

INDIAN OIL CORPORATION LTD

BUY-BACK

13/12/2018

INDUSTRY - Oil Marketing & Distribution
 BSE Code - 530965
 NSE Code - IOC
 NIFTY - 10,791.55

Company Data

CMP(Rs.) 137

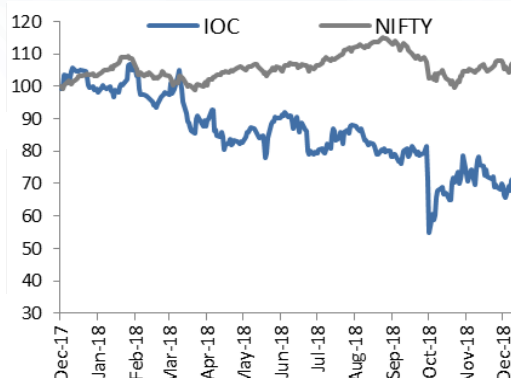
52wk Range H/L 214/106
 Mkt Capital (Rs Cr) 133246.03
 Av. Volume (,000) 364.88

Shareholding pattern %

	2QFY19	1QFY19	4QFY18
Promoters	56.75	56.75	56.98
Public	43.25	43.25	43.02
Total	100.0	100.0	100.0

Stock Performance %

	1Mn	3Mn	1Yr
Absolute	-3.8	3.7	-33.0
Rel.to Nifty	0.3	3.2	5.9



BUYBACK DETAILS

Board Meeting Date	13-Dec-18
Buy Back Size	297651006 Equity Shares (3.06% of total outstanding share capital)
Buy Back Size (Amount in Rs.)	4435 crs
Buy Back Price/Share in Rs.	149
Buy Back Route	Tender Route
Promoters Tendering their shares	No

Reservation for Retail Shareholders	15%
No of shares reserved for Retail Shareholders	44647651
Retail Share Holders	287379529

View & Valuation

- We assume that around 25% shareholders in retail segment shall tender their shares and hence acceptance ratio can come to around 62%. However, the company has also declared the interim dividend of Rs. 6.75 per share. This generates an expected return of 3.00% assuming post buyback price (interim dividend included) to be Rs 130.
- Fundamentally, we have neutral view on stock. However, considering attractive dividend offered to shareholders, we recommend to participate in Buyback offer.

Target Case Scenario

No. of shares tendered (25% of total retail shares)	71844882	Reserved for Retail	44647651
CMP (Rs)	137	Acceptance Ratio	62.00%
Buy-Back Price (Rs)	149	Potential Upside	3.0%

TABLE SHOWING EXPECTED RETURN POTENTIAL IN DIFFERENT SCENARIOS

Scenario	Shares tendered as a % to total retail shareholders	Calculated Acceptance Ratio	Expected Market Price post Buy-Back	Expected Return to Investors (Tax Adjusted)
1	25%	62%	151	7.9%
2	35%	44%	151	8.1%
3	65%	24%	151	8.4%
4	100%	16%	151	8.5%
5	25%	62%	137	4.6%
6	35%	44%	137	3.3%
7	65%	24%	137	1.8%
8	100%	16%	137	1.2%
9	25%	62%	130	3.0%
10	35%	44%	130	0.9%
11	65%	24%	130	-1.8%
12	100%	16%	130	-3.0%

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Disclosure of Interest Statement-

Analyst's ownership of the stocks mentioned in the Report	NIL
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