

May 22, 2025

## Q4FY25 Result Update

☑ Change in Estimates | ☑ Target | ■ Reco

### Change in Estimates

	Current		Previous	
	FY26E	FY27E	FY26E	FY27E
Rating	HOLD		HOLD	
Target Price	1,354		1,224	
Sales (Rs. m)	11,726	13,164	11,411	12,671
% Chng.	2.8	3.9		
EBITDA (Rs. m)	4,749	5,397	4,735	5,385
% Chng.	0.3	0.2		
EPS (Rs.)	31.6	35.6	31.1	35.0
% Chng.	1.5	1.9		

### Key Financials - Consolidated

Y/e Mar	FY24	FY25	FY26E	FY27E
Sales (Rs. m)	7,915	9,666	11,726	13,164
EBITDA (Rs. m)	3,321	3,876	4,749	5,397
Margin (%)	42.0	40.1	40.5	41.0
PAT (Rs. m)	2,440	2,644	3,359	3,787
EPS (Rs.)	23.0	24.9	31.6	35.6
Gr. (%)	(17.3)	8.3	27.1	12.7
DPS (Rs.)	5.0	4.0	5.1	5.7
Yield (%)	0.4	0.3	0.4	0.4
RoE (%)	22.1	20.2	21.6	20.4
RoCE (%)	25.9	24.3	25.1	23.7
EV/Sales (x)	17.8	14.6	12.0	10.6
EV/EBITDA (x)	42.5	36.4	29.7	25.9
PE (x)	57.9	53.4	42.0	37.3
P/BV (x)	11.7	10.0	8.3	7.0

### Key Data

### CLEA.BO | CLEAN IN

52-W High / Low	Rs.1,690 / Rs.1,062
Sensex / Nifty	80,952 / 24,610
Market Cap	Rs.141bn / \$ 1,642m
Shares Outstanding	106m
3M Avg. Daily Value	Rs.137.74m

### Shareholding Pattern (%)

Promoter's	74.97
Foreign	6.07
Domestic Institution	5.76
Public & Others	13.20
Promoter Pledge (Rs bn)	-

### Stock Performance (%)

	1M	6M	12M
Absolute	10.3	2.3	(4.7)
Relative	8.5	-	(12.6)

### Swarnendu Bhushan

swarnendubhushan@plindia.com | 91-22-66322260

### Saurabh Ahire

saurabhahire@plindia.com | 91-22-66322537

## Ongoing capex to drive next leg of growth

### Quick Pointers:

- Overall volume growth in FY25 was 25%, while realization declined by 8%
- HALS volumes reached 1900tn in FY25 vs 600tn in FY24, sales volume guidance of 4500tn in FY26

**Clean Science and Technology (CLEAN) reported revenue of Rs2.6bn, reflecting a 15.9% YoY increase and a 9.5% QoQ growth. The top-line expansion was primarily driven by higher sales volumes across product segments. Sales of HALS rose significantly to 1,900tn in FY25 from 600tn in FY24, with a blended realization of Rs425/kg. Management has guided for HALS volumes to reach 4,500tn in FY26, with realizations expected to improve to Rs495–500/kg, supported by both existing and newly launched products. DHDT, a pharma intermediate, which was commercialized in the previous quarter, did not contribute to revenue due to some plant level issues. These are expected to be resolved within the next four weeks. On the capex front, the Rs1.5bn investment in the Performance Chemical 1 facility remains on track, with commercialization expected in Q3FY26. Additionally, construction has commenced on a second performance chemical plant focused on water treatment, which is scheduled to be operational by Q4FY26. Looking ahead, these new capex initiatives are expected to be key growth drivers. However, the margin profile may come under some pressure, as certain new products are expected to have lower profitability compared to the company's legacy portfolio. At its current valuation of 37x FY27 EPS, we maintain a 'Hold' rating on Clean Science, with a target price of Rs1,361 valuing it at 38x FY27 EPS.**

- Volume-led YoY growth in revenue:** Consolidated revenue stood at Rs2.6bn, 15.9% YoY/ 9.5% QoQ (PLe: Rs2.4bn, Consensus: Rs2.5bn). FY25 revenue was 22.1% higher than FY24. Revenue growth was driven by volume increase across segments. HALS sales volume and product mixing also improved during the quarter, with total sales volume at 1900tn in FY25. Gross margin improved 20bps sequentially due to modest decrease in key raw material prices.
- EBITDA decreased by 180bps YoY and 120bps sequentially:** EBITDA stood at Rs1,048mn, 10.9% YoY/ 6.4% QoQ (PLe: Rs941mn, Consensus: Rs1039mn), EBITDA margin came at 39.7%, decreased by 120bps QoQ (vs 41.5% in Q4FY24 and 40.9% in Q3FY25) due to an increase in other operating expenses. Reported PAT was at Rs741mn, 5.4% YoY/12.9% QoQ. PAT margins were at 28% vs 31% in Q4FY24 and 27% in Q4FY25. The tax rate slightly increased to 25% vs 23.6% Q4FY24.
- Concall takeaways:** (1) Revenue contribution: Performance Chemicals: 69%, Pharma and Agro Intermediate: 19%, FMCG: 12%. (2) 18–20% growth expected in FY26 on a consolidated basis (Principal products growing at 5–6%). (3) At company level, EBITDAM margin is expected to be 40% in FY26. (4) Blended realization for HALS in FY25 was Rs425/kg, and raw material cost was 65%. (5) HALS volume was 1900tn in FY25. (6) HALS is largely domestic currently,

going ahead exports are expected to increase. **(7)** In FY26, the target sales of HALS are 4500tn and topline of Rs2.1bn. **(8)** New products approved in key geographies, focus is on Middle east, Europe, USA and South Africa. **(9)** FY26 capex is expected to be Rs3bn. **(10)** Performance Chemical 1 and 2, each with a capacity of 10,000mtpa, are on track for commercialization in Q3FY26 and Q4FY26 respectively, with construction already started for the latter. **(11)** Company developed highest number of new products including DHDT (Pharma intermediate), BHT and two new performances chemicals which are expected to be commercialized in FY26. **(12)** As new products come online, the addressable market is expected to increase by \$1.5bn (Including of HALS and 2 new performance chemicals). **(13)** Barbituric acid production to start in August'25.

**Exhibit 1: Q4FY25 Result Overview - Consolidated (Rs mn)**

Y/e March	Q4FY25	Q4FY24	YoY gr.	Q4FY25E	% Var.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
<b>Net Sales</b>	<b>2,637</b>	<b>2,275</b>	<b>15.9%</b>	<b>2,418</b>	<b>9.1%</b>	<b>2,408</b>	<b>9.5%</b>	<b>9,666</b>	<b>7,915</b>	<b>22.1%</b>
Gross Profit	1,679	1,495	12.3%	1,519	10.6%	1,529	9.8%	6,159	5,144	19.7%
Margin (%)	63.7%	65.7%		62.8%		63.5%		63.7%	65.0%	
<b>EBITDA</b>	<b>1,048</b>	<b>945</b>	<b>10.9%</b>	<b>941</b>	<b>11.3%</b>	<b>985</b>	<b>6.4%</b>	<b>3,876</b>	<b>3,321</b>	<b>16.7%</b>
Margin (%)	39.7%	41.5%		38.9%		40.9%		40.1%	42.0%	
Other Income	124	141		116		52		386	413	-6.5%
Depreciation	174	127	37.4%	190	-8.2%	183	-4.8%	691	459	50.4%
<b>EBIT</b>	<b>997</b>	<b>959</b>	<b>4.0%</b>	<b>867</b>	<b>15.0%</b>	<b>854</b>	<b>16.8%</b>	<b>3,571</b>	<b>3,274</b>	<b>9.1%</b>
Interest	1	6		1		1		4	9	
<b>PBT before exceptional items</b>	<b>996</b>	<b>953</b>	<b>4.5%</b>	<b>866</b>	<b>15.0%</b>	<b>853</b>	<b>16.8%</b>	<b>3,567</b>	<b>3,265</b>	<b>9.3%</b>
Total Tax	252	225	12.1%	161	56.2%	256	-1.5%	923	825	11.9%
ETR (%)	25%	23.6%		18.6%		30.0%		25.9%	25.3%	
<b>Adj. PAT</b>	<b>741</b>	<b>703</b>	<b>5.4%</b>	<b>658</b>	<b>12.6%</b>	<b>656</b>	<b>12.9%</b>	<b>2,644</b>	<b>2,440</b>	<b>8.4%</b>
<b>PAT</b>	<b>741</b>	<b>703</b>	<b>5.4%</b>	<b>658</b>	<b>12.6%</b>	<b>656</b>	<b>12.9%</b>	<b>2,644</b>	<b>2,440</b>	<b>8.4%</b>

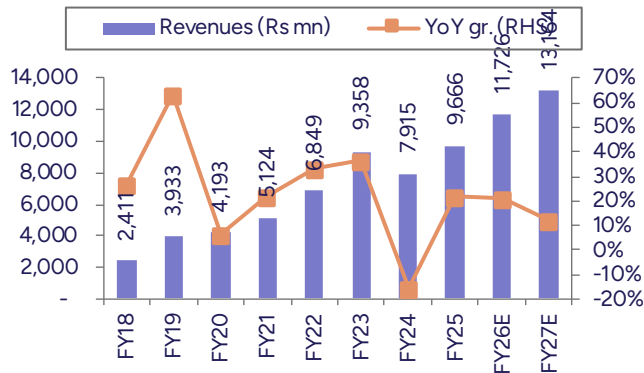
Source: Company, PL

**Exhibit 2: Segmental Revenue (Rs mn)**

Y/e March	Q4FY25	Q4FY24	YoY gr.	Q3FY25	QoQ gr.	FY25	FY24	YoY gr.
Performance Chemicals	1,819	1,524	19.4%	1,662	9.5%	6,670	5,303	25.8%
Pharma & Agro Intermediates	571	432	32.2%	433	31.8%	1,837	1,504	22.1%
FMCG Chemicals	246	296	-16.8%	313	-21.4%	1,160	1,029	12.7%
<b>Total</b>	<b>2,637</b>	<b>2,252</b>	<b>17.1%</b>	<b>2,408</b>	<b>9.5%</b>	<b>9,666</b>	<b>7,836</b>	<b>23.4%</b>

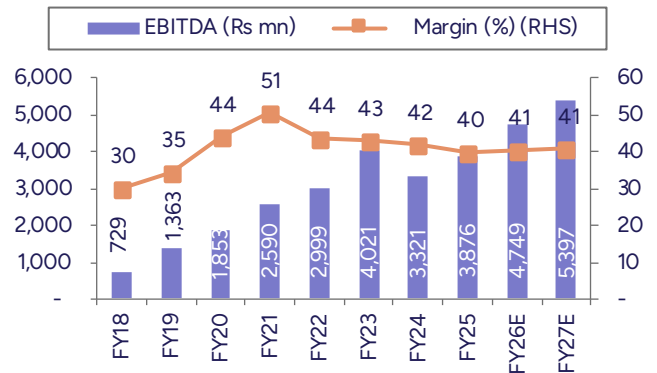
Source: Company, PL

**Exhibit 3: Revenue to rise to Rs13bn by FY27**



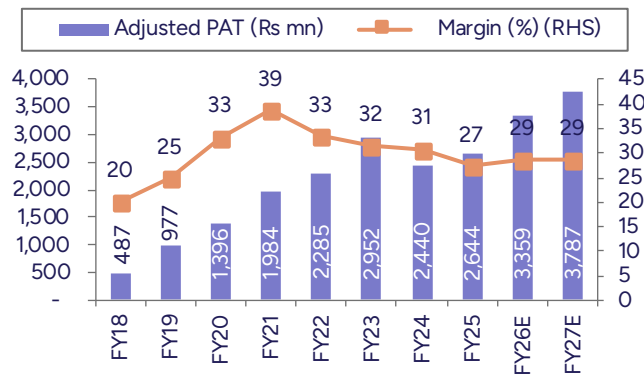
Source: Company, PL

**Exhibit 4: EBITDAM to be at 41% in FY27**



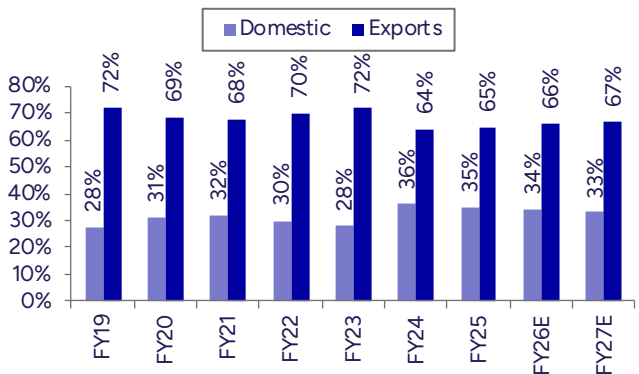
Source: Company, PL

**Exhibit 5: PAT margins to reach 29% by FY27E**



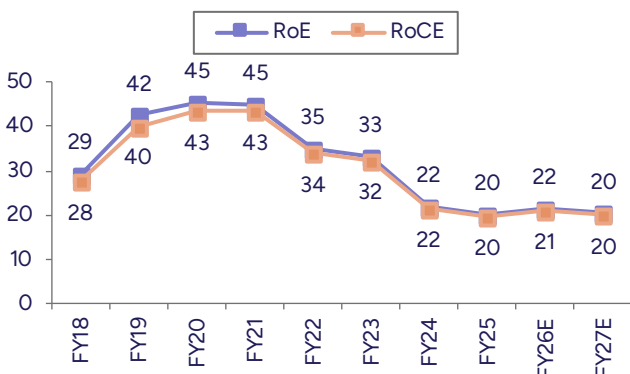
Source: Company, PL

**Exhibit 6: Exports share to reach 67% by FY27E**



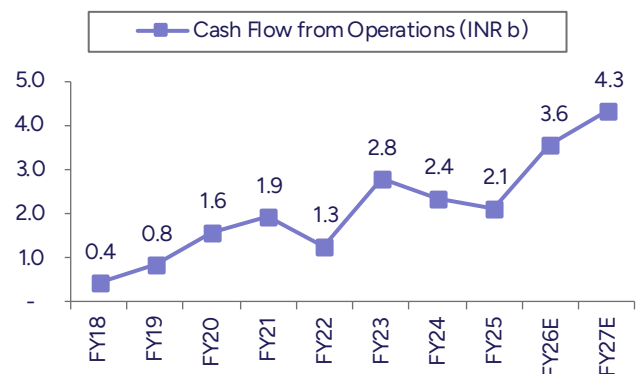
Source: Company, PL

**Exhibit 7: Return ratios to be at ~20%**



Source: Company, PL

**Exhibit 8: Strong cash flow**



Source: Company, PL

## Financials

### Income Statement (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Net Revenues</b>	<b>7,915</b>	<b>9,666</b>	<b>11,726</b>	<b>13,164</b>
YoY gr. (%)	(15.4)	22.1	21.3	12.3
Cost of Goods Sold	2,771	3,507	4,221	4,739
Gross Profit	5,144	6,159	7,505	8,425
Margin (%)	65.0	63.7	64.0	64.0
Employee Cost	487	564	704	790
Other Expenses	1,337	1,719	2,052	2,238
<b>EBITDA</b>	<b>3,321</b>	<b>3,876</b>	<b>4,749</b>	<b>5,397</b>
YoY gr. (%)	(17.4)	16.7	22.5	13.6
Margin (%)	42.0	40.1	40.5	41.0
Depreciation and Amortization	459	691	839	988
<b>EBIT</b>	<b>2,861</b>	<b>3,186</b>	<b>3,911</b>	<b>4,410</b>
Margin (%)	36.2	33.0	33.3	33.5
Net Interest	9	4	5	5
Other Income	413	386	515	578
<b>Profit Before Tax</b>	<b>3,265</b>	<b>3,567</b>	<b>4,420</b>	<b>4,983</b>
Margin (%)	41.3	36.9	37.7	37.8
Total Tax	825	923	1,061	1,196
Effective tax rate (%)	25.3	25.9	24.0	24.0
<b>Profit after tax</b>	<b>2,440</b>	<b>2,644</b>	<b>3,359</b>	<b>3,787</b>
Minority interest	-	-	-	-
Share Profit from Associate	-	-	-	-
<b>Adjusted PAT</b>	<b>2,440</b>	<b>2,644</b>	<b>3,359</b>	<b>3,787</b>
YoY gr. (%)	(17.3)	8.4	27.1	12.7
Margin (%)	30.8	27.4	28.6	28.8
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>2,440</b>	<b>2,644</b>	<b>3,359</b>	<b>3,787</b>
YoY gr. (%)	(17.3)	8.4	27.1	12.7
Margin (%)	30.8	27.4	28.6	28.8
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	2,440	2,644	3,359	3,787
<b>Equity Shares O/s (m)</b>	<b>106</b>	<b>106</b>	<b>106</b>	<b>106</b>
<b>EPS (Rs)</b>	<b>23.0</b>	<b>24.9</b>	<b>31.6</b>	<b>35.6</b>

Source: Company Data, PL Research

### Balance Sheet Abstract (Rs m)

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Non-Current Assets</b>				
<b>Gross Block</b>	<b>8,182</b>	<b>9,657</b>	<b>11,308</b>	<b>13,383</b>
Tangibles	8,182	9,657	11,308	13,383
Intangibles	-	-	-	-
<b>Acc: Dep / Amortization</b>	<b>1,821</b>	<b>2,512</b>	<b>3,350</b>	<b>4,338</b>
Tangibles	1,821	2,512	3,350	4,338
Intangibles	-	-	-	-
<b>Net fixed assets</b>	<b>6,361</b>	<b>7,145</b>	<b>7,958</b>	<b>9,045</b>
Tangibles	6,361	7,145	7,958	9,045
Intangibles	-	-	-	-
Capital Work In Progress	573	302	1,651	2,075
Goodwill	-	-	-	-
Non-Current Investments	3,394	3,809	3,809	3,809
Net Deferred tax assets	(323)	(338)	(338)	(338)
Other Non-Current Assets	-	-	-	-
<b>Current Assets</b>				
Investments	-	-	-	-
Inventories	1,237	1,494	1,813	2,035
Trade receivables	1,637	2,034	2,467	2,770
Cash & Bank Balance	106	202	209	1,420
Other Current Assets	679	1,091	1,323	1,485
<b>Total Assets</b>	<b>13,987</b>	<b>16,078</b>	<b>19,230</b>	<b>22,640</b>
<b>Equity</b>				
Equity Share Capital	106	106	106	106
Other Equity	11,925	14,058	16,877	20,055
<b>Total Networth</b>	<b>12,032</b>	<b>14,164</b>	<b>16,984</b>	<b>20,162</b>
<b>Non-Current Liabilities</b>				
Long Term borrowings	-	-	-	-
Provisions	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Current Liabilities</b>				
ST Debt / Current of LT Debt	-	-	-	-
Trade payables	1,057	989	1,200	1,347
Other current liabilities	576	586	708	793
<b>Total Equity &amp; Liabilities</b>	<b>13,987</b>	<b>16,078</b>	<b>19,230</b>	<b>22,640</b>

Source: Company Data, PL Research

**Cash Flow (Rs m)**

Y/e Mar	FY24	FY25	FY26E	FY27E
PBT	3,265	3,567	4,420	4,983
Add. Depreciation	459	691	839	988
Add. Interest	9	4	5	5
Less Financial Other Income	413	386	515	578
Add. Other	(335)	(284)	-	-
Op. profit before WC changes	3,398	3,978	5,264	5,975
Net Changes-WC	(279)	(885)	(652)	(455)
Direct tax	(755)	(955)	(1,061)	(1,196)
<b>Net cash from Op. activities</b>	<b>2,364</b>	<b>2,138</b>	<b>3,551</b>	<b>4,325</b>
Capital expenditures	(2,317)	(1,420)	(3,000)	(2,500)
Interest / Dividend Income	6	17	-	-
Others	458	(115)	-	-
<b>Net Cash from Invst. activities</b>	<b>(1,852)</b>	<b>(1,517)</b>	<b>(3,000)</b>	<b>(2,500)</b>
Issue of share cap. / premium	-	-	-	-
Debt changes	-	-	-	-
Dividend paid	(531)	(531)	(540)	(609)
Interest paid	(9)	(3)	(5)	(5)
Others	9	9	-	-
<b>Net cash from Fin. activities</b>	<b>(532)</b>	<b>(525)</b>	<b>(545)</b>	<b>(614)</b>
<b>Net change in cash</b>	<b>(20)</b>	<b>96</b>	<b>7</b>	<b>1,211</b>
Free Cash Flow	48	719	551	1,825

Source: Company Data, PL Research

**Key Financial Metrics**

Y/e Mar	FY24	FY25	FY26E	FY27E
<b>Per Share(Rs)</b>				
EPS	23.0	24.9	31.6	35.6
CEPS	27.3	31.4	39.5	44.9
BVPS	113.2	133.3	159.8	189.7
FCF	0.5	6.8	5.2	17.2
DPS	5.0	4.0	5.1	5.7
<b>Return Ratio(%)</b>				
RoCE	25.9	24.3	25.1	23.7
ROIC	19.5	18.2	19.3	18.9
RoE	22.1	20.2	21.6	20.4
<b>Balance Sheet</b>				
Net Debt : Equity (x)	0.0	0.0	0.0	(0.1)
Net Working Capital (Days)	84	96	96	96
<b>Valuation(x)</b>				
PER	57.9	53.4	42.0	37.3
P/B	11.7	10.0	8.3	7.0
P/CEPS	48.7	42.4	33.6	29.6
EV/EBITDA	42.5	36.4	29.7	25.9
EV/Sales	17.8	14.6	12.0	10.6
Dividend Yield (%)	0.4	0.3	0.4	0.4

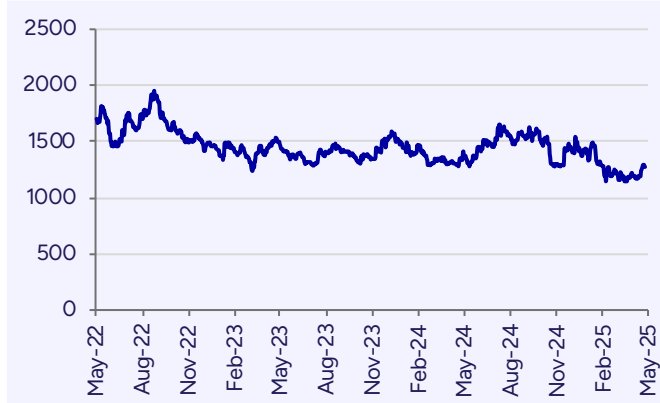
Source: Company Data, PL Research

**Quarterly Financials (Rs m)**

Y/e Mar	Q1FY25	Q2FY25	Q3FY25	Q4FY25
<b>Net Revenue</b>	<b>2,240</b>	<b>2,381</b>	<b>2,408</b>	<b>2,637</b>
YoY gr. (%)	19.1	31.5	23.7	15.9
Raw Material Expenses	775	895	879	958
Gross Profit	1,465	1,486	1,529	1,679
Margin (%)	65.4	62.4	63.5	63.7
<b>EBITDA</b>	<b>947</b>	<b>897</b>	<b>985</b>	<b>1,048</b>
YoY gr. (%)	24.3	19.8	13.7	10.9
Margin (%)	42.3	37.7	40.9	39.7
Depreciation / Depletion	158	175	183	174
<b>EBIT</b>	<b>789</b>	<b>722</b>	<b>802</b>	<b>873</b>
Margin (%)	35.2	30.3	33.3	33.1
Net Interest	1	-	1	1
Other Income	99	111	52	124
<b>Profit before Tax</b>	<b>887</b>	<b>832</b>	<b>853</b>	<b>996</b>
Margin (%)	39.6	34.9	35.4	37.8
Total Tax	228	245	196	255
Effective tax rate (%)	25.7	29.4	23.0	25.6
<b>Profit after Tax</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>
Minority interest	-	-	-	-
Share Profit from Associates	-	-	-	-
<b>Adjusted PAT</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>
YoY gr. (%)	11.8	12.6	4.8	5.4
Margin (%)	29.4	24.7	27.3	28.1
Extra Ord. Income / (Exp)	-	-	-	-
<b>Reported PAT</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>
YoY gr. (%)	11.8	12.6	4.8	5.4
Margin (%)	29.4	24.7	27.3	28.1
Other Comprehensive Income	-	-	-	-
<b>Total Comprehensive Income</b>	<b>659</b>	<b>587</b>	<b>656</b>	<b>741</b>
Avg. Shares O/s (m)	106	106	106	106
<b>EPS (Rs)</b>	<b>6.2</b>	<b>5.5</b>	<b>6.2</b>	<b>7.0</b>

Source: Company Data, PL Research

Price Chart



Recommendation History

No.	Date	Rating	TP (Rs.)	Share Price (Rs.)
1	08-Apr-25	Hold	1,224	1,167
2	31-Jan-25	Hold	1,329	1,385
3	08-Jan-25	Hold	1,471	1,449
4	07-Nov-24	Hold	1,526	1,484
5	05-Oct-24	Hold	1,561	1,579
6	21-Sep-24	Hold	1,548	1,477
7	02-Aug-24	Hold	1,516	1,562
8	04-Jul-24	Hold	1,489	1,482

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	Aarti Industries	Reduce	394	449
2	Bharat Petroleum Corporation	Reduce	267	311
3	Bharti Airtel	Accumulate	1,988	1,834
4	Clean Science and Technology	Hold	1,224	1,167
5	Deepak Nitrite	Reduce	1,645	1,835
6	Fine Organic Industries	BUY	4,930	4,176
7	GAIL (India)	Hold	191	184
8	Gujarat Fluorochemicals	Reduce	3,328	3,671
9	Gujarat Gas	Sell	372	464
10	Gujarat State Petronet	Hold	288	288
11	Hindustan Petroleum Corporation	Sell	321	410
12	Indian Oil Corporation	Reduce	122	143
13	Indraprastha Gas	Sell	150	185
14	Jubilant Ingrevia	Hold	735	700
15	Laxmi Organic Industries	Reduce	172	190
16	Mahanagar Gas	Hold	1,410	1,410
17	Mangalore Refinery & Petrochemicals	Sell	109	129
18	Navin Fluorine International	Accumulate	5,161	4,595
19	NOCIL	Reduce	172	184
20	Oil & Natural Gas Corporation	BUY	264	220
21	Oil India	BUY	659	343
22	Petronet LNG	Reduce	292	321
23	Reliance Industries	Accumulate	1,482	1,300
24	SRF	Hold	3,069	2,928
25	Vinati Organics	Accumulate	1,882	1,765

PL's Recommendation Nomenclature (Absolute Performance)

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

## **ANALYST CERTIFICATION**

### **(Indian Clients)**

We/I, Mr. Swarnendu Bhushan- IIT, MBA Finance, Mr. Saurabh Ahire- MBA, Passed CFA Level II 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](http://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, Mr. Saurabh Ahire- MBA, Passed CFA Level II 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](http://www.plindia.com)**