



IPO OFFERING: Varun Beverages Ltd



About Company Recommendation: **Subscribe for Long Term**

Varun Beverages Limited (“**Varun Beverages**”) is a part of the RJ Corp group and the Largest Franchisee of Pepsico in the world (outside USA) of Carbonated Soft Drinks (“CSDs”) and Non-Carbonated Beverages (“NCBs”) sold under trademarks owned by PepsiCo. It has diversified business conglomerate with interests in beverages, quick-service restaurants, dairy and healthcare. The company produces and distributes a wide range of CSDs, as well as a large selection of NCBs, including Packaged Drinking Water. PepsiCo CSD brands produced and sold by the company include Pepsi, Diet Pepsi, Seven-Up, Mirinda Orange, Mirinda Lemon, Mountain Dew, Seven-Up Nimbooz Masala Soda, Seven-Up Revive and Evervess.

Price Band	: Rs 440-445
Bid Lot size	: 33 Shares per lot
Issue opens	: Wednesday, 26th October 2016
Issue Closes	: Friday, 28th October 2016
Issue Size	: Rs 1112.5 Crore
Retail Size	: 35% of the issue size (ASBA Mandatory)
Min App Amount	: Rs 14685/-

Msearch View on Valuation:

At the Price Band of 224-225, RBL shares are valued at 2.2 times price-to-book (P/B) when compared with average of small private bank which are trading 1.6 times the P/B which is bit high on valuations. While considering strong growing brand and overall banking industry rationales the stock is a "Subscribe" from a long term perspective, with possibility of some listing gains.

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