

Estimate change



TP change



Rating change



Bloomberg	ITC IN
Equity Shares (m)	12512
M.Cap.(INRb)/(USDb)	5518.9 / 63
52-Week Range (INR)	500 / 378
1, 6, 12 Rel. Per (%)	0/-2/0
12M Avg Val (INR M)	8016

Financials & Valuations (INR b)

Y/E March	2025E	2026E	2027E
Sales	759.1	808.4	873.7
Sales Gr. (%)	7.1	6.5	8.1
EBITDA	266.2	287.6	310.8
EBITDA Mrg. %	35.1	35.6	35.6
Adj. PAT	200.8	217.0	234.3
Adj. EPS (INR)	16.1	17.4	18.7
EPS Gr. (%)	-2.0	8.1	7.9
BV/Sh.(INR)	61.4	63.5	66.0

Ratios

RoE (%)	26.5	27.8	28.9
RoCE (%)	26.3	27.6	28.8
Payout (%)	80.0	80.0	80.0

Valuations

P/E (x)	27.6	25.5	23.7
P/BV (x)	7.2	7.0	6.7
EV/EBITDA (x)	17.9	16.5	15.2
Div. Yield (%)	3.3	3.6	3.8

Shareholding pattern (%)

As On	Dec-24	Sep-24	Dec-23
Promoter	0.0	0.0	0.0
DII	44.9	44.6	42.0
FII	40.2	40.6	43.3
Others	14.9	14.8	14.7

FII Includes depository receipts

CMP: INR441
TP: INR550 (+25%)
Buy

Beat in cigarette volume; FMCG remains muted

- ITC delivered consolidated revenue growth (ex-hotel business) of 9% YoY (beat) in 3QFY25, mainly led by the cigarette business. EBITDA grew by 2% YoY to INR63.6b. APAT declined 7% YoY to INR48b.
- Gross cigarette revenue rose 8% (est. 7%). Cigarette volume growth was better than expected at ~6% (vs. est. 4%), partially supported by a favorable base (-2% in 3QFY24). The premium cigarette segment continued to outperform. Cigarette's EBIT growth was slow at 5% YoY (est. 6% YoY). EBIT margin contracted 180bp YoY to 58.0%, partially impacted by the sharp escalation in the leaf tobacco cost.
- The FMCG segment revenue grew 4% (5% ex-notebooks), impacted by food and edible oil inflation. This was partially offset by the pricing adjustments, improved product mix, and cost efficiencies. Notebooks were impacted by a high base effect and local competition, driven by a sharp decline in paper prices. EBIT margin contracted 240bp to 5.9% (est. 7.7%), marking a 10-quarter low. This was due to the rising competition, higher commodity costs, and weak demand, which led to a 26% YoY EBIT decline.
- The paper business struggled with weak demand, rising low-cost Chinese imports, falling pulp prices, and increasing input costs. Revenue grew 3% and EBIT margin contracted 500bp to 9.2% (all-time low). A partial recovery is expected by FY26-end as new crops arrive.
- Agri business revenue increased 11%, driven by leaf tobacco and value-added agri products, with EBIT margin expansion of 210bp YoY to 13.7%. Hotels maintained strong growth, with revenue up 15% YoY (now demerged).
- We cut our EPS estimates by 4% for FY25 and 5% for FY26, mainly due to the impact of the hotel business demerger w.e.f. Jan'25. We reiterate our **BUY** rating on ITC with our SOTP-based **TP of INR550 (implied 30x Dec'26E P/E)**.

Cigarette volume growth at ~6%; FMCG performance muted

- **Consolidated performance (Ex-hotel business):** ITC's 3QFY25 net revenue grew by 9% YoY at INR187.9b (est. INR182.1b), mainly led by the cigarette business. Consolidated gross margin contracted by ~180bp YoY to 57.6%, impacted by high food inflation and the rise of certain input costs (leaf, wood, etc). EBITDA grew by 2% YoY to INR63.6b. APAT declined 7% YoY to INR48b.
- **Cigarette volumes up ~6%, with 5% EBIT growth:** Gross cigarette sales grew 8% YoY to INR89.4b (est. INR88.8b). Cigarette volume growth was ~6% (est. 4%), partially also supported by a favorable base (~-2% in 3QFY25). Differentiated and premium offerings continue to perform well. EBIT growth was slower than the revenue growth, posting 5% YoY growth to INR51.9b (est. INR52.5b). The sharp escalation in the leaf tobacco cost was partly offset by the improved product mix.

- **FMCG - Others** sales grew 4% YoY to INR54.3b (est. INR54.8b), while ex-notebook growth was at 5%. Notebooks were impacted by a high base effect and opportunistic play by local brands, driven by a sharp decline in paper prices. EBIT declined 26% YoY to INR3.2b (est. INR4.2bn) in 3QFY25. EBIT margin contracted 240bp to 5.9% (est. 7.7%), marking a 10-quarter low. Severe inflationary pressures were experienced across key inputs such as edible oil, wheat, maida, potato, cocoa, and packaging materials during the quarter.
- **Agri business** sales increased by 11% YoY to INR36.3b (est. INR38.3b). EBIT grew by 30% YoY to INR5.0b. EBIT margin expanded by 210bp YoY to 13.7% (est. 9.7%), marking a 28-quarter high.
- **Paperboards** business sales grew 3% YoY to INR21.4b (est. INR21.6b). EBIT declined 33% YoY to INR2.0b and EBIT margin contracted 500bp YoY to 9.2% (est. 11.8%; all-time low). It was impacted by low-priced Chinese and Indonesian imports, soft domestic demand, and a sharp rise in wood prices.
- **Hotel business** revenue was up 15% YoY to INR9.2b. Following the demerger on 1st Jan'25, the business has been recorded as a discontinued operation in the financial results.

Valuation and view

- We cut our EPS estimates by 4% for FY25 and 5% for FY26, mainly due to the demerger of the hotel business w.e.f. Jan'25.
- ITC's core business of cigarettes has shown steady performance. With stable taxes on cigarettes, we anticipate sustainable growth in this business. While the FMCG sector is seeing moderation due to the rising commodity prices, ITC is enjoying industry-leading growth over peers due to its category presence (large unorganized mix, under-penetrated, etc.).
- We reiterate our **BUY** rating on ITC with our SOTP-based **TP of INR550 (implied 30x Dec'26E P/E)**.

Consol. Quarterly Performance

(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q*	4QE*			3QE	
Est. cigarette vol. gr. (%)	8.0	5.0	-2.0	2.0	3.0	3.5	6.0	4.5	3.0	4.3	4.0	
Net Sales	171.6	177.7	180.2	179.2	184.6	207.4	187.9	179.3	708.8	759.1	182.2	3.2%
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	16.7	4.3	0.0	-0.1	7.1	6.7	
Gross Profit	106.1	107.1	109.8	113.4	111.7	115.9	108.3	118.0	436.3	454.0	119.2	
Margin (%)	61.8	60.2	60.9	63.2	60.5	55.9	57.6	65.8	61.6	59.8	62.0	
EBITDA	66.7	64.5	65.0	66.3	67.5	67.6	63.6	67.5	262.5	266.2	68.2	
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.8	-2.2	1.8	2.3	1.4	4.8	
Margins (%)	38.9	36.3	36.1	37.0	36.6	32.6	33.9	37.6	37.0	35.1	35.5	
Depreciation	4.4	4.5	4.6	4.6	5.0	5.2	4.2	4.8	18.2	19.2	5.2	
Interest	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.5	0.5	0.1	
Other Income	7.2	6.6	6.6	6.8	6.9	6.2	6.0	6.8	27.3	25.9	7.4	
PBT	69.4	66.6	66.9	68.4	69.3	68.4	65.3	69.3	271.2	272.4	70.2	
Tax	17.6	17.0	12.8	16.5	17.6	17.9	17.3	15.8	63.9	68.6	16.5	
Rate (%)	25.4	25.5	19.2	24.1	25.4	26.2	26.4	22.7	23.6	25.2	23.5	
Adj PAT	51.0	49.0	53.4	51.2	50.9	49.9	48.1	52.8	204.6	200.8	52.9	
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	2.0	-9.9	3.1	6.9	-1.9	-0.9	
Reported PAT	51.0	49.0	53.4	51.2	50.9	49.9	48.1	52.8	204.6	200.8	52.9	

E: MOFSL estimate; * Excluding the hotel business data, therefore not comparable YoY

Consol. Quarterly Performance (Ex-hotel business)

(INR b)	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25E
Est. cigarette vol. gr. (%)	-2.0	2.0	3.0	3.5	6.0	4.5
Net Sales	172.0	170.4	177.8	199.9	187.9	179.3
YoY change (%)					9.3	5.2
Gross Profit	102.3	105.3	105.7	109.2	108.3	118.0
Margin (%)	59.5	61.8	59.4	54.6	57.6	65.8
EBITDA	62.1	63.0	65.4	65.5	63.6	67.5
Growth (%)					2.4	7.1
Margins (%)	36.1	37.0	36.8	32.8	33.9	37.6
Depreciation	3.8	3.9	4.0	4.2	4.2	4.8
Interest	0.1	0.1	0.1	0.1	0.1	0.1
Other Income	6.5	6.8	6.8	6.1	6.0	6.8
PBT	64.6	65.9	68.1	67.3	65.3	69.3
Tax	12.3	15.8	17.3	17.6	17.3	15.8
Rate (%)	19.0	24.0	25.3	26.1	26.4	22.7
Adj PAT	51.7	49.4	49.3	49.2	48.1	52.8
YoY change (%)					-6.9	7.0
Reported PAT	51.7	49.4	49.3	49.2	48.1	52.8

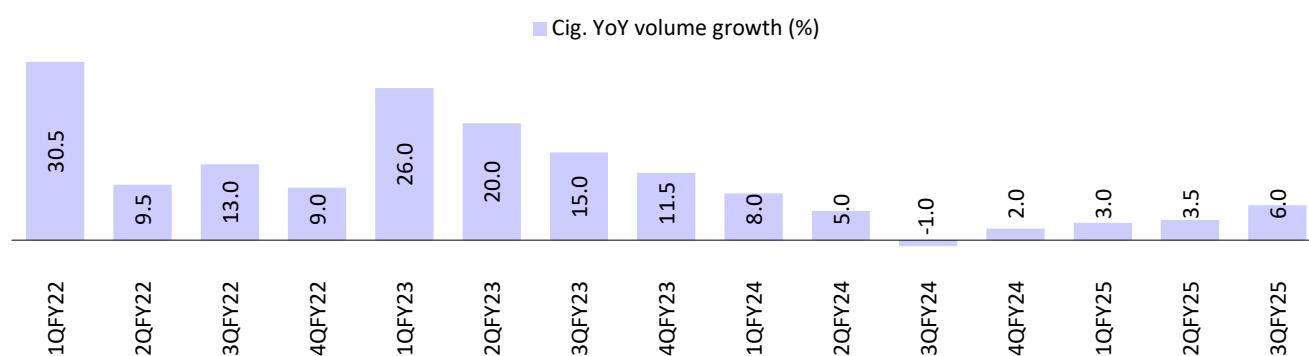
E: MOFSL estimate

Cigarette volumes up ~6% YoY in 3QFY25

- **Gross cigarette** sales grew 8% YoY to INR89.4b (est. INR88.8b). Cigarette volume growth was ~6% (est. 4%), partially supported by a favorable base (around -2%).
- Differentiated and premium offerings continue to perform well. EBIT grew by 5% YoY to INR51.9b (est. INR52.5b). Cigarette EBIT margin contracted 180bp YoY to 58.0%. The sharp cost escalation in leaf tobacco was partly offset by an improved mix.
- ITC reinforced its market standing through strategic interventions in competitive markets and focused efforts to counter illicit trade. Premium and differentiated offerings, such as Classic Connect and Gold Flake Social, continued to perform well.

- The sharp cost escalation in leaf tobacco was partly offset by an improved product mix, calibrated pricing actions, and strategic cost management. Trade marketing spending was restructured to enhance the last-mile execution and strengthen focus on key markets.
- Stability in cigarette taxes, coupled with enforcement actions against illicit trade, facilitated volume recovery for the legal cigarette industry. This boosted demand for Indian tobaccos and supported government revenue.
- The Union Budget 2025 has proposed amendments to the Central Goods and Services Tax Act, introducing a Track and Trace mechanism to enhance enforcement against illicit cigarette trade.

Exhibit 1: Cigarette volumes up ~6% YoY in 3QFY25

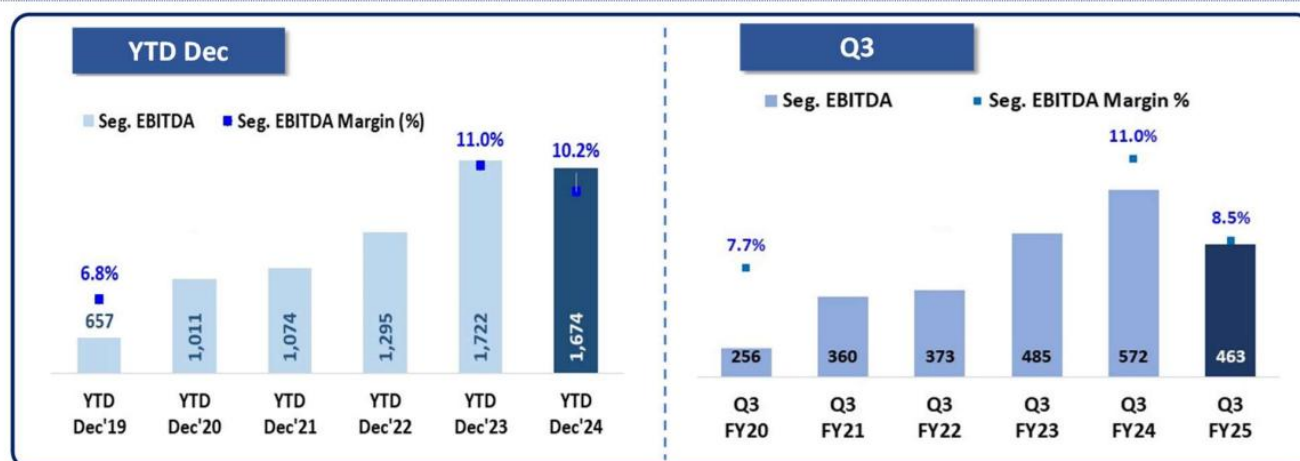


Source: Company, MOFSL

FMCG – Others: Subdued performance; pressure on margins

- **FMCG - Others** sales grew 4% YoY to INR54.3b (est. INR54.8b), while ex-notebook growth was at 5%. Notebooks were impacted by a high base effect and opportunistic play by local brands, driven by a sharp decline in paper prices.
- EBIT declined 26% YoY to INR3.2b (est. INR4.2bn) in 3QFY25. EBIT margin contracted 240bp to 5.9% (est. 7.7%), marking a 10-quarter low.
- Growth was driven by categories such as Atta, Spices, Snacks, Frozen Snacks, Dairy, Premium Personal Wash, Homecare, and Agarbatti.
- Severe inflationary pressures were experienced across key inputs such as edible oil, wheat, maida, potato, cocoa, and packaging materials during the quarter. The sharp rise in input costs was partially mitigated through effective cost management, calibrated pricing actions, and premiumization.
- Competitive marketing investments were maintained despite short-term inflationary challenges to support growth and market position. The competitive intensity remains high, particularly from local players in categories such as Noodles, Snacks, Biscuits, and Popular Soaps.
- Emerging channels, such as e-commerce, quick commerce, and modern trade, witnessed robust growth due to a sharp execution of category-specific business plans and collaborations.
- Intense competition, especially from local players, was noted in categories such as noodles, snacks, biscuits, and popular soaps. ITC's focus remained on product differentiation and premium offerings to counter this competition.

Exhibit 2: FMCG - Segmental EBITDA and EBITDA margins



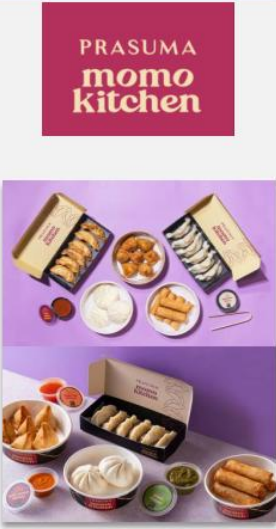


Source: Company Presentation

Strategic acquisition of Prasuma

- ITC has signed definitive agreements to acquire Ample Foods Private Limited (along with its subsidiary Chao Foods Private Limited) and Meat and Spice Private Limited, which own the brands Prasuma and Meatigo.
- The target companies specialize in frozen, chilled, and ready-to-cook foods, including momos, baos, Korean fried chicken, raw meats, marinades, and cheese, available through online, offline, and D2C channels.
- ITC will acquire 100% ownership over three years, with an initial 43.8% stake for INR1310m by May'25, followed by an increase to 62.5% by Apr'27, and full ownership by Jun'28 based on pre-agreed valuation criteria.
- This acquisition will strengthen ITC's Frozen Foods portfolio under ITC Master Chef, making it a full-stack player in frozen, chilled, and ready-to-cook segments, with synergies in distribution, R&D, and product innovation.
- Ample Foods Private Limited (AFPL) reported a turnover of INR740m/INR980m/INR1160m for FY22/FY23/FY24 and Meat and Spice Private Limited (MSPL) recorded a turnover of INR460m/440m/420m for FY22/FY23/FY24.
- Prasuma Momo Kitchen offers high-quality Pan Asian offerings through 40 cloud kitchens. With a presence in 100+ cities across online and offline channels, Prasuma has scaled to an annual revenue run rate of about INR2,000m (on a trailing three-month basis).
- Prasuma's CEO, Lisa Suwal, and COO, Siddhant Wangdi, will continue to lead operations for three years, with ITC's representation on the board.

Exhibit 3: Range of product portfolio

 <p>PRASUMA® 70+ products</p>	 <p>MEATIGO by PRASUMA 100+ products</p>	 <p>PRASUMA momo kitchen</p>
<p>Premium Frozen, Chilled and RTC FMCG brand Momos, Baos, Korean Fried Chicken, Mini Pizzas</p>	<p>Online D2C Meat brand www.meatigo.com</p>	<p>Cloud kitchens for Pan Asian offerings</p>

Source: Company Presentation

Paperboards, Paper, and Packaging

- **Paperboards** business sales grew 3% YoY to INR21.4b (est. INR21.6b). EBIT declined 33% YoY to INR2.0b and EBIT margin contracted 500bp YoY to 9.2% (est. 11.8%; all-time low).
- The paperboards, paper, and packaging segment faced challenges due to low-priced Chinese imports affecting global markets (including India), soft domestic demand, surge in domestic wood costs, and subdued realizations due to increased competition and costs.
- Wood costs remain on an upward trajectory, impacted by heavy cyclonic rainfall in key plantation areas. Efforts are focused on accelerating plantation expansion, developing new areas, and leveraging satellite-based monitoring to mitigate short-term challenges.
- ITC is focused on portfolio augmentation, market development (especially exports), and structural cost management to address the challenges.
- Strategic interventions, including a sharp focus on portfolio augmentation, export customer/market development, and structural cost management, continue to be implemented to mitigate near-term challenges.
- Export growth remains strong, driven by new business development, while leadership in the VAP segment has been reinforced. Anchor grades, particularly liquid packaging board, recorded double-digit growth, supported by competitive offerings.







Agri Business

- **Agri business** sales increased by 11% YoY to INR36.3b (est. INR38.3b). EBIT grew by 30% YoY to INR5.0b. EBIT margin expanded by 210bp YoY to 13.7% (est. 9.7%), marking a 28-quarter high.
- Value-added agri exports saw strong growth, driven by robust performance in spices from the Guntur facility and increased coffee demand amid supply shortages in key origins.
- Leaf tobacco exports expanded significantly, supported by new business development and agile execution.
- Stock limits and export restrictions on wheat continue to constrain business opportunities, while a partial easing of restrictions on rice export has led to a strong order book.
- Strategic sourcing initiatives remain crucial in supporting the Foods and Cigarettes businesses.
- The Nicotine Project is in the advanced stages of product trials, with focused business development efforts underway to accelerate scale-up. Export shipments are expected to begin soon.

Hotels

- Hotel business revenue was up 15% YoY to INR9.2b. Following its demerger on 1st Jan'25, the business has been reported as a discontinued operation in the financial results.
- Five properties with 330 keys were opened during the quarter, while 29 hotels were signed over the past 12 months (Jan-Dec'24).

Exhibit 4: Hotel business landscape for the next four years

Brands	Operational Hotels Keys	Pipeline for next 4 years Hotels Keys	Total Hotels Keys
 ITC HOTELS RESPONSIBLE LUXURY	16 4737	- 52	16 4789
 MEMENTOS BY ITC HOTELS	2 181	1 240	3 421
 WELCOMHOTEL BY ITC HOTELS	28 3041	12 1447	40 4488
 STORIX BY ITC HOTELS	7 191	10 558	17 749
 FORTUNE Member ITC's hotel group	56 4162	21 1707	77 5869
 WelcomHeritage Palaces • Forts • Mansions • Resorts	35 1016	3 130	38 1146
Total	144 13,328	47 4134	191 17462

Source: Company Presentation

Key exhibits

Exhibit 5: Segmental Information

Segmental Information	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25
Net sales (INR b)											
Cigarettes	74.6	76.4	80.9	80.8	83.6	83.3	83.0	86.9	88.4	88.8	89.4
FMCG - Others	44.6	48.9	48.5	49.5	51.7	53.0	52.2	53.1	55.0	55.9	54.3
Agri business	74.9	40.4	33.1	36.1	57.3	39.9	32.7	31.4	70.0	58.5	36.3
Paper and packaging	22.7	22.9	23.1	22.2	21.2	20.7	20.8	20.7	19.8	21.1	21.4
Sales growth (YoY)											
Cigarettes	28.6	22.8	16.2	12.6	11.9	9.1	2.6	7.5	5.8	6.6	7.8
FMCG - Others	19.5	21.0	18.3	19.3	16.0	8.4	7.6	7.2	6.3	5.3	4.0
Agri business	82.3	43.1	(35.9)	(17.6)	(23.6)	(1.3)	(1.0)	(13.1)	22.2	46.6	10.8
Paper and packaging	43.3	25.0	12.7	1.8	(6.5)	(9.5)	(9.7)	(6.7)	(6.8)	2.1	3.1
Volume growth (YoY)											
Cigarettes	26.0	20.0	15.0	11.5	8.0	5.0	(2.0)	2.0	3.0	3.5	6.0
EBIT (INR b)											
Cigarettes	44.7	46.3	48.6	49.2	49.4	50.0	49.7	51.6	52.6	52.4	51.9
FMCG - Others	2.1	3.2	3.5	5.0	4.3	4.4	4.3	4.8	4.8	4.4	3.2
Agri business	2.8	3.6	4.4	3.0	3.5	3.6	3.8	1.9	3.4	4.5	5.0
Paper and packaging	6.1	6.3	6.1	4.4	4.7	3.1	3.0	2.9	2.6	2.3	2.0
EBIT growth (YoY)											
Cigarettes	29.1	23.2	16.1	12.8	10.6	7.9	2.1	4.9	6.3	4.8	4.5
FMCG - Others	18.7	17.4	42.9	111.2	109.8	36.5	23.3	(4.7)	10.4	0.4	(26.1)
Agri business	45.2	19.4	25.2	24.7	24.4	0.8	(12.8)	(38.8)	(2.2)	24.5	30.3
Paper and packaging	56.0	54.0	35.2	(1.0)	(23.1)	(50.0)	(51.3)	(34.6)	(45.6)	(25.4)	(33.2)
EBIT margin (%)											
Cigarettes	59.9	60.7	60.1	60.8	59.2	60.1	59.9	59.4	59.4	59.0	58.0
FMCG - Others	4.6	6.6	7.3	10.2	8.4	8.3	8.3	9.0	8.7	8.0	5.9
Agri business	3.8	8.8	13.2	8.4	6.2	9.0	11.6	5.9	4.9	7.6	13.7
Paper and packaging	27.0	27.5	26.3	20.0	22.2	15.2	14.2	14.0	13.0	11.1	9.2
EBIT margin change (%)											
Cigarettes	0.2	0.2	(0.0)	0.1	(0.7)	(0.6)	(0.3)	(1.5)	0.3	(1.0)	(1.8)
FMCG - Others	(0.0)	(0.2)	1.3	4.4	3.7	1.7	1.1	(1.1)	0.3	(0.4)	(2.4)
Agri business	(1.0)	(1.7)	6.4	2.9	2.4	0.2	(1.6)	(2.5)	(1.2)	(1.4)	2.1
Paper and packaging	2.2	5.2	4.4	(0.6)	(4.8)	(12.3)	(12.1)	(6.0)	(9.3)	(4.1)	(5.0)

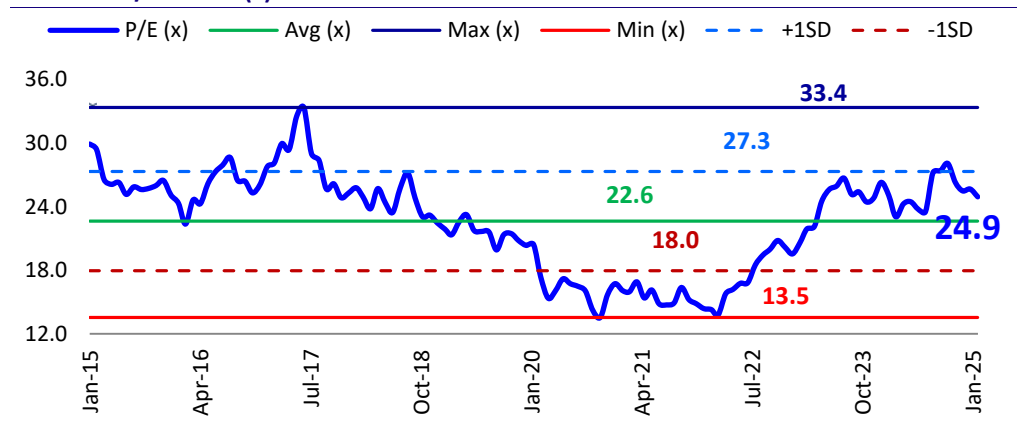
Valuation and view

- We cut our EPS estimates by 4% for FY25 and 5% for FY26, mainly due to the demerger of the hotel business w.e.f. Jan'25.
- ITC's core business of cigarettes has shown steady performance. With stable taxes on cigarettes, we anticipate sustainable growth in this business. While the FMCG sector is seeing moderation due to the rising commodity prices, ITC is enjoying industry-leading growth over peers due to its category presence (large unorganized mix, under-penetrated, etc.).
- We reiterate our **BUY** rating on ITC with our SOTP-based **TP of INR550 (implied 30x Dec'26E P/E)**.

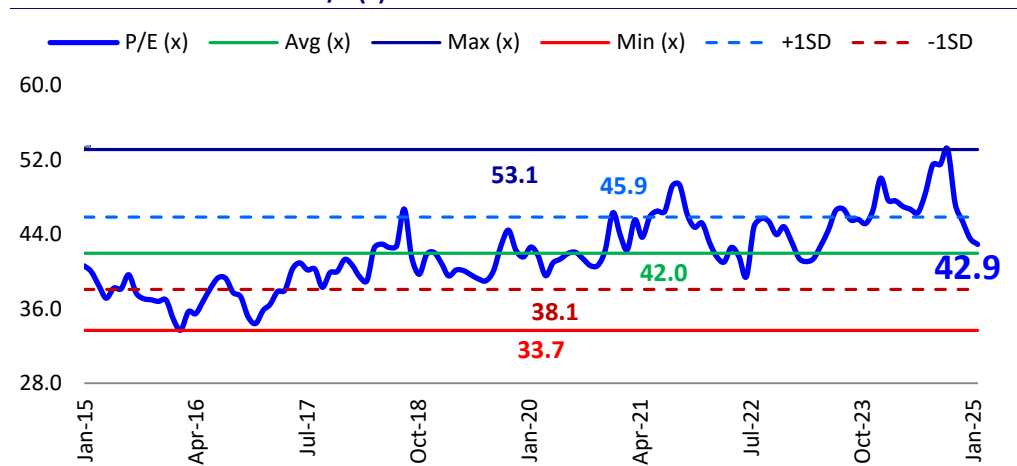
Exhibit 6: We cut our EPS estimates by 4% for FY25 and 5% for FY26, mainly due to the demerger of the hotel business

	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	759.1	808.4	776.3	840.9	-2.2	-3.9
EBITDA	266.2	287.6	275.5	300.3	-3.4	-4.2
PAT	200.8	217.0	209.0	227.6	-3.9	-4.6

Source: Company, MOFSL

Exhibit 7: P/E for ITC (x)

Source: Bloomberg, MOFSL

Exhibit 8: Consumer sector P/E (x)

Source: Bloomberg, MOFSL

Financials and valuations

Income Statement							(INR b)		
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net Sales	498.6	513.9	531.6	652.0	765.2	768.4	822.9	876.3	947.1
Excise duty	15.1	19.9	38.8	45.4	55.8	59.6	63.8	67.9	73.4
Total Revenue	483.5	494.0	492.7	606.7	709.4	708.8	759.1	808.4	873.7
Change (%)	11.3	2.2	-0.3	23.1	16.9	-0.1	7.1	6.5	8.1
Gross Profit	309.3	320.6	291.4	342.8	419.3	436.3	454.0	497.2	545.2
Margin (%)	64.0	64.9	59.1	56.5	59.1	61.6	59.8	61.5	62.4
Other operating expenditure	125.3	128.0	121.4	136.2	162.7	173.8	187.7	209.6	234.4
EBITDA	184.1	192.6	170.0	206.6	256.6	262.5	266.2	287.6	310.8
Change (%)	11.7	4.6	-11.7	21.5	24.2	2.3	1.4	8.0	8.1
Margin (%)	38.1	39.0	34.5	34.1	36.2	37.0	35.1	35.6	35.6
Depreciation	14.0	16.4	16.5	17.3	18.1	18.2	19.2	20.2	21.2
Int. and Fin. Charges	0.5	0.5	0.4	0.4	0.4	0.5	0.5	0.6	0.6
Other Inc. - Recurring	21.7	26.0	26.3	18.4	19.8	27.3	25.9	28.0	29.7
Profit before Taxes	191.4	201.6	179.5	207.2	257.9	271.2	272.4	294.8	318.6
Change (%)	12.7	5.3	-11.0	15.5	24.5	5.1	0.5	8.2	8.1
Margin (%)	39.6	40.8	36.4	34.2	36.4	38.3	35.9	36.5	36.5
Tax	61.9	48.5	44.6	53.1	64.5	61.7	68.6	74.2	80.2
Deferred Tax	1.2	-4.0	0.9	-0.7	-0.1	2.2	0.0	0.0	0.0
Tax Rate (%)	33.0	22.0	25.4	25.3	25.0	23.6	25.2	25.2	25.2
Profit after Taxes	124.6	152.7	130.3	150.6	186.8	204.6	200.8	217.0	234.3
Change (%)	15.3	22.5	-14.6	15.5	24.1	9.5	-1.9	8.1	7.9
Margin (%)	25.8	30.9	26.4	24.8	26.3	28.9	26.5	26.8	26.8
Reported PAT	127.9	146.0	131.6	152.4	191.4	204.6	200.8	217.0	234.3

Balance Sheet							(INR b)		
Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Share Capital	12.3	12.3	12.3	12.3	12.4	12.5	12.5	12.5	12.5
Reserves	579.2	640.4	585.6	602.4	679.1	732.6	755.1	781.4	812.5
Net Worth	591.4	652.7	597.9	614.8	691.6	745.1	767.7	794.0	825.0
Loans	0.1	0.1	0.1	0.1	0.4	0.1	0.5	0.5	0.6
Deferred Liability	19.9	15.7	16.8	16.1	15.8	20.7	20.7	20.7	20.7
Capital Employed	611.4	668.5	614.8	630.9	707.7	765.9	788.8	815.1	846.2
Gross Block	324.4	364.2	396.5	423.4	457.6	476.6	503.3	530.0	556.7
Less: Accum. Depn.	130.6	147.0	163.5	180.8	198.9	217.1	236.2	256.5	277.7
Net Fixed Assets	193.8	217.2	233.1	242.6	258.7	278.3	267.1	273.6	279.0
Capital WIP	41.3	32.5	40.0	32.0	29.8	28.5	22.8	18.2	14.6
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	250.4	286.6	248.7	248.4	294.2	311.1	326.1	341.1	356.1
Current	133.5	179.5	148.5	122.6	172.3	129.4	144.4	159.4	174.4
Non-current	117.0	107.2	100.2	125.8	121.8	181.7	181.7	181.7	181.7
Curr. Assets, L&A	231.8	236.8	210.2	239.2	275.6	299.6	344.6	371.6	406.1
Inventory	79.4	89.7	104.0	108.6	117.7	141.5	125.1	129.0	136.9
Account Receivables	40.4	25.6	25.0	24.6	29.6	40.3	31.6	33.7	36.4
Cash and Bank Balance	41.5	72.8	41.0	36.8	48.8	72.2	106.0	122.1	140.7
Others	70.5	48.7	40.2	69.2	79.5	45.6	81.9	86.8	92.0
Curr. Liab. and Prov.	102.5	100.8	113.8	127.6	146.8	147.8	164.7	178.3	194.1
Account Payables	35.1	36.3	43.2	44.2	46.6	48.0	50.6	53.8	58.2
Other Liabilities	62.7	59.9	65.3	75.7	98.6	98.2	102.4	111.1	120.5
Net Current Assets	129.3	136.0	96.4	111.6	128.8	151.8	180.0	193.3	212.0
Application of Funds	614.9	672.3	618.2	634.6	711.5	769.7	796.0	826.2	861.7

E: MOFSL Estimates

Financials and valuations

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Basic (INR)									
EPS	10.2	12.4	10.6	12.2	15.0	16.4	16.1	17.4	18.7
Cash EPS	11.3	13.8	11.9	13.6	16.5	17.8	17.6	19.0	20.4
BV/Share	48.2	53.1	48.6	49.9	55.6	59.7	61.4	63.5	66.0
DPS	5.8	10.2	10.8	11.5	15.5	13.8	14.8	15.8	16.8
Payout %	66	85	101	93	101	84	80	80	80
Valuation (x)									
P/E	43.6	35.7	41.8	36.3	29.5	27.0	27.6	25.5	23.7
Cash P/E	39.2	32.2	37.2	32.5	26.9	24.8	25.2	23.4	21.7
EV/Sales	9.9	9.4	9.3	7.6	6.4	6.3	5.8	5.4	5.0
EV/EBITDA	26.7	25.2	28.9	23.8	19.0	18.4	17.9	16.5	15.2
P/BV	9.2	8.3	9.1	8.9	8.0	7.4	7.2	7.0	6.7
Dividend Yield (%)	1.3	2.3	2.4	2.6	3.5	3.1	3.3	3.6	3.8
Return Ratios (%)									
RoE	22.3	24.5	20.8	24.8	28.6	28.5	26.5	27.8	28.9
RoCE	22.2	24.6	20.9	24.9	29.0	28.2	26.3	27.6	28.8
RoIC	44.0	49.5	40.8	47.2	55.2	54.2	54.1	60.5	65.0
Working Capital Ratios									
Debtor (Days)	25	24	19	15	14	18	17	15	15
Asset Turnover (x)	0.8	0.8	0.9	1.0	1.1	1.0	1.0	1.1	1.1

Cash Flow Statement

Y/E March	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
(INR b)									
OP/(loss) before Tax	191.5	200.3	179.5	207.2	259.2	271.4	272.4	294.8	318.6
Financial other income	-4.2	-8.0	-0.1	0.2	-3.0	-6.6	0.3	0.3	0.3
Depreciation and Amort.	14.0	16.4	16.5	17.3	18.1	18.2	19.2	20.2	21.2
Interest Paid	-12.7	-14.7	-15.3	-6.9	-15.3	-16.6	-18.0	-19.4	-20.9
Direct Taxes Paid	-58.0	-50.2	-44.6	-53.1	-62.5	-61.2	-68.6	-74.2	-80.2
Incr in WC	-4.8	3.0	6.1	-18.5	-7.7	-33.4	10.4	-0.2	-1.9
CF from Operations	125.8	146.9	142.0	146.3	188.8	171.8	215.8	221.5	237.1
Other items	-27.4	44.7	14.6	3.5	24.0	42.0	36.7	19.4	20.9
Incr Decr in FA	31.4	24.1	39.9	18.8	26.9	34.6	21.0	22.1	23.1
Free Cash Flow	94.4	122.8	102.2	127.5	161.8	137.2	194.8	199.4	214.1
Pur of Investments	-14.2	54.4	-37.9	-0.3	43.7	-29.6	15.0	15.0	15.0
CF from Invest.	-44.6	-33.8	12.7	-15.0	-46.7	37.1	0.7	-17.7	-17.1
Issue of shares	9.7	6.3	0.0	0.0	24.8	14.4	0.0	0.0	0.0
Incr in Debt	-0.1	0.0	0.0	0.0	-0.6	-0.6	0.3	0.0	0.0
Net Interest Paid	1.0	0.4	0.0	0.0	0.4	0.5	0.0	0.0	0.0
Dividend Paid	77.3	87.1	186.5	135.6	154.0	199.0	178.2	190.7	203.2
Others	0.0	-0.5	0.0	0.0	0.1	0.1	0.0	0.0	0.0
CF from Fin. Activity	-68.7	-81.8	-186.4	-135.6	-130.1	-185.5	-177.9	-190.7	-203.2
Incr of Cash	12.5	31.3	-31.7	-4.3	12.0	23.4	38.7	13.1	16.8
Add: Opening Balance	29.0	41.5	72.8	41.0	36.8	48.8	72.2	110.8	123.9
Closing Balance	41.5	72.8	41.0	36.8	48.8	72.2	110.8	123.9	140.7

E: MOFSL Estimates

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