

Estimate change	↔
TP change	↔
Rating change	↔

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	126.1 / 1.5
52-Week Range (INR)	452 / 186
1, 6, 12 Rel. Per (%)	-7/-4/51
12M Avg Val (INR M)	385

## Financials & Valuations (INR b)

Y/E Mar	FY25	FY26E	FY27E
Sales	86.8	100.5	117.8
EBITDA	9.8	12.3	14.7
Adj. PAT	6.1	7.8	9.7
EBITDA Margin (%)	11.3	12.3	12.5
Cons. Adj. EPS (INR)	17.4	22.5	28.0
EPS Gr. (%)	2.0	29.0	24.6
BV/Sh. (INR)	111.0	128.5	151.5

## Ratios

Net D:E	0.1	0.0	0.0
RoE (%)	16.8	18.8	20.0
RoCE (%)	15.2	17.3	19.0

## Valuations

P/E (x)	21	16	13
EV/EBITDA (x)	14	11	9

## Shareholding pattern (%)

As on	Mar-25	Dec-24	Mar-24
Promoter	51.0	51.0	51.0
DII	6.2	5.9	4.1
FII	9.8	9.3	5.1
Others	33.1	33.8	39.8

Note: FII includes depository receipts

**CMP: INR363**

**TP: INR470 (+29%)**

**Buy**

## Lower input prices drive gross margin expansion

### Earnings in line with estimates

- LT Foods (LTFOODS) reported a decent quarter with revenue growth of 7%. 4QFY25 revenue growth was led by 7% YoY growth in Basmati and Other Specialty Rice (branded business volume up 13% YoY) and 10% YoY growth in Organic Foods. Gross margins expanded by 340bp YoY, aided by lower input prices, which were largely offset by higher other expenses (up 290bp YoY due to inflated freight costs and ad spends). As a result, EBITDA margins contracted 20bp YoY.
- Demand remains strong across regions, with volume expected to grow by 9-10% in FY26. With declining basmati realization due to better crop production, LTFOODS expects muted revenue growth (excl. consolidation of Golden Star). However, margins are expected to improve on the back of normalization of freight costs (down 100-200bp) and lower input prices.
- We largely maintain our EPS estimates for FY26/FY27. We reiterate our BUY rating on the stock with a TP of INR470 (17x FY27E EPS).

### Volume growth continues to drive revenue

- In 4QFY25, consolidated revenue stood at INR22.3b (+7% YoY, -2% QoQ), in line with our est. EBITDA grew 5% YoY/3% QoQ to INR2.6b (in line). EBITDA margin contracted 20bp YoY, while it expanded QoQ by 60bp to 11.6% (in line).
- Adj. PAT grew 8% YoY/12% QoQ to INR1.6b (in line).
- Basmati & Other Specialty Rice segment revenue grew 8% YoY, led by strong growth in the branded business (up 13% YoY). Gross margins expanded 340bp YoY to 36% and EBITDA margin declined 20bp YoY to 1.6% due to higher freight and advertisement costs.
- Organic Foods revenue grew 10% YoY, while gross margin remained flat at 39% and EBITDA margins contracted by 120bp YoY to 10%.
- Convenience & Health segment revenue declined 24% YoY (normalized decline was 3%), primarily due to the discontinuance of Daawat Sehat. Gross margin expanded 100bp to 38% and operating loss stood at INR23m.
- For FY25, revenue/EBITDA/adj. PAT grew 12%/4%/1% to INR86.8b/INR9.8b/INR6.1b.
- Gross debt as of Mar'25 stood at INR7.4b vs. INR5.3b as of Mar'24. CFO generation stood at ~INR4.6b in FY25 vs. INR7.6b in FY24. Net working capital days for FY25 increased by 8 days, largely due to higher inventory days (up by 35 days) on account of strategic paddy procurement, as greater demand is anticipated in key markets.

### Highlights from the management commentary

- Guidance:** The company expects consolidated revenue of INR100b in FY26 (including Golden Star consolidation expected in 2HFY26). EBITDA margin is targeted at ~13%. ROE, after acquisition synergies, is expected at ~20%. Capex guidance stands at INR3.4b, mainly for warehousing and RTH facility in the US.

Research Analyst: Meet Jain (Meet.Jain@MotilalOswal.com) | Sumant Kumar (Sumant.Kumar@MotilalOswal.com)

Research Analyst: Nirvik Saini (Nirvik.Saini@MotilalOswal.com) | Yash Darak (Yash.Darak@MotilalOswal.com)

**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](http://www.motilaloswal.com/Institutional-Equities), Bloomberg, Thomson Reuters, Factset and S&P Capital.

- **International Business:** The US market remains resilient, with strong demand and no tariff impact. The tariff impact, if any, will be offset by lower input prices. In Europe, growth appears muted due to reporting changes (UK is now accounted separately).
- **Acquisition:** LTFOODS announced 100% stake acquisition in Global Greens Group (Europe) for EUR6m. The company is in the business of **canned foods** with a turnover of EUR40.3m in CY24 and margins in the range of 6-7%. The acquisition is expected to be completed by 2QFY26, after which the company expects improvement in margins through synergy benefits.

#### Valuation and view

- LTFOODS reported healthy performance in FY25, led by both India and International markets. Going ahead we expect this momentum to continue, led by 1) improving volumes in the Basmati and Other Specialty Rice segment, 2) margin expansion supported by lower input prices and freight normalization; and 3) an increasing mix of Organic and Convenience & Health segments.
- We estimate a CAGR of 16%/23%/27% in revenue/EBITDA/adj. PAT over FY25-FY27. We reiterate our BUY rating on the stock with a TP of INR470 (17x FY27E EPS).

#### Consolidated - Quarterly Earning Model

Y/E March	FY24				FY25				FY24	FY25	FY25	(INRm)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QE	Var
<b>Gross Sales</b>	<b>17,781</b>	<b>19,778</b>	<b>19,417</b>	<b>20,748</b>	<b>20,705</b>	<b>21,078</b>	<b>22,748</b>	<b>22,284</b>	<b>77,724</b>	<b>86,815</b>	<b>23,430</b>	<b>-5%</b>
YoY Change (%)	10.4	14.7	9.2	13.9	16.4	6.6	17.2	7.4	12.1	11.7	12.0	
Total Expenditure	15,644	17,373	17,031	18,297	18,296	18,785	20,250	19,701	68,345	77,032	20,793	
<b>EBITDA</b>	<b>2,137</b>	<b>2,405</b>	<b>2,386</b>	<b>2,451</b>	<b>2,409</b>	<b>2,293</b>	<b>2,498</b>	<b>2,583</b>	<b>9,379</b>	<b>9,783</b>	<b>2,637</b>	<b>-2%</b>
Margins (%)	12.0	12.2	12.3	11.8	11.6	10.9	11.0	11.6	12.1	11.3	11.3	
Depreciation	356	360	361	453	420	448	458	531	1,529	1,857	460	
Interest	220	191	185	235	187	196	236	257	830	877	220	
Other Income	107	140	80	169	175	263	134	313	496	885	120	
<b>PBT before EO expense</b>	<b>1,669</b>	<b>1,995</b>	<b>1,920</b>	<b>1,933</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>7,517</b>	<b>7,934</b>	<b>2,077</b>	
<b>PBT</b>	<b>1,669</b>	<b>1,995</b>	<b>1,920</b>	<b>1,933</b>	<b>1,977</b>	<b>1,911</b>	<b>1,938</b>	<b>2,107</b>	<b>7,517</b>	<b>7,934</b>	<b>2,077</b>	
Tax	438	539	510	542	530	494	525	554	2,029	2,102	523	
Rate (%)	26.2	27.0	26.6	28.1	26.8	25.8	27.1	26.3	27.0	26.5	25.2	
MI & Profit/Loss of Asso. Cos.	-143	-143	-102	-97	-84	-66	-19	-52	-486	-222	-20	
<b>Reported PAT</b>	<b>1,374</b>	<b>1,599</b>	<b>1,512</b>	<b>1,488</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>5,973</b>	<b>6,053</b>	<b>1,574</b>	
<b>Adj PAT</b>	<b>1,374</b>	<b>1,599</b>	<b>1,512</b>	<b>1,488</b>	<b>1,532</b>	<b>1,484</b>	<b>1,433</b>	<b>1,605</b>	<b>5,973</b>	<b>6,053</b>	<b>1,574</b>	<b>2%</b>
YoY Change (%)	53.2	78.7	58.7	15.9	11.4	-7.2	-5.2	7.9	48.3	1.3	4.1	
Margins (%)	7.7	8.1	7.8	7.2	7.4	7.0	6.3	7.2	7.7	7.0	6.7	

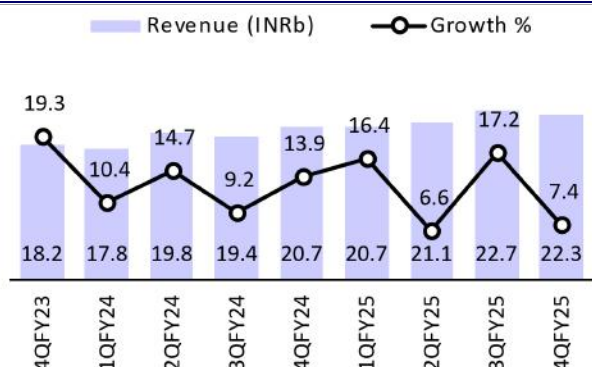
## Key Operating Metrics

Y/E March

	FY24				FY25				FY24	FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
<b>Revenue (INRm)</b>										
Basmati & Other Specialty Rice	15,130	16,790	16,230	17,930	17,480	17,370	19,350	19,550	66,080	73,750
Domestic	4,600	4,950	5,550	5,700	5,244	5,396	6,330	6,099	20,800	23,069
International	10,530	11,840	10,680	12,230	12,236	11,975	13,020	13,451	45,280	50,682
Organic Foods	1,660	1,600	1,900	2,080	2,220	2,390	2,400	2,290	7,240	9,300
Convenience & Health Segment	410	510	510	590	560	440	430	450	2,020	1,880
<b>Revenue Growth %</b>										
Basmati & Other Specialty Rice	23.7	21.4	10.6	14.4	15.5	3.5	19.2	9.0	17	12
Domestic	19.8	13.8	3.9	19.7	14.0	9.0	14.1	7.0	14	11
International	25.5	24.9	14.3	12.1	16.2	1.1	21.9	10.0	19	12
Organic Foods	-30.8	-10.1	-5.9	26.8	33.7	49.4	26.3	10.1	-8	28
Convenience & Health Segment	-4.7	18.6	27.5	55.3	36.6	-13.7	-15.7	-23.7	23	-7
<b>Gross Profit Margins %</b>										
Basmati & Other Specialty Rice	33.6	31.6	34.0	32.0	32.4	31.0	32.4	36.0	32.8	33.0
Organic Foods	40.4	36.3	34.0	39.0	41.8	44.0	42.6	39.0	37.4	41.9
Convenience & Health Segment	29.3	41.2	37.0	37.0	36.9	42.0	41.1	38.0	36.5	39.3
<b>EBITDAM %</b>										
Basmati & Other Specialty Rice	12.9	14.0	14.8	13.1	12.9	12.0	11.7	14.0	13.7	12.7
Organic Foods	10.8	10.6	8.9	11.2	11.7	12.0	11.8	10.0	10.4	11.4
Convenience & Health Segment	-9.8	0.0	-4.1	-1.0	-3.4	-9.0	-9.8	-5.0	-3.3	-6.6

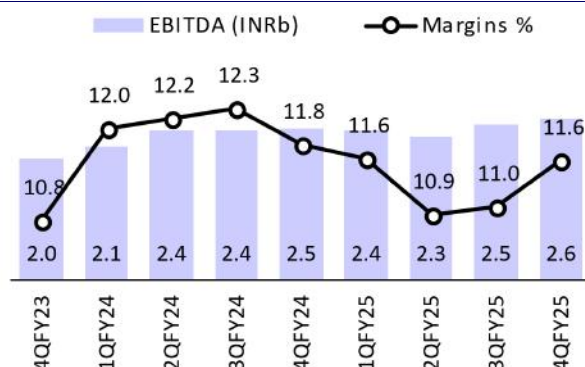
## Key Exhibits

Exhibit 1: Consolidated revenue trend



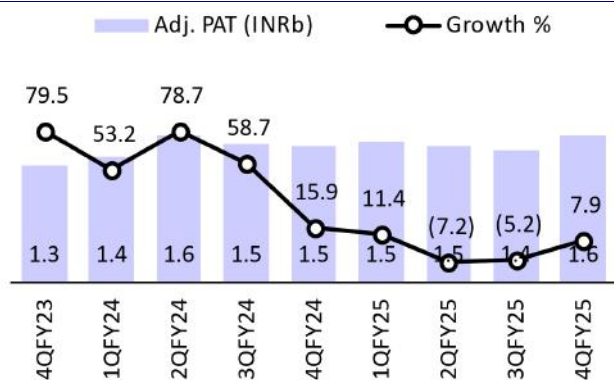
Source: Company, MOFSL

Exhibit 2: Consolidated EBITDA trend



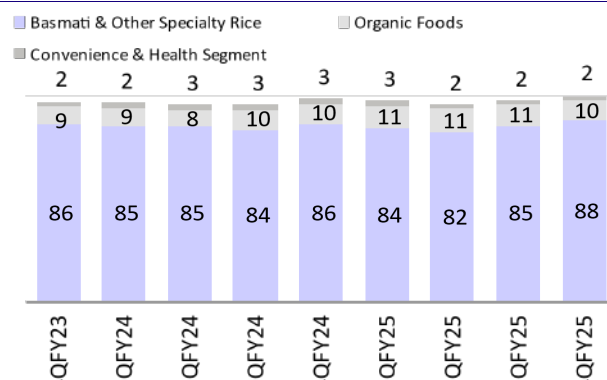
Source: Company, MOFSL

Exhibit 3: Consolidated adj. PAT trend



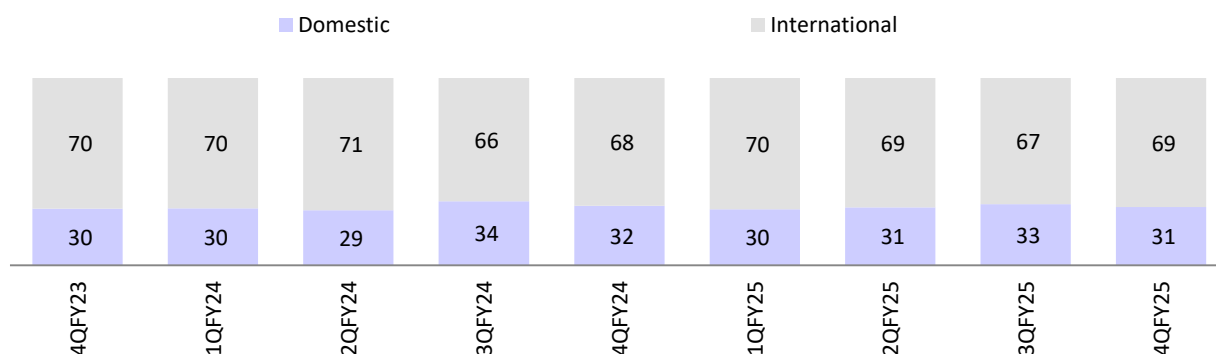
Source: Company, MOFSL

Exhibit 4: Segment-wise revenue mix



Source: Company, MOFSL

**Exhibit 5: Domestic and international revenue split of Basmati and Other Specialty Rice**



Source: MOFSL, Company



## Highlights from the management commentary

### Outlook and guidance

- For FY26, the company has guided for consolidated revenue of INR100b and ~7% volume growth. Organically revenue is expected to remain flat, as 9-10% volume growth will be offset by pricing decline. The company is targeting an EBITDA margin of ~13% for the year.
- The company expects to achieve ~20% ROE in FY26, supported by post-acquisition synergies.
- India and the US operations are projected to be net-debt free in FY26, with India operations turning net cash positive starting Jul'25. Net debt will be limited to the European entity.
- Over the next five years, India business is expected to clock a 10-15% CAGR.
- Capex for FY26 is guided at INR3.4b (excluding acquisitions), primarily allocated toward warehousing and the RTH facility in the US.
- Additionally, Saudi Arabia is anticipated to contribute 25% of total revenue once the company reaches the INR100b revenue milestone.

### Freight, advertisement and admin costs

- In FY25, margins were impacted by higher freight and advertising costs, with freight expenses denting margins by 1.7% and ad spends by 0.4%. Administrative costs also rose due to the capitalization of the UK facility.
- Freight costs stood at 6.5% of sales for FY25 but improved to 5.8% in 4QFY25. The company expects logistics costs to normalize to the historical range of 3.8-4.8%, with a ~1% reduction anticipated in FY26.
- Advertising expenditure is expected to increase in FY26, driven by a shift toward consumer-facing investments to strengthen brand visibility and market penetration.
- In 1QFY26, though logistics costs are expected to normalize, the benefit will be partially offset by higher ad spends. Despite this, the company anticipates a slight improvement in EBITDA margins in FY26.

### India business

- Standalone performance in 4QFY25 was flat, primarily due to pricing pressure, despite strong volume traction. The quarter saw QoQ decline owing to seasonal trends, with 3Q typically being the peak period.

- India basmati rice business reported a robust performance in FY25, with volume growth of 12% and value growth of 13.5%. In 4QFY25 alone, volumes grew 15% YoY, while value growth was 7%, impacted by a 6.5% decline in realizations.
- Over the last five years, the basmati rice business has doubled in size, with market share expanding significantly from 21% to 27%, underscoring the company's strong execution and brand strength in the domestic market.

### International business

- In the US, there has been no impact from recessionary trends; in April demand was strong. Recession typically shifts consumption to in-home dining, which benefits the business. There is no adverse duty impact, as it is offset by lower raw material costs.
- The Royal brand, commanding a premium and sold at the price point of ~USD20, maintains a dominant >55% market share across both mainstream and ethnic channels. Golden Star has seen its customers absorb a ~10% duty impact without affecting demand.
- In 4QFY25, Europe contributed 5.3% of total revenue. Growth appeared muted due to the separate reporting of Europe and UK operations, which were previously consolidated. The company is also planning to set up a rice factory in Eastern Europe to strengthen its regional presence.
- The India-UK FTA has no impact as the RTH business is focused on India and the US, with no presence in the UK. Earlier, 4-5% of the UK business was sourced from Pakistan, but in FY25, sourcing shifted entirely to India. The UK treaty and Indus Water Treaty also have no effect, as brown rice continues to attract 0% duty.
- LTFOODS previously sourced 4-5% from Pakistan through its UK subsidiary, not India, but had no Pakistan sourcing in FY25 and has no plans to resume. The Indus Water Treaty impact is unlikely, as India exports 6m MT compared to Pakistan's ~700k MT, and Pakistan is not a significant player in key markets like the Middle East.

### Acquisition

- LT Foods BV (Europe) has announced the 100% stake acquisition of Global Greens Group (GG INV, GG EUROPE, and GG UK) entities engaged in the canned food business, including products like corn, gherkins, onions, and cherries. The acquisition involves cash consideration of EUR6m at the closing date and EUR1.8m through an earn-out mechanism.
- The acquired business operates two manufacturing sites with a combined annual capacity of 117m jars and employs over 170 people. It generated ~EUR40m in revenue in CY24, with a pre-synergy margin profile of 6-7%. The transaction is expected to be completed by 2QFY26.

### Other

- Other income includes exchange gains and service revenue from charges to Golden Star.
- Inventory increased 25% in value due to attractive prices, optimism about future demand, and higher-than-usual paddy procurement (compared to rice), which improves conversion margins.

- Unlike the usual mix of in-season and off-season purchases, FY25 procurement was mostly in-season, resulting in higher working capital days, driven by this strategic paddy buying.
- The company had significantly done product expansion with RTH and RTC offerings.
- Revenue loss from price reductions in India was compensated by volume growth.
- Golden Star enjoys a loyal US customer base for its Jasmine rice.

#### Valuation and view

- LTFOODS has reported healthy performance in FY25, led by both India and international markets. Going ahead, we expect this momentum to continue, led by 1) improving volumes in the Basmati and Other Specialty Rice segment, 2) margin expansion supported by lower input prices and freight normalization; and 3) an increasing mix of Organic and Convenience & Health segments.
- We estimate a CAGR of 16%/23%/27% in revenue/EBITDA/Adj. PAT over FY25-FY27. We reiterate our BUY rating on the stock with a TP of INR470 (17x FY27E EPS).

#### Exhibit 6: Changes to our estimates

Earnings change (INR m)	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	1,01,173	1,14,585	1,00,481	1,17,782	-1%	3%
EBITDA	11,939	13,912	12,346	14,706	3%	6%
Adj. PAT	7,890	9,460	7,808	9,727	-1%	3%



## Financials and valuations

### Consolidated - Income Statement

(INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Total Income from Operations</b>	<b>38,904</b>	<b>41,351</b>	<b>47,419</b>	<b>54,274</b>	<b>69,358</b>	<b>77,724</b>	<b>86,815</b>	<b>1,00,481</b>	<b>1,17,782</b>
Change (%)	7.7	6.3	14.7	14.5	27.8	12.1	11.7	15.7	17.2
Raw Materials	27,960	28,752	30,405	34,679	45,775	52,781	57,403	67,323	77,736
<b>Gross Profit</b>	<b>10,945</b>	<b>12,599</b>	<b>17,015</b>	<b>19,595</b>	<b>23,583</b>	<b>24,943</b>	<b>29,412</b>	<b>33,159</b>	<b>40,046</b>
Employees Cost	1,519	1,986	2,643	2,896	3,596	4,301	4,908	5,225	6,125
Other Expenses	5,454	5,986	8,748	10,781	12,989	11,263	14,722	15,587	19,215
<b>Total Expenditure</b>	<b>34,932</b>	<b>36,724</b>	<b>41,796</b>	<b>48,356</b>	<b>62,360</b>	<b>68,345</b>	<b>77,032</b>	<b>88,135</b>	<b>1,03,076</b>
% of Sales	89.8	88.8	88.1	89.1	89.9	87.9	88.7	87.7	87.5
<b>EBITDA</b>	<b>3,972</b>	<b>4,627</b>	<b>5,624</b>	<b>5,917</b>	<b>6,998</b>	<b>9,379</b>	<b>9,783</b>	<b>12,346</b>	<b>14,706</b>
Margin (%)	10.2	11.2	11.9	10.9	10.1	12.1	11.3	12.3	12.5
Depreciation	690	914	1,085	1,226	1,269	1,529	1,857	1,972	2,135
<b>EBIT</b>	<b>3,282</b>	<b>3,713</b>	<b>4,539</b>	<b>4,691</b>	<b>5,729</b>	<b>7,850</b>	<b>7,926</b>	<b>10,375</b>	<b>12,571</b>
Int. and Finance Charges	1,387	1,323	874	687	821	830	877	643	398
Other Income	241	379	315	232	430	496	885	703	824
<b>PBT bef. EO Exp.</b>	<b>2,136</b>	<b>2,770</b>	<b>3,980</b>	<b>4,236</b>	<b>5,338</b>	<b>7,517</b>	<b>7,934</b>	<b>10,435</b>	<b>12,998</b>
EO Items	0	0	0	0	0	0	0	0	0
<b>PBT after EO Exp.</b>	<b>2,136</b>	<b>2,770</b>	<b>3,980</b>	<b>4,236</b>	<b>5,338</b>	<b>7,517</b>	<b>7,934</b>	<b>10,435</b>	<b>12,998</b>
Total Tax	762	776	1,089	1,144	1,353	2,029	2,102	2,626	3,272
Tax Rate (%)	35.6	28.0	27.4	27.0	25.3	27.0	26.5	25.2	25.2
Minority Interest	109	148	150	170	-42	-446	-222	0	0
<b>Reported PAT</b>	<b>1,266</b>	<b>1,845</b>	<b>2,741</b>	<b>2,922</b>	<b>4,028</b>	<b>5,933</b>	<b>6,053</b>	<b>7,808</b>	<b>9,727</b>
<b>Adjusted PAT</b>	<b>1,266</b>	<b>1,845</b>	<b>2,741</b>	<b>2,922</b>	<b>4,028</b>	<b>5,933</b>	<b>6,053</b>	<b>7,808</b>	<b>9,727</b>
Change (%)	-6.0	45.8	48.5	6.6	37.9	47.3	2.0	29.0	24.6
Margin (%)	3.3	4.5	5.8	5.4	5.8	7.6	7.0	7.8	8.3

### Consolidated - Balance Sheet

(INRm)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	320	320	320	320	347	347	347	347	347
Total Reserves	12,971	14,494	17,235	19,656	27,223	33,369	38,189	44,261	52,252
<b>Net Worth</b>	<b>13,291</b>	<b>14,813</b>	<b>17,555</b>	<b>19,976</b>	<b>27,571</b>	<b>33,716</b>	<b>38,537</b>	<b>44,609</b>	<b>52,599</b>
Minority Interest	1,054	1,179	1,348	1,513	400	551	0	0	0
Total Loans	16,904	17,643	15,698	13,196	9,377	5,262	7,434	5,434	2,934
Deferred Tax Liabilities	-86	-319	-195	-182	-186	-256	-324	-324	-324
<b>Capital Employed</b>	<b>31,163</b>	<b>33,316</b>	<b>34,406</b>	<b>34,503</b>	<b>37,161</b>	<b>39,273</b>	<b>45,647</b>	<b>49,719</b>	<b>55,210</b>
Gross Block	9,692	13,840	14,264	15,255	17,838	20,967	25,259	27,316	29,623
Less: Accum. Deprn.	4,756	5,439	6,092	6,857	8,126	9,655	11,512	13,483	15,618
<b>Net Fixed Assets</b>	<b>4,936</b>	<b>8,401</b>	<b>8,173</b>	<b>8,398</b>	<b>9,712</b>	<b>11,312</b>	<b>13,747</b>	<b>13,833</b>	<b>14,004</b>
Goodwill on Consolidation	1,076	659	626	655	240	285	293	293	293
Capital WIP	422	173	327	350	266	412	447	1,789	1,233
<b>Total Investments</b>	<b>361</b>	<b>334</b>	<b>287</b>	<b>249</b>	<b>1,270</b>	<b>1,834</b>	<b>2,234</b>	<b>2,234</b>	<b>2,234</b>
<b>Curr. Assets, Loans&amp;Adv.</b>	<b>28,852</b>	<b>28,300</b>	<b>31,516</b>	<b>33,757</b>	<b>41,514</b>	<b>46,318</b>	<b>57,085</b>	<b>61,168</b>	<b>70,768</b>
Inventory	18,912	17,502	22,228	23,518	30,724	34,981	43,603	46,111	52,179
Account Receivables	5,349	6,196	4,867	6,113	6,744	6,758	7,520	8,704	10,202
Cash and Bank Balance	377	249	300	391	390	503	1,442	1,121	2,254
Loans and Advances	4,214	4,352	4,120	3,734	3,657	4,075	4,521	5,232	6,133
<b>Curr. Liability &amp; Prov.</b>	<b>4,484</b>	<b>4,550</b>	<b>6,523</b>	<b>8,905</b>	<b>15,841</b>	<b>20,890</b>	<b>28,159</b>	<b>29,598</b>	<b>33,323</b>
Account Payables	2,749	2,608	5,036	7,031	10,928	12,300	17,726	17,522	19,168
Other Current Liabilities	1,435	1,602	1,137	1,459	4,711	8,367	10,131	11,726	13,744
Provisions	299	340	350	415	202	223	303	350	411
<b>Net Current Assets</b>	<b>24,369</b>	<b>23,750</b>	<b>24,993</b>	<b>24,851</b>	<b>25,673</b>	<b>25,429</b>	<b>28,926</b>	<b>31,570</b>	<b>37,446</b>
<b>Appl. of Funds</b>	<b>31,163</b>	<b>33,315</b>	<b>34,406</b>	<b>34,504</b>	<b>37,161</b>	<b>39,273</b>	<b>45,647</b>	<b>49,719</b>	<b>55,210</b>

## Financials and valuations

### Ratios

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
<b>Basic (INR)</b>									
<b>EPS</b>	<b>3.6</b>	<b>5.3</b>	<b>7.9</b>	<b>8.4</b>	<b>11.6</b>	<b>17.1</b>	<b>17.4</b>	<b>22.5</b>	<b>28.0</b>
Cash EPS	5.6	7.9	11.0	11.9	15.3	21.5	22.8	28.2	34.2
BV/Share	38.3	42.7	50.6	57.5	79.4	97.1	111.0	128.5	151.5
DPS	0.0	0.0	0.9	0.9	0.5	0.5	2.5	5.0	5.0
Payout (%)	0.0	0.0	11.7	10.9	4.3	2.9	14.3	22.2	17.9
<b>Valuation (x)</b>									
P/E	99.6	68.3	46.0	43.2	31.3	21.3	20.8	16.1	13.0
Cash P/E	64.5	45.7	33.0	30.4	23.8	16.9	15.9	12.9	10.6
P/BV	9.5	8.5	7.2	6.3	4.6	3.7	3.3	2.8	2.4
EV/Sales	3.7	3.5	3.0	2.6	1.9	1.7	1.5	1.3	1.1
EV/EBITDA	35.9	31.0	25.2	23.5	19.3	14.0	13.5	10.6	8.6
Dividend Yield (%)	0.0	0.0	0.3	0.3	0.1	0.1	0.7	1.4	1.4
FCF per share	-0.3	11.3	10.0	10.5	3.3	16.0	6.4	9.7	14.2
<b>Return Ratios (%)</b>									
RoE	10.1	13.1	16.9	15.6	16.9	19.4	16.8	18.8	20.0
RoCE	7.9	9.4	10.7	10.8	13.1	16.0	15.2	17.3	19.0
RoIC	7.4	8.5	10.0	10.2	12.4	16.0	14.9	18.0	20.0
<b>Working Capital Ratios</b>									
Fixed Asset Turnover (x)	4.0	3.0	3.3	3.6	3.9	3.7	3.4	3.7	4.0
Asset Turnover (x)	1.2	1.2	1.4	1.6	1.9	2.0	1.9	2.0	2.1
Inventory (Days)	247	222	267	248	245	242	277	250	245
Debtor (Days)	50	55	37	41	35	32	32	32	32
Creditor (Days)	36	33	60	74	87	85	113	95	90
<b>Leverage Ratio (x)</b>									
Current Ratio	6.4	6.2	4.8	3.8	2.6	2.2	2.0	2.1	2.1
Interest Cover Ratio	2.4	2.8	5.2	6.8	7.0	9.5	9.0	16.1	31.6
Net Debt/Equity	1.2	1.2	0.9	0.6	0.3	0.1	0.1	0.0	0.0

### Consolidated - Cash Flow Statement

(INRM)

Y/E March	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	2,136	2,770	3,980	4,236	5,626	8,005	8,220	10,435	12,998
Depreciation	690	914	1,085	1,226	1,269	1,529	1,857	1,972	2,135
Interest & Finance Charges	1,351	1,298	861	676	821	830	877	-60	-427
Direct Taxes Paid	-1,037	-789	-1,131	-1,074	-1,293	-1,522	-2,332	-2,626	-3,272
(Inc)/Dec in WC	-2,164	334	-537	-14	-3,390	-805	-3,745	-2,965	-4,742
<b>CF from Operations</b>	<b>977</b>	<b>4,527</b>	<b>4,257</b>	<b>5,051</b>	<b>3,033</b>	<b>8,037</b>	<b>4,877</b>	<b>6,755</b>	<b>6,692</b>
Others	48	245	190	124	-449	-468	-252	0	0
<b>CF from Operating incl EO</b>	<b>1,025</b>	<b>4,772</b>	<b>4,447</b>	<b>5,175</b>	<b>2,584</b>	<b>7,569</b>	<b>4,625</b>	<b>6,755</b>	<b>6,692</b>
(Inc)/Dec in FA	-1,133	-845	-990	-1,519	-1,438	-2,011	-2,391	-3,400	-1,750
<b>Free Cash Flow</b>	<b>-108</b>	<b>3,927</b>	<b>3,457</b>	<b>3,656</b>	<b>1,146</b>	<b>5,558</b>	<b>2,234</b>	<b>3,355</b>	<b>4,942</b>
(Pur)/Sale of Investments	-220	-10	-8	-12	-2,516	-22	-122	0	0
Others	71	78	121	155	8	18	9	703	824
<b>CF from Investments</b>	<b>-1,282</b>	<b>-777</b>	<b>-877</b>	<b>-1,377</b>	<b>-3,946</b>	<b>-2,015</b>	<b>-2,504</b>	<b>-2,697</b>	<b>-926</b>
Issue of Shares	0	0	0	0	3,824	0	0	0	0
Inc/(Dec) in Debt	1,486	-2,478	-2,252	-2,781	-1,119	-3,741	2,173	-2,000	-2,500
Interest Paid	-1,378	-1,309	-889	-475	-734	-724	-704	-643	-398
Dividend Paid	-61	-251	-320	-320	-160	-347	-1,040	-1,736	-1,736
Others	391	0	0	0	-448	-567	-1,934	0	0
<b>CF from Fin. Activity</b>	<b>439</b>	<b>-4,038</b>	<b>-3,461</b>	<b>-3,575</b>	<b>1,363</b>	<b>-5,380</b>	<b>-1,504</b>	<b>-4,380</b>	<b>-4,634</b>
<b>Inc/Dec of Cash</b>	<b>182</b>	<b>-43</b>	<b>108</b>	<b>223</b>	<b>1</b>	<b>175</b>	<b>617</b>	<b>-321</b>	<b>1,133</b>
Opening Balance	195	292	191	168	389	329	825	1,442	1,121
<b>Closing Balance</b>	<b>377</b>	<b>249</b>	<b>300</b>	<b>391</b>	<b>390</b>	<b>503</b>	<b>1,442</b>	<b>1,121</b>	<b>2,254</b>

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.



Explanation of Investment Rating	
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

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations).

Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL (erstwhile Motilal Oswal Securities Limited - MOSL) is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products. Details of associate entities of Motilal Oswal Financial Services Limited are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/List%20of%20Associate%20companies.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at

<https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act") and together with the 1934 Act, the "Acts), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered /qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA.

Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to [grievances@motilaloswal.com](mailto:grievances@motilaloswal.com).

Nainesh Rajani

Email: [nainesh.rajani@motilaloswal.com](mailto:nainesh.rajani@motilaloswal.com)

Contact: (+65) 8328 0276

#### Specific Disclosures

- Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies). MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
- Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report.  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
- Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
- Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
- Research Analyst has not served as an officer, director or employee of subject company(ies).
- MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
- MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.

8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

\*\*\*\*\*

The associates of MOFSL may have:

financial interest in the subject company

actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.

received compensation/other benefits from the subject company in the past 12 months

any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

acted as a manager or co-manager of public offering of securities of the subject company in past 12 months

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 company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)

received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.

Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263;

www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com

Registration details of group entities: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412 . AMFI: ARN : 146822. IRDA Corporate Agent – CA0579. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrievances@motilaloswal.com.