1 November 2026
2QFY27 Result Update | Sector: Chemicals

# Clean Science & Technology

| | |
|---|---|
| Estimate changes | ⇔ |
| TP change | ⇔ |
| Rating change | ⇔ |

| | |
|---|---|
| Bloomberg | CLEAN IN |
| Equity Shares (m) | 106 |
| M.Cap.(INRb)/(USDb) | 75.9 / 0.8 |
| 52-Week Range (INR) | 1058 / 652 |
| 1, 6, 12 Rel. Per (%) | -12/-9/-19 |
| 12M Avg Val (INR M) | 333 |

**Financials & Valuations (INR b)**

| Y/E March | FY26 | FY27E | FY28E |
|---|---|---|---|
| Sales | 9.6 | 11.6 | 13.7 |
| EBITDA | 3.6 | 3.8 | 4.8 |
| PAT | 2.3 | 2.4 | 3.3 |
| EPS (INR) | 21.6 | 23.0 | 30.9 |
| EPS Gr. (%) | -13.1 | 6.4 | 34.4 |
| BV/Sh. (INR) | 149.0 | 168.3 | 194.3 |
| **Ratios** | | | |
| Net D:E | -0.0 | -0.1 | -0.2 |
| RoE (%) | 15.3 | 14.5 | 17.1 |
| RoCE (%) | 15.0 | 14.4 | 16.8 |
| Payout (%) | 16.1 | 16.1 | 16.1 |
| **Valuations** | | | |
| P/E (x) | 33.1 | 31.1 | 23.1 |
| P/BV (x) | 4.8 | 4.3 | 3.7 |
| EV/EBITDA (x) | 21.3 | 19.6 | 15.1 |
| Div. Yield (%) | 0.5 | 0.5 | 0.7 |
| FCF Yield (%) | 1.0 | 2.3 | 2.6 |

**Shareholding pattern (%)**

| As On | Sep-26 | Jun-26 | Sep-25 |
|---|---|---|---|
| Promoter | 51.3 | 51.3 | 51.0 |
| DII | 15.1 | 16.2 | 19.0 |
| FII | 13.7 | 13.4 | 11.1 |
| Others | 19.9 | 19.1 | 18.9 |

FII includes depository receipts

## CMP: INR716 TP: INR770 (+8%) Neutral

## Margin headwinds persist due to elevated raw material prices

### Operating performance in line

- Clean Science (CLEAN) reported a muted operating performance, with gross margin contracting to 57.3% (from 60.7% in 2QFY26) and EBITDA margin contracting to 30.8% (from 35.6% in 2QFY26), primarily due to elevated raw material prices amid geopolitical tensions in the Middle East and higher crude-linked feedstock costs. The company was unable to fully pass on the increase in input costs to customers, as Chinese competitors continued to offer products at lower prices, limiting pricing flexibility.
- Macroeconomic headwinds, elevated raw material prices, and intense competition from Chinese players are expected to persist in the near term. However, backward integration, a higher contribution from advanced-grade HALS products, and the expected commercialization of Performance Chemical II in 4QFY27 are likely to support growth going ahead.
- We largely maintain our earnings estimates for FY27/FY28 and value the stock at 25x FY28E EPS to arrive at our TP of INR770. **Reiterate Neutral.**

### Strong revenue growth across segments

- The company reported revenue of INR3b, up 22% YoY (Est INR2.6b), led by growth across all three segments. Performance chemicals (~77% of the revenue in 2Q) grew ~24% YoY to INR2.3b, while Pharma & Agro Intermediates (14% of the revenue )/FMCG Chemicals (9% of the revenue) grew 7%/35% to INR418m/INR264m, respectively.
- Gross margin stood at 57.3% (compared to 60.7% in 2QFY26 ), while EBITDA margin stood at 30.8% (compared to 35.6% in 2QFY26).
- EBITDA grew 6% YoY to INR921m (est.INR908m).
- Adj. PAT stood flat (up 1% YoY) at INR557m in 2QFY27 (est. INR569m).
- In 1HFY26, Revenue/EBITDA/Adj. PAT grew 16%/1%/2% to INR5.7b/INR1.9b/INR1.7b.
- CFO stood at INR718.6m as of Sep'26, compared to INR1.5b in Sep'25.

### Key highlights from the management commentary

- **Macro environment:** Raw material prices remained elevated during the quarter, with key inputs such as phenol, acetone, and methanol witnessing a 50–100% YoY increase, alongside higher coal and freight costs. Limited pricing flexibility amid lower Chinese prices has restricted the company's ability to fully pass on the cost inflation, with management prioritizing market share retention over aggressive price hikes.
- **HALs**: Capacity utilization is expected to increase from 35-40% currently to 55-60% over the coming quarters, driven by higher-grade products. The company plans to expand capacity from 11,500 MTPA to 12,500 MTPA, with incremental capacity focused on advanced grades. Further, backward integration of key intermediates from the next quarter is expected to improve cost competitiveness and margins.

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**Investors are advised to refer through important disclosures made at the last page of the Research Report.**
**Motilal Oswal research is available on www.motilaloswal.com/Institutional-Equities, Bloomberg, Thomson Reuters, Factset and S&P Capital.**

- **Performance chemicals:** Commercial production of Performance Chemical II is expected to commence in 4QFY27 (Jan–Feb'27), with management targeting 20-25% capacity utilization in the first year, factoring in the time required for product stabilization, customer sampling, and validation.

## Valuation and view

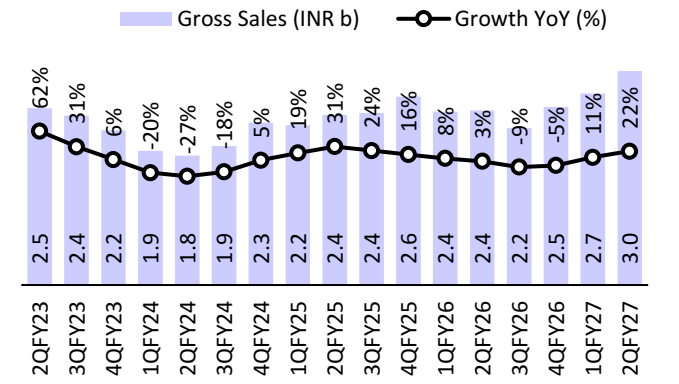
- While macro headwinds are expected to continue in the short term, with prices of raw materials expected to remain elevated due to crude volatility, factors such as: 1) the ramp-up of advanced grade HALs, 2) HALs' strengthening presence in value-added specialty chemistries, 3) the scale-up of Chemical 1 plant's performance, along with the commercialization of the Chemical 2 plant, and 4) backward integration initiatives of advanced grade HAL molecules are expected to act as key growth drivers going forward.
- We maintain our earnings estimates for FY27/FY28 and expect a CAGR of 20%/16%/20% in revenue/EBITDA/PAT over FY26-28. We value the stock at 25x FY28E EPS to arrive at our TP of INR770. **Reiterate Neutral.**

**Consolidated - Quarterly Snapshot** (INR m)

| Y/E March | FY26 | | | | FY27E | | | | FY26 | FY27E | FY27 2QE | Var. (%) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3QE | 4QE | | | | |
| **Gross Sales** | **2,429** | **2,446** | **2,197** | **2,493** | **2,684** | **2,994** | **2,924** | **2,980** | **9,564** | **11,582** | **2,661** | **13%** |
| *YoY Change (%)* | *8.4* | *2.7* | *-8.8* | *-5.5* | *10.5* | *22.4* | *33.1* | *19.6* | *-1.1* | *21.1* | *8.8* | |
| *Total Expenditure* | *1,430* | *1,575* | *1,472* | *1,535* | *1,720* | *2,073* | *1,989* | *1,997* | *6,012* | *7,779* | *1,753* | |
| *Gross Margin (%)* | *65.5%* | *60.7%* | *60.7%* | *63.5%* | *60.9%* | *57.3%* | *60.0%* | *61.7%* | *62.6%* | *60.0%* | *61.0%* | |
| **EBITDA** | **999** | **871** | **725** | **958** | **964** | **921** | **934** | **984** | **3,552** | **3,803** | **908** | **1%** |
| *Margin (%)* | *41.1* | *35.6* | *33.0* | *38.4* | *35.9* | *30.8* | *32.0* | *33.0* | *37.1* | *32.8* | *34.1* | |
| Depreciation | 187 | 188 | 193 | 208 | 210 | 214 | 250 | 260 | 776 | 934 | 220 | |
| Interest | 1 | 1 | 2 | 1 | 1 | 19 | 1 | 1 | 4 | 22 | 1 | |
| Other Income | 134 | 67 | 98 | 28 | 222 | 57 | 108 | 31 | 327 | 418 | 73 | |
| **PBT before EO expense** | **946** | **749** | **628** | **777** | **976** | **744** | **791** | **754** | **3,099** | **3,264** | **761** | |
| **PBT** | **946** | **749** | **626** | **777** | **976** | **744** | **791** | **754** | **3,097** | **3,264** | **761** | |
| Tax | 245 | 194 | 167 | 194 | 242 | 187 | 199 | 190 | 800 | 818 | 191 | |
| *Rate (%)* | *25.9* | *26.0* | *26.7* | *25.0* | *24.8* | *25.1* | *25.2* | *25.2* | *25.8* | *25.0* | *25.2* | |
| **Reported PAT** | **701** | **554** | **459** | **583** | **734** | **557** | **592** | **564** | **2,297** | **2,447** | **569** | **-2%** |
| **Adj. PAT** | **701** | **554** | **461** | **583** | **734** | **557** | **592** | **564** | **2,299** | **2,447** | **569** | **-2%** |
| *YoY Change (%)* | *6.3* | *-5.6* | *-29.8* | *-21.3* | *4.7* | *0.5* | *28.5* | *-3.2* | *-13.1* | *6.4* | *2.7* | |
| *Margin (%)* | *28.8* | *22.7* | *21.0* | *23.4* | *27.3* | *18.6* | *20.2* | *18.9* | *24.0* | *21.1* | *21.4* | |

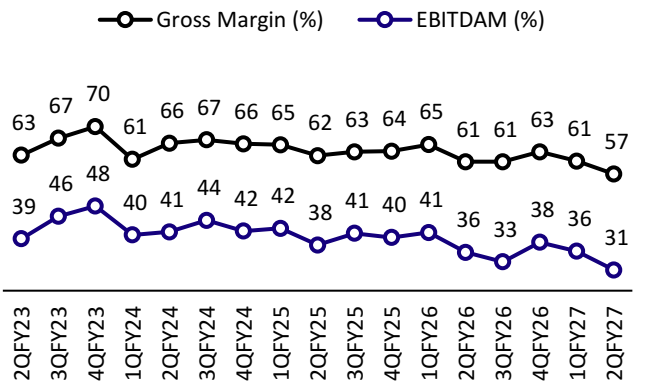
# Story in charts: 2QFY27

### Exhibit 1: Revenue grew 22% YoY



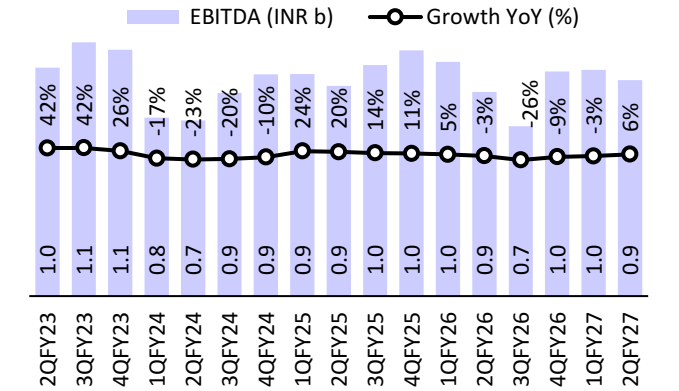

Source: Company, MOFSL

### Exhibit 2: GM and EBITDAM dipped YoY



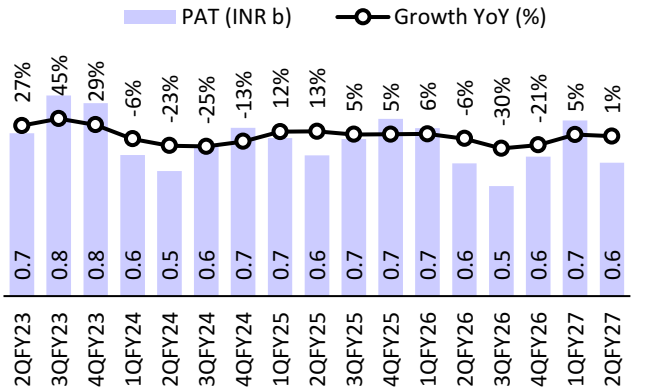

Source: Company, MOFSL

### Exhibit 3: EBITDA grew 6% YoY



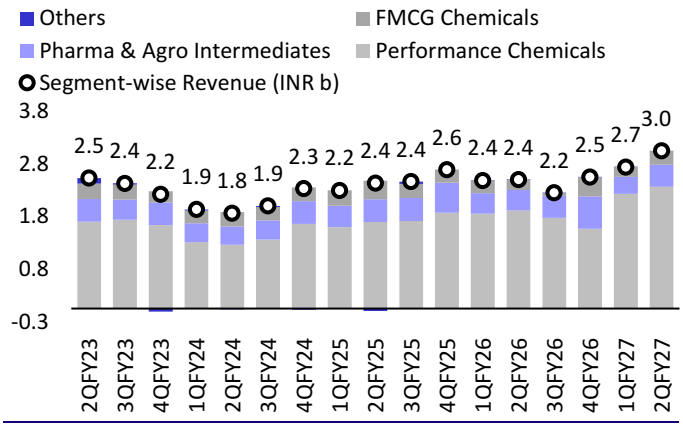

Source: Company, MOFSL

### Exhibit 4: PAT grew 1% YoY



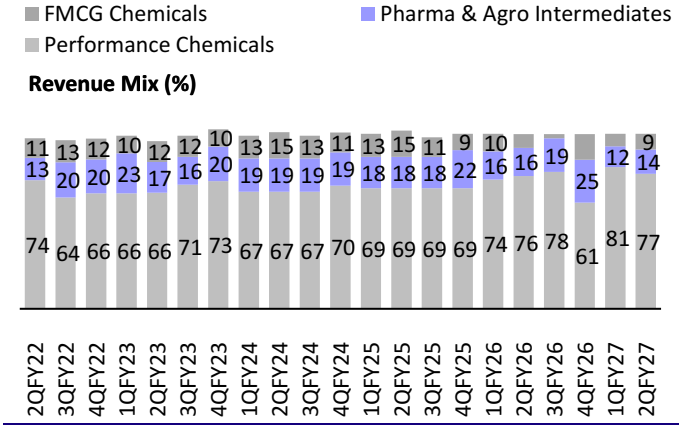

Source: Company, MOFSL

### Exhibit 5: Revenue trend across segments




Source: Company, MOFSL

### Exhibit 6: Revenue mix of performance chemicals rose YoY




Source: Company, MOFSL




## Key highlights from the management commentary

### Operating performance

- The company reported its highest-ever quarterly revenue in 2QFY27, marking another consecutive quarter of record performance.
- The base business delivered resilient volume-led growth across Performance Chemicals and Pharma Intermediates, with continued volume growth in flagship products.
- The HALS business recorded 2x YoY revenue growth during the quarter, supported by strong volume growth.
- 1HFY27 volumes reached 67% of total volumes achieved in FY26.
- The company continues to add new customers and increase wallet share from existing customers, reflecting improving customer acceptance and its transition towards becoming a strategic supplier.
- Export contribution to standalone revenue increased to 73% in 2QFY27 from 64% in 2QFY27.

### Market Environment

- Raw material prices remained elevated during the quarter amid geopolitical tensions in the Middle East and higher crude-linked feedstock prices.
- Key raw materials, including phenol, acetone, and methanol, witnessed a YoY price increase of 50-100%, alongside higher coal and freight costs.
- Raw material costs increased to 43% of consolidated revenue from 39.7% in the previous comparable period, impacting margins.
- The company has been unable to fully pass on the increase in input costs to customers, as Chinese competitors continue to offer products at lower prices.
- Phenol prices in China are currently around USD1,300/ton compared with over USD1,550/ton in India, creating a cost disadvantage for Indian manufacturers.
- Management is prioritizing market share retention over aggressive price increases, given the difficulty of regaining market share once lost.
- The company will look to implement price increases as and when competitors, particularly Chinese manufacturers, raise prices.
- Management expects margins to expand gradually on a QoQ basis, supported by the increasing contribution from higher-grade HALS products and backward integration of key starting materials.
- It aims to prioritize continued process improvements and operating leverage.

### HALs

- The HALS business recorded 2x YoY revenue growth in 2QFY27, with revenue contributing approximately 22% of standalone sales.
- Current capacity utilization stands at approximately 35-40%, with management expecting utilization to increase to 55-60% over the coming quarters, primarily driven by higher-grade products.
- Total HALS capacity currently stands at approximately 11,500 MTPA. The company plans to increase capacity to approximately 12,500 MTPA, with incremental capacity focused on advanced-grade HALS products.
- Product mix is gradually shifting toward advanced grades, with approximately 60% of the portfolio comprising conventional 770 grades and the remaining 40% comprising advanced HALS products.

- Management expects the share of advanced-grade HALS products to increase progressively, supporting improvement in realizations and margins.
- The company has initiated backward integration of key starting materials to improve cost competitiveness.
- An ethoxylation facility, supplying a precursor for one of the HALS products, has commenced operations.
- Another intermediate, currently procured from China, is expected to be manufactured in-house from the next quarter.
- These initiatives are expected to reduce import dependence and improve the cost structure of the HALS portfolio.
- The company remains optimistic about the growth opportunity in HALS and plans to debottleneck existing capacities while introducing adjacent products catering to the same customer base.

**Performance Chemicals**

- Hydroquinone (HQ)/Catechol Current capacity utilization stands at approximately 30-35%, with production primarily being utilized for captive consumption. Small sales have commenced in Europe and India.
- In the Advanced-grade HALS contract, the company has successfully completed trials for advanced-grade HALS products, while commercial shipments to customers in Europe are expected to commence in Nov-Dec'26.
- Commercial production of performance chemical II is expected to commence in 4QFY27, likely during Jan'-Feb'27. Given the requirement for product stabilization, customer sampling and validation, management expects capacity utilization of approximately 20–25% in the first year.
- The company has commenced supplying small quantities of a new antioxidant, with current production at approximately 500 tons. The product is being manufactured using existing assets, without any incremental capex.

**CAPEX**

- Performance Chemical II is largely funded, with commercialization expected in 4QFY27.
- The company infused approximately INR500m into its subsidiary during 2QFY27, taking the total investment during 1HFY27 to INR1.5b.
- Cumulative investment in the subsidiary now stands at approximately INR9b.
- Management indicated that incremental capex requirements are currently limited, with the focus shifting toward monetizing existing assets.
- Further investments will primarily be directed toward debottlenecking HALS capacities and developing adjacent products.
- The company will finalize capex requirements for these adjacencies after the respective investment proposals receive Board approval.

**Outlook**

- Management remains confident about the growth prospects of the HALS business, supported by increasing customer acceptance, higher volumes, and a gradual shift toward advanced-grade products.
- The company is focused on improving cost competitiveness through backward integration and process improvements.

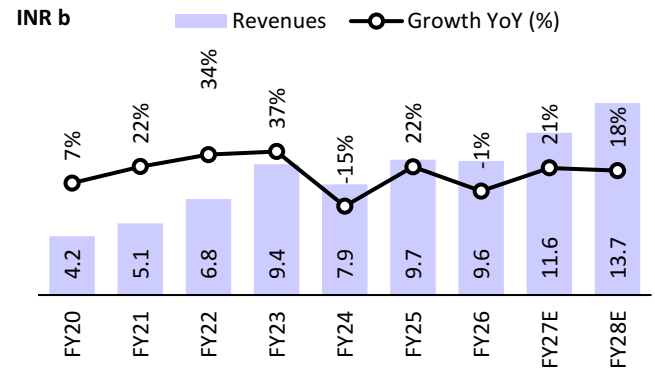
- While raw material inflation continues to weigh on margins, management expects gradual improvement as the product mix improves and backward integration benefits materialize.
- The company will continue to prioritize market share retention rather than taking aggressive price increases ahead of competitors.
- Going forward, the focus will remain on monetizing recently commissioned capacities, expanding the advanced HALS portfolio and developing product adjacencies for existing customers.
- Management indicated that backward integration of key HALS intermediates could improve margins by approximately 5-7% in the relevant product segment

**Exhibit 7: Changes to our estimates**

| Particulars | Actual/ Revised | | Previous | | Change (%) | |
|---|---|---|---|---|---|---|
| | FY27E | FY28E | FY27E | FY28E | FY27E | FY28E |
| Revenue (INR m) | 11,582 | 13,715 | 10,981 | 13,391 | 5% | 2% |
| EBITDA (INR m) | 3,803 | 4,821 | 3,867 | 4,821 | -2% | 0% |
| PAT (INR m) | 2,447 | 3,288 | 2,515 | 3,279 | -3% | 0% |
| EPS (INR) | 23.0 | 30.9 | 23.7 | 30.9 | -3% | 0% |

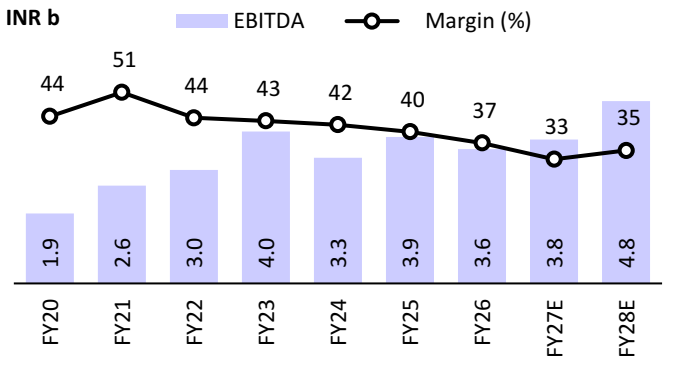
## Financial story in charts

**Exhibit 8: Expect 20% revenue CAGR over FY26-28**



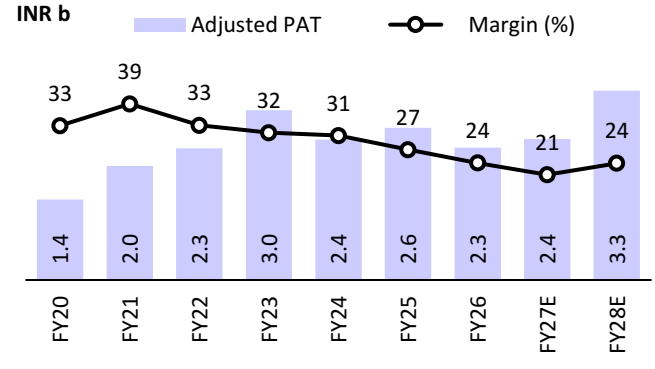

Source: Company, MOFSL

**Exhibit 9: EBITDA margin to stand at ~35%**



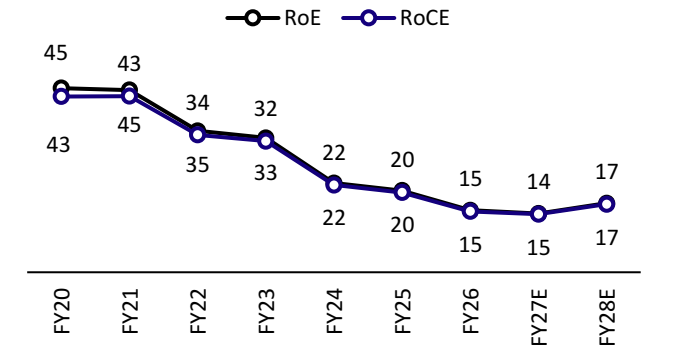

Source: Company, MOFSL

**Exhibit 10: PAT margin to reach ~24% in FY26**




Source: Company, MOFSL

**Exhibit 11: Return profile of CLEAN**




Source: Company, MOFSL

# Financials and valuations

| Consolidated - Financial Snapshot | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| **Total Income from Operations** | **5,124** | **6,849** | **9,358** | **7,915** | **9,666** | **9,565** | **11,582** | **13,715** |
| *Change (%)* | *22.2* | *33.7* | *36.6* | *-15.4* | *22.1* | *-1.0* | *21.1* | *18.4* |
| *Gross Margin (%)* | *75.9* | *67.2* | *65.2* | *65.0* | *63.7* | *62.7* | *60.0* | *60.6* |
| **EBITDA** | **2,590** | **2,999** | **4,021** | **3,321** | **3,876** | **3,553** | **3,803** | **4,821** |
| *Margin (%)* | *50.5* | *43.8* | *43.0* | *42.0* | *40.1* | *37.1* | *32.8* | *35.1* |
| Depreciation | 172 | 249 | 361 | 459 | 691 | 776 | 934 | 929 |
| **EBIT** | **2,417** | **2,750** | **3,660** | **2,861** | **3,186** | **2,777** | **2,869** | **3,892** |
| Int. and Finance Charges | 1 | 1 | 2 | 9 | 4 | 4 | 22 | 5 |
| Other Income | 256 | 300 | 298 | 413 | 386 | 326 | 418 | 507 |
| **PBT bef. EO Exp.** | **2,673** | **3,048** | **3,956** | **3,265** | **3,567** | **3,099** | **3,264** | **4,394** |
| EO Items | 0 | 0 | 0 | 0 | 0 | 3 | 0 | 0 |
| **PBT after EO Exp.** | **2,673** | **3,048** | **3,956** | **3,265** | **3,567** | **3,097** | **3,264** | **4,394** |
| Total Tax | 689 | 763 | 1,005 | 825 | 923 | 800 | 818 | 1,106 |
| *Tax Rate (%)* | *25.8* | *25.0* | *25.4* | *25.3* | *25.9* | *25.8* | *25.0* | *25.2* |
| **Reported PAT** | **1,984** | **2,285** | **2,952** | **2,440** | **2,644** | **2,297** | **2,447** | **3,288** |
| **Adjusted PAT** | **1,984** | **2,285** | **2,952** | **2,440** | **2,644** | **2,299** | **2,447** | **3,288** |
| *Change (%)* | *42.1* | *15.2* | *29.2* | *-17.3* | *8.4* | *-13.1* | *6.4* | *34.4* |
| *Margin (%)* | *38.7* | *33.4* | *31.5* | *30.8* | *27.4* | *24.0* | *21.1* | *24.0* |

| Consolidated - Balance Sheet | | | | | | | | (INR m) |
|---|---|---|---|---|---|---|---|---|
| **Y/E March** | **FY21** | **FY22** | **FY23** | **FY24** | **FY25** | **FY26** | **FY27E** | **FY28E** |
| Equity Share Capital | 106 | 106 | 106 | 106 | 106 | 106 | 106 | 106 |
| Total Reserves | 5,290 | 7,578 | 9,994 | 11,925 | 14,058 | 15,731 | 17,785 | 20,545 |
| **Net Worth** | **5,397** | **7,684** | **10,100** | **12,032** | **14,164** | **15,838** | **17,891** | **20,651** |
| Total Loans | 3 | 3 | 1 | 0 | 0 | 0 | 0 | 0 |
| Deferred Tax Liabilities | 176 | 209 | 234 | 323 | 338 | 299 | 299 | 299 |
| **Capital Employed** | **5,576** | **7,897** | **10,335** | **12,354** | **14,502** | **16,137** | **18,190** | **20,950** |
| Gross Block | 2,610 | 3,959 | 5,963 | 8,182 | 9,657 | 10,887 | 11,887 | 12,887 |
| Less: Accum. Deprn. | 752 | 1,001 | 1,362 | 1,821 | 2,512 | 3,288 | 4,222 | 5,151 |
| **Net Fixed Assets** | **1,859** | **2,957** | **4,601** | **6,361** | **7,145** | **7,600** | **7,666** | **7,736** |
| Capital WIP | 550 | 441 | 205 | 573 | 302 | 1,180 | 1,180 | 1,180 |
| **Total Investments** | **2,321** | **1,911** | **3,531** | **3,394** | **3,809** | **4,049** | **4,049** | **4,049** |
| **Curr. Assets, Loans&Adv.** | **1,870** | **3,938** | **3,181** | **3,658** | **4,821** | **5,000** | **7,340** | **9,869** |
| Inventory | 529 | 881 | 1,088 | 1,237 | 1,494 | 1,537 | 1,861 | 2,204 |
| Account Receivables | 742 | 1,535 | 1,462 | 1,637 | 2,034 | 2,064 | 2,499 | 2,960 |
| Cash and Bank Balance | 157 | 747 | 125 | 106 | 202 | 282 | 1,627 | 3,104 |
| Loans and Advances | 442 | 774 | 506 | 678 | 1,091 | 1,117 | 1,352 | 1,601 |
| **Curr. Liability & Prov.** | **1,023** | **1,350** | **1,184** | **1,632** | **1,576** | **1,692** | **2,044** | **1,885** |
| Account Payables | 610 | 1,021 | 805 | 1,057 | 989 | 1,157 | 1,401 | 1,127 |
| Other Current Liabilities | 408 | 324 | 370 | 564 | 573 | 513 | 621 | 736 |
| Provisions | 5 | 5 | 8 | 12 | 14 | 22 | 22 | 22 |
| **Net Current Assets** | **846** | **2,587** | **1,997** | **2,026** | **3,246** | **3,308** | **5,296** | **7,985** |
| **Appl. of Funds** | **5,576** | **7,897** | **10,334** | **12,354** | **14,502** | **16,137** | **18,190** | **20,950** |

# Financials and valuations

**Ratios**

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| **Basic (INR)** | | | | | | | | |
| **EPS** | **18.7** | **21.5** | **27.8** | **23.0** | **24.9** | **21.6** | **23.0** | **30.9** |
| *EPS Growth (%)* | *42.1* | *15.2* | *29.2* | *-17.3* | *8.3* | *-13.1* | *6.4* | *34.4* |
| Cash EPS | 20.3 | 23.9 | 31.2 | 27.3 | 31.4 | 28.9 | 31.8 | 39.7 |
| BV/Share | 50.8 | 72.3 | 95.1 | 113.2 | 133.3 | 149.0 | 168.3 | 194.3 |
| DPS | 0.3 | 3.3 | 5.0 | 3.0 | 4.0 | 3.5 | 3.7 | 5.0 |
| Payout (%) | 1.7 | 15.1 | 18.0 | 13.1 | 16.1 | 16.1 | 16.1 | 16.1 |
| **Valuation (x)** | | | | | | | | |
| P/E | 38.3 | 33.3 | 25.8 | 31.2 | 28.8 | 33.1 | 31.1 | 23.1 |
| Cash P/E | 35.3 | 30.0 | 23.0 | 26.2 | 22.8 | 24.8 | 22.5 | 18.0 |
| P/BV | 14.1 | 9.9 | 7.5 | 6.3 | 5.4 | 4.8 | 4.3 | 3.7 |
| EV/Sales | 14.8 | 11.0 | 8.1 | 9.6 | 7.9 | 7.9 | 6.4 | 5.3 |
| EV/EBITDA | 29.3 | 25.1 | 18.9 | 22.9 | 19.6 | 21.3 | 19.6 | 15.1 |
| Dividend Yield (%) | 0.0 | 0.5 | 0.7 | 0.4 | 0.6 | 0.5 | 0.5 | 0.7 |
| FCF per share | 10.2 | -1.2 | 9.1 | 1.0 | 6.8 | 7.0 | 16.6 | 18.9 |
| **Return Ratios (%)** | | | | | | | | |
| RoE | 45.0 | 34.9 | 33.2 | 22.1 | 20.2 | 15.3 | 14.5 | 17.1 |
| RoCE | 43.5 | 33.9 | 32.4 | 21.6 | 19.7 | 15.0 | 14.4 | 16.8 |
| RoIC | 77.3 | 56.1 | 48.5 | 29.0 | 25.6 | 19.8 | 19.6 | 24.3 |
| **Working Capital Ratios** | | | | | | | | |
| Fixed Asset Turnover (x) | 2.9 | 2.8 | 2.5 | 1.4 | 1.4 | 1.3 | 1.5 | 1.8 |
| Asset Turnover (x) | 0.9 | 0.9 | 0.9 | 0.6 | 0.7 | 0.6 | 0.6 | 0.7 |
| Inventory (Days) | 38 | 47 | 42 | 57 | 56 | 59 | 59 | 59 |
| Debtor (Days) | 53 | 82 | 57 | 76 | 77 | 79 | 79 | 79 |
| Creditor (Days) | 43 | 54 | 31 | 49 | 37 | 44 | 44 | 30 |
| **Leverage Ratio (x)** | | | | | | | | |
| Current Ratio | 1.8 | 2.9 | 2.7 | 2.2 | 3.1 | 3.0 | 3.6 | 5.2 |
| Net Debt/Equity | 0.0 | -0.1 | 0.0 | 0.0 | 0.0 | 0.0 | -0.1 | -0.2 |

**Consolidated - Cash Flow Statement** (INR m)

| Y/E March | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27E | FY28E |
|---|---|---|---|---|---|---|---|---|
| OP/(Loss) before Tax | 2,673 | 3,048 | 3,956 | 3,265 | 3,567 | 3,097 | 3,264 | 4,394 |
| Depreciation | 172 | 249 | 361 | 459 | 691 | 776 | 934 | 929 |
| Interest Expenses | 1 | 1 | 2 | 9 | 4 | 4 | 22 | 5 |
| Others | -109 | -126 | -153 | -335 | -284 | -206 | 0 | 0 |
| Direct Taxes Paid | -659 | -691 | -945 | -755 | -955 | -913 | -818 | -1,106 |
| (Inc)/Dec in WC | -149 | -1,209 | -428 | -279 | -884 | -12 | -643 | -1,212 |
| **CF from Operations** | **1,928** | **1,273** | **2,793** | **2,364** | **2,139** | **2,745** | **2,760** | **3,011** |
| (Inc)/Dec in FA | -840 | -1,396 | -1,831 | -2,261 | -1,419 | -2,005 | -1,000 | -1,000 |
| **Free Cash Flow** | **1,088** | **-123** | **962** | **103** | **720** | **740** | **1,760** | **2,011** |
| Change in Investments | -1,078 | 532 | -929 | 402 | -119 | -35 | 0 | 0 |
| Others | 51 | 78 | 61 | 6 | 20 | 15 | 0 | 0 |
| **CF from Investments** | **-1,867** | **-786** | **-2,698** | **-1,853** | **-1,517** | **-2,025** | **-1,000** | **-1,000** |
| Issue of Shares | 0 | 0 | 9 | 9 | 9 | 5 | 0 | 0 |
| Inc/(Dec) in Debt | -24 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Interest Paid | -1 | -1 | -1 | -9 | -3 | -3 | -22 | -5 |
| Dividend Paid | -33 | 0 | -558 | -531 | -531 | -638 | -393 | -529 |
| Others | -1 | 0 | -1 | 0 | 0 | -4 | 0 | 0 |
| **CF from Fin. Activity** | **-59** | **-1** | **-550** | **-532** | **-525** | **-640** | **-415** | **-534** |
| **Inc/Dec of Cash** | **1** | **486** | **-455** | **-20** | **96** | **80** | **1,345** | **1,477** |
| Opening Balance | 92 | 93 | 579 | 125 | 104 | 200 | 280 | 1,625 |
| **Closing Balance** | **93** | **579** | **124** | **104** | **200** | **280** | **1,625** | **3,102** |

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|---|---|
| **Investment Rating** | **Expected return (over 12-month)** |
| BUY | >=15% |
| SELL | < - 10% |
| NEUTRAL | < - 10 % to 15% |
| UNDER REVIEW | Rating may undergo a change |
| NOT RATED | We have forward looking estimates for the stock but we refrain from assigning recommendation |

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