

May 1, 2024

Q4FY24 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY25E	FY26E	FY25E	FY26E
Rating	REDUCE		SELL	
Target Price	151		144	
Sales (Rs. bn)	9,038	9,201	9,576	9,312
% Chng.	(5.6)	(1.2)		
EBITDA (Rs. bn)	462	456	605	430
% Chng.	(23.7)	5.9		
EPS (Rs.)	15.1	14.0	21.4	14.0
% Chng.	(29.3)	(0.1)		

Key Financials - Consolidated

Y/e Mar	FY23	FY24	FY25E	FY26E
Sales (Rs. bn)	8,418	7,764	9,038	9,201
EBITDA (Rs. bn)	307	756	462	456
Margin (%)	3.6	9.7	5.1	5.0
PAT (Rs. bn)	117	432	208	193
EPS (Rs.)	8.5	31.3	15.1	14.0
Gr. (%)	(54.5)	268.8	(51.7)	(7.5)
DPS (Rs.)	3.0	12.0	5.6	5.3
Yield (%)	1.8	7.1	3.3	3.1
RoE (%)	8.6	26.7	11.0	9.5
RoCE (%)	6.5	20.4	9.1	7.8
EV/Sales (x)	0.4	0.5	0.4	0.4
EV/EBITDA (x)	12.1	4.7	7.8	7.8
PE (x)	19.9	5.4	11.2	12.1
P/BV (x)	1.7	1.3	1.2	1.1

Key Data

IOC.BO | IOCL IN

52-W High / Low	Rs.197 / Rs.81
Sensex / Nifty	74,483 / 22,605
Market Cap	Rs.2,384bn / \$ 28,578m
Shares Outstanding	14,121m
3M Avg. Daily Value	Rs.6658.15m

Shareholding Pattern (%)

Promoter's	51.50
Foreign	8.50
Domestic Institution	10.33
Public & Others	29.67
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	0.7	88.2	107.4
Relative	(0.5)	61.4	70.2

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Payal Shah

payalshah@plindia.com |

Weak GRMs drag earnings

Quick Pointers:

- The Board has approved implementation of 1GW of installed capacity of RE projects at an estimated cost of Rs52.2bn (of which Rs 13bn would be via equity) in a phased manner.
- Net debt stands at Rs1,203bn in FY24(vs Rs 1,380bn in FY23).

Indian Oil Corporation's (IOCL) Q4 EBITDA stood at Rs104.4 bn (down 33% QoQ, PLe: Rs145bn, cons est: Rs156bn) and PAT at Rs48.4 bn (down 40% QoQ, PLe: Rs66.9bn, cons est: Rs73.5bn). The weak set of results was primarily on account of lower refining margins although gross marketing margins remained moderate. Refining capacity utilization stood at 104.5%. IOCL declared a final dividend of Rs7/share. The stock is currently trading at 1.2x FY26 P/BV and 12.3x FY26 EPS. Factoring in structural weakness in GRMs and inability to pass on rise in fuel cost we anticipate GRMs at US\$6/bbl for FY25/26E and gross marketing margin at Rs 4.2/ltr for FY25/26E. We re-rate the stock from 'Sell' to 'Reduce' due to correction in stock price rating with a TP of Rs 151 based on 1x FY26E P/BV.

- Refining throughput and marketing sales decline QoQ:** Refining throughput at 18.3 mmt fell marginally by 1% QoQ. Capacity utilization for the quarter was 104.5%. On a YoY basis, throughput fell by 4%. Marketing sales came in at 21.3 mmt, down 9% QoQ (PLe: 22.2 mmt). Sales were up1% YoY. Exports for the quarter were 1.5 mmt, up 19% QoQ.
- GRMs come in weaker than anticipated:** IOC reported a GRM of US\$8.4/bbl, lower than our estimate of US\$12.3/bbl. Core GRM stood at US\$10.6/bbl with an inventory loss of US\$2.2/bbl. GRM declined by US\$5.1/bbl QoQ. On a YoY basis, GRMs fell by US\$6.9/bbl. Singapore GRMs in the current quarter have softened amid fall in product cracks and are averaging at ~US\$4/bbl. In the long term, given adequate capacity expansions in China and India, and weak demand prospects, we expect GRMs to remain weak. Factoring in this, we build in a GRM of US\$6/bbl for FY25/26E.
- Gross Marketing Margins improve significantly YoY:** On the marketing front, implied gross marketing margin came in at Rs 4.9/ltr above our estimate of Rs 3.4/ltr. On YoY basis, gross marketing margins grew remarkably by 54% led by softening of international petrol and diesel prices. In Q1FY25-TD, average gross margins on petrol/diesel stand at Rs2.7/2.4/ltr. Going ahead, we build in blended gross marketing margin of Rs 4.2/4.2/ltr for FY25/26E.
- Remarkable FY24 performance:** EBITDA grew 140% YoY mainly on account of higher gross marketing margins in FY24. Net profit for the period was Rs396.2bn, up ~5x YoY. Cumulative GRMs stand at US\$12.1/bbl vs US\$19.8 in FY23. However, average gross marketing margins grew remarkably to Rs5.9/ltr against a gross marketing loss of Rs1.1/ltr in FY23.

Exhibit 1: Standalone Quarterly and FY24 Income Statement

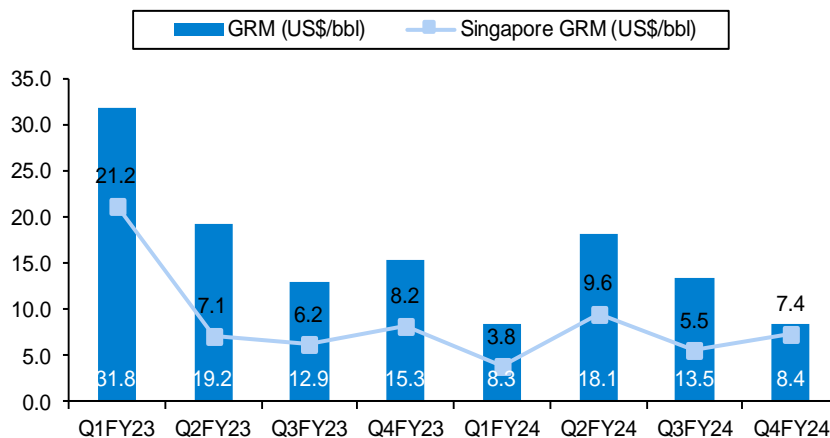
Y/e March (Rs bn)	Q4FY24	Q3FY24	QoQ gr.	Q4FY24E	% Var	Q4FY23	YoY gr.	FY24	FY23	YoY gr.
Net Sales	1979.8	1991.0	-0.6%	2550.1	-22%	2,029.9	-2.5%	7,743.5	8,394.7	-7.8%
Total Expenditure	1875.4	1836.2	2.1%	2405.1	-22%	1,886.4	-0.6%	7,049.5	8,105.2	-13.0%
EBITDA	104.4	154.9	-32.6%	145.0	-28%	143.5	-27.3%	694.0	289.5	139.7%
<i>Margins (%)</i>	<i>5.3</i>	<i>7.8</i>		<i>5.7</i>		<i>7.1</i>				
Depreciation	37.4	43.4	-13.9%	45.2	-17%	29.5	26.6%	145.1	118.6	22.3%
Interest	20.2	18.3	10.4%	19.9	2%	18.1	11.7%	73.3	69.3	5.7%
Other Income	16.6	14.5	14.0%	9.6	73%	16.4	1.2%	47.8	62.4	-23.3%
PBT	63.3	107.7	-41.2%	89.5	-29%	122.1	-48.2%	523.4	97.0	439.7%
Tax	14.9	27.0	-44.7%	22.5	-34%	21.6		127.3	14.6	773.8%
<i>Rate (%)</i>	<i>23.6</i>	<i>25.1</i>		<i>25.2</i>		<i>17.7</i>				
Reported PAT	48.4	80.6	-40.0%	66.9	-28%	100.6	-51.9%	396.2	82.4	380.7%

Source: Company, PL

Exhibit 2: GRM declines 39% YoY to US\$12.1/bbl in FY24

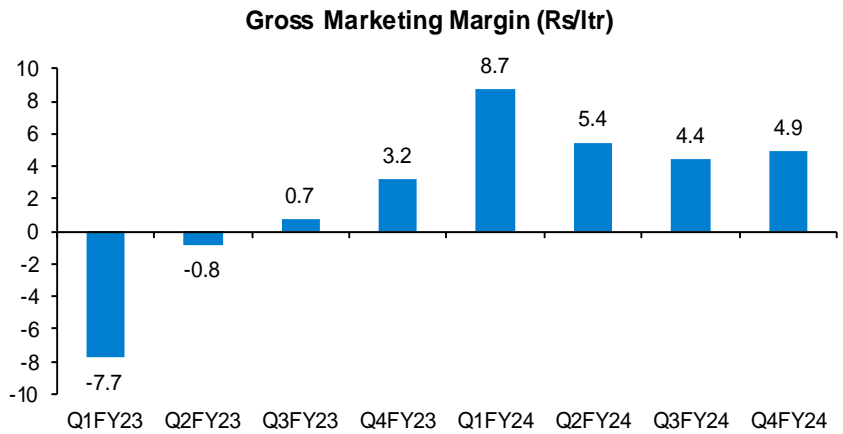
	Q4FY24	Q3FY24	QoQ gr.	Q4FY24E	% Var	Q4FY23	YoY gr.	FY24	FY23	YoY gr.
Refining throughput (mmt)	18.3	18.5	-1.2%	17.8	3%	19.1	-4.4%	73.4	72.3	1%
Reported GRM (USD/bbl)	8.4	13.5	-38.0%	12.3	-32%	15.3	-45.1%	12.1	19.8	-39%
Domestic sale of refined products (mmt)	21.3	23.3	-8.7%	22.2	-4%	21.1	0.6%	85.6	84.0	2%
Marketing GM incl. inv. per litre (INR/litre)	4.9	4.4	12.0%	3.4	43%	3.2	54.0%	5.9	-1.1	NA

Source: Company, PL

Exhibit 3: GRMs decline by US\$5.1/bbl sequentially


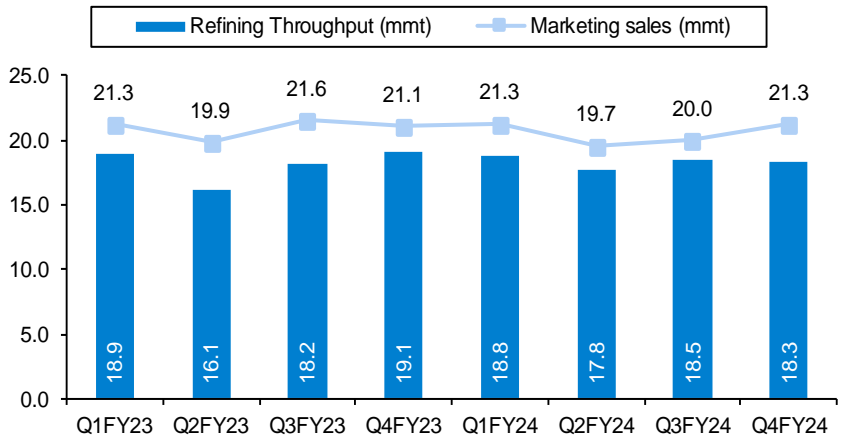
Source: Company, PL

Exhibit 4: GMMs improved 1.5x YoY in Q4



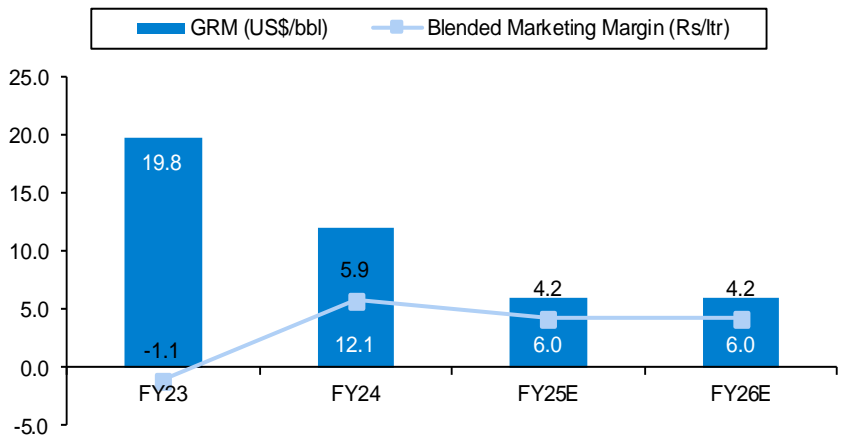
Source: Company, PL

Exhibit 5: Refining throughput fell 1% QoQ



Source: Company, PL

Exhibit 6: Anticipate GRMs at US\$6/bbl in FY25/26E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
Net Revenues	8,418	7,764	9,038	9,201
YoY gr. (%)	42.8	(7.8)	16.4	1.8
Cost of Goods Sold	7,476	6,388	8,220	8,385
Gross Profit	941	1,376	818	816
Margin (%)	11.2	17.7	9.0	8.9
Employee Cost	94	117	-	-
Other Expenses	541	503	356	360
EBITDA	307	756	462	456
YoY gr. (%)	(35.7)	146.2	(38.9)	(1.3)
Margin (%)	3.6	9.7	5.1	5.0
Depreciation and Amortization	132	159	165	174
EBIT	175	597	296	282
Margin (%)	2.1	7.7	3.3	3.1
Net Interest	75	78	81	83
Other Income	42	38	48	49
Profit Before Tax	142	557	263	247
Margin (%)	1.7	7.2	2.9	2.7
Total Tax	33	141	66	62
Effective tax rate (%)	23.5	25.3	25.2	25.2
Profit after tax	108	416	197	185
Minority interest	-	-	-	-
Share Profit from Associate	9	15	11	8
Adjusted PAT	117	432	208	193
YoY gr. (%)	(54.5)	268.8	(51.7)	(7.5)
Margin (%)	1.4	5.6	2.3	2.1
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	117	432	208	193
YoY gr. (%)	(54.5)	268.8	(51.7)	(7.5)
Margin (%)	1.4	5.6	2.3	2.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	117	432	208	193
Equity Shares O/s (m)	14	14	14	14
EPS (Rs)	8.5	31.3	15.1	14.0

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
Non-Current Assets				
Gross Block	2,542	2,860	3,473	3,796
Tangibles	2,542	2,860	3,473	3,796
Intangibles	-	-	-	-
Acc: Dep / Amortization	741	900	1,065	1,239
Tangibles	741	900	1,065	1,239
Intangibles	-	-	-	-
Net fixed assets	1,800	1,960	2,408	2,556
Tangibles	1,800	1,960	2,408	2,556
Intangibles	-	-	-	-
Capital Work In Progress	511	610	247	174
Goodwill	0	0	0	0
Non-Current Investments	522	655	655	655
Net Deferred tax assets	(168)	(190)	(190)	(190)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,211	1,214	1,231	1,255
Trade receivables	163	138	188	191
Cash & Bank Balance	21	32	183	478
Other Current Assets	-	-	-	-
Total Assets	4,418	4,824	5,117	5,510
Equity				
Equity Share Capital	138	138	138	138
Other Equity	1,259	1,696	1,828	1,948
Total Networkth	1,397	1,834	1,966	2,086
Non-Current Liabilities				
Long Term borrowings	1,401	1,235	1,444	1,690
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,301	1,397	1,350	1,376
Other current liabilities	116	120	120	120
Total Equity & Liabilities	4,418	4,824	5,117	5,510

Source: Company Data, PL Research



Cash Flow (Rs bn)

Y/e Mar	FY23	FY24	FY25E	FY26E
PBT	150	557	263	247
Add. Depreciation	132	159	165	174
Add. Interest	75	78	81	83
Less Financial Other Income	42	38	48	49
Add. Other	10	37	11	8
Op. profit before WC changes	368	831	521	513
Net Changes-WC	(57)	98	(105)	5
Direct tax	(15)	(141)	(66)	(62)
Net cash from Op. activities	296	788	349	456
Capital expenditures	(322)	(417)	(250)	(250)
Interest / Dividend Income	-	-	-	-
Others	41	(134)	-	-
Net Cash from Inv. activities	(280)	(551)	(250)	(250)
Issue of share cap. / premium	-	-	-	-
Debt changes	108	(167)	210	246
Dividend paid	(33)	(165)	(77)	(73)
Interest paid	(70)	(78)	(81)	(83)
Others	(18)	183	-	-
Net cash from Fin. activities	(13)	(227)	52	89
Net change in cash	3	11	152	295
Free Cash Flow	(25)	371	99	206

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY24	Q2FY24	Q3FY24	Q4FY24
Net Revenue	1,975	1,797	1,991	1,980
YoY gr. (%)	(11.9)	(13.4)	(2.8)	(2.5)
Raw Material Expenses	1,619	1,437	1,693	1,722
Gross Profit	357	361	298	258
Margin (%)	18.1	20.1	15.0	13.0
EBITDA	222	213	155	104
YoY gr. (%)	415.9	325.2	192.5	(27.3)
Margin (%)	11.2	11.9	7.8	5.3
Depreciation / Depletion	32	33	43	37
EBIT	190	180	111	67
Margin (%)	9.6	10.0	5.6	3.4
Net Interest	16	18	18	20
Other Income	7	10	15	17
Profit before Tax	181	172	108	63
Margin (%)	9.2	9.6	5.4	3.2
Total Tax	43	42	27	15
Effective tax rate (%)	23.9	24.5	25.1	23.6
Profit after Tax	138	130	81	48
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	138	130	81	48
YoY gr. (%)	(790.1)	(4,861.3)	1,699.8	(51.9)
Margin (%)	7.0	7.2	4.0	2.4
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	138	130	81	48
YoY gr. (%)	(790.1)	(4,861.3)	1,699.8	(51.9)
Margin (%)	7.0	7.2	4.0	2.4
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	138	130	81	48
Avg. Shares O/s (m)	14	14	14	14
EPS (Rs)	10.0	9.4	5.9	3.5

Source: Company Data, PL Research

Key Financial Metrics

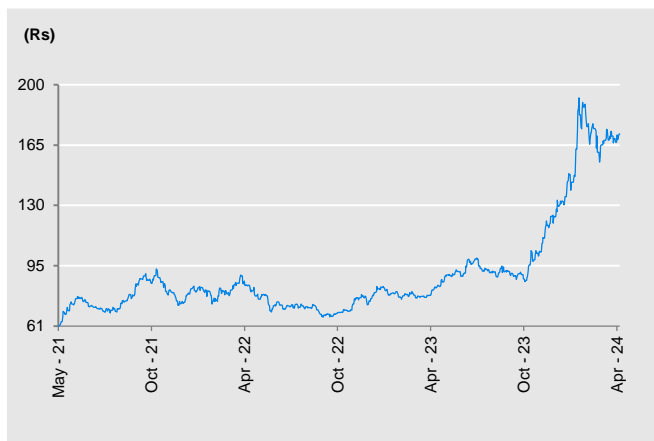
Y/e Mar	FY23	FY24	FY25E	FY26E
Per Share(Rs)				
EPS	8.5	31.3	15.1	14.0
CEPS	18.1	42.9	27.1	26.6
BVPS	101.5	133.2	142.7	151.4
FCF	(1.8)	26.9	7.2	14.9
DPS	3.0	12.0	5.6	5.3
Return Ratio(%)				
RoCE	6.5	20.4	9.1	7.8
ROIC	4.0	12.5	6.0	5.6
RoE	8.6	26.7	11.0	9.5
Balance Sheet				
Net Debt : Equity (x)	1.0	0.7	0.6	0.6
Net Working Capital (Days)	9	9	8	8
Valuation(x)				
PER	19.9	5.4	11.2	12.1
P/B	1.7	1.3	1.2	1.1
P/CEPS	18.1	42.8	27.1	26.6
EV/EBITDA	12.1	4.7	7.8	7.8
EV/Sales	0.4	0.5	0.4	0.4
Dividend Yield (%)	1.8	7.1	3.3	3.1

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY23	FY24	FY25E	FY26E
Brent (US\$/bbl)	96.1	83.3	85.0	85.0
Refining Throughput (mmt)	72.3	73.4	72.0	72.0
GRM (US\$/bbl)	19.8	12.1	6.0	6.0
Marketing Sales (mmt)	84.0	82.3	85.6	89.0
Gross Marketing Margin (Rs/ltr)	(1.1)	5.9	4.2	4.2

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	09-Apr-24	Sell	144	170
2	22-Feb-24	Sell	146	182
3	24-Jan-24	Sell	100	143
4	08-Jan-24	Sell	94	133
5	30-Nov-23	Reduce	94	109
6	23-Nov-23	Hold	94	101
7	02-Nov-23	Hold	94	92
8	06-Oct-23	Hold	97	90
9	22-Aug-23	Hold	97	92
10	04-Jul-23	BUY	125	95

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	599	705
2	Ashok Leyland	BUY	210	176
3	Bajaj Auto	Sell	7,267	9,021
4	Bharat Forge	Accumulate	1,270	1,146
5	Bharat Petroleum Corporation	Sell	504	592
6	Bharti Airtel	Accumulate	1,269	1,204
7	CEAT	Accumulate	2,980	2,686
8	Clean Science and Technology	Hold	1,386	1,335
9	Deepak Nitrite	Reduce	1,985	2,208
10	Divgi Torqtransfer Systems	BUY	1,135	843
11	Eicher Motors	Accumulate	4,215	4,031
12	Endurance Technologies	Hold	1,980	1,900
13	Exide Industries	Accumulate	350	322
14	Fine Organic Industries	Hold	4,351	4,361
15	GAIL (India)	Sell	162	201
16	Gujarat Fluorochemicals	Hold	3,313	3,270
17	Gujarat Gas	Hold	548	565
18	Gujarat State Petronet	BUY	392	378
19	Hero Motocorp	Accumulate	5,070	4,525
20	Hindustan Petroleum Corporation	Reduce	400	462
21	Indian Oil Corporation	Sell	144	170
22	Indraprastha Gas	Sell	383	475
23	Jubilant Ingrevia	Hold	480	486
24	Laxmi Organic Industries	Sell	206	251
25	Mahanagar Gas	Sell	1,125	1,485
26	Mahindra & Mahindra	BUY	2,306	2,013
27	Mangalore Refinery & Petrochemicals	Sell	142	233
28	Maruti Suzuki	BUY	14,432	12,703
29	Navin Fluorine International	BUY	3,929	3,093

PL's Recommendation Nomenclature (Absolute Performance)

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly



ANALYST CERTIFICATION

(Indian Clients)

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance, Ms. Payal Shah- MMS-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.

(US Clients)

The research analysts, with respect to each issuer and its securities covered by them in this research report, certify that: All of the views expressed in this research report accurately reflect his or her or their personal views about all of the issuers and their securities; and No part of his or her or their compensation was, is or will be directly related to the specific recommendation or views expressed in this research report.

DISCLAIMER

Indian Clients

Prabhudas Lilladher Pvt. Ltd, Mumbai, India (hereinafter referred to as "PL") is engaged in the business of Stock Broking, Portfolio Manager, Depository Participant and distribution for third party financial products. PL is a subsidiary of Prabhudas Lilladher Advisory Services Pvt Ltd. which has its various subsidiaries engaged in business of commodity broking, investment banking, financial services (margin funding) and distribution of third party financial/other products, details in respect of which are available at www.plindia.com.

This document has been prepared by the Research Division of PL and is meant for use by the recipient only as information and is not for circulation. This document is not to be reported or copied or made available to others without prior permission of PL. It should not be considered or taken as an offer to sell or a solicitation to buy or sell any security.

The information contained in this report has been obtained from sources that are considered to be reliable. However, PL has not independently verified the accuracy or completeness of the same. Neither PL nor any of its affiliates, its directors or its employees accepts any responsibility of whatsoever nature for the information, statements and opinion given, made available or expressed herein or for any omission therein.

Recipients of this report should be aware that past performance is not necessarily a guide to future performance and value of investments can go down as well. The suitability or otherwise of any investments will depend upon the recipient's particular circumstances and, in case of doubt, advice should be sought from an independent expert/advisor.

Either PL or its affiliates or its directors or its employees or its representatives or its clients or their relatives may have position(s), make market, act as principal or engage in transactions of securities of companies referred to in this report and they may have used the research material prior to publication.

PL may from time to time solicit or perform investment banking or other services for any company mentioned in this document.

PL is a registered with SEBI under the SEBI (Research Analysts) Regulation, 2014 and having registration number INH000000271.

PL submits that no material disciplinary action has been taken on us by any Regulatory Authority impacting Equity Research Analysis activities.

PL or its research analysts or its associates or his relatives do not have any financial interest in the subject company.

PL or its research analysts or its associates or his relatives do not have actual/beneficial ownership of one per cent or more securities of the subject company at the end of the month immediately preceding the date of publication of the research report.

PL or its research analysts or its associates or his relatives do not have any material conflict of interest at the time of publication of the research report.

PL or its associates might have received compensation from the subject company in the past twelve months.

PL or its associates might have managed or co-managed public offering of securities for the subject company in the past twelve months or mandated by the subject company for any other assignment in the past twelve months.

PL or its associates might have received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months.

PL or its associates might have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months

PL or its associates might have received any compensation or other benefits from the subject company or third party in connection with the research report.

PL encourages independence in research report preparation and strives to minimize conflict in preparation of research report. PL or its analysts did not receive any compensation or other benefits from the subject Company or third party in connection with the preparation of the research report. PL or its Research Analysts do not have any material conflict of interest at the time of publication of this report.

It is confirmed that Mr. Swarnendu Bhushan- IIT, MBA Finance, Ms. Payal Shah- MMS-Finance Research Analysts of this report have not received any compensation from the companies mentioned in the report in the preceding twelve months

Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions.

The Research analysts for this report certifies that all of the views expressed in this report accurately reflect his or her personal views about the subject company or companies and its or their securities, and no part of his or her compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this report.

The research analysts for this report has not served as an officer, director or employee of the subject company PL or its research analysts have not engaged in market making activity for the subject company

Our sales people, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest.

PL and its associates, their directors and employees may (a) from time to time, have a long or short position in, and buy or sell the securities of the subject company or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the subject company or act as an advisor or lender/borrower to the subject company or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

US Clients

This research report is a product of Prabhudas Lilladher Pvt. Ltd., which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by Prabhudas Lilladher Pvt. Ltd. only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, Prabhudas Lilladher Pvt. Ltd. has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo").

Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Prabhudas Lilladher Pvt. Ltd.

3rd Floor, Sadhana House, 570, P. B. Marg, Worli, Mumbai-400 018, India | Tel: (91 22) 6632 2222 Fax: (91 22) 6632 2209

www.plindia.com