

April 4, 2025

Company Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	3,942		3,964	
Sales (Rs. m)	7,14,989	8,64,642	7,12,217	8,48,424
% Chng.	0.4	1.9		
EBITDA (Rs. m)	53,811	64,245	54,696	64,664
% Chng.	(1.6)	(0.6)		
EPS (Rs.)	47.0	54.8	50.1	59.0
% Chng.	(6.1)	(7.1)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25E	FY26E	FY27E
Sales (Rs. m)	5,07,888	5,93,799	7,14,989	8,64,642
EBITDA (Rs. m)	41,038	45,975	53,811	64,245
Margin (%)	8.1	7.7	7.5	7.4
PAT (Rs. m)	25,351	27,494	30,608	35,666
EPS (Rs.)	39.0	42.3	47.0	54.8
Gr. (%)	6.2	8.5	11.3	16.5
DPS (Rs.)	-	-	-	5.0
Yield (%)	-	-	-	0.1
RoE (%)	14.6	13.7	13.3	13.6
RoCE (%)	19.4	18.3	17.8	17.8
EV/Sales (x)	5.3	4.6	3.8	3.2
EV/EBITDA (x)	65.5	58.9	50.5	42.6
PE (x)	106.7	98.4	88.4	75.9
P/BV (x)	14.5	12.6	11.0	9.7

Key Data

AVEU.BO | DMART IN

52-W High / Low	Rs.5,485 / Rs.3,337
Sensex / Nifty	76,295 / 23,250
Market Cap	Rs.2,706bn / \$ 31,666m
Shares Outstanding	651m
3M Avg. Daily Value	Rs.2983.53m

Shareholding Pattern (%)

Promoter's	74.65
Foreign	8.28
Domestic Institution	7.67
Public & Others	9.37
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	20.4	(15.9)	(6.8)
Relative	15.3	(9.0)	(9.7)

Amnish Aggarwal

amnishaggarwal@plindia.com | 91-22-66322233

Vishwa Solanki

vishwasolanki@plindia.com | 91-22-66322244

Hasti Savla

hastisavla@plindia.com |

Accelerates store openings, equity dilution Ahead

Avenue Supermart (D'Mart) has added 50 stores in FY25 (17 in last 15 days) of FY25 which will accelerate sales growth from ~17% to 20-21%. However higher overheads and funding cost will take its toll on reported earnings. We expect D'Mart to have a capex of Rs240bn in FY25-30 as against Rs120bn in past 5 years which can't be met from internal accruals. We expect D'Mart to look for Rs60-80bn fund infusion in FY26 given limited cash in balance sheet and long gestation of setting up stores (Land, building etc over 2.5 years). We cut EPS by 0.7/6.1/7.1% for FY25/26/27. We have DCF based target price of Rs3942 (Rs3958 earlier). However, the stock at 76x FY27EPS with 14% EPS CAGR over FY25-27, leaves little room for further re-rating. Retain Hold

D'Mart accelerates store openings: D'Mart has seen sharp increase in store openings in 4Q25 to 28 stores taking the total addition to 50 stores, highest store addition in any quarter till to date. D'Mart added 17 stores in last 10 days of FY25. Sharp increase in store openings has raised expectations that D'Mart might be looking at accelerated store openings in FY26 and FY27 to push growth. 4Q25 standalone sales numbers were 120bps lower than estimates which shows impact of tepid consumer demand but seems unexciting in an environment of price hikes in edible oils and various FMCG products. However, sales/store and sales/ft are not comparable given 17 store additions in last 10 odd days.

FY26 sales growth to accelerate: Stores added towards fag end of FY25 will boost growth in FY26. Further if the store openings increase from current 50/52/55 stores in FY26/27/28 to 60/65/70, the sales growth will accelerate from 17-18% to 20-21%. However, with higher operating costs and overheads, we expect 15-20bps incremental impact on EBITDA margins. We estimate that higher depreciation and interest, PAT estimates would actually be lower by 0.7/6.1/7.1% respectively for FY25/26/27.

D'Mart scaling up, however Quick commerce is adding to competition: D'Mart Ready which is now focusing on E-com and home delivery is growing sales by 25-30%, however growing penetration and salience of quick commerce is a real challenge. The aggressive expansion plans of Blinkit, Swiggy, Zepto and entrants like Big basket, Flipkart and Amazon will further take consumers away from brick and mortar modern trade and E-com. We believe that QC players are increasing bets on customer acquisition and consumers are getting hooked to convenience, which has created a definitive space in the market. We expect QC players to continue growing much faster than D'Mart ready.

D'Mart will need to fund accelerated store expansions: D'Mart can internally fund 40 odd stores from its internal cash generation but does not have much cash reserves to accelerate growth. As D'Mart follows real estate acquisition model, the time taken to acquire land and complete store is ~2.5 years. D'Mart has spent Rs120bn in capex over FY20-25, however the same is likely to be Rs240bn+ in coming five years. We believe D'Mart could end up with a debt of Rs86bn with ~760 stores by FY30. However, as D'Mart has been a debt free company in the past, we expect it to raise ~Rs60-80bn by way of QIP to fund growth.

Exhibit 1: Gross Profit/Ft to sustain growth, cost of retail to remain range bound

	FY20	FY21	FY22	FY23	FY24	FY25E	FY26E	FY27E
Sales/Ft	32879	27306	27454	31096	32941	34468	35611	37399
Gross Profit/Ft	5500	4318	4507	5185	5273	5461	5678	5951
EBIDTA/FT	3107	2098	2459	2922	2880	2838	2888	2998
Capex/Ft	10338	9586	9898	11512	13552	13567	13982	14747
Cost of retail %	6.6%	7.6%	6.7%	6.6%	6.7%	7.2%	7.3%	7.3%
Working Cap/Ft	2194	1813	1890	1904	1785	2102	2243	2354

Source: Company, PL

Exhibit 2: Bill cuts/store grew by 3.0% in FY26, average bill value to grow by 2.5%

	FY19	FY20	FY21	FY22	FY23	FY24	9MFY25	FY25E	FY26E	FY27E
D'Mart Bills (mn)	172	201	152	181	258	303	347	406	476	172
Growth	28.0%	16.9%	-24.4%	19.1%	42.5%	17.4%	14.5%	17.0%	17.5%	28.0%
Number of Stores	176	214	234	284	324	365	415	475	540	176
Addition	21	38	20	50	40	41	50	60	65	21
Bills/Store/Day	2824	1859	1915	2325	2410	2436	2497	2572	2649	2824
Growth	10.6%	-0.8%	-34.2%	3.0%	21.4%	3.6%	1.1%	2.5%	3.0%	10.6%
Average Bill Value (Rs/Bill)	1228	1565	1677	1621	1635	1659	1701	1743	1787	1228
Growth	3.7%	6.0%	27.5%	7.2%	-3.3%	0.8%	1.5%	2.5%	2.5%	3.7%

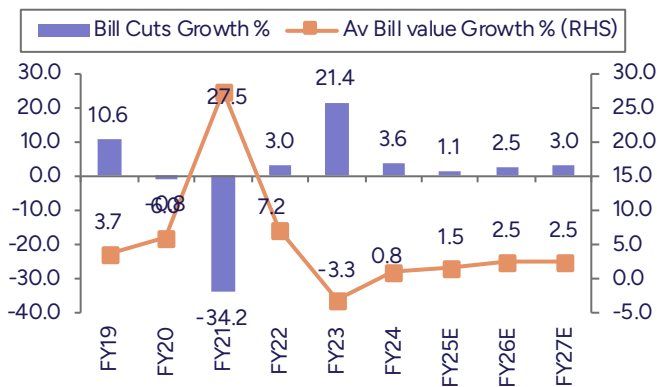
Source: Company, PL

Exhibit 3: General merchandise & Apparel share at 23% in 9MFY25, up 3bps vs 9mFY24

Sales Mix	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	9MFY25
Foods	52.8%	53.1%	53.7%	51.6%	51.3%	52.4%	57.4%	56.9%	56.0%	57.0%	57.0%
Non Foods	21.2%	20.6%	20.0%	20.0%	20.5%	20.3%	19.7%	19.7%	20.9%	20.7%	20.0%
General merchandise & Apparel	25.9%	26.4%	26.4%	28.4%	28.3%	27.3%	22.9%	23.4%	23.0%	22.4%	23.0%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

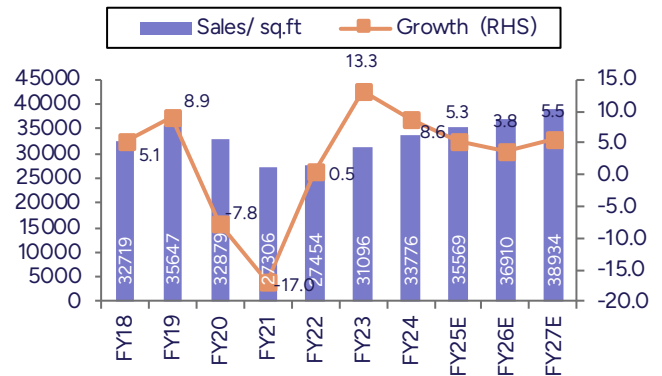
Source: Company, PL

Exhibit 4: Bill Cut to grow by 1.5% in FY25



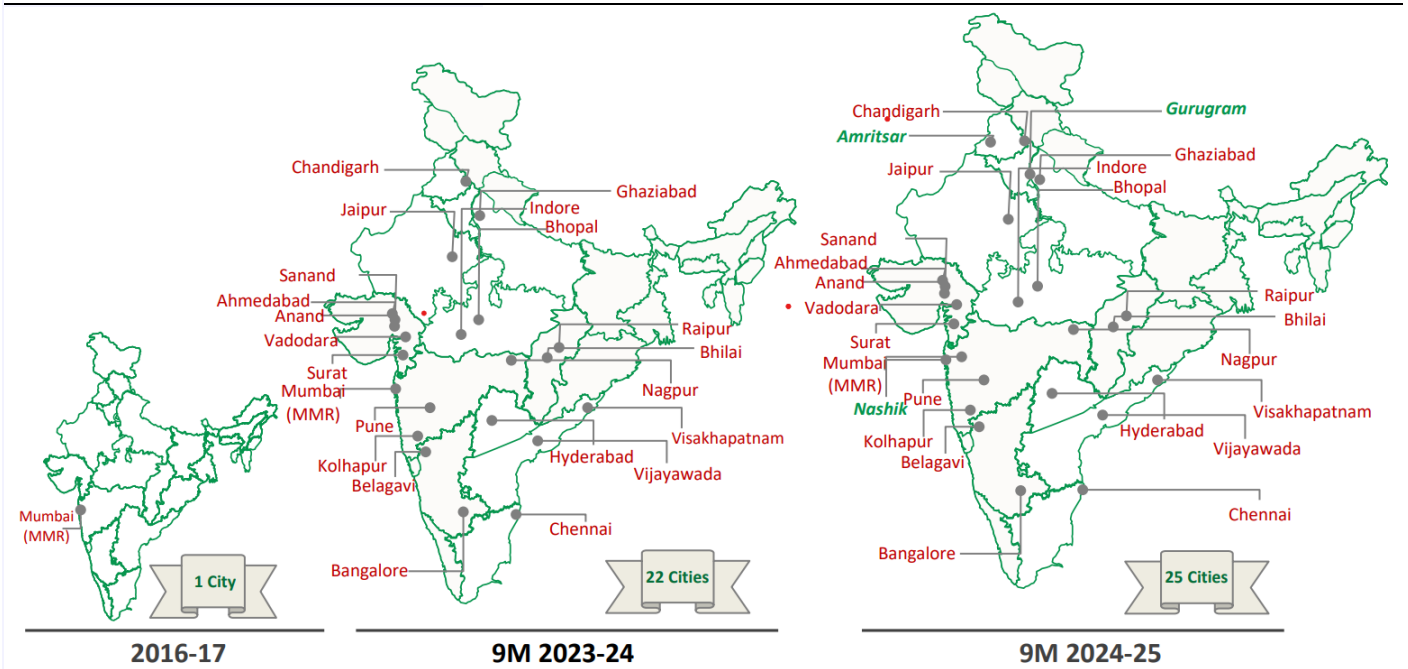
Source: Company, PL

Exhibit 5: Sales/Sq. ft. to grow by 5.3% in FY25



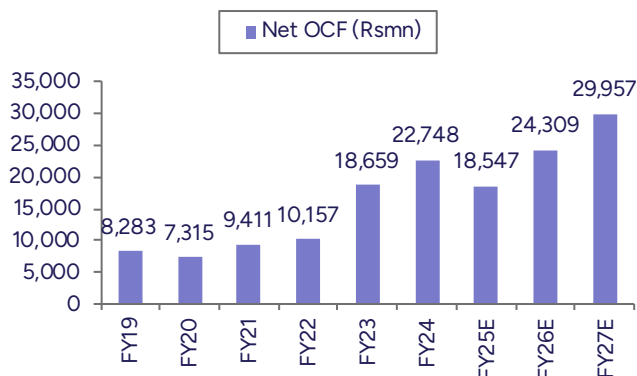
Source: Company, PL

Exhibit 6: D'Mart Ready – Presence increased to 24 cities (added Nashik in 1H25)



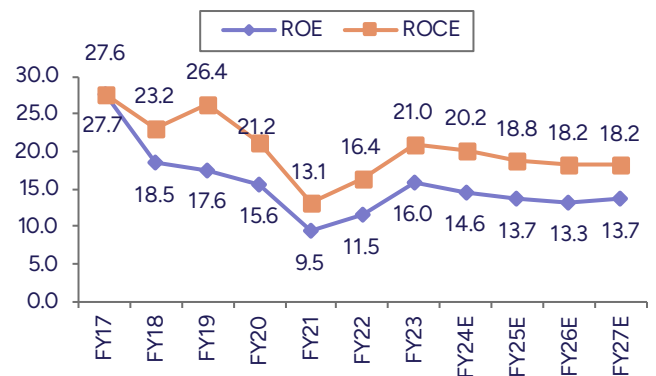
Source: Company, PL

Exhibit 7: OCF to remain healthy



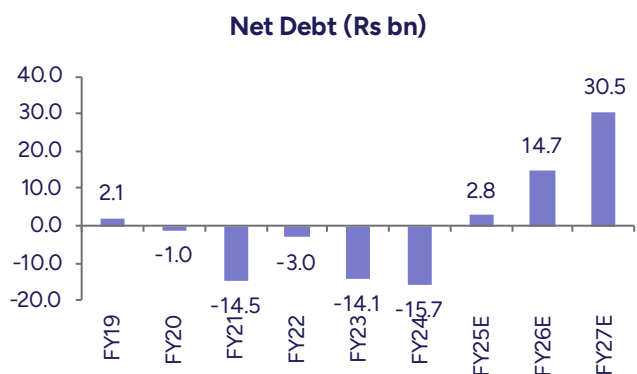
Source: Company, PL

Exhibit 8: ROE, ROCE to remain under pressure



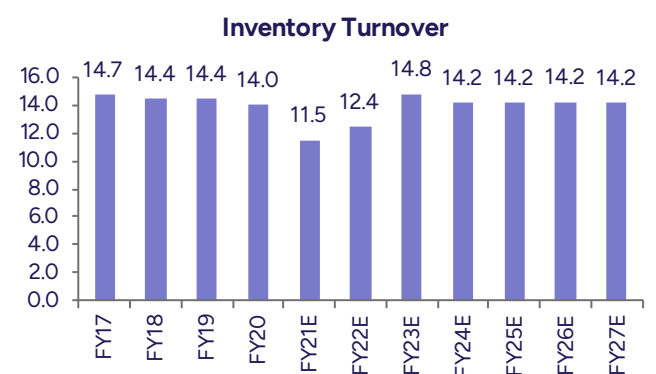
Source: Company, PL

Exhibit 9: D'Mart might become net debt positive



Source: Company, PL

Exhibit 10: Inventory turnover to stabilize at 14.2 over LT



Source: Company, PL

Financials

Income Statement (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Net Revenues	5,07,888	5,93,799	7,14,989	8,64,642
YoY gr. (%)	18.6	16.9	20.4	20.9
Cost of Goods Sold	4,32,745	5,05,323	6,09,171	7,37,107
Gross Profit	75,143	88,476	1,05,818	1,27,535
Margin (%)	14.8	14.9	14.8	14.8
Employee Cost	9,061	11,849	14,635	17,869
Other Expenses	25,044	30,653	37,372	45,421
EBITDA	41,038	45,975	53,811	64,245
YoY gr. (%)	12.8	12.0	17.0	19.4
Margin (%)	8.1	7.7	7.5	7.4
Depreciation and Amortization	7,308	8,696	10,484	12,522
EBIT	33,730	37,279	43,328	51,723
Margin (%)	6.6	6.3	6.1	6.0
Net Interest	581	834	2,410	3,920
Other Income	1,465	1,167	953	987
Profit Before Tax	34,613	37,611	41,872	48,791
Margin (%)	6.8	6.3	5.9	5.6
Total Tax	9,257	10,117	11,263	13,125
Effective tax rate (%)	26.7	26.9	26.9	26.9
Profit after tax	25,356	27,494	30,608	35,666
Minority interest	6	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	25,351	27,494	30,608	35,666
YoY gr. (%)	6.6	8.5	11.3	16.5
Margin (%)	5.0	4.6	4.3	4.1
Extra Ord. Income / (Exp)	(88)	-	-	-
Reported PAT	25,262	27,494	30,608	35,666
YoY gr. (%)	6.4	8.8	11.3	16.5
Margin (%)	5.0	4.6	4.3	4.1
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	25,262	27,494	30,608	35,666
Equity Shares O/s (m)	651	651	651	651
EPS (Rs)	39.0	42.3	47.0	54.8

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
Non-Current Assets				
Gross Block	1,42,577	1,75,844	2,12,189	2,54,878
Tangibles	1,41,487	1,74,590	2,10,748	2,53,220
Intangibles	1,090	1,254	1,442	1,658
Acc: Dep / Amortization	24,601	31,044	38,826	48,133
Tangibles	23,814	30,176	37,865	47,064
Intangibles	787	868	962	1,069
Net fixed assets	1,17,976	1,44,800	1,73,363	2,06,745
Tangibles	1,17,673	1,44,414	1,72,883	2,06,157
Intangibles	304	386	480	588
Capital Work In Progress	9,352	11,223	12,345	13,579
Goodwill	783	783	783	783
Non-Current Investments	2,348	7,428	8,830	10,535
Net Deferred tax assets	(919)	(769)	(601)	(406)
Other Non-Current Assets	19,246	22,696	26,414	29,694
Current Assets				
Investments	1,067	1,173	1,291	1,420
Inventories	39,273	48,145	57,798	68,914
Trade receivables	1,664	1,627	1,959	2,369
Cash & Bank Balance	15,728	4,235	5,257	6,546
Other Current Assets	2,397	2,972	3,578	4,326
Total Assets	2,11,772	2,47,753	2,94,835	3,48,803
Equity				
Equity Share Capital	6,507	6,507	6,507	6,507
Other Equity	1,80,471	2,07,970	2,38,579	2,70,991
Total Network	1,86,978	2,14,478	2,45,086	2,77,499
Non-Current Liabilities				
Long Term borrowings	-	7,000	20,000	37,000
Provisions	92	127	171	225
Other non current liabilities	3,992	4,016	4,233	4,623
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	9,848	11,312	13,614	16,461
Other current liabilities	9,943	10,052	11,131	12,591
Total Equity & Liabilities	2,11,772	2,47,753	2,94,835	3,48,803

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY24	FY25E	FY26E	FY27E
PBT	34,613	37,611	41,872	48,791
Add. Depreciation	7,308	8,696	10,484	12,522
Add. Interest	581	834	2,410	3,920
Less Financial Other Income	1,465	1,167	953	987
Add. Other	(2,302)	(8,577)	(5,028)	(4,736)
Op. profit before WC changes	40,201	38,564	49,737	60,496
Net Changes-WC	(1,725)	(8,615)	(7,756)	(8,642)
Direct tax	(9,257)	(10,117)	(11,263)	(13,125)
Net cash from Op. activities	29,218	19,832	30,718	38,730
Capital expenditures	(28,771)	(37,390)	(40,169)	(47,138)
Interest / Dividend Income	-	-	-	-
Others	867	(107)	(117)	(129)
Net Cash from Invt. activities	(27,904)	(37,496)	(40,286)	(47,267)
Issue of share cap. / premium	918	6	-	-
Debt changes	-	7,000	13,000	17,000
Dividend paid	-	-	-	(3,254)
Interest paid	(581)	(834)	(2,410)	(3,920)
Others	(6)	-	-	-
Net cash from Fin. activities	331	6,171	10,590	9,827
Net change in cash	1,645	(11,493)	1,022	1,289
Free Cash Flow	447	(17,557)	(9,451)	(8,409)

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25E	FY26E	FY27E
Per Share(Rs)				
EPS	39.0	42.3	47.0	54.8
CEPS	50.2	55.6	63.1	74.1
BVPS	287.3	329.6	376.6	426.4
FCF	0.7	(27.0)	(14.5)	(12.9)
DPS	-	-	-	5.0
Return Ratio(%)				
RoCE	19.4	18.3	17.8	17.8
ROIC	17.3	15.4	15.0	15.2
RoE	14.6	13.7	13.3	13.6
Balance Sheet				
Net Debt : Equity (x)	(0.1)	0.0	0.1	0.1
Net Working Capital (Days)	22	24	24	23
Valuation(x)				
PER	106.7	98.4	88.4	75.9
P/B	14.5	12.6	11.0	9.7
P/CEPS	82.8	74.8	65.8	56.1
EV/EBITDA	65.5	58.9	50.5	42.6
EV/Sales	5.3	4.6	3.8	3.2
Dividend Yield (%)	-	-	-	0.1

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25E
Net Revenue	1,40,691	1,44,445	1,35,725	1,48,937
YoY gr. (%)	18.6	14.4	-	17.0
Raw Material Expenses	1,18,759	1,22,897	1,15,523	1,27,464
Gross Profit	21,933	21,548	20,202	21,473
Margin (%)	15.6	14.9	14.9	14.4
EBITDA	12,213	10,938	11,199	10,652
YoY gr. (%)	18.0	8.8	-	12.9
Margin (%)	8.7	7.6	8.3	7.2
Depreciation / Depletion	1,928	2,078	1,893	2,409
EBIT	10,285	8,860	9,306	8,243
Margin (%)	7.3	6.1	6.9	5.5
Net Interest	160	163	146	329
Other Income	416	335	329	174
Profit before Tax	10,541	9,032	9,489	8,088
Margin (%)	7.5	6.3	7.0	5.4
Total Tax	2,805	2,438	2,585	2,160
Effective tax rate (%)	26.6	27.0	27.2	26.7
Profit after Tax	7,737	6,594	6,904	5,927
Minority interest	-	(2)	(2)	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	7,737	6,596	6,906	5,927
YoY gr. (%)	17.5	5.8	-	5.3
Margin (%)	5.5	4.6	5.1	4.0
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	7,737	6,596	6,906	5,927
YoY gr. (%)	17.5	5.8	-	5.3
Margin (%)	5.5	4.6	5.1	4.0
Other Comprehensive Income	(24)	(63)	(38)	-
Total Comprehensive Income	7,714	6,533	6,868	5,927
Avg. Shares O/s (m)	651	648	648	648
EPS (Rs)	11.9	10.2	10.7	9.2

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	13-Jan-25	Hold	3,964	3,686
2	08-Jan-25	Hold	4,300	3,843
3	13-Oct-24	Hold	4,748	4,573
4	07-Oct-24	Accumulate	5,166	4,738
5	30-Jul-24	Accumulate	5,104	5,027
6	13-Jul-24	Accumulate	5,104	4,944
7	09-Jul-24	BUY	5,106	4,853
8	06-May-24	BUY	5,031	4,612
9	09-Apr-24	BUY	4,704	4,716

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Asian Paints	Reduce	2,123	2,354
2	Avenue Supermarts	Hold	3,964	3,686
3	Britannia Industries	BUY	5,881	4,871
4	Colgate Palmolive	Hold	2,801	2,679
5	Dabur India	Hold	561	534
6	Emami	Accumulate	716	554
7	Hindustan Unilever	Accumulate	2,691	2,343
8	ITC	Accumulate	530	443
9	Jubilant FoodWorks	Hold	692	671
10	Kansai Nerolac Paints	Hold	278	249
11	Marico	Accumulate	704	671
12	Metro Brands	Hold	1,177	1,199
13	Mold-tek Packaging	Accumulate	621	558
14	Nestle India	Accumulate	2,606	2,300
15	Pidilite Industries	Accumulate	3,318	2,738
16	Restaurant Brands Asia	Hold	76	72
17	Titan Company	BUY	3,833	3,491
18	Westlife Foodworld	Hold	778	718

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. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- 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.

(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. Amnish Aggarwal- MBA, CFA, Mr. Vishwa Solanki- PGDM - Finance, Ms. Hasti Savla- CA 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