

Godrej Agrovet

Estimate change	
TP change	
Rating change	

Bloomberg	GOAGRO IN
Equity Shares (m)	192
M.Cap.(INRb)/(USDb)	156.2 / 1.8
52-Week Range (INR)	876 / 654
1, 6, 12 Rel. Per (%)	7/2/0
12M Avg Val (INR M)	263

Financials & Valuations (INR b)

Y/E MARCH	2025	2026E	2027E
Sales	93.8	106.3	116.3
EBITDA	8.2	9.3	11.8
Adj. PAT	4.3	5.3	6.9
EBITDA Margin (%)	8.7	8.8	10.1
Cons. Adj. EPS (INR)	22.4	27.6	36.1
EPS Gr. (%)	19.5	23.5	30.6
BV/Sh. (INR)	124	93	118
Ratios			
Net D:E	0.6	1.1	0.7
RoE (%)	17.5	25.5	34.2
RoCE (%)	11.7	14.3	18.2
Payout (%)	46.9	38.0	29.1
Valuations			
P/E (x)	36.3	29.4	22.5
EV/EBITDA (x)	21.0	19.1	14.8
Div. Yield (%)	1.3	1.3	1.3
FCF Yield (%)	4.9	2.8	3.6

Shareholding pattern (%)

	Jun-25	Mar-25	Jun-24
Promoter	67.5	67.6	74.0
DII	8.1	9.2	12.1
FII	4.2	3.8	1.7
Others	20.2	19.5	12.1

Note: FII includes depository receipts

CMP: INR812

TP: INR940 (+16%)

Buy

Palm oil and crop protection drive operating performance

- Godrej Agrovet (GOAGRO) reported a strong operating performance (EBIT up 23.5% YoY) in 1QFY26, primarily due to a sharp 3.6x/34.2% YoY growth in palm oil/crop protection (CP) EBIT, while Animal Feed (AF)/Dairy/ Poultry EBIT dipped ~17%/76%/76% YoY.
- Management has maintained its revenue growth guidance for FY26; however, we factor in the weak outlook for the crop protection business, largely due to continued pricing pressure and higher level returns expected in 2QFY26. Hence, we reduce our FY26E EBITDA by 7%, while largely maintaining our FY27E EBITDA. **We reiterate our BUY rating on the stock with an SOTP-based TP of INR940.**

Margin expansion led by improved operational efficiencies

- Consolidated revenue grew 12% YoY to INR26.1b (est. in-line). EBITDA margin expanded 70bp YoY to 10.3% (est. 10%), led by an 80bp gross margin expansion to 27.6%. EBITDA stood at INR2.7b, up 19% YoY (est. in line). Adjusted PAT grew ~19% YoY to INR1.6b (est. of INR1.5b).
- AF:** Revenue was flat YoY at INR11.6b, while margins contracted 120bp to 5.6%, led by ~8% decline in realizations and higher invoice discounting this quarter. Volume grew 8.4% to 375kmt
- Palm Oil:** Revenue grew ~92% YoY to INR5b, led by higher realizations in crude palm oil (CPO) and palm kernel oil (PKO), as realizations improved ~35% and ~78%, respectively. FFB arrivals rose 52% YoY, resulting in an EBIT margin expansion of 810bp YoY to 17.4% and an EBIT growth of ~3.6x YoY to INR868m.
- CP:** Consolidated CP revenue increased 10.4% YoY to ~INR4b, while standalone CP revenue grew 4%. Astec witnessed a ~48% YoY growth in net revenue to INR746m, led by robust growth in the CDMO business. Consolidated CP EBIT grew 34% YoY to INR1.2b, while standalone CP EBIT declined 3% YoY to INR1.4b. Astec reported an operating loss of INR215m, compared to an operating loss of INR552m in 1QFY25.
- The **Dairy** business dipped 2.7% YoY to INR4.2b, while EBIT declined ~78% YoY to INR43m, led by an increase in procurement prices. The **Poultry and Processed Food** business's revenue declined ~20.2% YoY to INR1.9b, primarily due to lower volumes in the live bird business, while EBIT stood at INR45m (down 77% YoY) and EBIT margin contracted 580bp YoY to ~2.4%.

Highlights from the management commentary

- **Crop protection (standalone):** GOAGRO had a weak agri quarter in 1QFY26 and anticipates higher-than-provisioned product returns in 2Q. The company is targeting an EBIT margin of ~28-30% and plans to counter ongoing pricing pressure through crop and geographic diversification. In Jul'25, the company launched a new in-licensed maize herbicide, *Ashitaka*. The product has a revenue potential of ~INR2b over the next 3-4 years, with scope for upward revision as the business scales.
- **Palm Oil:** FFB arrivals are expected to grow 15-18% in FY26, with 2Q likely to remain strong. The company anticipates better Oil Extraction Ratios (OER) compared to FY25 and is shifting towards PKO, with a refinery set to commence in 3QFY26.
- **Astec:** The management is targeting Astec to turn EBITDA positive in FY26, with the company aiming to generate over INR5b revenue (INR3b in revenue from its CDMO segment in FY26, contributing ~65% of total sales). It targets ~30% annual growth in CDMO, backed by a pipeline of 10 products. The company faces tariff uncertainty, though US exposure is limited (~7-10% of Astec's sales), with most customers located in Japan and South Korea.

Valuation and view

- The momentum in the palm oil segment is expected to sustain, supported by a stable pricing environment and a strategic shift toward value-added products such as PKO. Moreover, Astec is likely to turn EBITDA positive in the current year, driven by strong growth in the CDMO business.
- However, this will likely be offset by a weak outlook for the domestic crop protection segment, owing to heightened competitive intensity, continued pricing pressure, and higher product returns than previously provisioned for. Consequently, we revise our FY26E EBITDA estimate downward by 7%, while largely maintaining our FY27E projections. We reiterate our **BUY rating on the stock with an SOTP-based target price of INR 940.**

Consolidated - Quarterly Earning Model											(INR m)	
Y/E March	FY25				FY26E				FY25	FY26E	FY26E	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1QE	(%)		
Gross Sales	23,508	24,488	24,496	21,336	26,143	27,137	27,637	25,351	93,828	106,268	25,823	1
YoY Change (%)	-6.4	-4.8	4.5	0.0	11.2	10.8	12.8	18.8	-1.9	13.3	9.8	
Total Expenditure	21,246	22,254	22,296	19,870	23,446	24,724	25,415	23,369	85,666	96,955	23,230	
EBITDA	2,261	2,234	2,200	1,467	2,697	2,413	2,222	1,981	8,162	9,313	2,593	4
Margins (%)	9.6	9.1	9.0	6.9	10.3	8.9	8.0	7.8	8.7	8.8	10.0	
Depreciation	546	583	567	565	579	590	625	650	2,261	2,444	590	
Interest	302	398	345	289	355	325	320	335	1,334	1,335	340	
Other Income	92	126	87	130	119	120	117	111	435	467	120	
PBT before EO expense	1,506	1,379	1,376	742	1,882	1,618	1,394	1,107	5,002	6,002	1,783	
Extra-Ord expense	0	0	0	0	0	0	0	0	0	0	0	
PBT	1,506	1,379	1,376	742	1,882	1,618	1,394	1,107	5,002	6,002	1,783	
Tax	345	541	414	204	517	407	351	279	1,504	1,554	449	
Rate (%)	22.9	39.3	30.1	27.5	27.5	25.2	25.2	25.2	30.1	25.9	25.2	
Minority Interest & Profit/Loss of Asso. Cos.	-190	-286	-153	-170	-240	-200	-200	-219	-799	-859	-220	
Reported PAT	1,352	1,123	1,115	708	1,605	1,411	1,243	1,048	4,297	5,307	1,554	
Adj PAT	1,352	1,123	1,115	708	1,605	1,411	1,243	1,048	4,297	5,307	1,554	3
YoY Change (%)	28.3	6.7	21.4	23.9	18.8	25.6	11.5	48.0	19.5	23.5	15.0	
Margins (%)	5.7	4.6	4.6	3.3	6.1	5.2	4.5	4.1	4.6	5.0	6.0	

Key Performance Indicators

Y/E March	FY25				FY26		FY25	FY26E
	1Q	2Q	3Q	4Q	1Q			
Segment Revenue Gr. (%)								
Animal Feed (AF)	-10.1	-3.0	-1.3	-3.6	0.1	(4.5)		11.4
Palm Oil	12.4	-1.5	37.6	30.1	91.7	17.3		23.5
Crop Protection	-4.6	-21.7	-13.1	6.4	10.4	(9.1)		22.2
Dairy	1.0	3.2	1.0	-2.0	-2.7	0.8		9.0
Segment EBIT Margin (%)								
Animal Feed	6.8	5.9	6.0	5.7	5.6	6.1		5.9
Palm Oil	9.2	16.7	23.7	7.5	17.4	16.2		16.3
Crop Protection	23.8	18.6	6.2	16.9	28.9	17.7		27.3
Dairy	4.3	2.1	2.5	1.7	1.0	2.7		3.0
AF Volumes (000'MT)	346	362	397	370	375	1,013	1,361	
AF Realization (INR/kg)	33.4	33.3	32.1	31.0	23.3	32.4	32.6	
Cost Break-up								
RM Cost (% of sales)	73.2	74.4	74.4	74.1	72.4	74.0		73.2
Staff Cost (% of sales)	6.0	5.0	5.7	6.1	6.1	5.7		5.7
Other Cost (% of sales)	11.2	11.5	10.9	12.9	11.1	11.6		11.7
Gross Margins (%)	26.8	25.6	25.6	25.9	27.6	26.0		26.8
EBITDA Margins (%)	9.6	9.1	9.0	6.9	10.3	8.7		9.4
EBIT Margins (%)	7.3	6.7	6.7	4.2	8.1	6.3		7.0

Key exhibits

Exhibit 1: Consolidated revenue trend

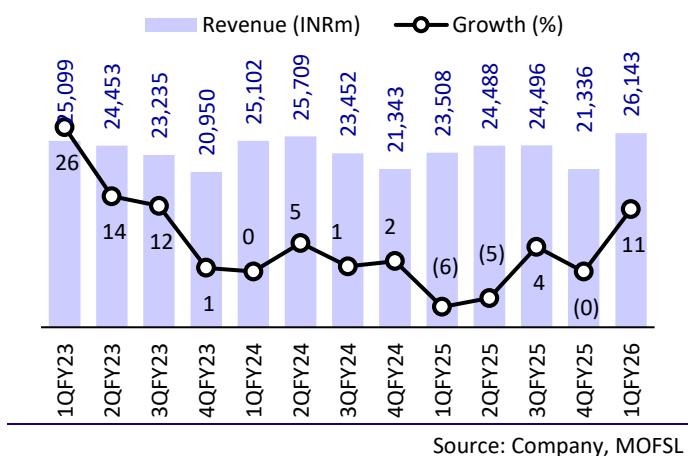


Exhibit 2: Consolidated EBITDA trend

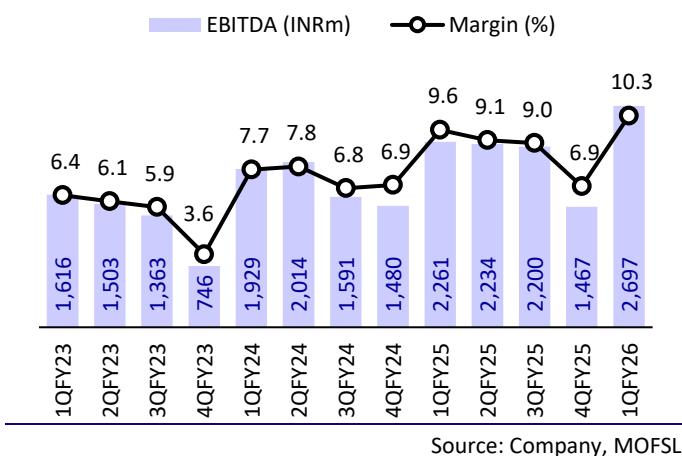


Exhibit 3: Consolidated adjusted PAT trend

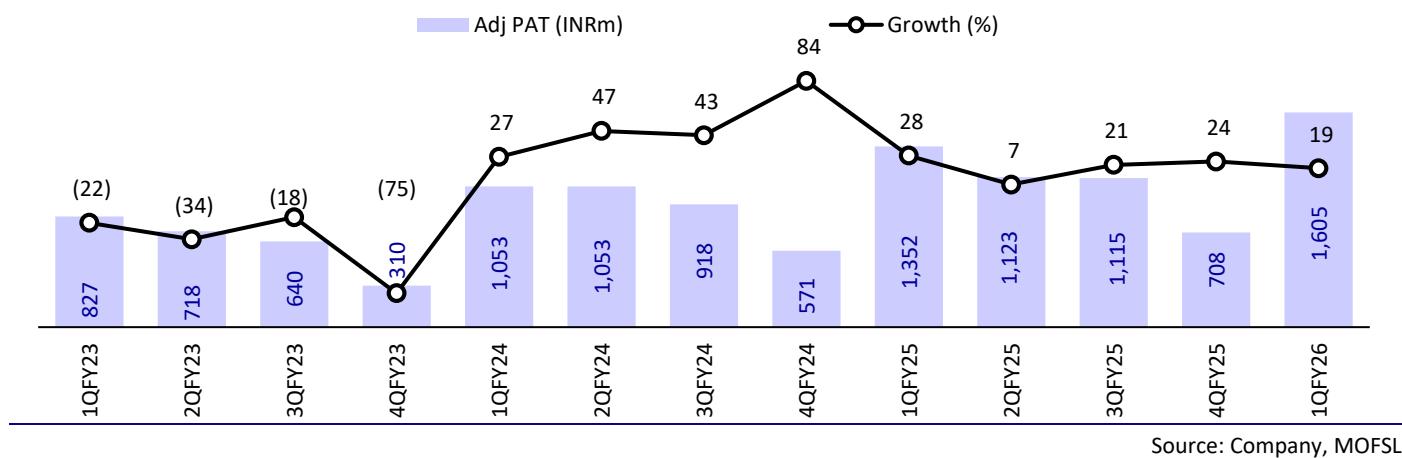


Exhibit 4: Animal Feed business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Volume (MT)	3,74,215	3,72,212	3,90,472	3,62,116	3,45,948	3,61,597	3,97,498	3,70,104	375,139
Growth (%)	6.0	4.3	1.8	-0.5	-7.6	-2.9	1.8	2.2	8.4
Revenue (INR m)	12,847	12,420	12,914	11,896	11,554	12,054	12,742	11,463	11,562
Growth (%)	3.1	1.8	1.5	-2.3	-10.1	-3.0	-1.3	-3.6	0.1
EBIT (INR m)	539.8	570.6	522.6	678.7	781.2	706.3	769.2	654.4	645.2
Margin (%)	4.2	4.6	4.0	5.7	6.8	5.9	6.0	5.7	5.6
Growth (%)	120.4	15.8	-9.6	52.5	44.7	23.8	47.2	-3.6	-17.4

Exhibit 5: Consolidated Crop Protection business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	3,819	3,790	2,225	2,544	3,645	2,967	1,934	2,708	4,026
Growth (%)	3.8	2.3	3.1	5.1	-4.6	-21.7	-13.1	6.4	10.4
EBIT (INR m)	799	649	248	468	868	551	119	457	1,165
Margin (%)	20.9	17.1	11.1	18.4	23.8	18.6	6.2	16.9	28.9
Growth (%)	78.5	10.2	188.6	253.4	8.5	-15.1	-52.0	-2.4	34.2

Exhibit 6: Standalone Crop Protection business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	2,640	2,600	1,720	1,190	3,140	1,980	990	1,530	3,280
Growth (%)	33.3	52.6	73.4	-7.0	18.9	-23.8	-42.4	28.6	4.5
EBIT (INR m)	850	770	520	410	1,420	850	270	540	1,380
Margin (%)	32.2	29.6	30.2	34.5	45.2	42.9	27.3	35.3	42.1
Growth (%)	225.8	148.5	1429.4	192.9	67.0	10.3	-48.1	31.7	-2.8

Exhibit 7: Astec Lifesciences business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	1,179	1,190	505	1,354	505	987	944	1,178	746
Growth (%)	-30.6	-40.5	-56.7	18.7	-57.2	-17.0	87.1	-13.0	47.7
EBITDA (INR m)	50	-24	-170	150	-453	-177	-38	63	-110
Margin (%)	4.2	-2.0	-33.7	11.1	-89.7	-17.9	-4.0	5.3	-14.8
Growth (%)	-82.3	-106.4	-206.8	87.5	-1006.0	643.8	-77.6	-58.0	-75.7

Exhibit 8: Palm Oil business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	2,317	4,474	3,545	1,875	2,604	4,407	4,877	2,439	4,991
Growth (%)	-39.9	10.5	-2.2	28.3	12.4	-1.5	37.6	30.1	91.7
EBIT (INR m)	280	687	672	92	241	736	1,154	184	868
Margin (%)	12.1	15.4	19.0	4.9	9.2	16.7	23.7	7.5	17.4
Growth (%)	-67.3	4.8	-15.4	-49.9	-14.1	7.1	71.7	100.0	260.5

Exhibit 9: Dairy business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	4,245	3,901	3,662	3,921	4,286	4,027	3,698	3,842	4,168
Growth (%)	7.9	8.1	5.3	-1.7	1.0	3.2	1.0	-2.0	-2.7
EBITDA (INR m)	47	47	47	47	47	47	47	47	47
Margin (%)	1.1	1.2	1.3	1.2	1.1	1.2	1.3	1.2	1.1
Growth (%)	2.2	2.2	2.2	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (INR m)	-25	29.3	102.2	203.4	185.3	84.3	92.6	66.1	43.1
Margin (%)	-0.6	0.8	2.8	5.2	4.3	2.1	2.5	1.7	1.0

Exhibit 10: Poultry and Processed Foods business

Particulars	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26
Revenue (INR m)	3,102	2,369	2,229	2,164	2,342	1,973	2,155	1,788	1,869
Growth (%)	25.0	3.7	-20.5	-12.1	-24.5	-16.7	-3.3	-17.4	-20.2
EBIT (INR m)	269	149	-73	119	193	5	65	41	45
Margin (%)	8.7	6.3	-3.3	5.5	8.2	0.3	3.0	2.3	2.4
Growth (%)	NA	NA	NA	NA	-28.4	-96.6	-188.9	-65.9	-76.8

Source: Company, MOFSL



Highlights from the management commentary

Operational performance and outlook

- Profitability growth was primarily driven by strong volumes and improved operational efficiencies in the Vegetable Oils business, supported by a significant reduction in losses at Astec Lifesciences.
- The company acquired full ownership of Creamline and Godrej Foods, marking the first major milestone in the ongoing business restructuring.
- The company continues to maintain its guidance for FY26.
- Proceeds from the rights issue will be utilized to repay outstanding debt.

Crop Protection (Standalone)

- Segment revenue grew marginally on the back of an increase in volumes in the in-house category.
- The company reported lower net realizations with respect to in-house and in-licensing categories on account of channel mix and higher discounts, which resulted in marginally lower margins. However, this was in line with the company's expectations.
- In Jul'25, the company launched a new in-licensed maize herbicide under the brand name 'Ashitaka'. This product is being shared with one more competitor under a different brand name.
- Ashitaka has a revenue potential of around INR2b, which the company expects to achieve over the next 3-4 years. Management may revise this estimate upward as the business scales.
- The company anticipates ~37-38m tons of corn production this year, which is expected to support the growth of Ashitaka.
- The company did not have a strong agri quarter in 1Q and expects some product returns in 2Q. Expected returns may exceed the provisions made.
- Management is targeting an EBIT margin in the range of ~28% to 30%.
- Pricing pressure persists due to intense competition; the company aims to mitigate this by expanding into new crops and geographies.
- Gracia is now being in-licensed by other competitors through Nissan. Japanese companies no longer offer exclusivity, so this development was inevitable.
- Gracia contributed ~5% to total revenue in 1QFY26, remaining flat YoY.

Astec LifeSciences

- Segment revenue improved ~31% YoY, primarily on account of higher volumes in both the Enterprise and CDMO categories.
- Improvement in EBITDA was primarily driven by higher volumes and lower raw material costs in the enterprise category, coupled with better capacity utilization.
- Astec is expected to achieve EBITDA breakeven in FY26.
- No signs of price improvement have been observed globally so far.
- There is considerable uncertainty surrounding tariffs. The company's exposure to the US market is ~7-10% of the total sales of Astec, while its major customers are based in Japan and South Korea.

- In the CDMO business, the company is targeting revenue of over INR3b in FY26, accounting for ~65% of total sales. It aims to grow this segment by ~30% annually, with 10 products currently in the pipeline.
- The Triazole business remains a key cash-generating segment for the company. Strong traction is being witnessed, and the company will continue to prioritize growth in this area.
- The CDMO business is geographically diversified, and the company is now expanding its presence in Western markets.

Dairy

- While there is an increase in volume of milk by 3% YoY, unseasonal rains in the months of April-May temporarily impacted the sale of Value-Added Products (VAP). VAP salience for 1QFY26 was ~42% of total sales.
- EBITDA margin contracted primarily due to an increase in milk procurement prices, contraction of margins in key VAP (such as curd, flavored milk, etc.) due to early rains, and increased spends in advertising and marketing.
- EBITDA margins, including working media spends, stood at ~6-7%, and the company expects to maintain this level in FY26.
- The company aims to increase the share of value-added products to 50% of the overall mix.

Palm Oil

- Segment revenue and margins improved significantly in 1QFY26 compared to 1QFY25, driven by increased average realizations of CPO and PKO, coupled with higher Fresh Fruit Bunch arrivals (up 52% YoY).
- The company witnessed its best-ever FFB performance in 1Q, driven by the early onset of the monsoon.
- Going forward, the company expects 15-18% growth in FFB arrivals in FY26, with better oil extraction rates compared to FY25 .
- The company witnessed an exceptionally strong Oil Extraction Ratio (OER) of 18.3% in 1QFY26, compared to 17.98% in 1QFY25.
- Value-added products account for 80% of total sales.
- FFB arrivals remain in line with last year's levels and are expected to continue being the strongest in 2Q, as has historically been the case.
- The company has shifted its focus toward PKO rather than CPO, and has the flexibility to switch going forward.
- To further strengthen the value-added portfolio, the company is setting up a PKO refinery, which is expected to commence production in 3Q. Additionally, the company also aims to venture into hydrogenation in 4Q, enabling entry into higher-value product segments.
- The incremental profit of the refinery segment is about 1-1.5% depending on prices.

Poultry

- The business recorded a YoY decline in both revenues as well as EBITDA. This was primarily driven by reduced volumes and muted realizations in the live bird category, as the company continued to prioritize its branded offerings and strategically scaled down its exposure to the live bird segment.
- In the branded segment, while the revenue remained flat, contribution margins expanded.
- Live bird share is 15% of the total sales, and the rest is accounted by VAP.
- In the branded segment, revenue remained flat, while margins expanded.
- Live bird sales account for ~15% of total sales, with the remaining 85% come from value-added products.

Animal Feed

- Volume growth was recorded across all key categories, with Cattle Feed up 11% YoY, Broiler Feed up 13% YoY, and Layer Feed up 4% YoY. This was partially offset by a 7% YoY decline in Aqua Feed.
- Despite volume growth, segment revenue remained flat YoY on account of a decline in average realizations, primarily due to subdued commodity prices.
- 1QFY26 witnessed higher utilization of vendor invoice discounting, which resulted in higher input costs and lower financing costs, impacting the segment's performance.

Valuation and view

- Momentum in the palm oil segment is expected to sustain, supported by a stable pricing environment and a strategic shift towards value-added products such as PKO. Moreover, Astec is likely to turn EBITDA positive in current year, driven by strong growth in the CDMO business.
- However, this will likely be offset by a weak outlook for the domestic crop protection segment, due to heightened competitive intensity, continued pricing pressure, and higher product returns than previously provisioned for. Consequently, we revise our FY26E EBITDA estimate downward by 7%, while largely maintaining our FY27E projections. We reiterate our **BUY rating on the stock with an SOTP-based target price of INR 940.**

Exhibit 11: Valuations

Particulars	FY27 EBITDA	EV/ EBITDA (x)	EV (INRm)	Net Debt (INRm)	Equity Value (INRm)	GOAGRO's share (%)	Value (INRm)	Value/ share (INR)	% Share
Standalone:									
Crop Protection	3,487	14	47,419		47,419	100%	47,419	247	26%
Palm Oil	3,763	14	50,798		50,798	100%	50,798	265	28%
Animal Feed	4,271	14	57,658		57,658	100%	57,658	300	32%
Unallocated expenses	-1,972	10	-20,603		-20,603	100%	-20,603	-107	-11%
Total	9,549	14	135,272	16,660	118,612	100%	118,612	618	66%
Subsidiaries:									
Astec (mcap with 20% holdco disc)					14,838	65%	9,609	50	5%
Creamline Dairy	1347	15	19,538	-396	19,934	100%	19,934	104	11%
Godrej Tyson Foods Limited & Others	1048	14	14,677		14,677	100%	14,677	76	8%
JV/ Associate:									
ACI Godrej Agrovet Private Limited	2,366	15	35,484		35,484	50%	17,742	92	10%
Total	14,310	14	204,971		203,545			940	100%

Source: MOFSL

Exhibit 12: Revisions to our estimates

Earnings Change (INR m)	Old		New		Change	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Revenue	107,150	117,335	106,268	116,299	-1%	-1%
EBITDA	9,995	11,895	9,313	11,790	-7%	-1%
Adj. PAT	5,697	7,054	5,307	6,933	-7%	-2%

Source: MOFSL

Financials and valuations

Consolidated - Income Statement								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Total Income from Operations	68,294	62,667	83,061	93,737	95,606	93,828	106,268	116,299
Change (%)	15.4	-8.2	32.5	12.9	2.0	-1.9	13.3	9.4
Raw Materials	53,194	46,078	63,048	73,891	72,437	69,462	77,696	85,015
Employees Cost	3,541	3,764	4,393	4,534	5,391	5,347	6,443	6,222
Other Expenses	7,454	7,187	8,966	10,084	10,763	10,857	12,816	13,273
Total Expenditure	64,189	57,029	76,407	88,509	88,591	85,666	96,955	104,510
% of Sales	94.0	91.0	92.0	94.4	92.7	91.3	91.2	89.9
EBITDA	4,104	5,638	6,654	5,228	7,015	8,162	9,313	11,790
Margin (%)	6.0	9.0	8.0	5.6	7.3	8.7	8.8	10.1
Depreciation	1,481	1,540	1,733	1,855	2,143	2,261	2,444	2,707
EBIT	2,624	4,098	4,921	3,373	4,872	5,901	6,869	9,083
Int. and Finance Charges	416	465	631	991	1,079	1,334	1,335	1,534
Other Income	468	396	797	367	413	435	467	511
PBT bef. EO Exp.	2,675	4,029	5,086	2,749	4,206	5,002	6,002	8,060
EO Items	682	0	-173	708	0	0	0	0
PBT after EO Exp.	3,357	4,029	4,914	3,457	4,206	5,002	6,002	8,060
Total Tax	481	1,055	1,224	823	1,133	1,504	1,554	2,029
Tax Rate (%)	14.3	26.20	24.91	23.81	26.93	30.1	25.9	25.2
Profit from Associate & MI	-185	-164	-337	-385	-523	-799	-859	-902
Reported PAT	3,062	3,137	4,026	3,019	3,596	4,297	5,307	6,933
Adjusted PAT	2,510	3,137	4,154	2,495	3,596	4,297	5,307	6,933
Change (%)	4.3	25.0	32.4	-39.9	44.1	19.5	23.5	30.6
Margin (%)	3.7	5.0	5.0	2.7	3.8	4.6	5.0	6.0
Consolidated - Balance Sheet								(INR m)
Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Equity Share Capital	1,920	1,921	1,921	1,922	1,922	1,922	1,922	1,922
Total Reserves	16,461	18,590	20,763	21,454	23,244	21,886	15,877	20,794
Net Worth	18,381	20,511	22,684	23,375	25,167	23,808	17,799	22,717
Minority Interest	3,825	4,103	4,203	4,061	4,045	2,216	1,903	1,573
Total Loans	6,185	9,428	15,660	13,215	13,085	13,672	20,672	17,672
Deferred Tax Liabilities	1,751	1,713	1,559	1,798	1,679	1,433	1,433	1,433
Capital Employed	30,142	35,755	44,105	42,449	43,975	41,130	41,807	43,395
Gross Block	23,812	26,551	29,372	30,520	34,717	39,206	40,625	42,669
Less: Accum. Deprn.	4,677	6,217	7,950	9,805	11,948	14,209	16,652	19,359
Net Fixed Assets	19,136	20,334	21,422	20,715	22,770	24,998	23,973	23,310
Goodwill on Consolidation	2,649	2,649	2,649	2,649	2,649	2,649	2,649	2,649
Capital WIP	1,532	1,414	902	2,044	1,915	399	1,180	1,336
Total Investments	1,292	1,237	1,597	1,584	1,766	1,386	1,386	1,386
Curr. Assets, Loans&Adv.	22,392	22,355	29,271	27,867	27,933	25,727	28,080	31,481
Inventory	9,436	10,419	14,288	13,441	13,830	12,587	14,344	15,462
Account Receivables	8,539	8,226	9,514	5,740	5,189	5,721	5,823	6,373
Cash and Bank Balance	508	509	347	295	529	393	474	924
Loans and Advances	3,910	3,200	5,123	8,390	8,385	7,026	7,439	8,722
Curr. Liability & Prov.	16,859	12,235	11,735	12,411	13,058	14,029	15,461	16,767
Account Payables	12,885	7,326	6,948	7,043	6,278	8,855	9,297	10,021
Other Current Liabilities	3,467	4,206	3,384	4,459	6,020	4,754	5,313	5,815
Provisions	507	703	1,403	909	760	421	850	930
Net Current Assets	5,533	10,120	17,536	15,456	14,875	11,698	12,619	14,714
Appl. of Funds	30,142	35,755	44,105	42,449	43,975	41,130	41,807	43,395

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
Basic (INR)								
EPS	13.1	16.3	21.6	13.0	18.7	22.4	27.6	36.1
Cash EPS	20.8	24.4	30.7	22.7	29.9	34.2	40.4	50.2
BV/Share	95.7	106.8	118.1	121.7	131.1	124.0	92.7	118.3
DPS	5.5	8.0	9.5	9.5	10.0	10.5	10.5	10.5
Payout (%)	41.5	49.0	45.3	60.4	53.4	46.9	38.0	29.1
Valuation (x)								
P/E	62.2	49.7	37.6	62.5	43.4	36.3	29.4	22.5
Cash P/E	39.1	33.4	26.5	35.9	27.2	23.8	20.1	16.2
P/BV	8.5	7.6	6.9	6.7	6.2	6.6	8.8	6.9
EV/Sales	2.4	2.7	2.1	1.8	1.8	1.8	1.7	1.5
EV/EBITDA	40.3	30.0	26.4	33.1	24.6	21.0	19.1	14.8
Dividend Yield (%)	0.7	1.0	1.2	1.2	1.2	1.3	1.3	1.3
FCF per share	-1.2	-13.1	-20.2	33.6	14.1	39.5	22.9	29.1
Return Ratios (%)								
RoE	14.4	16.1	19.2	10.8	14.8	17.5	25.5	34.2
RoCE	11.8	12.2	12.6	7.6	10.3	11.7	14.3	18.2
RoIC	8.8	10.2	10.0	6.4	9.1	10.5	13.1	17.3
Working Capital Ratios								
Fixed Asset Turnover (x)	2.9	2.4	2.8	3.1	2.8	2.4	2.6	2.7
Asset Turnover (x)	2.3	1.8	1.9	2.2	2.2	2.3	2.5	2.7
Inventory (Days)	50	61	63	52	53	49	49	49
Debtor (Days)	46	48	42	22	20	22	20	20
Creditor (Days)	69	43	31	27	24	34	32	31
Leverage Ratio (x)								
Current Ratio	1.3	1.8	2.5	2.2	2.1	1.8	1.8	1.9
Interest Cover Ratio	6.3	8.8	7.8	3.4	4.5	4.4	5.1	5.9
Net Debt/Equity	0.3	0.4	0.7	0.6	0.5	0.6	1.1	0.7

Consolidated - Cash Flow Statement

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E
OP/(Loss) before Tax	3,486	4,531	5,416	2,749	4,206	5,538	6,002	8,060
Depreciation	1,481	1,540	1,733	1,855	2,143	2,261	2,444	2,707
Interest & Finance Charges	416	465	631	624	666	1,334	868	1,023
Direct Taxes Paid	-969	-1,123	-1,533	-823	-1,237	-1,465	-1,554	-2,029
(Inc)/Dec in WC	-2,204	-5,413	-7,085	4,335	812	2,569	-1,154	-1,974
CF from Operations	2,210	0	-838	8,740	6,590	10,236	6,606	7,787
Others	188	-104	-362	0	190	-542	0	0
CF from Operating incl EO	2,398	-104	-1,201	8,740	6,780	9,693	6,606	7,787
(Inc)/Dec in FA	-2,634	-2,406	-2,680	-2,290	-4,068	-2,116	-2,200	-2,200
Free Cash Flow	-236	-2,510	-3,880	6,449	2,712	7,577	4,406	5,587
(Pur)/Sale of Investments	0	-9	-166	12	-182	232	-9,300	0
Others	82	627	765	-564	976	1,069	1,013	1,084
CF from Investments	-2,552	-1,787	-2,081	-2,842	-3,273	-815	-10,487	-1,116
Issue of Shares	0	0	0	1	1	1	0	0
Inc/(Dec) in Debt	2,311	3,579	5,778	-2,445	-130	-274	7,000	-3,000
Interest Paid	-390	-430	-602	-991	-1,079	-1,219	-1,335	-1,534
Dividend Paid	-1,076	-1,122	-1,591	-1,824	-1,920	-1,923	-2,016	-2,016
Others	-481	-136	-478	-689	-145	-5,598	314	329
CF from Fin. Activity	364	1,891	3,108	-5,949	-3,273	-9,013	3,962	-6,221
Inc/Dec of Cash	210	-1	-173	-51	233	-135	81	450
Opening Balance	299	510	509	347	296	529	393	474
Closing Balance	508	509	347	296	529	393	474	924

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

NOTES

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. 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/ListOf200of%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, 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.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

Specific Disclosures

1. 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
2. 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
3. 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.
4. 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.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. 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 warranty, 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 alterations 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, nor 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 profit 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/NCX/NCDEX); 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 dp@motilaloswal.com.