10 April 2026
Company Update | Sector: Consumption

LT Foods

CMP: INR410 **TP: INR500 (+22%)** **Buy**

BSE SENSEX	S&P CNX
77,550	24,051

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	142.5 / 1.5
52-Week Range (INR)	519 / 329
1, 6, 12 Rel. Per (%)	9/7/20
12M Avg Val (INR M)	632

Financials & Valuations (INR b)

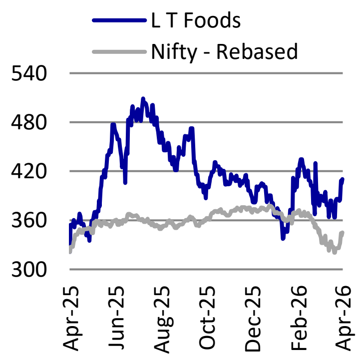
Y/E Mar	FY26E	FY27E	FY28E
Sales	108.5	123.8	138.3
EBITDA	11.9	14.0	15.9
PAT	6.5	8.3	9.9
EBITDA (%)	11.0	11.3	11.5
EPS (INR)	18.7	23.9	28.6
EPS Gr. (%)	7.4	27.6	19.8
BV/Sh. (INR)	124.7	143.6	167.2
Ratios			
Net D/E	0.1	0.1	0.0
RoE (%)	15.9	17.8	18.4
RoCE (%)	15.0	16.7	17.6
Valuations			
P/E (x)	22	17	14
EV/EBITDA (x)	13	11	9

Shareholding pattern (%)

As on	Dec-25	Sep-25	Dec-24
Promoter	51.0	51.0	51.0
DII	9.6	8.3	5.9
FII	8.9	10.1	9.3
Others	30.4	30.5	33.8

Note: FII includes depository receipts

Stock's performance (one-year)



Grains of change: Catalysts converge for a company re-rating

LT Foods (LTFOODS) stands at a compelling strategic inflection point, where a confluence of external catalysts and internal financial discipline collectively reinforces the investment thesis.

- **LTFOODS' US business (~46% of revenue) has successfully passed on the majority of the 50% US tariff burden to customers, underscoring the brand stickiness of Daawat and Royal in its most important market. The new 10% US tariff rate now unlocks volume upside, margin recapture, and competitive parity against Pakistani basmati, converting what was a six-month earnings headwind into a durable structural tailwind.**
- **Simultaneously, the company is navigating a near-term input cost challenge. Basmati paddy prices rose ~12% in crop 2025, driven by flood-induced yield shortfalls across Punjab's basmati belt. While this translates into an 830–940bp gross margin headwind in isolation, LTFOODS' aged inventory model, premium export realizations of INR144/kg, and improving working capital discipline collectively contain the actual earnings impact, demonstrating the company's ability to absorb cyclical cost pressures without structural margin contraction.**
- **This resilience is underpinned by a balance sheet that has been deliberately and methodically strengthened over the past decade. LTFOODS has delivered revenue and adjusted PAT CAGRs of 16% and 27%, respectively, over FY20–25, generating cumulative free cash flow of ~INR16b. This strong financial profile reflects structural resilience capable of absorbing near-term macro pressures, and has supported the company's CRISIL upgrade to AA/Stable in Feb'26.**
- **Further supporting the outlook, a significant overhang on the organic business has been materially resolved. The US Department of Commerce's Final Order, dated 23rd Feb'26, slashed Ecopure's countervailing duty (CVD) rate from 340.27% to 75.48%, reducing the potential liability from INR1.63b to ~INR400m. This resolution de-risks a key subsidiary and reinforces our confidence in LTFOODS' ability to navigate complex international trade environments.**
- **However, the US–Israel–Iran conflict has created near-term risks, with ~400,000MT of India's basmati stuck in transit and freight rates rising sharply (3–4x, with spikes of >1,000%), creating margin pressure and working capital stress for exporters. While disruptions in the Middle East (~9% of LTFOODS' revenue; ~67% of India's exports) weigh on the sector, a 5–6% correction in basmati prices partly offsets crop 2025 input cost inflation. Encouragingly, the recent two-week ceasefire has provided some relief, with potential reopening of the Strait of Hormuz and signs of price firming in the domestic market. Meanwhile, LTFOODS' strong North America presence offers a structural buffer versus more Middle East-focused peers.**
- **We expect LTFOODS to report a CAGR of 17%/18%/18% in revenue/EBITDA/PAT over FY25-28. We value LTFOODS at 17x FY28E EPS to arrive at our TP of INR500. Reiterate BUY.**

US-India trade deal: From headwind to structural tailwind

- A key positive in LTFOODS' US business (accounts for ~46% of the company's overall revenue) over the past six months has been **management's successful pass-through of the full 50% tariff burden to the majority of end customers** (while absorbing some portion internally)**.**

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)

- While this was not guaranteed, the premium and largely non-substitutable nature of basmati rice (owing to its unique aromatic profile, elongation characteristics, and textures that cannot be replicated by US-grown varieties), along with the strong consumer stickiness of LTFOODs' brand 'Royal', enabled the company to absorb the cost increase.
- As confirmed in the 3QFY26 earnings call, majority of the 50% duty was passed on, with the company maintaining 2-3 months of inventory in the US to ensure seamless supply.
- **With the new 10% baseline rate, the outlook for LTFOODS improves materially in three distinct ways**:
  - Volume upside: US retail prices for premium basmati can now be partially reduced, making LTFOODS' products more competitive against Thai Hom Mali and other aromatic rice alternatives in the Indian diaspora market.
  - Margin expansion: The **40pp reduction in tariff** (50% to 10%) could enable **LTFOODS to partially recapture margins** that were eroded during the high-tariff period. Notably, management had not increased export prices proportionately to the full 50% tariff, absorbing some portion internally.
  - Competitive re-positioning against Pakistan: Pakistani basmati, which benefited from lower US tariffs due to not being subject to the same reciprocal tariff framework, gained a slight competitive advantage during the peak tariff period. At that time, the average price of basmati rice was USD1,200/MT; with the high tariff, another USD600/MT was added, raising the price to USD1,800. In contrast, Pakistan enjoys a lower tariff of 19%, resulting in a price of ~USD1,450, a difference of USD350/MT. **This new US baseline tariff of 10% restores parity for Indian exporters.**

Paddy prices: A headwind to navigate, but pricing power provides a buffer

- **The paddy price challenge and the US trade deal tailwind represent two sides of the same coin for LTFOODS—while one contracts margins, the other provides the headroom to absorb and eventually offset this contraction.**
- Paddy (raw rice) accounts for ~70-80% of LTFOODS' total input costs, making it the most critical variable in the company's cost structure. Crop 2025 has seen a meaningful price increase, presenting a near-term margin headwind, which we believe will be offset by the positive catalysts discussed above.
- Basmati paddy prices saw an average increase of ~12% on a consolidated basis for crop 2025 (Oct'25 to Feb'26), driven by the following key factors:
  - Lower-than-expected yields in basmati-growing regions: Punjab, India's single largest basmati-producing state by volume (~45-50% production share), experienced unseasonal rainfall in Aug-Sep'25 and Oct'25, leading to significant crop damage and yield shortfalls.
  - Flooding in major basmati-producing districts further compounded supply concerns, with basmati paddy prices rising in Aug'25 (up 13% YoY) and remaining elevated to date (i.e., Feb'26).
  - Overall, non-basmati paddy prices also rose during certain periods, led by strong demand and lower yields due to heavy rainfall. Additionally, the kharif MSP for common paddy was revised upward to INR2,369/quintal for 2025-26 (up INR69 or ~3%), although market prices exceeded MSP for premium varieties.

- India's record rice production of ~150m MT in FY25 (vs 137.82m MT in FY24) is partly offset by basmati-specific supply tightness, as the aromatic variety is grown only in specific geographies and cannot be expanded easily.
- **A 12% increase in paddy prices, given its ~70-80% share of total expenses, is expected to translate into ~830-940bp headwind on gross margins in isolation. However, several factors highlighted below are likely to limit the actual impact.**
- LTFOODS' aged inventory model implies that paddy procured during the crop season is processed and sold over a 12-18 month period, creating a natural lag. Consequently, the benefits of lower input costs from FY25 continue to flow through the P&L, partially cushioning the Crop 2025 price increase.
- Premium basmati exports command ~INR144/kg in export realization versus INR64/kg domestically, providing significant headroom to absorb cost increases on the export side.
- Gross margins expanded from 33.2% in 9MFY25 to 34% in 9MFY26, demonstrating LTFOODS' ability to effectively manage cost pressures while continuing to grow revenues.
- **Consequently, management has guided for double-digit revenue growth in FY27, and we believe the margin outlook will become clearer by the next quarter as the full extent of paddy procurement costs becomes visible.**

Strong financial health to sustain macro headwinds

- LTFOODS has compounded its revenue/Adj. PAT by 16%/27% over FY20-25, with EBITDA margins sustaining in the 11-12% range.
- Over the same period, the company generated a cumulative FCF of INR16b, led by a significant improvement in working capital days from 244 in FY21 to 196 in FY25. This was largely due to the implementation of an effective paddy procurement strategy, wherein USD1 rice, which requires less or no aging, is sourced directly from mills, enabling 60-90 days of credit. This has helped the company extend payable days to 113 in FY25 vs 60 days in FY21.
- In 9MFY26, revenue grew 25% YoY to INR80.4b, led by stable volume growth in both domestic and international markets, US tariff-led realization increase, and the consolidation of Golden Star (since Jun'26). PAT growth was ~10% YoY, impacted by lower margins due to tariffs, higher freight costs, and increased ad spends. Working capital witnessed a healthy improvement in 9MFY26 vs. 9MFY25 by 22 days, led by improvements across all parameters: inventory days (down by 13 days), payable days (up by 5 days), and receivable days (down by 5 days).
- **CRISIL recently upgraded LTFOODS' long-term financial rating to AA/Stable in Feb'26.** This upgrade reflects the culmination of a decade-long, deliberate financial transformation—from a working-capital-heavy commodity exporter rated BBB- in 2013 to a globally diversified branded FMCG business now occupying the AA credit tier.
- Such a double-digit revenue trajectory, achieved even through periods of export bans, freight disruptions, and geopolitical tariff shocks, is precisely the kind of evidence rating agencies demand before awarding the AA designation.

Organic business CVD resolution: INR1.63b liability significantly reduced

- On 23rd Feb'26, the US Department of Commerce issued its final order in the CVD administrative review covering Ecopure Specialities Limited's (step-down subsidiary of LTFOODS) exports of organic soybean meal to the US for the period 1st Jan to 31st Dec'23.

- Ecopure is the company's organic arm, with a portfolio that includes rice, pulses, soybeans, seeds, millets, nuts, flour, and extruded oils. The organic business contributed ~11% of total revenue in FY25. Among these, soybean is one of the products exported to the US, generating revenue of ~INR500m as of FY25 (~0.5% of LTFOODS' consolidated revenue).
- **The duty rate was drastically reduced from 340.27% to 75.48%, implying a 264.79pp reduction. This significantly lowers the potential liability to ~INR400m from the earlier INR1.63b that had hung over the company since Jun'25.**
- LTFOODS had previously communicated that it was evaluating legal remedies. The successful outcome vindicates this approach and demonstrates management's ability to navigate complex international trade proceedings.
- **However, the company has not yet received any communication regarding payment of this amount and intends to contest the ruling in higher courts to seek a further reduction in the duty rate.**
- **Brief context:** The US DoC initiated an antidumping (AD) and CVD investigation on organic soybean meal imports from India in Apr'21. In the subsequent administrative review, the DoC applied the punitive 'Adverse Facts Available' (AFA) methodology to Ecopure in Jun'25, resulting in a provisional CVD rate of 340.27%. This was among the highest duties ever levied on an Indian food exporter and was imposed due to Ecopure's alleged non-cooperation during the investigation. However, revenue from these exports was relatively modest at INR500m for the period under review.
- Had the 340.27% AFA rate been made permanent, it would have effectively banned Ecopure from the US organic soybean meal market, as export economics would not have been viable at such a duty level.
- The revised rate of 75.48%, while still substantial, allows for commercial viability if pricing is adjusted accordingly. Premium organic products carry stronger pricing power than commodity categories.
- **If the 75.48% CVD rate remains in place, it would not be a negligible duty**. Ecopure may need to price the duty into export contracts or explore market diversification for organic soybean meal. However, structural demand tailwinds in the organic food segment, such as rising health consciousness and ESG-driven sourcing preferences among US food companies, provide stronger pricing power that commodity exporters lack. Further, any future administrative review for 2024 or 2025 sales would be a fresh proceeding, and the company is now better positioned to cooperate fully and achieve a more favorable outcome.

The Middle East conflict a headwind, but diversification cushions the blow

- The US-Israel-Iran conflict (since 28th Feb, 2026) introduced a rapidly evolving and two-sided risk for LTFOODS.
- On the adverse side, ~400,000 MT of Indian basmati rice are currently stuck in transit, freight rates have more than doubled, and new export deals have stalled—directly affecting LTFOODS, given the Middle East contributes ~9% of its revenue (9MFY26).
- The broader sector impact is significant; according to the APEDA data, the Middle East accounts for ~67% of India's basmati exports, with key markets such as Iran (14%), Iraq (13%), and Saudi Arabia (19%) together forming ~46% of total exports. While LTFOODS does not have meaningful direct exposure to Iran, the disruption across the region is likely to weigh on its Middle East revenues and margins, especially amid sharply rising freight costs.

- The logistics disruption is particularly severe, with freight escalation far exceeding the 2023–24 Red Sea crisis. Container rates on the India–Middle East route have surged within weeks, moving from ~USD1,200–1,800 to USD3,500–4,500 per FEU (forty-foot equivalent unit) alongside additional burdens from war risk insurance, fuel surcharges, and container shortages. Shipping disruptions around the Strait of Hormuz have extended transit times by 10-15 days and tightened container availability, leading to elevated working capital requirements and margin pressure. **As a result, logistics—not demand—has become the key bottleneck for exporters.**
- There is a partial offset on the positive side. The conflict has triggered a 5–6% correction in basmati prices during the initial days. This decline comes after the price spike seen during the 2025 crop due to lower yields.
- However, according to our channel checks, basmati rice has been reaching the Middle East, although with a lag and at a higher cost, and the demand-side headwinds have been limited. This, coupled with the recent two-week ceasefire announcement, has resulted in the firming up of basmati prices in the domestic market. This could support domestic rice companies (including LTFOODS) with better realization (in line with the rise in input costs from 2025 crops).
- **Overall, while the Iran conflict poses a near-term headwind through elevated freight costs and execution challenges, LTFOODS remains relatively better positioned due to its diversified geographic mix, with North America as its anchor market. LTFOODS is structurally better insulated than its peers, which are more heavily reliant on the Middle East. In fact, the current situation reinforces the strategic merit of its diversified geographic mix, with the US and European markets as core growth drivers.**
- **Another potential upside scenario is a successful peace agreement leading to the lifting of US sanctions on Iran. In such a case, basmati exports from India could see a sharp recovery, given that Iran, historically one of the largest importers, accounted for a significant share of India's basmati trade (~23% in FY21, which dropped to ~11% in FY24 due to sanctions). A resumption of large-scale procurement could drive a strong rebound in export volumes and prices, with Iran potentially reclaiming its position as a key or leading destination for Indian basmati.**

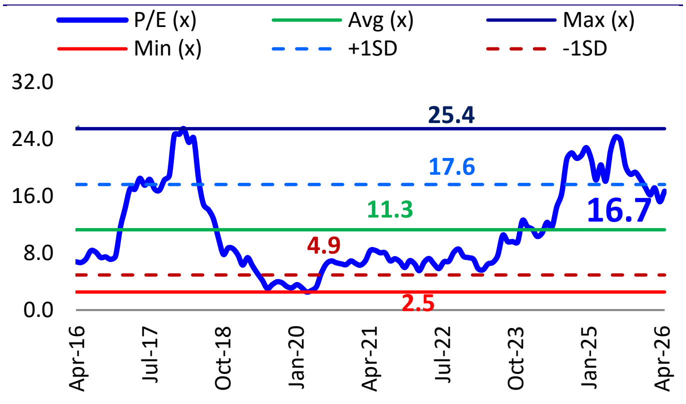
Valuation and view

- LTFOODS stands at a rare convergence of catalysts: the India-US trade deal slashing tariffs from 50% to 10%, the Ecopure CVD liability shrinking from INR1.63b to INR400m, and a CRISIL AA/Stable upgrade validating a decade of financial transformation. While each catalyst independently moves the needle, together they present a structural re-rating opportunity.
- Near-term headwinds from ~12% basmati paddy inflation are real but manageable. LTFOODS' aged inventory model, premium export realizations, and disciplined working capital management provide sufficient buffers, as evidenced by gross margin expansion to 34% despite cost pressures in 9MFY26.
- With revenue and PAT compounding at 16% and 27%, respectively, over FY20-25 and double-digit growth guided for FY27, LTFOODS has demonstrated strong financial resilience to turn macro adversity into a competitive advantage.
- **Key Risks:** Sustained basmati paddy inflation beyond crop 2025, escalating Middle East conflict disrupting shipping lanes and payment channels, reversal of

India-US trade deal terms, adverse future CVD review outcomes for Ecopure, sharper-than-expected margin compression from rising freight costs and advertising spends, and INR/USD currency volatility amid global geopolitical uncertainty.

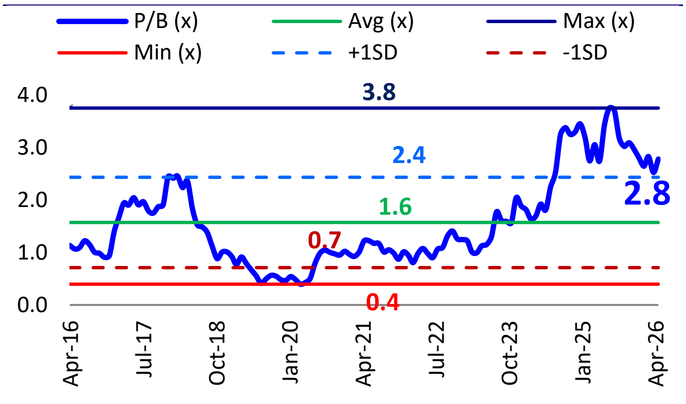
- We expect LTFOODS to report a CAGR of 17%/18%/18% in revenue/EBITDA/PAT over FY25-28. We value LTFOODS at 17x FY28E EPS to arrive at our TP of INR500. **Reiterate BUY.**

Exhibit 1: One-year forward P/E (x)



Source: Company, MOFSL

Exhibit 2: One-year forward P/B (x)



Source: Company, MOFSL

Exhibit 3: Top Basmati Rice Export Destination

	Quantity (m MT)			Value (USDb)			% Share in total Export		
Country	**2021-22**	**2022-23**	**2023-24**	**2021-22**	**2022-23**	**2023-24**	**2021-22**	**2022-23**	**2023-24**
Iran	9,98,046	9,98,877	6,70,781	0.82	0.98	0.68	23.2%	20.5%	11.6%
Saudi Arabia	6,74,600	9,54,732	10,98,039	0.65	1.04	1.25	18.4%	21.7%	21.4%
Iraq	4,86,298	3,64,068	8,24,529	0.4	0.38	0.89	11.3%	7.9%	15.2%
UAE	2,57,008	3,15,513	3,08,662	0.22	0.33	0.33	6.2%	6.9%	5.7%
Yemen Republic	2,05,937	2,89,602	3,07,121	0.18	0.31	0.34	5.1%	6.5%	5.8%
USA	1,60,895	2,04,027	2,34,467	0.18	0.24	0.31	5.1%	5.0%	5.3%
Kuwait	1,47,484	1,56,444	1,79,583	0.13	0.16	0.2	3.7%	3.3%	3.4%
UK	1,29,421	1,43,685	1,85,553	0.12	0.14	0.22	3.4%	2.9%	3.8%
Oman	77,442	1,12,257	1,64,348	0.07	0.13	0.18	2.0%	2.7%	3.1%
Qatar	71,725	92,141	1,15,405	0.06	0.09	0.12	1.7%	1.9%	2.1%
Total Exports to Major Export Destinations	**32,08,856**	**36,31,346**	**40,88,488**	**2.84**	**3.79**	**4.53**	**80.2%**	**79.1%**	**77.6%**
Total Exports to all other Destinations	**7,34,861**	**9,29,865**	**11,53,694**	**0.7**	**1**	**1.31**	**19.8%**	**20.9%**	**22.4%**
Total Export of Rice-Basmati	**39,43,717**	**45,61,211**	**52,42,182**	**3.54**	**4.79**	**5.84**	**100%**	**100%**	**100%**

Source: DGCIS

Story in charts

Exhibit 4: LTFOODS – consolidated revenue trend

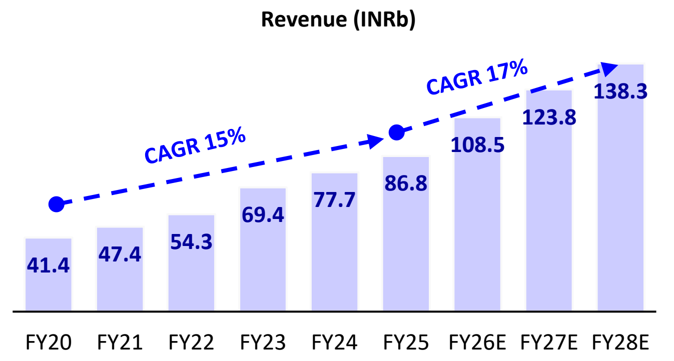


Exhibit 5: Consolidated EBITDA trend

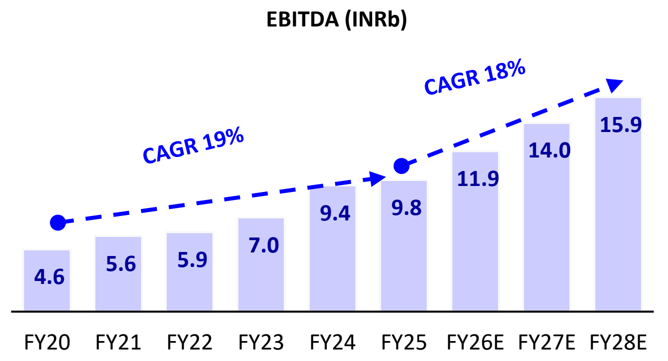


Exhibit 6: Margin inching upwards

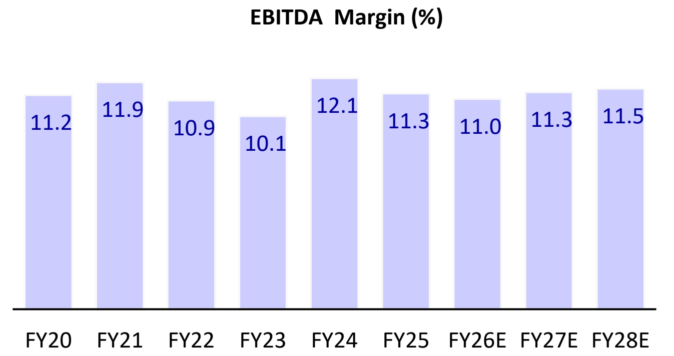


Exhibit 7: Consolidated Adj. PAT trend

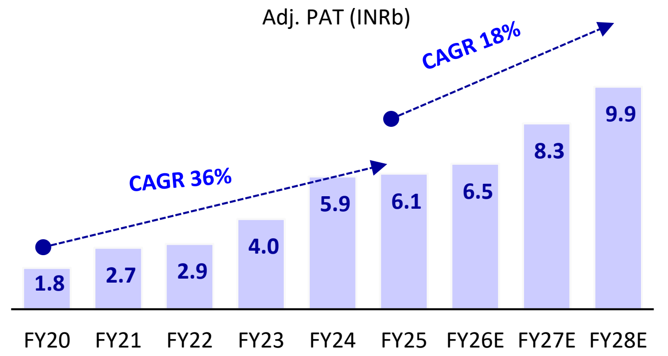


Exhibit 8: Improving return ratios…

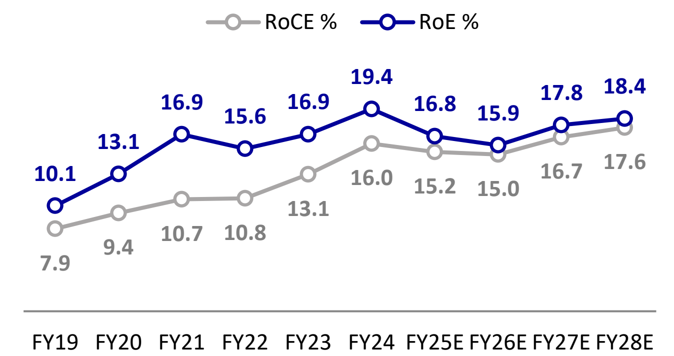


Exhibit 9: …led by healthy cash flow generation

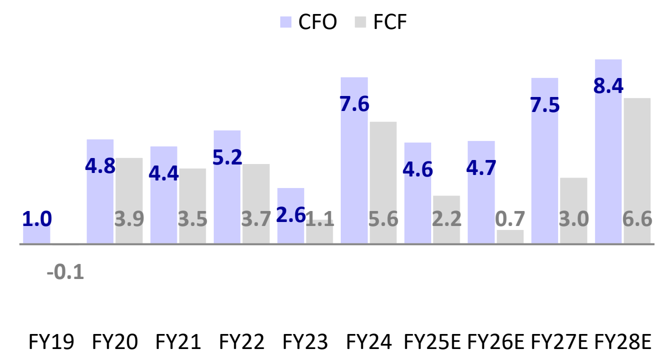
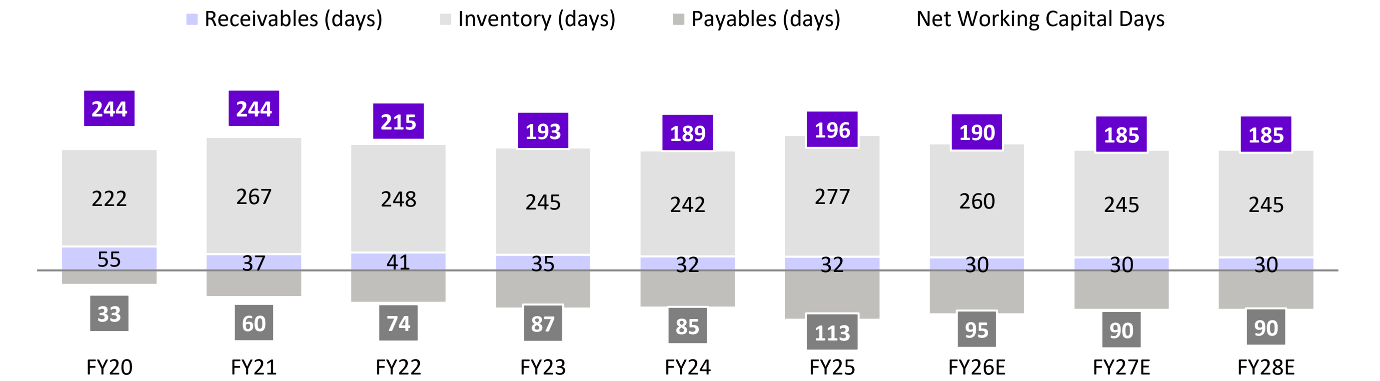


Exhibit 10: Working capital days to stabilize at optimal levels



Source: Company, MOFSL

Financials and valuations

Consolidated - Income Statement									(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Total Income from Operations	**41,351**	**47,419**	**54,274**	**69,358**	**77,724**	**86,815**	**1,08,453**	**1,23,840**	**1,38,335**
Change (%)	6.3	14.7	14.5	27.8	12.1	11.7	24.9	14.2	11.7
Raw Materials	28,752	30,405	34,679	45,775	52,781	57,403	71,320	81,982	91,578
Gross Profit	**12,599**	**17,015**	**19,595**	**23,583**	**24,943**	**29,412**	**37,133**	**41,858**	**46,757**
Employees Cost	1,986	2,643	2,896	3,596	4,301	4,908	6,293	7,059	7,747
Other Expenses	5,986	8,748	10,781	12,989	11,263	14,722	18,922	20,766	23,070
Total Expenditure	**36,724**	**41,796**	**48,356**	**62,360**	**68,345**	**77,032**	**96,535**	**1,09,806**	**1,22,395**
% of Sales	88.8	88.1	89.1	89.9	87.9	88.7	89.0	88.7	88.5
EBITDA	**4,627**	**5,624**	**5,917**	**6,998**	**9,379**	**9,783**	**11,918**	**14,033**	**15,941**
Margin (%)	11.2	11.9	10.9	10.1	12.1	11.3	11.0	11.3	11.5
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,391	2,573	2,809
EBIT	**3,713**	**4,539**	**4,691**	**5,729**	**7,850**	**7,926**	**9,527**	**11,460**	**13,132**
Int. and Finance Charges	1,323	874	687	821	830	877	1,230	992	537
Other Income	379	315	232	430	496	885	566	619	692
PBT bef. EO Exp.	**2,770**	**3,980**	**4,236**	**5,338**	**7,517**	**7,934**	**8,863**	**11,087**	**13,286**
EO Items	0	0	0	0	0	0	0	0	0
PBT after EO Exp.	**2,770**	**3,980**	**4,236**	**5,338**	**7,517**	**7,934**	**8,863**	**11,087**	**13,286**
Total Tax	776	1,089	1,144	1,353	2,029	2,102	2,444	2,791	3,344
Tax Rate (%)	28.0	27.4	27.0	25.3	27.0	26.5	27.6	25.2	25.2
Minority Interest	148	150	170	-42	-446	-222	-81	0	0
Reported PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**6,500**	**8,296**	**9,942**
Adjusted PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**6,500**	**8,296**	**9,942**
Change (%)	45.8	48.5	6.6	37.9	47.3	2.0	7.4	27.6	19.8
Margin (%)	4.5	5.8	5.4	5.8	7.6	7.0	6.0	6.7	7.2

Consolidated - Balance Sheet									(INRm)
Y/E March	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**	**FY25**	**FY26E**	**FY27E**	**FY28E**
Equity Share Capital	320	320	320	347	347	347	347	347	347
Total Reserves	14,494	17,235	19,656	27,223	33,369	38,189	42,953	49,513	57,719
Net Worth	**14,813**	**17,555**	**19,976**	**27,571**	**33,716**	**38,537**	**43,300**	**49,860**	**58,066**
Minority Interest	1,179	1,348	1,513	400	551	0	0	0	0
Total Loans	17,643	15,698	13,196	9,377	5,262	7,434	8,134	7,134	2,634
Deferred Tax Liabilities	-319	-195	-182	-186	-256	-324	-324	-324	-324
Capital Employed	**33,316**	**34,406**	**34,503**	**37,161**	**39,273**	**45,647**	**51,111**	**56,671**	**60,377**
Gross Block	13,840	14,264	15,255	17,838	20,967	25,259	27,616	31,538	34,547
Less: Accum. Deprn.	5,439	6,092	6,857	8,126	9,655	11,512	13,903	16,476	19,284
Net Fixed Assets	**8,401**	**8,173**	**8,398**	**9,712**	**11,312**	**13,747**	**13,714**	**15,062**	**15,263**
Goodwill on Consolidation	659	626	655	240	285	293	293	293	293
Capital WIP	173	327	350	266	412	447	2,089	2,668	1,409
Total Investments	**334**	**287**	**249**	**1,270**	**1,834**	**2,234**	**2,234**	**2,234**	**2,234**
Curr. Assets, Loans&Adv.	**28,300**	**31,516**	**33,757**	**41,514**	**46,318**	**57,085**	**65,355**	**71,512**	**80,385**
Inventory	17,502	22,228	23,518	30,724	34,981	43,603	50,804	55,029	61,470
Account Receivables	6,196	4,867	6,113	6,744	6,758	7,520	8,914	10,179	11,370
Cash and Bank Balance	249	300	391	390	503	1,442	431	360	904
Loans and Advances	4,352	4,120	3,734	3,657	4,075	4,521	5,206	5,944	6,640
Curr. Liability & Prov.	**4,550**	**6,523**	**8,905**	**15,841**	**20,890**	**28,159**	**32,574**	**35,098**	**39,206**
Account Payables	2,608	5,036	7,031	10,928	12,300	17,726	19,540	20,215	22,581
Other Current Liabilities	1,602	1,137	1,459	4,711	8,367	10,131	12,656	14,451	16,143
Provisions	340	350	415	202	223	303	378	432	482
Net Current Assets	**23,750**	**24,993**	**24,851**	**25,673**	**25,429**	**28,926**	**32,781**	**36,414**	**41,179**
Appl. of Funds	**33,315**	**34,406**	**34,504**	**37,161**	**39,273**	**45,647**	**51,111**	**56,671**	**60,377**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
Basic (INR)									
EPS	**5.3**	**7.9**	**8.4**	**11.6**	**17.1**	**17.4**	**18.7**	**23.9**	**28.6**
Cash EPS	7.9	11.0	11.9	15.3	21.5	22.8	25.6	31.3	36.7
BV/Share	42.7	50.6	57.5	79.4	97.1	111.0	124.7	143.6	167.2
DPS	0.0	0.9	0.9	0.5	0.5	2.5	5.0	5.0	5.0
Payout (%)	0.0	11.7	10.9	4.3	2.9	14.3	26.7	20.9	17.5
Valuation (x)									
P/E	77.2	51.9	48.7	35.3	24.0	23.5	21.9	17.2	14.3
Cash P/E	51.6	37.2	34.3	26.9	19.1	18.0	16.0	13.1	11.2
P/BV	9.6	8.1	7.1	5.2	4.2	3.7	3.3	2.9	2.5
EV/Sales	3.9	3.3	2.9	2.2	1.9	1.7	1.4	1.2	1.0
EV/EBITDA	34.5	28.1	26.2	21.6	15.7	15.2	12.6	10.6	9.0
Dividend Yield (%)	0.0	0.2	0.2	0.1	0.1	0.6	1.2	1.2	1.2
FCF per share	11.3	10.0	10.5	3.3	16.0	6.4	2.0	8.7	19.1
Return Ratios (%)									
RoE	13.1	16.9	15.6	16.9	19.4	16.8	15.9	17.8	18.4
RoCE	9.4	10.7	10.8	13.1	16.0	15.2	15.0	16.7	17.6
RoIC	8.5	10.0	10.2	12.4	16.0	14.9	15.7	17.5	18.3
Working Capital Ratios									
Fixed Asset Turnover (x)	3.0	3.3	3.6	3.9	3.7	3.4	3.9	3.9	4.0
Asset Turnover (x)	1.2	1.4	1.6	1.9	2.0	1.9	2.1	2.2	2.3
Inventory (Days)	222	267	248	245	242	277	260	245	245
Debtor (Days)	55	37	41	35	32	32	30	30	30
Creditor (Days)	33	60	74	87	85	113	100	90	90
Leverage Ratio (x)									
Current Ratio	6.2	4.8	3.8	2.6	2.2	2.0	2.0	2.0	2.1
Interest Cover Ratio	2.8	5.2	6.8	7.0	9.5	9.0	7.7	11.5	24.4
Net Debt/Equity	1.2	0.9	0.6	0.3	0.1	0.1	0.1	0.1	0.0

Consolidated - Cash Flow

(INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
OP/(Loss) before Tax	2,770	3,980	4,236	5,626	8,005	8,220	8,863	11,087	13,286
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,391	2,573	2,809
Interest & Finance Charges	1,298	861	676	821	830	877	664	373	-154
Direct Taxes Paid	-789	-1,131	-1,074	-1,293	-1,522	-2,332	-2,444	-2,791	-3,344
(Inc)/Dec in WC	334	-537	-14	-3,390	-805	-3,745	-4,865	-3,705	-4,220
CF from Operations	**4,527**	**4,257**	**5,051**	**3,033**	**8,037**	**4,877**	**4,609**	**7,538**	**8,376**
Others	245	190	124	-449	-468	-252	81	0	0
CF from Operating incl EO	**4,772**	**4,447**	**5,175**	**2,584**	**7,569**	**4,625**	**4,690**	**7,538**	**8,376**
(Inc)/Dec in FA	-845	-990	-1,519	-1,438	-2,011	-2,391	-4,000	-4,500	-1,750
Free Cash Flow	**3,927**	**3,457**	**3,656**	**1,146**	**5,558**	**2,234**	**690**	**3,038**	**6,626**
(Pur)/Sale of Investments	-10	-8	-12	-2,516	-22	-122	0	0	0
Others	78	121	155	8	18	9	566	619	692
CF from Investments	**-777**	**-877**	**-1,377**	**-3,946**	**-2,015**	**-2,504**	**-3,434**	**-3,881**	**-1,058**
Issue of Shares	0	0	0	3,824	0	0	0	0	0
Inc/(Dec) in Debt	-2,478	-2,252	-2,781	-1,119	-3,741	2,173	700	-1,000	-4,500
Interest Paid	-1,309	-889	-475	-734	-724	-704	-1,230	-992	-537
Dividend Paid	-251	-320	-320	-160	-347	-1,040	-1,736	-1,736	-1,736
Others	0	0	0	-448	-567	-1,934	0	0	0
CF from Fin. Activity	**-4,038**	**-3,461**	**-3,575**	**1,363**	**-5,380**	**-1,504**	**-2,266**	**-3,729**	**-6,774**
Inc/Dec of Cash	**-43**	**108**	**223**	**1**	**175**	**617**	**-1,010**	**-71**	**544**
Opening Balance	292	191	168	389	329	825	1,442	431	360
Closing Balance	**249**	**300**	**391**	**390**	**503**	**1,442**	**431**	**360**	**904**

N O T E S

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/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, 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: No.
   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 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/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 dpgrievances@motilaloswal.com.