

# LT Foods Ltd

## Q3FY25 Update Note



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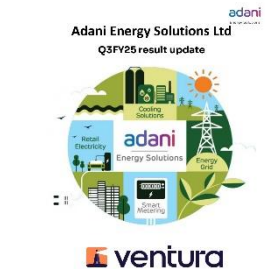
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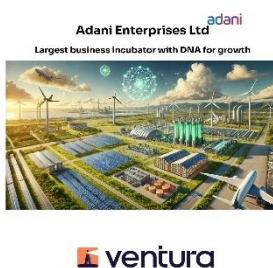
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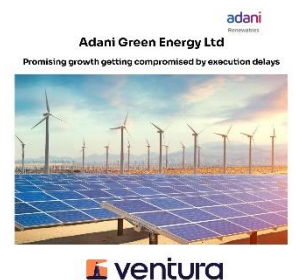
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**BUY @CMP INR 352**
**Target: INR 611 in 24 months**
**Upside potential: 73.5%**

## Company Update

**Business Model:** LT Foods' business revolves around generating revenue from a diverse range of products, including basmati rice, specialty rice, organic food, and ready-to-cook/ready-to-eat (RTC/RTE) products, driven by both domestic sales in India and international markets such as the US, Europe, and the Middle East, with a notable presence in the food service sector.

Since [initiating coverage](#), the stock has rallied to a high of INR 452 before retracing INR 352. LT foods remains a high-conviction idea demonstrating considerable promise for medium to long-term perspective.

LT Foods is focused on growth despite Q3FY25 challenges, investing INR 150–200 crores in FY26 for facility expansions in the U.S., U.K., and Saudi Arabia. The company plans to invest SAR 185 million in Saudi Arabia over 5 years, targeting SAR 435 million in revenue, with a focus on convenience and packaging facilities. In the U.K., with a production capacity of 60,000 tonnes per annum, the company targets over £100 million in revenue over 5 years, while partnering with four leading UK retailers. Additionally, LT Foods has acquired stakes in Golden Star Trading Inc. and Leev. NU. B.V. through its subsidiaries.

On the back of this we have upgraded our projections. We now expect LT Foods' revenue, EBITDA and net profit to grow at a CAGR of 11%, 18% and 22%, to reach INR 10,678 cr, INR 1,548 cr, and INR 1,168 cr respectively by FY27. EBITDA /PAT margins are projected to expand by 240/230bps to 14.5%/9.4%. ROE/ROIC are expected to decrease by 90/1920 bps to 18.5/39.6%.

**Valuation call:** We recommend a BUY with a price target of INR 611 (19.9X FY27 EPS) representing an upside of 73% from CMP of INR 352.

**Key risks:** Raw material price volatility, rising freight costs and competition in both domestic and international markets.

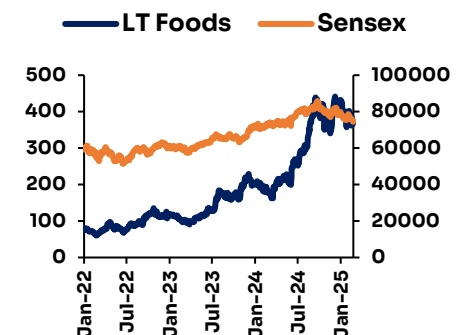
**Industry** FMCG

**Scrip Details**

Face Value (INR)	1.0
Market Cap (INR Cr)	11,640
Price (INR)	352
No of Sh O/S (Cr)	34.7
3M Avg Vol (000)	681
52W H/L (INR)	451/160
Div. Yield (%)	0.6

**Shareholding (%)** Dec 24

Promoters	51.0
FII's	9.3
DII's	5.9
Public	33.8
<b>Total</b>	<b>100</b>

**Price chart**


### Key Consolidated Financial Data (INR Cr, unless specified)

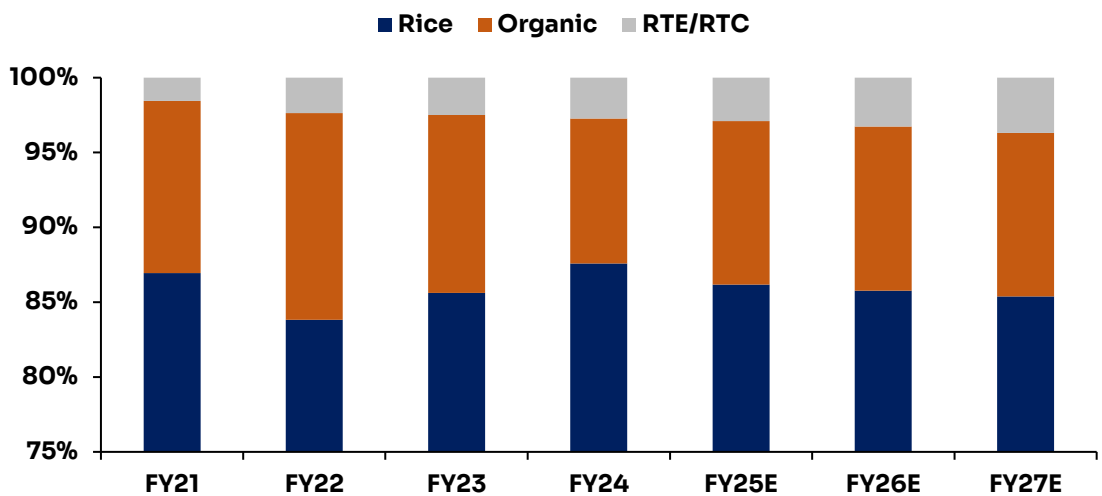
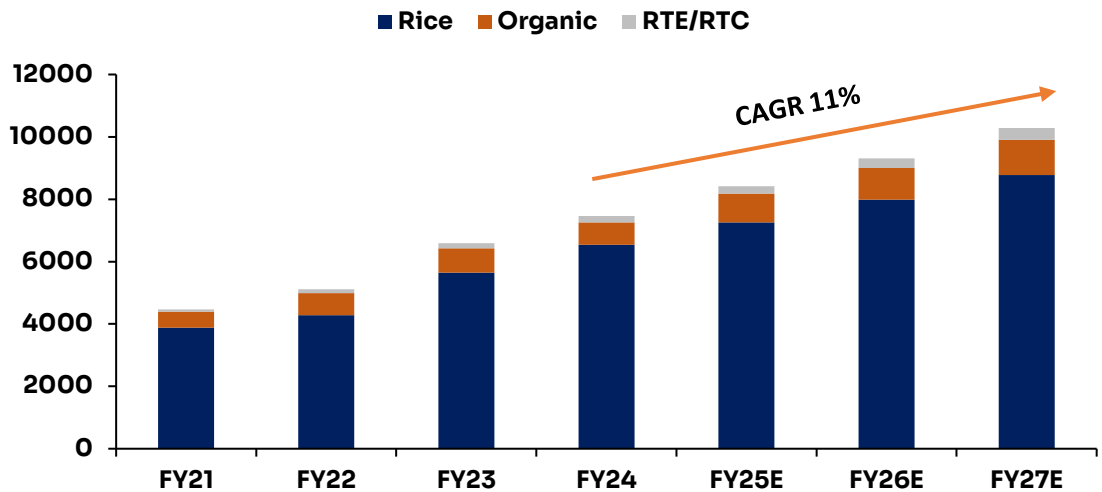
	Revenue	EBITDA	PAT	EBITDA (%)	PAT (%)	Adj EPS (Rs.)	Adj BVPS (Rs.)	ROE (%)	ROIC (%)	EV/EBITDA (x)	P/BV (x)	P/E (x)
FY23	6,935.8	700.7	394.9	10.1	5.7	11.6	80.5	14.6	15.7	18.7	4.4	30.4
FY24	7,772.4	937.9	548.7	12.1	7.1	17.1	98.7	17.6	20.4	13.5	3.6	20.6
FY25E	8,758.0	998.4	627.2	11.4	7.2	19.5	116.2	17.0	28.2	11.3	3.0	18.0
FY26E	9,672.7	1,344.5	871.2	13.9	9.0	26.7	140.2	19.2	36.3	7.9	2.5	13.2
FY27E	10,678.3	1,548.4	1,005.8	14.5	9.4	30.7	167.9	18.5	39.6	6.4	2.1	11.5

Source: Ventura Research & Company update

### Robust revenue growth

LT Foods reported total revenue of **INR 2,288 crores for Q3FY25**, reflecting a **17% YoY** growth. For 9MFY25, revenue increased by 14% YoY to INR 6,510 crores. This strong performance was driven by robust growth across all business segments, with the **Basmati & Specialty Rice segment remaining the largest contributor**, supported by rising global demand, premiumization, and market expansion in key geographies such as the U.S. and the Middle East. The Organic Foods segment also showed significant growth, while the Ready-to-Eat (RTE) and Ready-to-Cook (RTC) segment expanded rapidly, positioning itself as a key future growth driver. **We expect the company's revenue to increase at a CAGR of 11% to INR 10,678 crore** driven by the company's strategic pricing, brand strength, and operational efficiencies.

**Revenue (INR cr)**

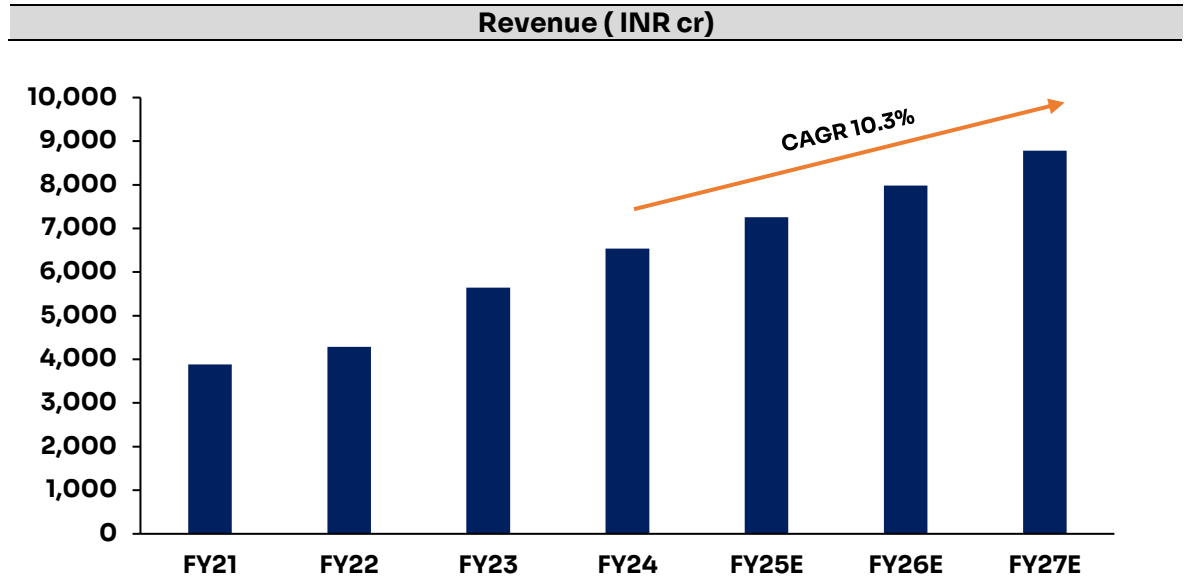


Source: Ventura Research

### Basmati & Other Speciality Rice

The Basmati & Other Speciality Rice segment, **contributing to ~85% of the revenue**, continues to be largest contributor to revenue for LT Foods growing **17% in Q3FY25 to INR 1,998 crore** recording a 15% volume growth, driven by strong demand in the US, Europe & Middle East. With **EBITDA margins of 12.3% in India** and **~14% in international markets**, the company has been making significant investments in processing facilities in the U.K. and U.S., having incurred **INR 164 crores in Capex** during FY25, with an additional **INR 150-200 crores planned for the FY26**.

The rice segment revenue is expected to grow at a **CAGR of 10.3%**, reaching INR 8,780 crore by FY27, primarily driven by robust demand from the U.S. (17% YoY growth) and the Middle East (37% YoY growth), a 10-15% reduction in paddy procurement costs, and an expected stabilization in freight expenses, which had previously affected profitability.



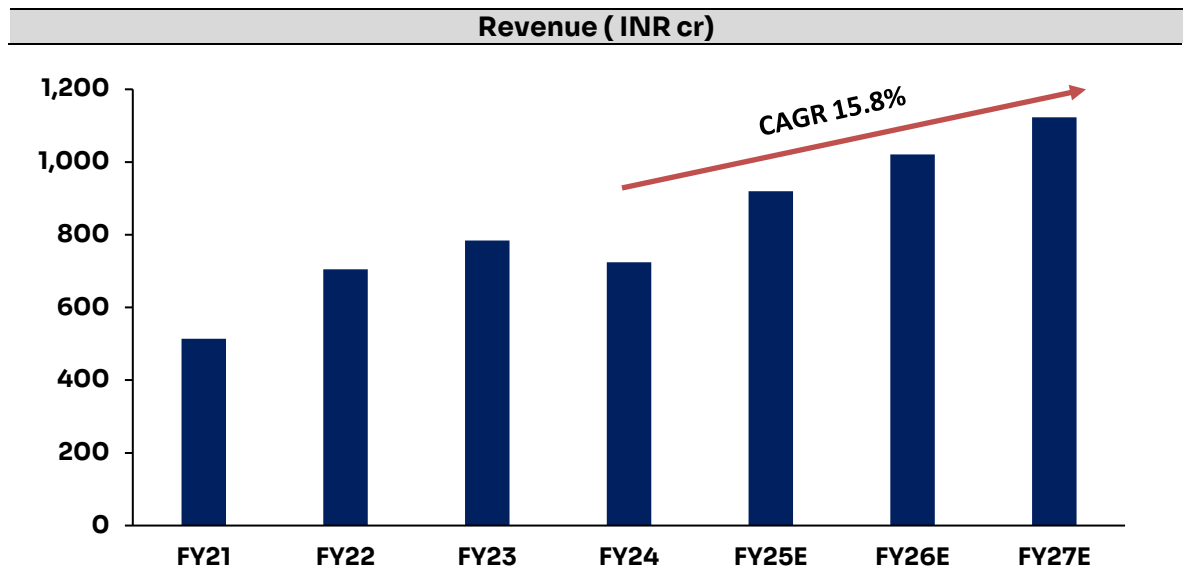
Source: Ventura Research

### Organic food and Ingredient

The Organic Food & Ingredients segment of LT Foods has been experiencing significant growth, contributing **10% of the total revenue**. In Q3FY25, the segment reported a 37% YoY revenue growth to INR 240 crores, though management expects it to normalize to 10%+ annual growth in the coming years. The EBITDA margin currently stands at 11%+, with a target of exceeding 14% as the business scales.

To support this growth, the company has been investing in organic sourcing and processing infrastructure, particularly in the U.S. and Uganda. The Uganda facility (20,000 MT capacity) plays a strategic role in exporting organic soybean meal to the U.S., bypassing anti-dumping duties. LT Foods is also shifting its focus from B2B to branded B2C products under its "Daawat Ecolife" range, enhancing margins and market positioning. The company has further expanded its footprint in Europe through a 30% stake acquisition in Netherlands-based Leev, strengthening its presence in the premium organic segment.

With the global organic food market projected to grow at a 15.9% CAGR (CY22-27) to reach USD 512 billion, LT Foods is well-positioned to capitalize on this trend. The organic segment revenue is expected to grow at a CAGR of 15.8%, reaching INR 1,123 crores by FY27 with INR 500 crores coming from organic expansion and the remainder from acquisitions, underscoring its aggressive growth strategy in this high-margin category.



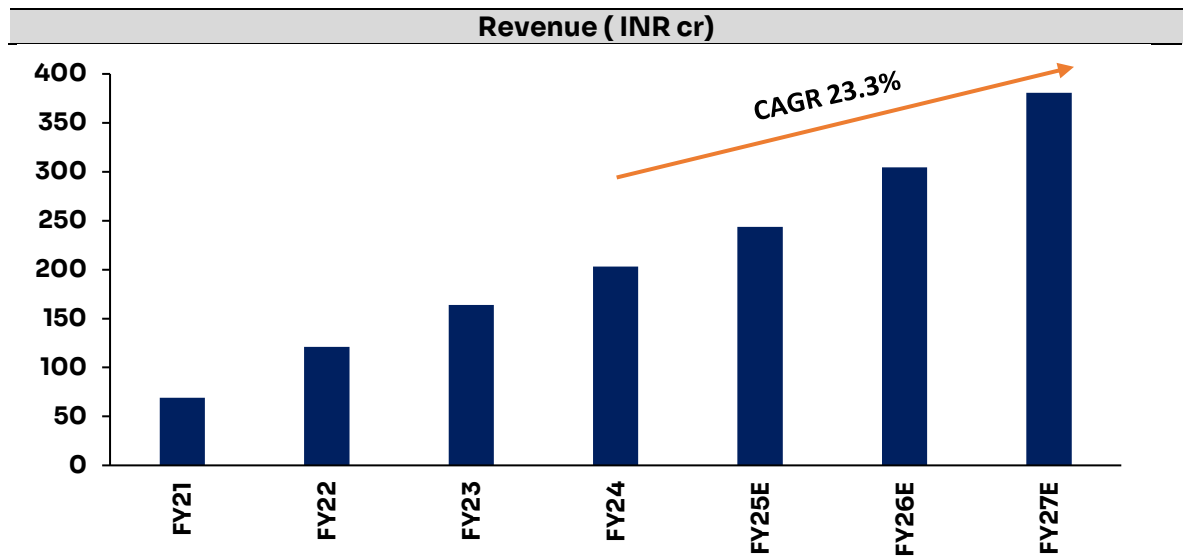
Source: Ventura Research

## RTE and RTC

The RTE and RTC segment of LT Foods is a high-growth vertical, currently contributing 3% of revenue, with plans to increase its share to 10% by FY29. We expect the revenue to expand at a CAGR 23.3% to INR 381 crores by FY27. This is mainly driven by increasing consumer demand for convenience food, rapidly advancing adoption of ready meals, expanding distribution networks, and ongoing investments in innovation and capacity expansion.

The U.S. market is the key driver, where the company already generates INR 100 crores in revenue, operating at an EBITDA margin of 7%. To further scale this business, LT Foods is investing INR 80 crores to double its U.S. production capacity. The product portfolio includes Daawat Quick Brown Rice, Ready-to-Heat Royal brand, Kari Kari snacks (in collaboration with Japan’s Kameda Seika), and Cuppa Rice (targeting railway and institutional sales in India).

The Indian operations, currently loss-making, are expected to reach breakeven by FY27, driven by volume expansion and operational efficiencies.



Source: Ventura Research

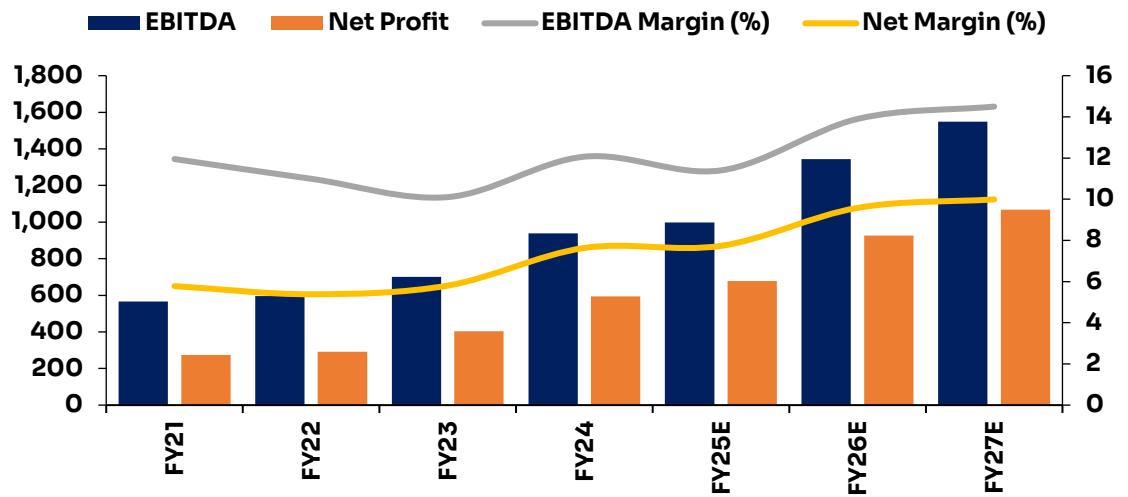
### Improved Margins & Operating Efficiencies

LT Foods reported **EBITDA of INR 263 crores for Q3FY25**, reflecting a **7% YoY growth**, with an **EBITDA margin of 11.5%**. For the **nine-month period (9M FY25)**, EBITDA stood at **INR 777 crores**, up **7% YoY**, though EBITDA margin declined slightly by **80 bps to 11.9%**, primarily due to higher freight and logistics costs. **Gross profit for Q3FY25 increased by 22% YoY**, driven by **lower raw material costs and better realizations**, while gross profit margin expanded by **125 bps to 33.9%**.

Despite **temporary cost pressures, such as increased logistics expenses (7.2% of sales, up from 5% YoY)**, LT Foods expects **EBITDA margins to improve from Q2FY26 onwards**, supported by **a decline in paddy procurement costs, normalization of freight rates, and higher contributions from premium and value-added products**.

With this, we expect **EBITDA/PAT to grow at a CAGR of 18%/ 20%** to INR 1,548/ 941 crores. **EBITDA margins are expected to improve to 14.5% by FY27** while PAT margins are expected to expand by 170 bps to 8.8%.

#### Operating margins to expand driven by premiumization and value added products



Source: Ventura Research

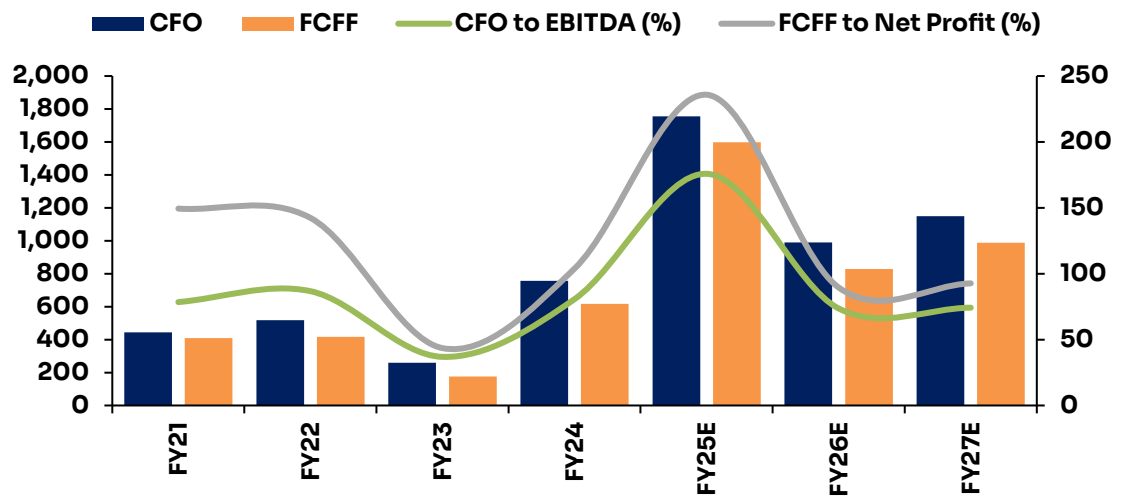


## Cash Flows

LT Foods continues to maintain **strong cash flow generation**, ensuring financial stability and supporting its expansion plans. For **Q3FY25, cash profit increased by 1% YoY to INR 196 crores**, while for **9MFY25, cash profit grew by 5% YoY to INR 584 crores**. The company’s **steady cash flows are backed by improved working capital management**, with **net working capital days standing at 227 days**, slightly higher than 225 days in FY24.

Going forward, **cash flows are expected to improve further as freight costs normalize, procurement efficiencies materialize, and high-margin businesses like Organic Foods and Ready-to-Eat (RTE) gain scale**. The company is focused on **enhancing free cash flow generation**, which will support **capacity expansion, brand investments, and potential strategic acquisitions**, ensuring long-term value creation.

### Healthy cash flows due to improvement in profitability



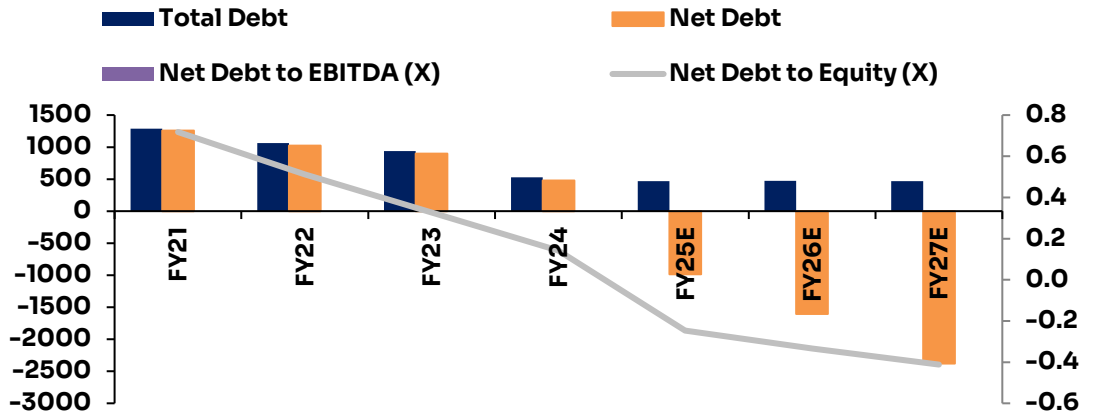
Source: Ventura Research

### Debt Reduction and Strengthening Cash Position

LT Foods maintains a **strong and well-managed debt profile**, ensuring financial flexibility while funding its expansion plans. As of 9MFY25, the company’s **debt to equity ratio remains low at 0.3**, reflecting a conservative capital structure. Additionally, its **debt to EBITDA ratio stands at 1.2**, demonstrating the company's ability to comfortably service its debt obligations.

Despite higher freight and logistics expenses impacting margins, LT Foods has maintained disciplined capital allocation, funding its INR 164 crores Capex in FY25 through internal accruals and planned INR 150-200 crores for next year without significantly increasing leverage.

#### Debt profile



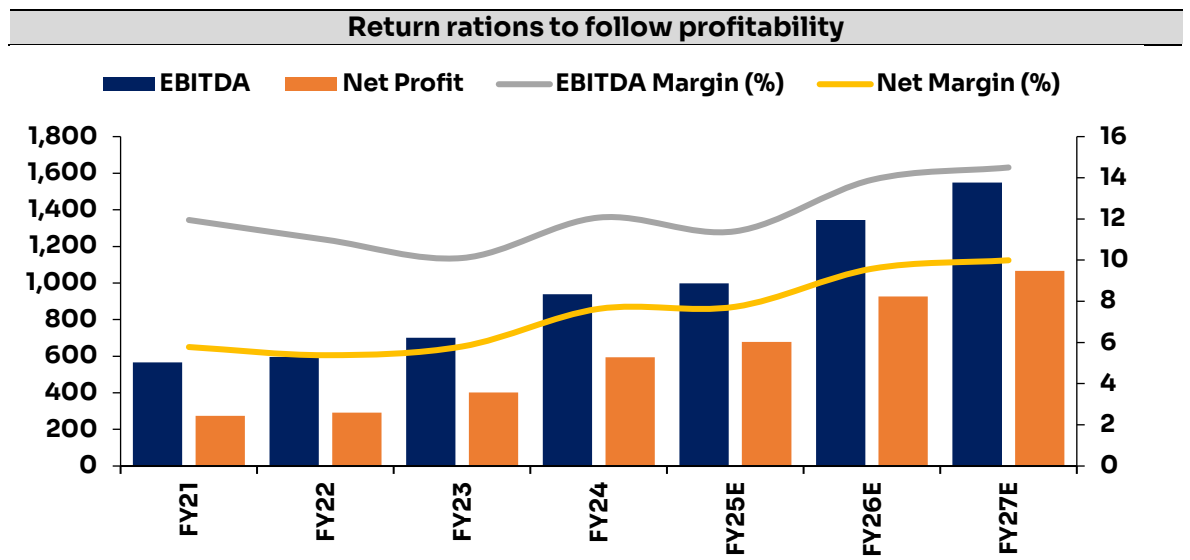
Source: Ventura Research

### Return Ratios and Financial Efficiency

LT Foods continues to demonstrate strong return ratios, reflecting its efficient capital deployment and profitability. For **9MFY25**, the **ROCE stood at 19.5%**, compared to **20.3% in the previous year**, indicating a slight decline due to higher freight and operational costs. Meanwhile **ROE stood at 16.9%**, down from **18.7% in 9MFY24**, primarily due to increased logistics expenses and temporary margin pressures.

Despite these minor fluctuations, LT Foods' **ROCE remains robust**, highlighting the company's ability to generate **healthy returns from its capital investments**, particularly in **expanding its processing facilities in the U.K. and U.S.**

Looking ahead, we expect its **return ratios to improve**, driven by **declining procurement costs, normalization of freight expenses, and higher contributions from high-margin businesses like Ready-to-Eat (RTE) and Organic Foods**. The company's **targeted investments and strategic focus on premiumization** are expected to enhance profitability, **positioning it for sustained improvement in ROE to 18.5% by FY27**.



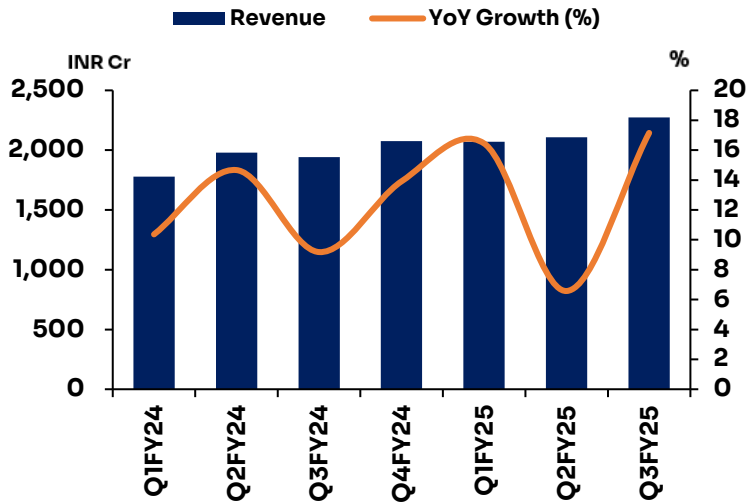
Source: Ventura Research

## Significant Q3FY25 Updates:

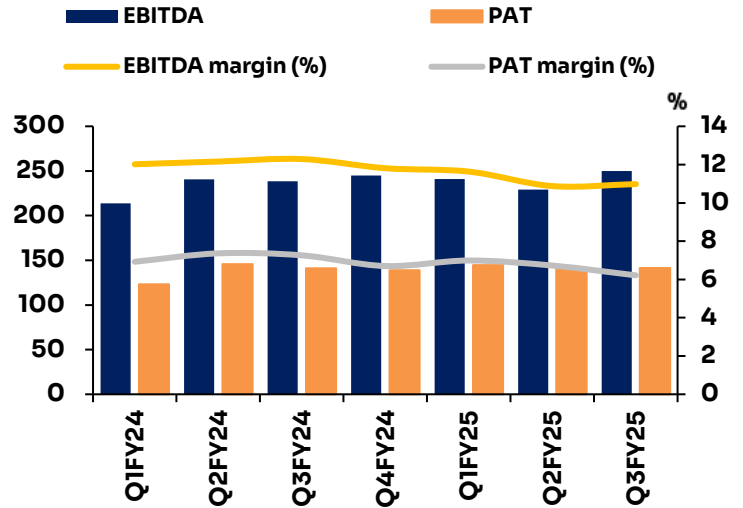
- Consolidated revenue grew 17% YoY to INR 2,288 crores in Q3 FY25, while 9M FY25 revenue increased 14% YoY to INR 6,510 crores, driven by strong sales across segments. Gross profit increased 22% YoY, with gross margin improving by 125 bps to 33.9%, supported by lower input costs. EBITDA rose 7% YoY to INR 263 crores, while PAT declined 4.7% YoY to INR 145 crores, mainly due to higher logistics expenses.
- Basmati & Specialty Rice Performance: Procurement costs declined by 10-15%, improving margins, and the company retained a 28% market share in India (down from 30% due to strategic exits from low-margin segments).
- Organic Foods Expansion: Segment revenue grew 37% YoY, driven by U.S. and European demand. The Uganda facility supports organic exports, while LT Foods aims to reach INR 1,000 crores in revenue from this segment over the next five years.
- RTE & RTC Growth: Segment revenue increased 26% YoY, with U.S. operations already profitable at a 7% EBITDA margin, while India operations are expected to break even by FY27.
- Capex Plans: INR 164 crores spent in 9M FY25, with an additional INR 150-200 crores planned for FY26 to support facility expansions in the U.S., U.K., and Saudi Arabia.
- Freight Cost Impact: Freight expenses rose to 7.2% of revenue (vs. 5% last year), impacting margins, but are expected to normalize in FY26, benefiting profitability from Q2 onwards.
- Golden Star Performance: LT Foods' U.S.-based Golden Star subsidiary grew 20% YoY, but higher ocean freight from Thailand to the U.S. impacted profitability. The company expects improvement once freight rates stabilize.
- Saudi Arabia Expansion: LT Foods is targeting SAR 435 million in revenue over the next five years, with future investments planned for convenience food and packaging facilities.
- The company expects 12-13% YoY volume growth and margin improvement in FY26, supported by declining freight costs, improved procurement efficiency, and a greater contribution from high-margin segments.

## Quarterly Performance

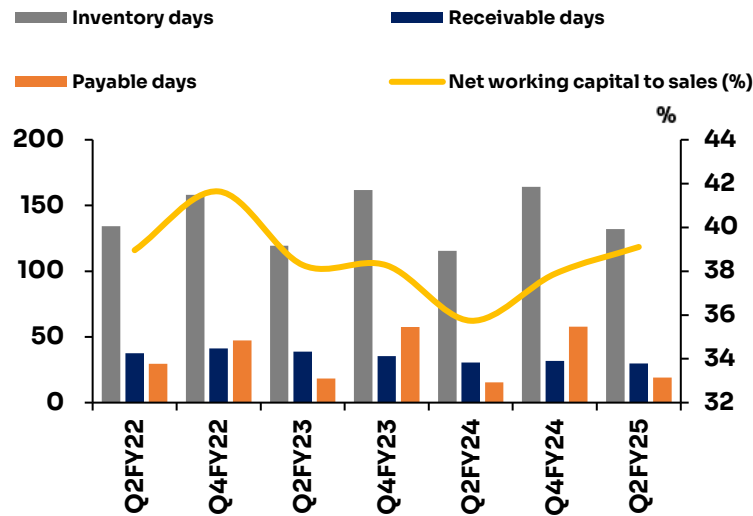
### Revenue



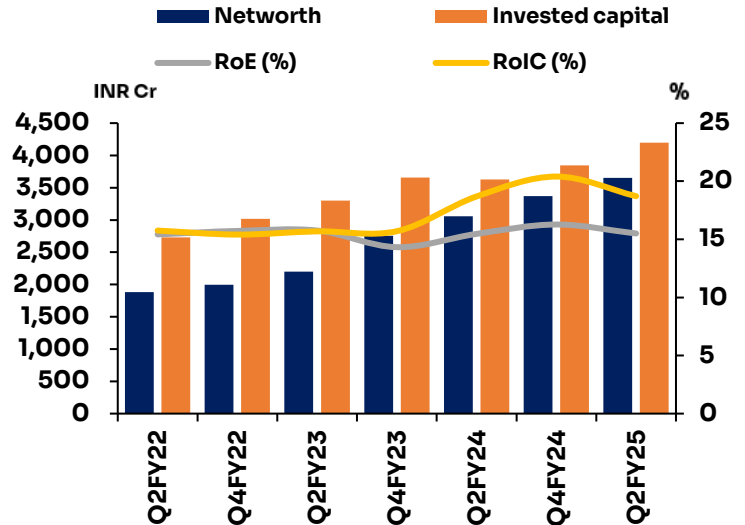
### Profitability Margins



### Working Capital Cycle



### Return Ratios



Source: Ventura Research

## Quarterly Summary

Fig in INR Cr (unless specified)	FY20	FY21	FY22	Q1FY23	Q2FY23	Q3FY23	Q4FY23	FY23	Q1FY24	Q2FY24	Q3FY24	Q4FY24	FY24	Q1FY25	Q2FY25	Q3FY25
Revenue from operations	4,135.1	4,741.9	5,427.4	1,611.1	1,724.8	1,778.5	1,821.4	6,935.8	1,778.1	1,977.8	1,941.7	2,074.8	7,772.4	2,070.5	2,107.8	2,274.8
<i>YoY Growth (%)</i>	<i>6.3</i>	<i>14.7</i>	<i>14.5</i>	<i>32.8</i>	<i>30.7</i>	<i>30.0</i>	<i>19.3</i>	<i>27.8</i>	<i>10.4</i>	<i>14.7</i>	<i>9.2</i>	<i>13.9</i>	<i>12.1</i>	<i>16.4</i>	<i>6.6</i>	<i>17.2</i>
Raw Material Cost	2,875.2	3,041.7	3,464.6	1,048.8	1,081.3	1,220.9	1,226.4	4,403.9	1,184.6	1,377.0	1,313.7	1,402.9	5,123.6	1,388.1	1,406.8	1,513.5
<i>RM Cost to Sales (%)</i>	<i>69.5</i>	<i>64.1</i>	<i>63.8</i>	<i>65.1</i>	<i>62.7</i>	<i>68.7</i>	<i>67.3</i>	<i>63.5</i>	<i>66.6</i>	<i>69.6</i>	<i>67.7</i>	<i>67.6</i>	<i>65.9</i>	<i>67.0</i>	<i>66.7</i>	<i>66.5</i>
Employee Cost	198.6	264.3	289.6	85.3	86.9	93.1	94.4	359.6	109.6	107.5	108.1	104.9	430.1	114.7	123.0	125.1
<i>Employee Cost to Sales (%)</i>	<i>4.8</i>	<i>5.6</i>	<i>5.3</i>	<i>5.3</i>	<i>5.0</i>	<i>5.2</i>	<i>5.2</i>	<i>5.2</i>	<i>6.2</i>	<i>5.4</i>	<i>5.6</i>	<i>5.1</i>	<i>5.5</i>	<i>5.5</i>	<i>5.8</i>	<i>5.5</i>
Other Expenses	590.6	869.3	1,076.6	310.1	385.0	298.7	304.2	1,471.5	270.3	252.9	281.3	321.9	1,280.8	326.8	348.7	386.5
<i>Other Expenses to Sales (%)</i>	<i>14.3</i>	<i>18.3</i>	<i>19.8</i>	<i>19.2</i>	<i>22.3</i>	<i>16.8</i>	<i>16.7</i>	<i>21.2</i>	<i>15.2</i>	<i>12.8</i>	<i>14.5</i>	<i>15.5</i>	<i>16.5</i>	<i>15.8</i>	<i>16.5</i>	<i>17.0</i>
EBITDA	470.7	566.7	596.6	166.9	171.6	165.8	196.4	700.7	213.7	240.5	238.6	245.1	937.9	240.9	229.3	249.8
<i>EBITDA Margin (%)</i>	<i>11.4</i>	<i>11.9</i>	<i>11.0</i>	<i>10.4</i>	<i>10.0</i>	<i>9.3</i>	<i>10.8</i>	<i>10.1</i>	<i>12.0</i>	<i>12.2</i>	<i>12.3</i>	<i>11.8</i>	<i>12.1</i>	<i>11.6</i>	<i>10.9</i>	<i>11.0</i>
PAT	203.1	293.4	314.1	96.1	94.8	92.2	111.9	394.9	123.1	145.6	141.0	139.0	548.7	144.7	141.8	141.4
<i>PAT Margin (%)</i>	<i>4.9</i>	<i>6.2</i>	<i>5.8</i>	<i>6.0</i>	<i>5.5</i>	<i>5.2</i>	<i>6.1</i>	<i>5.7</i>	<i>6.9</i>	<i>7.4</i>	<i>7.3</i>	<i>6.7</i>	<i>7.1</i>	<i>7.0</i>	<i>6.7</i>	<i>6.2</i>
Net Profit	184.5	274.0	292.2	89.7	89.5	95.3	128.2	402.7	137.5	156.0	151.2	148.8	593.3	153.2	148.4	143.3
<i>Net Margin (%)</i>	<i>4.5</i>	<i>5.8</i>	<i>5.4</i>	<i>5.6</i>	<i>5.2</i>	<i>5.4</i>	<i>7.0</i>	<i>5.8</i>	<i>7.7</i>	<i>7.9</i>	<i>7.8</i>	<i>7.2</i>	<i>7.6</i>	<i>7.4</i>	<i>7.0</i>	<i>6.3</i>
Adjusted EPS	5.3	7.9	8.4					11.6					17.1			
<i>P/E (X)</i>	<i>66.3</i>	<i>44.6</i>	<i>41.8</i>					<i>30.4</i>					<i>20.6</i>			
Adjusted BVPS	42.7	50.5	57.5					79.4					97.1			
<i>P/BV (X)</i>	<i>8.3</i>	<i>7.0</i>	<i>6.1</i>					<i>4.4</i>					<i>3.6</i>			
Enterprise Value	13,686.2	13,484.6	13,246.7					13,123.7					12,700.8			
<i>EV/EBITDA (X)</i>	<i>29.1</i>	<i>23.8</i>	<i>22.2</i>					<i>18.7</i>					<i>13.5</i>			
Net Worth	1,481.3	1,755.5	1,997.6					2,757.1					3,371.6			
<i>Return on Equity (%)</i>	<i>12.5</i>	<i>15.6</i>	<i>14.6</i>					<i>14.6</i>					<i>17.6</i>			
Capital Employed	2,967.5	3,045.1	3,058.5					3,694.8					3,897.8			
<i>Return on Capital Employed (%)</i>	<i>9.2</i>	<i>11.0</i>	<i>11.4</i>					<i>11.5</i>					<i>14.7</i>			
Invested Capital	2,942.6	3,015.2	3,019.4					3,655.8					3,847.4			
<i>Return on Invested Capital (%)</i>	<i>12.9</i>	<i>15.2</i>	<i>15.7</i>					<i>15.7</i>					<i>20.4</i>			
Cash Flow from Operations	477.2	444.7	517.5					258.4					756.9			
Cash Flow from Investing	(80.9)	(99.9)	(144.7)					(394.6)					(201.5)			
Cash Flow from Financing	(403.8)	(346.1)	(357.6)					136.3					(538.0)			
Net Cash Flow	(7.5)	(1.4)	15.2					0.1					17.5			
Free Cash Flow	488.4	409.4	415.9					175.2					616.4			
<i>FCF to Revenue (%)</i>	<i>11.8</i>	<i>8.6</i>	<i>7.7</i>					<i>2.5</i>					<i>7.9</i>			
<i>FCF to EBITDA (%)</i>	<i>103.8</i>	<i>72.3</i>	<i>69.7</i>					<i>25.0</i>					<i>65.7</i>			
<i>FCF to Net Profit (%)</i>	<i>264.7</i>	<i>149.4</i>	<i>142.4</i>					<i>43.5</i>					<i>103.9</i>			
<i>FCF to Net Worth (%)</i>	<i>33.0</i>	<i>23.3</i>	<i>20.8</i>					<i>6.4</i>					<i>18.3</i>			
Total Debt	1,486	1,290	1,061					938					526			
Net Debt	1,461	1,260	1,022					899					476			
<i>Net Debt to Equity (X)</i>	<i>1.0</i>	<i>0.7</i>	<i>0.5</i>					<i>0.3</i>					<i>0.1</i>			
<i>Net Debt to EBITDA (X)</i>	<i>3.1</i>	<i>2.2</i>	<i>1.7</i>					<i>1.3</i>					<i>0.5</i>			
<i>Interest Coverage Ratio (X)</i>	<i>2.9</i>	<i>5.2</i>	<i>6.9</i>					<i>7.0</i>					<i>9.5</i>			
<b>Fundamental scores</b>																
Altman Z Score	2.2	2.3	2.3					2.4					2.4			
Piotroski F-score	8.0	8.0	8.0					7.0					6.0			
Beneish M-score	(2.1)	(2.7)	(2.2)					(2.0)					(2.2)			

Source: Ventura Research & Company Financials

## Financial Analysis

Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25E	FY26E	FY27E	Fig in INR Cr (unless specified)	FY22	FY23	FY24	FY25E	FY26E	FY27E
<b>Income Statement</b>							<b>Per share data &amp; Yields</b>						
Revenue	5,427.4	6,935.8	7,772.4	8,758.0	9,672.7	10,678.3	Adjusted EPS (INR)	8.4	11.6	17.1	19.5	26.7	30.7
<i>YoY Growth (%)</i>	<i>14.5</i>	<i>27.8</i>	<i>12.1</i>	<i>12.7</i>	<i>10.4</i>	<i>10.4</i>	Adjusted Cash EPS (INR)	11.9	15.2	21.5	23.9	31.8	36.6
Raw Material Cost	3,464.6	4,403.9	5,123.6	5,824.0	6,287.3	6,834.1	Adjusted BVPS (INR)	61.9	80.5	98.7	116.2	140.2	167.9
<i>RM Cost to Sales (%)</i>	<i>63.8</i>	<i>63.5</i>	<i>65.9</i>	<i>66.5</i>	<i>65.0</i>	<i>64.0</i>	Adjusted CFO per share (INR)	14.9	7.4	21.8	50.5	28.5	33.1
Employee Cost	289.6	359.6	430.1	490.4	541.7	640.7	CFO Yield (%)	4.2	2.1	6.2	14.4	8.1	9.4
<i>Employee Cost to Sales (%)</i>	<i>5.3</i>	<i>5.2</i>	<i>5.5</i>	<i>5.6</i>	<i>5.6</i>	<i>6.0</i>	Adjusted FCF per share (INR)	12.0	5.0	17.7	46.0	23.9	28.5
Other Expenses	1,076.6	1,471.5	1,280.8	1,445.1	1,499.3	1,655.1	FCF Yield (%)	3.4	1.4	5.0	13.1	6.8	8.1
<i>Other Exp to Sales (%)</i>	<i>19.8</i>	<i>21.2</i>	<i>16.5</i>	<i>16.5</i>	<i>15.5</i>	<i>15.5</i>	<b>Solvency Ratio (X)</b>						
EBITDA	596.6	700.7	937.9	998.4	1,344.5	1,548.4	Total Debt to Equity	0.5	0.3	0.2	0.1	0.1	0.1
<i>Margin (%)</i>	<i>11.0</i>	<i>10.1</i>	<i>12.1</i>	<i>11.4</i>	<i>13.9</i>	<i>14.5</i>	Net Debt to Equity	0.5	0.3	0.1	(0.2)	(0.3)	(0.4)
<i>YoY Growth (%)</i>	<i>5.3</i>	<i>17.5</i>	<i>33.8</i>	<i>6.5</i>	<i>34.7</i>	<i>15.2</i>	Net Debt to EBITDA	1.7	1.3	0.5	(1.0)	(1.2)	(1.5)
Depreciation & Amortization	122.6	126.9	152.9	152.9	177.9	202.9	<b>Return Ratios (%)</b>						
EBIT	474.0	573.8	785.0	845.5	1,166.6	1,345.5	Return on Equity	14.6	14.6	17.6	17.0	19.2	18.5
<i>Margin (%)</i>	<i>8.7</i>	<i>8.3</i>	<i>10.1</i>	<i>9.7</i>	<i>12.1</i>	<i>12.6</i>	Return on Capital Employed	11.4	11.5	14.7	14.2	16.5	16.1
<i>YoY Growth (%)</i>	<i>3.4</i>	<i>21.1</i>	<i>36.8</i>	<i>7.7</i>	<i>38.0</i>	<i>15.3</i>	Return on Invested Capital	15.7	15.7	20.4	28.2	36.3	39.6
Other Income	23.2	43.0	49.6	49.1	51.0	51.9	<b>Working Capital Ratios</b>						
Bill discounting & other charges	68.7	82.1	83.0	56.4	53.4	53.3	Payable Days (Nos)	47	58	53	73	73	73
Fin Charges Coverage (X)	6.9	7.0	9.5	15.0	21.9	25.2	Inventory Days (Nos)	158	162	160	130	130	130
Exceptional Item	0.0	0.0	0.0	0.0	0.0	0.0	Receivable Days (Nos)	41	35	30	32	32	32
PBT	428.4	534.7	751.7	838.1	1,164.2	1,344.0	Net Working Capital Days (Nos)	152	140	137	89	89	89
<i>Margin (%)</i>	<i>7.9</i>	<i>7.7</i>	<i>9.7</i>	<i>9.6</i>	<i>12.0</i>	<i>12.6</i>	Net Working Capital to Sales (%)	41.6	38.3	37.9	24.4	24.4	24.4
<i>YoY Growth (%)</i>	<i>6.5</i>	<i>24.8</i>	<i>40.6</i>	<i>11.5</i>	<i>38.9</i>	<i>15.4</i>	<b>Valuation (X)</b>						
Tax Expense	114.4	139.8	202.9	211.0	293.0	338.3	P/E	41.8	30.4	20.6	18.0	13.2	11.5
<i>Tax Rate (%)</i>	<i>26.7</i>	<i>26.1</i>	<i>27.0</i>	<i>25.2</i>	<i>25.2</i>	<i>25.2</i>	P/BV	5.7	4.4	3.6	3.0	2.5	2.1
PAT	314.1	394.9	548.7	627.2	871.2	1,005.8	EV/EBITDA	22.2	18.7	13.5	11.3	7.9	6.4
<i>Margin (%)</i>	<i>5.8</i>	<i>5.7</i>	<i>7.1</i>	<i>7.2</i>	<i>9.0</i>	<i>9.4</i>	EV/Sales	2.4	1.9	1.6	1.3	1.1	0.9
<i>YoY Growth (%)</i>	<i>7.0</i>	<i>25.7</i>	<i>39.0</i>	<i>14.3</i>	<i>38.9</i>	<i>15.4</i>	<b>Cash Flow Statement</b>						
Min Int/Sh of Assoc	(21.9)	7.8	44.6	50.3	55.5	61.3	PBT	428.4	534.7	751.7	838.1	1,164.2	1,344.0
Net Profit	292.2	402.7	593.3	677.4	926.7	1,067.0	Adjustments	257.5	257.4	498.2	319.6	341.3	388.3
<i>Margin (%)</i>	<i>5.4</i>	<i>5.8</i>	<i>7.6</i>	<i>7.7</i>	<i>9.6</i>	<i>10.0</i>	Change in Working Capital	(54.0)	(393.9)	(290.0)	808.5	(223.0)	(245.2)
<i>YoY Growth (%)</i>	<i>6.6</i>	<i>37.8</i>	<i>47.4</i>	<i>14.2</i>	<i>36.8</i>	<i>15.1</i>	Less: Tax Paid	(114.4)	(139.8)	(202.9)	(211.0)	(293.0)	(338.3)
<b>Balance Sheet</b>							Cash Flow from Operations	517.5	258.4	756.9	1,755.3	989.4	1,148.9
Share Capital	32.0	34.7	34.7	34.7	34.7	34.7	Net Capital Expenditure	(151.9)	(143.8)	(201.1)	(200.0)	(200.0)	(200.0)
Total Reserves	2,116.9	2,762.3	3,392.0	4,001.6	4,835.7	5,796.0	Change in Investments	7.2	(250.8)	(0.4)	18.7	(21.6)	(15.8)
Shareholders Fund	2,148.9	2,797.0	3,426.7	4,036.4	4,870.4	5,830.8	Cash Flow from Investing	(144.7)	(394.6)	(201.5)	(181.3)	(221.6)	(215.8)
Long Term Borrowings	199.0	260.9	10.5	0.0	0.0	0.0	Change in Borrowings	(256.8)	(148.0)	(420.3)	(46.1)	1.9	(3.0)
Deferred Tax Assets / Liabilities	(18.2)	(18.6)	(25.6)	(25.6)	(25.6)	(25.6)	Less: Finance Cost	(68.7)	(82.1)	(83.0)	(56.4)	(53.4)	(53.3)
Other Long Term Liabilities	218.2	236.6	473.0	533.0	588.7	649.9	Proceeds from Equity	0.0	382.4	0.0	0.0	0.0	0.0
Long Term Trade Payables	0.0	0.0	0.0	0.0	0.0	0.0	Buyback of Shares	0.0	0.0	0.0	0.0	0.0	0.0
Long Term Provisions	12.4	13.3	15.7	17.9	19.8	23.4	Dividend Paid	(32.0)	(16.0)	(34.7)	(67.7)	(92.7)	(106.7)
Total Liabilities	2,560.4	3,289.2	3,900.4	4,561.7	5,453.3	6,478.5	Cash flow from Financing	(357.6)	136.3	(538.0)	(170.3)	(144.1)	(163.0)
Net Block	905.3	995.2	1,159.8	1,206.9	1,229.0	1,226.1	Net Cash Flow	15.2	0.1	17.5	1,403.6	623.7	770.0
Capital Work in Progress	35.0	26.6	41.2	0.0	0.0	0.0	Forex Effect	0.0	0.0	0.0	0.0	0.0	0.0
Intangible assets under development	0.0	0.0	0.0	0.0	0.0	0.0	Opening Balance of Cash	16.8	32.1	32.2	49.6	1,453.2	2,076.9
Non Current Investments	24.9	127.0	183.4	206.7	228.3	244.1	Closing Balance of Cash	32.1	32.2	49.6	1,453.2	2,076.9	2,846.9
Long Term Loans & Advances	66.6	60.4	100.2	112.9	124.7	137.7							
Other Non Current Assets	141.9	142.9	137.1	154.5	170.6	188.4							
Net Current Assets	1,386.7	1,937.1	2,278.6	2,880.7	3,700.7	4,682.2							
Total Assets	2,560.4	3,289.2	3,900.4	4,561.7	5,453.3	6,478.5							

Source: Ventura Research & Company Financials

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