

Q1FY23 result review
and earnings revision

Technology

Target price: Rs1,021

Earnings revision

(%)	FY23E	FY24E
Sales	↑ 0.8	↑ 1.5
EBIT	↓ 0.8	↓ 1.2
EPS	↑ 2.2	↑ 2.6

Target price revision

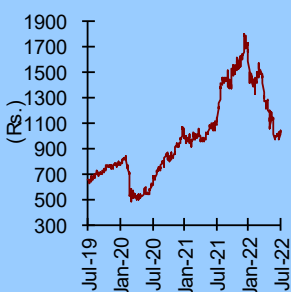
Rs1,021 from Rs975

Shareholding pattern

	Dec '21	Mar '22	Jun '22
Promoters	35.7	35.3	35.2
Institutional investors	52.6	52.3	51.2
MFs and others	9.6	10.6	12.8
FIs/Bank	0.1	0.2	0.2
Insurance Cos.	7.4	7.2	7.7
FII	35.4	34.3	30.5
Others	11.7	12.4	13.6

Source: www.nseindia.com

Price chart



Aiming for aggressive margin expansion- not an easy task!

Rs1,017

Tech Mahindra (TechM) reported revenue of US\$1,633mn +3.5% QoQ CC, 1.5% QoQ USD (I-Sec: 1.3%, consensus: 1.1%). Growth was broad-based between communications (+3.9% QoQ CC) and enterprise (3.2% QoQ CC) verticals. We note the impact of cross-currency revenue headwinds in communications was higher at ~290bps due to the company's larger exposure to Europe.

Net new deal TCW was soft during the quarter at US\$802mn (-1.6% YoY, -21% QoQ) vs the average TCW run-rate of US\$820mn in FY22. There are early signs of impact of a weak macro (a couple of telecom operators are reprioritizing their spends). But management mentioned demand is healthy in the communications segment with focus on automation, integrating data on cloud for monetisation, and network modernisation with spend on fiber space besides investment in 5G.

EBIT margin further contracted by 220bps QoQ (411bps YoY) to 11%, which was slightly lower than consensus / our estimates (11.4% / 11.4%). Margin performance was weak despite no annual wage hike in Q1. The weakness was due to headwinds from: 1) 100bps impact of intermittent wage increments, higher subcon costs and large deal transition costs; 2) 80bps impact due to visa costs and seasonality in the mobility business; and 3) normalisation of SG&A expenses.

Management indicated that margins have bottomed out and that it expects a 100-150bps increase every quarter hereon to reach ~14% exit margin by Q4FY23. In Q2FY23, annual wage increment cycle is expected to have an impact of 100bps on margins. Margin levers in Q2 are: absence of large deal transition costs, price improvements, lower impact of visa costs, and mobility business. Besides, the company will benefit from increased scope for utilisation and offshore mix over the next three quarters. We model 12.7% and 13.4% margins for FY23E and FY24E respectively.

TechM has exposure to engineering services and 'experience design' services, which are likely to slow down in case of lower discretionary spends. Aggressive acquisitions done in past one year also add to the risk in the event of a slowdown. Our EPS estimates increase by ~2% due to increase in other income and currency rate, yet they remain 6% below consensus estimates. TechM is currently trading at 16x / 14x over FY23E / FY24E EPS of Rs63 / Rs71. We value the stock at 14x FY24E earnings and arrive at a revised target price of Rs1,021 (earlier: Rs975). FCF/PAT generation has been declining for last two quarters and is now at 50.2% (vs 56% in Q4FY22 and 94% in Q1FY22). Maintain HOLD.

Market Cap	Rs990bn/US\$12.4bn
Reuters/Bloomberg	TEML.BO/TECHM IN
Shares Outstanding (mn)	972.8
52-week Range (Rs)	1806/965
Free Float (%)	64.7
FII (%)	30.5
Daily Volume (US\$'000)	51,463
Absolute Return 3m (%)	(17.6)
Absolute Return 12m (%)	(6.5)
Sensex Return 3m (%)	(0.7)
Sensex Return 12m (%)	6.6

Year to March	FY21	FY22	FY23E	FY24E
Revenue (Rs mn)	3,78,551	4,46,460	5,28,305	5,63,241
Net Income (Rs mn)	44,281	55,662	55,385	62,432
EPS (Rs)	50.7	63.7	63.4	71.4
% Chg YoY	9.6	25.7	(0.5)	12.7
P/E (x)	20.1	16.0	16.0	14.2
CEPS (Rs)	67.3	81.1	82.6	92.0
EV/E (x)	11.4	10.2	9.8	8.4
Dividend Yield	4.4	4.4	3.0	3.0
RoCE (%)	14.1	15.9	14.7	15.0
RoE (%)	18.7	21.2	19.2	19.4

Research Analysts:

Aniket Pande

aniket.pande@icicisecurities.com
+91 22 6807 7573

Heenal Gada

heenal.gada@icicisecurities.com
+91 22 6807 7504

- ▶ **Revenue slightly above estimates.** TechM reported revenue of US\$1,632mn, +3.5% QoQ CC, 1.5% QoQ USD (I-Sec: 1.3%, consensus: 1.1%). Growth was broad-based between communications (+3.9% QoQ CC) and enterprise (3.2% QoQ CC) verticals. We note that the impact of cross-currency revenue headwinds in communications was higher at ~290bps due to larger exposure to Europe.

Within the enterprise segment, growth was led by: 1) technology (6.4% QoQ CC); 2) manufacturing (5.7% QoQ CC); and 3) retail, transport and logistics (6.8% QoQ CC). BFSI was flat QoQ CC after strong sequential growth in the previous quarter.

In terms of markets, growth was led by the US 4.4% QoQ USD. Europe declined by 1.9% QoQ USD. RoW was down by 0.4% QoQ USD.

Growth during Q1FY23 was driven by non-top-20 accounts, which grew 5% QoQ USD, while top 5, top 6-10 and top 11-20 reported muted growth of -3.1%, 2% and -7% respectively.

- ▶ **Soft deal TCv:** Net new deal TCv was soft during the quarter at US\$802mn (-1.6% QoQ, -21% YoY) vs the average TCv run-rate of US\$820 mn in FY22. *We note that TechM has discontinued providing break-up between communications and enterprise deal TCvs, making it difficult to analyse demand in the communications vertical (40% of revenue).* There are early signs of impact of a weak macro (a couple of telecom operators are reprioritizing their spends). But management mentioned demand is healthy in the communications segment with focus on automation, integrating data on cloud for monetisation, and network modernisation with spend on fiber space besides investment in 5G.

In the enterprise segment, demand is led by four broad themes: cloud, connectivity engineering and experience

- ▶ **Weak margin performance for three consecutive quarters.** EBIT margin further declined by 220bps QoQ, 411bps YoY, to 11% slightly lower than consensus / our estimates (11.4%/11.4%). Margin performance was weak despite no annual wage hike in Q1. The weakness was due to headwinds from: 1) 100bps impact of intermittent wage increments, higher subcon costs and large deal transition costs; 2) 80bps impact due to visa costs and seasonality in the mobility business; and 3) normalisation of SG&A expenses. Utilisation (excluding trainees) declined by 100bps QoQ to 83% due to investment in freshers in H2FY22.
- ▶ **Moderation in headcount addition that too more on BPO-** Net headcount addition of software professionals was modest at 2,200 employees, +2.6% QoQ. BPO headcount increased by 7.1% QoQ. IT LTM attrition was lower by 200bps QoQ at 22% (highest decline in LTM attrition among peers).
- ▶ **M&A strategy:** In terms of M&A strategy, the company is focussing on integrating the recent acquisitions. Though CTC has higher margin profile than TechM, it had lower margins this quarter due to one-time relocation costs of certain employees working in Belarus.
- ▶ **Other highlights.** FCF/PAT generation has been declining for last two quarters and is now at 50.2% (vs 56% in Q4FY22 and 94% in Q1FY22). Part of the impact was due to unfavourable foreign currency movement. Management expects it to improve to historical range of 90-100% by Q4FY23. FCF (post acquisitions) was weak at US\$13 mn or just 9% of net profit.

Table 1: Q1FY23 actuals vs estimates

	Q1FY23	Q4FY22	QoQ	Q1FY22	YoY	Q1FY23E-I-Sec	vs our estimates
Sales (US\$ mn)	1,633	1,608	1.5%	1,384	18.0%	1,629	0.2%
Rs mn							
Sales	1,27,079	1,21,163	4.9%	1,01,976	24.6%	1,26,244	0.7%
EBIT Margin	11.0%	13.2%	-220 bps	15.2%	-411 bps	11.4%	-31 bps
PBT	14,855	18,733	-20.7%	17,943	-17.2%	16,281	-8.8%
Tax	3,380	3,280	3.0%	4,286	-21.1%	4,233	-20.2%
Tax Rate	22.8%	17.5%	524 bps	23.9%	-113 bps	26.0%	-325 bps
Reported PAT	11,316	15,057	-24.8%	13,532	-16.4%	11,652	-2.9%
EPS	12.8	16.9	-24.6%	15.3	-16.6%	13.1	-2.5%

Source: Company data, I-Sec research

Table 2: Change in estimates

	Revised		Old		Change (%)	
	FY23E	FY24E	FY23E	FY24E	FY23E	FY24E
Rs mn						
Revenues	5,28,305	5,63,241	5,24,041	5,54,894	0.8	1.5
EBIT	67,040	75,639	67,548	76,593	(0.8)	(1.2)
EBIT margin	12.7	13.4	12.9	13.8	-20bps	-40bps
EPS (Rs/share)	63.4	71.4	62.0	69.6	2.2	2.6
Revenues (US\$ mn)	6,776	7,221	6,762	7,114	0.2	1.5
Revenue growth (US\$, %)	13.0	6.6	12.7	5.2	20bps	140bps

Source: Company data, I-Sec research

Table 3: TechM financial summary

Rs mn	FY19	FY20	FY21	FY22	FY23E	FY24E	FY25E
USD Rev (mn)	4,971	5,182	5,111	5,998	6,776	7,221	7,974
Growth (%)	4.2%	4.3%	-1.4%	17.4%	13.0%	6.6%	10.4%
Revenues	3,47,421	3,68,677	3,78,551	4,46,460	5,28,305	5,63,241	6,29,927
EBIT	52,078	42,804	53,894	64,997	67,040	75,639	89,377
Margin	15.0%	11.6%	14.2%	14.6%	12.7%	13.4%	14.2%
PAT	42,975	40,330	44,281	55,662	55,385	62,432	71,636
EPS (Rs)	48.5	46.2	50.7	63.7	63.4	71.4	81.9
Growth (%)	12.7%	-4.7%	9.6%	25.7%	-0.5%	12.7%	14.7%
Payout	105%	39%	89%	71%	48%	42%	37%
OCF	44,320	43,581	80,938	52,853	40,631	66,270	68,605
FCF	36,274	35,135	74,278	43,269	20,930	48,047	48,247
RoE	21%	18%	18%	20%	18%	18%	19%
P/E	21.0	22.0	20.1	16.0	16.0	14.2	12.4

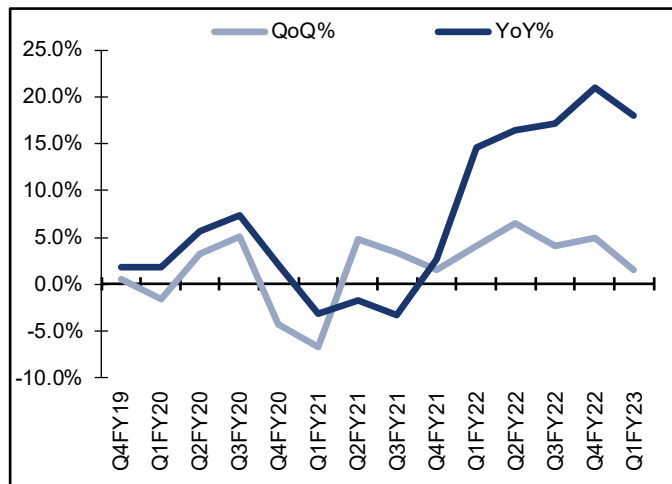
Source: Company data, I-Sec research

Table 4: Segmental growth (Q1FY23)

	Revenues (US\$ mn)	QoQ (%)	YoY (%)	% of total
Total Revenues	1,608	4.9	20.9	100.0
Revenue by geography				
Americas	777	3.6	28.4	48.3
Europe	425	8.6	20.5	26.4
Rest of world	407	3.6	9.2	25.3
Revenue by verticals				
Communications, Media & Entertainment (CME)	653	4.1	21.7	40.6
Manufacturing	240	(1.1)	9.6	14.9
Technology	150	16.1	32.9	9.3
Banking, Financial services & Insurance	280	18.5	28.0	17.4
Retail, Transport & Logistics	122	(6.2)	18.8	7.6
Others	164	(1.9)	16.5	10.2
Client metrics				
Top 5 clients	354	0.3	19.6	22.0
Top 10 clients	499	4.9	20.9	31.0
Top 20 clients	691	7.4	20.3	43.0

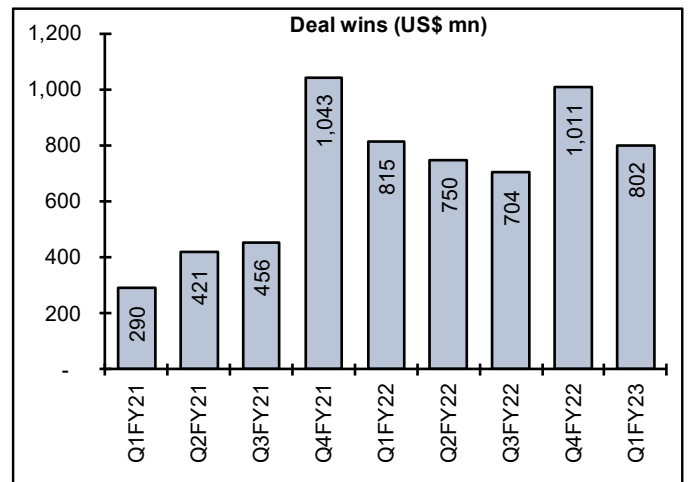
Source: Company data, I-Sec research

Chart 1: TechM reported 3.5% QoQ CC growth



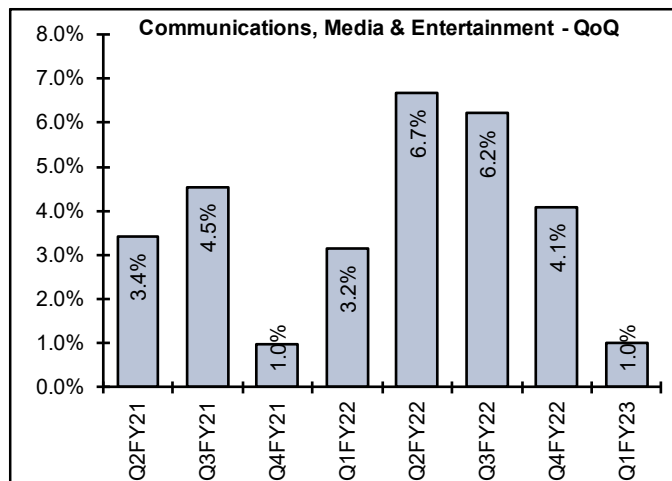
Source: Company, I-Sec research

Chart 2: Deal wins declined sequentially



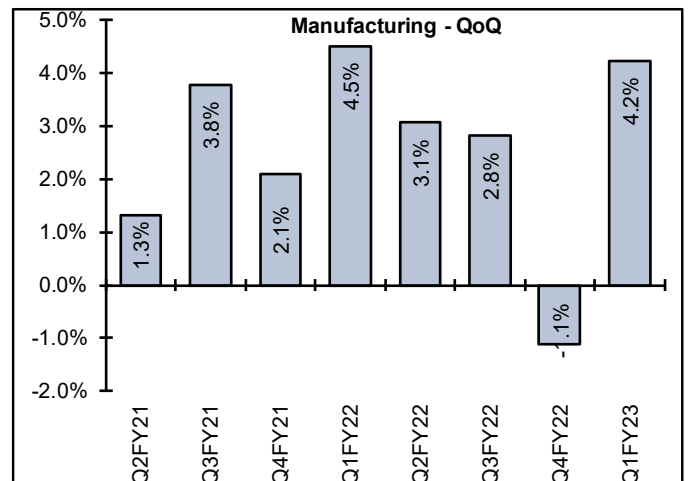
Source: Company, I-Sec research

Chart 3: Soft growth in CME



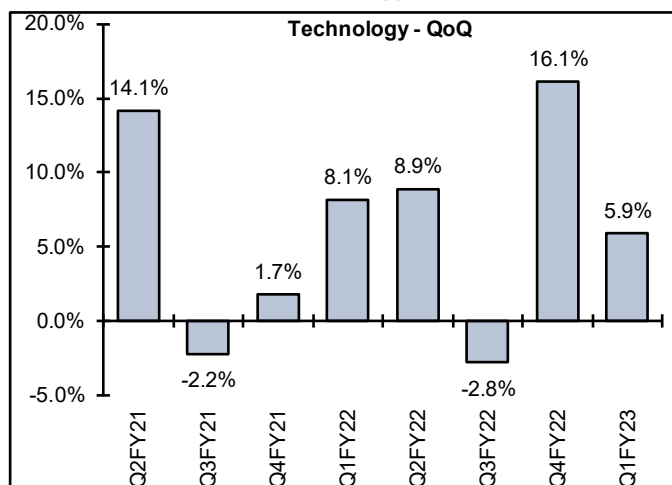
Source: Company, I-Sec research

Chart 4: Strong growth in manufacturing



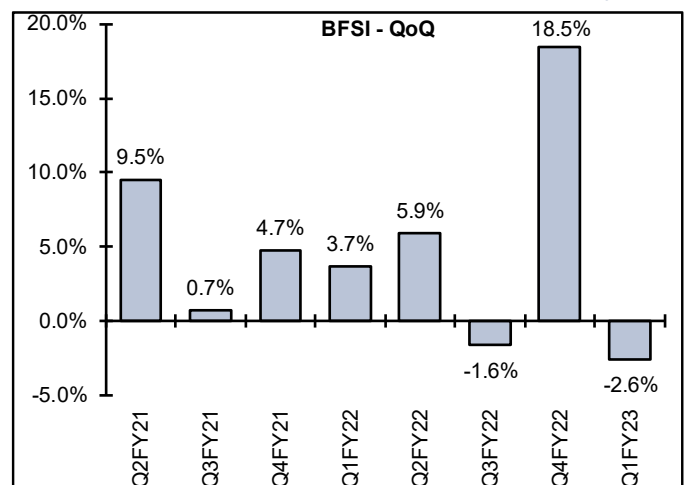
Source: Company, I-Sec research

Chart 5: Growth in technology normalised



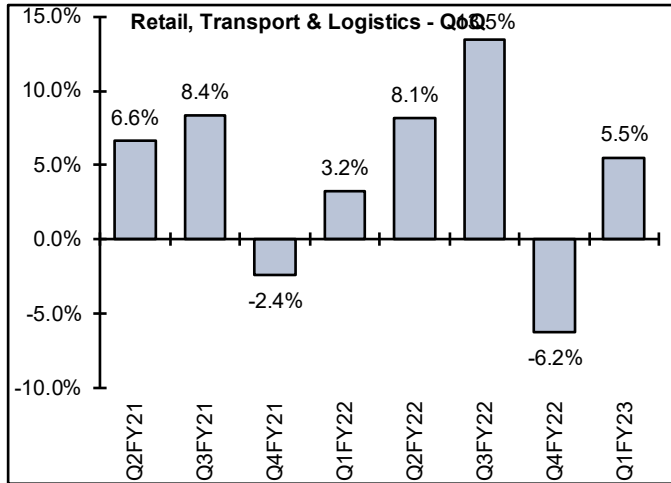
Source: Company, I-Sec research

Chart 6: Growth in BFSI declined sequentially



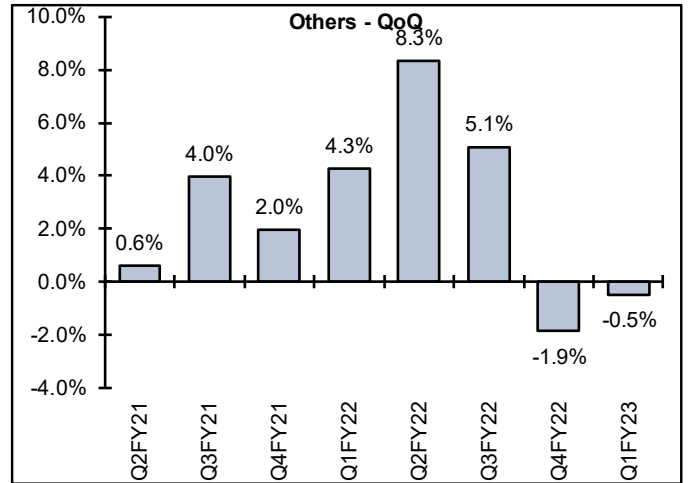
Source: Company, I-Sec research

Chart 7: Rebound in retail growth



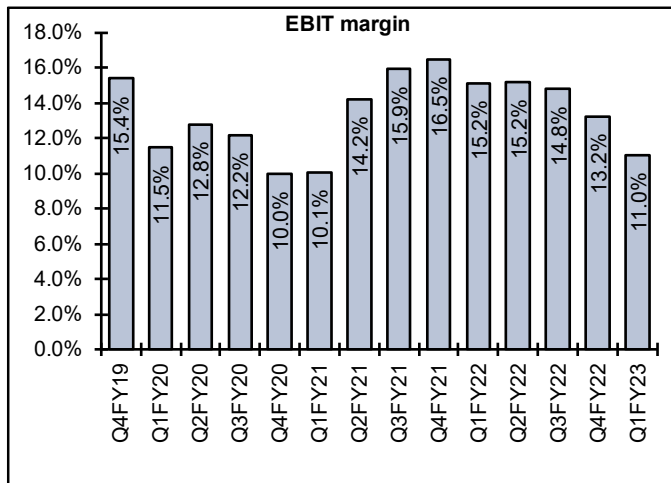
Source: Company, I-Sec research

Chart 8: 'Others' vertical continued to decline



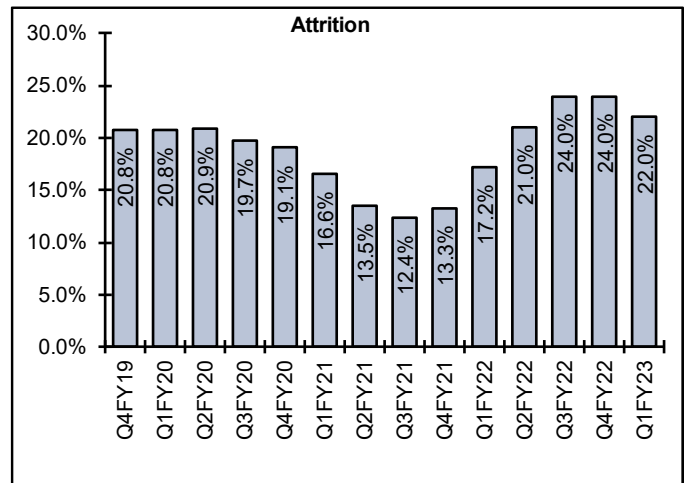
Source: Company, I-Sec research

Chart 9: 220bps QoQ drop in margins



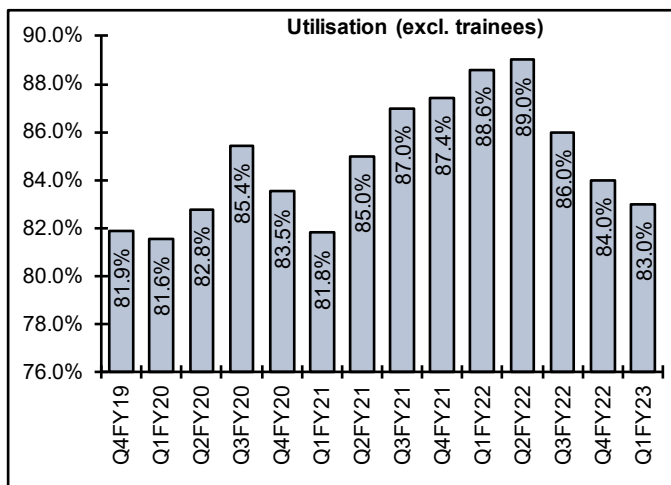
Source: Company, I-Sec research

Chart 10: Attrition reduced by 200bps QoQ



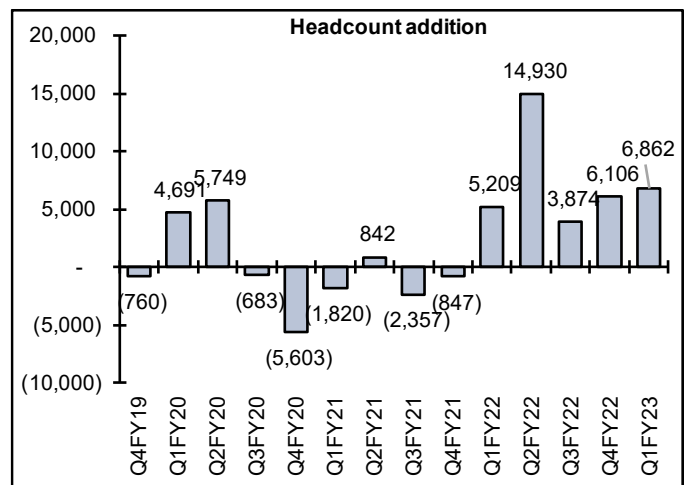
Source: Company, I-Sec research

Chart 11: Utilisation fell during the quarter



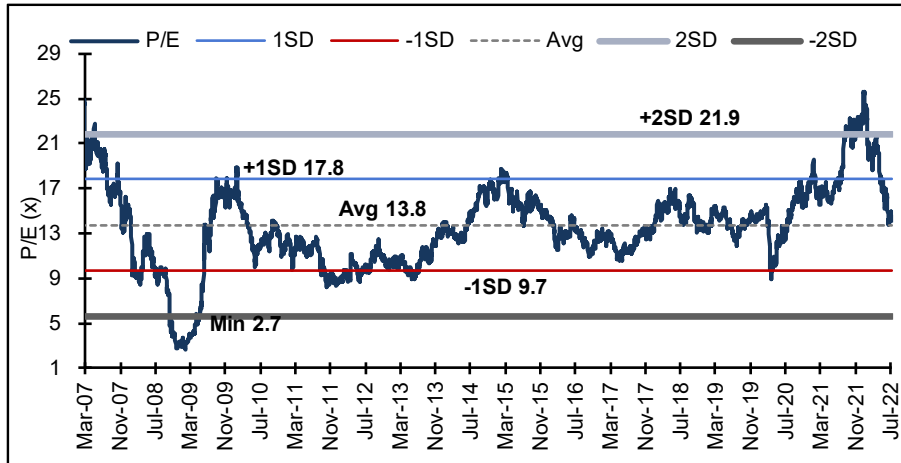
Source: Company, I-Sec research

Chart 12: Strong net headcount addition in Q1FY23



Source: Company, I-Sec research

Chart 13: 1-year forward P/E



Source: Bloomberg, I-Sec research.

Financial summary

Table 5: Profit and Loss statement

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
Revenues (US\$ mn)	5,111	5,998	6,776	7,221
Operating Revenues (Sales)	3,78,551	4,46,460	5,28,305	5,63,241
Operating Expenses	3,10,081	3,66,259	4,44,461	4,69,579
EBITDA	68,470	80,201	83,844	93,662
% margins	18.1	18.0	15.9	16.6
Depreciation & Amortisation	14,576	15,204	16,804	18,024
EBIT	53,894	64,997	67,040	75,639
% margins	14.2	14.6	12.7	13.4
Net other income	5,636	9,525	8,012	9,588
Recurring PBT	59,530	74,522	75,052	85,227
Less: Taxes	15,999	18,220	19,031	22,159
Add: Extraordinaries	-	-	-	-
Inc/(Exp)	-	-	-	-
Less: Minority	-	-	-	-
Interest/Income from Associates	750	(640)	(636)	(636)
Net Income (Reported)	44,281	55,662	55,385	62,432

Source: Company data, I-Sec research

Table 6: Balance sheet

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
LIABILITIES				
Shareholders' funds	2,48,650	2,68,857	2,99,034	3,35,026
Minority Interest	3,795	4,954	4,906	4,906
Non-current liabilities	29,256	37,544	39,919	39,919
Current Liabilities	1,02,775	1,25,048	1,29,917	1,31,654
Amounts pending investigation	12,304	12,304	12,304	12,304
Total Liabilities	3,96,780	4,48,707	4,86,080	5,23,810
ASSETS				
Fixed Assets	91,647	1,51,456	1,54,353	1,54,553
Other non-current assets	52,580	52,694	55,082	55,082
Total non-current assets	1,44,227	2,04,150	2,09,435	2,09,635
Current Assets	2,52,553	2,44,557	2,76,645	3,14,175
Total Assets	3,96,780	4,48,707	4,86,080	5,23,810

Source: Company data, I-Sec Research

Table 7: Cashflow statement

(Rs mn, year ending March 31)

	FY21	FY22	FY23E	FY24E
Operating Cashflow before W Cap changes	52,089	55,466	62,568	69,255
Working Capital Inflow / (Outflow)	28,850	(2,613)	(21,937)	(2,985)
Capex	(6,660)	(9,584)	(19,701)	(18,224)
Free Cashflow	74,278	43,269	20,930	48,047
Cashflow from other Invst Act (Ex Capex)	(47,841)	14,399	7,233	11,200
Change in equity	569	868	1,183	(0)
Change in debt	(7,949)	(6,802)	2,971	-
Dividend paid	(17,594)	(39,808)	(26,439)	(26,439)
Others	(4,895)	(924)	(596)	-
Increase/(Decrease) in Cash	(3,431)	11,002	5,282	32,807

Source: Company data, I-Sec research

Table 8: Key ratios

(Year ending March 31)

	FY21	FY22	FY23E	FY24E
Per Share Data (Rs)				
Earnings per share (Basic Reported)	50.7	63.7	63.4	71.4
Cash earnings per share	67.3	81.1	82.6	92.0
Dividend per share	45.0	45.0	30.0	30.0
Book Value per share	288.8	313.2	347.7	388.8
Growth Ratios (%)				
Operating Income (Sales) - US\$	(1.4)	17.4	13.0	6.6
Operating Income (Sales)	2.7	17.9	18.3	6.6
EBITDA	19.6	17.1	4.5	11.7
Reported Net Income	9.8	25.7	(0.5)	12.7
Earnings per share (Basic Reported)	9.6	25.7	(0.5)	12.7
Cash earnings per share	7.3	20.4	1.9	11.5
Valuation Ratios (x)				
P/E	20.1	16.0	16.0	14.2
P/CEPS	15.1	12.5	12.3	11.0
P/BV	3.5	3.2	2.9	2.6
EV / EBITDA	11.4	10.2	9.8	8.4
EV / Sales	2.1	1.8	1.6	1.4
Operating Ratios				
Other Income / PBT (%)	9.5	12.8	10.7	11.2
Effective Tax Rate (%)	26.9	24.4	25.4	26.0
Receivables (days) on average	69	62	60	59
D/E Ratio (x)	0.1	0.1	0.1	0.1
Return/Profitability Ratios (%)				
Net Income Margins	11.7	12.5	10.5	11.1
RoCE	14.1	15.9	14.7	15.0
RoNW	18.7	21.2	19.2	19.4
Dividend Payout Ratio	88.8	70.7	47.4	42.0
Dividend Yield	4.4	4.4	3.0	3.0
EBITDA Margin	18.1	18.0	15.9	16.6

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, Aniket Pande, MBA' Heenal Gada, CA; 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 – INH00000990. 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 an 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 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.