

Estimate change	↔
TP change	↔
Rating change	↔

CMP: INR472 **TP: INR575 (+22%)** **Buy**

Resilient print despite challenges

Bloomberg	ITC IN
Equity Shares (m)	12508
M.Cap.(INRb)/(USDb)	5899.8 / 70.2
52-Week Range (INR)	529 / 399
1, 6, 12 Rel. Per (%)	-3/1/-18
12M Avg Val (INR M)	7664

Financials & Valuations (INR b)

Y/E March	2024	2025E	2026E
Sales	708.8	777.2	841.8
Sales Gr. (%)	-0.1	9.6	8.3
EBITDA	262.5	275.1	300.8
EBITDA Mrg. %	37.0	35.4	35.7
Adj. PAT	204.6	208.8	227.9
Adj. EPS (INR)	16.4	16.7	18.3
EPS Gr. (%)	9.0	2.0	9.2
BV/Sh.(INR)	59.7	62.2	65.2
Ratios			
RoE (%)	28.5	27.5	28.7
RoCE (%)	28.2	27.2	28.4
Payout (%)	83.9	80.0	80.0
Valuations			
P/E (x)	28.8	28.2	25.9
P/BV (x)	7.9	7.6	7.2
EV/EBITDA (x)	18.4	17.3	15.7
Div. Yield (%)	2.9	3.1	3.3

Shareholding pattern (%)

As On	Sep-24	Jun-24	Sep-23
Promoter	0.0	0.0	0.0
DII	44.6	69.5	71.0
FII	40.6	15.0	14.4
Others	14.8	15.5	14.7

FII Includes depository receipts

- ITC delivered consolidated revenue growth of 17% YoY (beat) in 2QFY25, due to high growth in agri business. Core business performance was largely in line with estimates despite several challenges.
- Gross cigarette revenue grew by 7%, driven by volume growth of ~3.5% YoY (in line), pricing growth of 1-2% and better mix. Premium cigarette segment continued to outperform. EBIT growth was 5% YoY (in line).
- FMCG segment delivered 5% revenue growth (7% growth excl. notebook business) in a challenging environment. The company witnessed healthy demand from both urban and rural markets. Excessive rains in parts of the country also impacted a part of the portfolio. Notebooks impacted by a high base effect and local competition on a sharp drop in paper prices. Margins were impacted slightly by rising competitive pressure (local, regional players), increased commodity prices and weak demand. EBIT margin was at 8.0%. (est. 8.2%).
- Paper business continued to face challenges from soft demand, increased competition (low-cost Chinese imports), declining pulp prices, and rising input costs. Revenue growth was 2% and EBIT margin contracted 400bp to 11.1% (all-time low). Recovery is expected to be delayed to FY26 following the arrival of new crops.
- Agri business saw strong growth of 47%, led by leaf tobacco and value-added agri products. EBIT margins impacted by a rise in green leaf tobacco costs. Hotels maintained healthy revenue growth, up 17% YoY.
- We retain our **BUY** rating on ITC with our SOTP-based **TP of INR575 (implied 30x Sep'26E P/E)**.

Beat on sales; core business remains healthy

- **Consolidated performance:** ITC's 2QFY25 net revenue grew by 17% YoY to INR207.6b (est. INR187.6b), mainly led by agri business and hotels.
- Consolidated gross margin contracted by ~430bp YoY to 55.9% (est. 61%), impacted by high food inflation, unfavorable mix (high agri growth) and escalation in certain input costs (leaf, wood, etc.).
- **EBITDA grew by 5% YoY** to INR67.6b (est. INR67.1). PBT/adj. PAT grew by 3%/2% YoY to INR68.4b (est. INR69.3b)/INR49.9b (est. INR51.2b).
- **Cigarette volumes up ~3.5% YoY:** Gross cigarette sales grew 7% YoY to INR88.8b (est. INR88.3). Cigarette volume growth is expected to be ~3.5% (in line). EBIT grew by 5% YoY to INR52.4b (in line). Cigarette EBIT margin contracted 100bp YoY to 59.0%.
- **FMCG-Others** sales grew 5% YoY to INR55.8b (est. INR55.7b). EBIT was flat YoY at INR4.4b. EBIT margin contracted by 40bp to 8.0% (est. 8.2%).
- **Hotel business** sales grew by 17% YoY to INR7.9b, EBIT declined 12% YoY to INR1.2b, and EBIT margin contracted by 490bp YoY to 14.8% (10-quarter low).
- **Agri business saw strong growth** as sales jumped 47% YoY to INR58.4b. EBIT grew by 25% YoY to INR4.5b and EBIT margin contracted 140bp YoY to 7.6%.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@motilaloswal.com)

Research Analyst: Pratik Prajapati (pratik.prajapati@motilaloswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

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- **Paperboards** business remained soft and grew 2% YoY to INR21.1b. EBIT declined 25% YoY to INR2.3b and EBIT margin contracted 410bp YoY to 11.1% (all-time low).
- In 1HFY25, net sales/EBITDA/APAT grew 12%/3%/1%. In 2HFY25, we model net sales/EBITDA/APAT growth of 7%/6%/3%.

Key takeaways

- In cigarette, premium and differentiated offerings, such as Classic Connect and Gold Flake Social, continued to perform well.
- Sharp cost escalation in leaf tobacco was partly mitigated through an improved product mix, calibrated pricing actions, and strategic cost control.
- FMCG showed resilience despite challenges like subdued demand, high inflation, and unseasonal rains.
- Intense competition, especially from local players, was noted in categories like noodles, snacks, biscuits, and popular soaps. ITC's focus remained on product differentiation and premium offerings to counter this competition.
- 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.
- Strong agri performance was led by leaf tobacco and value-added agri products like coffee, fruits & vegetables, and spices.
- In hotels, over the last 24 months, 30 properties have been added to ITC's portfolio, with plans to add 28 more in the next 24 months.
- The National Company Law Tribunal (NCLT) sanctioned the **demerger of ITC Hotels** from ITC Limited, with the scheme expected to become effective upon filing the NCLT's order.

Valuation and view

- There are no material changes to our EPS estimates for FY25 and FY26.
- ITC's core businesses of cigarette and FMCG are seeing steady growth. FMCG continues to enjoy industry-leading growth over peers due to ITC's category presence (large unorganized mix, under-penetrated, etc.).
- After the demerger of its asset-heavy hotel business, ITC's return profile will also improve.
- Capital efficiency will further improve operating cash flow, leading to a healthy sustainable dividend yield (3-4%).
- With the stable tax on cigarettes, we anticipate sustainable growth in business and value it at 20x Sep'26E EV/EBITDA. Reiterate our BUY rating with our SOTP-based TP of INR575 (implied 30x Sep'26E EPS).

Consol. Quarterly Performance

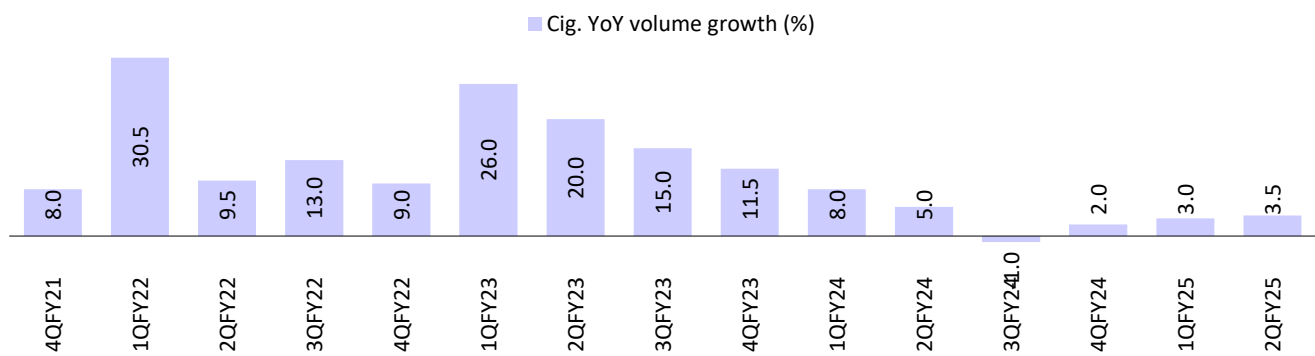
(INR b)

Y/E March	FY24				FY25				FY24	FY25E	FY25	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Est. cigarette vol. gr. (%)	8.0	5.0	-1.0	2.0	3.0	3.5	4.0	3.5	3.0	3.5	3.5	
Net Sales	171.6	177.7	180.2	179.2	184.6	207.4	190.7	194.6	708.8	777.2	187.6	10.5%
YoY change (%)	-7.2	3.9	1.8	1.6	7.5	16.7	5.8	8.6	-0.1	9.6	5.5	
Gross Profit	106.1	107.1	109.8	113.4	111.7	115.9	118.2	134.4	436.3	480.3	114.4	
Margin (%)	61.8	60.2	60.9	63.2	60.5	55.9	62.0	69.1	61.6	61.8	61.0	
EBITDA	66.7	64.5	65.0	66.3	67.5	67.6	68.6	71.4	262.5	275.1	67.2	0.7%
Growth (%)	9.8	3.1	-3.0	0.0	1.2	4.8	5.5	7.7	2.3	4.8	4.1	
Margins (%)	38.9	36.3	36.1	37.0	36.6	32.6	36.0	36.7	37.0	35.4	35.8	
Depreciation	4.4	4.5	4.6	4.6	5.0	5.2	5.2	5.3	18.2	20.7	5.0	
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	7.4	8.7	27.3	29.2	7.2	
PBT	69.4	66.6	66.9	68.4	69.3	68.4	70.7	74.7	271.2	283.1	69.3	-1.3%
Tax	17.6	17.0	12.8	16.5	17.6	17.9	17.7	18.0	63.9	71.3	17.3	
Rate (%)	25.4	25.5	19.2	24.1	25.4	26.2	25.0	24.2	23.6	25.2	25.0	
Adj PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.2	55.9	204.6	208.8	51.2	-2.5%
YoY change (%)	16.3	6.0	6.7	0.0	-0.2	2.0	-2.2	9.1	6.9	2.0	4.5	
Reported PAT	51.0	49.0	53.4	51.2	50.9	49.9	52.2	55.9	204.6	208.8	51.2	-2.5%

E: MOFSL estimate;

Cigarette volumes up ~3.5% YoY in 2QFY25

- Gross cigarette sales grew 7% YoY to INR88.8b (est. INR88.3). Cigarette volume growth is expected to be ~3.5% (in line).
- EBIT grew by 5% YoY to INR52.4b (in line). Cigarette EBIT margin contracted 100bp YoY to 59.0%.
- ITC reinforced its market standing through strategic interventions in competitive markets and focusing on countering illicit trade. Premium and differentiated offerings, such as Classic Connect and Gold Flake Social, continued to perform well.
- The product portfolio was expanded with innovative and differentiated offerings. New launches like Gold Flake Indie Mint and American Club Super Slims were introduced, alongside mainstream trademark laddering interventions.
- Sharp cost escalation in leaf tobacco was partly mitigated through an improved product mix, calibrated pricing actions, and strategic cost management. Trade marketing spending was restructured to enhance last-mile execution and sharpen focus on key markets.
- Stability in cigarette taxes combined with enforcement actions against illicit trade led to volume recovery for the legal cigarette industry. This helped increase demand for Indian tobaccos and bolstered government revenue.
- Continued investments in innovation for premium offerings, such as Classic Icon and Gold Flake Social 2-Pod, enabled ITC to strengthen its position in the differentiated and premium segments.

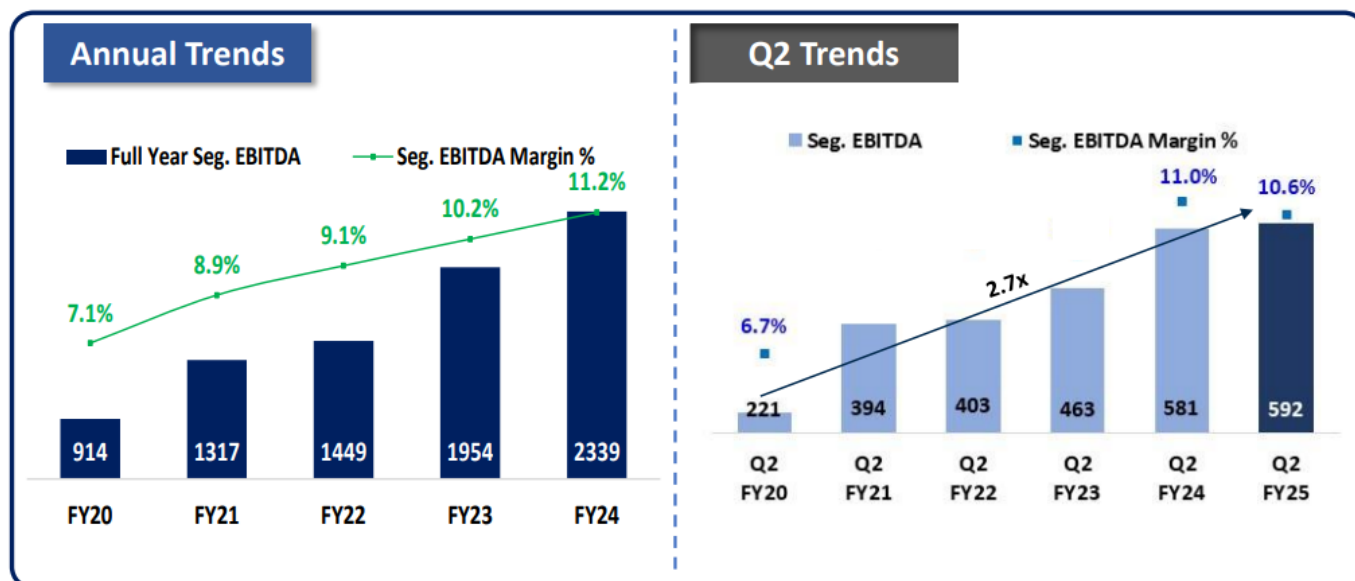
Exhibit 1: Cigarette volumes up ~3.5% YoY in 2QFY25

Source: Company, MOFSL

FMCG – Others: Steady performance despite subdued demand environment

- **FMCG-Others** sales grew 5% YoY to INR55.8b (est. INR55.7b) and 7% YoY excluding the impact of Notebooks. It showed resilience despite challenges like subdued demand, high inflation, and unseasonal rains.
- Incessant rains/flooding in certain parts of the country adversely impacted discretionary/out-of-home consumption.
- The Notebooks category was impacted by high base effects and opportunistic plays by local brands due to a sharp drop in paper prices.
- EBIT was flat YoY at INR4.4b in 2QFY25. EBIT margin contracted by 40bp to 8.0% (est. 8.2%). Inflationary headwinds in input costs (e.g., edible oil, wheat, potato) were mitigated through premiumization, strategic cost management, and supply chain optimization.
- The growth was led by staples, biscuits, snacks, frozen snacks, dairy, premium soaps, homecare products, and agarbatti.
- Emerging channels, such as e-commerce, quick commerce, and modern trade, witnessed robust growth due to sharp execution of category-specific business plans and collaborations.
- Intense competition, especially from local players, was noted in categories like noodles, snacks, biscuits, and popular soaps. ITC's focus remained on product differentiation and premium offerings to counter this competition.
- Several new products were launched to address consumer needs, such as Aashirvaad, which expanded its value-added range with products like Soya Chunks and Roasted Short Vermicelli. Sunfeast has launched new products like Mom's Magic Cashew & Almond Ghee Roasted Nuts and Super Egg & Milk cookies, and YiPee! Noodles introduced variants like Korean Fiery Hot Style and Spicy Kimchi Noodles.

Exhibit 2: FMCG - Segmental EBITDA and EBITDA margins



Source: Company Presentation

Paperboards, Paper, and Packaging

- Paperboards business saw growth after five quarters, growing 2% YoY to INR21.1b, driven largely by exports.
- 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.
- ITC focused on portfolio augmentation, market development (especially exports), and structural cost management to address the challenges.
- EBIT declined 25% YoY to INR2.3b and EBIT margin contracted 410bp YoY to 11.1% (all-time low). Unseasonal rains affected wood availability, quality, and procurement costs, leading to an increase in wood prices.
- Strategic interventions, including sharp focus on portfolio augmentation, export customer/market development & structural cost management, continue to be made to mitigate near-term challenges.

Agri Business

- Agri business clocked strong sales growth of 47% YoY to INR58.4b.
- The strong performance was led by leaf tobacco and value-added agri products like coffee, fruits & vegetables, and spices.
- Robust growth in leaf tobacco exports was achieved by leveraging strong customer relationships and new business development.
- EBIT grew by 25% YoY to INR4.5b. EBIT margin contracted by 140bp YoY to 7.6%.
- ITC continues to scale up interventions to build crop resilience against extreme weather events across key agri value chains, including wheat and tobacco. The focus is on enhancing crop competitiveness and protecting farmer incomes through these resilience-building efforts.
- ITC's wholly-owned subsidiary, ITC IndiVision Limited (IIVL), has established a state-of-the-art facility to manufacture and export nicotine and nicotine derivative products conforming to US and EU pharmacopoeia standards.
- The facility has received EU REACH approvals, and product trials have been successfully completed on a pilot basis, with trials at scale currently underway. Export shipments are expected to progressively scale up.
- ITC's phygital (physical + digital) AgriTech platform, ITCMAARS, is scaling up across 10 states. The platform has added over 1,650 farmer producer organizations (FPOs), encompassing more than 1.7m farmers.

Hotels

- Hotels business sales grew by 17% YoY to INR7.9b, driven by growth in the F&B (Food & Beverage), Retail, and Wedding segments.
- The segmental EBIT declined 12% YoY to INR1.2b and EBIT margin contracted by 490bp YoY to 14.8% (10-quarter low).
- ITC's first international property, ITC Ratnadipa in Colombo, Sri Lanka, opened in Apr'24 and has been well-received, with 250 rooms and 8 F&B outlets currently operational.
- ITC continued to implement its 'asset right' strategy, which focuses on expanding its portfolio through management contracts rather than owning assets outright.
- Over the last 24 months, 30 properties have been added to ITC's portfolio, with plans to add 28 more in the next 24 months.
- In 1HFY25, nine managed properties were operationalized, and 15 management contracts were signed.
- Two new F&B outlets were launched: **Ottimo** at ITC Grand Goa and **Avartana** at ITC Maurya.
- The NCLT sanctioned the **demerger of ITC Hotels** from ITC Limited, with the scheme expected to become effective upon filing the NCLT's order.

Key exhibits

Exhibit 3: Segmental Information

Segmental Information	1QFY23	2QFY23	3QFY23	4QFY23	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25
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
FMCG - Others	44.6	48.9	48.5	49.5	51.7	53.0	52.2	53.1	55.0	55.9
Hotels	5.8	5.6	7.4	8.1	6.2	6.8	8.7	9.3	7.1	7.9
Agri business	74.9	40.4	33.1	36.1	57.3	39.9	32.7	31.4	70.0	58.5
Paper and packaging	22.7	22.9	23.1	22.2	21.2	20.7	20.8	20.7	19.8	21.1
Sales growth (YoY)										
Cigarettes	28.6	22.8	16.2	12.6	11.9	9.1	2.6	7.5	5.8	6.6
FMCG - Others	19.5	21.0	18.3	19.3	16.0	8.4	7.6	7.2	6.3	5.3
Hotels	334.4	80.2	49.2	98.5	7.6	20.5	18.0	15.1	14.1	16.9
Agri business	82.3	43.1	(35.9)	(17.6)	(23.6)	(1.3)	(1.0)	(13.1)	22.2	46.6
Paper and packaging	43.3	25.0	12.7	1.8	(6.5)	(9.5)	(9.7)	(6.7)	(6.8)	2.1
Volume growth (YoY)										
Cigarettes	26.0	20.0	15.0	11.5	8.0	5.0	(1.0)	2.0	3.0	3.5
EBIT (INR b)										
Cigarettes	44.7	46.3	48.6	49.2	49.4	50.0	49.7	51.6	52.6	52.4
FMCG - Others	2.1	3.2	3.5	5.0	4.3	4.4	4.3	4.8	4.8	4.4
Hotels	1.2	0.9	1.5	2.0	1.3	1.3	2.3	2.6	1.2	1.2
Agri business	2.8	3.6	4.4	3.0	3.5	3.6	3.8	1.9	3.4	4.5
Paper and packaging	6.1	6.3	6.1	4.4	4.7	3.1	3.0	2.9	2.6	2.3
EBIT growth (YoY)										
Cigarettes	29.1	23.2	16.1	12.8	10.6	7.9	2.1	4.9	6.3	4.8
FMCG - Others	18.7	17.4	42.9	111.2	109.8	36.5	23.3	(4.7)	10.4	0.4
Hotels	L/P	L/P	181.9	L/P	15.5	53.1	56.4	29.0	(9.0)	(12.2)
Agri business	45.2	19.4	25.2	24.7	24.4	0.8	(12.8)	(38.8)	(2.2)	24.5
Paper and packaging	56.0	54.0	35.2	(1.0)	(23.1)	(50.0)	(51.3)	(34.6)	(45.6)	(25.4)
EBIT margin (%)										
Cigarettes	59.9	60.7	60.1	60.8	59.2	60.1	59.9	59.4	59.4	59.0
FMCG - Others	4.6	6.6	7.3	10.2	8.4	8.3	8.3	9.0	8.7	8.0
Hotels	20.0	15.5	20.2	25.3	21.5	19.7	26.8	28.4	17.1	14.8
Agri business	3.8	8.8	13.2	8.4	6.2	9.0	11.6	5.9	4.9	7.6
Paper and packaging	27.0	27.5	26.3	20.0	22.2	15.2	14.2	14.0	13.0	11.1
EBIT margin change (%)										
Cigarettes	0.2	0.2	(0.0)	0.1	(0.7)	(0.6)	(0.3)	(1.5)	0.3	(1.0)
FMCG - Others	(0.0)	(0.2)	1.3	4.4	3.7	1.7	1.1	(1.1)	0.3	(0.4)
Hotels	139.4	31.4	9.5	32.5	1.5	4.2	6.6	3.0	(4.4)	(4.9)
Agri business	(1.0)	(1.7)	6.4	2.9	2.4	0.2	(1.6)	(2.5)	(1.2)	(1.4)
Paper and packaging	2.2	5.2	4.4	(0.6)	(4.8)	(12.3)	(12.1)	(6.0)	(9.3)	(4.1)

Valuation and view

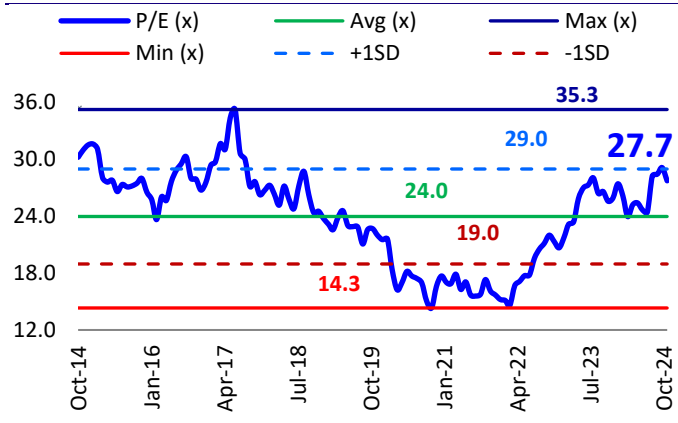
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- ITC's core businesses of cigarette and FMCG are seeing steady growth. FMCG continues to enjoy industry-leading growth over peers due to ITC's category presence (large unorganized mix, under-penetrated, etc.).
- After the demerger of its asset-heavy hotels business, ITC's return profile will also improve.
- Capital efficiency will further improve operating cash flow, leading to a healthy sustainable dividend yield (3-4%).
- With the stable tax on cigarettes, we anticipate sustainable growth in the business and value it at 20x Sep'26 EV/EBITDA. Reiterate our BUY rating with SOTP-based TP of INR575 (implied 30x Sep'26E EPS).

Exhibit 4: No material change in our EPS estimates for FY25 and FY26

	New		Old		Change (%)	
	FY25E	FY26E	FY25E	FY26E	FY25E	FY26E
Sales	777.2	841.8	769.5	833.6	1.0	1.0
EBITDA	275.1	300.8	279.1	304.8	-1.4	-1.3
PAT	208.8	227.9	212.4	231.7	-1.7	-1.6

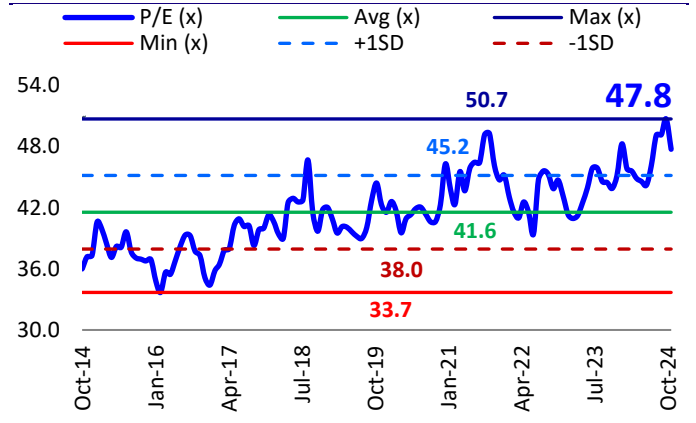
Source: Company, MOFSL

Exhibit 5: P/E for ITC (x)



Source: Bloomberg, MOFSL

Exhibit 6: 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	842.5	912.6	988.9
Operational Income	15.1	19.9	38.8	45.4	55.8	59.6	65.3	70.7	76.7
Total Revenue	483.5	494.0	492.7	606.7	709.4	708.8	777.2	841.8	912.3
Change (%)	11.3	2.2	-0.3	23.1	16.9	-0.1	9.6	8.3	8.4
Gross Profit	309.3	320.6	291.4	342.8	419.3	436.3	480.3	523.6	569.3
Margin (%)	64.0	64.9	59.1	56.5	59.1	61.6	61.8	62.2	62.4
Other operating expenditure	125.3	128.0	121.4	136.2	162.7	173.8	205.2	222.9	242.8
EBITDA	184.1	192.6	170.0	206.6	256.6	262.5	275.1	300.8	326.4
Change (%)	11.7	4.6	-11.7	21.5	24.2	2.3	4.8	9.3	8.5
Margin (%)	38.1	39.0	34.5	34.1	36.2	37.0	35.4	35.7	35.8
Depreciation	14.0	16.4	16.5	17.3	18.1	18.2	20.7	21.8	22.9
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	29.2	30.9	32.8
Profit before Taxes	191.4	201.6	179.5	207.2	257.9	271.2	283.1	309.4	335.7
Change (%)	12.7	5.3	-11.0	15.5	24.5	5.1	4.4	9.3	8.5
Margin (%)	39.6	40.8	36.4	34.2	36.4	38.3	36.4	36.7	36.8
Tax	61.9	48.5	44.6	53.1	64.5	61.7	71.3	77.9	84.5
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	208.8	227.9	247.1
Change (%)	15.3	22.5	-14.6	15.5	24.1	9.5	2.0	9.2	8.4
Margin (%)	25.8	30.9	26.4	24.8	26.3	28.9	26.9	27.1	27.1
Reported PAT	127.9	146.0	131.6	152.4	191.4	204.6	208.8	227.9	247.1

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	763.4	801.0	845.2
Net Worth	591.4	652.7	597.9	614.8	691.6	745.1	775.9	813.5	857.7
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	797.1	834.7	878.9
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	237.7	259.5	282.4
Net Fixed Assets	193.8	217.2	233.1	242.6	258.7	278.3	265.6	270.5	274.3
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	355.6	396.4	446.0
Inventory	79.4	89.7	104.0	108.6	117.7	141.5	122.9	132.0	142.5
Account Receivables	40.4	25.6	25.0	24.6	29.6	40.3	32.4	35.1	38.0
Cash and Bank Balance	41.5	72.8	41.0	36.8	48.8	72.2	118.4	142.5	173.5
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	165.9	180.5	196.6
Account Payables	35.1	36.3	43.2	44.2	46.6	48.0	51.8	56.1	60.7
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	189.7	215.8	249.4
Application of Funds	614.9	672.3	618.2	634.6	711.5	769.7	804.3	845.7	894.4

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	16.7	18.3	19.8
Cash EPS	11.3	13.8	11.9	13.6	16.5	17.8	18.4	20.0	21.6
BV/Share	48.2	53.1	48.6	49.9	55.6	59.7	62.2	65.2	68.7
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	46.4	38.0	44.6	38.6	31.4	28.8	28.2	25.9	23.8
Cash P/E	41.7	34.3	39.6	34.6	28.6	26.5	25.7	23.6	21.8
EV/Sales	9.9	9.4	9.3	7.6	6.4	6.3	5.7	5.2	4.7
EV/EBITDA	26.7	25.2	28.9	23.8	19.0	18.4	17.3	15.7	14.3
P/BV	9.8	8.9	9.7	9.5	8.5	7.9	7.6	7.2	6.9
Dividend Yield (%)	1.2	2.2	2.3	2.4	3.3	2.9	3.1	3.3	3.5
Return Ratios (%)									
RoE	22.3	24.5	20.8	24.8	28.6	28.5	27.5	28.7	29.6
RoCE	22.2	24.6	20.9	24.9	29.0	28.2	27.2	28.4	29.4
RoIC	44.0	49.5	40.8	47.2	55.2	54.2	55.7	63.0	68.1
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	1.1	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	283.1	309.4	335.7
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	20.7	21.8	22.9
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	-71.3	-77.9	-84.5
Incr in WC	-4.8	3.0	6.1	-18.5	-7.7	-33.4	8.3	-2.0	-2.5
CF from Operations	125.8	146.9	142.0	146.3	188.8	171.8	223.1	232.2	251.0
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	202.1	210.0	228.0
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	177.9	190.4	202.9
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	-177.6	-190.3	-202.8
Incr of Cash	12.5	31.3	-31.7	-4.3	12.0	23.4	46.2	24.1	31.1
Add: Opening Balance	29.0	41.5	72.8	41.0	36.8	48.8	72.2	118.4	142.5
Closing Balance	41.5	72.8	41.0	36.8	48.8	72.2	118.4	142.5	173.5

E: MOFSL Estimates

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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

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