2 November 2026
2QFY27 Results Update | Sector: Consumer

ITC

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	ITC IN
Equity Shares (m)	12531
M.Cap.(INRb)/(USDb)	3338.5 / 35.2
52-Week Range (INR)	422 / 253
1, 6, 12 Rel. Per (%)	0/-13/-28
12M Avg Val (INR M)	6870

Financials & Valuations (INR b)

Y/E March	2026	2027E	2028E
Sales	788.7	811.3	879.4
Sales Gr. (%)	2.8	2.9	8.4
EBITDA	273.2	232.3	253.5
EBITDA Mrg. %	34.6	28.6	28.8
Adj. PAT	209.1	177.0	192.4
Adj. EPS (INR)	16.5	14.4	15.7
EPS Gr. (%)	5.0	-13.1	9.3
BV/Sh.(INR)	57.9	57.0	59.1
Ratios			
RoE (%)	29.0	25.0	27.0
RoCE (%)	28.3	23.3	25.2
Payout (%)	90.0	90.0	90.0
Valuations			
P/E (x)	16.1	18.5	17.0
P/BV (x)	4.6	4.7	4.5
EV/EBITDA (x)	17.6	20.6	18.8
Div. Yield (%)	5.5	4.8	5.2

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	0.0	0.0	0.0
DII	49.8	49.2	47.4
FII	33.2	34.2	37.4
Others	16.9	16.6	15.2

FII Includes depository receipts

CMP: INR266 **TP: INR285 (+7%)** **Neutral**

Cigarette EBIT pressure sustains; beat on FMCG performance

- ITC reported consolidated net cigarette revenue (INR59.3b) contraction of 23% (in line). Given such a sharp increase in taxes, ITC has adopted a calibrated price hike strategy (unlike immediate tax pass-on historically) to protect drop-out of consumers from legal to illegal cigarette markets. Volume decline was in high single digits. Cigarette price hikes are still active, yet cumulative hike has not reached the tax-neutral level. Consolidated EBIT declined 26% YoY to INR40.4b (est. INR39.4b). Standalone EBIT declined 27% YoY.
- Consol. FMCG segment sales grew 19% YoY (ex-Atta up 23%) (beat). EBIT grew 31% YoY to INR5.8b (est. INR4.8b). EBIT margin expanded 70bp (-70bp in base) to 8%.
- Agri business revenue rose 13% YoY to INR45.5b (est. INR41.2bn, -16% in 1QFY27). EBIT margin expanded 20bp YoY to 11.4% (est. 8.5%, 4.4% in 1QFY27). Paper business sales rose 36% YoY to INR30.2b (include CPP acquisition). EBIT increased 51% YoY to INR2.7b (est. INR2.8b), while EBIT margin expanded 90bp YoY to 9.1%. Paperboard LTL revenue rose 10% and EBIT rose 52% YoY.
- In the cigarette business, the tax hike is still being passed on to consumers. Thus, cigarette revenue and EBIT performance would remain weak, with earnings pressure in cigarettes offsetting the benefits of recovery in FMCG and Paper. ITC has been trying to mitigate the tax impact (launched new SKUs across prices), but the sharp tax increase and competition from illicit cigarettes would take time to normalize. A calibrated price hike will continue to impact cigarette's EBIT performance in the coming quarters. We reiterate our Neutral rating with an **SoTP-based TP of INR285 (implying 17x P/E Sep'28E EPS).**

Cigarette EBIT down 26%; beat in FMCG

- **Consolidated performance:** ITC's 2QFY27 net revenue rose 4% YoY to INR202.7b (est. INR194.5b). EBITDA declined 16% YoY to INR56.4b (est. INR56.0b). PBT and APAT declined 17% and 17%, respectively.
- **Net cigarette sales declined 23%; EBIT dipped 26%:**
  - Consolidated net cigarette sales declined 23% YoY to INR59.3b (est. INR59.7b), given the increase in excise duty. Standalone cigarette net revenue declined 21%. Volume decline was in high single digit.
  - Consolidated EBIT declined 26% YoY to INR40.4b (est. INR39.4b). Gross cigarette EBIT margin contracted to 24.9% in 2QFY27 vs 58% in 2QFY26. Standalone EBIT declined 27% YoY.
  - Management highlighted that it has adopted staggered and agile pricing actions to minimize the loss to illicit trade while protecting its consumer franchise. ITC is still in a transitory phase, with the full tax hike yet to be passed on to consumers.

Naveen Trivedi – Research Analyst (Naveen.Trivedi@MotilalOswal.com)
Research Analyst: Amey Tiwari (Amey.Tiwari@MotilalOswal.com) | **Tanu Jindal** (Tanu.Jindal@MotilalOswal.com)

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- **Strong FMCG performance:**
  - Consolidated FMCG-Others sales grew 19% YoY (ex- Atta up 23%) to INR72.1b (est. INR69.1b). Standalone FMCG revenue growth stood at 16%.
  - Dairy, Snacks, Noodles, Frozen Snacks, and Notebook delivered strong growth of over 20% YoY, and the Personal Care portfolio registered high-teen growth during the quarter.
  - EBIT grew 31% YoY to INR5.8b (est. INR4.8b) in 2QFY27. EBIT margin expanded 70bp to 8% (est. 7%).
  - Sharp input cost escalation across categories was mitigated through portfolio mix enrichment, cost management initiatives, and calibrated pricing actions.
  - Digital-first and Organic portfolio maintained strong growth momentum, with ARR surpassing INR18b.
- **Agri business** sales rose 13% YoY to INR45.5b (est. INR41.2b), despite being impacted by trade disruptions due to the West Asia conflict and delayed call-offs by customers. EBIT grew 14% YoY to INR5.2b. EBIT margin expanded 20bp YoY to 11.4% (est. 8.5%).
- **Paperboard**
  - Reported revenue growth was 36% YoY to INR30.2b (est. INR29.6b). The acquisition of the century pulp and paper business (CPP) was completed on 1st Aug'26.
  - EBIT rose 51% YoY to INR2.7b, and EBIT margin expanded 90bp YoY to 9.1% (est. 9.5%).
  - Like-for-like sales grew 10% and EBIT grew 52%.
  - Demand conditions are improving, while pricing actions are helping mitigate the impact of severe input cost inflation.
  - Wood prices remain elevated due to lower-than-expected harvests and strong demand from competing industries. However, prices are expected to moderate going forward.

Valuation and view

- We largely maintain our EPS estimates for FY27 and FY28.
- ITC is still in the transitory phase, with the full tax hike yet to be passed on to consumers. Thus, we believe Cigarette's revenue and EBIT performance will be volatile in the near term.
- The FMCG business continues to perform well, with robust improvement in margins. However, we believe earnings pressure on cigarettes would offset near-term catalysts (recovery in FMCG and Paper) and comfort on valuation. ITC has a full cigarette portfolio to better navigate the tax increase, but competitive pressure from illicit cigarettes will take a toll on the formal cigarette industry.
- We reiterate our Neutral rating on ITC with **our SoTP-based TP of INR285 (implying 17x Sep'28E EPS).**

Consol. Quarterly Performance (Reported) **(INR b)**

Y/E March	FY26				FY27E				FY26	FY27E	FY27 2QE	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3QE	4QE				
Est. cigarette vol. gr. (%)	**6.0**	**6.0**	**6.5**	**0.0**	**-8.0**	**-8.0**	**-8.0**	**-8.0**	**6.2**	**-8.0**	**-8.0**	
Net Sales	**214.9**	**195.0**	**200.5**	**178.2**	**191.1**	**202.7**	**212.7**	**204.8**	**788.7**	**811.3**	**194.6**	**4.2%**
YoY change (%)	16.5	-6.0	6.7	-5.0	-11.1	3.9	6.1	14.9	2.8	2.9	-0.2	
Gross Profit	**112.6**	**113.6**	**116.3**	**120.7**	**102.2**	**110.5**	**117.0**	**124.6**	**463.2**	**454.3**	**109.9**	
Margin (%)	52.4	58.3	58.0	67.7	53.5	54.5	55.0	60.8	58.7	56.0	56.5	
EBITDA	**68.2**	**66.9**	**68.8**	**69.2**	**51.8**	**56.4**	**60.4**	**63.6**	**273.2**	**232.3**	**56.0**	**0.7%**
Growth (%)	1.0	-1.0	8.2	6.2	-24.0	-15.7	-12.3	-8.1	3.5	-15.0	-16.3	
Margins (%)	31.7	34.3	34.3	38.8	27.1	27.9	28.4	31.1	34.6	28.6	28.8	
Depreciation	4.2	4.3	4.3	4.2	4.3	4.9	4.9	4.9	17.1	18.9	4.5	
Interest	0.2	0.2	0.2	0.3	0.4	0.4	0.4	0.1	0.9	1.2	0.2	
Other Income	6.8	5.8	5.7	5.9	6.6	5.1	6.3	7.5	24.3	25.5	6.3	
PBT	**71.3**	**68.9**	**71.1**	**72.0**	**54.5**	**57.2**	**62.4**	**67.3**	**283.3**	**241.6**	**58.6**	**-2.4%**
Tax	17.8	17.9	17.4	17.0	13.5	14.7	15.7	17.9	70.2	61.8	14.7	
Rate (%)	25.0	26.0	24.4	23.7	24.8	25.6	25.1	26.6	24.8	25.6	25.1	
Adj PAT	**52.4**	**50.6**	**51.9**	**54.1**	**40.8**	**41.9**	**45.8**	**48.3**	**209.1**	**177.0**	**43.0**	**-2.6%**
YoY change (%)	3.0	1.3	11.1	6.6	-22.2	-17.3	-11.8	-10.6	5.4	-15.4	-15.1	
Reported PAT	**52.4**	**51.3**	**49.3**	**53.9**	**43.9**	**41.7**	**45.8**	**48.3**	**206.9**	**179.8**	**43.0**	**-3.0%**

E: MOFSL estimate

Cigarette standalone EBIT declined 26%

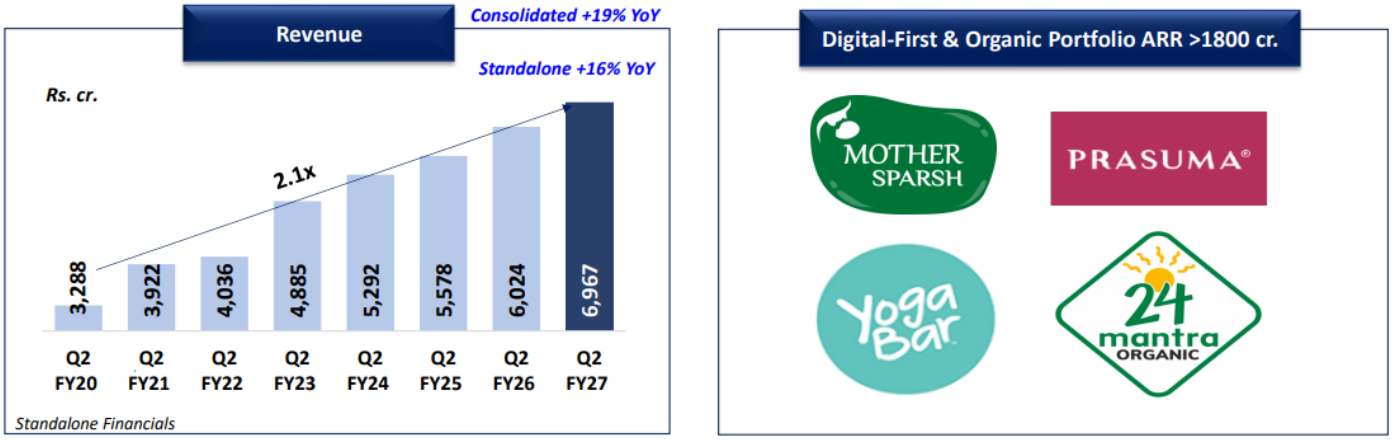
- Consolidated gross cigarette revenue rose 73% YoY to INR162b, while net cigarette sales declined 23% YoY to INR59.3b (est. INR59.7b), given the increase in excise duty. Standalone cigarette net revenue declined 21%.
- Consolidated EBIT declined 26% YoY to INR40.4b (est. INR39.4b). Gross cigarette EBIT margin contracted to 24.9% in 2QFY27 vs 58.0% in 2QFY26. Standalone EBIT declined 27% YoY.
- ITC stated that legal industry volumes remain under pressure due to the unprecedented increase in tax incidence on cigarettes, following the increase in the GST rate from 28% of transaction value to 40% of retail sale price, along with a steep hike in excise duties w.e.f. 1st Feb'26.
- The Cigarettes business continued to execute its calibrated strategy to navigate the sharp tax hike, balancing market competitiveness with stakeholder interests, leading to a QoQ improvement in performance.
- The company implemented multiple interventions to re-architect its portfolio, reinforce market standing and fight global smuggled brands, including the introduction of new variants, and own trademarks with international appeal.
- Staggered and agile pricing actions helped mitigate the risk of disproportionate volume shift to illicit cigarettes while protecting the consumer franchise.
- ITC highlighted a sharp increase in seizures of smuggled cigarettes by enforcement agencies across the country, signaling growing exploitation of the widening tax arbitrage opportunity.

FMCG – Others: Better than expected; EBIT rose 31%

- Consolidated FMCG-Others sales grew 19% YoY (LTL 17.3%, ex-Atta 23%) to INR72.1b (est. INR69.1b), the highest growth in 14 quarters. Standalone FMCG revenue growth was at 16%.
- Biscuits, Snacks, Noodles, Spices, Salt, Frozen Snacks, Homecare and Notebooks delivered strong growth of over 20% YoY, and Dairy and Personal Wash registered high-teen growth during the quarter.

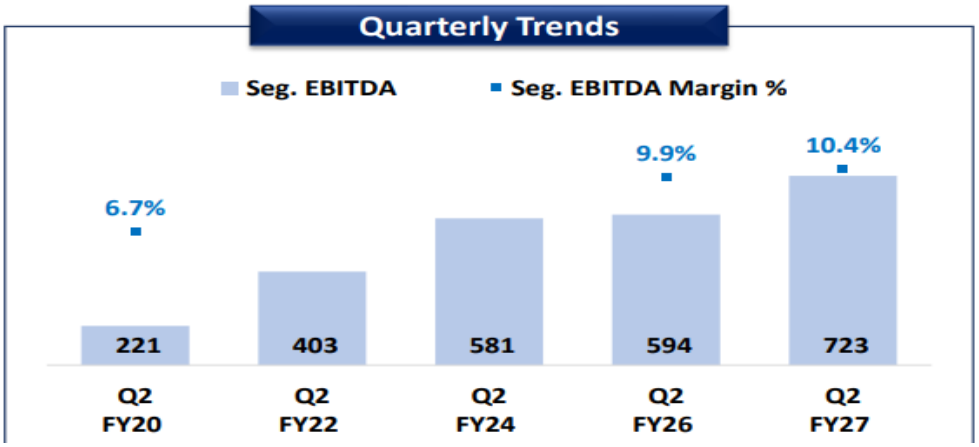
- The Atta business continued to lag the portfolio, though value-added atta and adjacencies posted 30%+ growth.
- NewGen channels sustained strong growth momentum, while General Trade witnessed a strong performance rebound during the quarter.
- EBIT grew 31% YoY to INR5.8b (est. INR4.8b) in 2QFY27. EBIT margin expanded by 70bp to 8.0% (est. 7.0%).
- Sharp input cost escalation across categories was mitigated through portfolio mix enrichment, cost management initiatives, and calibrated pricing actions, while trade and marketing investments were sustained at competitive levels.
- Digital-first and Organic portfolio maintained strong growth momentum (up 70%+ YoY), with ARR surpassing INR18b.

Exhibit 1: FMCG – segmental revenue growth



Source: Company Presentation

Exhibit 2: FMCG – segmental EBITDA and margins



Source: Company Presentation

Paperboards, Paper, and Packaging sales grew 36% YoY; LTL rose 10%

- Sales grew 36% YoY to INR30.2b (est. INR29.6b), aided by the consolidation of the CPP undertaking, whose acquisition was completed on 1st Aug'26. Like-for-like sales grew 10% YoY.
- EBIT up 51% YoY to INR2.7b and EBIT margin expanded 90bp YoY to 9.1% (est. 9.5%). LTL EBIT grew 52% YoY, with LTL EBIT margin expanding 320bp YoY.
- Paperboards, Paper & Packaging delivered strong recovery momentum, driven by an improving demand scenario, pricing actions mitigating severe input cost inflation, and robust traction in anchor grades of value-added paperboards, sustainable packaging solutions, and exports.
- Wood prices remained elevated due to lower-than-expected harvest and demand from competing industries, though they are expected to moderate going forward. The company continued to strengthen its wood sourcing ecosystem through plantation expansion and technology-led initiatives.
- The industry continues to seek sustained safeguard measures against low-priced imports of paperboards and coated/uncoated paper, with the MIP on Virgin Multi-layer Paperboard extended till 31st Mar'27.
- Packaging & Printing reported resilient performance across both Flexibles and Cartons portfolios, supported by new business development, innovative packaging solutions, and strategic support to the Cigarettes business for faster turnaround of new launches.
- The sustainable paperboards and packaging solutions portfolio maintained strong growth momentum, scaling 3.9x over the last five years.

Agri business posts 13% growth YoY despite trade disruptions

- Agri sales rose 13% YoY to INR45.5b (est. INR41.2b), despite West Asia conflict-led trade disruptions and delayed call-offs by customers.
- EBIT rose 14% YoY to INR5.2b. EBIT margin expanded 20bp YoY to 11.4% (est. 8.5%).
- Agri commodity exports remained impacted by trade disruptions, delayed customer call-offs, constrained shipping availability and a sharp escalation in ocean freight, with market development initiatives in new geographies being stepped up. The value-added agri portfolio (spices, fruits & vegetables) continued to deliver strong growth, scaling 3.5x over five years (28% CAGR), with management focused on scaling the VAAP business across multiple categories.
- Indian Leaf Tobacco remained under pressure due to weak domestic demand following the unprecedented tax increase on cigarettes, although leaf tobacco exports performed well as the company leveraged its customer relationships, processing, and sustainability capabilities. The significant reduction in FCV tobacco crop size announced by the Tobacco Board is likely to further impact the business.
- Nicotine & Nicotine Derivatives continued to scale up exports, with the business remaining PBIT positive for the third consecutive quarter.

Fresh food business

- Fresh Food Business continued to scale up, leveraging ITC's food brands, manufacturing, and culinary capabilities to capitalize on the growing online food services market.
- Consumer traction remained strong across its five brands, with the launch of 'Prasuma Chilli Chow' (street-style Chinese) during the quarter, driving 53% YoY GMV growth. ARR surpassed INR3.2b, and the platform expanded to 80+ cloud kitchens (seven added in 2QFY27) across five cities, with a gradual pan-India rollout underway.

Key exhibits

Exhibit 3: Segmental information

Segmental Information	1QFY26	2QFY26	3QFY26	4QFY26	1QFY27	2QFY27
Net sales (INR b)						
Gross Cigarettes	95.5	94.1	96.8	119.5	166.0	162.4
Cigarettes	79.2	76.6	80.2	59.5	61.9	59.3
FMCG - Others	58.0	60.6	61.1	63.5	66.9	72.2
Agri business	97.2	40.4	38.6	31.7	81.4	45.5
Paper and packaging	21.2	22.2	22.0	22.3	23.1	30.2
Sales growth (YoY)						
Gross Cigarettes	8.0	6.0	8.2	29.5	73.7	72.5
Cigarettes	8.9	4.5	8.6	(21.8)	(21.9)	(22.6)
FMCG - Others	5.5	8.5	12.6	15.4	15.3	19.1
Agri business	39.0	(30.9)	6.4	(14.3)	(16.3)	12.7
Paper and packaging	7.1	5.0	2.7	1.8	9.1	35.9
Volume growth (YoY)						
Cigarettes	6.0	6.0	6.5	0.0	(8.0)	(8.0)
EBIT (INR b)						
Cigarettes	55.0	54.6	54.9	58.0	37.7	40.4
FMCG - Others	4.0	4.4	4.5	5.3	4.8	5.8
Agri business	4.3	4.5	5.0	2.0	3.6	5.2
Paper and packaging	1.5	1.8	1.9	2.3	2.2	2.7
EBIT growth (YoY)						
Cigarettes	4.6	4.2	5.7	7.3	(31.5)	(26.0)
FMCG - Others	(16.7)	(1.2)	39.8	51.9	21.5	31.4
Agri business	26.1	1.5	(0.1)	(20.8)	(17.3)	14.3
Paper and packaging	(40.9)	(22.8)	(4.2)	19.3	43.2	50.7
EBIT margin (%)						
Gross Cigarettes	57.6	58.0	56.7	48.5	22.7	24.9
Cigarettes	69.4	71.3	68.4	97.4	60.9	68.2
FMCG - Others	6.9	7.2	7.3	8.3	7.3	8.0
Agri business	4.5	11.2	12.8	6.3	4.4	11.4
Paper and packaging	7.2	8.2	8.6	10.4	9.4	9.1
EBIT margin change (%)						
Gross Cigarettes	(1.9)	(1.0)	(1.4)	(10.0)	(34.8)	(33.1)
Cigarettes	(2.8)	(0.2)	(1.9)	26.4	(8.5)	(3.1)
FMCG - Others	(1.8)	(0.7)	1.4	2.0	0.4	0.7
Agri business	(0.5)	3.6	(0.8)	(0.5)	(0.1)	0.2
Paper and packaging	(5.8)	(2.9)	(0.6)	1.5	2.2	0.9

Valuation and view

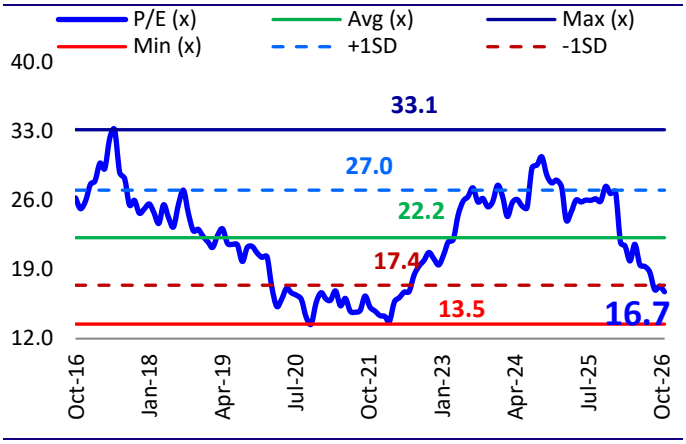
- We largely maintain our EPS estimates for FY27 and FY28.
- ITC is still in the transitory phase, with the full tax hike yet to be passed on to consumers. Thus, we believe the cigarette revenue and EBIT performance will be volatile in the near term.
- The FMCG business continues to perform well with robust improvement in margins. However, we believe earnings pressure on cigarettes would offset the near-term catalysts (recovery in FMCG and Paper) and comfort on valuation. ITC has a full cigarette portfolio to better navigate the tax increase, but competitive pressure from illicit cigarettes will take a toll on the formal cigarette industry.
- We reiterate our Neutral rating on ITC with **our SoTP-based TP of INR285 (implying 17x Sep'28E EPS).**

Exhibit 4: We maintain our EPS estimates for FY27 and FY28

	New		Old		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Sales	811.3	879.4	798.7	863.4	1.6	1.8
EBITDA	232.3	253.5	232.9	257.2	-0.3	-1.4
PAT	179.8	196.5	181.5	200.3	-0.9	-1.9

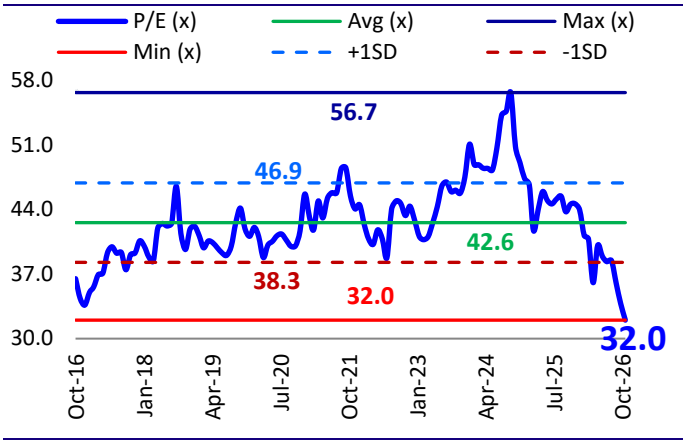
Source: MOFSL

Exhibit 5: ITC P/E (x)



Source: Bloomberg, MOFSL

Exhibit 6: Consumer P/E (x)



Source: Bloomberg, MOFSL

Financials and valuations

Income Statement										(INR b)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Net Sales	**513.9**	**531.6**	**652.0**	**765.2**	**768.4**	**830.4**	**899.1**	**1,241.7**	**1,327.0**	**1,428.9**
Excise duty	19.9	38.8	45.4	55.8	59.6	62.9	110.4	430.4	447.6	472.3
Total Revenue	**494.0**	**492.7**	**606.7**	**709.4**	**708.8**	**767.5**	**788.7**	**811.3**	**879.4**	**956.6**
Change (%)	2.2	-0.3	23.1	16.9	-0.1	8.3	2.8	2.9	8.4	8.8
Gross Profit	**320.6**	**291.4**	**342.8**	**419.3**	**436.3**	**446.2**	**463.2**	**454.3**	**501.2**	**550.1**
Margin (%)	64.9	59.1	56.5	59.1	61.6	58.1	58.7	56.0	57.0	57.5
Other operating expenditure	128.0	121.4	136.2	162.7	173.8	182.3	190.0	222.1	247.7	272.8
EBITDA	**192.6**	**170.0**	**206.6**	**256.6**	**262.5**	**263.9**	**273.2**	**232.3**	**253.5**	**277.3**
Change (%)	4.6	-11.7	21.5	24.2	2.3	0.5	3.5	-15.0	9.1	9.4
Margin (%)	39.0	34.5	34.1	36.2	37.0	34.4	34.6	28.6	28.8	29.0
Depreciation	16.4	16.5	17.3	18.1	18.2	18.5	17.1	18.9	20.2	21.4
Int. and Fin. Charges	0.5	0.4	0.4	0.4	0.5	0.5	0.9	1.2	1.3	1.5
Other Inc. - Recurring	26.0	26.3	18.4	19.8	27.3	25.5	24.3	25.5	26.7	28.1
Profit before Taxes	**201.7**	**179.4**	**207.4**	**258.4**	**271.5**	**271.6**	**283.3**	**241.6**	**262.9**	**286.8**
Change (%)	5.4	-11.1	15.6	24.6	5.1	0.1	4.3	-14.7	8.8	9.1
Margin (%)	40.8	36.4	34.2	36.4	38.3	35.4	35.9	29.8	29.9	30.0
Tax	48.5	44.6	53.1	64.5	61.7	69.6	70.2	61.8	66.2	72.2
Deferred Tax	-4.0	0.9	-0.7	-0.1	2.2	0.0	0.0	0.0	0.0	0.0
Tax Rate (%)	22.0	25.4	25.3	24.9	23.5	25.6	24.8	25.6	25.2	25.2
Profit after Taxes	**152.6**	**130.4**	**150.4**	**186.3**	**204.3**	**196.9**	**206.9**	**179.8**	**196.5**	**214.0**
Change (%)	22.4	-14.6	15.4	23.9	9.7	-3.6	5.1	-13.1	9.3	8.9
Margin (%)	30.9	26.5	24.8	26.3	28.8	25.7	26.2	22.2	22.3	22.4
Reported PAT	**145.9**	**131.7**	**152.2**	**190.9**	**204.4**	**198.4**	**209.1**	**177.0**	**192.4**	**209.6**

Balance Sheet										(INR b)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2029E**
Share Capital	12.3	12.3	12.3	12.4	12.5	12.5	12.5	12.5	12.5	12.5
Reserves	640.4	585.6	602.3	679.1	732.6	687.8	712.5	701.6	728.4	758.7
Net Worth	**652.7**	**598.0**	**614.7**	**691.6**	**745.1**	**700.3**	**725.1**	**714.1**	**740.9**	**771.2**
Loans	0.1	0.1	0.1	0.4	0.1	0.9	21.9	24.0	26.3	28.9
Deferred Liability	15.7	16.8	16.1	15.8	20.7	20.7	20.7	20.7	20.7	20.7
Capital Employed	**668.5**	**614.8**	**630.8**	**707.7**	**765.9**	**721.9**	**767.6**	**758.8**	**788.0**	**820.8**
Gross Block	364.2	396.5	423.4	457.6	476.6	436.3	463.8	494.7	525.6	556.5
Less: Accum. Depn.	147.0	163.5	180.8	198.9	217.1	216.7	238.4	257.3	277.5	298.9
Net Fixed Assets	**217.2**	**233.1**	**242.6**	**258.7**	**278.3**	**219.6**	**225.5**	**237.4**	**248.1**	**257.6**
Capital WIP	32.5	40.0	32.0	29.8	28.5	10.9	15.0	12.0	9.6	7.7
Goodwill	-3.8	-3.5	-3.7	-3.8	-3.8	-3.7	-3.7	-7.4	-11.8	-16.8
Investments	**286.6**	**248.7**	**248.4**	**294.2**	**311.1**	**347.2**	**381.3**	**396.3**	**411.3**	**426.3**
Current	179.5	148.5	122.6	172.3	129.4	162.9	207.5	222.5	237.5	252.5
Non-current	107.2	100.2	125.8	121.8	181.7	184.3	173.8	173.8	173.8	173.8
Curr. Assets, L&A	**236.8**	**210.3**	**239.1**	**275.6**	**299.6**	**298.1**	**306.0**	**301.4**	**327.2**	**359.6**
Inventory	89.7	104.0	108.6	117.7	141.5	156.4	186.2	154.9	164.8	177.6
Account Receivables	25.6	25.0	24.6	29.6	40.3	47.2	39.2	46.2	50.1	54.5
Cash and Bank Balance	72.8	41.1	36.6	48.8	72.2	40.1	30.1	47.3	56.6	69.1
Others	48.7	40.2	69.2	79.5	45.6	54.4	50.4	53.0	55.6	58.4
Curr. Liab. and Prov.	**100.8**	**113.8**	**127.6**	**146.8**	**147.8**	**150.2**	**156.4**	**180.9**	**196.4**	**213.6**
Account Payables	36.3	43.2	44.2	46.6	48.0	48.1	56.4	58.8	63.8	69.4
Other Liabilities	59.9	65.3	75.7	98.6	98.2	100.8	95.1	120.3	130.6	141.9
Net Current Assets	**136.0**	**96.5**	**111.5**	**128.8**	**151.8**	**147.9**	**149.6**	**120.5**	**130.7**	**146.0**
Application of Funds	**668.5**	**614.8**	**630.8**	**707.7**	**765.9**	**721.9**	**767.6**	**758.8**	**788.0**	**820.8**

E: MOFSL Estimates

Financials and valuations

Ratios										
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2028E**
Basic (INR)										
EPS	**12.4**	**10.6**	**12.2**	**15.0**	**16.4**	**15.7**	**16.5**	**14.4**	**15.7**	**17.1**
Cash EPS	13.8	11.9	13.6	16.4	17.8	17.2	17.9	15.9	17.3	18.8
BV/Share	53.1	48.6	49.9	55.6	59.7	56.0	57.9	57.0	59.1	61.5
DPS	10.2	10.8	11.5	15.5	13.8	14.4	14.5	12.7	13.8	15.1
Payout %	85	100	93	101	84	91	90	90	90	90
Valuation (x)										
P/E	21.4	25.1	21.8	17.7	16.3	16.9	16.1	18.5	17.0	15.6
Cash P/E	19.3	22.3	19.5	16.2	14.9	15.5	14.9	16.8	15.4	14.2
EV/Sales	9.4	9.3	7.6	6.4	6.3	5.8	5.4	3.9	3.6	3.3
EV/EBITDA	25.2	28.9	23.8	19.0	18.4	18.3	17.6	20.6	18.8	17.1
P/BV	5.0	5.5	5.3	4.8	4.5	4.8	4.6	4.7	4.5	4.3
Dividend Yield (%)	3.8	4.0	4.3	5.8	5.2	5.4	5.5	4.8	5.2	5.7
Return Ratios (%)										
RoE	24.5	20.9	24.8	28.5	28.4	27.2	29.0	25.0	27.0	28.3
RoCE	24.6	20.9	24.9	29.0	28.2	27.1	28.3	23.3	25.2	26.4
RoIC	49.5	40.8	47.3	55.2	54.2	53.9	57.9	49.3	56.9	61.0
Working Capital Ratios										
Debtor (Days)	24	19	15	14	18	21	20	19	20	0
Asset Turnover (x)	0.8	0.9	1.0	1.1	1.0	1.2	1.2	1.6	1.7	1.7

Cash Flow Statement										(INR b)
Y/E March	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027E**	**2028E**	**2028E**
OP/(loss) before Tax	200.3	179.5	207.2	259.2	271.4	269.3	280.3	245.4	262.9	286.8
Financial other income	-8.0	-0.1	0.2	-3.0	-6.6	-7.0	-7.7	4.0	4.2	4.4
Depreciation and Amort.	16.4	16.5	17.3	18.1	18.2	19.5	17.1	18.9	20.2	21.4
Interest Paid	-14.7	-15.3	-6.9	-15.3	-16.6	-14.6	-13.8	-20.3	-22.0	-23.7
Direct Taxes Paid	-50.2	-44.6	-53.1	-62.5	-61.2	-63.5	-63.7	-61.8	-66.2	-72.2
Incr in WC	3.0	6.1	-18.5	-7.7	-33.4	-27.4	-27.6	46.3	-0.9	-2.8
CF from Operations	**146.9**	**142.0**	**146.3**	**188.8**	**171.8**	**176.3**	**184.6**	**232.4**	**198.2**	**214.0**
Other items	16.8	16.8	6.3	13.4	20.5	7.9	30.1	16.6	17.6	18.7
Incr Decr in FA	24.1	39.9	18.8	26.9	34.6	21.0	21.3	27.9	28.5	29.0
Free Cash Flow	**122.8**	**102.2**	**127.5**	**161.8**	**137.2**	**155.2**	**163.3**	**204.5**	**169.7**	**185.0**
Pur of Investments	54.4	-37.9	-0.3	43.7	-29.6	-9.2	32.0	15.0	15.0	15.0
CF from Invest.	**-61.7**	**14.8**	**-12.2**	**-57.3**	**15.6**	**-4.0**	**-23.2**	**-26.3**	**-25.9**	**-25.3**
Issue of shares	6.3	0.0	0.0	24.8	14.4	8.0	4.0	0.0	0.0	0.0
Incr in Debt	0.0	0.0	0.0	-0.6	-0.6	-0.3	19.5	2.1	2.3	2.6
Net Interest Paid	0.4	0.0	0.0	0.4	0.5	0.5	0.8	0.0	0.0	0.0
Dividend Paid	87.1	186.5	135.6	154.0	199.0	177.6	182.7	187.9	165.5	179.4
Others	-0.5	0.0	0.0	0.1	0.1	0.1	-1.5	0.0	0.0	0.0
CF from Fin. Activity	**-81.8**	**-186.4**	**-135.6**	**-130.1**	**-185.5**	**-170.4**	**-161.5**	**-185.8**	**-163.2**	**-176.8**
Incr of Cash	**3.3**	**-29.6**	**-1.5**	**1.4**	**1.9**	**1.9**	**0.0**	**20.3**	**9.1**	**11.8**
Add: Opening Balance	30.7	34.0	4.4	2.9	4.3	6.2	8.2	8.1	28.4	37.5
Closing Balance	**34.0**	**4.4**	**2.9**	**4.3**	**6.2**	**8.2**	**8.1**	**28.4**	**37.5**	**49.3**

E: MOFSL Estimates

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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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
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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