

New garmenting, ethanol capacity drives sales...

About the stock: KPR Mill is among select vertically integrated textile players in India (from yarn to garments) that has displayed consistent revenue growth and positive operating margin trajectory with strong return ratios.

- It is one of India's largest knitted garment manufacturer with total capacity of 157 million pieces (post expansion)
- Consistently, over the years, it has maintained ~18-20% margins with average RoCE of ~20% and D/E ratio of 0.4x

Q1FY23 Results: Despite unfavourable cotton yarn spreads, KPR reported steady profitability growth on a sequential basis (on account of low cost cotton inventory). Healthy yarn realisations and strong order book for the garmenting division continued to drive topline growth.

- Revenue for the quarter grew 9% QoQ (75% YoY) to ₹ 1584.8 crore. Revenue from textile division grew 6% QoQ to ₹ 1276 crore while revenue from sugar division increased 28% QoQ to ₹ 223 crore
- Gross margins remained flattish QoQ at 41% as the company continued to carry low cost cotton inventory (~₹ 225/kg). Cotton prices during the quarter had risen sharply by 25% QoQ to ₹ 275/kg
- Employee expenses grew 20% QoQ to ₹ 133.6 crore, mainly on account of newly commissioned garmenting and ethanol plant. EBITDA margins remained flattish sequentially to 23.2% with absolute EBITDA increasing 10% QoQ to ₹ 368.1 crore (up 64% YoY)

What should investors do? Since our initiation report, the stock price has appreciated ~4.8x (from ₹ 120 in September 2020 to ₹ 570 in August 2022).

- We like KPR as a structural long term story to play the apparel export space. However, expected demand slowdown in key export markets (Europe and US: ~80% of revenues) could weigh on the performance in H2FY23. Order book traction for H2FY23 will be critical. Maintain **HOLD** rating on the stock

Target Price and Valuation: We value KPR at ₹ 650 i.e. 25x FY24E EPS

Key triggers for future price performance:

- Two major capex projects worth ₹ 750 crore towards garmenting (₹ 250 crore) and ethanol facility (₹ 500 crore) expected to be ramped up in FY23E
- Capital deployment towards value accretive projects (targeted RoCE: garmenting:30%, ethanol: 22%) augurs well for KPR
- Recent FTA with Australia to benefit KPR as the region contributes 11% to sales

Alternate Stock Idea: Apart from KPR, we also like Gokaldas Exports

- (GEL) is one of India's leading apparel exporter with an annual capacity of 36+ million pieces which focuses on manufacturing complex garmenting



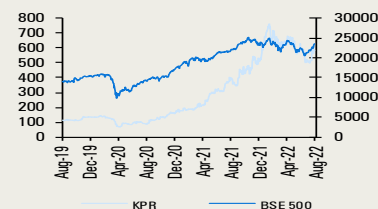
Particulars

| Particulars | Amount |
|---------------------------------|-----------|
| Market Capitalisation (₹ crore) | 19,544.9 |
| Total Debt (FY22) (₹ crore) | 1,185.0 |
| Cash (FY22) (₹ crore) | 435.0 |
| EV (₹ crore) | 20,294.9 |
| 52 Week H / L | 772 / 330 |
| Equity Capital (₹ crore) | 34.2 |
| Face Value (₹) | 1.0 |

Shareholding pattern

| | Jun-21 | Sep-21 | Dec-21 | Mar-22 | Jun-22 |
|----------|--------|--------|--------|--------|--------|
| Promoter | 74.7 | 74.7 | 74.7 | 74.8 | 74.8 |
| FII | 2.7 | 3.1 | 3.6 | 4.3 | 3.7 |
| DII | 14.6 | 13.4 | 13.0 | 12.0 | 13.2 |
| Others | 8.1 | 8.8 | 8.7 | 8.9 | 8.3 |

Price Chart



Recent Event & Key risks

KPR delivered 36.7 million pieces in Q1FY23 in garmenting division

- Key Risk:** (i) Significant increase in cotton prices can subdue margins (ii) Higher than estimated revenue growth in garmenting segment

Research Analyst

Bharat Chhoda
bharat.chhoda@icicisecurities.com

Cheragh Sidhwa
cheragh.sidhwa@icicisecurities.com

Key Financial Summary

| Financials | FY19 | FY20 | FY21 | FY22 | 5 Year CAGR (FY17-22) | FY23E | FY24E | 2 Year CAGR (FY22-24E) |
|---------------|---------|---------|---------|---------|-----------------------|---------|---------|------------------------|
| Net Sales | 3,384.0 | 3,352.6 | 3,530.2 | 4,822.5 | 12.0% | 5,377.9 | 5,971.9 | 11.3% |
| EBITDA | 611.8 | 621.9 | 829.6 | 1,218.6 | 17.0% | 1,199.3 | 1,379.5 | 6.4% |
| Adjusted PAT | 334.9 | 376.7 | 515.3 | 841.8 | | 768.5 | 910.0 | |
| P/E (x) | 58.4 | 51.9 | 37.9 | 23.2 | | 25.3 | 21.3 | |
| EV/EBITDA (x) | 33.2 | 32.4 | 24.0 | 16.7 | | 16.6 | 14.3 | |
| RoCE (%) | 19.6 | 19.6 | 24.0 | 26.6 | | 23.3 | 24.7 | |
| RoE (%) | 18.7 | 20.2 | 21.9 | 26.4 | | 21.2 | 21.8 | |

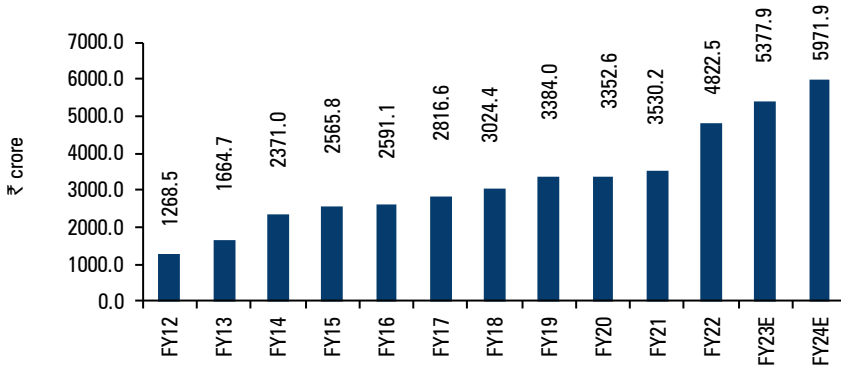
Key takeaways of recent quarter & conference call highlights

Q1FY23 Results:

- Despite significant increase in raw material prices (cotton), KPR reported a steady operational performance. Revenue for the quarter grew 30% YoY (15% QoQ) to ₹ 1449.9 crore. On the segmental front, garmenting division recorded healthy volumes to the tune of 36.7 million pieces (up 31% YoY). Post the commissioning of new 42 million garment production capacity in Tamil Nadu, the current capacity is at 157 million garments per annum. At the current quarterly run rate, the plant is already operating at ~90% capacity utilisation. On the utilisation of expanded capacity, the management indicated that it would first increase volumes supplied to existing customers and later on supply to its newer customers. Of the total incremental capacity, 60-70% is going to be utilised for the existing customer while balance will be for new customers. Owing to significantly higher cotton yarn prices, average realisation per piece for garments increased 40% YoY (24% QoQ) to ₹ 189/piece. We expect realisations to gradually decline as cotton prices are expected to soften from November onwards. Owing to slowdown and various challenges in key export markets (such as Europe & North America: ~80% of revenues) we expect volumes to taper down in H2FY23 (though management has not indicated major slowdown in orders yet). We expect capacity utilisation to slow down to <80% in H2FY23
- For yarn & fabric division, volumes declined materially by 15% QoQ (down 3% YoY) to 13606 tonnes in Q1FY23 owing to slowdown in yarn demand amid significantly higher prices and also on account of higher captive consumption for the new garmenting capacity. Average realisation for the division was at ₹ 397/kg (up 10% QoQ). Subsequently, revenue declined 6% QoQ to ₹ 541 crore. We expect yarn realisations to come down, going forward, and owing to weaker demand, it is currently hovering in the range of ₹ 335-340/kg. We expect yarn prices to further decelerate from Q3FY23 onwards as cotton futures are currently trading at ₹ 190-195/kg (from current ₹ 240/kg). Overall revenue for yarn and fabric division volumes is expected to decline 15% YoY to 59300 tonnes in FY23E owing to increase captive consumption for the garmenting capacity
- On the sugar and ethanol capacity front, the company has a current sugar capacity of 90000 tonnes per annum while the ethanol capacity is 4 crore litre. Post expansion, sugar capacity is expected to increase to 165000 tonnes per annum and ethanol capacity is expected to increase to 10 crore litre. Revenue from sugar division grew 2.5x YoY (27 QoQ) to ₹ 284 crore in Q1FY23. The new sugar and ethanol plant is commissioned in Q4FY22 and the company is targeting revenue mix of 50:50 from ethanol and sugar division. With the new expanded capacity, the management is targeting overall sugar revenues to cross ₹ 1200-1300 crore in the next two to three years with EBITDA margins of ~20%+
- KPR Mills, over the last two years, has demonstrated robust financial performance with sales and EBITDA CAGR increasing 20% and 40%, respectively, in FY20-22, with RoCE of 25%+. We build in revenue CAGR of 11% mainly driven by healthy performance in garmenting and sugar division. The company had recorded its highest ever EBITDA margin in FY22 owing (25.3%) on account of significantly higher cotton yarn spreads. We expect margins to moderate in FY23, FY24E and subsequently model 6% EBITDA CAGR in FY22-24E. Given strong beat in Q1FY23 results, we revise our earnings estimates upwards for FY23, FY24E. We maintain HOLD rating on the stock with a revised target price of ₹ 650 (previous TP: ₹ 635)**

Financial story in charts....

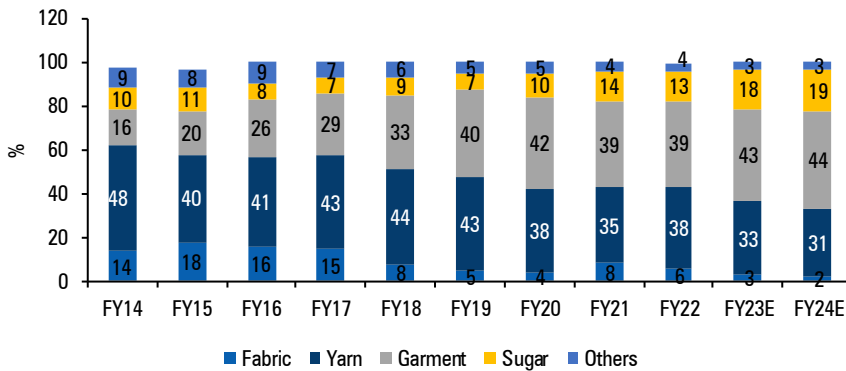
Exhibit 1: We model revenue CAGR of 11% in FY22-24E



Majority of the growth to be driven by garmenting segment (18% CAGR) and sugar division (33% CAGR). Revenue from yarn & fabric division to decline on the back of a gradual increase in captive consumption for garmenting segment.

Source: Company, ICICI Direct Research

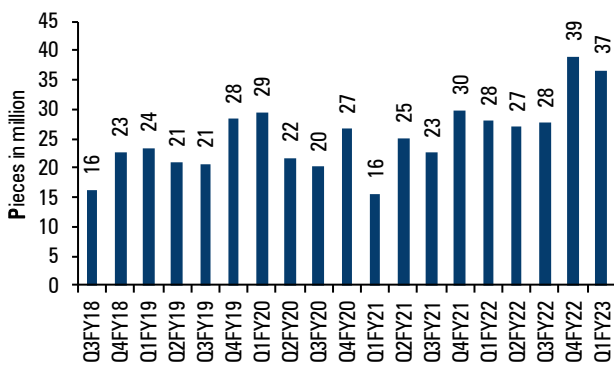
Exhibit 2: Segmental revenue share trend



On the back of capacity expansion, share of garmenting and sugar division to increase from 39%, 13% in FY22 to 44%, 19%, respectively, in FY24E.

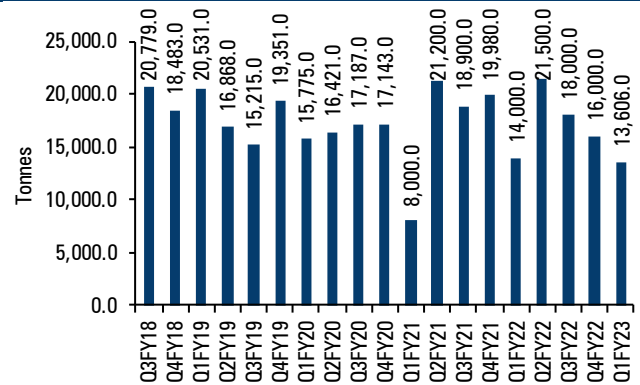
Source: Company, ICICI Direct Research

Exhibit 3: Garment volume trend



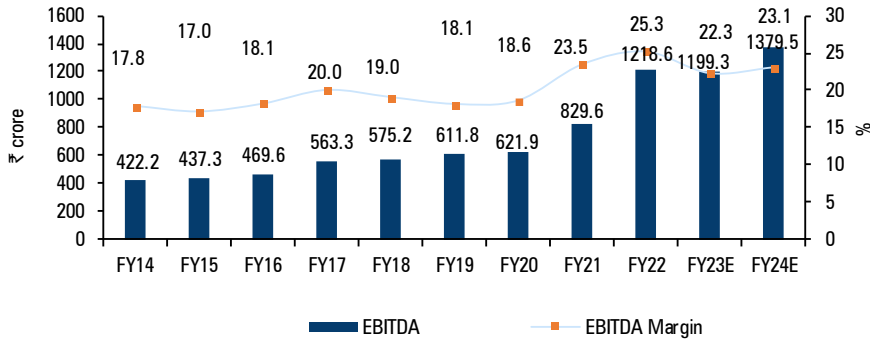
Source: Company, ICICI Direct Research

Exhibit 4: Yarn & fabric volume trend



Source: Company, ICICI Direct Research

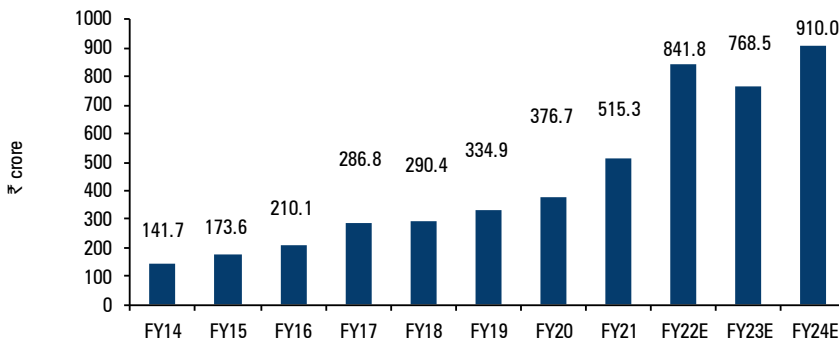
Exhibit 5: EBITDA and EBITDA margin trend



KPR strategically has a vertically integrated alignment from yarn to apparels. This has translated into lower raw material volatility and steady EBITDA margins over the years. Higher proportion of garmenting enhances overall margin profile

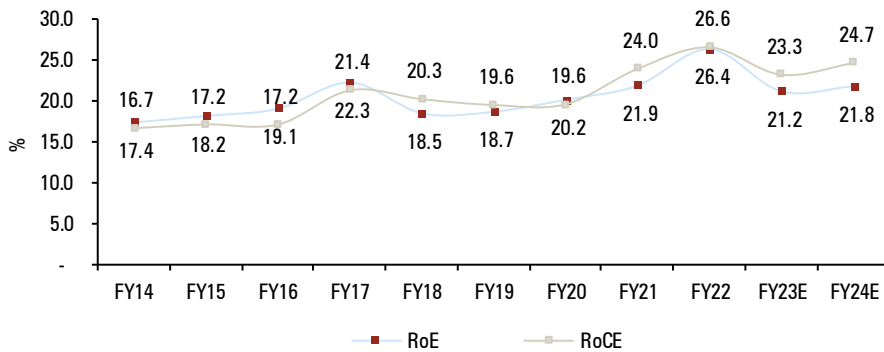
Source: Company, ICICI Direct Research

Exhibit 6: PAT trend



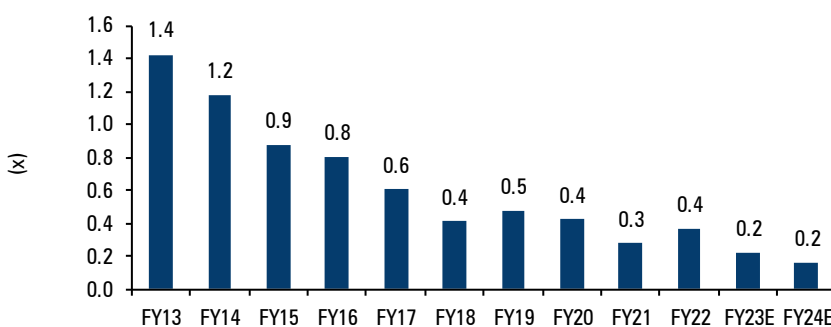
Source: Company, ICICI Direct Research

Exhibit 7: Return Ratio trend



Source: Company, ICICI Direct Research

Exhibit 8: Debt/Equity ratio trend



With no major capex plans in FY23E, we expect the company to generate FCF worth ₹ 575 crore. Subsequently we expect the company to retire debt worth ₹ 290 crore

Source: Company, ICICI Direct Research

Financial summary

| Exhibit 9: Profit and loss statement | | | | |
|--------------------------------------|--------------|----------------|----------------|----------------|
| | ₹ crore | | | |
| (Year-end March) | FY21 | FY22 | FY23E | FY24E |
| Net Sales | 3,530.2 | 4,822.5 | 5,377.9 | 5,971.9 |
| Growth (%) | 5.3 | 36.6 | 11.5 | 11.0 |
| Total Raw Material Cost | 1,962.9 | 2,685.7 | 3,119.2 | 3,404.0 |
| Gross Margins (%) | 44.4 | 44.3 | 42.0 | 43.0 |
| Employee Expenses | 393.7 | 445.5 | 553.9 | 627.0 |
| Other Expenses | 344.0 | 472.6 | 505.5 | 561.4 |
| Total Operating Expenditure | 2,700.6 | 3,603.9 | 4,178.6 | 4,592.4 |
| EBITDA | 829.6 | 1,218.6 | 1,199.3 | 1,379.5 |
| EBITDA Margin | 23.5 | 25.3 | 22.3 | 23.1 |
| Interest | 32.8 | 23.3 | 53.9 | 38.8 |
| Depreciation | 146.7 | 141.1 | 197.3 | 213.9 |
| Other Income | 38.8 | 87.2 | 50.0 | 55.0 |
| Exceptional Expense | - | - | - | - |
| PBT | 688.9 | 1,141.4 | 998.0 | 1,181.8 |
| Total Tax | 173.6 | 299.7 | 229.5 | 271.8 |
| Profit After Tax | 515.3 | 841.8 | 768.5 | 910.0 |

Source: Company, ICICI Direct Research

| Exhibit 11: Balance sheet | | | | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | ₹ crore | | | |
| (Year-end March) | FY21 | FY22 | FY23E | FY24E |
| Equity Capital | 34.4 | 34.4 | 34.2 | 34.2 |
| Reserve and Surplus | 2,315.8 | 3,152.4 | 3,587.4 | 4,133.4 |
| Total Shareholders funds | 2,350.2 | 3,186.8 | 3,621.6 | 4,167.5 |
| Total Debt | 657.1 | 1,185.0 | 898.8 | 775.4 |
| Non Current Liabilities | 47.7 | 75.7 | 77.2 | 78.9 |
| Source of Funds | 3,055.0 | 4,447.4 | 4,597.6 | 5,021.8 |
| Gross block | 2,090.3 | 2,912.8 | 3,082.8 | 3,342.8 |
| Less: Accum depreciation | 836.4 | 973.9 | 1,171.2 | 1,385.2 |
| Net Fixed Assets | 1,253.9 | 1,938.8 | 1,911.5 | 1,957.6 |
| Capital WIP | 28.6 | 115.3 | 65.0 | 70.0 |
| Intangible assets | 1.7 | 1.5 | 1.5 | 1.5 |
| Investments | 234.9 | 310.7 | 341.6 | 375.6 |
| Inventory | 913.3 | 1,288.8 | 1,399.7 | 1,603.4 |
| Cash | 77.3 | 125.8 | 50.9 | 93.9 |
| Debtors | 321.0 | 480.2 | 559.9 | 654.5 |
| Loans & Advances & Other CA | 209.5 | 269.6 | 296.6 | 326.2 |
| Total Current Assets | 1,521.0 | 2,164.4 | 2,307.1 | 2,678.0 |
| Creditors | 122.2 | 282.1 | 221.0 | 245.4 |
| Provisions & Other CL | 87.9 | 138.2 | 145.2 | 152.4 |
| Total Current Liabilities | 210.1 | 420.3 | 366.2 | 397.8 |
| Net Current Assets | 1,310.9 | 1,744.1 | 1,941.0 | 2,280.1 |
| LT L&A, Other Assets | 225.0 | 337.0 | 337.0 | 337.0 |
| Other Assets | 0.0 | 0.0 | 0.0 | 0.0 |
| Application of Funds | 3,055.0 | 4,447.4 | 4,597.6 | 5,021.8 |

Source: Company, ICICI Direct Research

| Exhibit 10: Cash flow statement | | | | |
|-------------------------------------|---------------|-----------------|---------------|---------------|
| | ₹ crore | | | |
| (Year-end March) | FY21 | FY22 | FY23E | FY24E |
| Profit/(Loss) after taxation | 515.3 | 841.8 | 768.5 | 910.0 |
| Add: Depreciation | 146.7 | 141.1 | 197.3 | 213.9 |
| Net Increase in Current Assets | -94.8 | -594.9 | -217.5 | -327.9 |
| Net Increase in Current Liabilities | 20.7 | 210.2 | -54.1 | 31.7 |
| CF from operating activities | 587.8 | 598.2 | 694.1 | 827.7 |
| (Inc)/dec in Investments | -225.8 | -75.8 | -30.9 | -34.0 |
| (Inc)/dec in Fixed Assets | -270.9 | -912.6 | -119.7 | -265.0 |
| Others | 0.0 | -112.0 | 0.0 | 0.0 |
| CF from investing activities | -496.7 | -1,100.4 | -150.6 | -299.0 |
| Inc / (Dec) in Equity Capital | 0.0 | 0.0 | -180.0 | 0.0 |
| Inc / (Dec) in Loan | -130.5 | 527.9 | -286.2 | -123.4 |
| Others | -37.5 | 22.8 | -152.1 | -362.3 |
| CF from financing activities | -168.0 | 550.7 | -618.3 | -485.7 |
| Net Cash flow | -77.0 | 48.5 | -74.8 | 42.9 |
| Opening Cash | 154.2 | 77.3 | 125.8 | 50.9 |
| Closing Cash | 77.3 | 125.8 | 50.9 | 93.9 |

Source: Company, ICICI Direct Research

| Exhibit 12: Key ratios | | | | |
|-----------------------------|---------|------|-------|-------|
| | ₹ crore | | | |
| (Year-end March) | FY21 | FY22 | FY23E | FY24E |
| Per share data (₹) | | | | |
| EPS | 15.0 | 24.5 | 22.5 | 26.6 |
| Cash EPS | 19.2 | 28.6 | 28.3 | 32.9 |
| BV | 68.3 | 92.6 | 105.9 | 121.9 |
| DPS | 0.9 | 0.1 | 4.5 | 10.6 |
| Cash Per Share | 2.2 | 3.7 | 1.5 | 2.7 |
| Operating Ratios (%) | | | | |
| EBITDA margins | 23.5 | 25.3 | 22.3 | 23.1 |
| PBT margins | 19.5 | 23.7 | 18.6 | 19.8 |
| Net Profit margins | 14.6 | 17.5 | 14.3 | 15.2 |
| Inventory days | 94.4 | 97.5 | 95.0 | 98.0 |
| Debtor days | 33.2 | 36.3 | 38.0 | 40.0 |
| Creditor days | 12.6 | 21.3 | 15.0 | 15.0 |
| Return Ratios (%) | | | | |
| RoE | 21.9 | 26.4 | 21.2 | 21.8 |
| RoCE | 24.0 | 26.6 | 23.3 | 24.7 |
| RoIC | 27.1 | 30.5 | 25.9 | 27.7 |
| Valuation Ratios (x) | | | | |
| P/E | 37.9 | 23.2 | 25.3 | 21.3 |
| EV / EBITDA | 24.0 | 16.7 | 16.6 | 14.3 |
| EV / Sales | 5.6 | 4.2 | 3.7 | 3.3 |
| Market Cap / Revenues | 5.5 | 4.1 | 3.6 | 3.3 |
| Price to Book Value | 8.3 | 6.1 | 5.4 | 4.7 |
| Solvency Ratios | | | | |
| Debt / Equity | 0.3 | 0.4 | 0.2 | 0.2 |
| Debt/EBITDA | 0.8 | 1.0 | 0.7 | 0.6 |
| Current Ratio | 6.9 | 4.9 | 6.2 | 6.5 |
| Quick Ratio | 2.5 | 1.8 | 2.3 | 2.5 |

Source: Company, ICICI Direct Research

RATING RATIONALE

ICICI Direct endeavors to provide objective opinions and recommendations. ICICI Direct assigns ratings to its stocks according to their notional target price vs. current market price and then categorizes them as Buy, Hold, Reduce and Sell. The performance horizon is two years unless specified and the notional target price is defined as the analysts' valuation for a stock

Buy: >15%

Hold: -5% to 15%;

Reduce: -15% to -5%;

Sell: <-15%



Pankaj Pandey

Head – Research

pankaj.pandey@icicisecurities.com

**ICICI Direct Research Desk,
ICICI Securities Limited,
1st Floor, Akruiti Trade Centre,
Road No 7, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com**

ANALYST CERTIFICATION

We, Bharat Chhoda, MBA, Cheragh Sidhwa, MBA, Research Analysts, 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. 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 Retail 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 Institutional 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 will 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 actual/ beneficial ownership of one percent or more or other material conflict of interest 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.