

15 August 2025

India | Equity Research | Results Update

Deepak Nitrite

Speciality Chemicals

New capex commissioning should aid earnings growth in H2

Deepak Nitrite's (DN) Q1FY26 has shown marginal improvement over adj. Q4FY25 EBITDA; however, overall performance remains subdued. This was due to slower recovery in agrochemical, marginal volume growth in other AI segment applications and depressed spreads in phenolics. We expect a notable uptick in earnings to emerge H2FY26 onwards, on the back of project commissioning – nitric acid, hydrogenation, MIBK/MIBC and other solvents and nitration. Capex here would aid new product launches and margins. Polycarbonate integrated facility is taking shape with technology partners signed on; and capex intensity shall rise FY27 onwards. We cut our FY26/27E EPS by 2–5%; TP revised to INR 1,950 (from INR 2,000), valuing DN at 30x FY27E PE multiple (unchanged). Retain **HOLD**.

Advance intermediate (AI) revenue dips 7.4% QoQ/ 15.4% YoY

AI revenue stood at INR 6bn, and DN was impacted from soft demand for agrochemicals while volumes from non-agrochemical application has grown marginally. Non-agrochemical application in dyes, personal care, fuel and others saw steady volumes. DN continues to face pricing pressure, and higher supplies from China. It has been working on various measures to drive volumes such as geographical expansion, including supplies to China along with newer products; it remains hopeful of a recovery in the next few quarters. DN is repurposing its plants for newer products; thereby, improving asset turn and addressing demand for other applications.

AI segment's EBIT dipped 46.7% YoY/21% QoQ to INR 355mn; EBIT margin stood at 5.9% (vs. 9.3% in Q1FY25; 6.9% in Q4FY25). Lower EBIT margin was due to contraction in margins from depressed prices, and in some cases higher raw material prices.

DN is in the process of commissioning various projects: 1) CNA/WNA (nitric acid) plants – likely to be commissioned by end-Q2FY26. This shall help improve margins by 200–300bps in the AI segment and also feed into the new nitration plant, which is likely to be commissioned in H2FY26. 2) Hydrogenation plant – should help backward integration and support more products. 3) Previously, DN has executed de-bottlenecking of various existing product, which should drive more volumes. 4) Agrochemical intermediate with new contracted product, and supplies to other geographies.

Financial Summary

| Y/E March (INR mn) | FY24A | FY25A | FY26E | FY27E |
|--------------------|--------|--------|--------|----------|
| Net Revenue | 76,818 | 82,819 | 90,077 | 1,01,761 |
| EBITDA | 11,233 | 10,918 | 12,224 | 13,892 |
| EBITDA Margin (%) | 14.6 | 13.2 | 13.6 | 13.7 |
| Net Profit | 7,311 | 6,972 | 7,687 | 8,884 |
| EPS (INR) | 59.4 | 51.1 | 56.4 | 65.1 |
| EPS % Chg YoY | (4.8) | (14.0) | 10.3 | 15.6 |
| P/E (x) | 31.2 | 36.3 | 32.9 | 28.5 |
| EV/EBITDA (x) | 0.9 | 1.5 | 2.3 | 4.0 |
| RoCE (%) | 14.9 | 11.3 | 10.1 | 8.8 |
| RoE (%) | 16.4 | 13.6 | 13.4 | 13.7 |

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Market Data

| | |
|---------------------|---------------|
| Market Cap (INR) | 253bn |
| Market Cap (USD) | 2,892mn |
| Bloomberg Code | DN IN |
| Reuters Code | DPNT.BO |
| 52-week Range (INR) | 3,095 / 1,775 |
| Free Float (%) | 50.0 |
| ADTV-3M (mn) (USD) | 5.1 |

| Price Performance (%) | 3m | 6m | 12m |
|-----------------------|-------|-------|--------|
| Absolute | (6.2) | (2.3) | (34.8) |
| Relative to Sensex | (5.3) | (8.4) | (36.7) |

| ESG Score | 2023 | 2024 | Change |
|-------------|------|------|--------|
| ESG score | 64.7 | 67.0 | 2.3 |
| Environment | 42.1 | 46.9 | 4.8 |
| Social | 65.7 | 72.1 | 6.4 |
| Governance | 81.7 | 81.7 | 0.0 |

Note - Score ranges from 0 - 100 with a higher score indicating higher ESG disclosures.

Source: SES ESG, I-sec research

| Earnings Revisions (%) | FY26E | FY27E |
|------------------------|-------|-------|
| Revenue | (9.9) | (7.9) |
| EBITDA | (7.9) | (5.0) |
| EPS | (5.3) | (2.3) |

Previous Reports

30-05-2025: [Q4FY25 results review](#)

15-04-2025: [Initiating Coverage](#)

Phenolic EBIT rose 28%, adjusted for incentive, on QoQ basis

Phenolic segment revenue stood at INR 13bn, including INR 172mn towards government incentives vs. INR 1.6bn in Q4FY25. Adj. for incentives, phenolic revenue dipped 6% QoQ/12% YoY, probably on lower prices for phenol and acetone. Company was able to produce record volumes in the hottest season; thus, providing confidence of producing more quantities during the winter, which aids production efficiency.

Segmental EBIT stood at INR 1.2bn, partly boosted by government incentives. Underlying EBIT was INR 1bn in Q1FY26 vs. INR 0.8bn in Q4FY25. The company has seen improvement in phenol spreads during the quarter, and probably cost efficiency measures also helped. DN is eligible to receive INR 600–700mn from the government towards incentive for its existing asset base; that said, the company has been receiving 80% of the incentives in the past. In the past two quarters, it received incentives for FY25 and pending incentives from past.

Phenolic will likely benefit from forward integration into MIBK, and MIBC and other solvents. The company anticipates faster ramp-up for import substitution. However, it is preparing for validation of two application in cosmetic with higher realisation, which may take a couple of months for validation.

DN adjusted EBITDA was INR 1.7bn vs. INR 1.6bn in Q4FY25

DN's consolidated revenue dipped 12.8% YoY / 13.3% QoQ to INR 18.9bn due to slower recovery in agrochemicals, and pricing pressure in both AI and phenolic. Gross profit dropped 20.6% YoY to INR 5.3bn (adjusted gross profit of INR 5bn in Q4FY25). Other expenses were lower 11.1% YoY to INR 2.3bn on cost optimisation measures; and it is working to reduce power & fuel costs and increasing renewal energy mix to 60–70% in FY26. EBITDA stood at INR 1.9bn, and excluding incentive, it was INR 1.7bn, a slight jump QoQ. Net profit stood at INR 1bn. DN's standalone EBITDA plunged 38.4% YoY to INR 596mn and PBT declined 51.9% YoY to INR 409mn. Subsidiary's (DN consolidated minus standalone) EBITDA was INR 1.3bn (excluding incentive at INR 1bn); net profit stood at INR 820mn.

Update on capex

- The company has revised the capex downwards in integrated PC/phenolic to INR 85bn. It has tied-up technology for phenol plant; however, it has not disclosed its technology partner. It is awaiting board approval for BPA. It has already purchased Trinseo's German polycarbonate (PC) plant, and therefore, its entire plan for integrated PC facility is crystalising.
- Including BPA, the company has crystalised a capex plan of INR 110bn, of which cash outflow will likely be INR 10bn in FY26, INR 30bn in FY27, INR 50bn in FY28 and INR 20bn in FY29 while the plants would be operational by end-CY27. Peak debt is expected to be at INR 70–75bn for DN consolidated.
- The company has commissioned a polycarbonate compound plant, which would serve to develop and procure approval for products ahead of PC plant commissioning. However, initial compounding plant is smaller than earlier guided, and shall be scaled up gradually to earlier guided capacity of 30ktpa.
- Company is yet to make any decision on capex related MMA, PMMA and aniline.
- Company is setting up a facility for an agro-intermediate with capex of INR 2.2bn which would find application in patented product. The technology/process adopted by DN shall be IP protected, and the same plant can have the capability to produce products that find use in the cosmetic industry as well, where the initial response has been encouraging due to the better product and lower carbon emission.

Risks

- **Downside:** 1) Delay in execution of projects; and 2) unfavourable spreads.
- **Upside:** 1) Higher-than-expected demand from end-application, and winning higher market share; and 2) favourable spreads in phenolic value chain.

Exhibit 1: Q1FY26 result (consolidated)

| INR mn | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | QoQ (%) | YoY (%) |
|------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Revenue | 21,668 | 20,320 | 19,034 | 21,797 | 18,899 | (13.3) | (12.8) |
| COGS | 15,002 | 13,823 | 13,931 | 15,124 | 13,607 | (10.0) | (9.3) |
| Gross profit | 6,667 | 6,497 | 5,103 | 6,673 | 5,292 | (20.7) | (20.6) |
| GPM (%) | 30.8 | 32.0 | 26.8 | 30.6 | 28.0 | | |
| Employee cost | 953 | 971 | 982 | 1,016 | 1,065 | 4.8 | 11.7 |
| % of revenue | 4.4 | 4.8 | 5.2 | 4.7 | 5.6 | | |
| Other expenses | 2,621 | 2,551 | 2,436 | 2,492 | 2,332 | (6.4) | (11.1) |
| % of revenue | 12.1 | 12.6 | 12.8 | 11.4 | 12.3 | | |
| Total expenses | 3,575 | 3,522 | 3,418 | 3,508 | 3,396 | (3.2) | (5.0) |
| EBITDA | 3,092 | 2,975 | 1,685 | 3,165 | 1,896 | (40.1) | (38.7) |
| EBITDA (%) | 14.3 | 14.6 | 8.9 | 14.5 | 10.0 | | |
| Depreciation | 475 | 485 | 482 | 513 | 513 | - | 8.0 |
| EBIT | 2,617 | 2,491 | 1,203 | 2,653 | 1,383 | (47.9) | (47.2) |
| Other income | 188 | 213 | 210 | 228 | 246 | 7.8 | 30.6 |
| Finance cost | 58 | 63 | 61 | 93 | 81 | (13.0) | 41.4 |
| PBT | 2,748 | 2,640 | 1,352 | 2,787 | 1,547 | (44.5) | (43.7) |
| Tax | 723 | 698 | 371 | 762 | 425 | (44.2) | (41.2) |
| ETR (%) | 26.3 | 26.4 | 27.4 | 27.3 | 27.5 | | |
| Exceptional item | - | - | - | - | - | | |
| Adj. Net profit | 2,025 | 1,942 | 981 | 2,025 | 1,123 | (44.6) | (44.6) |
| Adj. Net profit (%) | 9.3 | 9.6 | 5.2 | 9.3 | 5.9 | | |
| EPS (INR) | 14.8 | 14.2 | 7.2 | 14.8 | 8.2 | (44.6) | (44.6) |

Source: I-Sec research, Company data

Exhibit 2: Q1FY26 result (standalone)

| INR mn | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | QoQ (%) | YoY (%) |
|------------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Revenue | 7,157 | 6,047 | 5,516 | 6,545 | 6,123 | (6.4) | (14.5) |
| COGS | 4,004 | 3,173 | 3,120 | 3,773 | 3,566 | (5.5) | (10.9) |
| Gross profit | 3,153 | 2,874 | 2,396 | 2,772 | 2,557 | (7.8) | (18.9) |
| GPM (%) | 44.1 | 47.5 | 43.4 | 42.4 | 41.8 | | |
| Employee cost | 698 | 701 | 648 | 704 | 745 | 5.7 | 6.7 |
| % of revenue | 9.8 | 11.6 | 11.7 | 10.8 | 12.2 | | |
| Other expenses | 1,488 | 1,424 | 1,331 | 1,290 | 1,216 | (5.8) | (18.3) |
| % of revenue | 20.8 | 23.5 | 24.1 | 19.7 | 19.9 | | |
| Total expenses | 2,186 | 2,125 | 1,978 | 1,995 | 1,960 | (1.7) | (10.3) |
| EBITDA | 967 | 749 | 418 | 778 | 596 | (23.3) | (38.4) |
| EBITDA (%) | 13.5 | 12.4 | 7.6 | 11.9 | 9.7 | | |
| Depreciation | 245 | 254 | 247 | 254 | 253 | (0.4) | 3.2 |
| EBIT | 723 | 495 | 171 | 524 | 344 | (34.4) | (52.4) |
| Other income | 137 | 1,097 | 77 | 190 | 74 | (60.9) | (46.0) |
| Finance cost | 10 | 9 | 10 | 10 | 9 | (15.7) | (9.5) |
| PBT | 850 | 1,583 | 239 | 703 | 409 | (41.8) | (51.9) |
| Tax | 220 | 161 | 66 | 165 | 106 | (35.4) | (51.6) |
| ETR (%) | 25.9 | 10.1 | 27.7 | 23.4 | 26.0 | | |
| Exceptional item | - | - | - | - | - | | |
| Adj. Net profit | 630 | 1,423 | 173 | 539 | 303 | (43.8) | (52.0) |
| Adj. Net profit (%) | 8.8 | 23.5 | 3.1 | 8.2 | 4.9 | | |
| EPS (INR) | 4.6 | 10.4 | 1.3 | 3.9 | 2.2 | (43.8) | (52.0) |

Source: I-Sec research, Company data

Exhibit 3: Q1FY26 result (consol less standalone)

| INR mn | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | QoQ (%) | YoY (%) |
|-----------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| Revenue | 14,511 | 14,273 | 13,518 | 15,252 | 12,776 | (16.2) | (12.0) |
| COGS | 10,998 | 10,650 | 10,811 | 11,351 | 10,041 | (11.5) | (8.7) |
| Gross profit | 3,514 | 3,624 | 2,707 | 3,901 | 2,735 | (29.9) | (22.2) |
| GPM (%) | 24.2 | 25.4 | 20.0 | 25.6 | 21.4 | | |
| Employee cost | 255 | 270 | 334 | 312 | 320 | 2.7 | 25.3 |
| Other expenses | 1,134 | 1,127 | 1,106 | 1,202 | 1,116 | (7.2) | (1.6) |
| Total expenses | 1,389 | 1,397 | 1,440 | 1,514 | 1,436 | (5.1) | 3.4 |
| EBITDA | 2,125 | 2,226 | 1,268 | 2,388 | 1,299 | (45.6) | (38.8) |
| EBITDA (%) | 14.6 | 15.6 | 9.4 | 15.7 | 10.2 | | |
| Depreciation | 230 | 231 | 236 | 259 | 260 | 0.3 | 13.1 |
| EBIT | 1,895 | 1,995 | 1,032 | 2,129 | 1,039 | (51.2) | (45.1) |
| Other income | 51 | (884) | 133 | 38 | 171 | 347.5 | 237.4 |
| Finance cost | 48 | 54 | 52 | 83 | 73 | (12.6) | 51.5 |
| PBT | 1,898 | 1,057 | 1,114 | 2,084 | 1,138 | (45.4) | (40.0) |
| Tax | 503 | 538 | 305 | 597 | 319 | (46.7) | (36.7) |
| Net profit | 1,395 | 519 | 809 | 1,486 | 820 | (44.9) | (41.2) |

Source: I-Sec research, Company data

Exhibit 4: Q1FY26 segmental result (consolidated)

| INR mn | Q1FY25 | Q2FY25 | Q3FY25 | Q4FY25 | Q1FY26 | QoQ (%) | YoY (%) |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Advance Intermediates | 7,157 | 6,060 | 5,517 | 6,539 | 6,053 | (7.4) | (15.4) |
| Phenolics | 14,636 | 14,435 | 13,657 | 15,323 | 13,040 | (14.9) | (10.9) |
| Total revenue | 21,668 | 20,320 | 19,034 | 21,797 | 18,899 | (13.3) | (12.8) |
| Revenue mix (%) | | | | | | | |
| Advance Intermediates | 33.0 | 29.8 | 29.0 | 30.0 | 32.0 | | |
| Phenolics | 67.5 | 71.0 | 71.8 | 70.3 | 69.0 | | |
| Advance Intermediates | 665 | 475 | 169 | 449 | 355 | (21.0) | (46.7) |
| Phenolics | 2,076 | 2,149 | 1,212 | 2,393 | 1,179 | (50.7) | (43.2) |
| Total EBIT | 2,741 | 2,623 | 1,381 | 2,842 | 1,534 | (46.0) | (44.0) |
| EBIT margin (%) | | | | | | | |
| Advance Intermediates | 9.3 | 7.8 | 3.1 | 6.9 | 5.9 | | |
| Phenolics | 14.2 | 14.9 | 8.9 | 15.6 | 9.0 | | |
| Total | 12.6 | 12.9 | 7.3 | 13.0 | 8.1 | | |
| EBIT mix (%) | | | | | | | |
| Advance Intermediates | 24.3 | 18.1 | 12.2 | 15.8 | 23.1 | | |
| Phenolics | 75.7 | 81.9 | 87.8 | 84.2 | 76.9 | | |

Source: I-Sec research, Company data

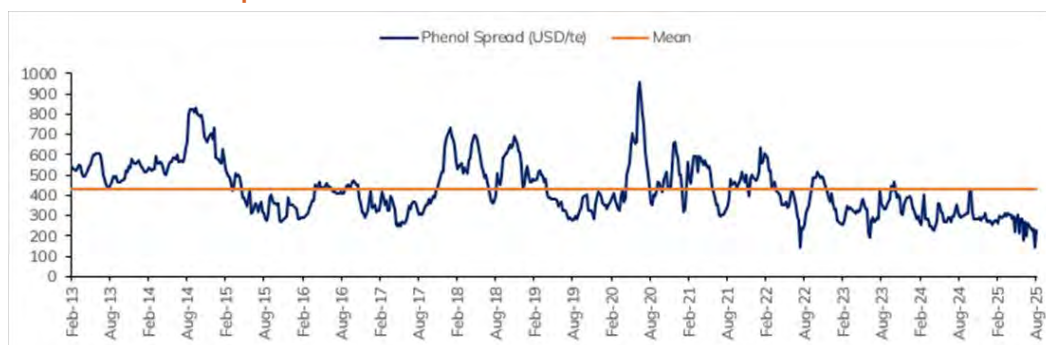
Exhibit 5: Earnings revision (consolidated)

| INR mn | Revised | | Earlier | | % change | |
|--------------------------|---------|----------|---------|----------|----------|--------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| Segmental revenue | | | | | | |
| Advanced Intermediates | 28,121 | 35,096 | 29,584 | 35,369 | (4.9) | (0.8) |
| Phenolics | 62,509 | 67,293 | 70,987 | 75,813 | (11.9) | (11.2) |
| Segmental EBIT | | | | | | |
| Advanced Intermediates | 3,216 | 4,459 | 3,642 | 4,308 | (11.7) | 3.5 |
| Phenolics | 7,117 | 7,384 | 8,122 | 7,960 | (12.4) | (7.2) |
| Financial | | | | | | |
| Revenue | 90,077 | 1,01,761 | 99,958 | 1,10,500 | (9.9) | (7.9) |
| EBITDA | 12,224 | 13,892 | 13,267 | 14,626 | (7.9) | (5.0) |
| EBITDA margin (%) | 13.6 | 13.7 | 13.3 | 13.2 | | |
| PAT | 7,687 | 8,884 | 8,114 | 9,094 | (5.3) | (2.3) |
| EPS (INR) | 56 | 65 | 59 | 67 | (5.3) | (2.3) |

Source: I-Sec research, Company data

Bloomberg data

Exhibit 6: Phenol spreads



Source: I-Sec research, Bloomberg

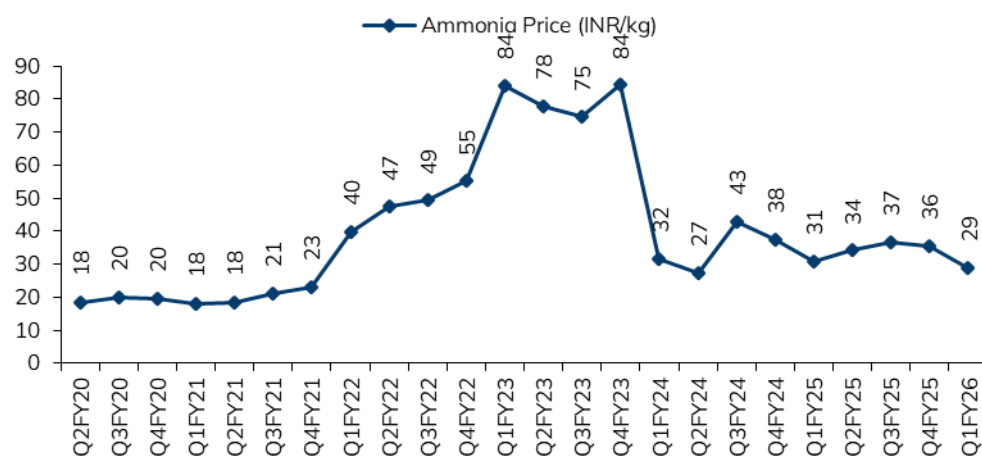
Products (EXIM data)

Exhibit 7: Sodium nitrite prices up 1.7% YoY

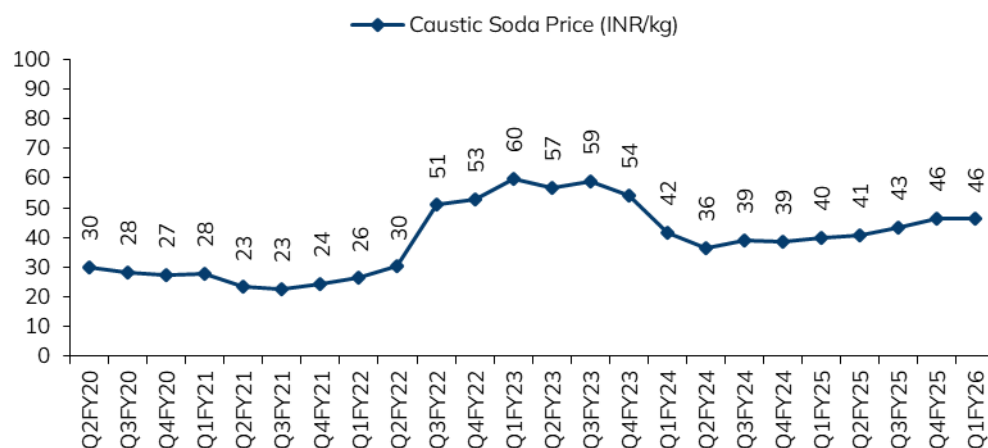


Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

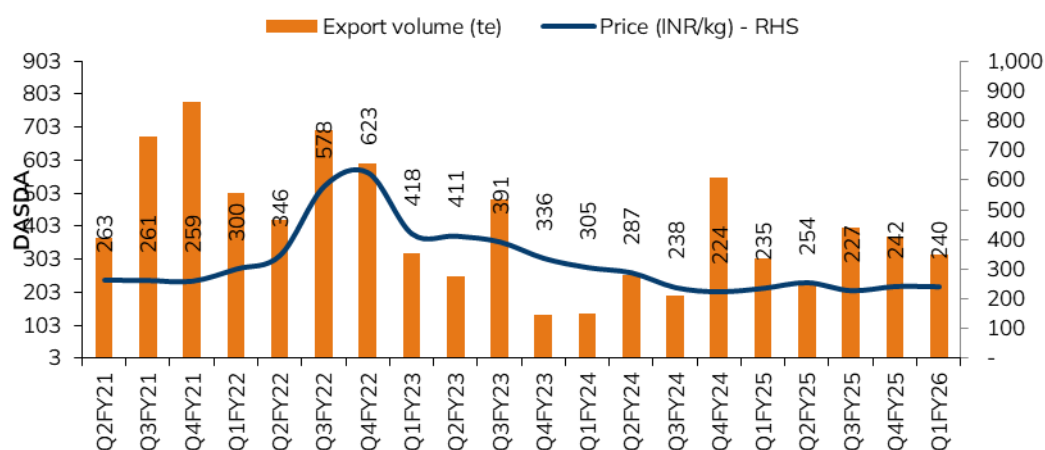
Exhibit 8: Ammonia prices down 5.7% YoY



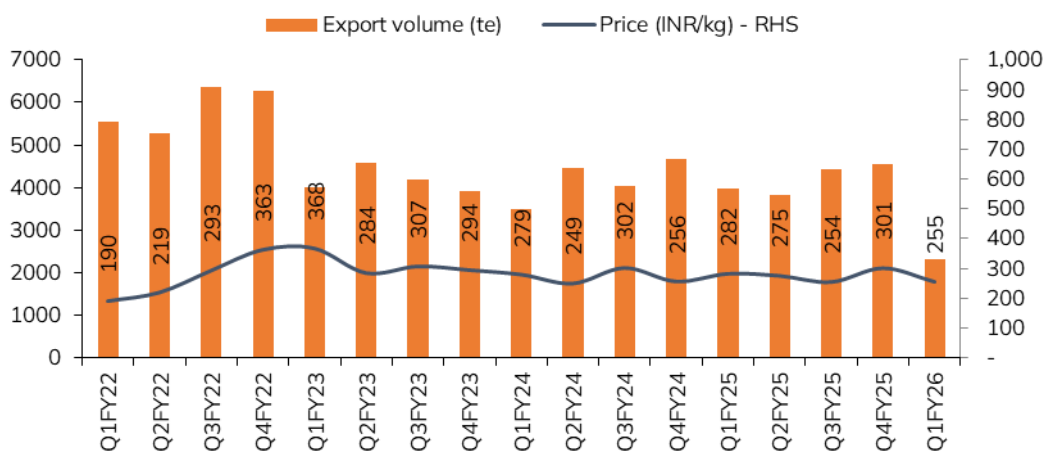
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 9: Caustic soda prices up 15.3% YoY

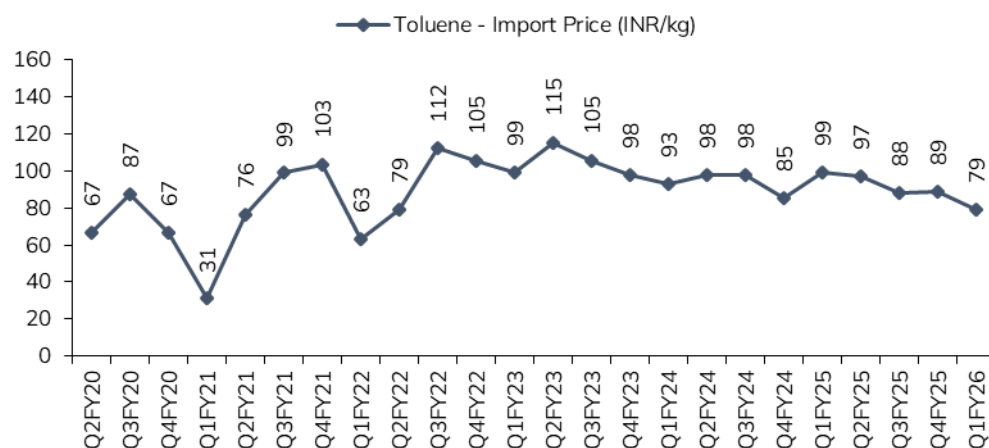
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 10: DASDA prices up 2.1% YoY

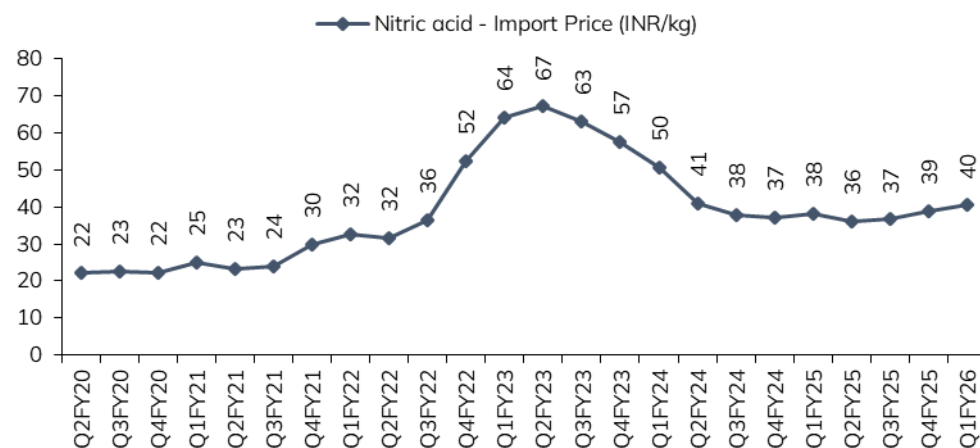
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 11: Optical whitening agents' prices down 9.7% YoY

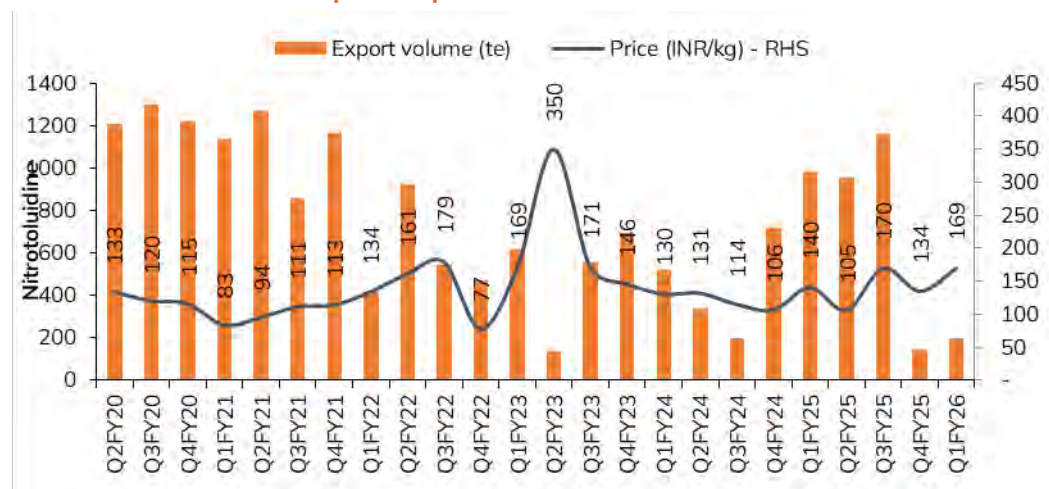
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 12: Toluene import prices down 20.3% YoY

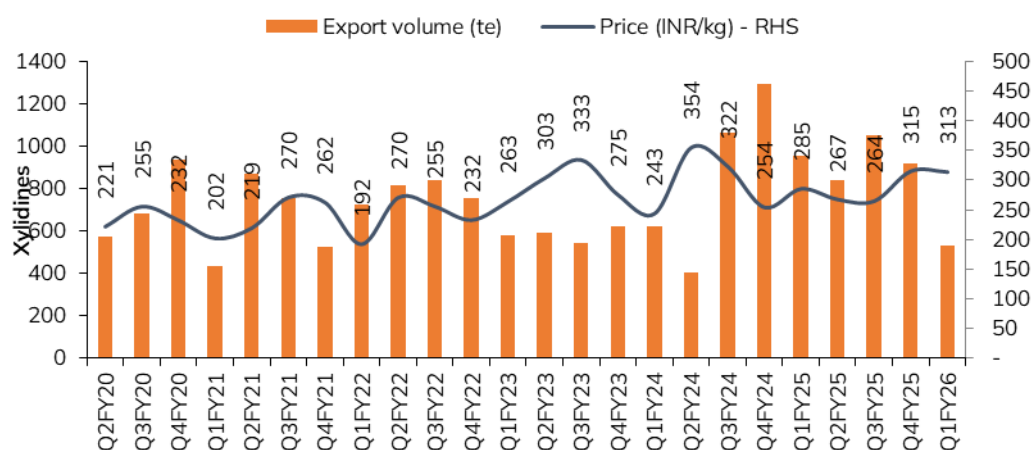
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 13: Nitric acid import prices up 5.9% YoY

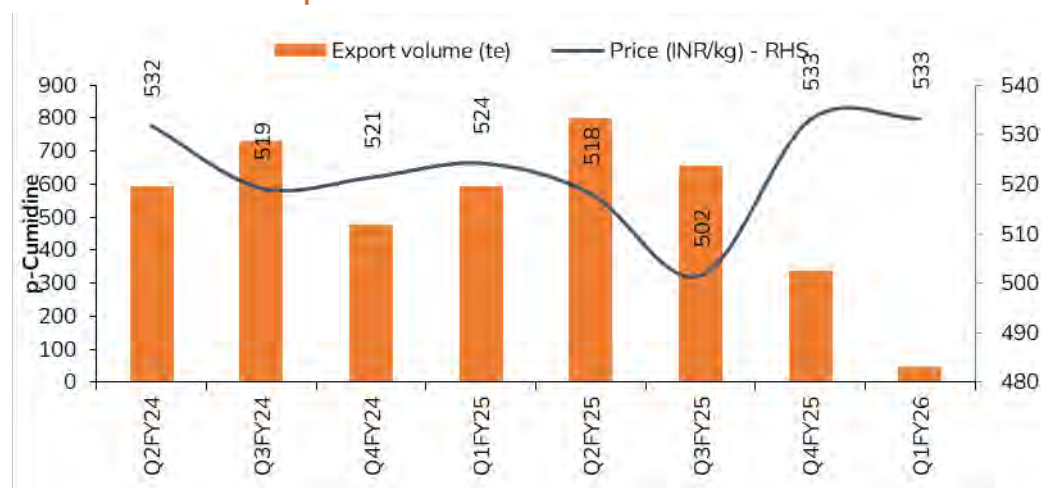
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 14: Nitrotoluidine prices up 20.7% YoY

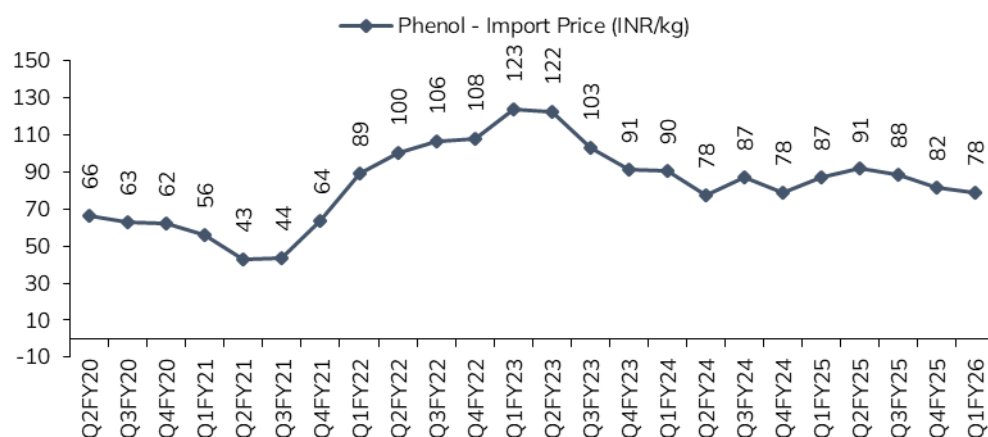
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 15: Xylidines prices up 9.9% YoY

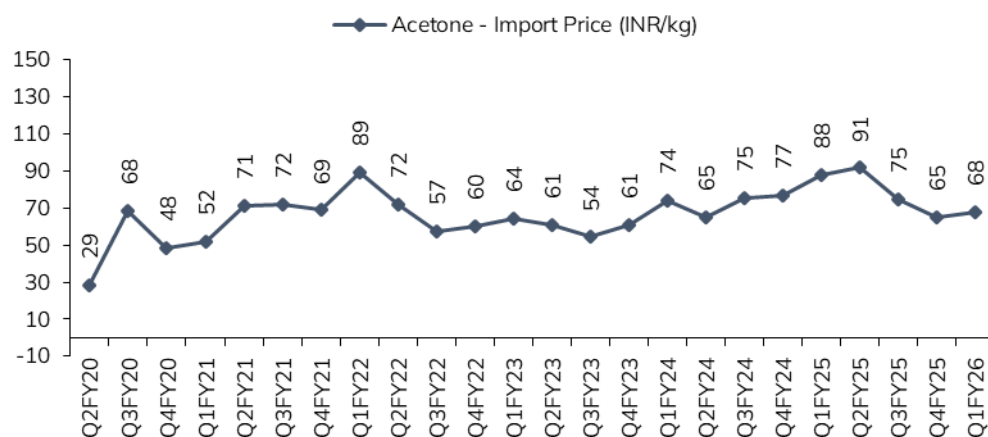
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 16: P-cumidine prices flat YoY

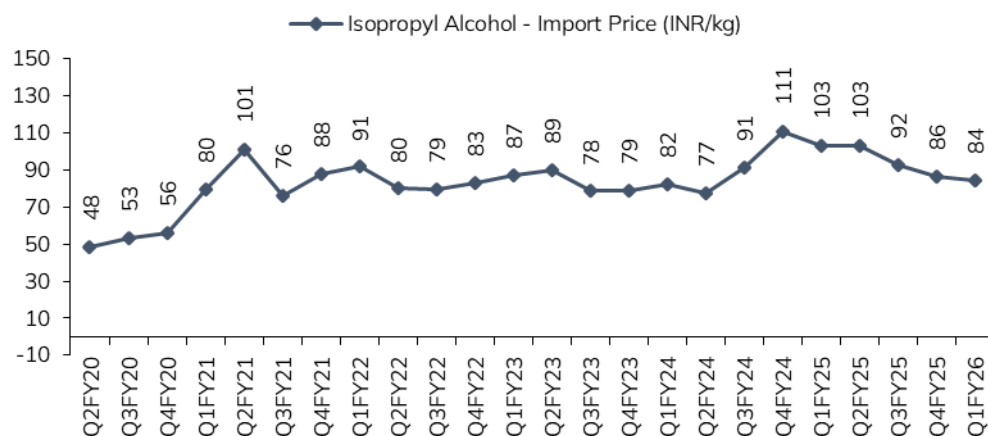
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 17: Phenol import prices dip 9.7% YoY

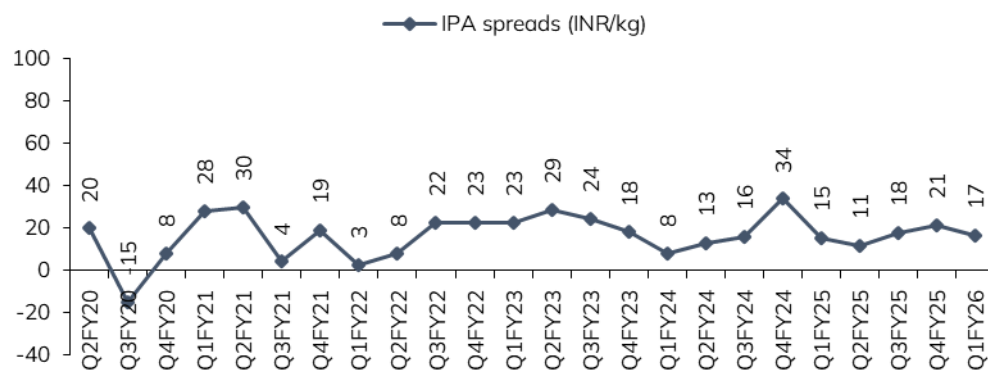
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 18: Acetone import prices down 23.1% YoY

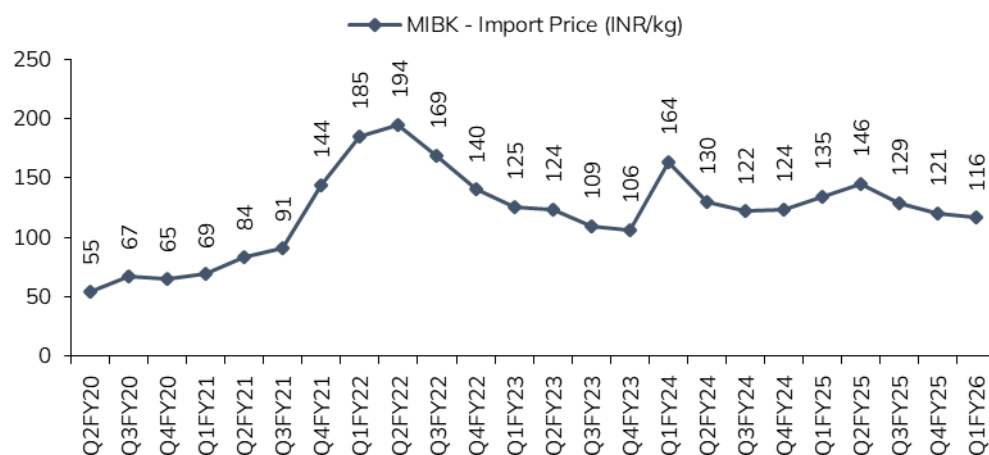
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 19: Isopropyl alcohol import prices down 18.2% YoY

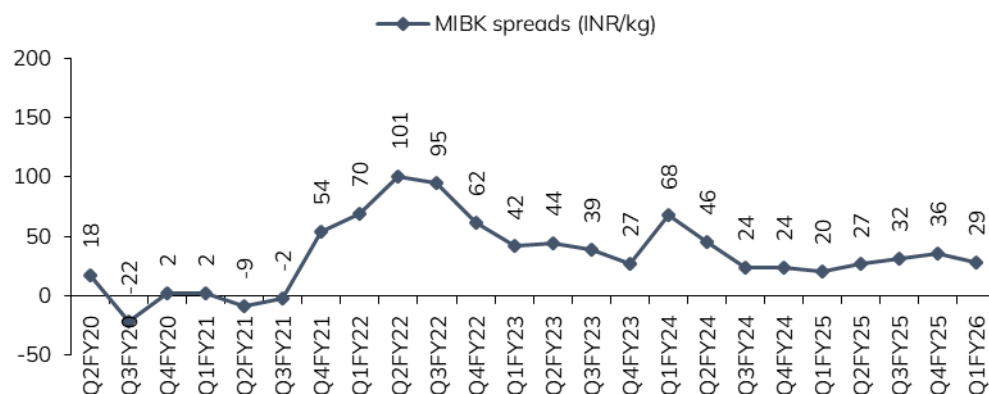
Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 20: IPA spreads up 9.9% YoY

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 21: MIBK import prices down 13.4% YoY

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Exhibit 22: MIBK spreads up 41% YoY

Source: Ministry of Commerce and Industry, I-Sec research. Note: Q1FY26-TD data is for the month of Apr'25 & May'25

Financials

Exhibit 23: DN's segmental performance

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) - FY25-27E |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|------------------------|
| Revenue | | | | | | | | |
| Advanced Intermediates | 18,309 | 26,365 | 30,336 | 27,239 | 25,273 | 28,121 | 35,096 | 17.8 |
| Growth (%) | (20.1) | 44.0 | 15.1 | (10.2) | (7.2) | 11.3 | 24.8 | |
| Phenolics | 25,605 | 42,912 | 49,705 | 50,035 | 58,051 | 62,509 | 67,293 | 7.7 |
| Growth (%) | 28.0 | 67.6 | 15.8 | 0.7 | 16.0 | 7.7 | 7.7 | |
| Total | 43,598 | 68,022 | 79,721 | 76,818 | 82,819 | 90,077 | 1,01,761 | 10.8 |
| Growth (%) | 3.1 | 56.0 | 17.2 | (3.6) | 7.8 | 8.8 | 13.0 | |
| EBITDA | | | | | | | | |
| Advanced Intermediates | 6,112 | 7,344 | 6,312 | 5,339 | 4,412 | 4,325 | 5,678 | 40.7 |
| Growth (%) | (30.2) | 20.2 | (14.1) | (15.4) | (17.4) | 50.7 | 31.3 | |
| Phenolics | 7,186 | 9,725 | 6,845 | 7,215 | 7,160 | 7,948 | 8,218 | (2.6) |
| Growth (%) | 188.4 | 35.3 | (29.6) | 5.4 | (0.8) | (8.2) | 3.4 | |
| Total | 12,470 | 16,036 | 12,894 | 11,233 | 10,918 | 12,224 | 13,892 | 12.8 |
| Growth (%) | 21.6 | 28.6 | (19.6) | (12.9) | (2.8) | 12.0 | 13.7 | |
| EBITDA (%) | | | | | | | | |
| Advanced Intermediates | 33.4 | 27.9 | 20.8 | 19.6 | 17.5 | 15.4 | 16.2 | |
| Phenolics | 28.1 | 22.7 | 13.8 | 14.4 | 12.3 | 12.7 | 12.2 | |
| Total | 28.6 | 23.6 | 16.2 | 14.6 | 13.2 | 13.6 | 13.7 | |

Source: I-Sec research, Company data

Exhibit 24: DN's standalone P&L

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) - FY25-27E |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| DN Standalone | | | | | | | | |
| Revenue | 18,091 | 25,111 | 30,336 | 27,244 | 25,265 | 28,121 | 32,704 | 13.8 |
| COGS | 7,709 | 12,213 | 16,697 | 15,025 | 14,070 | 15,380 | 17,886 | |
| Gross profit | 10,383 | 12,897 | 13,639 | 12,218 | 11,195 | 12,741 | 14,818 | 15.1 |
| GMP (%) | 57.4 | 51.4 | 45.0 | 44.8 | 44.3 | 45.3 | 45.3 | |
| Growth (%) | (22.6) | 24.2 | 5.8 | (10.4) | (8.4) | - | - | |
| Employee cost | 1,811 | 1,967 | 2,296 | 2,504 | 2,751 | 3,026 | 3,328 | 10.0 |
| % of revenue | 10.0 | 7.8 | 7.6 | 9.2 | 10.9 | 10.8 | 10.2 | |
| P&F | 1,340 | 2,060 | 2,426 | 2,228 | 2,294 | 2,523 | 2,725 | 9.0 |
| % of revenue | 7.4 | 8.2 | 8.0 | 8.2 | 9.1 | 9.0 | 8.3 | |
| Other expenses | 1,871 | 2,416 | 3,057 | 3,050 | 3,230 | 3,166 | 3,356 | 1.9 |
| % of revenue | 10.3 | 9.6 | 10.1 | 11.2 | 12.8 | 11.3 | 10.3 | |
| Total expenses | 5,022 | 6,444 | 7,779 | 7,782 | 8,275 | 8,714 | 9,409 | 6.6 |
| EBITDA | 5,361 | 6,454 | 5,860 | 4,436 | 2,920 | 4,027 | 5,409 | 36.1 |
| EBITDA (%) | 29.6 | 25.7 | 19.3 | 16.3 | 11.6 | 14.3 | 16.5 | |
| Growth (%) | (32.7) | 20.4 | (9.2) | (24.3) | (34.2) | 37.9 | 34.3 | |
| D&A | 669 | 725 | 762 | 868 | 999 | 1,109 | 1,218 | 10.5 |
| EBIT | 4,692 | 5,728 | 5,098 | 3,569 | 1,921 | 2,918 | 4,191 | 47.7 |
| Growth (%) | (34.7) | 22.1 | (11.0) | (30.0) | (46.2) | 51.9 | 43.6 | |
| Other income | 135 | 708 | 1,016 | 1,237 | 1,492 | 298 | 269 | (57.6) |
| Finance cost | 41 | 16 | 16 | 21 | 38 | 38 | 38 | |
| PBT | 4,786 | 6,420 | 6,098 | 4,785 | 3,375 | 3,179 | 4,421 | 14.5 |
| Growth (%) | (32.2) | 34.1 | (5.0) | (21.5) | (29.5) | (5.8) | 39.1 | |
| Tax expenses | 1,239 | 1,558 | 1,405 | 1,248 | 611 | 801 | 1,114 | 35.0 |
| ETR (%) | 25.9 | 24.3 | 23.0 | 26.1 | 18.1 | 25.2 | 25.2 | |
| PAT | 3,547 | 4,862 | 4,694 | 4,334 | 2,764 | 2,378 | 3,307 | 9.4 |
| Growth (%) | (34.8) | 37.1 | (3.5) | (7.7) | (36.2) | (14.0) | 39.1 | |

Source: I-Sec research, Company data

Exhibit 25: DPL P&L

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) - FY25-27E |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| Deepak Phenolics | | | | | | | | |
| Revenue | 25,635 | 43,034 | 49,705 | 50,035 | 58,051 | 56,965 | 57,250 | (0.7) |
| COGS | 14,956 | 28,988 | 36,834 | 37,606 | 44,123 | 43,753 | 43,753 | |
| Gross profit | 10,679 | 14,047 | 12,871 | 12,429 | 13,928 | 13,212 | 13,497 | (1.6) |
| GMP (%) | 41.7 | 32.6 | 25.9 | 24.8 | 24.0 | 23.2 | 23.6 | |
| Growth (%) | 106.6 | 31.5 | (8.4) | (3.4) | 12.1 | (5.1) | 2.2 | |
| Employee cost | 660 | 773 | 875 | 966 | 1,009 | 1,069 | 1,123 | 5.5 |
| % of revenue | 2.6 | 1.8 | 1.8 | 1.9 | 1.7 | 1.9 | 2.0 | |
| P&F | 1,414 | 2,391 | 3,256 | 2,522 | 2,483 | 2,558 | 2,660 | 3.5 |
| % of revenue | 5.5 | 5.6 | 6.5 | 5.0 | 4.3 | 4.5 | 4.6 | |
| Other expenses | 1,494 | 1,289 | 1,772 | 2,064 | 2,067 | 2,129 | 2,193 | 3.0 |
| % of revenue | 5.8 | 3.0 | 3.6 | 4.1 | 3.6 | 3.7 | 3.8 | |
| Total expenses | 3,567 | 4,453 | 5,902 | 5,552 | 5,560 | 5,757 | 5,976 | 3.7 |
| EBITDA | 7,112 | 9,594 | 6,969 | 6,877 | 8,369 | 7,455 | 7,521 | (5.2) |
| EBITDA (%) | 27.7 | 22.3 | 14.0 | 13.7 | 14.4 | 13.1 | 13.1 | |
| Growth (%) | 211.0 | 34.9 | (27.4) | (1.3) | 21.7 | (10.9) | 0.9 | |
| D&A | 861 | 1,055 | 901 | 777 | 833 | 831 | 834 | 0.1 |
| EBIT | 6,251 | 8,539 | 6,068 | 6,100 | 7,536 | 6,624 | 6,687 | (5.8) |
| Growth (%) | 275.4 | 36.6 | (28.9) | 0.5 | 23.5 | (12.1) | 0.9 | |
| Other income | 82 | 149 | 153 | 410 | 581 | 492 | 697 | 9.5 |
| Finance cost | 702 | 325 | 232 | 96 | 168 | - | - | |
| PBT | 5,632 | 8,364 | 5,989 | 6,415 | 7,949 | 7,117 | 7,384 | (3.6) |
| Growth (%) | 463.1 | 48.5 | (28.4) | 7.1 | 23.9 | (10.5) | 3.8 | |
| Tax expenses | 1,420 | 2,120 | 1,536 | 1,675 | 2,036 | 1,793 | 1,861 | (4.4) |
| ETR (%) | 25.2 | 25.3 | 25.6 | 26.1 | 25.6 | 25.2 | 25.2 | |
| PAT | 4,212 | 6,244 | 4,453 | 4,739 | 5,912 | 5,323 | 5,523 | (3.3) |
| Growth (%) | 531.9 | 48.2 | (28.7) | 6.4 | 24.7 | (10.0) | 3.8 | |

Source: I-Sec research, Company data

Exhibit 26: DCTL P&L

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) - FY25z- 27E |
|--------------------------------|------|------|------|------|------|--------------|--------------|-----------------------------|
| Deepak Chem Tech (DCTL) | | | | | | | | |
| Revenue | | | | | | 5,544 | 10,043 | |
| COGS | | | | | | 3,326 | 6,026 | |
| Gross profit | | | | | | 2,218 | 4,017 | |
| GMP (%) | | | | | | 40.0 | 40.0 | |
| Growth (%) | | | | | | | 81.2 | |
| Employee cost | | | | | | 267 | 307 | |
| % of revenue | | | | | | 4.8 | 3.1 | |
| P&F | | | | | | 639 | 735 | |
| % of revenue | | | | | | 11.5 | 7.3 | |
| Other expenses | | | | | | 532 | 612 | |
| % of revenue | | | | | | 9.6 | 6.1 | |
| Total expenses | | | | | | 1,439 | 1,655 | |
| EBITDA | | | | | | 778 | 2,362 | |
| EBITDA (%) | | | | | | 14.0 | 23.5 | |
| Growth (%) | | | | | | | 203.4 | |
| D&A | | | | | | 225 | 225 | |
| EBIT | | | | | | 554 | 2,137 | |
| Growth (%) | | | | | | | 286.1 | |
| Other income | | | | | | - | - | |
| Finance cost | | | | | | 624 | 624 | |
| PBT | | | | | | (71) | 1,513 | |
| Growth (%) | | | | | | | | |
| Tax expenses | | | | | | (18) | 381 | |
| ETR (%) | | | | | | 25.2 | 25.2 | |
| PAT | | | | | | (53) | 1,132 | |
| Growth (%) | | | | | | | | |

Source: I-Sec research, Company data

Exhibit 27: DN consolidated P&L

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) - FY25-27E |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------------|
| DN Consolidated | | | | | | | | |
| Revenue | 43,598 | 68,022 | 79,721 | 76,818 | 82,819 | 90,077 | 1,01,761 | 10.8 |
| COGS | 22,643 | 41,144 | 53,475 | 52,361 | 57,879 | 62,072 | 70,527 | |
| Gross profit | 20,955 | 26,878 | 26,246 | 24,457 | 24,940 | 28,005 | 31,234 | 11.9 |
| GMP (%) | 48.1 | 39.5 | 32.9 | 31.8 | 30.1 | 31.1 | 30.7 | |
| Growth (%) | 12.9 | 28.3 | (2.4) | (6.8) | 2.0 | 12.3 | 11.5 | |
| Employee cost | 2,470 | 2,741 | 3,183 | 3,511 | 3,922 | 4,387 | 4,923 | 12.0 |
| % of revenue | 5.7 | 4.0 | 4.0 | 4.6 | 4.7 | 4.9 | 4.8 | |
| P&F | 2,647 | 4,386 | 5,419 | 4,571 | 4,635 | 5,534 | 6,080 | 14.5 |
| % of revenue | 6.1 | 6.4 | 6.8 | 6.0 | 5.6 | 6.1 | 6.0 | |
| Other expenses | 3,367 | 3,715 | 4,750 | 5,143 | 5,466 | 5,860 | 6,339 | 7.7 |
| % of revenue | 7.7 | 5.5 | 6.0 | 6.7 | 6.6 | 6.5 | 6.2 | |
| Total expenses | 8,485 | 10,843 | 13,352 | 13,225 | 14,023 | 15,782 | 17,341 | 11.2 |
| EBITDA | 12,470 | 16,036 | 12,894 | 11,233 | 10,918 | 12,224 | 13,892 | 12.8 |
| EBITDA (%) | 28.6 | 23.6 | 16.2 | 14.6 | 13.2 | 13.6 | 13.7 | |
| Growth (%) | 21.6 | 28.6 | (19.6) | (12.9) | (2.8) | 12.0 | 13.7 | |
| D&A | 1,526 | 1,777 | 1,663 | 1,657 | 1,954 | 2,165 | 2,277 | 8.0 |
| EBIT | 10,944 | 14,259 | 11,231 | 9,576 | 8,964 | 10,059 | 11,615 | 13.8 |
| Growth (%) | 23.5 | 30.3 | (21.2) | (14.7) | (6.4) | 12.2 | 15.5 | |
| Other income | 215 | 426 | 476 | 761 | 839 | 881 | 925 | 5.0 |
| Finance cost | 742 | 340 | 248 | 118 | 275 | 662 | 662 | |
| PBT | 10,417 | 14,345 | 11,459 | 10,219 | 9,527 | 10,277 | 11,877 | 11.7 |
| Growth (%) | 29.2 | 37.7 | (20.1) | (10.8) | (6.8) | 7.9 | 15.6 | |
| Tax expenses | 2,659 | 3,678 | 2,939 | 2,908 | 2,554 | 2,590 | 2,993 | 8.3 |
| ETR (%) | 25.5 | 25.6 | 25.6 | 28.5 | 26.8 | 25.2 | 25.2 | |
| PAT | 7,758 | 10,666 | 8,520 | 8,109 | 6,974 | 7,687 | 8,884 | 12.9 |
| Growth (%) | 27.0 | 37.5 | (20.1) | (4.8) | (14.0) | 8.5 | 8.7 | |
| EPS (INR) | 56.9 | 78.2 | 62.5 | 53.6 | 51.1 | 56.4 | 65.1 | 12.9 |

Source: I-Sec research, Company data

Exhibit 28: Balance sheet parameters

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) FY25-27E |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------------|
| Capital productivity | | | | | | | | |
| Gross block | 22,502 | 25,174 | 26,550 | 31,422 | 34,947 | 38,812 | 42,026 | 9.8 |
| Revenue/GB (x) | 1.94 | 2.70 | 3.00 | 2.44 | 2.37 | 2.32 | 2.42 | |
| EBITDA/GB (x) | 0.55 | 0.64 | 0.49 | 0.36 | 0.31 | 0.31 | 0.33 | |
| Capex | 2,096 | 1,868 | 3,609 | 7,717 | 11,363 | 18,061 | 33,214 | |
| Intensity (% of revenue) | 4.8 | 2.7 | 4.5 | 10.0 | 13.7 | 20.1 | 32.6 | |
| D&A/capex (x) | 0.7 | 1.0 | 0.5 | 0.2 | 0.2 | 0.1 | 0.1 | |
| Capital employed | 29,242 | 37,103 | 41,444 | 50,396 | 65,952 | 82,566 | 1,15,324 | 32.2 |
| pre-tax ROCE (%) | 39.1 | 43.0 | 28.6 | 20.9 | 15.4 | 13.5 | 11.7 | |
| ROE (%) | 39.6 | 37.5 | 22.9 | 16.4 | 13.6 | 13.4 | 13.7 | |
| Leverage | | | | | | | | |
| Net debt | 3,573 | (1,067) | (3,623) | (3,677) | 2,561 | 13,643 | 39,634 | |
| ND/EBITDA (x) | 0.3 | (0.1) | (0.3) | (0.3) | 0.2 | 1.1 | 2.9 | |
| Cash conversion | | | | | | | | |
| Inventory days | 32 | 31 | 41 | 36 | 41 | 42 | 43 | |
| Debtor days | 63 | 61 | 60 | 62 | 56 | 57 | 58 | |
| Creditor days | 37 | 27 | 30 | 28 | 23 | 24 | 25 | |
| Cash conversion | 59 | 64 | 71 | 70 | 74 | 75 | 76 | |
| WC as % of revenue | 16.1 | 17.7 | 19.3 | 19.2 | 20.3 | 20.5 | 20.8 | |

Source: I-Sec research, Company data

Exhibit 29: Capex outlook

| INR mn | FY21 | FY22 | FY23 | FY24 | FY25 | FY26E | FY27E | CAGR (%) FY25-27E |
|--------------------------|--------------|--------------|--------------|--------------|----------------|-----------------|-----------------|----------------------|
| Ops CF (after tax) | 10,431 | 12,882 | 10,585 | 9,501 | 9,045 | 9,635 | 10,900 | 9.8 |
| % of EBITDA | 83.6 | 80.3 | 82.1 | 84.6 | 82.8 | 78.8 | 78.5 | |
| Chg of WC | (441) | (4,643) | (4,085) | (720) | (2,798) | (1,800) | (2,812) | |
| CFO | 9,990 | 8,238 | 6,499 | 8,781 | 6,247 | 7,835 | 8,089 | 13.8 |
| % of revenue | 22.9 | 12.1 | 8.2 | 11.4 | 7.5 | 8.7 | 7.9 | |
| Capex (incl acquisition) | (2,096) | (1,868) | (3,609) | (7,717) | (11,363) | (18,061) | (33,214) | |
| FCF | 7,895 | 6,370 | 2,891 | 1,064 | (5,116) | (10,226) | (25,126) | 113.0 |
| % of revenue | 37.7 | 23.7 | 11.0 | 4.4 | (20.5) | (36.5) | (80.4) | |
| Finance cost | (736) | (320) | (233) | (98) | (194) | (662) | (662) | |
| FCFE | 7,159 | 6,050 | 2,658 | 966 | (5,310) | (10,889) | (25,788) | 112.1 |

Source: I-Sec research, Company data

Peer Comparison

Exhibit 30: Specialty chemicals coverage valuation snapshot

| INR mn | CMP (INR) | Mcap (INR bn) | Revenue | | | CAGR (%) FY25-27E | EPS (INR) | | | CAGR (%) FY25-27E |
|--------------------|-----------|---------------|----------|----------|----------|----------------------|-----------|-------|-------|----------------------|
| | | | FY25A | FY26E | FY27E | | FY25A | FY26E | FY27E | |
| SRF | 2,842 | 842 | 1,46,931 | 1,66,743 | 1,87,662 | 13% | 42.2 | 67.4 | 80.9 | 38% |
| Navin Fluorine | 4,998 | 248 | 23,494 | 31,394 | 36,708 | 25% | 58.2 | 91.7 | 111.1 | 38% |
| Gujarat Fluoro | 3,389 | 372 | 47,370 | 62,363 | 72,362 | 24% | 49.7 | 89.6 | 100.9 | 42% |
| Atul Ltd | 6,350 | 187 | 55,834 | 67,380 | 75,774 | 16% | 164.3 | 216.4 | 263.8 | 27% |
| Deepak Nitrite | 1,857 | 253 | 82,819 | 90,077 | 1,01,761 | 11% | 51.1 | 56.4 | 65.1 | 13% |
| Chemplast | 429 | 68 | 43,461 | 56,143 | 58,236 | 16% | (7.0) | (2.2) | 12.7 | |
| Galaxy | 2,269 | 80 | 42,237 | 53,012 | 50,903 | 10% | 86.0 | 97.8 | 115.9 | 16% |
| Rossari | 627 | 35 | 20,803 | 24,030 | 28,059 | 16% | 24.6 | 28.4 | 37.9 | 24% |
| EPL | 230 | 74 | 42,133 | 46,471 | 51,365 | 10% | 11.2 | 13.9 | 16.0 | 20% |
| Sudarshan | 1,445 | 100 | 28,050 | 32,144 | 35,025 | 12% | 24.6 | 36.7 | 41.5 | 30% |
| Tatva Chintan | 1,045 | 24 | 3,827 | 5,529 | 6,981 | 35% | 2.4 | 31.0 | 40.1 | 305% |
| Clean Science | 1,181 | 125 | 9,666 | 12,135 | 15,829 | 28% | 24.9 | 30.9 | 38.1 | 24% |
| BlueJet Healthcare | 789 | 137 | 10,300 | 12,583 | 14,339 | 18% | 17.6 | 20.4 | 22.3 | 13% |
| Archean Chemical | 676 | 83 | 10,410 | 16,101 | 18,669 | 34% | 13.1 | 30.7 | 40.2 | 75% |
| PCBL | 378 | 143 | 84,043 | 87,304 | 94,099 | 6% | 13.3 | 13.6 | 18.1 | 17% |
| Himadri | 467 | 230 | 46,126 | 55,990 | 69,027 | 22% | 11.3 | 14.3 | 16.5 | 21% |
| Median | | | | | | 16% | | | | 24% |

Source: I-Sec research, Company data

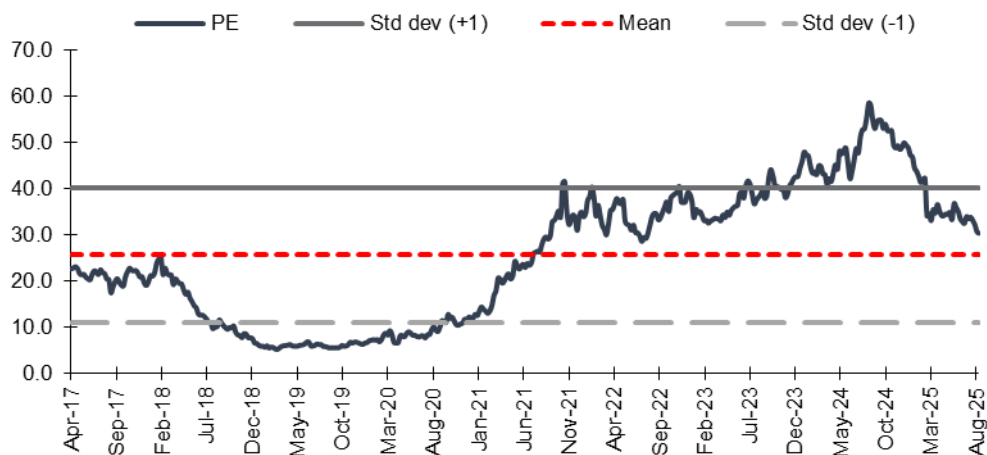
Exhibit 31: Specialty chemicals coverage valuation snapshot

| INR mn | PE (x) | | EV/EBITDA (x) | | ROCE (pre-tax) | | GB turnover (x) | | Capex (INR mn) | |
|--------------------|-------------|-------------|---------------|-------------|----------------|-------------|-----------------|------------|----------------|--------|
| | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E | FY26E | FY27E |
| SRF | 42.1 | 35.1 | 23.8 | 20.3 | 16.1 | 17.2 | 0.8 | 0.8 | 27,516 | 26,754 |
| Navin Fluorine | 54.5 | 45.0 | 32.1 | 27.2 | 15.2 | 16.5 | 0.8 | 0.9 | 5,000 | 5,250 |
| Gujarat Fluoro | 37.8 | 33.6 | 21.9 | 18.8 | 14.1 | 14.3 | 0.8 | 0.9 | 15,190 | 7,595 |
| Atul Ltd | 29.3 | 24.1 | 15.6 | 12.9 | 13.2 | 14.7 | 1.4 | 1.5 | 3,000 | 2,700 |
| Deepak Nitrite | 32.9 | 28.5 | 21.8 | 21.1 | 13.5 | 11.7 | 2.3 | 2.4 | 18,061 | 33,214 |
| Chemplast | (193.6) | 33.7 | 23.3 | 12.6 | 3.6 | 10.6 | 1.2 | 1.1 | 2,800 | 2,940 |
| Galaxy | 23.2 | 19.6 | 14.1 | 11.7 | 15.5 | 16.6 | 2.8 | 2.5 | 1,500 | 1,650 |
| Rossari | 22.1 | 16.5 | 12.2 | 9.7 | 15.3 | 17.8 | 2.3 | 2.4 | 2,570 | 953 |
| EPL | 16.6 | 14.3 | 7.9 | 6.9 | 19.4 | 20.6 | 1.0 | 1.0 | 3,800 | 3,500 |
| Sudarshan | 39.4 | 34.8 | 20.3 | 17.9 | 19.7 | 19.7 | 1.5 | 1.6 | 1,000 | 1,000 |
| Tatva Chintan | 33.7 | 26.1 | 20.3 | 16.0 | 10.1 | 11.2 | 0.8 | 0.8 | 1,121 | 1,534 |
| Clean Science | 38.2 | 31.0 | 26.1 | 21.0 | 25.8 | 27.3 | 1.0 | 1.2 | 2,998 | 1,100 |
| BlueJet Healthcare | 38.7 | 35.4 | 29.4 | 26.4 | 34.2 | 31.9 | 2.2 | 2.1 | 2,000 | 1,000 |
| Archean Chemical | 22.0 | 16.8 | 14.5 | 10.7 | 21.3 | 23.9 | 0.9 | 1.0 | 1,000 | 1,100 |
| PCBL | 27.8 | 20.9 | 13.1 | 10.8 | 9.6 | 11.5 | 1.7 | 1.6 | 6,000 | 7,000 |
| Himadri | 32.6 | 28.4 | 23.3 | 20.4 | 20.8 | 20.5 | 2.0 | 1.7 | 5,500 | 11,500 |
| Median | 32.8 | 28.4 | 21.1 | 17.0 | 15.4 | 16.9 | 1.3 | 1.3 | | |

Source: I-Sec research, Company data

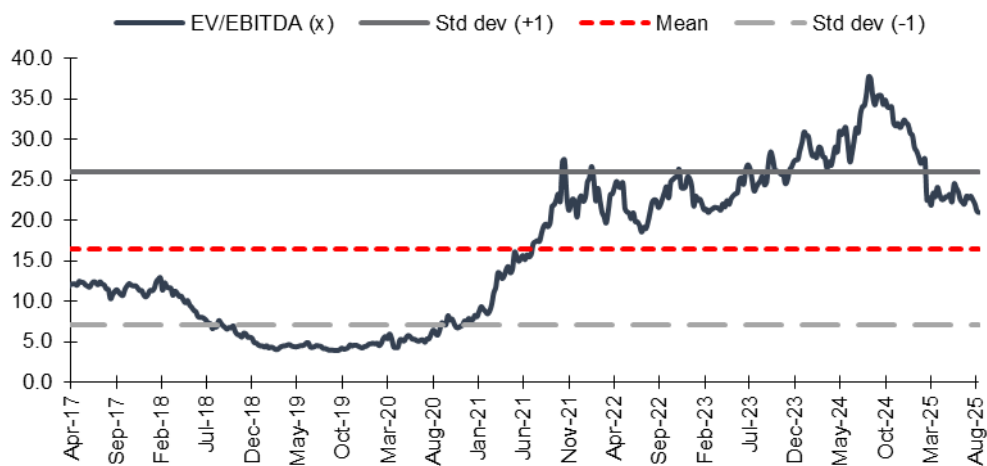
Band Charts

Exhibit 32: DN one-year forward PE



Source: I-Sec research, Bloomberg

Exhibit 33: DN one-year forward EV/EBITDA



Source: I-Sec research, Bloomberg

Exhibit 34: Shareholding pattern

| % | Dec'24 | Mar'25 | Jun'25 |
|-------------------------|--------|--------|--------|
| Promoters | 49.2 | 49.3 | 49.3 |
| Institutional investors | 29.9 | 29.9 | 29.3 |
| MFs and others | 12.3 | 12.2 | 11.7 |
| FIs/Banks | 0.0 | 0.0 | 1.0 |
| Insurance | 10.0 | 10.0 | 9.9 |
| FIIIs | 7.6 | 7.7 | 6.7 |
| Others | 20.9 | 20.8 | 21.4 |

Source: Bloomberg, I-Sec research

Exhibit 35: Price chart



Source: Bloomberg, I-Sec research

Financial Summary

Exhibit 36: Profit & Loss

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|--|---------------|---------------|---------------|-----------------|
| Net Sales | 76,818 | 82,819 | 90,077 | 1,01,761 |
| Operating Expenses | 65,586 | 71,902 | 77,853 | 87,869 |
| EBITDA | 11,233 | 10,918 | 12,224 | 13,892 |
| EBITDA Margin (%) | 14.6 | 13.2 | 13.6 | 13.7 |
| Depreciation & Amortization | 1,657 | 1,954 | 2,165 | 2,277 |
| EBIT | 9,576 | 8,964 | 10,059 | 11,615 |
| Interest expenditure | 118 | 275 | 662 | 662 |
| Other Non-operating Income | 761 | 839 | 881 | 925 |
| Recurring PBT | 10,219 | 9,528 | 10,277 | 11,877 |
| Profit / (Loss) from Associates | - | - | - | - |
| Less: Taxes | 2,908 | 2,554 | 2,590 | 2,993 |
| PAT | 8,109 | 6,974 | 7,687 | 8,884 |
| Less: Minority Interest | - | - | - | - |
| Extraordinaries (Net) | 798 | - | - | - |
| Net Income (Reported) | 8,109 | 6,972 | 7,687 | 8,884 |
| Net Income (Adjusted) | 7,311 | 6,972 | 7,687 | 8,884 |

Source Company data, I-Sec research

Exhibit 37: Balance sheet

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|--|---------------|---------------|---------------|-----------------|
| Total Current Assets | 28,416 | 32,971 | 34,434 | 37,518 |
| of which cash & cash eqv. | 4,655 | 4,066 | 2,983 | 1,992 |
| Total Current Liabilities & Provisions | 7,851 | 7,779 | 8,703 | 10,124 |
| Net Current Assets | 20,565 | 25,192 | 25,731 | 27,394 |
| Investments | 1,219 | 5,109 | 5,109 | 5,109 |
| Net Fixed Assets | 30,166 | 40,493 | 56,389 | 87,326 |
| ROU Assets | - | - | - | - |
| Capital Work-in-Progress | 7,735 | 16,491 | 30,603 | 60,603 |
| Total Intangible Assets | 496 | 570 | 570 | 570 |
| Other assets | 1,814 | 2,977 | 3,275 | 3,602 |
| Deferred Tax Assets | 22 | 117 | 117 | 117 |
| Total Assets | 60,962 | 77,177 | 94,835 | 1,29,187 |
| Liabilities | | | | |
| Borrowings | 2,170 | 11,705 | 21,705 | 46,705 |
| Deferred Tax Liability | 1,736 | 2,128 | 2,128 | 2,128 |
| Provisions | 356 | 432 | 475 | 522 |
| Other Liabilities | 623 | 886 | 964 | 1,089 |
| Equity Share Capital | 273 | 273 | 273 | 273 |
| Reserves & Surplus | 47,693 | 53,614 | 60,227 | 67,983 |
| Total Net Worth | 47,966 | 53,887 | 60,500 | 68,256 |
| Minority Interest | 261 | 360 | 361 | 363 |
| Total Liabilities | 60,962 | 77,177 | 94,835 | 1,29,187 |

Source Company data, I-Sec research

Exhibit 38: Quarterly trend

(INR mn, year ending March)

| | Sep-24 | Dec-24 | Mar-25 | Jun-25 |
|----------------------------|--------------|------------|--------------|--------------|
| Net Sales | 20,320 | 19,034 | 21,797 | 18,899 |
| % growth (YOY) | 14.3 | (5.3) | 2.5 | (12.8) |
| EBITDA | 2,975 | 1,685 | 3,165 | 1,896 |
| Margin % | 14.6 | 8.9 | 14.5 | 10.0 |
| Other Income | 213 | 210 | 228 | 246 |
| Extraordinaries | 0 | 0 | 0 | 0 |
| Adjusted Net Profit | 1,942 | 981 | 2,025 | 1,123 |

Source Company data, I-Sec research

Exhibit 39: Cashflow statement

(INR mn, year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|--|--------------|----------------|-----------------|-----------------|
| Operating Cashflow | 9,501 | 9,045 | 9,635 | 10,900 |
| Working Capital Changes | (720) | (2,798) | (1,800) | (2,812) |
| Capital Commitments | (7,717) | (11,787) | (18,061) | (33,214) |
| Free Cashflow | 1,096 | (5,368) | (10,226) | (25,126) |
| Other investing cashflow | 499 | (3,126) | 881 | 925 |
| Cashflow from Investing Activities | 499 | (3,126) | 881 | 925 |
| Issue of Share Capital | - | 102 | - | - |
| Interest Cost | (98) | (194) | (662) | (662) |
| Inc (Dec) in Borrowings | 1,625 | 9,277 | 10,000 | 25,000 |
| Dividend paid | (1,023) | (1,023) | (1,074) | (1,128) |
| Others | (68) | (100) | - | - |
| Cash flow from Financing Activities | 435 | 8,062 | 8,264 | 23,210 |
| Chg. in Cash & Bank balance | 2,030 | (433) | (1,082) | (991) |
| Closing cash & balance | 2,380 | 1,794 | 2,983 | 1,992 |

Source Company data, I-Sec research

Exhibit 40: Key ratios

(Year ending March)

| | FY24A | FY25A | FY26E | FY27E |
|-----------------------------|--------|--------|-------|-------|
| Per Share Data (INR) | | | | |
| Reported EPS | 59.4 | 51.1 | 56.4 | 65.1 |
| Adjusted EPS (Diluted) | 53.6 | 51.1 | 56.4 | 65.1 |
| Cash EPS | 71.6 | 65.4 | 72.2 | 81.8 |
| Dividend per share (DPS) | 7.5 | 7.5 | 7.9 | 8.3 |
| Book Value per share (BV) | 353.6 | 397.7 | 446.2 | 503.1 |
| Dividend Payout (%) | 12.6 | 14.7 | 14.0 | 12.7 |
| Growth (%) | | | | |
| Net Sales | (3.6) | 7.8 | 8.8 | 13.0 |
| EBITDA | (12.9) | (2.8) | 12.0 | 13.7 |
| EPS (INR) | (4.8) | (14.0) | 10.3 | 15.6 |
| Valuation Ratios (x) | | | | |
| P/E | 31.2 | 36.3 | 32.9 | 28.5 |
| P/CEPS | 25.9 | 28.4 | 25.7 | 22.7 |
| P/BV | 5.3 | 4.7 | 4.2 | 3.7 |
| EV / EBITDA | 0.9 | 1.5 | 2.3 | 4.0 |
| EV/SALES | 0.1 | 0.2 | 0.3 | 0.5 |
| Dividend Yield (%) | 0.4 | 0.4 | 0.4 | 0.4 |
| Operating Ratios | | | | |
| Gross Profit Margins (%) | 31.8 | 30.1 | 31.1 | 30.7 |
| EBITDA Margins (%) | 14.6 | 13.2 | 13.6 | 13.7 |
| Effective Tax Rate (%) | 30.9 | 26.8 | 25.2 | 25.2 |
| Net Profit Margins (%) | 9.5 | 8.4 | 8.5 | 8.7 |
| NWC / Total Assets (%) | 24.1 | 20.8 | 18.6 | 15.7 |
| Net Debt / Equity (x) | (0.1) | 0.0 | 0.2 | 0.6 |
| Net Debt / EBITDA (x) | (0.3) | 0.2 | 1.1 | 2.9 |
| Profitability Ratios | | | | |
| RoCE (%) | 14.9 | 11.3 | 10.1 | 8.8 |
| RoE (%) | 16.4 | 13.6 | 13.4 | 13.7 |
| RoIC (%) | 16.7 | 12.9 | 11.5 | 9.5 |
| Fixed Asset Turnover (x) | 2.5 | 2.0 | 1.6 | 1.2 |
| Inventory Turnover Days | 36.1 | 40.8 | 41.8 | 42.8 |
| Receivables Days | 61.7 | 56.1 | 57.1 | 58.1 |
| Payables Days | 27.7 | 23.0 | 24.0 | 25.0 |

Source Company data, I-Sec research

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