

# IPO Flash

August 02, 2021

---

## Index

### Devyani International Ltd

About the company •

Industry Overview •

Key strengths •

Key Concerns •

Financial Snapshot •

Valuation and view •

Financials •

Visit us at [www.sharekhan.com](http://www.sharekhan.com)

# Sharekhan

by BNP PARIBAS

For Private Circulation only

IPO Details:	
Issue opens	August 04, 2021 (Wednesday)
Issue closes	August 06, 2021 (Friday)
Issue size	Rs. 1,776-1,838 crore
Type of issue	Fresh issue of equity shares aggregating 4.9-5.1 crore shares based on lower and upper end of the price band and Offer For Sale (OFS) of 15.5 crore shares
Offer size	Fresh issue of Rs. 440 crore; OFS of Rs. 1,336-1,398 crores
Face value	Re. 1 per share
Price band	Rs. 86-90
Bid lot	165 shares
QIB portion	Not more than 75%
Non Institution portion	Not more than 10%
Retail portion	Not more than 10%

Source: Company RHP

\*The company and the selling shareholders in consultation with BRLM might offer 60% of QIB portion to anchor investors on a discretionary basis.

Devyani International Ltd (DIL) is coming out with an initial public offer (IPO), consisting of a fresh issue of equity shares amounting to Rs. 440 crore and an OFS of Rs. 1,336-1,398 crore. **Total issue size is Rs. 1,776-1,838 crore. The price band for the said issue is Rs. 86-90 per share.** At lower and upper price band, the fresh equity issuance stands at 4.9-5.1 crore shares. OFS is around 15.5 crore shares.

#### Offer for share details

Seller	No. of shares
RJ Corp	9,00,00,000
Dunearn Investments (Mauritius)	6,53,33,330
<b>Total OFS</b>	<b>15,53,33,330</b>

Source: Company RHP

#### Shareholding pattern

Shareholder	Pre-issue		Post-issue*		Post-issue^	
	No of shares	Holding (%)	No of shares	Holding (%)	No of shares	Holding (%)
Promoters	87,43,39,464	75.8	78,43,39,464	65.1	78,43,39,464	65.2
Public	27,92,95,526	24.2	42,04,58,317	34.9	41,81,84,415	34.8
<b>Total</b>	<b>1,15,36,34,990</b>	<b>100.0</b>	<b>1,20,47,97,781</b>	<b>100.0</b>	<b>1,20,25,23,879</b>	<b>100.0</b>

Source: Company RHP (\* Lower price band; ^ Upper price band)

#### Object of the Issue

Particulars	Amount (Rs crore)
Repayment of borrowings	324.0
General corporate purpose	116.0
<b>Fresh issue size</b>	<b>440.0</b>

Source: Company RHP

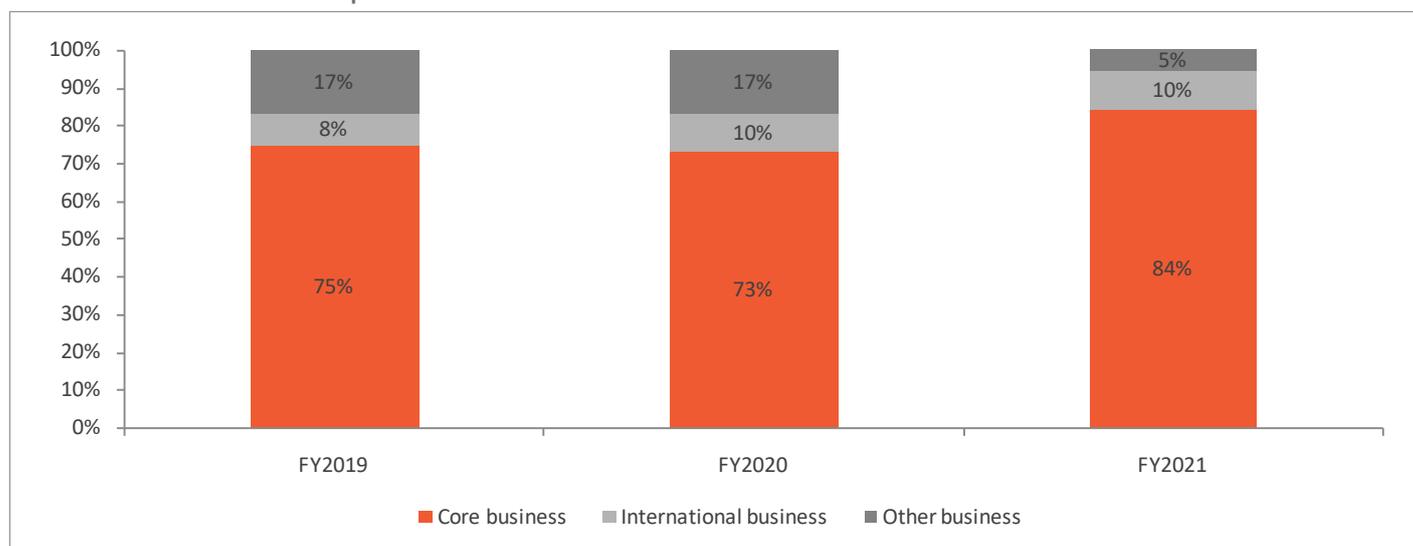
#### BLRMs

- Kotak Investment Banking
- CLSA
- Edelweiss
- Motilal Oswal

## About the company

Devyani is the largest franchisee of Yum! Brands in India and among the largest operators of chain QSRs in India and operate 696 stores across 166 cities in India, as of June 30, 2021. Yum! Brands Inc. operates brands such as *KFC*, *Pizza Hut* and *Taco Bell* brands and has global presence with more than 50,000 restaurants in over 150 countries, as on December 31, 2020. In addition, the company is a franchisee for the *Costa Coffee* brand and stores in India. The company's business is broadly classified into three verticals that includes: a) Core Brands Business: Stores of *KFC*, *Pizza Hut* and *Costa Coffee* operated in India; b) International Business: stores operated outside India primarily comprising *KFC* and *Pizza Hut* stores operated in Nepal and Nigeria; c) Other Business: Other operations in the F&B industry, including stores of own brands such as Vaango and Food Street. Revenue from the core brands business, together with the international business, represented 83.01%, 82.94% and 94.19% of revenue from operations in FY2019, FY2020 and FY2021, respectively.

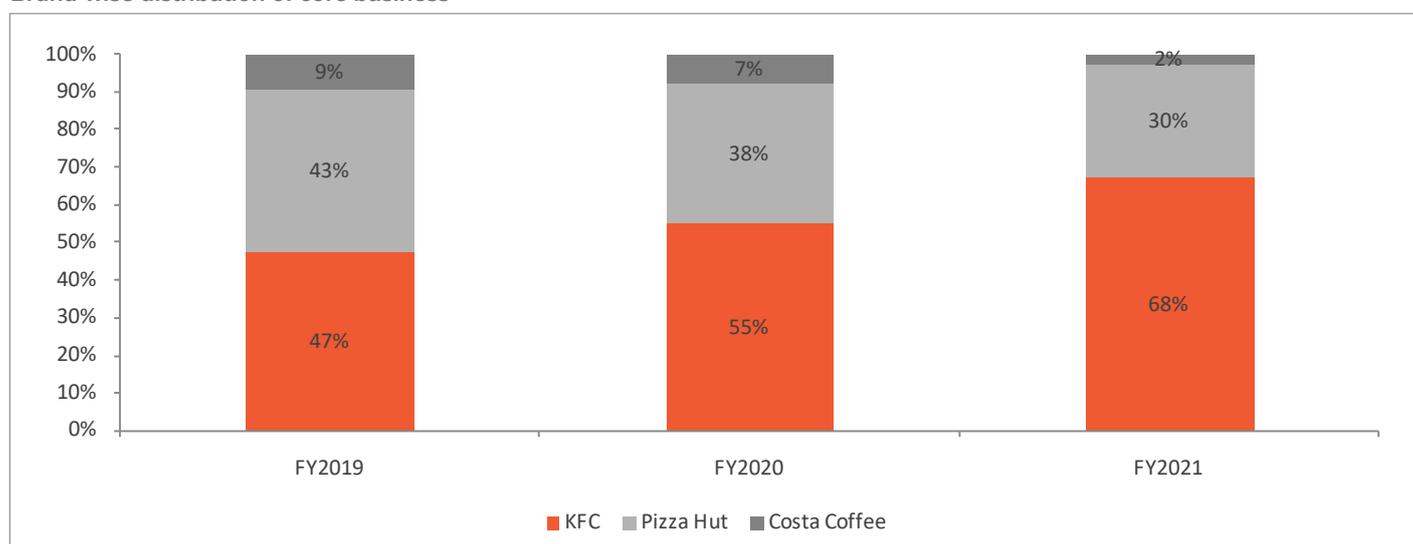
### Business-wise revenue break-up



Source: Company RHP, Sharekhan research

**Core brands business:** As on June 30, 2021, DIL operated 645 stores of Core Brands in India, comprising 284 *KFC* stores, 317 *Pizza Hut* stores and 44 *Costa Coffee* stores. *KFC* and *Pizza Hut* stores are operated based on various technology license agreements entered into with Yum! Brands and trademark license agreements entered into with Kentucky Fried Chicken International Holdings LLC and *Pizza Hut* International LLC. *Costa Coffee* stores are operated based on the development agreement entered into with *Costa*.

### Brand-wise distribution of core business



Source: Company RHP, Sharekhan research

## KFC India

DIL's first *KFC* store in India opened in 2005 at Kolkata. As on June 30, 2021, DIL operated 284 *KFC* stores located in 21 states and two union territories, across 107 cities in India. The company mainly operates two formats of *KFC* stores, namely, a larger format with full-service dining in capacities, and small-store formats to cater to delivery/ take-away orders with limited seating for customers/ riders waiting to pick up orders. *KFC* stores have an extensive menu featuring fried chicken buckets and allied chicken products, grilled chicken, burgers, rice bowls, and beverages. Marketing for *KFC* is carried out by Yum!. The *KFC* brand in India is led by the chief marketing officer at Yum!, supported by an experienced team of marketing professionals. DIL periodically reviews the performance of *KFC* stores to evaluate growth opportunities and collaborate with Yum on implementing growth plans.

### Key information

Particulars	FY2019	FY2020	FY2021
<b>Revenues (Rs. crore)</b>	<b>464.1</b>	<b>609.1</b>	<b>644.3</b>
Stores	134	172	264
Cities	57	76	97
SSSG (%)	4.65	3.15	-33.69
Avg. Daily sales per store (Rs.)	1,13,851.6	1,16,740.4	1,00,269.9
Avg. daily transactions per store	284.0	285.6	197.2
Average transaction size (Rs.)	400.9	408.8	508.4
<b>Brand contribution - store level (Rs.)</b>	<b>85.4</b>	<b>97.3</b>	<b>118.2</b>
<b>Store level margins (%)</b>	<b>18.4</b>	<b>16.0</b>	<b>18.3</b>

Source: Company RHP

## Pizza Hut India

DIL's first *Pizza Hut* store in India opened in 1997 at Jaipur. As on June 30, 2021, DIL operated 317 *Pizza Hut* stores located in 20 states and three union territories, across 106 cities in India. The company mainly operates two formats of *Pizza Hut* stores – 1) a larger format with full service dining-in capacities, and 2) small store formats to cater to delivery/ take-away orders with limited seating for customers/ riders waiting to pick up orders. In addition to the original pan pizza offering, DIL's *Pizza Hut* stores have an extensive menu featuring pizzas, pasta, beverages and desserts. Marketing for *Pizza Hut* is carried out by Yum. The *Pizza Hut* brand in India is led by the chief marketing officer at Yum, supported by an experienced team of marketing professionals. DIL periodically reviews the performance of *Pizza Hut* stores to evaluate growth opportunities and collaborate with Yum on implementing growth plans.

### Key information

Particulars	FY2019	FY2020	FY2021
<b>Revenues (Rs. crore)</b>	<b>423.3</b>	<b>417.4</b>	<b>287.9</b>
Stores	268	269	297
Cities	83	82	100
SSSG (%)	4.7	-3.7	-30.3
Avg. Daily sales per store (Rs.)	44,679.3	43,917.6	34,900.4
Avg. daily transactions per store	93.8	94.1	65.8
Average transaction size (Rs.)	476.3	467.0	530.2
<b>Brand contribution - store level (Rs.)</b>	<b>65.5</b>	<b>43.9</b>	<b>37.2</b>
<b>Store level margins (%)</b>	<b>15.5</b>	<b>10.5</b>	<b>12.9</b>

Source: Company RHP

## Costa Coffee

DL's first *Costa Coffee* store in India opened in 2005 at Delhi. As on June 30, 2021, DIL operated 44 *Costa Coffee* stores located in eight states and one union territory, across 17 cities in India. The company currently operates two formats of *Costa Coffee* stores, namely, full retail stores at high-street locations and malls, and branded kiosks at airports, hospitals and food courts at highways. *Costa Coffee* stores have an extensive menu featuring coffee, sandwiches, wraps, Indian snacks, desserts, and other beverages. The marketing strategy for *Costa Coffee* revolves around serving more cups of coffee to more people, more often.

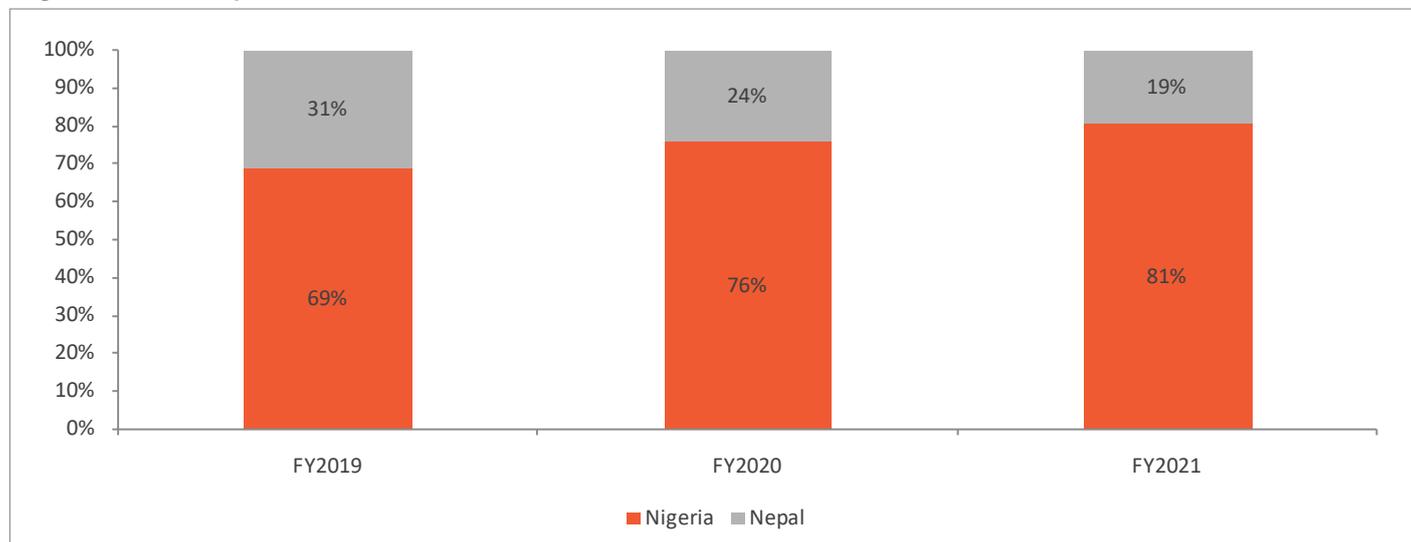
### Key information

Particulars	FY2019	FY2020	FY2021
Revenues (Rs. crore)	90.2	82.0	21.9
Stores	67	63	44
Cities	16	18	17
SSSG (%)	2.7	-4.4	-61.6
Avg. Daily sales per store (Rs.)	37,458.4	37,413.6	18,510.1
Avg. daily transactions per store	123.1	117.3	57.8
Average transaction size (Rs.)	304.4	319.1	320.2
Brand contribution - store level (Rs.)	18.2	17.4	3.3
Store level margins (%)	20.1	21.2	15.1

Source: Company RHP

**International business:** As of June 30, 2021, Devyani operated 37 stores of core brands outside India, comprising 34 *KFC* stores and 3 *Pizza Hut* stores, and 2 stores of another brand. The company operates *KFC* and *Pizza Hut* stores in Nepal, and *KFC* stores in Nigeria.

### Region-wise break-up of International business



Source: Company RHP, Sharekhan research

**Other business:** In addition to the Core Brands Business and International Business, the company operates stores of other brands such as *Vaango*, *The Food Street*, *Ile Bar*, *AMRELI*, *Ckrussh Juice Bar*, among others. They are typically operated as outlets within larger food courts in malls and airports. As on June 30, 2021, there were 51 stores of other brands under the Other Business.

## Brief profile of directors & top management

### Promoters' background

- ♦ **Ravi Kant Jaipuria** - He is a non-executive director and promoter. He has over three decades of experience in conceptualizing, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. He has completed his higher secondary education from Delhi Public School Mathura Road, New Delhi. He has an established reputation as an entrepreneur and a business leader and received PepsiCo's award for International Bottler of the Year, in 1997. He was also awarded the 'Distinguished Entrepreneurship Award' at the PHD Annual Awards for Excellence, 2018.
- ♦ **Varun Jaipuria** - He is a non-executive director. He attended Millfield School, Somerset, England and holds a Bachelor's degree in international business from the Regent's University, London. He has 12 years of experience in the soft drinks industry and has also completed a program for leadership development at the Harvard Business School. He has been a director on the company's board since November 13, 2009.
- ♦ **RJ Corp Limited** - RJ Corp was incorporated on March 1, 1980 as Cheers Beverages Private Limited. Its name changed from Cheers Beverages Private Limited to Arctic Drinks Private Limited on January 31, 1985. Arctic Drinks Private Limited was converted into a public limited company and changed its name to Arctic Drinks Limited with effect from May 13, 2005. Arctic Drinks Limited's name changed to RJ Corp Limited on May 29, 2008. RJ Corp is currently engaged in running franchise of a sports brand, trading in ice-cream and milk products and investment activities in group and other companies.

### Pre-IPO Promoter holding

Particulars	% of Pre-IPO of share capital	Total no. of Shares
RJ Corp Limited	69.76	80,48,21,970
Varun Jaipuria	4.54	5,24,03,394
Ravi Kant Jaipuria	1.48	1,71,14,100
<b>Total</b>	<b>75.78</b>	<b>87,43,39,464</b>

Source: Company RHP

### Top Management

**Virag Joshi, President and Chief Executive Officer** - He holds a Diploma in hotel management and catering from the State Institute of Hotel Management and Catering, Lucknow, Uttar Pradesh. He has been a key strategist in expansion of *Pizza Hut*, *KFC*, *Costa Coffee* outlets from a small base of five restaurants in 2002 to 600 plus outlets over the last 19 years. He has been earlier associated with Indian Hotels Company Limited, Domino's Pizza India Limited, Milkfood Limited, and Priya Village Roadshow Limited. He has been a director on the company's board since November 10, 2004.

**Manish Dawar, Chief Financial Officer** - He holds a Bachelor's degree in commerce with honors from the Panjab University, Chandigarh and is a Chartered Accountant and a member of the Institute of Company Secretaries of India. He has wide experience in various industry domains and across various geographies. He has worked in various corporate setups including Reebok India, Reckitt Benckiser, Vedanta, DEN Networks Limited, and Vodafone India Limited. He has been a director on the company's board since February 17, 2021.

**Anil Dwivedi, Company Secretary and Compliance Officer** - He has been associated with the company since February 7, 2020. He holds a bachelor's degree in commerce from the University of Allahabad and a bachelor's degree in law from the Dr Bhimrao Ambedkar University, Agra. He is a qualified Company Secretary from the Institute of Company Secretaries of India. He has over 15 years of experience in legal and compliance functions. Prior to joining the company, he was associated with ATS Group as a general manager - corporate affairs.

**Rajat Luthra, CEO of the KFC business** - He has been associated with the company since November 7, 2011. He has completed his graduation in Arts from the University of Delhi and a Diploma in hotel management from the National Council for Hotel Management and Catering Technology, New Delhi. He also holds a postgraduate certificate in business management from XLRI. Previously, he has been associated with Hindustan Lever Limited, Barista Coffee Company Limited, Celio\* Future Fashion Limited. Domino's Pizza

India Limited, Essar Telecom Retail Limited, Quality Inns India Private Limited, Sterling Catering Services, and The Mobilestore Limited.

**Amitabh Negi, CEO of the *Pizza Hut* business.** He has been associated with the company since April 1, 2016. He holds a Bachelor's degree in commerce from the University of Jammu and has completed the senior management programme from the Indian Institute of Management, Calcutta. He has also completed a senior management programme from the Indian Institute of Management, Indore. Previously, he has been associated with Specialty Restaurants Private Limited, *Domino's* Pizza India Limited, PICK 'N' EAT Ltd, Dodsal Corporation Private Limited., Amalgamated Holdings Ltd., Serge Enterprise Private Limited, Sbarro Restaurants (India) Limited, and Yum Restaurants (India) Private Limited.

### Industry Overview

The QSR channel is the largest contributor to the food service industry, with a sales share of 34.1% in 2020. Rapid urbanisation and the rising number of commercial spaces for consumers to have a quick bite amid their work or shopping schedules played an important role in the growth of QSRs. Busier lifestyles and less time for eating habits have made QSR channels more relevant.

The QSR channel recorded the fastest growth among all food service channels, at a CAGR of 5.5% from 2015 to 2020 to Rs. 2,854.8 billion. Global chains such as *KFC*, *McDonald's*, and *Burger King*, have invested in expanding their presence in the market. Dependence on takeaways for a large part of its sales helped the channel during 2020, amid the pandemic. The channel is expected to clock a robust CAGR of 12.4% during 2020 and 2025. Economic recovery and greater investments from western fast food chains is expected to drive the growth.

The QSR channel leads the industry in terms of the number of outlets in 2020, at an outlet count of 19,95,104. Total number of outlets in the channel grew at a CAGR of 2% between 2015 and 2020; the rate is the highest among all food service channels. The QSR channel is expected to lead the food service industry in terms of growth in the number of outlets between 2020 and 2025 at an expected CAGR of 6.5%.

The QSR channel leads the food service industry in terms of the number of transactions as well. A large number of transactions in the channel can be attributed to its affordability, short service time, and wide presence in terms of outlets. Further, apart from dining in, consumers can also easily carry around their meals offered at these restaurants. Between 2020 and 2025, the number of transactions in the QSR channel is projected to grow at a CAGR of 6.9%.

*Domino's* Pizza Inc, *Yum!* Brands, Inc, *McDonald's* Corporation, *Doctor's Associates* Inc, *Restaurant Brands International* are the key players in the Indian QSR industry. The channel is expected to witness a significant rebound in the coming years. Driven by the economic recovery of the country and improvement in the purchasing power of consumers.

### Key strengths

#### Portfolio of highly recognized global brands catering to a range of customer preferences

DIL operates franchises of several highly recognized global QSR brands and is the largest franchise partner for *Yum!* in India. DIL's core brands include *KFC*, *Pizza Hut* and *Costa Coffee*. They are the non-exclusive sole franchisee for *KFC* and *Pizza Hut* in Nepal, and for *KFC* in Nigeria. In addition, the company owns and operates stores of certain other brands like *Vaango*, *Food Street*, *Masala Twist*, *Ile Bar*, *Amreli*, and *Ckrussh Juice Bar*. The company serves a wide range of customers across price points. For *KFC*, the company has worked with *Yum!* to introduce innovative product offerings as well as a distinct value proposition. *Pizza Hut* caters to demand from all age groups including children, young adults and families. For *Costa Coffee*, the company offers various service formats including stores and kiosks.

#### Presence across key consumption markets with a cluster-based approach

As on June 30, 2021, the company operated 696 stores across all brands and were present in 26 states and three union territories across 166 cities in India. The company had a strong presence in key metro regions of Delhi-NCR, Bengaluru, Kolkata, Mumbai and Hyderabad with 323 stores (as on June 30, 2021) of core brands located in these five major metros in India. As of June 30, 2021, 75.35% of the stores (486 stores) in the core brands business were located across 40 key cities in India. The company assesses the location of each store on the basis of a number of factors including demographics, footfalls, accessibility, parking,

delivery potential, consumption patterns and population density of the local community and availability of other restaurants within the area. As a part of the cluster based approach, other factors considered include retail presence at a particular location and the brand recognition and recall value of the core brands. A cluster-based approach allows the company to optimize and manage their supply chain and associated costs. More stores in a particular area allows the company to capitalize on economies of scale and results in lower operating costs per store and thereby ensuring higher unit-level profitability.

### **Multi-dimensional comprehensive QSR player**

The company's close association with Yum! together with their technical, marketing and operational expertise has enabled them to establish them as a comprehensive player in the QSR industry in India with expertise and control in all areas of operations. The company focuses on parameters such as quality and safety, customer experience, digital adoption, delivery and people and culture.

*Quality and Safety* – The company is committed to provide the highest level of food safety, hygienic food handling and quality product to their customers.

*Customer Experience* – The company's communication practices are aligned with consumer needs and preferences and are targeted at boosting overall customer experience across all the stores.

*Digital Adoption* – The company has actively adopted tech-enabled enhancements to provide the customers with a personalized and enriched dining experience and to increase operational efficiency.

*Delivery* – The company continues to optimise its delivery services by creating synergies between the stores and delivery services, leveraging its extensive store network to improve operating efficiencies and increase margins.

*Culture and People* - Employees are one of the greatest assets of the company and the company's transparent and open culture has helped in growing its operations over the years.

### **Cross-brand synergies with operating leverage**

The company has streamlined business processes from conceptualization of the stores to execution of daily operations. Sourcing, warehousing and distribution of raw materials is centralised for particular regions and across the Core Brands Business. The vehicles deployed for the delivery of raw materials to stores are common across the core brands business and other business. The company's policy of centralised sourcing from an optimal number of vendors further facilitates cost efficiencies enabling reduction in cost. Multiple brands of DIL are located in specific locations, allowing them to negotiate competitive lease rentals for the stores.

### **Distinguished board and experienced senior management team**

The company's board comprises individuals from various fields of finance and business with varied and diverse experience. Ravi Kant Jaipuria, one of the promoters, has over three decades of experience in conceptualising, executing, developing and expanding food, beverages and dairy business in South Asia and Africa. The company's day-to-day operations are conducted by a well-qualified and experienced management team that has significant experience in all aspects of the company's business. Each brand, whether owned or otherwise, that DIL operates has a dedicated team responsible for developing and delivering a superior brand experience.

### **Key Concerns**

**Termination of or inability to renew arrangements with Yum! for KFC and Pizza Hut stores:** The company is significantly dependent on its arrangements with Yum for business and operations. These arrangements are set out in various development agreements, trademark licence agreements and technology license agreements. An inability to meet obligations under these arrangements could result in a termination of development rights and such arrangements with Yum!.

### **Negative impact on reputation of Core Brands**

The company's business depends on the continued success and reputation of the Core Brands globally. Any damage to the company's Core Brands, whether attributable to the company or otherwise, could adversely impact the trust placed in the particular brand and the company's reputation and cause existing customers or intermediaries to withdraw their business and reconsider doing business with Devyani. Further,

negative publicity may result in increased regulation and legislative scrutiny of industry practices as well as increased litigation, which may further lead to increase in costs of doing business and adversely affect profitability.

### Inability to identify and obtain suitable store locations

A key part of the company's business and growth strategy is to maintain the pace of expansion of the store network, which requires the company to continually identify suitable and available locations and develop and build out stores at those locations. Inability to successfully open new stores that are economically viable and help in expanding the business will materially impact the company's performance.

### Financial Snapshot

DIL's FY2021 performance was affected by pandemic as large number stores were non-operational during H1FY2021. Revenues decreased by 25% y-o-y to Rs. 1,134.8 crore in FY2021. Despite the COVID-19 led disruption, the company was able to maintain gross margins at 69.6% (last three years average gross margins ~70%). With stringent cost-saving measures the operating margins improved to 20% in FY2021 from 16.8% in FY2020. Being a cash-intensive business, the company has negative cash cycle of ~77days. DIL generated operating cash flows of Rs. 240 crore in FY2021 lower than FY2020 level of Rs. 300.7 crore as business was affected by lockdown restrictions. The OCF to EBITDA ratio stood at 106% in FY2021 as against 118% in FY2020.

### Valuation and view

The IPO is valued at 10.2-10.6x its FY2021 EV/sales at the lower and upper end of the price band. The branded QSR industry is expected to grow by above 20% in the next five years on the back of expected scale-up in tier 2-3 towns, large shift to branded players and delivery/takeaway models taking an upper hand. With a portfolio of strong brands, DIL is one of the strong players in the Indian QSR market. The company's margin profile is better than some of the close listed entities. Funds raised through IPO will be utilised to repay the entire debt on books, which will wipe out interest costs in the coming years. Thus the company's bottom-line is expected to improve substantially with an expected improvement in the business environment.

### Peer Comparison

Company	Revenues (Rs crore)	Gross margin (%)	OPM (%)	Net Profit (Rs crore)	EV/Sales	Price to sales (x)
	FY2021					
Jubilant Foodworks	3,269.0	78.1	23.5	234.0	15.4	15.1
Westlife Developers	985.6	64.6	6.2	-103.6	9.7	8.8
Burger King	494.5	64.5	3.0	-166.2	14.9	14.4
Barbeque Nation	507.1	64.9	18.2	-91.1	7.1	6.6
Devyani International (upper band)	1,134.8	69.6	20.0	-138.2	10.6	9.5
Devyani International (lower band)					10.2	9.5

Source: Company RHP, Sharekhan research

## FINANCIALS

## Profit &amp; Loss account (consolidated)

Rs crore

Particulars	FY2019	FY2020	FY2021
<b>Revenue from operations</b>	<b>1,310.6</b>	<b>1,516.4</b>	<b>1,134.8</b>
<i>y-o-y growth (%)</i>		15.7	-25.2
Cost of material	388.9	460.4	344.7
<i>Gross margins (%)</i>	70.3	69.6	69.6
Employee expenses	191.6	225.5	154.3
Other expenses	451.2	575.0	408.9
Total Expenditure	1,031.6	1,260.9	907.9
<b>Operating profit/(loss)</b>	<b>279.0</b>	<b>255.5</b>	<b>226.9</b>
<i>OPM (%)</i>	21.3	16.8	20.0
Other income	13.0	18.7	64.1
Finance cost	135.6	158.4	152.8
Depreciation	227.6	227.2	277.5
<b>PBT</b>	<b>-71.2</b>	<b>-111.5</b>	<b>-139.3</b>
Tax expense	1.3	1.8	-1.1
<b>Adjusted PAT/Loss</b>	<b>-72.5</b>	<b>-113.3</b>	<b>-138.2</b>
Exceptional item	-13.1	-34.6	-56.9
<b>Reported PAT/Loss</b>	<b>-59.3</b>	<b>-78.8</b>	<b>-81.3</b>
<i>NPM (%)</i>	-4.5	-5.2	-7.2

Source: Company RHP

## Cash flow statement (consolidated)

Rs crore

Particulars	FY2019	FY2020	FY2021
Net cash generated from operating activities	277.8	300.7	239.6
Net cash generated from investing activities	-167.7	-97.4	-358.6
Net cash generated from financing activities	-130.5	-222.6	142.0
<b>Net increase/(decrease) in cash and cash equivalent</b>	<b>-20.4</b>	<b>-19.3</b>	<b>22.9</b>
Cash at the beginning of the year	44.3	26.6	13.2
Effect of exchange rate fluctuations	2.7	6.0	3.8
<b>Cash and cash equivalent at end of the year</b>	<b>26.6</b>	<b>13.2</b>	<b>40.0</b>

Source: Company RHP

**Balance Sheet (Consolidated)**

	Rs crore		
Particulars	FY2019	FY2020	FY2021
<b>Assets</b>			
Non-current assets			
Property, Plant & Equipment	1,525.8	1,555.1	1,142.3
Capital WIP	11.5	13.5	14.3
Goodwill & Other Intangible assets	52.5	80.2	250.0
Loans	45.8	49.2	43.5
Other tax assets	9.6	9.5	8.0
Deferred tax assets (net)	8.1	7.5	9.6
Other non-current assets	15.2	25.3	36.2
Inventories	54.9	72.1	62.2
Trade receivables	23.0	17.3	16.9
Cash & cash equivalent	26.6	13.2	40.0
Bank balance	0.5	2.8	0.6
Loan	9.6	12.8	14.2
Other financial assets	0.1	3.6	10.6
Other current assets	24.3	21.3	20.2
<b>Total Assets</b>	<b>1,807.5</b>	<b>1,883.6</b>	<b>1,668.4</b>
Equity Capital	106.2	106.2	115.4
Other equity	-176.4	-295.3	-1.6
	-70.2	-189.1	113.8
Non-controlling interest	-51.0	-39.1	-41.9
Non-current liabilities			
Borrowing	332.5	340.2	359.4
Lease liabilities	1,124.1	1,175.9	793.7
Provisions	13.8	11.6	16.9
Other liabilities	4.1	6.3	5.9
Current liabilities			
Borrowings	67.7	90.5	21.1
Lease liabilities	110.6	112.3	78.7
Trade payables	136.8	163.2	161.9
Other liabilities	135.7	206.7	149.9
Provisions	3.2	4.4	8.3
Current tax liabilities (net)	0.3	0.7	0.7
<b>Total Equity &amp; Liabilities</b>	<b>1,807.5</b>	<b>1,883.6</b>	<b>1,668.4</b>

Source: Company 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 and SHAREKHAN further certifies that neither he or his relatives or Sharekhan associates 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](mailto:compliance@sharekhan.com);

For any queries or grievances kindly email [igc@sharekhan.com](mailto:igc@sharekhan.com) or contact: [myaccount@sharekhan.com](mailto: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](http://www.sharekhan.com); Investment in securities market are subject to market risks, read all the related documents carefully before investing.