

10 September 2024

India | Equity Research | Company Update

Tata Consumer Products

Consumer Staples & Discretionary

Deep dive - Starbucks India's plan to reach 1,000 stores (~2x) by FY28

Our analysis of Tata Starbucks financials over FY14-24 indicate (1) It had revenue CAGR of 29% over FY14-24 and store count CAGR of 26%. The revenue/store has remained flat at ~INR 35mn. (2) The gross margins of Tata Starbucks (TS) and Starbucks Corporation (SBUX) are similar at ~67%. We believe TS can potentially reach >20% EBITDA margin (SBUX EBITDA margin: ~18%) and (3) TS plans to reach 1,000 outlets by FY28 (421 in FY24). Plan appears ambitious, probably triggered by (1) vacuum caused by partial exit of Café Coffee Day (though TS is far more premium positioned) and (2) rise of new chains (Blue Tokai, Third Wave etc). We model EV of Tata Starbucks at INR 211bn (EBITDA multiple of 24x). In TCPL's SoTP, we attribute INR 91/share for Tata Starbucks.

Revenue growth led by store expansion over FY14-24

TS reported strong revenue CAGR of 29% over FY14-24. It has expanded the number of stores from 43 in FY14 to 421 in FY24 (CAGR of 26%). It has also expanded the presence in 61 cities in FY24 from 5 cities in FY14. Revenue CAGR is impressive considering loss of consumption during covid.

Strong gross margins

TS has gross margin of ~68% which is similar to SBUX. We believe India EBITDA margin can be potentially be >20% as (1) labour charges are lower in India, (2) the rentals in smaller cities in India are also lower and (3) operating leverage.

Plan to reach 1,000 stores by FY28 – ambitious but achievable

TS plans to reach 1,000 stores by end of FY28 from 421 in FY24 (rollout of one new store every three days). Plan appears ambitious, probably triggered by (1) vacuum caused by partial exit of Café Coffee Day (though TS is far more premium positioned) and (2) rise of new chains (Blue Tokai, Third Wave etc).

Negative working capital days

We note the working capital requirements seem low for this business as the working capital days have largely remained negative over the years. Higher creditor days (average of 101 days over FY21–23) reflect TS's ability to leverage its strong brand equity against suppliers.

Financial Summary

Y/E March (INR mn)	FY23A	FY24A	FY25E	FY26E
Net Revenue	1,37,832	1,52,059	1,80,669	2,03,885
EBITDA	18,565	22,841	27,307	31,574
EBITDA Margin (%)	13.5	15.0	15.1	15.5
Net Profit	10,494	13,512	15,769	19,105
EPS (INR)	11.3	14.2	16.6	20.1
EPS % Chg YoY	6.3	25.5	16.7	21.2
P/E (x)	105.5	84.1	72.0	59.4
EV/EBITDA (x)	58.2	49.6	41.1	35.1
RoCE (%)	6.3	7.9	8.8	10.4
RoE (%)	6.3	7.8	8.8	10.1

Manoj Menon

manoj.menon@icicisecurities.com
+91 22 6807 7209

Aniruddha Joshi

aniruddha.joshi@icicisecurities.com

Karan Bhuwania

karan.bhuwania@icicisecurities.com

Nilesh Patil

nilesh.patil@icicisecurities.com

Market Data

Market Cap (INR)	1,192bn
Market Cap (USD)	14,199mn
Bloomberg Code	TATACONS IN
Reuters Code	TAGL.BO
52-week Range (INR)	1,254 /844
Free Float (%)	65.0
ADTV-3M (mn) (USD)	22.3

Price Performance (%)	3m	6m	12m
Absolute	6.3	(4.3)	41.5
Relative to Sensex	(0.4)	(14.4)	19.0

Previous Reports

31-07-2024: [Q1FY25 results review](#)

24-04-2024: [Q4FY24 results review](#)

Opportunity to improve revenue/store

While the revenue/store has stagnated at INR35mn over FY14-24, we believe there is potential to expand revenue/store due to (1) steady premiumization of the portfolio, (2) expansion in regions where the competitive pressures are lower and (3) inflation.

Valuation and risks

We model TCPL to report revenue and PAT CAGRs of 15.8% and 18.9%, respectively over FY24-26E led by improvement in profitability of India Foods and revival in profitability of international business. We maintain **BUY** and value the stock at unchanged TP of INR 1,385.

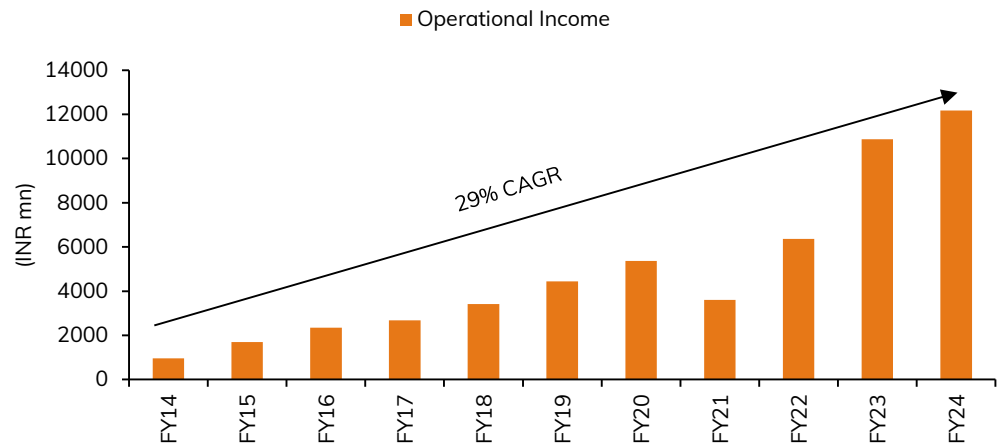
Risks: Higher-than-expected competitive pressures, steep increase in commodity prices and failure of new products.

Analysis of Starbucks

29% revenue CAGR over FY14–24

Since inception in CY12, TS – a 50:50 JV between TCPL and Starbucks Corp., USA – has consistent strong revenue growth YoY (except covid-impacted FY21). It reported 29% revenue CAGR over FY14–24. We see the following as potential revenue growth triggers: (1) Rapid store expansion, (2) entry into new geographies and (3) strong growth in domestic coffee chain industry. It posted 12% revenue growth in FY24 over a high base of FY23 (+71% YoY). We model the revenue growth momentum to accelerate further with rapid strong expansion (plans to open ~1,000 stores by FY28).

Exhibit 1: Tata Starbucks – revenue and revenue growth trend

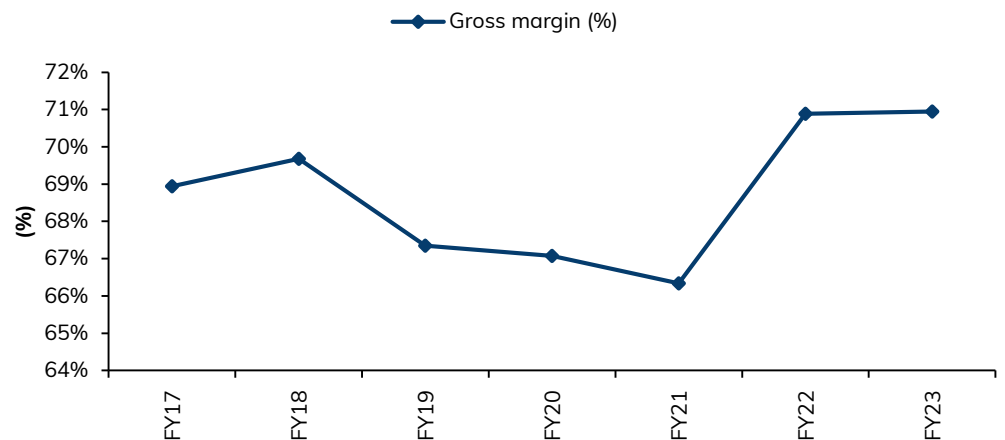


Source: Company data, I-Sec research

Tata Starbucks – a high gross margin business

It has consistently reported 65%+ gross margin over FY17–24. Also, we note, the gross margin trajectory is steadily improving. Gross margin expansion is led by: (1) higher scale resulting in better bargaining power with suppliers; and (2) lower/stable commodity prices.

Exhibit 2: Gross margin trend has improved over past two years

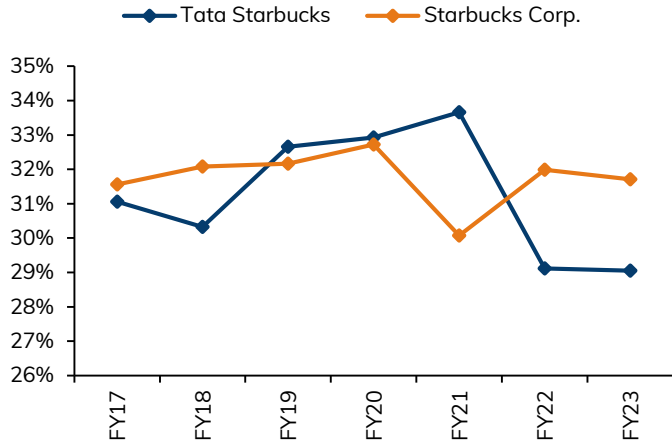


Source: Company data, I-Sec research

Similar cost structure to SBUX

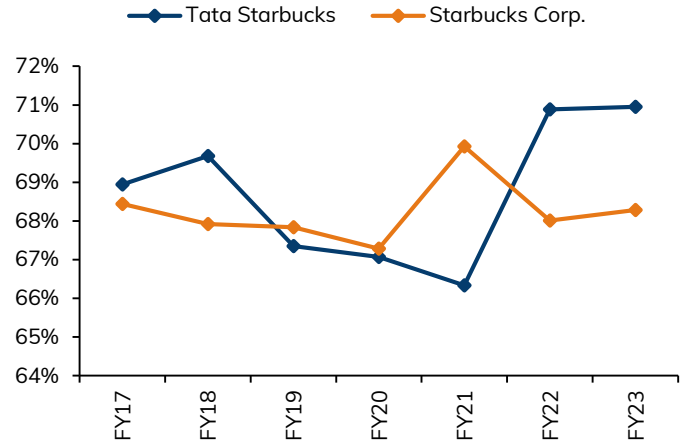
We note, cost of goods sold (CoGS) as percentage of sales for TS is in a similar range to SBUX. It stood at 31%–32% over FY21–23 for SBUX as well as TS. The employee cost to total sales for TS is lower than SBUX. Other operating expenses to total sales has declined for TS while it remained flat SBUX between FY19–23.

Exhibit 3: Cost of goods sold trend is largely similar...



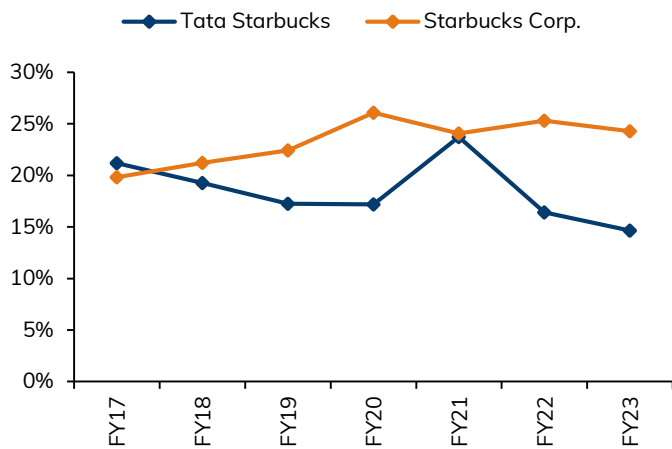
Source: Company data, I-Sec research

Exhibit 4: ...leading to similar gross margin trend



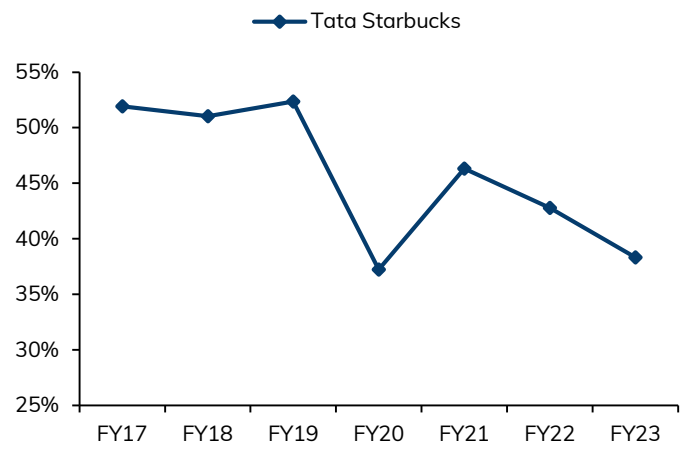
Source: Company data, I-Sec research

Exhibit 5: Employee cost is lower for Tata Starbucks



Source: Company data, I-Sec research

Exhibit 6: Tata Starbucks other expenses as % of net sales



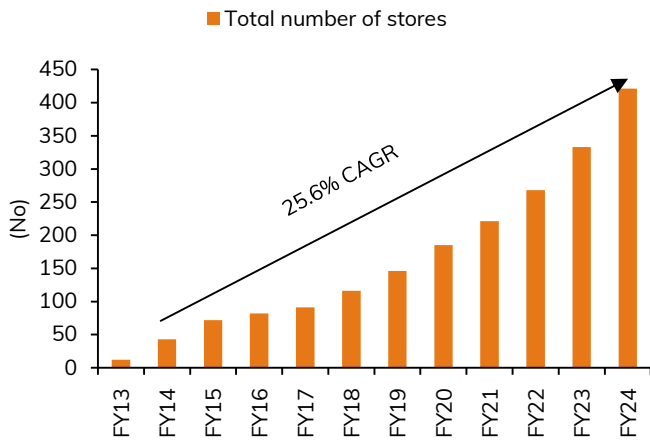
Source: Company data, I-Sec research

Rapid store expansion to continue until FY28

TS' store count grew to 421 in FY24, from 43 in FY14, indicating a 26% CAGR. It has added 88 stores in FY24 (+26% YoY). Further, it aims to expand store count to 1,000 by FY28. The store addition run-rate stood at 10 days between FY14–24. It is now three days / store addition.

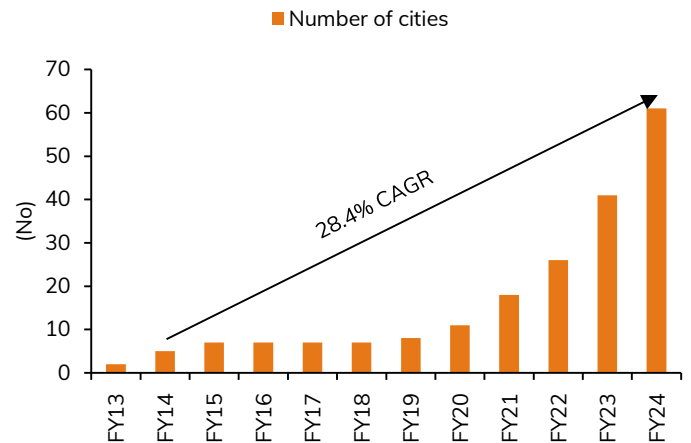
It aims to focus on mid-tier cities, in our opinion. Also, it targets to scale the count of drive-through outlets, airport outlets and 24-hour cafes. Given strong store addition expected until FY28, we expect revenue per store to show gradual growth from its current levels of INR 30–32mn/store p.a.

Exhibit 7: Rapid expansion in store count



Source: Company data, I-Sec research

Exhibit 8: Continued addition to number cities

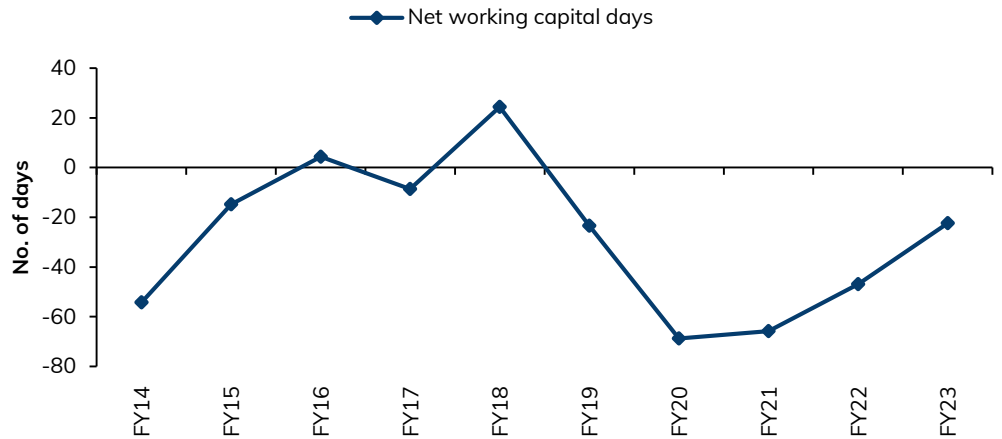


Source: Company data, I-Sec research

Net working capital (NWC) days

NWC days remained negative over FY19–23. It has negligible debtor days and requires inventory for a month (average of 33 days in FY22–23), in our view. Higher creditor days reflect TS’ ability to leverage its brand against suppliers.

Exhibit 9: Net working capital days have largely remained negative

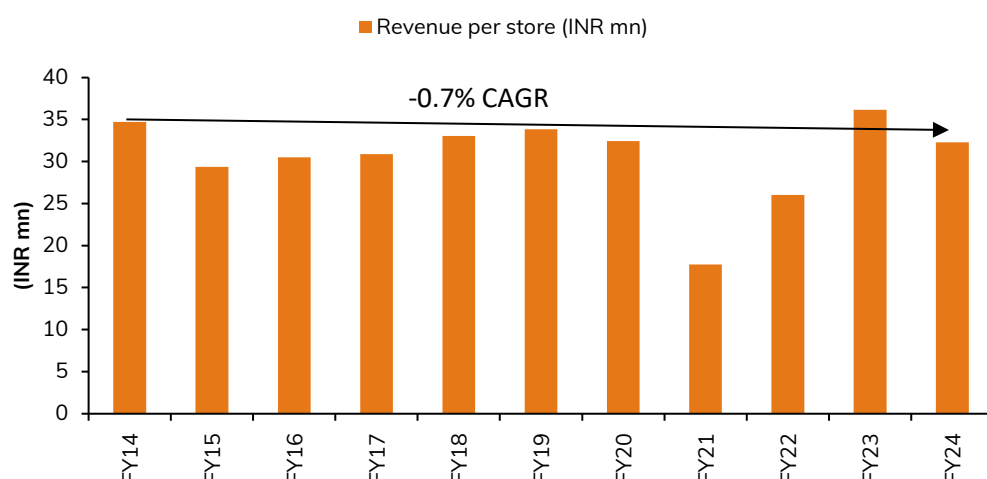


Source: Company data, I-Sec research

Scope for improvement in revenue/store

TS’ revenue/store has largely remained flat YoY over the past decade. Average revenue per store stood at INR 35mn over FY14–24. Except for a brief period of FY21–22 (largely covid impact), revenue/store was largely stable. It is focusing on expanding count of stores and wants to roll out drive-thru outlets, airport-outlets, highway outlets and 24-hour cafés. It is looking at expanding its presence in tier-two cities. Further, it is working towards driving incremental volume growth by introducing new products and smaller-sized variants. Resultantly, revenue/ store may gradually increase, in our view.

Exhibit 10: Revenue per store and growth trend



Source: Company data, I-Sec research

Coffee chain industry and key players

Competition in the coffee chain business is intensifying with the entry of new players. We note, the competition is not only amongst the home-grown brands, but also from international players. Many new entrants in the business are backed by private equity funding. Currently, Tata Starbucks, Café Coffee Day, Barista, Costa Coffee, Third Wave Coffee and Blue Tokai are the leading players in India's coffee chain industry.

We note all the leading players are focusing on rapid store additions to capture the high growth potential in the coffee chain industry. Gross margin profile varies from 50–70% across players. Most companies are generating losses at EBITDA level. Higher operational expenses and capital expenditure due to store additions are impacting operational profits, in our view.

Exhibit 11: Key brands operating in India and peer group comparison

Particulars	Tata Starbucks*	Coffee Day Enterprises	Third Wave Coffee*	Blue Tokai*
Year of inception	2,012	1,996	2,016	2,013
No. of stores (No.)	421	900	108	100
Revenue per store (INR mn)	29**	10	13	13
Revenue (INR mn)	10,869	9,239	318	1,275
CAGR (%)	50.0%	-28.7%	118%	76.3%
Gross profit (INR mn)	7,712	5,533	1,011	688
Gross profit margin (%)	71%	59.9%	70.0%	54.0%
EBITDA (INR mn)	1,957	-1,414	-410	-243
EBITDA margin (%)	18.0%	-	-	-
Profit/Loss (INR mn)	-250	-1,221	-543	-430

Source: Company data, I-Sec research, industry data; *Financials for FY23; **Revenue per store for FY24 (revenue: INR12,173mn); Revenue CAGR for Blue Tokai: FY21-23; Revenue CAGR for coffee day, Third wave coffee: FY19-23

Valuation

We attribute enterprise value of Tata Starbucks at INR 211bn (estimating EBITDA multiple of 24x and SSSG of 14%). Considering 50% stake of Tata Consumer and discounting it at 12% to FY26E, we believe the value attributable to TCPL works out to INR 84.1bn (INR 91/share of TCPL).

Exhibit 12: Tata Starbucks indicative valuation

Particulars	
Revenue per store (INR mn) FY24	29
Assumed Same store sales growth (%)	14%
Revenue per store (INR mn) FY28	49
Assumed EBITDA margin (%)	18%
EBITDA per store (INR mn) FY28	9
Current number of stores (No.)	421
Annual increase in in number of stores (No.)	145
Stores at end of FY28 (No.)	1,000
Overall EBITDA at end of FY28 (INR mn)	8,795
EBITDA multiple (x)	24
EV (INR mn)	2,11,090
Value for Tata Consumer (50%)	1,05,545
Discounted value @12% to FY26E	84,140
Value per share of TCPL (INR)	91

Source: Company data, I-Sec research

Exhibit 13: Shareholding pattern

%	Dec'23	Mar'24	Jun'24
Promoters	34.4	33.6	33.6
Institutional investors	42.7	42.9	42.9
MFs and others	6.4	6.6	7.0
FIs/Banks	0.0	0.0	0.2
Insurance	9.9	9.9	10.6
FIIIs	26.4	26.4	25.1
Others	22.9	23.5	23.5

Source: Bloomberg

Exhibit 14: Price chart



Source: Bloomberg

Financial Summary

Exhibit 15: Profit & Loss

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Net Sales	1,37,832	1,52,059	1,80,669	2,03,885
Operating Expenses	1,19,267	1,29,218	1,53,362	1,72,310
EBITDA	18,565	22,841	27,307	31,574
EBITDA Margin (%)	13.5	15.0	15.1	15.5
Depreciation & Amortization	3,041	3,772	4,470	4,857
EBIT	15,524	19,070	22,837	26,718
Interest expenditure	872	1,298	976	105
Other Non-operating Income	1,689	2,456	1,581	1,581
Recurring PBT	16,341	20,228	23,442	28,193
Profit / (Loss) from Associates	(264)	(856)	(959)	(1,074)
Less: Taxes	4,470	3,947	5,978	7,189
PAT	11,871	16,280	17,464	21,004
Less: Minority Interest	(1,113)	(702)	(737)	(825)
Extraordinaries (Net)	2,431	(1,526)	-	-
Net Income (Reported)	12,925	13,197	15,769	19,105
Net Income (Adjusted)	10,494	13,512	15,769	19,105

Source Company data, I-Sec research

Exhibit 16: Balance sheet

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Total Current Assets	75,538	71,880	65,465	87,821
of which cash & cash eqv.	27,969	24,545	9,224	24,353
Total Current Liabilities & Provisions	29,480	34,056	40,464	45,663
Net Current Assets	46,059	37,824	25,002	42,158
Investments	10,474	7,622	6,663	5,590
Net Fixed Assets	46,606	85,178	84,321	83,542
ROU Assets	-	-	-	-
Capital Work-in-Progress	6,789	1,896	1,896	1,896
Total Intangible Assets	80,254	1,03,343	1,03,343	1,03,343
Long Term Loans & Advances	-	-	-	-
Deferred Tax assets	-	1,422	1,422	1,422
Total Assets	1,98,145	2,46,154	2,31,516	2,46,820
Liabilities				
Borrowings	11,828	29,539	1,684	1,684
Deferred Tax Liability	8,144	17,952	17,952	17,952
Provisions	5,297	2,257	2,682	3,026
Other Liabilities	1,607	22,045	26,193	29,558
Equity Share Capital	929	953	953	953
Reserves & Surplus	1,61,838	1,59,615	1,67,523	1,78,292
Total Net Worth	1,62,767	1,60,568	1,68,476	1,79,244
Minority Interest	8,502	13,793	14,530	15,356
Total Liabilities	1,98,145	2,46,154	2,31,516	2,46,820

Source Company data, I-Sec research

Exhibit 17: Quarterly trend

(INR mn, year ending March)

	Sep-23	Dec-23	Mar-24	Jun-24
Net Sales	37,882	38,039	39,269	43,521
% growth (YOY)	11.0	9.5	8.5	16.3
EBITDA	5,371	5,724	6,296	6,674
Margin %	14.4	15.0	16.0	15.3
Other Income	898	596	385	392
Extraordinaries	(537)	871	(2,259)	73
Adjusted Net Profit	3,481	3,669	4,436	3,047

Source Company data, I-Sec research

Exhibit 18: Cashflow statement

(INR mn, year ending March)

	FY23A	FY24A	FY25E	FY26E
Operating Cashflow	14,613	39,576	23,403	26,068
Working Capital Changes	-	22,208	2,074	1,683
Capital Commitments	(3,356)	(37,450)	(3,613)	(4,078)
Free Cashflow	11,257	2,126	19,789	30,145
Other investing cashflow	(4,922)	7,617	1,581	1,581
Cashflow from Investing Activities	(8,278)	(29,833)	(2,032)	(2,497)
Issue of Share Capital	-	-	-	-
Interest Cost	(817)	(1,298)	(976)	(105)
Inc (Dec) in Borrowings	(593)	17,710	(27,855)	-
Dividend paid	(5,734)	(7,384)	(7,861)	(8,337)
Others	-	-	-	-
Cash flow from Financing Activities	(7,144)	9,028	(36,691)	(8,442)
Chg. in Cash & Bank balance	(809)	18,771	(15,321)	15,129
Closing cash & balance	8,904	46,741	9,224	24,353

Source Company data, I-Sec research

Exhibit 19: Key ratios

(Year ending March)

	FY23A	FY24A	FY25E	FY26E
Per Share Data (INR)				
Reported EPS	11.3	14.2	16.6	20.1
Adjusted EPS (Diluted)	11.3	14.2	16.6	20.1
Cash EPS	14.6	18.1	21.2	25.1
Dividend per share (DPS)	8.4	7.8	8.3	8.8
Book Value per share (BV)	175.2	168.5	176.8	188.1
Dividend Payout (%)	74.8	54.6	49.8	43.6
Growth (%)				
Net Sales	10.9	10.3	18.8	12.8
EBITDA	8.0	23.0	19.6	15.6
EPS (INR)	6.3	25.5	16.7	21.2
Valuation Ratios (x)				
P/E	105.5	84.1	72.0	59.4
P/CEPS	81.8	65.7	56.1	47.4
P/BV	6.8	7.1	6.7	6.3
EV / EBITDA	58.2	49.6	41.1	35.1
P / Sales	8.0	7.5	6.3	5.6
Dividend Yield (%)	0.7	0.7	0.7	0.7
Operating Ratios				
Gross Profit Margins (%)	41.9	43.7	44.2	44.6
EBITDA Margins (%)	13.5	15.0	15.1	15.5
Effective Tax Rate (%)	27.4	19.5	25.5	25.5
Net Profit Margins (%)	8.6	10.7	9.7	10.3
Net Debt / Equity (x)	(0.2)	0.0	(0.1)	(0.1)
Net Debt / EBITDA (x)	(1.4)	(0.1)	(0.5)	(0.9)
Fixed Asset Turnover (x)	2.0	1.7	1.6	1.7
Working Capital Days	51	(5)	(9)	(11)
Inventory Turnover Days	75	70	72	70
Receivables Days	22	23	23	23
Payables Days	15	13	14	14
Profitability Ratios				
RoCE (%)	6.3	7.9	8.8	10.4
RoE (%)	6.3	7.8	8.8	10.1
RoIC (%)	6.3	7.9	8.8	10.4

Source Company data, I-Sec research

This report may be distributed in Singapore by ICICI Securities, Inc. (Singapore branch). Any recipients of this report in Singapore should contact ICICI Securities, Inc. (Singapore branch) in respect of any matters arising from, or in connection with, this report. The contact details of ICICI Securities, Inc. (Singapore branch) are as follows: Address: 10 Collyer Quay, #40-92 Ocean Financial Tower, Singapore - 049315, Tel: +65 6232 2451 and email: navneet_babbar@icicisecuritiesinc.com, Rishi_agrawal@icicisecuritiesinc.com.

"In case of eligible investors based in Japan, charges for brokerage services on execution of transactions do not in substance constitute charge for research reports and no charges are levied for providing research reports to such investors."

New I-Sec investment ratings (all ratings based on absolute return; All ratings and target price refers to 12-month performance horizon, unless mentioned otherwise)
BUY: >15% return; ADD: 5% to 15% return; HOLD: Negative 5% to Positive 5% return; REDUCE: Negative 5% to Negative 15% return; SELL: < negative 15% return

ANALYST CERTIFICATION

I/We, Manoj Menon, MBA, CMA; Aniruddha Joshi, CA; Karan Bhuwania, MBA; Nilesh Patil, MBA; authors and the names subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of the ICICI Securities Inc. It is also confirmed that above mentioned Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months and do not serve as an officer, director or employee of the companies mentioned in the report.

Terms & conditions and other disclosures:

ICICI Securities Limited (ICICI Securities) is a full-service, integrated investment banking and is, inter alia, engaged in the business of stock brokering and distribution of financial products. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager, Research Analyst and Alternative Investment Fund. ICICI Securities is registered with Insurance Regulatory Development Authority of India Limited (IRDAI) as a composite corporate agent and with PFRDA as a Point of Presence. ICICI Securities Limited Research Analyst SEBI Registration Number – INH000000990. ICICI Securities Limited SEBI Registration is INZ000183631 for stock broker. ICICI Securities AIF Trust's SEBI Registration number is IN/AIF3/23-24/1292 ICICI Securities is a subsidiary of ICICI Bank which is India's largest private sector bank and has its various subsidiaries engaged in businesses of housing finance, asset management, life insurance, general insurance, venture capital fund management, etc. ("associates"), the details in respect of which are available on www.icicibank.com.

ICICI Securities is one of the leading merchant bankers/ underwriters of securities and participate in virtually all securities trading markets in India. We and our associates might have investment banking and other business relationship with a significant percentage of companies covered by our Investment Research Department. ICICI Securities and its analysts, persons reporting to analysts and their relatives are generally prohibited from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover.

Recommendation in reports based on technical and derivative analysis centre on studying charts of a stock's price movement, outstanding positions, trading volume etc as opposed to focusing on a company's fundamentals and, as such, may not match with the recommendation in fundamental reports. Investors may visit icicidirect.com to view the Fundamental and Technical Research Reports.

Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

ICICI Securities Limited has two independent equity research groups: Institutional Research and Retail Research. This report has been prepared by the Institutional Research. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating, and target price of the Retail Research.

The information and opinions in this report have been prepared by ICICI Securities and are subject to change without any notice. The report and information contained herein is strictly confidential and meant solely for the selected recipient 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 ICICI Securities. While we would endeavour to update the information herein on a reasonable basis, ICICI Securities is under no obligation to update or keep the information current. Also, there may be regulatory, compliance or other reasons that may prevent ICICI Securities from doing so. Non-rated securities indicate that rating on a particular security has been suspended temporarily and such suspension is in compliance with applicable regulations and/or ICICI Securities policies, in circumstances where ICICI Securities might be acting in an advisory capacity to this company, or in certain other circumstances. This report is based on information obtained from public sources and sources believed to be reliable, but no independent verification has been made nor is its accuracy or completeness guaranteed. This report and information herein is solely for informational purpose and shall not be used or considered as an offer document or solicitation of offer 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. ICICI Securities will not treat recipients as customers by virtue of their receiving this report. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. The recipient should independently evaluate the investment risks. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. ICICI Securities accepts no liabilities whatsoever for any loss or damage of any kind arising out of the use of this report. Past performance is not necessarily a guide to future performance. Investors are advised to see Risk Disclosure Document to understand the risks associated before investing in the securities markets. Actual results may differ materially from those set forth in projections. Forward-looking statements are not predictions and may be subject to change without notice.

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

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

ICICI Securities or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the companies mentioned in the report in the past twelve months.

ICICI Securities encourages independence in research report preparation and strives to minimize conflict in preparation of research report. ICICI Securities or its associates or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither ICICI Securities nor Research Analysts and their relatives have any material conflict of interest at the time of publication of this report.

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

ICICI Securities or its subsidiaries collectively or Research Analysts or their relatives do not own 1% or more of the equity securities of the Company mentioned in the report as of the last day of the month preceding the publication of the research report.

Since associates of ICICI Securities and ICICI Securities as an entity are engaged in various financial service businesses, they might have financial interests or actual/ beneficial ownership of one percent or more or other material conflict of interest in various companies including the subject company/companies mentioned in this report.

ICICI Securities may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Neither the Research Analysts nor ICICI Securities have been engaged in market making activity for the companies mentioned in the report.

We submit that no material disciplinary action has been taken on ICICI Securities by any Regulatory Authority impacting Equity Research Analysis activities.

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 ICICI Securities 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.

This report has not been prepared by ICICI Securities, Inc. However, ICICI Securities, Inc. has reviewed the report and, in so far as it includes current or historical information, it is believed to be reliable, although its accuracy and completeness cannot be guaranteed.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agrawal, Contact number: 022-40701000, E-mail Address : complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Bhavesh Soni Email address: headservicequality@icicidirect.com Contact Number: 18601231122
