

June 11, 2020

Q4FY20 Result Update

Change in Estimates | Target | Reco

Change in Estimates

	Current		Previous	
	FY21E	FY22E	FY21E	FY22E
Rating	BUY		BUY	
Target Price	1,263		1,289	
Sales (Rs. m)	25,519	33,795	32,375	34,934
% Chng.	(21.2)	(3.3)		
EBITDA (Rs. m)	8,320	12,154	11,341	12,505
% Chng.	(26.6)	(2.8)		
EPS (Rs.)	60.2	89.6	81.2	90.5
% Chng.	(25.9)	(0.9)		

Key Financials - Standalone

Y/e Mar	FY19	FY20	FY21E	FY22E
Sales (Rs. m)	27,911	29,721	25,519	33,795
EBITDA (Rs. m)	8,855	10,528	8,320	12,154
Margin (%)	31.7	35.4	32.6	36.0
PAT (Rs. m)	5,464	7,935	5,945	8,853
EPS (Rs.)	55.3	80.3	60.2	89.6
Gr. (%)	(31.7)	45.2	(25.1)	48.9
DPS (Rs.)	23.6	40.9	18.1	26.9
Yield (%)	2.3	4.0	1.7	2.6
RoE (%)	24.3	29.7	18.8	24.1
RoCE (%)	33.8	33.0	20.5	27.4
EV/Sales (x)	3.3	3.0	3.4	2.4
EV/EBITDA (x)	10.5	8.5	10.3	6.7
PE (x)	18.7	12.9	17.2	11.6
P/BV (x)	4.3	3.5	3.0	2.6

Key Data

MGAS.BO | MAHGL IN

52-W High / Low	Rs.1,247 / Rs.664
Sensex / Nifty	33,538 / 9,902
Market Cap	Rs.102bn / \$ 1,351m
Shares Outstanding	99m
3M Avg. Daily Value	Rs.1549.01m

Shareholding Pattern (%)

Promoter's	32.50
Foreign	31.28
Domestic Institution	17.03
Public & Others	19.19
Promoter Pledge (Rs bn)	-

Stock Performance (%)

	1M	6M	12M
Absolute	15.1	0.8	17.9
Relative	8.3	21.5	40.4

Avishek Datta

avishekdatta@plindia.com | 91-22-66322254

Muted quarter, however, low gas prices to drive profits

Quick Pointers:

- Q4 volume loss at ~10% or 25-30mmscm. May volumes at ~42% of last year.
- Variable cost structure in CNG business (73% of total) to cushion earnings.
- Move towards private vehicle ownership nears increase in CNG volumes. Also, low gas prices support margins.

We tweak our FY21/22 earnings estimate to factor in lower volumes as well as higher margins; (MGL's five year EBIDTA CAGR at ~20% with margins growing at 14% and volumes at 5% CAGR). MGL remains an enviable business model with high pricing power given rising differences with petrol/diesel. Also, shift to private vehicle ownership post Covid pandemic to drive CNG volumes. We like MGL's business given their dominating share in the growing markets of Mumbai and suburbs. Reiterate BUY.

- Muted performance all around:** Mahanagar Gas' (MGL's) reported weak results with Q4FY20 EBIDTA and PAT at Rs2.6bn (PLe: Rs2.6bn; +14%YoY) and Rs1.7bn (PLe: Rs1.8bn; +25%YoY), respectively. Lower operating profits were due to weak volumes. For Q4, overall volumes were at 253mmscm (-6.3%YoY). CNG and PNG volumes were at 180mmscm (-8.8% YoY) and 73mmscm (+0.4% YoY), respectively.
- For Q4, EBIDTA/scm was at Rs9.6 (PLe Rs9.2). Margin expansion was also due to lower PMT gas price (revised down in Dec 19 to USD3.6/mmbtu from USD5.7 earlier) and soft LNG prices.
- FY20-High margins the key highlight:** For FY20, MGL's EBIDTA and PBT were at Rs10.5bn (+19%YoY) and Rs9.8bn (+18%YoY). PAT at Rs7.9bn (+45%YoY) due to lower tax outgo. Overall volumes were at 1,080 mmscm (+0.3%YoY) with CNG at 784mmscm (-0.8%YoY) and PNG at 296mmscm (+3.5%YoY). While volumes were muted, spreads improved to Rs9.75/scm (FY19-Rs8.22).
- Rising preference for private transport to fuel CNG demand:** MGL's Q1FY21 volumes are likely to be hit due to ongoing Covid -19 pandemic. However, shift to private vehicles MGL will give a fillip to CNG volumes going ahead. We model -23%/+42% volumes for FY21/22E. However, benign domestic gas and spot LNG prices will support earnings; we factor in EBIDTA/scm of Rs10.0/10.3 for FY21/22E.
- Going forward, CNG volumes are likely to remain healthy on the back addition of new three wheelers along with geographical expansion to Raigad and Karjat. Also, government's push for PNG's domestic connections will support volumes.
- Tweak earnings to factor in lower volumes:** We tweak our FY21/22 earnings to factor in lower volumes (-7%/+11.5% respectively). Reiterate BUY with a revised PT of Rs1,263 (1,289 earlier) on rollover.

Exhibit 1: Q4FY20 Result Overview (Rs mn)

Y/e March	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	FY20	FY19	YoY gr. (%)
Net Sales	7,527	7,932	(5.1)	8,191	32,645	30,568	6.8
Operating Costs	5,088	5,793	(12.2)	5,602	22,116	21,713	1.9
<i>as % of Net Sales</i>	<i>67.6</i>	<i>73.0</i>		<i>68.4</i>	<i>67.7</i>	<i>71.0</i>	
Material Costs	2,985	3,665	(18.6)	3,543	13,796	13,992	(1.4)
<i>as % of Net Sales</i>	<i>39.7</i>	<i>46.2</i>		<i>43.3</i>	<i>42.3</i>	<i>45.8</i>	
Personnel Costs	179	185	(3.2)	192	806	709	13.8
<i>as % of Net Sales</i>	<i>2.4</i>	<i>2.3</i>		<i>2.3</i>	<i>2.5</i>	<i>2.3</i>	
Other Overheads	1,263	1,235	2.2	1,122	4,590	4,356	5.4
<i>as % of Net Sales</i>	<i>16.8</i>	<i>15.6</i>		<i>13.7</i>	<i>14.1</i>	<i>14.2</i>	
Excise duty	661	707	(6.5)	746	2,924	2,657	10.0
EBITDA	2,439	2,140	14.0	2,589	10,529	8,855	18.9
Other Income	270	238	13.1	286	989	777	27.2
PBDIT	2,708	2,378	13.9	2,874	11,518	9,632	19.6
Depreciation	440	329	33.9	415	1,618	1,259	28.4
Interest	21	1		16	65	1	
Pre-tax Profit	2,247	2,049	9.7	2,444	9,835	8,371	17.5
Tax	581	714	(18.6)	583	1,900	2,905	(34.6)
PAT from ordinary activity	1,666	1,335	24.8	1,861	7,935	5,466	45.2

Source: Company, PL

Exhibit 2: MGL quarterly details

Y/e March	Q4FY20	Q4FY19	YoY gr. (%)	Q3FY20	FY20	FY19	YoY gr. (%)
Sales volume -mmscmd							
CNG mscm	180	198	(8.8)	205	784	791	(0.8)
PNG - mmscm							
Domestic	38	35	8.4	38	148	137	7.6
Commercial/industrial	35	38	(7.0)	38	148	149	(0.2)
PNG total mscm	73	73	0.4	76	296	286	3.5
Total	253	271	(6.3)	281	1,080	1,077	0.3
Sales Rs mn							
CNG	4,635	4,961	(6.6)	5,226	20,514	18,828	9.0
PNG	2,166	2,191	(1.1)	2,161	8,944	8,828	1.3
Realisation							
CNG Rs/kg	34.5	33.6	2.5	34.2	35.0	31.9	9.9
PNG Rs/scm	29.6	30.0	(1.5)	28.4	30.2	30.9	(2.2)
Cost of gas (Rs/scm)	11.8	13.6	(13.1)	12.6	12.8	13.0	(1.7)
Opex (Rs/scm)	5.7	5.3	8.4	4.7	5.0	4.7	6.2
EBITDA (Rs/scm)	9.6	7.9	21.7	9.2	9.7	8.2	18.5
Gross margin (Rs/scm)	17.9	15.8	13.6	16.6	17.4	15.4	13.3

Source: Company, PL

Conference call highlights

- FY20 capex at Rs4.1bn. They also expect similar capex numbers for next year, subject to approvals from state authorities.
- Out of 256 CNG stations, 220 are currently operational. MGL will add another 15 CNG stations in FY21E.
- Volume loss in March 20 end was ~25-30 mscm. April and May volumes were at 25% and 42% of last year volumes.
- Domestic PNG is operating at full capacity while the industrial volumes are currently at 70%. Commercial volume growth will be gradual.
- Management expects margins to sustain given rising prices of competing fuels.

Financials

Income Statement (Rs m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Net Revenues	27,911	29,721	25,519	33,795
YoY gr. (%)	(6.1)	6.5	(14.1)	32.4
Cost of Goods Sold	13,992	13,796	13,455	16,705
Gross Profit	13,919	15,926	12,063	17,090
Margin (%)	49.9	53.6	47.3	50.6
Employee Cost	709	806	766	827
Other Expenses	-	-	-	-
EBITDA	8,855	10,528	8,320	12,154
YoY gr. (%)	(15.9)	18.9	(21.0)	46.1
Margin (%)	31.7	35.4	32.6	36.0
Depreciation and Amortization	1,259	1,617	1,793	2,090
EBIT	7,595	8,911	6,527	10,065
Margin (%)	27.2	30.0	25.6	29.8
Net Interest	3	65	-	-
Other Income	777	990	1,507	1,900
Profit Before Tax	8,369	9,835	8,034	11,964
Margin (%)	30.0	33.1	31.5	35.4
Total Tax	2,905	1,900	2,089	3,111
Effective tax rate (%)	34.7	19.3	26.0	26.0
Profit after tax	5,464	7,935	5,945	8,853
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
Adjusted PAT	5,464	7,935	5,945	8,853
YoY gr. (%)	(31.7)	45.2	(25.1)	48.9
Margin (%)	19.6	26.7	23.3	26.2
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	5,464	7,935	5,945	8,853
YoY gr. (%)	(31.7)	45.2	(25.1)	48.9
Margin (%)	19.6	26.7	23.3	26.2
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	5,464	7,935	5,945	8,853
Equity Shares O/s (m)	99	99	99	99
EPS (Rs)	55.3	80.3	60.2	89.6

Source: Company Data, PL Research

Balance Sheet Abstract (Rs m)

Y/e Mar	FY19	FY20	FY21E	FY22E
Non-Current Assets				
Gross Block	21,622	24,914	29,414	33,914
Tangibles	21,622	24,914	29,414	33,914
Intangibles	-	-	-	-
Acc: Dep / Amortization	4,034	5,651	7,444	9,534
Tangibles	4,034	5,651	7,444	9,534
Intangibles	-	-	-	-
Net fixed assets	17,588	19,262	21,969	24,380
Tangibles	17,588	19,262	21,969	24,380
Intangibles	-	-	-	-
Capital Work In Progress	3,744	4,912	4,551	4,556
Goodwill	-	-	-	-
Non-Current Investments	196	1,468	313	344
Net Deferred tax assets	(1,712)	(1,197)	(1,197)	(1,197)
Other Non-Current Assets	788	181	199	219
Current Assets				
Investments	6,540	11,215	12,336	13,570
Inventories	191	186	204	225
Trade receivables	995	684	588	778
Cash & Bank Balance	2,988	2,295	4,294	7,791
Other Current Assets	183	132	145	160
Total Assets	34,410	41,289	46,010	54,091
Equity				
Equity Share Capital	988	988	988	988
Other Equity	23,001	28,539	32,700	38,898
Total Network	23,989	29,527	33,688	39,886
Non-Current Liabilities				
Long Term borrowings	-	490	-	-
Provisions	143	184	203	223
Other non current liabilities	-	-	-	-
Current Liabilities				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,524	1,318	1,131	1,498
Other current liabilities	6,688	8,158	8,974	9,871
Total Equity & Liabilities	34,410	41,289	46,010	54,091

Source: Company Data, PL Research

Cash Flow (Rs m)

Y/e Mar	FY19	FY20	FY21E	FY22E
PBT	8,369	9,835	8,034	11,964
Add. Depreciation	1,259	1,617	1,793	2,090
Add. Interest	3	65	-	-
Less Financial Other Income	777	990	1,507	1,900
Add. Other	-	-	-	-
Op. profit before WC changes	9,632	11,518	9,827	14,054
Net Changes-WC	(463)	(2,113)	(2,493)	(3,765)
Direct tax	(2,614)	(2,331)	(1,687)	(2,512)
Net cash from Op. activities	6,555	7,074	5,647	7,776
Capital expenditures	(3,705)	(5,644)	(2,956)	(4,505)
Interest / Dividend Income	-	-	-	-
Others	1	0	0	0
Net Cash from Inv. activities	(3,703)	(5,643)	(2,956)	(4,505)
Issue of share cap. / premium	(389)	2,079	(402)	(598)
Debt changes	(12)	490	(490)	-
Dividend paid	(2,330)	(4,045)	(1,783)	(2,656)
Interest paid	(3)	(65)	-	-
Others	(2)	-	-	-
Net cash from Fin. activities	(2,736)	(1,542)	(2,675)	(3,254)
Net change in cash	115	(111)	15	17
Free Cash Flow	2,850	1,430	2,691	3,271

Source: Company Data, PL Research

Quarterly Financials (Rs m)

Y/e Mar	Q1FY20	Q2FY20	Q3FY20	Q4FY20
Net Revenue	7,575	7,836	7,445	6,866
YoY gr. (%)	22.3	12.5	(1.1)	(5.0)
Raw Material Expenses	3,482	3,785	3,543	2,985
Gross Profit	4,093	4,051	3,902	3,880
Margin (%)	54.0	51.7	52.4	56.5
EBITDA	2,768	2,734	2,589	2,439
YoY gr. (%)	31.2	23.4	8.3	14.0
Margin (%)	36.5	34.9	34.8	35.5
Depreciation / Depletion	372	391	415	440
EBIT	2,396	2,343	2,174	1,999
Margin (%)	31.6	29.9	29.2	29.1
Net Interest	14	15	16	21
Other Income	203	230	286	270
Profit before Tax	2,586	2,558	2,444	2,247
Margin (%)	34.1	32.6	32.8	32.7
Total Tax	884	(148)	583	581
Effective tax rate (%)	34.2	(5.8)	23.9	25.9
Profit after Tax	1,702	2,706	1,861	1,666
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
Adjusted PAT	1,702	2,706	1,861	1,666
YoY gr. (%)	32.6	100.6	25.4	30.6
Margin (%)	22.5	34.5	25.0	24.3
Extra Ord. Income / (Exp)	-	-	-	-
Reported PAT	1,702	2,706	1,861	1,666
YoY gr. (%)	32.6	100.6	25.4	30.6
Margin (%)	22.5	34.5	25.0	24.3
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	-	-
Avg. Shares O/s (m)	-	-	-	-
EPS (Rs)	-	-	-	-

Source: Company Data, PL Research

Key Financial Metrics

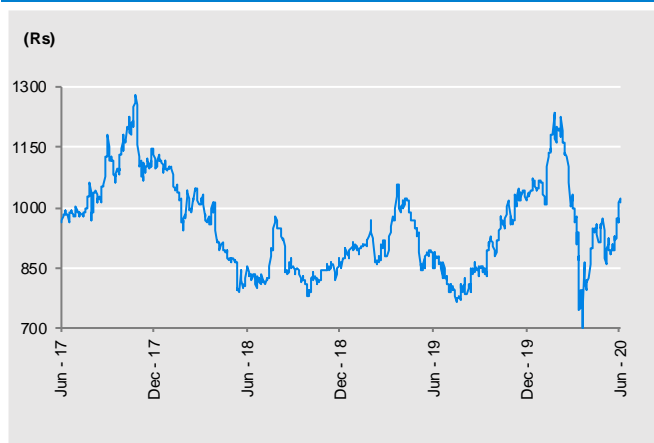
Y/e Mar	FY19	FY20	FY21E	FY22E
Per Share(Rs)				
EPS	55.3	80.3	60.2	89.6
CEPS	68.1	96.7	78.3	110.8
BVPS	242.8	298.9	341.0	403.8
FCF	28.9	14.5	27.2	33.1
DPS	23.6	40.9	18.1	26.9
Return Ratio(%)				
RoCE	33.8	33.0	20.5	27.4
ROIC	30.5	32.1	22.2	30.7
RoE	24.3	29.7	18.8	24.1
Balance Sheet				
Net Debt : Equity (x)	(0.4)	(0.4)	(0.5)	(0.5)
Net Working Capital (Days)	(4)	(5)	(5)	(5)
Valuation(x)				
PER	18.7	12.9	17.2	11.6
P/B	4.3	3.5	3.0	2.6
P/CEPS	15.2	10.7	13.2	9.4
EV/EBITDA	10.5	8.5	10.3	6.7
EV/Sales	3.3	3.0	3.4	2.4
Dividend Yield (%)	2.3	4.0	1.7	2.6

Source: Company Data, PL Research

Key Operating Metrics

Y/e Mar	FY19	FY20	FY21E	FY22E
Total sales volumes (mscm)	1,077	1,080	828	1,174
CNG sales volumes (mscm)	791	784	600	835
PNG sales volumes (mscm)	286	296	228	339
CNG retail price (Rs/kg)	32	35	40	38
PNG retail price (Rs/scm)	31	30	33	29

Source: Company Data, PL Research

Price Chart
Recommendation History


No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-20	BUY	1,289	891
2	11-Feb-20	BUY	1,348	1,195
3	03-Jan-20	BUY	1,339	1,060
4	13-Nov-19	BUY	1,339	1,003
5	03-Oct-19	BUY	1,269	891
6	09-Aug-19	BUY	1,179	783
7	04-Jul-19	BUY	1,179	828

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Accumulate	992	1,010
2	Bharat Petroleum Corporation	BUY	515	357
3	GAIL (India)	BUY	115	86
4	Hindustan Petroleum Corporation	BUY	280	200
5	Indian Oil Corporation	BUY	133	82
6	Indraprastha Gas	BUY	601	436
7	Mahanagar Gas	BUY	1,289	891
8	NOCIL	BUY	96	72
9	Oil & Natural Gas Corporation	BUY	115	74
10	Oil India	Accumulate	117	89
11	Petronet LNG	BUY	378	215
12	Reliance Industries	BUY	1,601	1,409

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. Avishek Datta- MBA 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 in the process of applying for certificate of registration as Research Analyst under Securities and Exchange Board of India (Research Analysts) Regulations, 2014

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. Avishek Datta- MBA 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