

Strong Hospital, Implant business outlook lowering discount to bigger peers

About the stock: Started by renowned orthopaedic surgeon Dr Vikram Shah, Shalby is a multi-specialty hospitals chain with expertise in joint replacement.

- Revenue-wise breakup Q4FY23: Arthroplasty: 41%, Critical care & General medicine: 10%, Cardiac science: 10%, Orthopaedic: 7%, Oncology: 10%, Neurology: 4%, Nephrology: 5%, Others: 13%
- Shalby registered a blended ARPOB of ₹ 34,865 and ALOS of 4.01 days (without day care procedures) in Q4FY23
- Acquisition of US based Consensus to diversify into related implant business besides supporting arthroplasty and orthopaedic segments

Key Investment Thesis:

- Shalby is a market leader in arthroplasty procedure with ~15% market share of all joint replacement surgeries by organised private corporate hospitals.
- Diversification of arthroplasty and orthopaedics with cardiac science, oncology and neuro-science with availability of additional bed capacity to support growth
- Strong growth outlook on implant business in core-markets post achieving EBITDA breakeven in Q4FY23
- Set on an inspirational target to clock US\$100 million in Implant business in next 5 years (from ~US\$11 million in FY23) and focus remains on expansion to 50 franchises in the next few years
- Net Debt free balance sheet with FY25 RoIC approaching 15%

Rating and Target Price

- We assign BUY rating on the back of 1) strong arthroplasty legacy and diversification into other super-specialties 2) asset light model via franchisee drive, 3) expansion of implant business into newer geographies besides stronger India and US traction
- We value Shalby at ₹ 220 based on SOTP valuation.



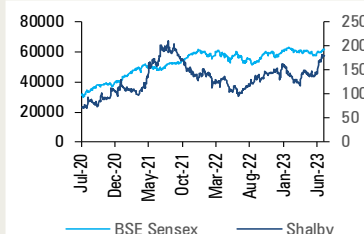
Particulars

Particular	Amount
Market Capitalisation	₹ 1954 crore
Debt (FY23)	₹ 142 crore
Cash (FY23)	₹ 12 crore
EV	₹ 2084 crore
52 week H/L	192/107
Equity capital	₹ 108.0 crore
Face value	₹ 10

Shareholding pattern

Particular	Jun-22	Sep-22	Dec-22	Mar-23
Promoter	74.0	74.0	74.0	74.0
Others	26.0	26.0	26.0	26.0

Price Chart



Recent event & key risks

- Launch of TUKS in US and India
- Key Risk:** (i) slower ramp up in elective surgeries (ii) Lower than guided traction from implants.

Research Analyst

Harshal Mehta
harshal.mehta@icicisecurities.com

Karan Khona
karan.khona@icicisecurities.com

Key Financial Summary

Key Financials (₹ Crore)	FY20	FY21	FY22	FY23	5 year CAGR (FY17-22)	FY24E	FY25E	2 year CAGR (FY23-25E)
Revenues	486.9	430.9	698.9	804.9	16.6	918.3	1049.0	9.2%
EBITDA	81.7	86.4	119.9	137.4	10.9	167.6	192.7	11.9%
EBITDA margins (%)	16.8	20.1	17.2	17.1		18.2	18.4	
Net Profit	27.6	42.4	54.0	68.3	13.5	88.9	111.3	17.6%
EPS (₹)	2.6	3.9	5.4	6.3		8.2	10.3	
PE (x)	54.8	35.7	27.9	22.1		17.0	13.6	
EV to EBITDA (x)	18.4	16.9	12.8	10.9		8.1	6.7	
RoCE (%)	7.2	6.5	8.4	9.9		11.8	13.9	
ROE (%)	3.5	5.1	6.7	7.4		8.9	10.2	

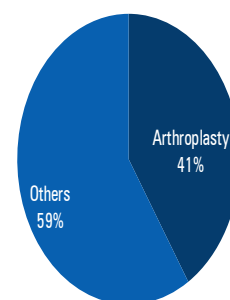
Company Background

Healthcare services under the brand 'Shalby' commenced in 1994 while actual incorporation happened in 2004. Led by Dr Vikram Shah, an orthopaedic surgeon with more than 25 years of professional experience, the company has grown from a single hospital to a chain of multi-specialty hospitals. Its first hospital, Vijay Shalby was established by Shalby Orthopaedic Hospital and Research Centre, one of the group entities, in 1994. Subsequently, SG Shalby and Vrundavan Shalby commenced operations in 2007 and 2011, respectively. From four hospitals in April 2012, the company has grown to 14 hospitals IN FY23

The company also has a network of 59 outpatient clinics across 16 states in India and abroad, which act as a separate medium to tap new patients. Internationally also, it has established a strong presence in Africa, Bangladesh and Cambodia with multiple out-patient clinics extending expert healthcare and wellness services to these countries.

The existing revenue mix between Arthroplasty and other specialties is at ~41:59 (FY23). The total bed capacity was at 2222 with operational beds at 1260. The company employs over 3800+ employees including more than 500 doctors. Shalby registered a blended ARPOB of ₹ 34842 and ALOS of 3.92 days (with day care procedures) in FY23.

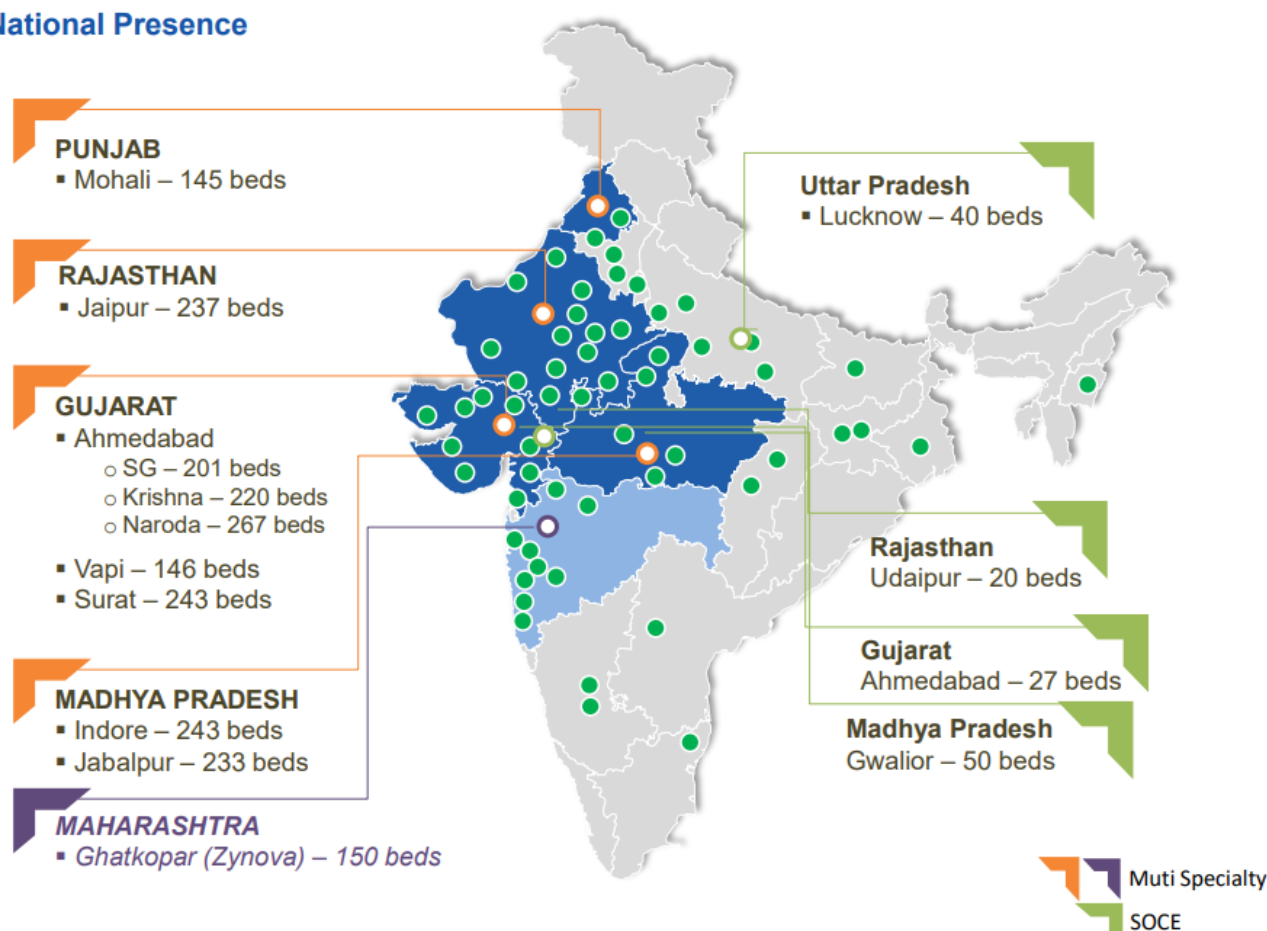
Arthroplasty - ~41% of revenues



Source: ICICI Direct Research; Company

Exhibit 1: Network of hospitals in India with bed capacity

National Presence



Source: ICICI Direct Research; Company

Investment Rationale

Market leader in fast growing joint replacement surgeries

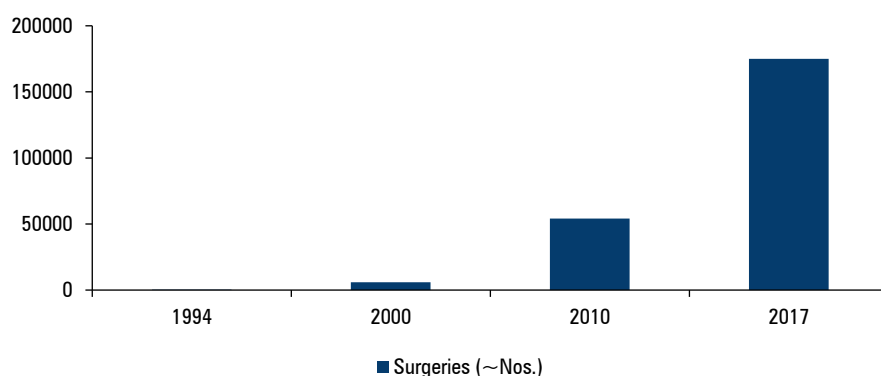
Rapid ageing, greater life expectancy, lack of exercise as well as altered lifestyles are driving the incidence of osteoarthritis among Indians. Osteoarthritis is the most frequent joint disease with a prevalence of ~30% in India. Knee replacement surgeries in India grew at ~30% CAGR since inception of the company till 2017. They are expected to emerge as the fourth most common cause of physical disability in India in the next decade. Having performed 148000+ joint replacements since 2007, the company has been a market leader in the area of joint replacement surgeries with ~15% market share among organised private corporate hospitals in India.

Led by renowned orthopaedic surgeon Dr Shah, the company has achieved strong brand recall in Gujarat, especially in joint replacement surgeries. Among other unique aspects associated with the company, the most prominent could be the '0 technique' procedure, which reduced surgical time from 150 minutes to 25 minutes and a patient's hospital stay from 15 to three days. Through 59 outpatient clinics (FY22), it offers orthopaedic consultation services to patients.

Rapid ageing, greater life expectancy, lack of exercise as well as altered lifestyles are driving the incidence of osteoarthritis among Indians

Led by renowned orthopaedic surgeon Dr Shah, the company has achieved strong brand recall in Gujarat, especially in joint replacement surgeries

Exhibit 2: Knee replacement surgeries grow at ~30% CAGR over past three decades



Source: ICICI Direct Research, Company Annual Report FY19

Expanding in other specialties to de-risk

After achieving critical mass in arthroplasty, the company has been rapidly expanding in other specialties, especially in new hospitals. In the last few years, Shalby has forayed into tertiary and quaternary specialties like cardiology, neurology, oncology, bariatric, liver & renal transplants, etc. A case in point is Jabalpur hospital, which commenced operations in 2014 with a primary focus on cardiology. Similarly, Shalby Indore provides advanced radiation therapy for cancer treatment. The company has engaged the services of 75 doctors with specialisation in the area of orthopaedics and 244 doctors with specialisations in other specialties (FY19). Further, in line with its strategy to further strengthen its capabilities in non-orthopaedic specialties, it offers advance post-graduate diplomas in a range of disciplines including non-invasive cardiology, dialysis management, oncology and sports medicine through Shalby Academy. Share of arthroplasty has come down from 97% in FY08 to 41% in FY23.

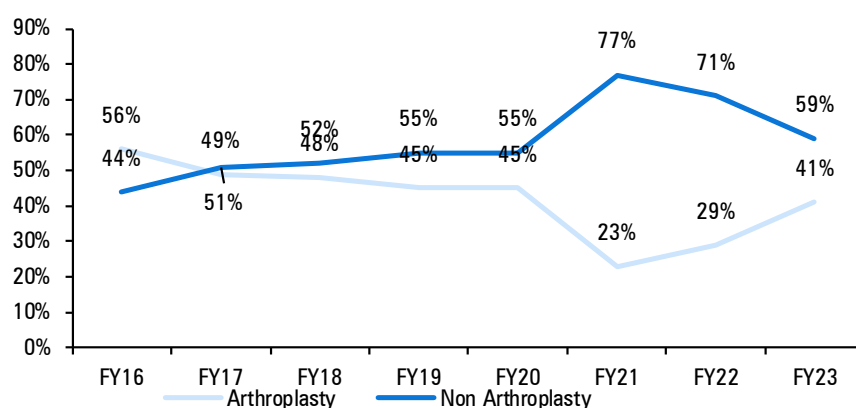
The shift is visible, especially in <6 years hospitals where the non-arthroplasty pie is higher than the arthroplasty pie. Thus, hospitals in Indore, Jabalpur, Jaipur, Naroda, Surat and Mohali are running on a multi-specialty model.

While arthroplasty will continue to remain the cash cow for the company, it can utilise the significant cash flows for expansion in other specialties without additional leverage on the balance sheet.

In the last few years, the company has forayed into tertiary and quaternary specialties like cardiology, neurology, oncology, bariatric, liver and renal transplants, etc

Share of arthroplasty has come down from 97% in FY08 to 41% in FY23

Exhibit 3: Post Covid Arthroplasty normalised at 41%



Source: ICICI Direct Research, Company

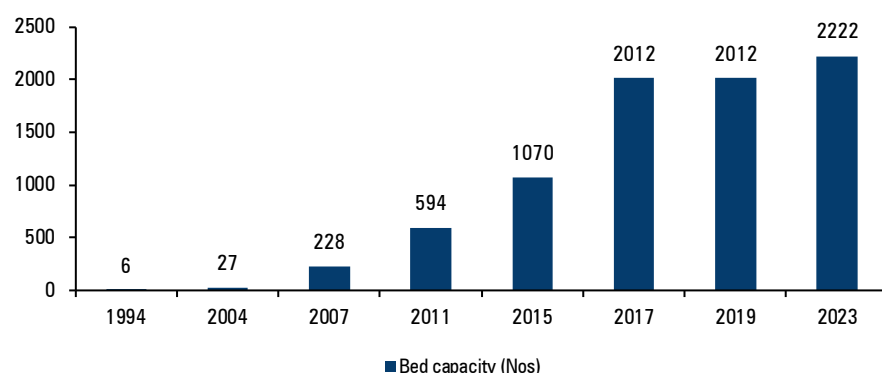
Leverage free balance sheet despite continuous expansion

Shalby is one of the rare hospital chains, which has a debt free balance sheet. Despite aggressive expansion in the past decade, the company remained debt free owing to its assets light model approach and continuous strong free cash flow generation from legacy hospitals in Ahmedabad owing to its strong brand recall. As per the management, the company's per bed cost is ₹ 40-50 lakh against capex of ₹ 75+ lakh at other corporate hospitals while operational cost is 10-15% lower than industry standard. The company has utilised ₹ 388 crore (out of ₹ 480 crore) from IPO proceed for repayment of loans and purchase of equipment. As a matter of policy, the company has confined itself to mid-tier hospitals (~200 beds), which are relatively easy to manage.

Shalby is one of the rare hospital chains, which has a debt free balance sheet despite aggressive expansion in the past decade

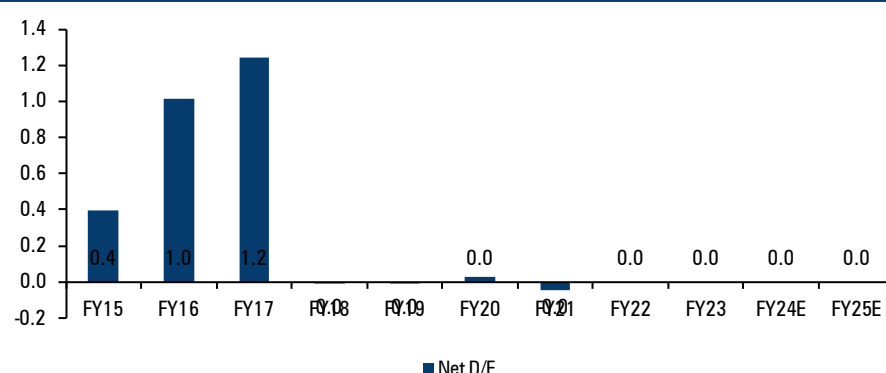
Another peculiar aspect is the design and arrangement of the hospital structure that accommodates 30%+ higher beds on every floor. Similarly, against the industry average of four operation theatres (OTs) for 200 beds, the company's hospital design accommodates eight OTs for 200 beds, which allows Shalby to perform more surgeries per day.

Exhibit 4: Shalby adds ten hospitals in past decade



Source: ICICI Direct Research, Company

Exhibit 5: Shalby's debt free balance sheet



Source: ICICI Direct Research, Company

Key risks and Concerns

Changing healthcare regulations in India

According to the order dated August 16, 2017, by the National Pharmaceuticals Pricing Authority (NPPA) a cap has been introduced in the pricing of orthopaedic surgical procedures using knee implants performed by hospitals and clinics, among others. As a result, the charges in relation to knee replacement surgeries may have to be reduced in line with the requirements set out in the abovementioned order. This may, in turn, adversely impact the company's margins and profitability. Furthermore, any such passing of a regulation could have an adverse impact on the company's business and financial performance.

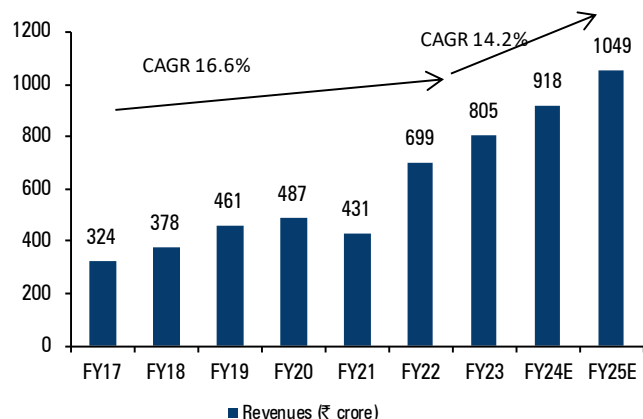
High operational profit concentration from four hospitals

Four hospitals, with a presence above six years, contributed 86% to FY19 EBITDA. This includes flagship hospitals SG Shalby and Krishna Shalby. Thus, the company is still exposed to concentration risk. Any adverse impact in any of these legacy hospitals, especially the two flagship assets, could drag down the overall company performance.

Significant dependence on key man to run business

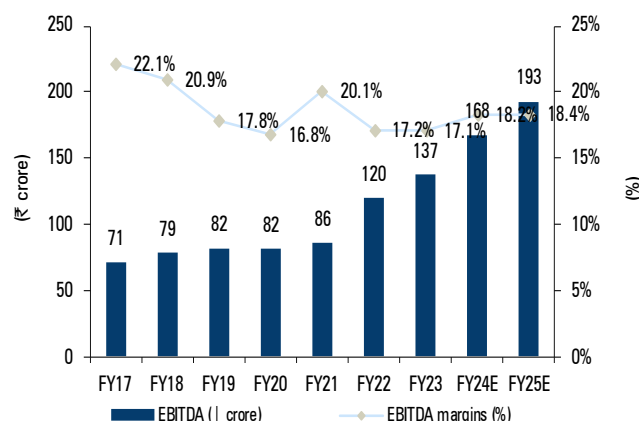
Dr Vikram Shah's reputation has been the single most driving force in the company's success. Apart from his dexterity in the field of arthroplasty surgeries, the company is also significantly dependent on him for strategic directions and managing business affairs. Hence, there remains a key man focus risk.

Exhibit 6: Revenue to grow at CAGR of 14.2% over FY23-25E



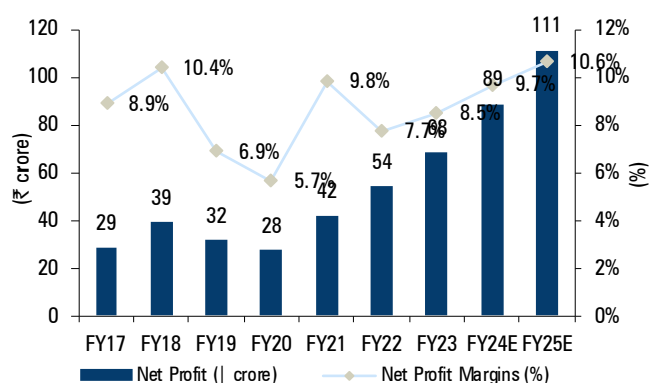
Source: Company, ICICI Direct Research

Exhibit 7: EBITDA & EBITDA margins trend



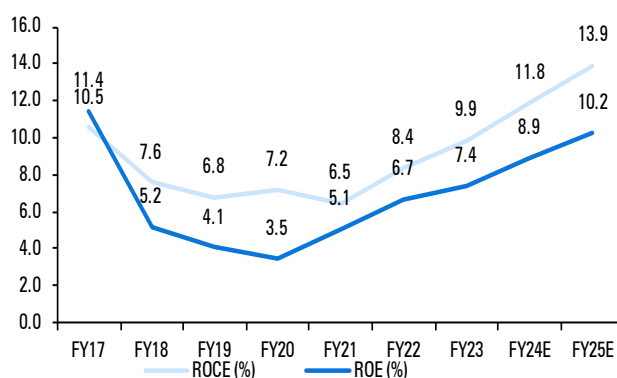
Source: Company, ICICI Direct Research

Exhibit 8: PAT & PAT margins trend



Source: Company, ICICI Direct Research

Exhibit 9: RoE & RoCE trend



Source: Company, ICICI Direct Research

Exhibit 10: Valuation

Particulars	FY25E (₹ cr)	Valuation Matrix	Multiple (x)	EV (₹ cr)
Hospital	199.3	EV/EBITDA	11.5	2,292
Shalby Consensus	159.1	EV/Sales	1.0	159
EV				2,451
Net Debt FY25E (₹ cr)				84.3
Minority Interest				1.0
Targeted MCap (₹ cr)				2,366
No of shares (cr)				10.8
Per Share Value (₹)				220

Financial Summary

Exhibit 11: Profit and loss statement

₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Total Operating Income	698.9	804.9	918.3	1,049.0
Growth (%)	62.2	15.2	14.1	14.2
Raw Material Expenses	41.6	59.4	54.7	62.5
Gross Profit	657.4	745.5	863.6	986.5
Gross Profit Margins (%)	94.0	92.6	94.0	94.0
Employee Expenses	118.4	143.6	163.9	187.2
Other Expenditure	419.0	464.5	532.2	606.7
Total Operating Expenditure	579.0	667.5	750.8	856.4
EBITDA	119.9	137.4	167.6	192.7
Growth (%)	38.8	14.6	21.9	15.0
Interest	5.9	9.1	6.4	2.9
Depreciation	42.9	48.1	49.1	47.6
Other Income	12.4	22.5	18.4	21.0
PBT before Exceptional Items	83.6	102.7	130.4	163.2
Less: Exceptional Items	4.4	0.0	0.0	0.0
PBT after Exceptional Items	79.1	102.7	130.4	163.2
Total Tax	25.2	34.4	41.5	51.9
PAT before MI	54.0	68.3	88.9	111.3
PAT	54.0	68.3	88.9	111.3
Growth (%)	27.4	26.6	30.1	25.1
EPS (Adjusted)	5.4	6.3	8.2	10.3

Source: Company, ICICI Direct Research

Exhibit 12: Cash flow statement

₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Profit/(Loss) after taxation	56.2	73.6	84.2	101.2
Add: Depreciation & Amortization	42.9	38.8	49.1	50.2
Net Increase in Current Assets	-118.6	-63.4	-42.5	-48.8
Net Increase in Current Liabilities	27.8	17.6	15.6	17.8
Others	10.6	1.1	13.4	15.2
CF from Operating activities	18.9	67.7	119.9	135.6
Investments	-8.8	-119.2	0.0	0.0
(Purchase)/Sale of Fixed Assets	-48.3	-17.7	-100.0	-100.0
Others	-3.2	75.8	-5.0	-5.7
CF from Investing activities	-60.3	-61.1	-105.0	-105.7
Inc / (Dec) in Equity Capital	0.0	-7.5	0.0	0.0
Dividend & Dividend tax	-10.8	-10.8	-16.8	-20.2
Other	101.3	-31.7	36.6	9.8
CF from Financing activities	90.5	-50.1	19.7	-10.4
Net Cash Flow	49.1	-43.4	34.6	19.5
Cash and Cash Equivalent	6.5	55.6	12.1	46.7
Cash	55.6	12.2	46.7	66.3
Free Cash Flow	-29.4	50.0	19.9	35.6

Source: Company, ICICI Direct Research

Exhibit 13: Balance Sheet

₹ crore

Year-end March	FY22	FY23	FY24E	FY25E
Equity Capital	108.0	107.3	107.3	107.3
Reserve and Surplus	768.3	820.4	891.6	980.6
Total Shareholders funds	876.3	927.7	998.9	1,088.0
Total Debt	155.0	141.7	91.7	41.7
Deferred Tax Liability	30.6	43.4	44.3	45.2
Minority Interest	-0.1	-0.1	-0.1	-0.1
Other Non Current Liabilities	26.9	48.5	49.5	50.5
Source of Funds	1,088.7	1,161.2	1,184.3	1,225.2
Gross Block - Fixed Assets	852.7	910.6	930.6	900.6
Accumulated Depreciation	187.5	235.6	284.7	332.3
Net Block	665.2	675.0	645.9	568.3
Capital WIP	5.8	10.5	90.5	170.5
Goodwill	10.2	10.2	10.2	10.2
Fixed Assets	681.2	695.7	746.6	749.0
Investments	24.7	145.7	145.7	145.7
Other non-Current Assets	41.5	41.7	45.8	50.4
Deferred Tax Assets	20.0	26.7	29.4	32.4
Inventory	121.1	185.4	45.0	51.4
Debtors	101.0	106.4	132.7	151.6
Loans and Advances	0.0	0.0	0.0	0.0
Other Current Assets	93.6	67.5	68.8	70.2
Cash	110.6	12.1	98.5	119.6
Total Current Assets	426.3	371.3	345.0	392.7
Creditors	70.7	87.9	93.0	106.3
Provisions	1.1	1.5	1.6	1.8
Other Current Liabilities	33.0	30.6	33.6	37.0
Total Current Liabilities	104.8	119.9	128.3	145.0
Net Current Assets	321.4	251.4	216.7	247.7
Application of Funds	1,088.7	1,161.2	1,184.3	1,225.2

Source: Company, ICICI Direct Research

Exhibit 14: Key ratios

Year-end March	FY22	FY23	FY24E	FY25E
Per share data (₹)				
Reported EPS	5.0	6.3	7.8	9.4
Cash EPS	8.4	9.5	10.8	12.1
BV per share	81.1	85.9	92.1	99.6
Cash per Share	10.2	1.1	4.3	6.1
Dividend per share	1.0	1.3	1.6	1.9
Operating Ratios (%)				
Gross Profit Margins	94.0	92.6	94.0	94.0
EBITDA margins	17.2	17.1	18.2	18.4
PAT Margins	8.4	8.5	9.2	9.6
Cash Conversion Cycle	495.0	647.4	790.0	790.0
Asset Turnover	0.8	0.9	1.0	1.1
EBITDA conversion Rate	15.8	49.3	71.6	70.4
Return Ratios (%)				
RoE	6.7	7.4	8.5	9.4
RoCE	8.4	9.9	10.9	12.1
RoIC	8.3	9.2	12.2	14.6
Valuation Ratios (x)				
P/E	35.9	28.4	23.1	19.2
EV / EBITDA	16.4	14.0	11.6	10.1
EV / Net Sales	2.8	2.4	2.1	1.9
Market Cap / Sales	2.8	2.4	2.1	1.9
Price to Book Value	2.2	2.1	2.0	1.8
Solvency Ratios				
Debt / EBITDA	1.3	1.0	1.1	1.1
Debt / Equity	0.2	0.2	0.2	0.2
Current Ratio	3.0	3.0	3.0	2.9
Quick Ratio	1.9	1.4	1.4	1.4

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,
Third Floor, Brillanto House,
Road No 13, MIDC,
Andheri (East)
Mumbai – 400 093
research@icicidirect.com

ANALYST CERTIFICATION

I/We, Harshal Mehta, MTech (Biotech), Karan Khona, CA, 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. Registered Office Address: ICICI Venture House, Appasaheb Marathe Marg, Prabhadevi, Mumbai - 400 025. CIN: L67120MH1995PLC086241, Tel: (91 22) 6807 7100. 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.

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by Sebi and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. None of the research recommendations promise or guarantee any assured, minimum or risk-free return to the investors.

Name of the Compliance officer (Research Analyst): Mr. Atul Agarwal
Contact number: 022-40701000 E-mail Address: complianceofficer@icicisecurities.com

For any queries or grievances: Mr. Prabodh Avadhoot Email address: headsservicequality@icicidirect.com Contact Number: 18601231122

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 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.