

ICICI Securities Limited
is the author and
distributor of this report

Q1FY22 results review
and TP revision

Agriculture

Target price Rs639

Earnings revision

(%)	FY22E	FY23E
Sales	↑ 0.9	↑ 1.9
EBITDA	↓ 8.2	↓ 6.8
EPS	↓ 8.0	↓ 6.8

Target price revision

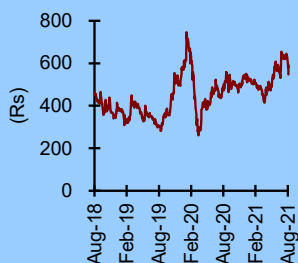
Rs639 from Rs650

Shareholding pattern

	Dec '20	Mar '21	Jun '21
Promoters	43.7	43.7	43.7
Institutional investors	20.9	20.8	21.9
MFs and others	3.3	3.0	4.3
Banks, FIs	0.0	0.0	0.0
FIs	17.6	17.8	17.6
Others	35.4	35.5	34.4

Source: BSE

Price chart



INDIA

Avanti Feeds

BUY

Maintained

Rs547

Higher input prices hurt margins

Takeaways from Q1FY22 result: (1) It reported revenue growth of 47.5% YoY, driven by strong growth of 59% in its feed business, (2) its processed shrimp business declined 5.2% YoY, due to lower volume off-take and (3) Inflationary pressures in input prices impacted profitability. We expect some impact on profitability as the company announced recall of some products due to potential contamination. While HoReCa segment remained impacted during the quarter, we believe it to return to normalcy with economy opening up and large vaccination drives. We believe Avanti will be a net beneficiary of RoDTEP scheme and model Avanti to report PAT CAGR of 16.1% over FY21-23 and maintain BUY rating with target price of Rs639 (18x FY23E; Earlier TP-Rs650).

- **Q1FY22 results:** Avanti reported revenue growth of 47.5% YoY (two year CAGR: 13.5%). However, EBITDA and PAT declined 26.6% and 28% YoY, respectively. Inflationary pressures in input prices led to 771bps decline in Gross margin. It reported EBITDA and PAT margin of 6.7% and 5.7%, respectively.
- **Segment Performance:** While Shrimp feed registered strong growth of 59%, processed shrimp business declined 5.2% YoY, in Q1FY22. It reported Rs40.5mn revenues in its new Shrimp Hatchery segment. Operating margins contracted 600bps and 960bps YoY in shrimp feed and processed shrimp, respectively. Its power business grew 13% YoY.
- **RoDTEP benefits:** Avanti's profitability was impacted due to closure of MeIS scheme. Recommencement of exports benefits, under RoDTEP will reduce pressure on margins. RoDTEP benefits are 2.5% (subject to a cap Rs16 per kg) and lower than MeIS benefits. The company believes the shortfall will be redistributed in shrimp value chain (farmers, feed manufacturers, exporters) over a period of time.
- **Sales to other countries:** USA contributed 75% of total shrimp exports in Q1FY22, against 88% in Q4FY21. We believe this will de-risk company's operations and add more volume growth opportunities for Avanti.
- **Maintain BUY:** We model Avanti to report revenue and PAT CAGRs of 13.5% and 16.1% over FY21-FY23 and also expect its RoE to be over >20% in the same timeframe. We maintain BUY rating with a DCF-based target price of Rs639 (implied P/E 18x FY23E EPS; Earlier TP-Rs650). Key risk: Higher than expected input inflation and lower than expected off-take of products.

Market Cap	Rs74.4bn/US\$999mn	Year to March	FY20	FY21P	FY22E	FY23E
Reuters/Bloomberg	AVNT.BO/AVNT IN	Revenue (Rs mn)	41,153	41,006	46,731	52,863
Shares Outstanding (mn)	136.2	Adj. Net Profit (Rs mn)	3,465	3,601	4,125	4,854
52-week Range (Rs)	655/414	Dil. Rec. EPS (Rs)	25.4	26.4	30.3	35.6
Free Float (%)	56.3	% Chg YoY	29.1	3.9	14.5	17.7
FII (%)	17.6	P/E (x)	21.5	20.7	18.1	15.4
Daily Volume (US\$'000)	5,527	CEPS (Rs)	28.2	29.4	33.7	39.4
Absolute Return 3m (%)	2.3	EV/EBITDA (x)	15.0	14.8	12.6	10.9
Absolute Return 12m (%)	6.9	Dividend Yield (%)	0.9	1.0	1.1	1.1
Sensex Return 3m (%)	12.3	RoCE (%)	27.6	23.1	22.6	22.2
Sensex Return 12m (%)	46.3	RoE (%)	26.3	22.7	21.5	21.4

Please refer to important disclosures at the end of this report

Research Analyst:

Aniruddha Joshi

Aniruddha.joshi@icicisecurities.com

+91 22 6637 7249

Pranjal Garg

pranjal.garg@icicisecurities.com

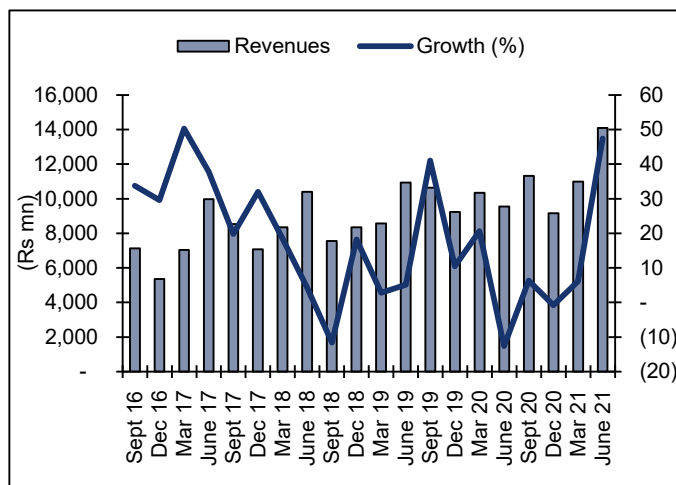
+91 22 6637 7249

Table 1: Q1FY22 financial performance*(Rs mn, year ending March 31)*

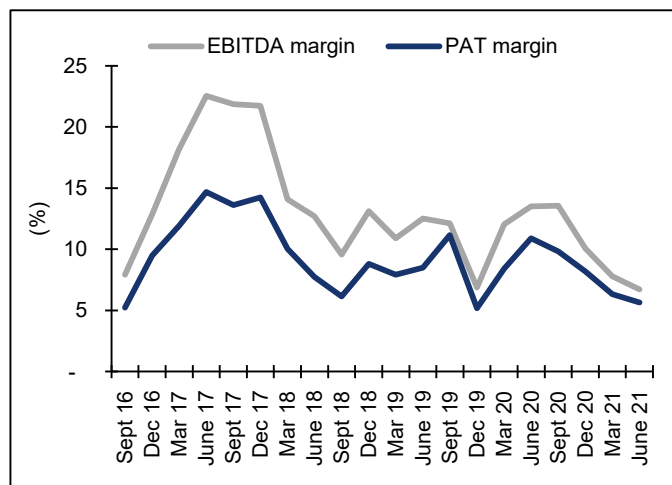
	Q1FY22	Q1FY21	YoY gr.	Q4FY21	QoQ gr.
Revenue	14,088	9,554	47.5	10,981	28.3
Expenditure					
Raw materials	11,914	7,342	62.3	8,920	33.6
% of revenue	84.6	76.9		81.2	
Employee cost	351	306	14.7	305	15.0
% of revenue	2.5	3.2		2.8	
Other expenditure	875	615	42.4	901	(2.9)
% of revenue	6.2	6.4		8.2	
Total expenditure	13,140	8,263	59.0	10,127	29.8
EBITDA	948	1,291	(26.6)	854	11.0
EBITDA margin	6.7	13.5		7.8	
Other income	213	274	(22.3)	183	16.5
PBDIT	1,161	1,565	(25.8)	1,037	11.9
Depreciation	104	94	9.9	102	1.1
PBIT	1,057	1,470	(28.1)	934	13.1
Interest	3	3	27.9	7	(54.9)
PBT	1,054	1,468	(28.2)	927	13.7
Prov for tax	221	310	(28.9)	227	(2.7)
% of PBT	20.9	21.1		24.5	
Adjusted PAT	833	1,157	(28.0)	700	19.0
Extra ordinary items	(70)	(3)	2,409.2	14	(585.5)
Minority interest	35	116		5	
Reported PAT	728	1,038	(29.9)	710	2.6

Source: Company data, I-Sec research

Key performance highlights

Chart 1: Revenues and revenue growth

Source: Company data, I-Sec research

Chart 2: EBITDA and PAT margin

Source: Company data, I-Sec research

Segmental details

Revenues (Rs mn)	June 19	Sept 19	Dec 19	Mar 20	June 20	Sept 20	Dec 20	Mar 21	June 21
Shrimp feed	9,068	8,321	6,575	7,646	7,774	8,964	6,768	8,807	12,361
Processed shrimp	1,876	2,317	2,650	2,706	1,793	2,358	2,391	2,089	1,700
Power & others	(9)	6	2	(4)	(12)	(5)	(4)	86	27
Total	10,935	10,643	9,227	10,348	9,554	11,316	9,154	10,981	14,088
Growth (%)									
Shrimp feed	-0.7%	50.7%	8.4%	15.5%	-14.3%	7.7%	2.9%	15.2%	59.0%
Processed Shrimp	47.9%	14.8%	16.0%	38.4%	-4.4%	1.8%	-9.8%	-22.8%	-5.2%
Power & others	-437.4%	-21.7%	-7.2%	-349.8%	41.1%	-189.8%	-372.5%	-2107.9%	-319.5%
Total	5.1%	41.1%	10.5%	20.7%	-12.6%	6.3%	-0.8%	6.1%	47.5%
As % of Total									
Shrimp feed	82.9%	78.2%	71.3%	73.9%	81.4%	79.2%	73.9%	80.2%	87.7%
Processed Shrimp	17.2%	21.8%	28.7%	26.2%	18.8%	20.8%	26.1%	19.0%	12.1%
Power & others	-0.1%	0.1%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.8%	0.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBIT (Rs mn)									
Shrimp feed	1,072	990	271	847	950	1,053	586	774	768
Processed Shrimp	202	198	273	305	245	382	220	(69)	70
Power & others	1	5	(1)	(1)	1	3	(1)	47	7
Total	1,276	1,193	543	1,150	1,197	1,438	805	752	844
As % of Total									
Shrimp feed	84.0%	83.0%	49.9%	73.6%	79.4%	73.2%	72.8%	102.9%	90.9%
Processed Shrimp	15.9%	16.6%	50.3%	26.5%	20.5%	26.6%	27.3%	-9.2%	8.2%
Power & others	0.1%	0.4%	-0.2%	-0.1%	0.1%	0.2%	-0.1%	6.3%	0.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBIT margin (%)									
Shrimp feed	11.8%	11.9%	4.1%	11.1%	12.2%	11.7%	8.7%	8.8%	6.2%
Processed Shrimp	10.8%	8.5%	10.3%	11.3%	13.7%	16.2%	9.2%	-3.3%	4.1%
Power & others	-13.9%	88.5%	-71.1%	34.0%	-11.0%	-49.3%	14.4%	55.1%	26.1%
Total	11.7%	11.2%	5.9%	11.1%	12.5%	12.7%	8.8%	6.8%	6.0%

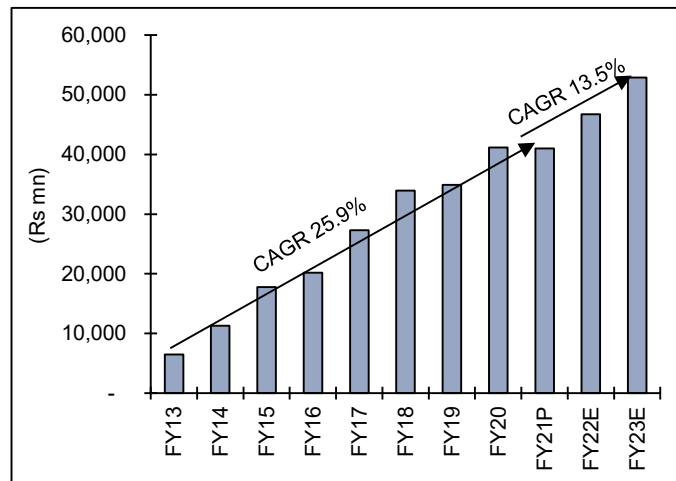
Source: Company data, I-Sec research

Key highlights from Q1FY22 result and conference call

- While the company reported revenue growth of 47.5%, its EBITDA and PAT declined 26.6% and 23.4% YoY.
- The company's profitability has taken a hit due to reduction in MeIS benefits. However, it will benefit with the new RoDTEP scheme. While MeIS benefits amounted to 5% of sales, RoDTEP will be only 2-2.5%.
- The management believes the reduction in benefits will get distributed in the value chain.
- RoDTEP benefits in Q4FY21 (Rs38.8mn) and Q1FY22 (Rs46.5mn), will be reflected in Q2FY22 results of the company.
- The company announced recall of some export containers for potential contamination.
- While the recall is open till the expiry of the products (~one year from now), it believes at maximum 25-30% of the total recall (~Rs500mn) will be received back.
- The soybean meal prices increased from Rs46/kg in Q4FY21 to Rs65/Kg in Q1FY22. It has increased further in Q2FY22.
- The company expects softening of soybean price from mid-September.
- Export volumes declined 6.1% YoY, due to lower-availability of containers.
- The management believes the production and exports of shrimp will grow 10-15% during the year.
- While the shrimp feed consumption has decreased in India, the company believes it will be back to its pre-pandemic levels.
- It guided to maintain its market share in shrimp feed at 48-50% levels.
- The company has taken few price hikes in the shrimp feed business.
- With rise in soybean prices, there is permission to import soybean meal. Thus, the company has also placed order for import of GM soybean meal. The landing costs will be in the range of Rs65-70 per kg.
- USA sales accounted for 75% of its total exports during Q1FY22, against 88% in Q4FY21.

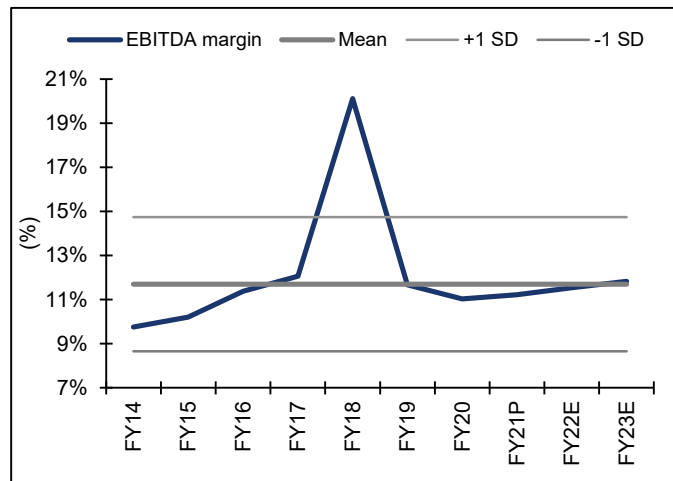
Key operational highlights – Annual (Consolidated)

Chart 3: Revenues and growth rates



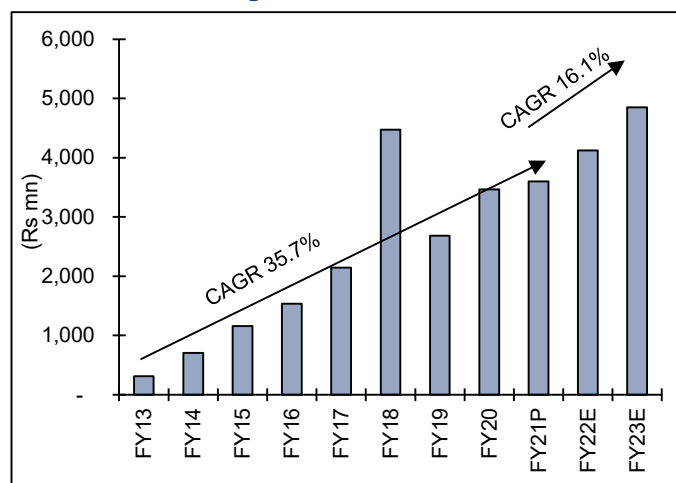
Source: Company data, I-Sec research

Chart 4: EBITDA margin



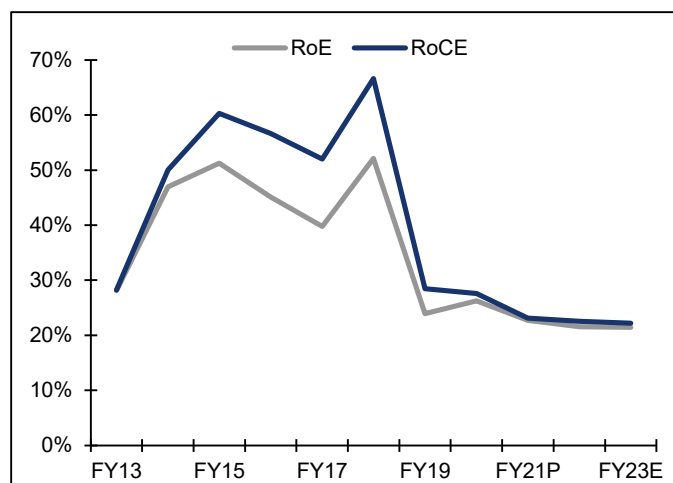
Source: Company data, I-Sec research

Chart 5: PAT and growth rates



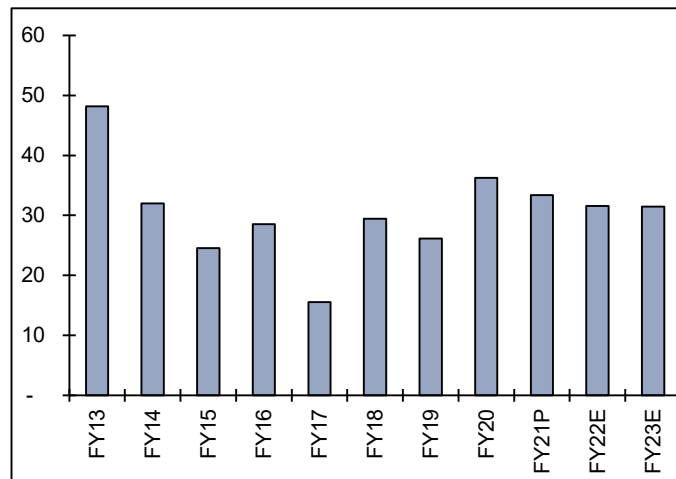
Source: Company data, I-Sec research

Chart 6: RoE & RoCE



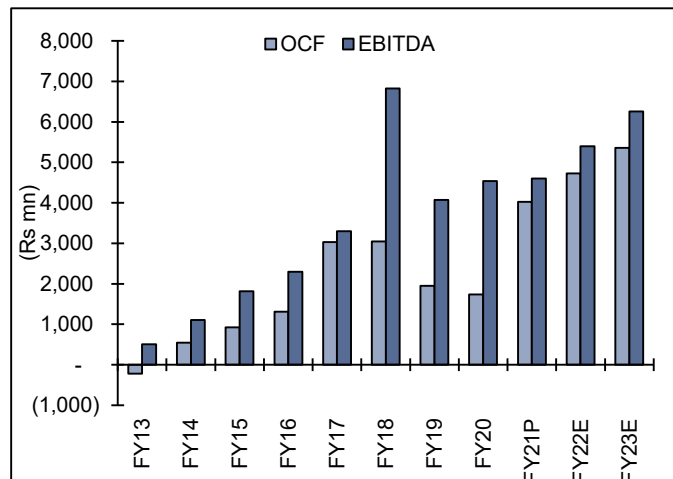
Source: Company data, I-Sec research

Chart 7: Net working capital days



Source: Company data, I-Sec research

Chart 8: OCF and EBITDA



Source: Company data, I-Sec research

Valuation and risks

We expect Avanti to report revenue and PAT CAGRs of 13.5% and 16.1% over FY21-FY23 and expect RoE to move to 21.4% in FY23 from 22.7% in FY21. We value the stock on DCF basis with a target price of Rs639 (earlier: Rs650). At the target price, the implied P/E works out to 18x on FY23E EPS.

Table 2: DCF-based valuation

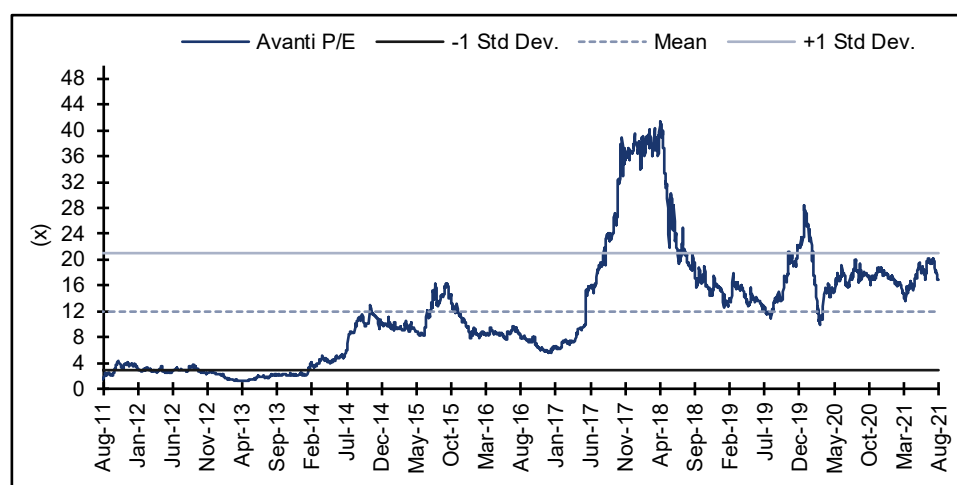
Particulars	Amt (Rs)
Cost of Equity	12.0
Terminal growth rate	4.0
Discounted interim cash flows	38,995
Discounted terminal value	48,132
Total equity value	87,127
Value per share (Rs)	639

Source: Company data, I-Sec research

Mean P/E and standard valuation

The stock has traded at an average P/E of 12x over the past ten years.

Chart 9: Mean P/E and standard deviation



Source: Company data, I-Sec research

Risks

Lower than expected offtake of value-added products

Any failure of value-added products may impact our estimates.

Sharp increase in input prices

Any major increase in commodity prices will impact our estimates.

Financial summary

Table 3: Profit & Loss statement

(Rs mn, year ending March 31)

	FY20	FY21P	FY22E	FY23E
Net Sales	41,153	41,006	46,731	52,863
Operating Expenses	36,614	36,404	41,334	46,607
EBITDA	4,539	4,601	5,397	6,255
% margins	11.0	11.2	11.5	11.8
Depreciation & Amortisation	377	409	467	521
Gross Interest	20	17	17	17
Other Income	702	926	1,186	1,446
Recurring PBT	4,844	5,101	6,098	7,163
Less: Taxes	986	1,123	1,555	1,827
Less: Minority Interest	393	377	418	483
Net Income (Reported)	3,465	3,601	4,125	4,854
Extraordinaries (Net)	(10)	(4)	-	-
Recurring Net Income	3,455	3,597	4,125	4,854

Source: Company data, I-Sec research

Table 4: Balance sheet

(Rs mn, year ending March 31)

	FY20	FY21P	FY22E	FY23E
Assets				
Total Current Assets	8,709	7,093	8,170	9,985
of which cash & cash eqv.	1,986	608	854	1,730
Total Current Liabilities & Provisions	2,634	2,733	3,271	3,700
Net Current Assets	6,075	4,359	4,899	6,285
Investments	7,123	12,718	15,718	18,718
Net Fixed Assets	2,709	2,924	3,017	2,997
Capital Work-in-Progress	259	60	-	-
Total Assets	16,165	20,063	23,635	28,000
Liabilities				
Borrowings	172	193	193	193
Deferred Tax Liability	45	(26)	(26)	(26)
Minority Interest	1,911	2,283	2,712	3,205
Equity Share Capital	136	136	136	136
Face Value per share (Rs)	10	10	10	10
Reserves & Surplus*	13,901	17,476	20,619	24,492
Less: Misc. Exp. n.w.o.	-	-	-	-
Net Worth	14,037	17,612	20,756	24,629
Total Liabilities	16,165	20,063	23,635	28,000

Source: Company data, I-Sec research

Table 5: Quarterly trend

(Rs mn, year ending March 31)

	Sept 20	Dec 20	Mar 21	June 21
Net sales	11,316	9,154	10,981	14,088
% growth (YoY)	6.3	(0.8)	6.1	47.5
EBITDA	1,534	922	854	948
Margin (%)	13.6	10.1	7.8	6.7
Other income	187	282	183	213
Extraordinaries (Net)	2	(16)	14	(70)
Adjusted Net profit	1,115	734	710	728

Source: Company data, I-Sec research

Table 6: Cashflow statement

(Rs mn, year ending March 31)

	FY20	FY21P	FY22E	FY23E
Operating Cashflow	4,045	3,684	5,020	5,867
Working Capital Changes	(2,310)	345	(293)	(511)
Capital Commitments	(342)	(427)	(500)	(500)
Free Cashflow	1,392	3,601	4,227	4,856
Cashflow from Investing Activities	(251)	(3,303)	(3,000)	(3,000)
Issue of Share Capital	-	-	-	-
Inc (Dec) in Borrowings	(78)	31	-	-
Dividend paid	(1,485)	(18)	(981)	(981)
Change in Deferred Tax Liability	-	-	-	-
Chg. in Cash & Bank balance	(422)	312	246	876

Source: Company data, I-Sec research

Table 7: Key ratios

(Year ending March 31)

	FY20	FY21P	FY22E	FY23E
Per Share Data (Rs)				
EPS	25.4	26.4	30.3	35.6
Cash EPS	28.2	29.4	33.7	39.4
Dividend per share (DPS)	5.1	5.3	6.0	6.0
Book Value per share (BV)	103.4	129.1	152.1	180.6
Growth (%)				
Net Sales	18.0	(0.4)	14.0	13.1
EBITDA	11.5	1.4	17.3	15.9
PAT	29.1	3.9	14.5	17.7
Cash EPS	26.3	4.4	14.5	17.0
Valuation Ratios (x)				
P/E	21.5	20.7	18.1	15.4
P/CEPS	19.4	18.6	16.2	13.9
P/BV	5.3	4.2	3.6	3.0
EV / EBITDA	15.0	14.8	12.6	10.9
EV / Sales	1.7	1.7	1.5	1.3

Operating Ratios

Raw Material / Sales (%)	79.3	78.2	78.7	78.4
Employee cost / Sales (%)	2.8	3.1	2.9	2.9
SG&A / Sales (%)	1.0	7.5	1.0	1.0
Other Income / PBT (%)	14.5	18.1	19.5	20.2
Effective Tax Rate (%)	20.3	22.0	25.5	25.5
Working Capital (days)	9.9	9.1	8.7	8.6
Inventory Turnover (days)	48.2	49.2	47.5	47.5
Receivables (days)	7.9	5.9	7.3	7.3
Payables (days)	23.2	24.1	23.7	23.7
Net D/E (x)	(0.5)	(0.6)	(0.6)	(0.7)

Profitability Ratios (%)

Net Income Margins	9.4	9.7	9.7	10.1
RoACE	27.6	23.1	22.6	22.2
RoAE	26.3	22.7	21.5	21.4
Dividend Payout	20.1	19.9	19.8	16.8
Dividend Yield	0.9	1.0	1.1	1.1
EBITDA Margins	11.0	11.2	11.5	11.8

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, Aniruddha Joshi, CA; Pranjal Garg, 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.

ICICI Securities is Sebi registered stock broker, merchant banker, investment adviser, portfolio manager and Research Analyst. 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 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 a entity are engaged in various financial service businesses, they might have financial interests or beneficial ownership 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.