28 October 2026
2QFY27 Results Update | Sector: Consumer

LT Foods

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	LTFOODS IN
Equity Shares (m)	347
M.Cap.(INRb)/(USDb)	134 / 1.4
52-Week Range (INR)	491 / 332
1, 6, 12 Rel. Per (%)	-5/-4/5
12M Avg Val (INR M)	567

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	109.5	128.6	141.8
EBITDA	11.6	14.5	16.9
Adj. PAT	6.3	8.3	10.5
EBITDA Margin (%)	10.6	11.3	11.9
Cons. Adj. EPS (INR)	18.0	23.9	30.3
EPS Gr. (%)	3.3	32.7	26.7
BV/Sh. (INR)	130.2	149.1	174.4
Ratios			
Net D:E	0.1	0.1	-0.1
RoE (%)	14.9	17.1	18.7
RoCE (%)	14.1	16.0	17.8
Valuations			
P/E (x)	21	16	13
EV/EBITDA (x)	12	10	8

Shareholding pattern (%)

As on	Sep-26	Jun-26	Sep-25
Promoter	51.0	51.0	51.0
DII	11.2	10.8	8.3
FII	8.3	8.2	10.1
Others	29.5	30.0	30.5

Note: FII includes depository receipts

CMP: INR386 **TP: INR500 (+30%)** **Buy**

Volume momentum sustained; freight and branding costs weigh on margins

Operating performance below our estimate

- LT Foods reported a strong revenue growth of 17% in 2QFY27, led by 21% YoY growth in Basmati and Other Specialty Rice (total volume/branded business volume up 11%/~8% YoY). EBITDA grew 10% YoY as margin was impacted by higher freight costs and brand investments in the quarter.
- Going ahead, we expect margins to recover as pricing actions offset high freight costs, particularly in the Europe and the Middle East. Organic Foods business started to benefit from remodeling (EBITDA margin up 400bp YoY/390bp QoQ to 8%), with margins expected to improve further to 10-11% over the next two years. Healthy volume growth, continued market share gains in India, and expansion of the North American portfolio support the growth outlook. We expect operating leverage, improving organic foods profitability, and the anticipated turnaround of its UK operations in FY28 to support medium-term profitability.
- We largely maintain our FY27/FY28 earnings estimates and **reiterate our BUY rating on the stock** with a TP of INR500 (premised on 17x FY28E EPS).

Broad-based growth momentum across geographies

- LT Foods revenue stood at INR32.3b (+17% YoY, +3% QoQ; in line with est.). EBITDA grew by 10% YoY but declined 4% QoQ to INR3.4b (est. INR3.7b). EBITDA margins declined from 11.2% each in 2QFY26/1QFY27 to 10.5% in 2QFY27 (est. 11.4%), due to higher shipping costs (~40bp impact) and higher advertising spend (2.5-2.6% of revenue vs. 1.8% in 1QFY27). Gross margin contracted 190bp YoY, largely due to the reclassification of freight costs into COGS following a change in related-party shipment terms (this effect is EBITDA-neutral). Adj. PAT stood at INR1.8b, up 10% YoY and down 2% QoQ (est. INR2.1b).
- In 1HFY27, revenue/EBITDA/adj. PAT grew 22%/21%/9% YoY to INR63.9b/ INR6.9b/INR3.6b.
- **Basmati & Other Specialty Rice segment** (88% of revenue) grew 21% YoY to INR28.5b (1H up 27% to INR57.0b). Volumes increased by 11.5% YoY. Gross margins came in at 33% vs. 34% in 2QFY26, while EBITDA margins stood at 11% vs. 13% in 2QFY26.
- **Organic Food & Ingredients** (8% of revenue) dipped 8% YoY to INR2.7b (1H down 11% to INR5.2b) on account of the remodeling of the Organic business. Gross margin came in at 35% vs. 33% in 2QFY26. Operating margin expanded to 8% from 4% in 2QFY26.
- **RTH & RTC** (2% of revenue) increased by 2% YoY to INR490m (1H up 7% to INR1.0b) with an operating loss of ~INR75m vs. ~INR72m in 2QFY26, due to planned promotions and sampling activities.

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- **Geographic highlights (1HFY27):** North America (50% of revenue) reported growth of 21% YoY (normalized growth 13%), and India (29% of revenue) registered 24% YoY growth. In North America, the company's ROYAL brand commanded a 60%+ share of Basmati rice imports, and Golden Star maintained its No. 1 position as a Jasmine rice brand in the US. The company's value market share in **India** stood at 22.3% (MAT Sep'26) vs. 22.2% in the previous year. Europe (12% of revenue) remained flat YoY due to a reduction in the non-strategic B2B business. The Middle East & RoW (9% of revenue) grew 25% YoY.
- **Working capital and balance sheet:** Working capital days improved to 143 in 1HFY27 from 174 in 1HFY26, with inventory days at 159 vs. 187. CFO grew 98% YoY to INR13.7b in 1HFY27, supported by a seasonal release of working capital and an increase in other current liabilities. Gross debt stood at INR10.9b vs. INR9.7b in 1HFY26, with a net cash position of INR2.5b as of 1HFY27.

Key highlights from the management commentary

- **Guidance/outlook:** In 2HFY27, LT Foods aims to sustain the growth momentum witnessed in 1HFY27 and sets a medium-term EBITDA margin target of 13.5-14.0%, driven by improving scale and profitability in developing businesses. The organic business is targeting an EBITDA margin of 10-11% over the next two years. With new crop paddy prices ~25% higher YoY, management is confident of passing through higher procurement costs and does not anticipate further margin tightening under the prevailing disruption scenario.
- **International business:** In North America, the company is expanding ready-to-heat formats and premiumizing Royal and Golden Star. Europe continued to face raw-material and freight-cost pressures, though new private-label customers were added in Germany and the Nordics, while the UK business is expected to turn profitable in FY28. In the Middle East, demand remained resilient, but supply disruptions and higher freight costs affected profitability.
- **India business:** The domestic branded portfolio grew ~8% vs. category growth of ~1.3%, driving a 140bp YTD market share gain. Household reach rose to 6.75m from 5.62m a year ago, supported by direct distribution expansion under Project Vistar. Price increases have been implemented for certain new-crop products, with average realization at ~INR80/kg in Oct'26, ~8% above 1Q.

Valuation and view

- We expect the company to sustain double-digit growth going ahead, supported by robust global demand for basmati and specialty foods, continued premiumization, rising e-commerce penetration, expanding distribution reach, and steady market share gains across India, North America, and Europe. The company also expects strong momentum in branded, premium, and ready-to-cook/ready-to-heat categories, which are anticipated to outpace overall portfolio growth.
- We estimate a CAGR of 14%/21%/30% in revenue/EBITDA/adj. PAT over FY26-28. **We reiterate our BUY rating** with a TP of INR500 (based on 17x FY28E EPS).

Consolidated - Quarterly Earnings Model

(INRm)

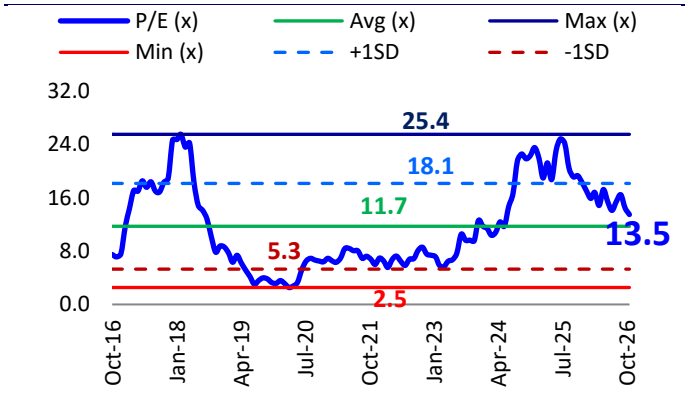
Y/E March	FY26				FY27				FY26	FY27E	FY27 2QE	Var
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Gross Sales	**24,639**	**27,657**	**28,092**	**29,067**	**31,518**	**32,341**	**31,607**	**33,085**	**1,09,456**	**1,28,552**	**32,394**	**0%**
YoY Change (%)	19.0	31.2	23.5	30.4	27.9	16.9	12.5	13.8	26.1	17.4	17.1	
Total Expenditure	21,985	24,563	24,949	26,372	27,980	28,948	27,911	29,206	97,869	1,14,044	28,712	
EBITDA	**2,654**	**3,094**	**3,143**	**2,695**	**3,539**	**3,394**	**3,697**	**3,879**	**11,587**	**14,508**	**3,682**	**-8%**
Margins (%)	10.8	11.2	11.2	9.3	11.2	10.5	11.7	11.7	10.6	11.3	11.4	
Depreciation	523	599	629	698	741	769	772	775	2,449	3,056	750	
Interest	280	280	349	399	403	344	200	196	1,309	1,143	336	
Other Income	371	67	28	309	95	184	220	250	775	748	160	
PBT before EO expense	**2,221**	**2,283**	**2,193**	**1,907**	**2,490**	**2,465**	**2,945**	**3,157**	**8,604**	**11,056**	**2,756**	
PBT	**2,221**	**2,283**	**2,193**	**1,907**	**2,490**	**2,465**	**2,945**	**3,157**	**8,604**	**11,056**	**2,756**	
Tax	598	653	630	529	665	671	699	749	2,410	2,783	682	
Rate (%)	26.9	28.6	28.7	27.7	26.7	27.2	23.7	23.7	28.0	25.2	24.7	
MI & Profit/Loss of Asso. Cos.	-62	-8	-11	22	-9	-8	-5	-5	-59	-27	-5	
Reported PAT	**1,685**	**1,639**	**1,574**	**1,357**	**1,834**	**1,802**	**2,251**	**2,413**	**6,254**	**8,300**	**2,079**	
Adj PAT	**1,685**	**1,639**	**1,574**	**1,357**	**1,834**	**1,802**	**2,251**	**2,413**	**6,254**	**8,300**	**2,079**	**-13%**
YoY Change (%)	10.0	10.4	9.8	-15.5	8.9	10.0	43.1	77.9	3.3	32.7	26.9	
Margins (%)	6.8	5.9	5.6	4.7	5.8	5.6	7.1	7.3	5.7	6.5	6.4	

Key Operating Metrics

(INRm)

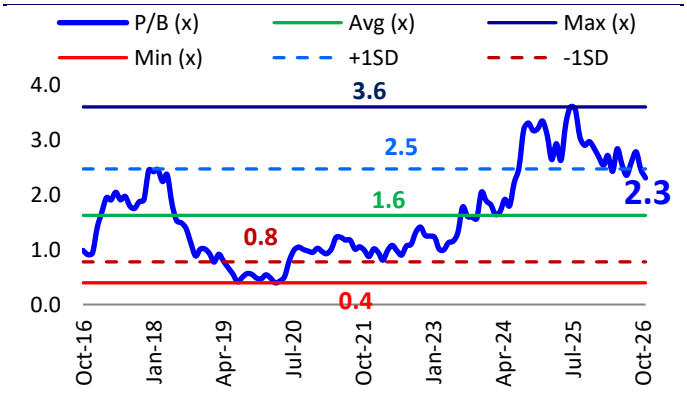
Y/E March	FY26				FY27				FY26	FY27E
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE		
Revenue (INRm)										
Basmati & Other Specialty Rice	21,240	23,640	26,060	26,480	28,450	28,510	28,682	29,737	97,420	1,15,379
Domestic	*6,820*	*6,410*	*8,630*	*7,610*	*8,008*	*7,610*	*9,509*	*8,980*	*29,470*	*34,107*
International	*14,420*	*17,230*	*17,430*	*18,870*	*20,442*	*20,900*	*19,173*	*20,757*	*67,950*	*81,272*
Organic Foods	2,930	2,900	2,240	2,090	2,540	2,660	3,024	2,822	10,160	11,046
Convenience & Health Segment	470	480	430	490	530	490	538	564	1,870	2,121
Revenue Growth %										
Basmati & Other Specialty Rice	18.5	29.7	30.9	35.4	33.9	20.6	10.1	12.3	29	18
Domestic	11.4	-1.4	25.3	23.5	17.4	18.7	10.2	18.0	15	16
International	22.1	47.0	33.9	40.9	41.8	21.3	10.0	10.0	36	20
Organic Foods	32.0	21.3	-6.7	-8.7	-13.3	-8.3	35.0	35.0	9	9
Convenience & Health Segment	-16.1	9.1	0.0	8.9	12.8	2.1	25.0	15.0	-1	13
Gross Profit Margins %										
Basmati & Other Specialty Rice	34.0	34.0	36.7	31.7	33.0	33.0	34.6	35.1	34.1	33.9
Organic Foods	35.0	33.0	30.4	28.3	33.0	35.0	35.0	35.0	32.0	34.5
Convenience & Health Segment	37.0	31.1	40.4	32.7	37.0	32.8	37.0	37.0	35.1	6.9
EBITDAM %										
Basmati & Other Specialty Rice	13.0	13.0	11.9	11.3	13.0	11.0	12.3	12.4	12.2	12.2
Organic Foods	10.0	3.9	3.4	3.1	4.0	7.9	7.0	7.5	5.4	6.7
Convenience & Health Segment	-5.0	-14.9	-6.8	-11.7	-9.0	-15.2	-8.0	-5.0	-9.7	-9.1

Exhibit 1: One year forward P/E trend



Source: Company, MOFSL

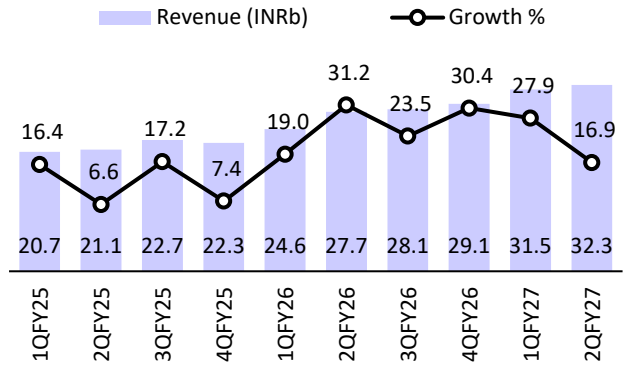
Exhibit 2: One year forward P/B trend



Source: Company, MOFSL

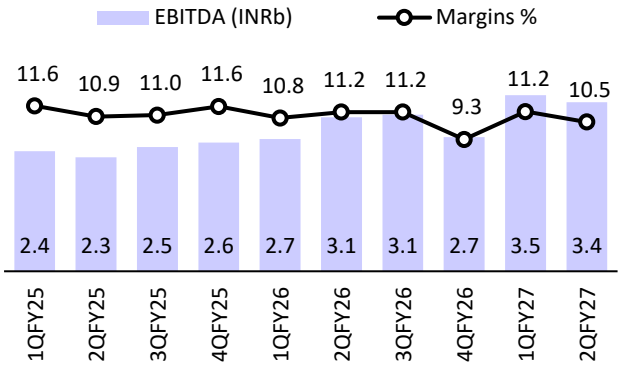
Key Exhibits

Exhibit 3: Consolidated revenue trend



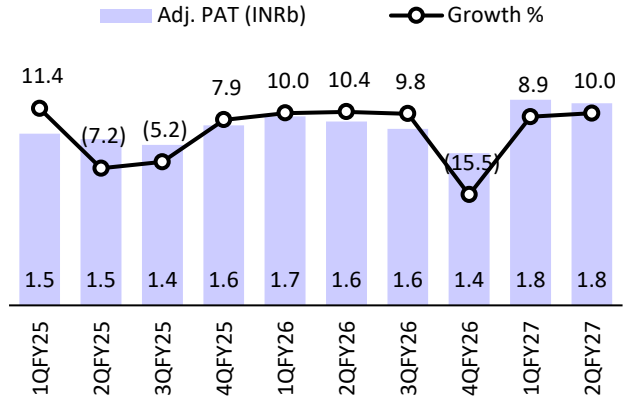
Source: Company, MOFSL

Exhibit 4: Consolidated EBITDA trend



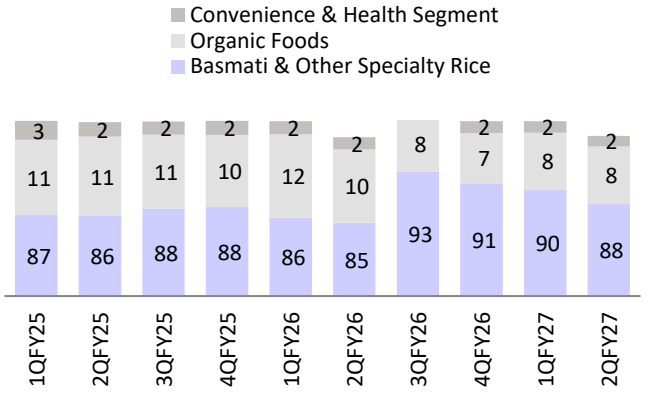
Source: Company, MOFSL

Exhibit 5: Consolidated adj. PAT trend



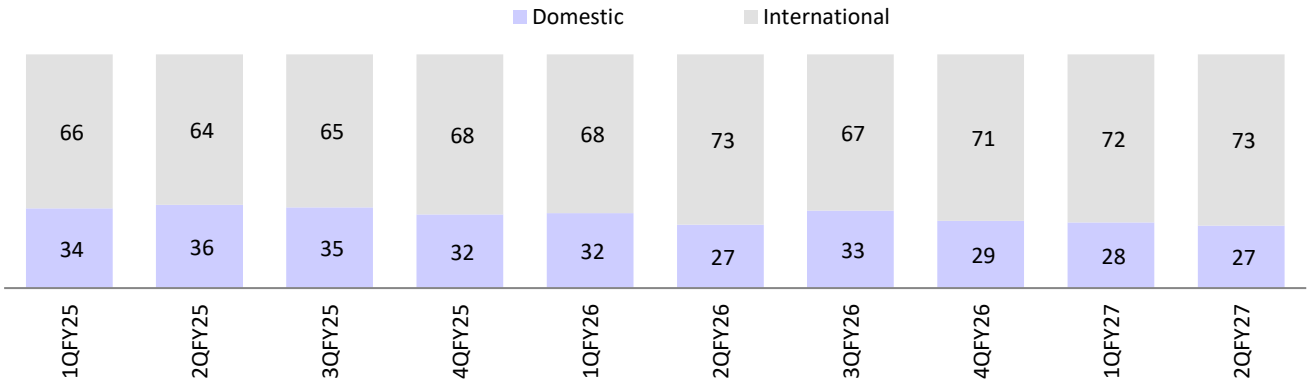
Source: Company, MOFSL

Exhibit 6: Segment-wise revenue mix



Source: Company, MOFSL

Exhibit 7: Domestic and international revenue split of Basmati and Other Specialty Rice



Source: MOFSL, Company



Highlights from the management commentary

Guidance and outlook

- Management expects 2HFY27 to sustain the growth momentum seen in 1HFY27.
- Consolidated margin expansion is expected to be driven by improving scale and profitability in developing businesses, while the basmati business in mature markets already generates EBITDA margins of ~15% or higher.
- Medium-term EBITDA margin target is 13.5-14.0%.
- The organic business is targeting an EBITDA margin of 10-11% over the next two years, supported by restructuring, stronger direct customer relationships and an improved business mix.
- Management expects the UK business to become profitable in FY28, supported by higher volumes, operating leverage and improved efficiencies.
- Advertising expenditure is expected at ~2.3% of revenue in FY27, compared with 2.1% in FY26 and ~2.5–2.6% in 2QFY27.
- Management expects average new-crop paddy prices to be ~25% higher YoY and remains confident of passing through higher procurement costs as the new crop enters sales. Price increases have already been implemented for certain new-crop products in India.
- Management did not anticipate additional margin tightening under the prevailing disruption scenario. Pricing actions, alternative shipping routes and spending optimization should support profitability, although freight-cost recovery remains challenging in Europe and takes time in the Middle East.
- The first phase of the new multipurpose organic-food manufacturing facility in India is expected to commence operations during FY27.
- Management expects greater clarity on tariff-refund accounting and related customer arrangements by FY27-end. Although part of the refund had been received, management stated that refunds had not been accounted for.

Financial performance

- Gross margin contracted ~170bp YoY to 32.5%, reflecting freight-cost reclassification and higher shipping costs.
- A change in related-party shipment terms from CIF to FOB resulted in freight expenses being included in cost of goods sold instead of other expenses. The reclassification affected gross margin but was **EBITDA-neutral**.
- Higher shipping costs increased expenditure by approximately 40bp of revenue, affecting consolidated EBITDA margins, as the company passed through these costs in some markets while absorbing them in others.
- Advertising expenditure increased approximately INR250m QoQ to around 2.5–2.6% of revenue from 1.8% in 1QFY27. Spending supported brand building, product launches and the convenience portfolio ahead of the US ready-to-heat facility becoming operational.
- Depreciation increased following the capitalization of new assets, while finance costs rose due to higher supplier-funding arrangements used to optimize working capital.
- Brand investments increased ~29% YoY to INR1.4b in 1HFY27.
- The company follows a policy of hedging ~50% of its foreign-exchange exposure and leaving 50% open. Management indicated that INR depreciation benefits exports, although procurement timing and purchasing patterns can offset part of the benefit.
- Management cited an approximately 4–5% forex impact and clarified that reported INR realization growth includes currency movements.

Basmati and speciality rice and India performance

- The domestic branded portfolio grew nearly 8%, compared with category growth of approximately 1.3%, supporting a 140bp increase in market share on a year-to-date basis.
- Household reach increased to 6.75m from 5.62m over the past year. Management sees substantial scope to increase branded basmati penetration, acquire consumers and drive premiumization.
- Under Project Vistar, the company is expanding direct distribution, strengthening field-sales capabilities and improving assortment productivity. Investments in sales and supply-chain digitalization should improve forecasting, execution and on-shelf availability.
- Portfolio expansion included new rice offerings and adjacent products such as biryani gravy and biryani masala. Brown, red and black rice continued to gain traction, while biryani kits grew 38% in 1HFY27.
- Management indicated that speciality-rice demand has historically remained resilient to price increases. It cited the pass-through of a substantial portion of US duties without an observable impact on demand.
- Management indicated an average realization of ~INR80/kg in Oct'26, around 8% above 1Q.
- Management cited a premium product retailing at approximately INR250/kg, compared with INR220/kg a year earlier.

International operations

- The company is expanding ready-to-heat and microwavable formats while pursuing premiumization across Royal and Golden Star.
- Investments in digital commerce and consumer-discovery capabilities are intended to support the expansion from a rice-led franchise into a broader branded-food platform in North America.
- In Europe Raw-material and freight-cost pressures continued to affect performance, although management indicated that the business was operationally stronger than two quarters earlier.
- The European business secured new mainstream private-label customers in Germany and the Nordic markets, strengthened its presence in France, and expanded commercial coverage across mainstream and ethnic channels.
- European profitability initiatives include improving product and channel mix, procurement efficiencies, automation, productivity and cost discipline. The region remains in an investment and scale-building phase.
- European business reduced debt by EUR1.8m and improved working capital in 1HFY27. Passing through higher freight costs remained challenging in the region.
- UK performance was affected by lower-than-planned mainstream industrial volumes and elevated operating costs. Management is focusing on volume growth, price recovery, inventory management and operating efficiencies.
- Middle East growth was supported by deeper penetration, private-label partnerships and continued investment in the branded portfolio.
- Supply disruptions constrained inventory flows into the Middle East, while sharply higher freight costs increased landed costs and affected profitability. Management has undertaken alternative routing, spending optimization and pricing actions.
- Middle East demand remained resilient despite higher prices and supply disruptions. Regional e-commerce continued to deliver strong growth and maintain category leadership, with distribution expansion and improved product availability remaining priorities.

Organic foods and health and convenience portfolio

- Nature Bio Foods is transitioning from an India-centric sourcing and export model toward a globally integrated organic-food platform with deeper direct relationships with retailers and consumer brands.
- Replacing portions of the intermediary-led business has created near-term revenue pressure. Management expects the transition to improve customer ownership and increase participation in the downstream value chain.
- The business is diversifying beyond rice and developing sourcing capabilities in Turkey and other geographies. Together with European processing capabilities, these initiatives should improve supply-chain flexibility and broaden the organic portfolio.
- Manufacturing in India is being consolidated through a new multipurpose facility. The transition involves near-term costs but should improve efficiency, resource utilization and cost competitiveness over time.
- Further investment in LEAF provides access to the Benelux organic retail market, particularly breakfast and between-meal snacking, supporting downstream expansion.
- Management attributed margin pressure in ready-to-heat and ready-to-cook products to planned promotions and sampling activities. It acknowledged an ~INR20m impact on revenue and profit during 1HFY27.
- Investments in the convenience portfolio continue with a long-term perspective, with spending ahead of additional capacity currently weighing on profitability.

Procurement, inventory and capital efficiency

- Management indicated that the 2026 crop was broadly similar in size to the previous year, but the absence of carryover stock and ~4–5% growth in combined domestic and export demand had tightened availability.
- New-crop paddy prices were approximately 22–25% higher on average, with some early varieties showing increases of around 35%.
- At Sep'26, the company held ~82,000 tons of paddy at an average cost of INR43/kg and 260,000 tons of rice at an average cost of INR60/kg.
- Average inventory costs increased from approximately INR36/kg for paddy and INR54/kg for rice at Mar'26. Management stated that existing coverage from the 2025 crop was sufficient to deliver the business plan.
- Higher procurement costs are generally passed through as the relevant crop enters sales. Finished-product prices reset in proportion to the raw-material cost increase rather than necessarily increasing by the same percentage as paddy prices.
- Management indicated that material costs account for approximately 70%, depending on the product. Historically, margins can fluctuate by approximately 100bp in either direction during input-price adjustment cycles.
- Inventory days improved to 159 from 187, while the working-capital cycle improved to 143 from 174 in the corresponding prior-year period. Trade payable days declined to 26 from 29.
- Lower inventory days did not involve compromising basmati ageing requirements. The portfolio includes basmati, jasmine and organic products, and brand-specific basmati ageing requirements are maintained.
- The company ended 1HFY27 with net cash of INR2.47b. Management characterized the working-capital release as seasonal, reflecting the non-peak procurement period, with cash expected to be deployed towards procurement in subsequent quarters.

- Management did not indicate further working-capital improvement from current levels when specifically asked about additional headroom.

Valuation and view

- We expect the company to sustain double-digit growth going ahead, supported by robust global demand for basmati and specialty foods, continued premiumization, rising e-commerce penetration, expanding distribution reach, and steady market share gains across India, North America, and Europe. The company also expects strong momentum in branded, premium, and ready-to-cook/ready-to-heat categories, which are anticipated to outpace overall portfolio growth.
- We estimate a CAGR of 14%/21%/30% in revenue/EBITDA/adj. PAT over FY26-28. **We reiterate our BUY rating** with a TP of INR500 (based on 17x FY28E EPS).

Exhibit 8: Changes to our estimates

Earnings change	Old		New		Change	
(INR m)	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	1,28,529	1,41,756	1,28,552	1,41,764	0%	0%
EBITDA	14,781	17,177	14,508	16,924	-2%	-1%
Adj. PAT	8,521	10,736	8,300	10,515	-3%	-2%

Financials and valuations

Consolidated - Income Statement (INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Total Income from Operations	**41,351**	**47,419**	**54,274**	**69,358**	**77,724**	**86,815**	**1,09,456**	**1,28,552**	**1,41,764**
Change (%)	6.3	14.7	14.5	27.8	12.1	11.7	26.1	17.4	10.3
Raw Materials	28,752	30,405	34,679	45,775	52,781	57,403	73,305	86,190	93,847
Gross Profit	**12,599**	**17,015**	**19,595**	**23,583**	**24,943**	**29,412**	**36,151**	**42,362**	**47,916**
Employees Cost	1,986	2,643	2,896	3,596	4,301	4,908	6,226	7,231	7,939
Other Expenses	5,986	8,748	10,781	12,989	11,263	14,722	18,338	20,623	23,053
Total Expenditure	**36,724**	**41,796**	**48,356**	**62,360**	**68,345**	**77,032**	**97,869**	**1,14,044**	**1,24,839**
% of Sales	88.8	88.1	89.1	89.9	87.9	88.7	89.4	88.7	88.1
EBITDA	**4,627**	**5,624**	**5,917**	**6,998**	**9,379**	**9,783**	**11,587**	**14,508**	**16,924**
Margin (%)	11.2	11.9	10.9	10.1	12.1	11.3	10.6	11.3	11.9
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,449	3,056	3,262
EBIT	**3,713**	**4,539**	**4,691**	**5,729**	**7,850**	**7,926**	**9,138**	**11,451**	**13,662**
Int. and Finance Charges	1,323	874	687	821	830	877	1,309	1,143	603
Other Income	379	315	232	430	496	885	775	748	992
PBT bef. EO Exp.	**2,770**	**3,980**	**4,236**	**5,338**	**7,517**	**7,934**	**8,604**	**11,056**	**14,051**
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**	**8,604**	**11,056**	**14,051**
Total Tax	776	1,089	1,144	1,353	2,029	2,102	2,410	2,783	3,537
Tax Rate (%)	28.0	27.4	27.0	25.3	27.0	26.5	28.0	25.2	25.2
Minority Interest	148	150	170	-42	-446	-222	-59	-27	0
Reported PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**6,254**	**8,300**	**10,515**
Adjusted PAT	**1,845**	**2,741**	**2,922**	**4,028**	**5,933**	**6,053**	**6,254**	**8,300**	**10,515**
Change (%)	45.8	48.5	6.6	37.9	47.3	2.0	3.3	32.7	26.7
Margin (%)	4.5	5.8	5.4	5.8	7.6	7.0	5.7	6.5	7.4

Consolidated - Balance Sheet (INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	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	44,857	51,421	60,200
Net Worth	**14,813**	**17,555**	**19,976**	**27,571**	**33,716**	**38,537**	**45,204**	**51,769**	**60,547**
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	9,732	7,732	3,232
Deferred Tax Liabilities	-319	-195	-182	-186	-256	-324	-323	-323	-323
Capital Employed	**33,316**	**34,406**	**34,503**	**37,161**	**39,273**	**45,647**	**54,614**	**59,178**	**63,457**
Gross Block	13,840	14,264	15,255	17,838	20,967	25,259	31,881	34,044	36,326
Less: Accum. Deprn.	5,439	6,092	6,857	8,126	9,655	11,512	13,960	17,017	20,279
Net Fixed Assets	**8,401**	**8,173**	**8,398**	**9,712**	**11,312**	**13,747**	**17,921**	**17,027**	**16,047**
Goodwill on Consolidation	659	626	655	240	285	293	601	601	601
Capital WIP	173	327	350	266	412	447	672	1,759	1,227
Total Investments	**334**	**287**	**249**	**1,270**	**1,834**	**2,234**	**477**	**477**	**477**
Curr. Assets, Loans&Adv.	**28,300**	**31,516**	**33,757**	**41,514**	**46,318**	**57,085**	**70,186**	**79,293**	**88,880**
Inventory	17,502	22,228	23,518	30,724	34,981	43,603	49,906	57,854	62,993
Account Receivables	6,196	4,867	6,113	6,744	6,758	7,520	8,602	10,103	11,141
Cash and Bank Balance	249	300	391	390	503	1,442	3,371	3,623	7,940
Loans and Advances	4,352	4,120	3,734	3,657	4,075	4,521	8,307	7,713	6,805
Curr. Liability & Prov.	**4,550**	**6,523**	**8,905**	**15,841**	**20,890**	**28,159**	**35,242**	**39,978**	**43,775**
Account Payables	2,608	5,036	7,031	10,928	12,300	17,726	20,303	22,433	24,426
Other Current Liabilities	1,602	1,137	1,459	4,711	8,367	10,131	14,616	17,166	18,930
Provisions	340	350	415	202	223	303	323	380	419
Net Current Assets	**23,750**	**24,993**	**24,851**	**25,673**	**25,429**	**28,926**	**34,944**	**39,315**	**45,105**
Appl. of Funds	**33,315**	**34,406**	**34,504**	**37,161**	**39,273**	**45,647**	**54,614**	**59,178**	**63,457**

Financials and valuations

Ratios

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Basic (INR)									
EPS	**5.3**	**7.9**	**8.4**	**11.6**	**17.1**	**17.4**	**18.0**	**23.9**	**30.3**
Cash EPS	7.9	11.0	11.9	15.3	21.5	22.8	25.1	32.7	39.7
BV/Share	42.7	50.6	57.5	79.4	97.1	111.0	130.2	149.1	174.4
DPS	0.0	0.9	0.9	0.5	0.5	2.5	2.5	5.0	5.0
Payout (%)	0.0	11.7	10.9	4.3	2.9	14.3	13.9	20.9	16.5
Valuation (x)									
P/E	72.6	48.9	45.9	33.3	22.6	22.1	21.4	16.1	12.7
Cash P/E	48.6	35.0	32.3	25.3	18.0	16.9	15.4	11.8	9.7
P/BV	9.0	7.6	6.7	4.9	4.0	3.5	3.0	2.6	2.2
EV/Sales	3.7	3.2	2.7	2.1	1.8	1.6	1.3	1.1	0.9
EV/EBITDA	32.7	26.6	24.8	20.4	14.8	14.3	12.1	9.5	7.6
Dividend Yield (%)	0.0	0.2	0.2	0.1	0.1	0.6	0.6	1.3	1.3
FCF per share	11.3	10.0	10.5	3.3	16.0	6.4	15.9	12.6	29.3
Return Ratios (%)									
RoE	13.1	16.9	15.6	16.9	19.4	16.8	14.9	17.1	18.7
RoCE	9.4	10.7	10.8	13.1	16.0	15.2	14.1	16.0	17.8
RoIC	8.5	10.0	10.2	12.4	16.0	14.9	14.4	16.6	19.1
Working Capital Ratios									
Fixed Asset Turnover (x)	3.0	3.3	3.6	3.9	3.7	3.4	3.4	3.8	3.9
Asset Turnover (x)	1.2	1.4	1.6	1.9	2.0	1.9	2.0	2.2	2.2
Inventory (Days)	222	267	248	245	242	277	248	245	245
Debtor (Days)	55	37	41	35	32	32	29	29	29
Creditor (Days)	33	60	74	87	85	113	101	95	95
Leverage Ratio (x)									
Current Ratio	6.2	4.8	3.8	2.6	2.2	2.0	2.0	2.0	2.0
Interest Cover Ratio	2.8	5.2	6.8	7.0	9.5	9.0	7.0	10.0	22.7
Net Debt/Equity	1.2	0.9	0.6	0.3	0.1	0.1	0.1	0.1	-0.1

Consolidated - Cash Flow Statement (INRm)

Y/E March	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
OP/(Loss) before Tax	2,770	3,980	4,236	5,626	8,005	8,220	8,664	11,056	14,051
Depreciation	914	1,085	1,226	1,269	1,529	1,857	2,449	3,056	3,262
Interest & Finance Charges	1,298	861	676	821	830	877	1,309	395	-389
Direct Taxes Paid	-789	-1,131	-1,074	-1,293	-1,522	-2,332	-2,311	-2,783	-3,537
(Inc)/Dec in WC	334	-537	-14	-3,390	-805	-3,745	-584	-4,118	-1,474
CF from Operations	**4,527**	**4,257**	**5,051**	**3,033**	**8,037**	**4,877**	**9,526**	**7,607**	**11,914**
Others	245	190	124	-449	-468	-252	-421	27	0
CF from Operating incl EO	**4,772**	**4,447**	**5,175**	**2,584**	**7,569**	**4,625**	**9,105**	**7,634**	**11,914**
(Inc)/Dec in FA	-845	-990	-1,519	-1,438	-2,011	-2,391	-3,596	-3,250	-1,750
Free Cash Flow	**3,927**	**3,457**	**3,656**	**1,146**	**5,558**	**2,234**	**5,509**	**4,384**	**10,164**
(Pur)/Sale of Investments	-10	-8	-12	-2,516	-22	-122	-3,699	0	0
Others	78	121	155	8	18	9	-1,153	748	992
CF from Investments	**-777**	**-877**	**-1,377**	**-3,946**	**-2,015**	**-2,504**	**-8,448**	**-2,502**	**-758**
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	1,298	-2,000	-4,500
Interest Paid	-1,309	-889	-475	-734	-724	-704	-1,303	-1,143	-603
Dividend Paid	-251	-320	-320	-160	-347	-1,040	-10,399	-1,736	-1,736
Others	0	0	0	-448	-567	-1,934	9,130	0	0
CF from Fin. Activity	**-4,038**	**-3,461**	**-3,575**	**1,363**	**-5,380**	**-1,504**	**-1,274**	**-4,879**	**-6,839**
Inc/Dec of Cash	**-43**	**108**	**223**	**1**	**175**	**617**	**-617**	**253**	**4,317**
Opening Balance	292	191	168	389	329	825	3,987	3,371	3,623
Closing Balance	**249**	**300**	**391**	**390**	**503**	**1,442**	**3,371**	**3,623**	**7,940**

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SELL	< - 10%
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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, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN .: 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

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