

Mold-Tek Packaging (MOLPAC)

CMP: ₹ 511

Target: ₹ 675 (32%)

Target Period: 12 months

BUY

July 29, 2021

New client additions to drive revenue...

About the stock: Mold-Tek Packaging is a leading player in the rigid packaging business and is into manufacturing decorative packaging containers for paint, lubricant, FMCG & foods (F&F) industry.

- It was the first to introduce in-mould label (IML) decorative products and QR coded packaging products in India
- While new product launches helped drive profitability of the company, its balance sheet remained strong with RoCE, RoE of ~21%

Q1FY22 Results: Revenues increased, crossing pre-Covid levels

- Revenue grew ~104% YoY to ₹ 134 crore, favoured by a lower base
- Higher operating leverage helped drive EBITDA margin up by ~500 bps YoY
- PAT increased to ₹ 12 crore (8x growth YoY) favoured by a low base and increased revenue

What should investors do? Mold-Tek's share price has grown by ~2.5x over the past five years (from ~200 in July 2016 to ~₹ 511 levels in July 2021).

- We have maintained our rating of BUY on the stock

Target Price and Valuation: We value Mold-Tek at ₹ 675 i.e. 22x P/E on FY23E EPS

Key triggers for future price performance:

- Plans to increase manufacturing capacity by 13% in next two years. New launches and increasing wallet share from existing clients will drive revenue
- It is aiming to increase share of high margin F&F business in the coming years. The company has also introduced high margin 'Pump' and IML based QR-coded products which will drive EBITDA margin up, going forward
- Balance sheet will remain healthy with low debt and high RoCE, RoEs

Alternate Stock Idea: We also like Asian Paints in our coverage universe.

- Asian Paints is the market leader in the decorative paint and expanding its product portfolios along dealer expansion in tier II and tier III cities
- BUY with a target price of ₹ 3665

Key Financial Summary

(₹ crore)	FY19	FY20	FY21	5 Year CAGR (FY16-FY21)	FY22E	FY23E	2 Year CAGR (FY21E-FY23)
Net Sales	405.7	438.2	478.9	12.0	621.8	715.7	22.2
EBITDA	70.3	76.8	94.5	16.0	118.7	150.0	26.0
EBITDA Margin (%)	17.3	17.5	19.7		19.1	21.0	
Net Profit	31.9	37.5	48.0	15.0	62.3	84.8	33.0
EPS (₹)	11.5	13.5	17.3		22.5	30.6	
P/E (x)	44.3	37.8	29.5		22.8	16.7	
RoE (%)	16.7	19.0	20.7		21.9	24.1	
RoCE (%)	18.0	18.6	21.4		24.8	29.1	

Source: Company, ICICI Direct Research



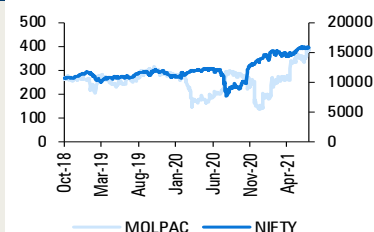
Particulars

Particular	Amount
Market cap (₹ crore)	1416.8
Total Debt (FY21) (₹ crore)	101.6
Cash & Inves (₹ crore)	0.5
EV (₹ crore)	1518.0
52 Week H/L	571/ 212
Equity Capital (₹ crore)	13.8
Face Value(₹)	5.0

Shareholding pattern

(in %)	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21
Promoter	34.8	34.8	35.1	35.2	35.1
FII	9.5	9.4	9.3	9.1	8.3
DII	12.6	12.9	12.8	13.5	14.3
Others	43.1	42.9	42.8	42.2	42.3

Price Chart



Recent event & key risks

- **Key Risk:** (i) Higher concentration of revenue from Paints segment(ii) Delay in passing on high input prices

Research Analyst

Sanjay Manyal
sanjay.manyal@icicisecurities.com

Hitesh Taunk
hitesh.taunk@icicisecurities.com

Key takeaways of recent quarter & conference call highlights

Q1FY22 Results:

- Revenue was up ~104% YoY to ₹ 134 crore, aided by a low base and extensive volume growth in all segments
- Gross margin was down ~94 bps YoY and EBITDA margin was up ~500 bps YoY due to price hikes and a better product mix
- PAT grew 8 on a YoY basis due to a low base

Q1FY22 Earnings Conference Call highlights

- **Margins:**
 - EBITDA margins improved due to better operating leverage in Q1
 - Further, launch of high margin products (QR coded IML based products, pumps & triggers) will help drive margin up, going forward
- **Paints Segment:**
 - The company is seeing pent up demand in this category supported by upcoming festive season
 - Contributed ~₹ 71 crore in value terms and ~58% in volume terms
- **Food and FMCG (F&F) segment:**
 - The management expects their new product sweet boxes to show uptick in demand given the long festive season
 - Contributed ~₹ 33.5 crore in value terms and ~18% in volume terms (including pump segments)
 - Started commercial supply of pumps and expects 50% capacity utilisation by Q4FY22
 - Contributed ~₹ 3.5 crore in value terms and ~2% in volume terms
- The company plans to launch 10-12 new products by the end of FY22 and expects to continue this for the coming years, thereby driving revenue
- Mold-Tek expects peak capacity utilisation of ~75%, which comes to ~32,000 tonnes by end of next fiscal. With keep capacity utilisation and intact product realisation the company can achieve product turnover of ₹ 800 crore
- Significant new client additions with likes of BPCL, Gulf Oil, Kem Agro

Exhibit 1: Variance Analysis

	Q1FY22	Q1FY21	YoY (%)	Q4FY21	QoQ (%)	Comments
Revenue	133.7	65.3	104.8	161.0	-17.0	Strong recovery on a YoY basis led by paint segment
Other Income	0.1	0.1	-16.7	0.4	-72	
Raw Material Exp	78.5	37.7	108.1	91.8	-14.5	Gross margin decline of 95 bps YoY led by change in product mix
Employee cost	8.9	9.4	-5.3	10.3	-13.5	
Other Expenditure	21.1	9.1	131.0	27.0	-21.8	
Total Expenditure	108.5	56.2	92.9	129.1	-15.9	
EBITDA	25.2	9.0	178.9	32.0	-21.1	
EBITDA Margin (%)	18.9	13.9	502 bps	19.9	-98 bps	Improved operating leverage drives EBITDA margin up in Q1
Depreciation	6.2	4.9	26.6	5.8	5.5	
Interest	2.6	2.2	18.7	2.9	-7.9	
PBT	16.6	2.1	691.0	23.7	-30.1	
Total Tax	4.5	0.6	671.6	5.6	-20.6	
PAT	12.1	1.5	698.4	18.0	-33.1	Strong growth in topline and improved EBITDA margin drives bottomline
Key Metrics*						
Paints	71.0	29.0	144.8	85.4	-16.8	Pent up demand in paints help drive segment revenue in Q1
Lubes	29.0	15.2	90.8	32.2	-10.0	Topline recovery on a favourable base
FMCG	33.7	21.2	59.1	43.5	-22.4	Topline growth led by launch of new products (like pump & seed boxes)

Source: Company, ICICI Direct Research

Exhibit 2: Change in estimates

(₹ crore)	FY22E			FY23E			Comments
	Old	Actual	% Chg	Old	New	% Chg	
Revenue	569.0	621.8	9.3	674.0	715.7	6.2	We revise our revenue estimates upwards considering strong traction of new products in the FMCG segment and new customer addition
EBITDA	110.3	118.7	7.7	138.6	150.0	8.2	
EBITDA Margin (%)	19.4	19.1	-30bps	20.6	21.0	36bps	We slightly cut our margin estimate for FY22 considering change in product mix
PAT	57.7	62.3	7.9	77.6	84.8	9.3	
EPS (₹)	20.8	22.5	7.9	28.0	30.6	9.3	

Source: ICICI Direct Research

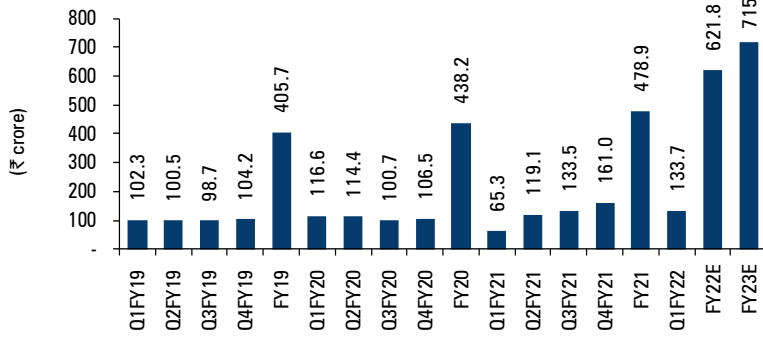
Exhibit 3: Assumptions

	Current (%)					Previous		Comments
	FY19	FY20E	FY21E	FY22E	FY23E	FY22E	FY23E	
Paints	9.8	22.5	10.1	31.2	10.9	23.5	18.0	We model segment revenue CAGR of 21% in FY21-23E led by capacity additions and incremental demand from existing clients
Lubes	12.6	(11.1)	(2.2)	15.7	1.9	20.0	2.0	We model segment revenue CAGR of 9% in FY21-23E
FMCG	40.5	18.9	19.9	39.0	32.9	29.0	31.0	We model segment revenue CAGR of 36% for FY21-23E supported by new product launches and customer additions

Source: ICICI Direct Research

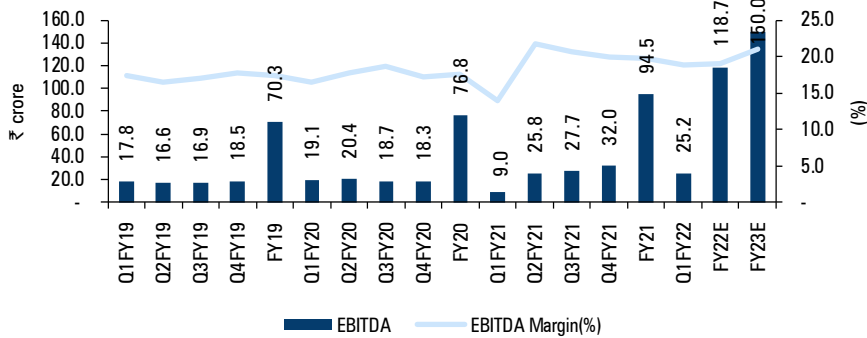
Financial story in charts....

Exhibit 4: New client additions going ahead, to drive revenue



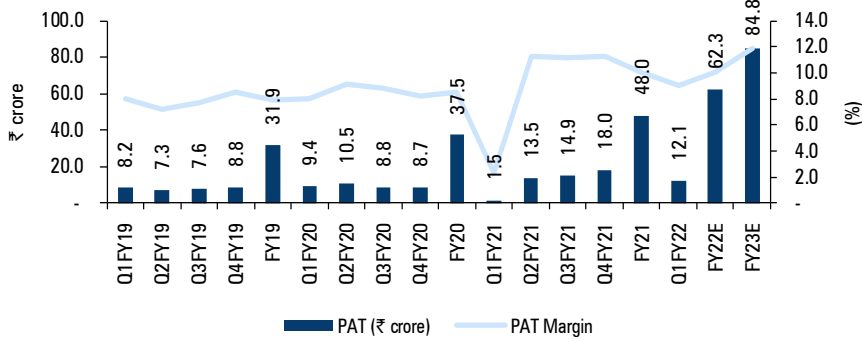
Source: Company, ICICI Direct Research

Exhibit 5: EBITDA margins to normalise as input costs decline



Source: Company, ICICI Direct Research

Exhibit 6: PAT growth trend



Source: Company, ICICI Direct Research

Financial Summary

Exhibit 7: Profit and loss statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Revenue	438.2	478.9	621.8	715.7
Growth (%)	8.0	9.3	29.8	15.1
Raw material expens	250.5	272.4	362.9	410.6
Employee expenses	50.0	32.9	44.7	57.3
Other expenses	60.9	79.1	95.4	97.8
Total Operating Exp	361.4	384.4	503.0	565.7
EBITDA	76.8	94.5	118.7	150.0
Growth (%)	9.2	23.1	25.7	26.3
Depreciation	19.2	21.5	26.7	30.8
Interest	10.4	9.9	9.1	6.2
Other Income	1.2	0.9	0.3	0.2
PBT	48.3	63.9	83.2	113.3
Total Tax	10.9	16.0	20.9	28.5
PAT	37.5	48.0	62.3	84.8

Source: Company, ICICI Direct Research

Exhibit 8: Cash flow statement				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Profit after Tax	37.5	48.0	62.3	84.8
Add: Depreciation	19.2	21.5	26.7	30.8
(Inc)/dec in Current Assets	2.7	-9.0	-26.5	-34.4
Inc/(dec) in CL and Provisions	-0.2	7.4	22.5	5.1
Others	10.4	9.9	9.1	6.2
CF from operating activities	69.6	77.9	94.1	92.4
(Inc)/dec in Investments	0.0	0.0	0.0	0.0
(Inc)/dec in Fixed Assets	-25.9	-50.0	-50.0	-35.0
Others	-4.9	0.0	0.0	-2.0
CF from investing activities	-30.9	-50.0	-50.0	-37.0
Issue/(Buy back) of Equity	0.0	0.0	0.2	0.0
Inc/(dec) in loan funds	3.5	-5.0	-25.0	-30.0
Dividend paid & dividend tax	-30.1	-10.0	-10.0	-16.6
Others	-11.9	-13.6	-9.1	-6.2
CF from financing activities	-38.5	-28.5	-43.9	-52.8
Net Cash flow	0.2	-0.7	0.2	2.6
Opening Cash	1.0	1.1	0.5	0.7
Closing Cash	1.1	0.5	0.7	3.3

Source: Company, ICICI Direct Research

Exhibit 9: Balance Sheet				
	₹ crore			
(Year-end March)	FY20	FY21	FY22E	FY23E
Liabilities				
Equity Capital	13.9	13.9	14.1	14.1
Reserve and Surplus	183.6	217.9	270.2	338.4
Total Shareholders funds	197.5	231.8	284.3	352.5
Total Debt	106.6	101.6	76.6	46.6
Other non current liabilities	11.7	11.7	11.7	11.7
Total Liabilities	315.8	345.2	372.7	410.8
Assets				
Gross Block	257.4	307.4	357.4	392.4
Less: Acc Depreciation	54.8	77.3	104.0	134.8
Total Fixed Assets	214.2	241.7	264.9	269.2
Investments	0.0	0.0	0.0	0.0
Inventory	50.6	52.5	64.7	82.4
Debtors	58.9	64.3	76.7	90.2
Loans and Advances	0.2	0.2	0.2	0.2
Other CA	18.2	19.9	21.8	25.0
Cash	1.1	0.5	0.7	3.3
Total Current Assets	129.1	137.3	164.0	201.1
Creditors	18.0	22.3	32.4	35.3
Provisions	3.1	3.9	5.6	6.1
Other CL	26.1	28.5	39.2	40.8
Total Current Liabilities	47.2	54.7	77.1	82.2
Net current assets	81.8	82.7	86.9	118.9
Other non current assets	19.8	19.8	19.7	21.8
Total Assets	315.8	344.2	371.6	409.9

Source: Company, ICICI Direct Research

Exhibit 10: Key ratios				
(Year-end March)	FY20	FY21	FY22E	FY23E
Per share data (₹)				
EPS	13.5	17.3	22.5	30.6
Cash EPS	20.4	25.1	32.1	41.7
BV	71.2	83.6	102.5	127.1
DPS	10.9	3.6	3.6	6.0
Operating Ratios (%)				
EBITDA Margin	17.5	19.7	19.1	21.0
PAT Margin	8.6	10.0	10.0	11.9
Asset Turnover	1.7	1.6	1.7	1.8
Inventory Days	42.1	40.0	38.0	42.0
Debtor Days	49.1	49.0	45.0	46.0
Creditor Days	15.0	17.0	19.0	18.0
Return Ratios (%)				
RoE	19.0	20.7	21.9	24.1
RoCE	18.6	21.4	24.8	29.1
RoIC	18.2	20.9	23.8	28.1
Valuation Ratios (x)				
P/E	37.8	29.5	22.8	16.7
EV / EBITDA	19.8	16.1	12.6	9.7
EV / Net Sales	3.5	3.2	2.4	2.0
Market Cap / Sales	3.2	3.0	2.3	2.0
Price to Book Value	7.2	6.1	5.0	4.0
Solvency Ratios				
Debt / Equity	0.5	0.4	0.3	0.1
Current Ratio	6.0	5.2	4.3	4.8
Quick Ratio	3.7	3.2	2.6	2.8

Source: Company, ICICI Direct Research

Exhibit 11: ICICI Direct Consumer Discretionary universe

Sector / Company	CMP			M Cap			EPS (₹)			P/E (x)			EV/EBITDA (x)			RoCE (%)			RoE (%)			
	(₹)	TP(₹)	Rating	(₹ Cr)	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E	FY21	FY22E	FY23E
Asian Paints (ASIPAI)	3,063	3,665	Buy	2,93,742	33.4	39.5	50.4	91.6	77.5	60.8	61.5	53.2	42.4	25.0	27.6	30.7	29.6	32.6	36.8			
Astral Polytechnik (ASTPOL)	2,052	1,915	Hold	30,916	20.3	21.8	29.3	101.0	94.2	70.1	55.0	51.8	39.6	27.5	27.0	31.4	21.5	20.7	23.9			
Amber Enterprises (AMBEN)	3,020	3,130	Buy	9,497	24.7	45.7	88.2	122.2	66.0	34.2	38.8	27.5	16.5	7.7	11.5	18.3	5.2	9.2	15.2			
Bajaj Electricals (BAJELE)	1,142	1,280	Buy	12,983	16.5	23.8	35.7	64.9	45.0	30.0	40.9	29.6	20.7	15.1	20.0	26.1	10.7	16.8	20.6			
Berger Paints (BERPAI)	849	835	Hold	82,455	7.4	9.3	12.3	114.6	91.6	69.1	64.7	56.2	43.5	24.9	28.3	34.6	21.3	24.3	28.4			
Crompton Greaves(CROGR)	467	480	Buy	29,281	9.8	9.2	11.9	47.5	51.0	39.3	33.1	32.5	25.4	34.4	36.1	42.1	31.9	28.7	33.2			
Dixon Technologies (DIXTEC)	4,380	5,050	Buy	25,645	27.3	52.3	97.4	160.6	83.8	45.0	89.8	54.6	31.1	23.5	34.6	47.4	21.7	33.9	41.7			
EPL (ESSPRO)	243	275	Hold	7,667	7.7	9.2	11.4	31.4	26.3	21.3	13.5	12.2	10.2	16.2	17.6	20.6	14.8	16.3	18.7			
Havells India (HAVIND)	1,162	1,345	Buy	72,497	16.7	18.8	24.3	69.7	61.3	47.8	44.9	40.9	31.8	24.9	25.6	31.1	20.1	21.3	25.7			
Kansai Nerolac (KANNER)	617	655	Buy	33,251	9.9	12.1	14.4	62.6	50.9	42.9	36.6	31.1	26.2	17.2	20.3	21.5	13.2	15.7	16.6			
Moldtek Packaging (MOLPLA)	511	675	Buy	1,417	17.3	22.5	30.6	29.5	22.8	16.7	16.1	12.6	9.7	21.4	24.8	29.1	20.7	21.9	24.1			
Pidilite Industries (PIDIND)	2,321	2,035	Hold	1,17,860	22.2	26.3	31.8	104.7	88.2	73.0	55.9	47.3	39.9	23.8	23.9	29.9	20.2	20.1	25.2			
Polycab India (POLI)	1,858	2,100	Hold	28,138	59.4	59.2	77.7	31.8	31.9	24.3	23.3	21.5	16.6	21.9	21.1	24.2	18.5	16.5	18.5			
Supreme Indus (SUPIND)	2,093	2,450	Buy	26,587	77.0	64.1	75.9	27.3	32.8	27.6	20.2	23.0	18.8	33.1	25.1	25.9	30.9	23.4	23.5			
Symphony (SYMLIM)	993	1,050	Hold	6,947	15.3	20.8	33.0	64.9	47.8	30.9	48.7	37.6	24.3	15.2	22.1	31.8	14.9	21.1	30.1			
Time Techno (TIMTEC)	83	100	Buy	1,877	4.8	8.5	10.8	17.4	9.7	7.7	6.5	5.2	4.4	8.7	12.1	13.7	5.7	9.7	11.3			
V-Guard Ind (VGUARD)	254	320	Buy	10,879	4.7	5.5	7.3	59.0	50.4	38.1	37.3	35.4	27.3	23.9	25.1	29.0	16.7	19.2	22.5			
Voltas Ltd (VOLTAS)	1,026	1,150	Buy	33,933	16.0	21.2	28.9	64.2	48.5	35.5	50.8	41.8	29.8	15.0	19.5	23.0	10.6	14.4	17.1			

Source: Bloomberg, 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

I/We, Sanjay Manyal (MBA Finance), Hitesh Taunk (MBA Finance) 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 would endeavor 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 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.