

NOVEMBER 01, 2022

IPO Note

BIKAJI FOODS INTERNATIONAL LIMITED**NOT RATED**

(Note: All the information in this note is taken from RHP)

Offer Details

(For private circulation only)

Details of The offer

Particulars	Details
Price band (Rs/share)	Rs.285 /- to Rs. 300/- per equity share
Opening date of the Issue	Thursday, Nov 3rd, 2022
Closing date of the issue	Monday, Nov 7th, 2022
No. of shares pre-issue	249,509,880
Fresh Issue *	0
Offer for sale *	29,373,984
No. of shares post-issue *	249,509,880
Issue size (Rs Cr) *	881
Face Value (Rs/ share)	Rs.1/- per share.
Bid Lot	50 equity shares & multiple of 50 equity shares thereafter
Book Building	
QIBs (Including Anchor)	50%
Non-Institutional	15%
Retail	35%
Lead managers	JM Financial, IIFL securities Intensive Fiscal & Kotak Mahindra Capital
Registrar to the issue	Link Intime India Pvt. Ltd.
Listing	BSE & NSE.

Source: Company & Company RHP, * Based on upper price band

Capital Structure

Holder	No of Shares (Lakh)	% Held
Shiv Ratan Agarwal	88,243,200	35.37
Shiv Ratan Agarwal (HUF)	61,202,520	24.53
Deepak Agarwal	41,405,880	16.59
Sushila Devi Agarwal	3,624,300	1.45
Pre offer Promoter & Promoter group shares	194,475,900	77.94
India 2020 Maharaja, Limited	18,166,450	7.28
Lighthouse India Fund III, Limited	6,742,070	2.70
IIFL Special Opportunities Fund	18,341,050	7.35
Others	15,408,710	6.18
Total	249,509,880	100.00
Offer for sale	29,373,984	11.77
No of shares sold by Promoters	5,000,000	2.00
Fresh Issue	0	
Post offer no of shares	249,509,880	100.00
Post offer Promote & Promoter group shares	189,475,900	75.94

Source: Company's RHP

Objects of the issue

- The object of the Offer for Sale is to allow the Selling Shareholders to sell up to such number of Equity Shares held by them aggregating up to ~Rs 881 crores. The Company will not receive any proceeds from the Offer for Sale.
- In addition, the company expect to achieve the benefit of listing of its Equity Shares on the Stock Exchanges.
- The proposed listing is expected to enhance the visibility and brand image.

Amit Agarwal, CFA
Agarwal.amit@kotak.com
+91 22 6218 6439

Selling shareholder details

Shareholder	*No of shares	% of OFS	Amount in crores
Shiv Ratan Agarwal	2,500,000	8.51	75.00
Deepak Agarwal	2,500,000	8.51	75.00
The Promoter Selling Shareholder:	5,000,000	17.02	150.00
India 2020 Maharaja, Ltd	12,110,967	41.23	363.33
Intensive Softshare Pvt Ltd	50,000	0.17	1.50
IIFL Special Opportunities Fund	10,997,352	37.44	329.92
Avendus Future Leaders Fund I	1,215,665	4.14	36.47
Non Promoter Selling Shareholders:	24,373,984	82.98	731.22
TOTAL	29,373,984	100.00	881.22

Source: Company & Company RHP, * Based on upper price band

About the Company

Bikaji Foods International Ltd (“Bikaji”) is the 3rd largest ethnic snacks company in India with an international footprint, selling Indian snacks and sweets, and is the 2nd fastest growing company in the Indian organised snacks market. In FY22, they were largest manufacturer of Bikaneri bhujia with annual production of 29,380 tonnes, and they were the 2nd largest manufacturer of handmade papad with an annual production capacity of 9,000 tonnes in Fiscal 2022. They are also the 3rd largest player in the organised sweets market with annual capacity of 24,000 tonnes for packaged rasgulla, 23,040 tonnes for soan papdi and 12,000 tonnes for gulab jamun.

Bikaji has given a novel twist to classic Indian snacks with a contemporary taste along with maintaining the regional flavours to address the evolving consumer preferences in India and internationally. Their history and lineage traces back to Gangabishan Agarwal, founder of Haldiram brand. His grandson, Shiv Ratan Agarwal, the founder and one of the company promoters, continued his legacy and developed extensive experience in the Indian ethnic snacks industry. Shiv Ratan Agarwal launched the Bikaji brand in the year 1993 with an in-depth understanding of Indian tastes and preferences. They have over the years established market leadership in the ethnic snacks market in their core states of Rajasthan, Assam and Bihar with extensive reach, and have gradually expanded their footprint across India, with operations across 23 states and 4 union territories as of June 30, 2022. In the 3 months ended June 30, 2022, they have exported their products to 21 international countries, including countries in North America, Europe, Middle East, Africa, and Asia Pacific, representing 3.20% of their sales of food products in such period.

Company’s product range includes 6 principal categories: bhujia, Namkeen, packaged sweets, papad, western snacks as well as other snacks which primarily includes gift packs (assortment), frozen food, mathri range and cookies. In the 3 months ended June 30, 2022, they sold more than 300 products under the Bikaji brand.

Product mix (Rs in crs)

Category	CAGR		Q1FY23	Q1FY22	FY22	FY21	FY20
	FY20-22	No of products					
Bhujia	26.87%	14	145.85	136.66	560.14	464.11	348
Namkeen	19.17%	66	163.35	124.44	570.48	480.57	401.69
Packaged Sweets	25.21%	43	31.54	23.68	203.47	160.58	129.78
Papad	14.24%	8	29.06	22.44	107.33	91.41	82.24
Western snacks	28.02%	32	36.04	15.09	91.99	65.77	56.13
Other snacks	10.54%	144	5.61	6.18	40.4	29.56	33.06
Others	15.69%	0	5.45	3.59	28.49	14.91	21.28
Total	22.25%	307	416.89	332.07	1602.29	1,306.91	1,072.18

Source: Company's RHP

This reflects the strength of their brand as a planned purchase product while most of their competition in the packaged snacks industry in India has significantly higher contribution from small packs that primarily cater to the impulse purchase market. They also cater to the on-the-go (impulse) consumption market through their product packs available at established price points of Rs 5 and Rs 10.

Over the years, Bikaji has developed a large Pan-India distribution network. As of June 30, 2022, they had 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors that work with their super-stockists, located across 23 states and 4 union territories in India. In their core markets of Rajasthan, Assam and Bihar, they have established deep penetration in Fiscal 2022 and enjoys approximately 45%, 58% and 29% respectively, of the market share of total organized Indian ethnic snack category in such states. Company's Pan-India distribution network and well-established brand has enabled them to effectively and cost efficiently increase market penetration and expand their footprint across India. Company's leading position, strength of the Bikaji brand, their Pan-India distribution network and logistics arrangements have further consolidated their position leading to significant business growth and consistent financial performance.

Bikaji has 7 operational manufacturing facilities that are operated by them, with 4 facilities located in Bikaner (Rajasthan), 1 in Guwahati (Assam), 1 facility in Tumakuru (Tumkur) (Karnataka) held through their subsidiary Petunt Food Processors Pvt Ltd to cater to the southern markets in India and 1 facility in Muzaffarpur (Bihar) held through the other subsidiary Vindhyawasini Sales Pvt Ltd to cater to their core market of Bihar, respectively.

Competitive Strengths

Well-established brand with Pan-India recognition

Bikaji sell all their products under their well-established brand “Bikaji” focusing on a diverse range of quality products, authentic ethnic Indian taste, innovative packaging, and effective pricing strategies covering all key price points. They are among the Top-3 Indian ethnic snack manufacturers in India.

A significant part of their sale of food products is derived from sales of family packs (i.e., SKUs priced above Rs 10), which accounted for 59.76%, 62.64%, 60.57%, 58.43% and 53.64% of their sale of food products in Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021, and June 30, 2022 respectively. They have strategically undertaken brand-building initiatives to increase brand recall through prudent use of resources and increasing branding and marketing expenses as they grow their business. The advertisement expenses represented 3.43%, 2.34%, 1.82%, 0.45% and 0.34% of their sales of food products in Fiscal 2020, 2021, 2022 and in the 3 months ended June 30, 2021, and June 30, 2022 respectively.

Diversified product portfolio focused on various consumer segments and markets

Company’s understanding of the Indian taste palate complements their product development capabilities, which has allowed them to develop a comprehensive portfolio of a variety of Indian snack foods and sweets. As of June 30, 2022, their diversified product portfolio included more than 300 products across all their product segments. They have launched packages of various sizes for their products.

The company generally maintain a consistent product pipeline at their manufacturing facilities and their relationship with the raw ingredient suppliers enable them to ensure that their manufacturing facilities operate efficiently. They have entered the frozen foods segment particularly frozen sweets and snacks, which are fast-growing segments in packaged foods. They are in the process of setting up a facility in Bikaner to manufacture frozen products.

Product Portfolio for Bikaji (as on June 30th, 2022)



Source: Company RHP

Strategically located, large scale sophisticated manufacturing facilities with stringent quality standards

Company's existing manufacturing facilities are built for large scale operations and are strategically located in proximity to (i) their key raw ingredient supplies; and (ii) improve their distribution and supply of finished products, which results in reduced freight and logistics related time and cost.

Company's facilities in Bikaner are located with easy access to cow milk, dew bean (moth dal) and moong dal, which are primary ingredients for their bhujia, sweets and namkeen products. Their manufacturing facility in Guwahati (Assam) commissioned recently on January 14, 2022 with capacity to produce namkeen and western snacks is strategically located in their core market. They own 1 facility at Tumakuru (Karnataka) held through their subsidiary Petunt Food Processors Pvt Ltd to cater to the southern markets in India and the other facility at Muzaffarpur (Bihar) held through Vindhyawasini Sales Pvt Ltd to cater to their core market of Bihar which was commissioned on March 31, 2022. They also have a contract manufacturing unit in Kolkata and 2 contract manufacturing facility located at Bikaner and at Kanpur. In addition, they have 1 small facility in Mumbai to manage their Mumbai restaurant sales.

Products manufactured at the various existing manufacturing facilities

Location	Bhujia	Namkeen	Papad	Western Snacks	Packaged Sweets
Owned (1)					
Karni, Bikaner	Yes	Yes	Yes	Yes	Yes
Bichhwal, Bikaner - I	-	-	Yes	-	Yes
Bichhwal, Bikaner - II	-	Yes	-	Yes	-
Bichhwal, Bikaner - III	-	-	-	-	-
Tumakuru (Tumkur), Karnataka (2)	-	Yes	-	Yes	-
Guwahati, Assam(3)	-	Yes	-	Yes	-
Muzaffarpur (Bihar)(4)	-	Yes	-	Yes	-
Contract manufacturing facility					
Kolkata, West Bengal(5)	-	-	-	Yes	-
Bikaner(6)	-	-	-	Yes	-
Kanpur, Uttar Pradesh(7)	-	Yes	-	Yes	-

Source: Company RHP

Extensive Pan-India and global distribution network, arrangements with reputed retail chains and growing ecommerce and exports channel

Bikaji sell their products primarily through general trade, modern trade, and e-commerce platform, as well as exports. As of June 30, 2022, Bikaji had 6 depots, 38 super-stockists, 416 direct and 1,956 indirect distributors that work with their super-stockists, located across 23 states and 4 union territories in India. Bikaji has entered into arrangements with various modern retail channels including supermarkets, hypermarkets and retail store chains either directly or through super-stockists. Within India, they have entered into arrangements with multiple retail chains. E-commerce platform channels include listing of their products on various large popular ecommerce platforms, distribution start-ups as well as their own ecommerce platform, www.bikaji.com.

Channel-wise sales of food products (Rs in crs)

Category	CAGR					
	FY20-22	Q1FY23	Q1FY22	FY22	FY21	FY20
General Trade	21.79%	356.25	295.44	1358.19	1128.8	925.62
Modern Trade	23.95%	23.76	12.03	110.06	77.64	71.64
Exports	17.69%	13.35	16.59	63.75	66.46	46.02
E-commerce Platform	150.37%	3.42	3.45	18.68	10.21	2.98
Others	19.86%	20.12	4.56	51.61	23.8	35.92
Total	22.25%	416.89	332.07	1602.29	1306.91	1072.18

Source: Company's RHP

Consistent financial performance

Despite the price of palm oil increasing significantly in Fiscal 2022 and increase in inflation resulting an increase in raw material prices in the 3 months ended June 30, 2022, they have managed to maintain consistent EBITDA margins by passing on the increase in raw ingredients cost to their consumers. The sales of food products had grown at a CAGR of 22.25% from Rs 1,072.18 crore in Fiscal 2020 to Rs 1,602.29 crore in Fiscal 2022 and was Rs 332.07 crore and Rs 416.89 crore in the 3 months ended June 30, 2021 and June 30, 2022 despite the impact of the COVID- 19 pandemic since the beginning of Fiscal 2021.

Experienced Promoters and Management Team

Company's founder and Promoter, Shiv Ratan Agarwal has more than 3 decades of experience in this industry. The Managing Director and Promoter, Deepak Agarwal, has been instrumental in managing their rapidly expanding operations, implementing strategic marketing and business initiatives, and focusing on financial performance. They are also supported by several marquee investors including Avendus, Axis Asset Management, Lighthouse Funds, IIFL Asset Management and Intensive Softshare. The Board of Directors also includes individuals who carry wide industry experience across sectors with significant business expertise in consumer, legal, sales and marketing and finance matters. They have a well-qualified senior management team with extensive experience in the consumer goods and food and beverages industry.

Strategies

Implement distinctive growth strategies for the core markets, focus markets and other markets

The core markets, focus markets and other markets requires different inputs and support and as such Bikaji intends to implement differentiated strategic priorities for the respective geographies:

A) Core market strategic intervention

Company's core markets are Rajasthan, Assam and Bihar where in Fiscal 2022, they enjoyed a market share of approximately 45%, 58% and 29% respectively. They will continue to invest into these markets to further consolidate their leading position in these states. Bikaji would continue to leverage wholesale distributors and hawkers' channel, which are 2 critical and important business channels in these core markets.

B) Drive growth in focus markets leveraging existing and proposed facilities

The focus markets are states identified basis the proximity of markets and opportunity to expand in the size of the products they offer.

C) Expansion into other markets

In such other markets, as seeding operations, Bikaji intends to build the experienced super-stockists distribution network with exposure of same categories to leverage their distribution strength in the respective markets. In these other markets, they intend to focus on large cities and driving their popular products.

Establish strategically located new manufacturing facilities to pursue growth in the focus and other Markets

In order to support their growth strategy in their focus and other markets, they also intend to operationalize 2 additional manufacturing facilities, of which one in Rajasthan will be operated by them and will manufacture their frozen snacks and sweets products, and for the remaining manufacturing facilities in Bihar, they have entered into contract manufacturing agreements for the manufacture of Namkeen and western snacks, which are expected to commence commercial operations over the next 2 years.

Continue to use advanced technology to further optimize the operations

Bikaji continues to make significant investment to support their super-stockists and distributors and further scale their distribution network which includes additional cities, towns and rural areas that increase market penetration across India. They have recently commenced work for implementation of their distribution management system, and various measures to achieve operational technology and storage excellence. They are in the process of implementing an automated storage retrieval system to optimize floor space in their warehouses and streamline the goods movement.

Further strengthen the brand

Bikaji has consistently allocated significant resources to establish and strengthen the Bikaji brand and consciously developed their product portfolio under the Bikaji brand, allowing customers to associate with one brand. Going forward, they intend to roll out special programmes and enter arrangements

with their “category top end stores”. They intend to increase the visibility of their products in other states with their current branding efforts.

Competition

Bikaji faces intense competition in the Indian snack food market, from various domestic and multinational companies in India. They have a very diverse portfolio of traditional Indian snacks catered for the varying tastes and preferences of Indians across the globe. Some of the key competitors include Haldiram Foods International Pvt Ltd, Bikanerwala, Prataap Snacks Ltd, Balaji Wafers Pvt Ltd, ITC, PepsiCo India Holdings Pvt Ltd and DFM Foods Ltd.

Key Risk Factors

- Bikaji is significantly dependent on the sale of bhujia products. They are also dependent on the sale of family pack stock keeping units (“SKUs”) for revenues.
- The current and continuing impact of the COVID-19 pandemic on the business and operations, including its impact on the ability or desire of consumers to purchase Bikaji products, may have an adverse effect on the business prospects and future financial performance.
- Bikaji derive a significant portion of its revenues from core markets of Rajasthan, Assam and Bihar. Any adverse developments in these regions could have an adverse impact on the business, financial condition and results of operations.
- A portion of Bikaji’s revenue is dependent on the exports to international customers. Any decline in our revenue from exports or an inability to comply with or otherwise fulfil the requirements of 53 international distributors, end retailers or consumers may adversely affect the revenues, result of operations and financial condition.
- Company, Subsidiaries, Promoters, Directors and Group Companies are or may be involved in certain legal and regulatory proceedings.
- Grants of stock options under the employee stock option plans may result in a charge to the profit and loss account and will, to that extent, reduce Bikaji’s profits.
- Concerns over obesity or nutritional values of the products may reduce demand for some of Bikaji’s products.
- Business of Bikaji is subject to seasonality.

Financials

Profit/Loss account in Rs Crores

	FY20	FY21	FY22	Q1FY22	Q1FY23
Revenue:					
Revenue from operations	1,074.55	1,310.75	1,610.96	334.05	419.16
Other income	8.35	11.46	10.49	3.02	4.67
Total income	1,082.90	1,322.21	1,621.45	337.08	423.82
Expenses:					
Cost of materials consumed	720.84	909.26	1,136.04	250.36	310.31
Purchase of stock-in-trade	22.74	31.16	43.07	8.21	13.22
Changes in inventories	1.34	-3.52	-8.82	-9.91	-6.54
Employee benefits expense	64.61	69.88	90.07	19.91	23.79
Depreciation, amortisation and impairment	34.20	33.12	38.33	8.88	11.07
Finance costs	5.11	3.00	6.69	1.75	2.60
Other expenses	170.42	159.21	211.06	39.50	47.58
Total expenses	1,019.26	1,202.10	1,516.44	318.69	402.03
Profit before tax	63.64	120.11	105.01	18.38	21.79
Tax expense:					
Current tax	15.52	30.98	27.57	5.22	6.40
Deferred tax (credit) / charge	-8.25	-1.20	1.41	0.75	-0.30
Profit after tax	56.37	90.34	76.03	12.41	15.70

Source: Company RHP

Balance Sheet in Rs crores

	FY20	FY21	FY22	Q1FY22	Q1FY23
ASSETS					
Non-current assets					
Property, plant and equipment	390.40	407.12	478.93	403.37	493.66
Capital work-in-progress	2.88	36.08	49.44	43.96	48.50
Investment property	5.21	3.71	3.71	3.71	3.71
Goodwill	0.00	0.00	0.00	0.00	0.14
Intangible assets	1.49	1.90	1.16	1.80	1.15
Right-of-use asset	9.68	9.85	26.99	29.11	34.12
Financial assets					
Investment	36.50	68.80	126.35	85.06	128.73
Loans	0.00	0.00	13.81	0.00	14.74
Other financial assets	4.96	17.05	28.13	14.63	15.48
Other assets	16.03	33.72	24.37	35.81	31.54
Income tax assets (net)	6.88	3.14	6.72	3.18	6.80
Total non-current assets	474.04	581.36	759.61	620.61	778.57
Current assets					
Inventories	36.49	56.77	72.89	62.17	79.48
Financial assets					
Loans	6.01	1.22	1.32	4.54	1.35
Trade receivables	41.71	47.31	73.31	48.40	70.40
Cash and cash equivalents	4.41	1.76	2.51	2.67	5.49
Bank balances other than cash and cash equivalents	83.87	85.65	87.69	88.10	93.20
Other financial assets	21.21	20.01	79.08	19.35	87.76
Other assets	8.90	23.07	25.73	26.12	30.04
Total current assets	202.61	235.79	342.52	251.35	367.71
TOTAL ASSETS	676.64	817.15	1,102.13	871.96	1,146.28
EQUITY & LIABILITIES					
Equity					
Equity share capital	24.31	24.31	24.95	24.31	24.95
Other equity	504.86	581.36	795.80	595.73	811.34
Total equity attributable to shareholders	529.17	605.67	820.75	620.04	836.29
Non-controlling interest	0.00	1.84	-0.07	1.32	-0.60
Total equity	529.17	607.51	820.68	621.36	835.69
Non-current liabilities					
Financial liabilities					
Borrowings	16.90	14.21	41.05	14.93	52.22
Lease liabilities	0.46	0.83	15.87	16.94	18.07
Provisions	4.06	1.92	0.14	0.62	0.15
Deferred tax liabilities (net)	33.48	29.32	32.75	30.57	31.54
Other liabilities	0.00	1.25	1.42	1.59	1.35
Total non-current liabilities	54.91	47.53	91.22	64.65	103.32
Current liabilities					
Financial liabilities					
Borrowings	35.40	71.95	100.17	86.20	104.18
Lease liabilities	1.19	0.45	2.65	2.92	3.57
Trade payables					
Micro enterprises and small Enterprise	1.21	5.11	8.67	8.96	7.74
Others	13.09	37.36	34.14	42.59	44.16
Other financial liabilities	27.75	23.20	26.70	18.25	24.83
Other liabilities	11.19	11.18	15.15	17.98	17.98
Provisions	2.74	2.90	2.74	3.69	3.06
Current tax Liabilities (net)	0.00	9.97	0.00	5.36	1.75
Total current liabilities	92.57	162.11	190.22	185.95	207.27
Total liabilities	147.47	209.64	281.45	250.59	310.59
TOTAL EQUITY & LIABILITIES	676.64	817.15	1,102.13	871.96	1,146.28

Source: Company RHP

Cash flow statement in Rs Crores

Particulars	FY20	FY21	FY22	Q1FY22	Q1FY23
Net cash generated from operating activities	60.67	117.19	57.48	25.92	37.51
Net cash generated from investing activities	(63.53)	(114.08)	(231.62)	(33.74)	(29.07)
Net cash generated from financing activities	(31.46)	(9.06)	168.81	6.97	(1.69)
Net increase/(decrease) in cash and cash equivalent	(34.32)	(5.95)	(5.33)	(0.84)	6.75
Cash at the beginning of the year	17.24	(17.07)	(22.93)	(22.93)	(28.26)
Cash and cash equivalent at end of the year	(17.1)	(23.0)	(28.3)	(23.8)	(21.5)

Source: Company RHP

RATING SCALE (PRIVATE CLIENT GROUP)

Definitions of ratings

BUY	–	We expect the stock to deliver more than 15% returns over the next 12 months
ADD	–	We expect the stock to deliver 5% - 15% returns over the next 12 months
REDUCE	–	We expect the stock to deliver -5% - +5% returns over the next 12 months
SELL	–	We expect the stock to deliver < -5% returns over the next 12 months
NR	–	Not Rated. Kotak Securities is not assigning any rating or price target to the stock. The report has been prepared for information purposes only.
SUBSCRIBE	–	We advise investor to subscribe to the IPO.
RS	–	Rating Suspended. Kotak Securities has suspended the investment rating and price target for this stock, either because there is not a sufficient fundamental basis for determining, or there are legal, regulatory or policy constraints around publishing, an investment rating or target. The previous investment rating and price target, if any, are no longer in effect for this stock and should not be relied upon.
NA	–	Not Available or Not Applicable. The information is not available for display or is not applicable
NM	–	Not Meaningful. The information is not meaningful and is therefore excluded.
NOTE	–	Our target prices are with a 12-month perspective. Returns stated in the rating scale are our internal benchmark.

FUNDAMENTAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan Head of Research shrikant.chouhan@kotak.com +91 22 6218 5408	Arun Agarwal Auto & Auto Ancillary arun.agarwal@kotak.com +91 22 6218 6443	Amit Agarwal, CFA Transportation, Paints, FMCG agarwal.amit@kotak.com +91 22 6218 6439	Hemali Dhame Banking & Finance hemali.dhame@kotak.com +91 22 6218 6433
Jatin Damania Metals & Mining, Midcap jatin.damania@kotak.com +91 22 6218 6440	Purvi Shah Pharmaceuticals purvi.shah@kotak.com +91 22 6218 6432	Rini Mehta Research Associate rini.mehta@kotak.com +91 22 6218 6433	K. Kathirvelu Support Executive k.kathirvelu@kotak.com +91 22 6218 6427
Sumit Pokharna Oil and Gas, Information Tech sumit.pokharna@kotak.com +91 22 6218 6438	Pankaj Kumar Construction, Capital Goods & Midcaps pankajr.kumar@kotak.com +91 22 6218 6434		

TECHNICAL RESEARCH TEAM (PRIVATE CLIENT GROUP)

Shrikant Chouhan shrikant.chouhan@kotak.com +91 22 6218 5408	Amol Athawale amol.athawale@kotak.com +91 20 6620 3350	Sayed Haider Research Associate sayed.haider@kotak.com +91 22 62185498
---	---	--

DERIVATIVES RESEARCH TEAM (PRIVATE CLIENT GROUP)

Sahaj Agrawal sahaj.agrawal@kotak.com +91 79 6607 2231	Prashanth Lalu prashanth.lalu@kotak.com +91 22 6218 5497	Prasenjit Biswas, CMT, CFTE prasenjit.biswas@kotak.com +91 33 6615 6273	Karan Kulkarni karan.kulkarni@kotak.com +91 20 6608 3292
---	---	--	---

Disclosure/Disclaimer (Private Client Group)

Kotak Securities Limited established in 1994, is a subsidiary of Kotak Mahindra Bank Limited. Kotak Securities is one of India's largest brokerage and distribution house. Kotak Securities Limited is a corporate trading and clearing member of BSE Limited (BSE), National Stock Exchange of India Limited (NSE), Metropolitan Stock Exchange of India Limited (MSE), National Commodity and Derivatives Exchange (NCDEX) and Multi Commodity Exchange (MCX). Our businesses include stock broking, services rendered in connection with distribution of primary market issues and financial products like mutual funds and fixed deposits, depository services and Portfolio Management.

Kotak Securities Limited is also a depository participant with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Kotak Securities Limited is also registered with Insurance Regulatory and Development Authority as Corporate Agent for Kotak Mahindra Old Mutual Life Insurance Limited and is also a Mutual Fund Advisor registered with Association of Mutual Funds in India (AMFI). We are registered as a Research Analyst under SEBI (Research Analyst) Regulations, 2014.

We hereby declare that our activities were neither suspended nor we have defaulted with any stock exchange authority with whom we are registered in last five years. However SEBI, Exchanges and Depositories have conducted the routine inspection and based on their observations have issued advise/warning/deficiency letters/ or levied minor penalty on KSL for certain operational deviations. We have not been debarred from doing business by any Stock Exchange / SEBI or any other authorities; nor has our certificate of registration been cancelled by SEBI at any point of time.

We offer our research services to clients as well as our prospects.

This document is not for public distribution and has been furnished to you solely for your information and must not be reproduced or redistributed to any other person. Persons into whose possession this document may come are required to observe these restrictions.

This material is for the personal information of the authorized recipient, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. It is for the general information of clients of Kotak Securities Ltd. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients.

We have reviewed the report, and in so far as it includes current or historical information, it is believed to be reliable though its accuracy or completeness cannot be guaranteed. Neither Kotak Securities Limited, nor any person connected with it, accepts any liability arising from the use of this document. The recipients of this material should rely on their own investigations and take their own professional advice. Price and value of the investments referred to in this material may go up or down. Past performance is not a guide for future performance. Certain transactions - including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. Reports based on technical analysis centers on studying charts of a stock's price movement and trading volume, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals.

Opinions expressed are our current opinions as of the date appearing on this material only. While we endeavor to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance or other reasons that prevent us from doing so. Prospective investors and others are cautioned that any forward-looking statements are not predictions and may be subject to change without notice. Our proprietary trading and investment businesses may make investment decisions that are inconsistent with the recommendations expressed herein.

Kotak Securities Limited has two independent equity research groups: Institutional Equities and Private Client Group. This report has been prepared by the Private Client Group.

We and our affiliates/associates, officers, directors, and employees, Research Analysts (including relatives) worldwide may: (a) from time to time, have long or short positions in, and buy or sell the securities thereof, of company (ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage and other compensation or act as a market maker in the financial instruments of the subject company/company (ies) discussed herein or act as advisor or lender / borrower to such company (ies) or have other potential/material conflict of interest with respect to any recommendation and related information and opinions at the time of publication of Research Report or at the time of public appearance. Kotak Securities Limited (KSL) may have proprietary long/short position in the above mentioned scrip(s) and therefore may be considered as interested. The views provided herein are general in nature and does not consider risk appetite or investment objective of particular investor; readers are requested to take independent professional advice before investing. This should not be construed as invitation or solicitation to do business with KSL. Kotak Securities Limited is also a Portfolio Manager. Portfolio Management Team (PMS) takes its investment decisions independent of the PCG research and accordingly PMS may have positions contrary to the PCG research recommendation. Kotak Securities Limited does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and take professional advice before investing.

The analyst for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

No part of this material may be duplicated in any form and/or redistributed without Kotak Securities' prior written consent.

Details of Associates are available on www.kotak.com

1. "Note that the research analysts contributing to the research report may not be registered/qualified as research analysts with FINRA; and
2. Such research analysts may not be associated persons of Kotak Mahindra Inc and therefore, may not be subject to NASD Rule 2711 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account

Any U.S. recipients of the research who wish to effect transactions in any security covered by the report should do so with or through Kotak Mahindra Inc. (Member FINRA/SIPC) and (ii) any transactions in the securities covered by the research by U.S. recipients must be effected only through Kotak Mahindra Inc. (Member FINRA/SIPC) at 369 Lexington Avenue 28th Floor NY NY 10017 USA (Tel:+1 212-600-8850).

Kotak Securities Limited and its non US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non US issuers, prior to or immediately following its publication. This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction where such an offer or solicitation would be illegal. This research report and its respective contents do not constitute an offer or invitation to purchase or subscribe for any securities or solicitation of any investments or investment services. Accordingly, any brokerage and investment services including the products and services described are not available to or intended for Canadian persons or US persons."

Research Analyst has served as an officer, director or employee of subject company(ies): No

We or our associates may have received compensation from the subject company(ies) in the past 12 months.

We or our associates have managed or co-managed public offering of securities for the subject company(ies) in the past 12 months: No

We or our associates may have received compensation for investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months. We or our associates may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report. Our associates may have financial interest in the subject company(ies).

Research Analyst or his/her relative's financial interest in the subject company(ies): No

Kotak Securities Limited has financial interest in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

"However, Kotak Securities Prop/Arbitrage team could have exposure/financial interest to the subject company/companies during the ongoing month."

Nature of financial interest is holding of equity shares or derivatives of the subject company.

Our associates may have actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.

Research Analyst or his/her relatives has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No.

Kotak Securities Limited has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No

By referring to any particular sector, Kotak Securities Limited does not provide any promise or assurance of favourable view for a particular industry or sector or business group in any manner. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and take professional advice before investing. Such representations are not indicative of future results.

Subject company(ies) may have been client during twelve months preceding the date of distribution of the research report.

"A graph of daily closing prices of securities is available at <https://www.nseindia.com/ChartApp/install/charts/mainpage.jsp>

and <http://economicstimes.indiatimes.com/markets/stocks/stock-quotes>. (Choose a company from the list on the browser and select the "three years" icon in the price chart)."

Our research should not be considered as an advertisement or advice, professional or otherwise. The investor is requested to take into consideration all the risk factors including their financial condition, suitability to risk return profile and the like and take professional advice before investing. Investments in securities market are subject to market risks, read all the related documents carefully before investing. Derivatives are a sophisticated investment device. The investor is requested to take into consideration all the risk factors before actually trading in derivative contracts.

Kotak Securities Limited is a Syndicate member for the public issue of BIKAJI FOODS INTERNATIONAL LIMITED. Compliance Officer Details: Mr. Sanjayu Nair. Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com.

Kotak Securities Limited. Registered Office: 27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051. CIN: U99999MH1994PLC134051, Telephone No.: +22 43360000, Fax No.: +22 67132430. Website: www.kotak.com / www.kotaksecurities.com. Correspondence Address: Infinity IT Park, Bldg. No 21, Opp. Film City Road, A K Vaidya Marg, Malad (East), Mumbai 400097. Telephone No: 42856825. SEBI Registration No: INZ000200137(Member of NSE, BSE, MSE, MCX & NCDEX) , AMFI ARN 0164, PMS INP00000258 and Research Analyst INH000000586. NSDL/CDSL: IN-DP-629-2021. Compliance Officer Details: Mr. Sanjayu Nair Call: 022 - 4285 8484, or Email: ks.compliance@kotak.com

Details of	Contact Person	Address	Contact No.	Email Id
Customer care/ Client Servicing	Mr. Tabrez Anwar	Kotak Securities Ltd., 2nd Floor, Neptune Elements, Road No 22, Wagle Industrial Estate, Kisan Nagar, Thane (West), Thane. Maharashtra, 400604	18002099191/ 18002099393	service.securities@kotak.com ks.escalation@kotak.com
Head of Customer care/ Client Servicing	Mr. Hitesh Sindhvani	Kotak Securities Ltd., 2nd Floor, Neptune Elements, Road No 22, Wagle Industrial Estate, Kisan Nagar, Thane (West), Thane. Maharashtra, 400604	022-42858208	ks.servicehead@kotak.com
Compliance Officer	Mr. Sanjayu Nair	Kotak Towers, 8th Floor, Building No.21, Infinity Park, Off Western Express Highway, Malad (East), Mumbai, Maharashtra - 400097.	022-42858484	ks.compliance@kotak.com
CEO	Mr. Jaideep Hansraj	Kotak Towers, 8th Floor, Building No.21, Infinity Park, Off Western Express Highway, Malad (East), Mumbai, Maharashtra - 400097.	022-42858301	ceo.ks@kotak.com