

May 4, 2025

Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	REDUCE		REDUCE	
Target Price	122		125	
Sales (Rs. bn)	8,673	7,827	8,456	7,712
% Chng.	2.6	1.5		
EBITDA (Rs. bn)	483	492	471	500
% Chng.	2.6	(1.7)		
EPS (Rs.)	14.9	15.5	14.8	16.0
% Chng.	0.8	(3.3)		

Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. bn)	7,764	7,581	8,673	7,827
EBITDA (Rs. bn)	756	360	483	492
Margin (%)	9.7	4.7	5.6	6.3
PAT (Rs. bn)	432	120	205	214
EPS (Rs.)	31.3	8.7	14.9	15.5
Gr. (%)	268.8	(72.3)	71.7	4.2
DPS (Rs.)	12.0	3.0	6.3	6.6
Yield (%)	8.4	2.1	4.4	4.6
RoE (%)	26.7	6.5	10.7	10.5
RoCE (%)	20.4	6.0	9.2	8.9
EV/Sales (x)	0.4	0.4	0.4	0.4
EV/EBITDA (x)	4.2	9.4	7.0	6.9
PE (x)	4.6	16.5	9.6	9.2
P/BV (x)	1.1	1.1	1.0	0.9

Key Data IOC.BO | IOCL IN

52-W High / Low	Rs.186 / Rs.111
Sensex / Nifty	80,502 / 24,347
Market Cap	Rs.2,023bn / \$ 23,932m
Shares Outstanding	14,121m
3M Avg. Daily Value	Rs.1925.54m

Shareholding Pattern (%)

Promoter's	51.50
Foreign	7.38
Domestic Institution	10.07
Public & Others	31.05
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	9.1	(1.2)	(17.4)
Relative	3.9	(2.1)	(23.4)

Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

Payal Shah

payalshah@plindia.com | 91-22-66322532

Stronger GRM drives earnings

Quick Pointers:

- The company had an under-recovery of Rs56bn on the sale of LPG in Q4FY25
- Core GRM came in at US\$5.39/bbl with an inventory gain of ~US\$2.5/bbl

Indian Oil Corporation (IOCL) reported an EBITDA of Rs135.7bn, up 90.7% QoQ (PLe: Rs68.2bn, BBGe:Rs78.7bn). Adj PAT came in at Rs72.6bn (up 231% QoQ, PLe: Rs17.5bn, BBGe:Rs14.7bn). There was an exceptional gain of Rs10.5mn for VAT input tax credit. Reported GRM came in at US\$7.85/bbl, up 166% QoQ (PLe: US\$6/bbl). GMM stood at Rs6.8/ltr (PLe:Rs3.5/ltr). In Q1-TD, gross margin on petrol/diesel has risen to Rs12.3/9.7/ltr. However, average Singapore GRM continues to remain weak at US\$3/bbl and the company is likely to report inventory losses amid sharp decline in Brent prices. Petchem weakness is also likely to persist and the company has indicated an under-recovery of Rs170/cyl in Q1FY26 on the LPG front. We accordingly build in a GRM of US\$6/6/bbl for FY25/26/27E. On the marketing front, we build in a GMM of Rs4.3/4.3/ltr for FY25/26/27E. We maintain 'REDUCE' rating on the stock with a TP of Rs122 based on 0.8x avg FY27E P/BV.

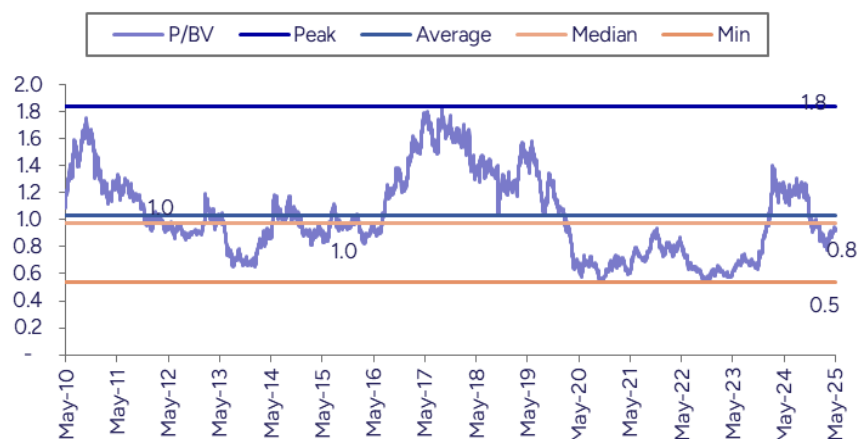
- Sharp rise in earnings sequentially:** IOCL's operating profit rose 90.7% QoQ primarily due to higher refining margins. Adj PAT came in at Rs72.6bn, up 231% QoQ. There was an exceptional gain of Rs10.5mn for VAT Input Tax Credit under Gujarat VAT Act 2005.
- GRM above estimates:** Refining throughput at 18.5mmt grew 2.4% QoQ. Capacity utilization stood at 107.1%, while distillate yield came in at 79.7%. IOCL reported a GRM of US\$7.85/bbl, above PLe of US\$6/bbl. Core GRM stood at US\$5.4/bbl. Reported GRM increased by 166% QoQ. Petchem EBIT loss came in at Rs2.1bn (against EBIT loss of Rs1.55bn in Q3). Average Singapore GRM in Q1-TD continues to remain weak at USD3/bbl amid weakness in product cracks. We expect it to revert to the long-term average of US\$5-7/bbl in the medium term. Factoring in this, we build in a GRM of US\$6/6/bbl for FY26/27E. Marketing sales stood at 21.9mmt, flat QoQ. GMM came in at Rs6.8/ltr (PLe: Rs3.5/ltr). The company had an under-recovery of Rs56bn on the sale of LPG and cumulative negative buffer stood at Rs199.3bn as on 31st Mar'25. In Q1-TD, average gross margin on petrol/diesel stands at Rs12.3/9.7/ltr. Going ahead, we build in a GMM of Rs4.8/4.3/ltr for FY26/27E.
- Concall Highlights:** **1)** Russian crude accounted for 22% of imports in FY25, Q4 proportion had fallen to 14% but has now increased in Q1. Likely to account for 24-25% of imports in FY26. **2)** Panipat refinery expansion from 15 to 25mmtpa, to be completed by Q4FY26, Gujarat refinery expansion from 13.7 to 18mmtpa to be completed by Q4FY26, Barauni refinery expansion from 6 to 9 mmtpa by Q1/Q2FY27. Achieved over 80% physical progress across all the three refineries **3)** Petchem EBITDA at Rs10bn with petchem intensity currently at 6%, target of reaching 15% by 2030. **4)** Capex incurred in FY25 stood at Rs375bn. Capex target of Rs340bn for FY26. **5)** Total RO count stands at 40,221 as of FY25, plan to add another 3,000-4,000 ROs in FY26

Exhibit 1: IOCL's Quarterly and FY25 Financials

Quarterly Financials (Rs bn)	Q4 FY25	Q3 FY25	QoQ gr.	Q4 FY25E	% Var	Q4 FY24	YoY gr.	FY25	FY24	YoY gr.
Net Sales	1949.7	1939.0	0.6%	2120.5	-8.1%	1979.8	-1.5%	7559.5	7743.5	-2.4%
YoY Change (%)	-1.5	-2.6		7.1		-2.5				
Total Expenditure	1813.9	1867.8	-2.9%	2052.3	-11.6%	1875.4	-3.3%	7228.5	7049.5	2.5%
EBITDA	135.7	71.2	90.7%	68.2	98.9%	104.4	30.1%	331.0	694.0	-52.3%
Margins (%)	7.0	3.7		3.2		5.3				
Depreciation	39.1	39.0	0.5%	39.1	0.1%	37.4	4.8%	173.3	145.1	19.4%
Interest	20.5	23.1	-11.5%	23.7	-13.8%	20.2	1.1%	175.2	73.3	139.1%
Other Income	11.7	18.8	-37.6%	17.9	-34.6%	16.6	-29.2%	49.6	47.8	3.8%
PBT before EO expense	87.9	27.9	214.9%	23.3	276.6%	63.3	38.7%	140.4	523.4	-73.2%
Extra-Ord expense/(gain)	-0.01	-6.8		0.0		0.0		-18.4	0.0	
PBT	87.9	34.7	153.2%	23.3	276.7%	63.3	38.8%	158.8	523.4	-69.7%
Tax	15.2	6.0		5.9	159.2%	14.9		29.2	127.3	-77.0%
Rate (%)	17.3	17.2		25.2		23.6				
Reported PAT	72.65	28.7	152.8%	17.5	316.2%	48.4	50.2%	129.6	396.2	-67.3%
Adj PAT	72.64	21.9	231.1%	17.5	316.1%	48.4	50.2%	111.2	396.2	-71.9%
Refining throughput (mmt)	18.5	18.1	2.4%	18.3	1.1%	18.3	1.5%	71.6	73.4	-2.4%
Reported GRM (USD/bbl)	7.85	3.0	166.1%	6.0	30.8%	8.4	-6.4%	4.7	12.1	-61.2%
Domestic sale of refined products (mmt)	21.9	22.0	-0.8%	21.5	1.8%	21	2.8%	85.0	85.6	-0.7%
GMM (Rs/ltr)	6.8	7.1	-4.2%	3.5	96.0%	5.8	17.7%	6.5	6.6	-2.3%

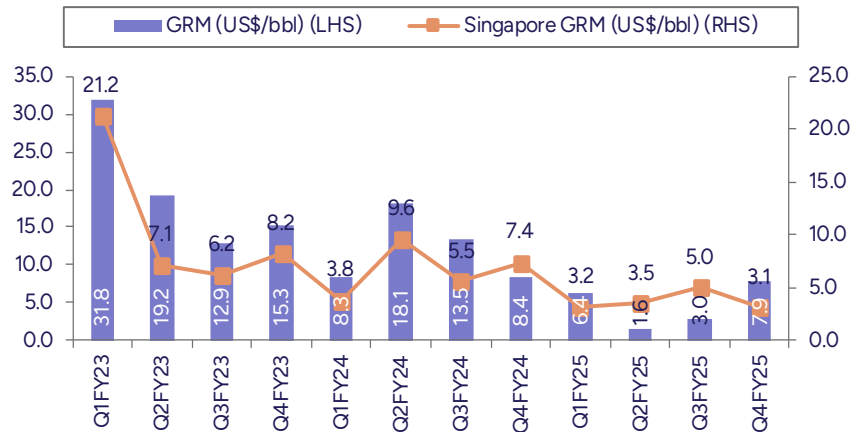
Source: Company, PL

Exhibit 2: Currently trading at 0.9x FY27 P/BV



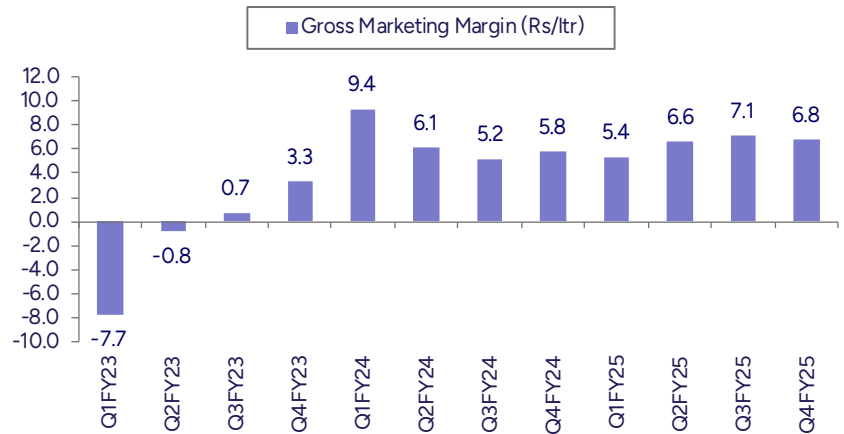
Source: Industry, PL

Exhibit 3: GRM increased by US\$4.9/bbl in Q4



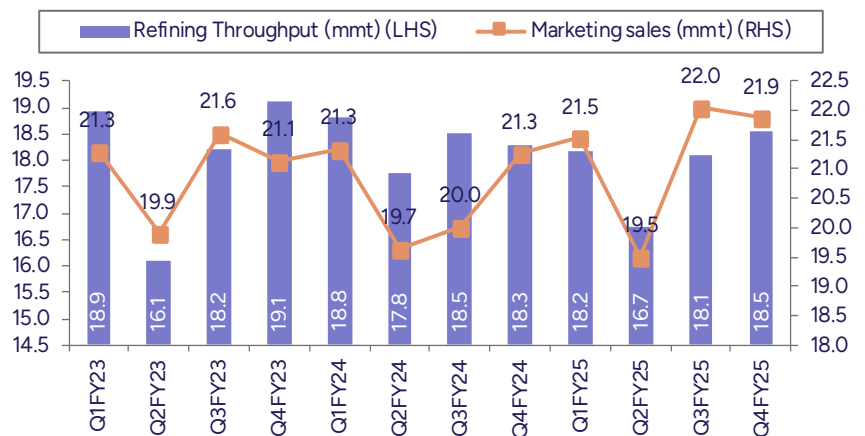
Source: Company, PL

Exhibit 4: GMM fell by 4.2% QoQ



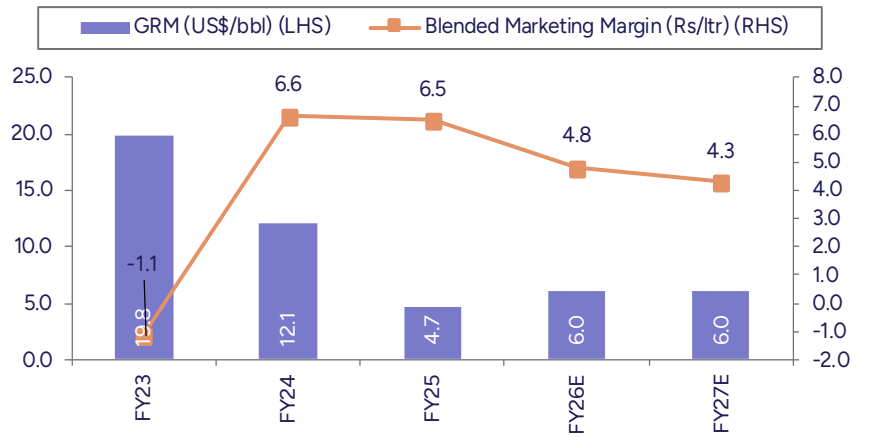
Source: Company, PL

Exhibit 5: Throughput increased by 2.4% QoQ



Source: Company, PL

Exhibit 6: GRM at US\$6/bbl for FY26/27E



Source: Company, PL

Financials

Income Statement (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Net Revenues	7,764	7,581	8,673	7,827
YoY gr. (%)	(7.8)	(2.4)	14.4	(9.8)
Cost of Goods Sold	6,388	6,568	7,777	6,874
Gross Profit	1,376	1,013	897	954
Margin (%)	17.7	13.4	10.3	12.2
Employee Cost	117	109	-	-
Other Expenses	503	544	414	462
EBITDA	756	360	483	492
YoY gr. (%)	146.2	(52.4)	34.3	1.8
Margin (%)	9.7	4.7	5.6	6.3
Depreciation and Amortization	159	168	175	177
EBIT	597	192	308	314
Margin (%)	7.7	2.5	3.6	4.0
Net Interest	78	93	93	90
Other Income	38	35	50	53
Profit Before Tax	557	153	265	277
Margin (%)	7.2	2.0	3.1	3.5
Total Tax	141	33	67	70
Effective tax rate (%)	25.3	21.4	25.2	25.2
Profit after tax	416	120	198	207
Minority interest	-	-	-	-
Share Profit from Associate	15	18	7	6
Adjusted PAT	432	120	205	214
YoY gr. (%)	268.8	(72.3)	71.7	4.2
Margin (%)	5.6	1.6	2.4	2.7
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	432	120	205	214
YoY gr. (%)	268.8	(72.3)	71.7	4.2
Margin (%)	5.6	1.6	2.4	2.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	432	120	205	214
Equity Shares O/s (bn)	14	14	14	14
EPS (Rs)	31.3	8.7	14.9	15.5

Source: Company Data, PL Research

Balance Sheet Abstract (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
Non-Current Assets				
Gross Block	2,860	3,079	3,862	4,265
Tangibles	2,860	3,079	3,862	4,265
Intangibles	-	-	-	-
Acc: Dep / Amortization	900	1,068	1,243	1,420
Tangibles	900	1,068	1,243	1,420
Intangibles	-	-	-	-
Net fixed assets	1,960	2,011	2,620	2,845
Tangibles	1,960	2,011	2,620	2,845
Intangibles	-	-	-	-
Capital Work In Progress	610	779	316	213
Goodwill	0	0	0	0
Non-Current Investments	655	672	672	672
Net Deferred tax assets	(190)	(207)	(207)	(207)
Other Non-Current Assets	-	-	-	-
Current Assets				
Investments	-	-	-	-
Inventories	1,214	1,139	1,334	1,195
Trade receivables	138	186	185	167
Cash & Bank Balance	32	33	32	60
Other Current Assets	-	-	-	-
Total Assets	4,824	5,069	5,397	5,382
Equity				
Equity Share Capital	138	138	138	138
Other Equity	1,696	1,727	1,845	1,968
Total Networth	1,834	1,865	1,983	2,105
Non-Current Liabilities				
Long Term borrowings	1,235	1,426	1,454	1,483
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,397	1,412	1,593	1,427
Other current liabilities	120	114	114	114
Total Equity & Liabilities	4,824	5,069	5,397	5,382

Source: Company Data, PL Research

Cash Flow (Rs bn)

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	557	153	265	277
Add. Depreciation	159	168	175	177
Add. Interest	78	93	93	90
Less Financial Other Income	38	35	50	53
Add. Other	37	35	7	6
Op. profit before WC changes	831	448	540	551
Net Changes-WC	98	2	(2)	(1)
Direct tax	(141)	(33)	(67)	(70)
Net cash from Op. activities	788	417	471	481
Capital expenditures	(417)	(388)	(320)	(300)
Interest / Dividend Income	-	-	-	-
Others	(134)	(17)	-	-
Net Cash from Invst. activities	(551)	(405)	(320)	(300)
Issue of share cap. / premium	-	-	-	-
Debt changes	(167)	191	29	29
Dividend paid	(165)	(41)	(87)	(91)
Interest paid	(78)	(93)	(93)	(90)
Others	183	(68)	-	-
Net cash from Fin. activities	(227)	(11)	(151)	(153)
Net change in cash	11	1	(1)	28
Free Cash Flow	371	29	151	181

Source: Company Data, PL Research

Key Financial Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Per Share(Rs)				
EPS	31.3	8.7	14.9	15.5
CEPS	42.9	20.9	27.6	28.4
BVPS	133.2	135.4	144.0	152.9
FCF	26.9	2.1	11.0	13.1
DPS	12.0	3.0	6.3	6.6
Return Ratio(%)				
RoCE	20.4	6.0	9.2	8.9
ROIC	12.5	3.8	5.7	5.9
RoE	26.7	6.5	10.7	10.5
Balance Sheet				
Net Debt : Equity (x)	0.7	0.7	0.7	0.7
Net Working Capital (Days)	9	3	3	5
Valuation(x)				
PER	4.6	16.5	9.6	9.2
P/B	1.1	1.1	1.0	0.9
P/CEPS	42.9	20.9	27.6	28.4
EV/EBITDA	4.2	9.4	7.0	6.9
EV/Sales	0.4	0.4	0.4	0.4
Dividend Yield (%)	8.4	2.1	4.4	4.6

Source: Company Data, PL Research

Quarterly Financials (Rs bn)

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
Net Revenue	1,932	1,738	1,939	1,950
YoY gr. (%)	(2.2)	(3.3)	(2.6)	(1.5)
Raw Material Expenses	1,700	1,549	1,699	1,662
Gross Profit	233	190	240	288
Margin (%)	12.0	10.9	12.4	14.8
EBITDA	86	38	71	136
YoY gr. (%)	(61.0)	(82.3)	(54.1)	30.1
Margin (%)	4.5	2.2	3.7	7.0
Depreciation / Depletion	38	37	39	39
EBIT	49	1	32	97
Margin (%)	2.5	-	1.7	5.0
Net Interest	20	24	23	20
Other Income	5	14	19	12
Profit before Tax	35	2	35	88
Margin (%)	1.8	0.1	1.8	4.5
Total Tax	8	-	6	15
Effective tax rate (%)	23.4	(4.2)	17.2	17.3
Profit after Tax	26	2	29	73
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	26	(10)	22	73
YoY gr. (%)	(80.8)	(107.5)	(72.8)	50.2
Margin (%)	1.4	(0.6)	1.1	3.7
Extra Ord. Income / (Exp)	-	12	7	-
Reported PAT	26	2	29	73
YoY gr. (%)	(80.8)	(98.6)	(64.4)	50.2
Margin (%)	1.4	0.1	1.5	3.7
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	26	2	29	73
Avg. Shares O/s (bn)	14	14	14	14
EPS (Rs)	1.9	(0.7)	1.6	5.3

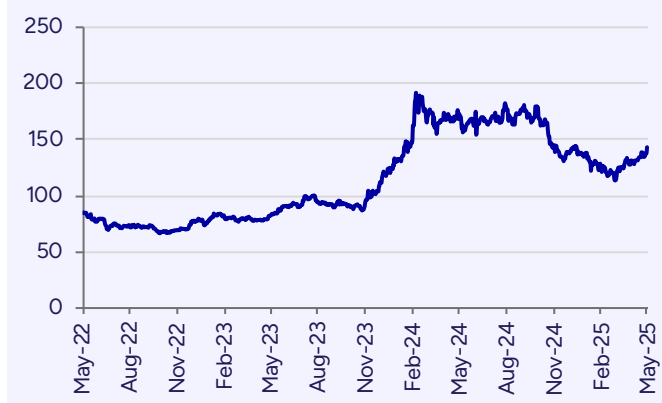
Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY24	FY25	FY26E	FY27E
Brent (US\$/bbl)	83.3	78.9	69.5	75.0
Refining Throughput (mmt)	73.4	71.6	75.4	79.3
GRM (US\$/bbl)	12.1	4.7	6.0	6.0
Marketing Sales (mmt)	82.3	85.0	87.9	88.8
Gross Marketing Margin (Rs/ltr)	6.6	6.5	4.8	4.3

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	22-Apr-25	Reduce	125	139
2	08-Apr-25	Hold	125	128
3	25-Feb-25	Hold	125	120
4	28-Jan-25	Hold	124	123
5	08-Jan-25	Hold	152	134
6	09-Dec-24	Hold	153	142
7	29-Oct-24	Hold	156	147
8	07-Oct-24	Reduce	156	163
9	30-Jul-24	Sell	151	183
10	07-Jul-24	Reduce	151	171

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	330	356
2	Bharat Petroleum Corporation	Reduce	261	304
3	Bharti Airtel	Accumulate	1,916	1,720
4	Clean Science and Technology	Hold	1,224	1,167
5	Deepak Nitrite	Reduce	1,645	1,835
6	Fine Organic Industries	BUY	4,798	3,960
7	GAIL (India)	Accumulate	185	169
8	Gujarat Fluorochemicals	Reduce	3,328	3,671
9	Gujarat Gas	Hold	395	393
10	Gujarat State Petronet	Hold	288	288
11	Hindustan Petroleum Corporation	Sell	322	395
12	Indian Oil Corporation	Reduce	125	139
13	Indraprastha Gas	Sell	150	185
14	Jubilant Ingrevia	Hold	616	604
15	Laxmi Organic Industries	Reduce	160	169
16	Mahanagar Gas	Accumulate	1,393	1,316
17	Mangalore Refinery & Petrochemicals	Sell	109	129
18	Navin Fluorine International	Accumulate	4,454	3,880
19	NOCIL	Reduce	156	166
20	Oil & Natural Gas Corporation	BUY	264	220
21	Oil India	BUY	659	343
22	Petronet LNG	Reduce	248	278
23	Reliance Industries	Accumulate	1,482	1,300
24	SRF	Hold	2,780	2,721
25	Vinati Organics	Accumulate	1,620	1,459

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