in which burgers are priced at increments of Rs5 to Rs20, helping customers to upgrade to higher value burgers more easily. While the company's core strength is burgers, BKIL continuously strives to enhance the company's customer experience by providing a variety across food offerings, including burgers, wraps, rice, beverages, sides, snacks, shakes, and desserts across different day parts, including breakfast, lunch and dinner, and snack times and late night.
- ◆ **Wide range of vegetarian offerings:** The company's menu items are developed and made in India to cater to the local Indian palate and include a wide range of vegetarian meal options, which BKIL believes attracts additional customers into the company's restaurants. BKIL does not offer beef or pork products in the company's restaurants. BKIL has also separated the cooking and preparation of vegetarian, egg, and non-vegetarian meals in kitchens to build trust with customers.

Vertically managed and scalable supply chain model

BKIL benefits from a vertically managed and scalable supply chain model in which it individually negotiates with and actively manages suppliers of ingredients and packaging materials. The exclusive national rights and flexibility that the master franchisee arrangement provides BKIL a significant control over the purchasing of the ingredients and packaging materials. Substantially, all ingredients used in the preparation of the food BKIL serves in restaurants are purchased locally from known suppliers that comply with Burger King's food quality standards. BKIL also has multiple suppliers for most of the company's key ingredients, enabling it to generate competitiveness among suppliers with the aim of obtaining the best procurement price. BKIL regularly reviews the company's supply contracts and negotiates individually with suppliers at each level of the company's supply chain. The company's arrangement with third-party distributors also helps it to reduce working capital requirements to a large extent. During COVID-19 crisis, BKIL has continued to manage the company's supply chain and, in certain circumstances, has negotiated payment extensions from suppliers.

Increase the pace of expansion of its restaurant network

Although COVID-19 crisis has adversely affected the company's ability to open new restaurants and expand restaurant network temporarily, it continues to evaluate the pace and quantity of new restaurant openings and the expansion of restaurant network and aims to increase the pace of growth when COVID-19 crisis subsides and more restaurants become operational again. It intends to continue to grow restaurant network in a disciplined manner by continuing to identify new locations in key metropolitan areas and cities across India in order and build out restaurants quickly, consistently and efficiently to capitalise on the growing market opportunity in India for QSR restaurants. Prior to COVID-19 crisis, the company expanded its number of restaurants from 12 restaurants as of March 31, 2015, to 260 restaurants, including eight sub-franchised Burger King Restaurants, as of March 31, 2020. As at the date of this Red Herring Prospectus, BKIL had 268 restaurants, including nine sub-franchised Burger King Restaurants. The company's management believes that when COVID-19 crisis subsides, it will be able to increase the pace of growth of its restaurant network. We believe this will enable us to achieve further economies of scale through operational leverage and drive further cost efficiencies to expand margins and drive profitability in restaurants, such as by leveraging vertically managed and scalable shared supply chain infrastructure, increasing bargaining power with suppliers, and spreading corporate-level costs across a larger number of restaurants. The company intends to increase the pace of expansion of its restaurant network by using well-defined new-restaurant roll out process and its cluster approach and penetration strategy with respect to restaurant location, while aiming to achieve an optimal mix across different types of restaurant formats to drive footfalls and compete effectively with other international QSR brands in India. The company plans to have approximately 300 restaurants, including sub-franchised Burger King Restaurants, open by December 31, 2021 (and around 370 restaurants by CY2022).

Strong management background

- ♦ **Shivakumar Pullaya Dega is Chairman and Independent Director of the company.** Mr. Degawas appointed as an Independent Director of the company on October 14, 2019. He studied at Indian Institute of Technology, Madras. He is also an alumnus of Indian Institute of Management, Calcutta. He joined Aditya Birla Group in January 2018 and is currently serving as the Group Executive President for corporate strategy and business development of Aditya Birla Management Corporation Private Limited. He has previously served as the Chairman and Chief Executive Officer (India region) of PepsiCo India Holdings Private Limited and as Managing Director of Nokia India Private Limited. He has significant experience in, among others, food and beverage industry and mobile industry.

- ♦ **Rajeev Varman is the Chief Executive Officer and Whole Time Director of our Company.** Mr. Varman was appointed as the Chief Executive Officer and Whole Time Director of the company on February 27, 2014. He holds a Bachelor's degree in mechanical engineering from Bangalore University and a Master's degree of Business Administration in marketing from the Golden Gate University. He has over 20 years of work experience in the food and beverage industry. Prior to joining the company, he has worked with Tricon/Taco Bell brand, Lal Enterprises Inc., and Burger King Corporation, where he held the positions of franchisee business manager, national manager franchise operations, senior director of franchise operations, general manager, vice president, and general manager, Canada, and vice president and general manager, Northwest Europe.
- ♦ **Sumit P. Zaveri is the Chief Financial Officer of the Company.** Mr. Zaveri holds a Bachelor's degree in Commerce from the University of Bombay and is an associate member of the Institute of Chartered Accountants of India. He also holds a degree from the Institute of Cost and Works Accountants of India. He has 18 years of work experience in finance control, treasury, budgeting, and management information systems. Previously, he has worked with companies such as Natures Basket Limited and companies within Tata Group such as Tata Starbucks Limited, Tata Global Beverages Limited, and Indian Hotels Company Limited.
- ♦ **Abhishek Gupta is the Chief of Business Development and Operations Support Officer of the Company.** Mr. Gupta holds a Bachelor's degree in Engineering (Civil) from the University of Roorkee and a Master's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai. He has 18 years of work experience in the areas of talent management, operations, and business development. Previously, he has worked with companies such as Career Forum Private Limited, North Delhi Power Limited, and companies within Tata Group such as Tata Starbucks, Tata Services Limited and Indian Hotel Companies Limited.

Key concerns

- ♦ **Uncertain events:** The outbreak of the 2019 novel coronavirus (COVID-19) pandemic as well as government's measures (including lockdown in the initial months of virus spread) to reduce the spread of COVID-19 have had a substantial impact on the company's restaurant operations. Uncertainty persists as the Covid-19 cases continue to increase in the domestic as well as international markets. Real and perceived health concerns arising from food-borne illnesses, health epidemics, food quality, allergic reactions, or other negative food-related incidents could have a material adverse effect on the company's business operations.
- ♦ **Termination of master franchise:** BKIL's rights to develop, operate and franchise Burger King restaurants in India depends on the Master Franchise and Development Agreement. The termination of its Master Franchise and Development Agreement would have a material adverse effect on the business and financial performance of the company.

Financial performance, negative working capital with OCF improved over FY2018-FY2020

BKIL's revenue registered a CAGR of ~50% over FY2018-FY2020 to Rs. 841.7 crore, largely driven by significant store addition in the past two years (from 88 stores in FY2018 to 260 stores in FY2020). Further, same-store-sales growth (SSSG) stood at 12.2% and 29.2%, respectively, in FY2018 and FY2019, which also helped in achieving strong revenue growth in the past two years. Gross margin of the company improved from 62.0% in FY2018 to 64.2% in FY2020 (stood at 63.6% in H1FY2021). With improvement in business fundamentals with some of the old stores, the company posted operating profit of Rs. 104 crore in FY2020 compared to operating profit of just Rs. 8 crore in FY2018. Operating profit margin (OPM) post Ind AS116 impact stood at 12.4% in FY2020, which is in line with some of the close peers. However without adjusting the impact

of IND AS 116, the opm stood at ~2% in FY2020 as some of the new stores added yet to attain certain maturity. Higher finance cost and depreciation expenses resulted in losses at the PBT level. With the cash base business model, the company has negative working capital. Cash generated from operating activities improved from negative Rs30.5crore in FY2018 to Rs112.7crore in FY2020. in FY2020. Debt:equity ratio is comfortable at 0.8x. The amount raised through equity issuance will be utilised for repaying entire debt on books and future capex plan.

Valuation

At IPO price band of Rs59-60, the offer is valued at 29.5x/29.3x its FY2020 EV/EBIDTA (Post Ind AS116) considering the diluted equity at upper and lower price band (and price/sales of 2.69x and 2.72x at lower end and upper end of price band). BKIL's revenue registered a CAGR of ~50% over FY2018-FY2020. Since the company is in a growth phase it continued to made losses at the PAT level. However highlighting factor is sustained improvement in the gross margins which stood at ~64% in FY2020 and negative working capital aiding operating cash flows to improve over FY2018-20. FY2021 will be the year of disruption for the QSR industry as Q1FY2021 performance was disrupted by shut down of stores during the lockdown period in India. Strong franchisee model, negative working capital, market share gains from standalone players, and strong store expansion plans would help in improving growth prospects in the coming years.

Peer Comparison

Company	Revenue (Rs. crore)		OPM (%)		Price to sales (x)	EV/EBIDTA (x)
	FY19	FY20	FY19	FY20*	FY20	FY20*
Jubilant Foodworks	3530.7	3885.8	17.2	22.6	8.5	38.7
Westlife Development	1402.2	1547.8	8.9	14.1	4.4	31.3
BKIL (upper end of price band)	632.7	841.2	12.5	12.4	2.7	29.5
BKIL (lower end of price band)					2.7	29.3

* FY2020 EBIDTA includes impact of change in accounting standards to Ind AS116

Source: RHP, Company

FINANCIALS

Profit/Loss account

Rs crore

Particulars	FY2018	FY2019	FY2020	H1FY21
Revenue from operations	378.1	632.7	841.2	135.2
Cost of material	143.9	230.1	301.5	49.2
Gross margins (%)	62.0	63.6	64.2	63.6
Employee expenses	70.4	96.9	136.5	51.7
other expenses	155.7	226.8	299.2	63.0
Total Expenditure	370.0	553.7	737.2	163.9
Operating profit/(loss)	8.1	79.0	104.0	-28.7
OPM(%)	2.1	12.5	12.4	-21.2
Adjusted EBIDTA (excluding impact of IND AS 116)	-40.3	15.1	20.3	-62.6
OPM(%)	-	2.4	2.4	-
Othe income	10.6	11.3	5.6	16.4
finance cost	36.9	46.5	65.5	42.4
Depreciation	64.0	82.2	116.4	62.1
PBT	-82.2	-38.4	-72.2	-116.8
Tax expense	0.0	0.0	0.0	0.0
Adjusted PAT/Loss	-82.2	-38.4	-72.2	-116.8
Exceptional item	-	-	4.3	2.1
Reported PAT/Loss	-82.2	-38.4	-76.6	-118.9

Source:RHP

Cash flow statement

Rs crore

Particulars	FY2018	FY2019	FY2020
Net cash generated from operating activities	30.5	86.5	112.7
Net cash generated from investing activities	12.8	-114.0	-230.4
Net cash generated from financing activities	-48.4	36.1	105.9
Net increase/(decrease) in cash and cash equivalent	-5.2	8.7	-11.8
Cash at the beginning of the year	12.4	7.2	15.9
Cash and cash equivalent at end of the year	7.2	15.9	4.1

Source: RHP

Balance Sheet
Rs crore

Particulars	FY2018	FY2019	FY2020	H1FY21
Assets				
Non-current assets				
Property, Plant & Equipment	240.2	347.5	474.2	459.1
Right of use of assets	343.3	429.2	538.0	521.7
Capital WIP	10.3	20.2	47.6	41.1
Intangible assets	8.8	15.8	24.5	25.5
Loans	16.1	21.3	29.1	29.6
Other financial assets	0.0	0.1	0.1	0.0
Income tax assets (net)	0.6	0.8	1.0	0.2
Other non-current assets	1.9	3.9	3.3	3.3
Investments	86.9	38.4	18.6	28.0
Inventories	5.2	6.9	9.4	8.1
Trade receivables	2.6	5.9	3.2	6.7
Cash & cash equivalent	7.2	15.9	4.1	9.2
Bank balance	0.2	0.2	24.0	24.2
other financial assets	1.3	3.0	1.2	0.5
other current assets	5.7	11.4	19.4	19.8
Total Assets	730.4	920.5	1197.7	1177.1
Liabilities				
Equity Capital	265.0	265.0	277.7	290.9
Other equity	22.1	-15.4	-2.3	-72.1
	287.1	249.6	275.4	218.9
Non current liabilities				
Borrowing	0	0	178.8	176.0
Lease liabilities	352.3	450.8	566.5	561.7
Provisions	3.3	5.2	18.7	19.7
other non-current liabilities	0.7	0.8	0.8	0.7
Current liabilities				
Borrowings	0.0	100.0	19.7	19.8
Trade payables	43.4	60.9	81.6	126.1
Lease liabilities	17.7	23.2	31.2	26.6
other financial liabilities	15.7	22.2	15.4	19.7
Provisions	1.7	2.4	3.3	3.7
Other current liabilities	8.3	5.3	6.2	4.2
Total Equity & Liabilities	730.4	920.5	1197.7	1177.1

Source: RHP

Sharekhan

by BNP PARIBAS

Know more about our products and services

For Private Circulation only

Disclaimer: This document has been prepared by Sharekhan Ltd. (SHAREKHAN) and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation and any review, retransmission, or any other use is strictly prohibited. This Document is subject to changes without prior notice. This document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. SHAREKHAN will not treat recipients as customers by virtue of their receiving this report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable and SHAREKHAN has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on reasonable basis, SHAREKHAN, its subsidiaries and associated companies, their directors and employees ("SHAREKHAN and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent SHAREKHAN and affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Sharekhan may have issued other reports that are inconsistent with and reach different conclusions from the information presented in this report.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject SHAREKHAN and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

The analyst certifies that the analyst has not dealt or traded directly or indirectly in securities of the company and that all of the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of SHAREKHAN. The analyst further certifies that neither he or its associates or his relatives has any direct or indirect financial interest nor have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report nor have any material conflict of interest nor has served as officer, director or employee or engaged in market making activity of the company. Further, the analyst has also not been a part of the team which has managed or co-managed the public offerings of the company and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Limited or its associates or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from third party in the past twelve months in connection with the research report.

Either SHAREKHAN or its affiliates or its directors or employees / representatives / clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. SHAREKHAN may from time to time solicit from, or perform investment banking, or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall SHAREKHAN, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-61150000; email id: compliance@sharekhan.com;

For any queries or grievances kindly email igc@sharekhan.com or contact: myaccount@sharekhan.com

Registered Office: Sharekhan Limited, 10th Floor, Beta Building, Lodha iThink Techno Campus, Off. JVLR, Opp. Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042, Maharashtra. Tel: 022 - 61150000. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183;

Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com; Investment in securities market are subject to market risks, read all the related documents carefully before investing.