

Estimate change	↔
TP change	↓
Rating change	↔

Bloomberg	ITC IN
Equity Shares (m)	12527
M.Cap.(INRb)/(USDb)	3991.8 / 43.4
52-Week Range (INR)	472 / 318
1, 6, 12 Rel. Per (%)	-19/-24/-36
12M Avg Val (INR M)	7514

Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
Sales	819.9	870.9	929.8
Sales Gr. (%)	6.8	6.2	6.8
EBITDA	271.7	270.6	291.7
EBITDA Mrg. %	33.1	31.1	31.4
Adj. PAT	207.8	207.0	222.8
Adj. EPS (INR)	16.6	16.5	17.8
EPS Gr. (%)	3.8	-0.4	7.6
BV/Sh.(INR)	57.6	58.7	61.1
Ratios			
RoE (%)	29.2	28.4	29.7
RoCE (%)	28.7	28.0	29.3
Payout (%)	90.0	90.0	90.0
Valuations			
P/E (x)	19.2	19.3	17.9
P/BV (x)	5.5	5.4	5.2
EV/EBITDA (x)	17.7	17.7	16.3
Div. Yield (%)	4.7	4.7	5.0

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	0.0	0.0	0.0
DII	48.9	47.4	44.9
FII	36.1	37.4	40.2
Others	15.0	15.2	14.9

FII Includes depository receipts

CMP: INR319 **TP: INR365 (+15%)** **Neutral**

Healthy performance but non-event after tax hike

- ITC continued to deliver a healthy performance in core segments in 3QFY26. Consol. gross cigarette sales grew 8% YoY (est. 7%) and volume rose ~6.5% (vs. est. 6%). The premium cigarette segment continued to outperform. Cigarette EBIT grew by 5.7% YoY (est. 6.4%). EBIT margin contracted 140bp YoY to 56.7% (est. 57.7%), impacted by high leaf tobacco prices.
- Consol. FMCG segment sales grew 12.6% YoY. A recovery was seen in notebooks despite pressure from low-priced imports and local competition. The FMCG segment recorded mid-to-high single digit volume growth. Snacks, Noodles, and Biscuits delivered double-digit revenue growth. ITC GST-related trade disruption normalized by late Oct'25. EBIT was up 40% YoY and EBIT margin expanded by 140bp YoY to 7.3% (est. 7.5%).
- Agri business sales grew 6% YoY to INR38.6bn (est. INR43.5b). EBIT margin contracted by 80bp YoY to 12.8% (est. 9%).
- Paper business is gradually seeing recovery but full benefits will start visible from 4QFY26 onward. Revenue grew 3% YoY, while EBIT margin contracted 60bp YoY to 8.6% (est. 9%). Going ahead, wood prices are expected to ease further on improved availability; 3Q did not fully capture this benefit, and prices are now below 3Q levels. Underlying EBIT margin has already reached double digits (10%) in 3Q. EBIT margin is expected to keep growing in the coming quarters.
- The recently announced changes in GST and excise duty have led to a steep increase in cigarette taxes, effective 1st Feb'26. We [downgraded ITC from BUY to Neutral after the announcement](#). The stock has corrected ~20% since the announcement on 1st Jan'26. Earnings pressure on cigarettes would take away the near-term catalysts (soft tobacco prices, 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 maintain our Neutral rating on ITC with **our SoTP-based TP of INR365 (implying 21x Dec'27E EPS)**.

Cigarette volume up ~6.5%; FMCG grows ahead of peers

- Consolidated performance:** ITC's 3Q net revenue grew 7% YoY to INR200.5b (est. INR207b). Gross margin improved 40bp YoY to 58% (est. 57.5%). EBITDA margin improved 50bp YoY to 34.3% (est. 32.7%). EBITDA grew 8% YoY to INR68.8b (est. INR67.8b). PBT/APAT grew 7%/11% YoY.
- Cigarette volume rises 6.5%, with 6% EBIT growth:** Consol. gross cigarette sales grew 8.2% YoY to INR96.8b (est. INR95.7b). Standalone gross cigarette sales rose 8% YoY to INR87.9b. Cigarette volume is likely to have grown 6.5% (est. 6%). Strong performance in differentiated and premium offerings supported the growth. EBIT grew by 5.7% YoY to INR54.9b (est. INR55.2b). Cigarette EBIT margin contracted 140bp YoY to 56.7% (est. 57.7%). Leaf tobacco consumption cost remains elevated. However, ITC saw moderation in procurement prices in the current crop cycle.

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Investors are advised to refer through important disclosures made at the last page of the Research Report.

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- **FMCG – Others:** Consolidated FMCG-Others sales grew 12.6% YoY to INR61.1b (est. INR59.2b), driven by staples, biscuits, noodles, dairy, premium personal wash, home care & agarbattis. There are early signs of recovery in notebooks, despite pressure from low-priced imports and local players. EBIT grew 40% YoY to INR4.5b (est. INR4.4b). EBIT margin expanded by 140bp to 7.3% (est. 7.5%). Prices of major commodities (viz. edible oil, wheat, maida, cocoa, soap noodles etc.) were largely stable during 3Q. Calibrated pricing actions, premiumisation, and focused cost-management initiatives drove margin expansion.
- **Agri business** sales grew by 6% YoY to INR38.6b (est. INR43.5b). EBIT was flat YoY at INR5b. EBIT margin contracted by 80bp YoY to 12.8% (est. 9%).
- **Paperboard** business sales grew 3% YoY to INR22b (est. INR23b). EBIT declined 4% YoY to INR1.9b and EBIT margin contracted 60bp YoY to 8.6% (est. 9%). Underlying EBIT rose 11%, with underlying EBIT margin in double digits (~10%).
- In 9MFY26, ITC's revenue/EBITDA/APAT grew 5%/3%/5%.

Valuation and view

- There are no material changes to our EPS estimates for FY26-28.
- ITC's core cigarette business saw steady performance in 3Q and FMCG business saw a healthy performance with strong growth in operating profit. The recently announced changes in GST and excise duty have led to a steep increase in cigarette taxes, effective 1st Feb'26. We downgraded ITC from BUY to Neutral after the announcement. The stock has corrected ~20% since the announcement on 1st Jan'26. Earnings pressure on cigarettes would take away the near-term catalysts (soft tobacco prices, 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 maintain our Neutral rating on ITC with **our SoTP-based TP of INR365 (implying 21x Dec'27E P/E).**

Y/E March	Consol. Quarterly Performance (Reported)								(INR b)		
	FY25				FY26				FY25	FY26E	
	1Q	2Q	3Q	4Q	1Q*	2Q*	3Q	4QE			
Est. cigarette vol. gr. (%)	3.0	3.5	6.0	5.0	6.0	6.0	6.5	-7.0	4.4	2.9	6.0
Net Sales	184.6	207.4	187.9	187.7	214.9	195.0	200.5	209.4	767.5	819.9	207.1
YoY change (%)	7.5	16.7	4.3	4.7	16.5	-6.0	6.7	11.6	8.3	6.8	10.2
Gross Profit	111.7	115.9	108.3	110.3	112.6	113.6	116.3	119.9	446.2	462.4	119.1
Margin (%)	60.5	55.9	57.6	58.8	52.4	58.3	58.0	57.2	58.1	56.4	57.5
EBITDA	67.5	67.6	63.6	65.2	68.2	66.9	68.8	68.0	263.9	271.7	67.8
Growth (%)	1.2	4.8	-2.2	-1.6	1.0	-1.0	8.2	4.3	0.5	2.9	6.5
Margins (%)	36.6	32.6	33.9	34.7	31.7	34.3	34.3	32.5	34.4	33.1	32.7
Depreciation	5.0	5.2	4.2	4.1	4.2	4.3	4.3	4.8	18.5	17.7	4.5
Interest	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.0	0.5	0.5	0.2
Other Income	6.9	6.2	6.0	6.4	6.8	5.8	5.7	8.8	25.5	27.3	6.9
PBT	69.3	68.4	65.3	67.4	70.6	68.2	70.1	72.1	270.4	280.7	69.9
Tax	17.6	17.9	17.3	16.8	17.8	17.9	17.4	17.5	69.6	70.7	17.6
Rate (%)	25.4	26.2	26.4	24.9	25.3	26.3	24.8	24.3	25.7	25.2	25.2
Adj PAT	50.9	49.9	46.8	50.7	52.4	50.6	51.9	52.4	198.4	207.8	51.7
YoY change (%)	-0.2	2.0	-12.4	-0.9	3.0	1.3	11.1	3.2	-3.1	4.7	9.4
Reported PAT	50.9	49.9	45.3	50.7	52.4	51.3	49.3	52.4	197.9	207.8	51.7
											-4.7%

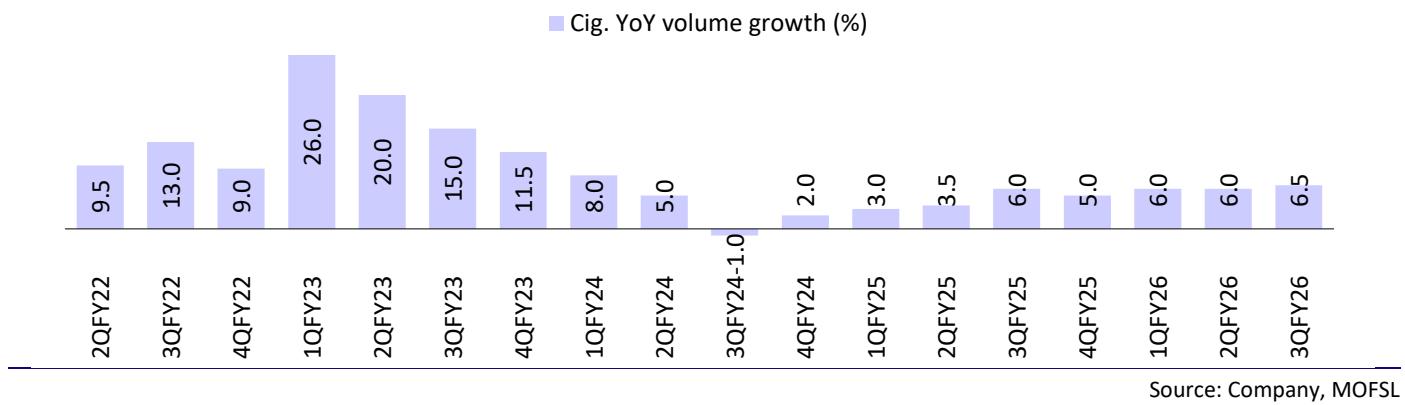
E: MOSL estimate; *Excluding the hotel business data, therefore not comparable YoY

Consol. Quarterly Performance (Ex- hotel business)								(INR b)
(INR b)	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	FY24	FY25	FY26E
Est. cigarette vol. gr. (%)	6.0	5.0	6.0	6.0	6.5	3.3	4.4	2.9
Net Sales	187.9	187.7	214.9	195.0	200.5	679.3	753.2	819.9
YoY change (%)	9.3	10.1	20.9	-2.4	6.7	0.0	10.9	8.8
Gross Profit	108.3	110.3	112.6	113.6	116.3	409.5	433.4	462.4
Margin (%)	57.6	58.8	52.4	58.3	58.0	60.3	57.5	56.4
EBITDA	63.6	65.2	68.2	66.9	68.8	252.5	259.8	271.7
Growth (%)	2.4	3.4	4.2	2.2	8.2	0.0	2.9	4.6
Margins (%)	33.9	34.7	31.7	34.3	34.3	37.2	34.5	33.1
Depreciation	4.2	4.1	4.2	4.3	4.3	15.2	16.5	17.7
Interest	0.1	0.1	0.2	0.2	0.2	0.4	0.5	0.5
Other Income	6.0	6.4	6.8	5.8	5.7	26.9	25.3	27.3
PBT	65.3	67.4	70.6	68.2	70.1	263.9	268.2	280.7
Tax	17.3	16.8	17.8	17.9	17.4	62.1	68.9	70.7
Rate (%)	26.4	24.9	25.3	26.3	24.8	23.5	25.7	25.2
Adj PAT	46.8	50.7	52.4	50.6	51.9	199.0	197.3	207.8
YoY change (%)	-9.5	2.8	4.7	2.9	11.1	0.0	-0.8	5.3
Reported PAT	45.3	50.7	52.4	51.3	49.3	199.0	197.3	207.8

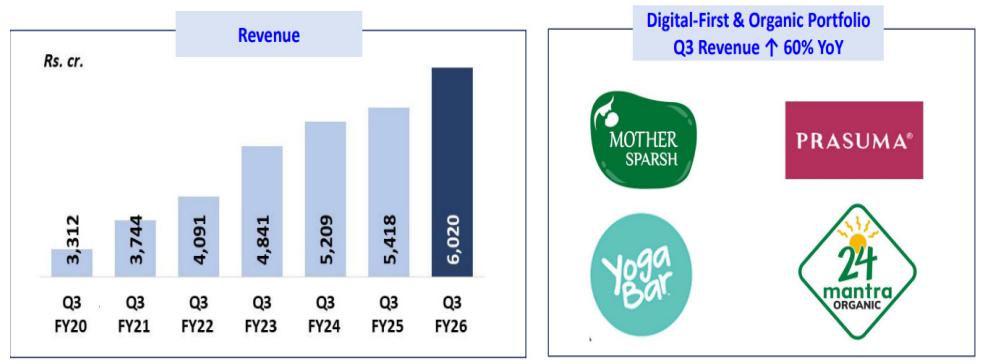
E: MOSL estimate

Cigarette volume up 6.5% YoY in 3Q; cigarette tax hike w.e.f. 1st Feb'26

- Consol. gross cigarette sales grew 8% YoY to INR96.8b (est. INR95.7b). Cigarette volume is likely to have grown 6.5% (est. 6%). EBIT grew by 5.7% YoY to INR54.9b (est. INR55.2b). Cigarette EBIT margin contracted 140bp YoY to 56.7% (est. 57.7%). Leaf Tobacco consumption cost remains elevated. However, ITC saw moderation in procurement prices in the current crop cycle.
- Differentiated variants and the premium segment registered strong growth, leveraging mainstream trademarks and innovation.
- ITC reinforced its market standing through strategic interventions in competitive markets, efforts to counter illicit trade, and volume-driven growth.
- Leaf tobacco consumption costs remained elevated and were partly mitigated through product mix enrichment and cost management interventions. However, in the current crop cycle, ITC saw moderation in leaf tobacco procurement prices.
- Cigarette taxes have been increased sharply with effect from 1st Feb'26. In the past, high and punitive taxes on legal cigarettes led to a rapid increase in illicit cigarette trade, making India the 4th largest illicit cigarette market globally as per Euromonitor estimates.
- Illicit cigarette trade is estimated to cause a revenue loss of ~INR230b/year to the government and now accounts for nearly one-third of total cigarette consumption.
- The recently announced changes in GST and excise duty have again led to a steep increase in cigarette taxes. Such a sharp hike is likely to encourage illicit trade further and hurt farmers, MSMEs, retailers, local supply chains, and govt revenue.
- The legal cigarette industry continues to engage with policymakers to advocate for pragmatic, fair, and evidence-based taxation and regulatory policies that balance economic priorities with tobacco control objectives, keeping in mind India's unique consumption patterns.

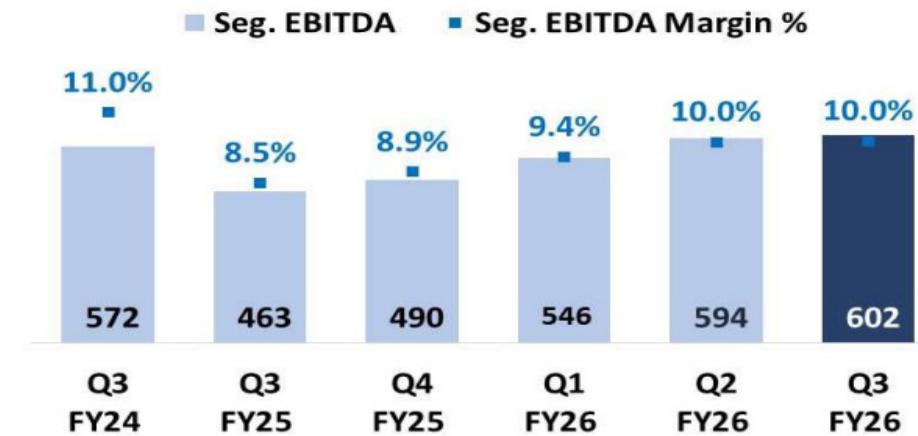
Exhibit 1: Cigarette volume up ~6.5% YoY in 3QFY26

FMCG – Others: Strong performance; expansion in EBIT margins

- **FMCG-Others** sales grew 12.6% YoY to INR61.1b (est. INR59.2b), driven by staples, biscuits, noodles, dairy, premium personal wash, home care & agarbattis. Volume growth would be in mid to high single digits.
- Early signs of recovery in notebooks, despite pressure from low-priced imports and local players.
- EBIT grew 40% YoY to INR4.5b (est. INR4.4bn) and EBIT margin expanded by 140bp to 7.3% (est. 7.5%).
- Prices of major commodities (viz. edible oil, wheat, maida, cocoa, soap noodles etc.) were largely stable during 3Q. Calibrated pricing actions, premiumisation, and focused cost management initiatives drive margin expansion.
- The premium portfolio and NewGen channels continued to perform strongly, with the digital-first and organic portfolio delivering robust 60% YoY growth.

Exhibit 2: FMCG – segmental revenue growth


Source: Company Presentation

Exhibit 3: FMCG – segmental EBITDA growth and margins



Source: Company Presentation

Paperboards, Paper, and Packaging

- Paperboards business sales grew 3% YoY to INR22b (est. INR23b). EBIT declined 4% YoY to INR1.9b and EBIT margin contracted 60bp YoY to 8.6% (est.9%). Underlying profit growth was 11% YoY.
- Performance reflects the impact of a planned maintenance shutdown of the high-pressure recovery boiler and paper machines.
- The overall industry continues to face headwinds from low-priced imports, elevated wood costs, and subdued realizations.
- The minimum import price (MIP) on virgin multi-layer paperboard, effective 22nd Aug'25, led to early signs of improvement in net realizations during the quarter.
- Proactive measures undertaken over the past few years have improved wood availability; however, severe cyclones during the harvesting season partially offset these gains, keeping wood prices elevated during the quarter.
- Wood prices are expected to moderate going forward as supply conditions improve.
- The industry continues to engage with policymakers to seek an extension of the MIP and sustained safeguard measures against low-priced imports of paperboards and coated as well as uncoated paper.
- The Packaging and Printing business delivered robust growth, driven by strong performance across both the Flexibles and Cartons portfolios.

Agri business posts 6% sales growth YoY

- Agri business sales grew by 6% YoY to INR38.6b (est. INR43.5b). EBIT was flat YoY at INR5b. EBIT margin contracted by 80bp YoY to 12.8% (est. 9%).
- Growth in leaf tobacco exports was driven by strong crop development expertise, superior product quality, and long-standing customer relationships.
- The value-added agri products (VAAP) segment delivered robust growth, led by strong performance in aqua and coffee.
- The business continues to focus strategically on accelerating growth by rapidly scaling up its VAAP portfolio across multiple value chains, including spices, coffee, frozen marine products, and processed fruits, among others.

FoodTech business

- FoodTech business aims to leverage the company's strengths in food science and manufacturing, FMCG food brands, and culinary expertise to capitalize on the rapidly growing online food services market.
- The business offers a diverse and expanding range of cuisines across four brands—ITC Master Chef Creations, ITC Aashirvaad Soul Creations, ITC Sunfeast Baked Creations, and Sansho by ITC Master Chef—which continue to gain strong consumer traction.
- The full-stack food-tech platform has scaled up to approximately 70 cloud kitchens across five cities and is being progressively rolled out across India; four new kitchens were added during the quarter, taking the YTD additions to ~21 kitchens as of December 2025.
- Gross merchandise value (GMV) more than doubled YoY to ~INR1,500m as of 9MFY26, compared with ~INR1,050m in FY25.

Key exhibits

Exhibit 4: Segmental information

Segmental Information	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26
Net sales (INR b)							
Cigarettes	88.4	88.8	89.4	92.3	95.5	94.1	96.8
FMCG - Others	55.0	55.9	54.3	55.0	58.0	60.6	61.1
Agri business	70.0	58.5	36.3	36.9	97.2	40.4	38.6
Paper and packaging	19.8	21.1	21.4	21.9	21.2	22.2	22.0
Sales growth (YoY)							
Cigarettes	5.8	6.6	7.8	6.2	8.0	6.0	8.2
FMCG - Others	6.3	5.3	4.0	3.7	5.5	8.5	12.6
Agri business	22.2	46.6	10.8	17.8	39.0	(30.9)	6.4
Paper and packaging	(6.8)	2.1	3.1	5.6	7.1	5.0	2.7
Volume growth (YoY)							
Cigarettes	3.0	3.5	6.0	5.0	6.0	6.0	6.5
EBIT (INR b)							
Cigarettes	52.6	52.4	51.9	54.0	55.0	54.6	54.9
FMCG - Others	4.8	4.4	3.2	3.5	4.0	4.4	4.5
Agri business	3.4	4.5	5.0	2.5	4.3	4.5	5.0
Paper and packaging	2.6	2.3	2.0	1.9	1.5	1.8	1.9
EBIT growth (YoY)							
Cigarettes	6.3	4.8	4.5	4.8	4.6	4.2	5.7
FMCG - Others	10.4	0.4	(26.1)	(27.9)	(16.7)	(1.2)	39.8
Agri business	(2.2)	24.5	30.3	35.5	26.1	1.5	(0.1)
Paper and packaging	(45.6)	(25.4)	(33.2)	(33.0)	(40.9)	(22.8)	(4.2)
EBIT margin (%)							
Cigarettes	59.4	59.0	58.0	58.5	57.6	58.0	56.7
FMCG - Others	8.7	8.0	5.9	6.3	6.9	7.2	7.3
Agri business	4.9	7.6	13.7	6.8	4.5	11.2	12.8
Paper and packaging	13.0	11.1	9.2	8.9	7.2	8.2	8.6
EBIT margin change (%)							
Cigarettes	0.3	(1.0)	(1.8)	(0.8)	(1.9)	(1.0)	(1.4)
FMCG - Others	0.3	(0.4)	(2.4)	(2.7)	(1.8)	(0.7)	1.4
Agri business	(1.2)	(1.4)	2.1	0.9	(0.5)	3.6	(0.8)
Paper and packaging	(9.3)	(4.1)	(5.0)	(5.1)	(5.8)	(2.9)	(0.6)

Valuation and view

- There are no material changes to our EPS estimates for FY26-28.
- ITC's core business of cigarettes saw steady performance in 3QFY26 and FMCG business has shown the healthy performance with the sharp increase in operating profit. The recently announced changes in GST and Excise Duty have led to a steep increase in cigarette taxes, implementation will be from 1st Feb'26. We had downgraded ITC from BUY to Neutral post the announcement ([link](#)). The stock has corrected ~20% since announcement on 1st Jan'26. Earnings pressure on cigarettes would take away the near-term catalysts (soft tobacco prices, recovery in FMCG and Paper) and comfort on valuation. ITC has full cigarette portfolio to relatively better navigate tax increase but competitive pressure from illicit cigarette will take a toll on formal cigarette industry.
- We maintain our Neutral rating on ITC with **our SoTP-based TP of INR365 (implying 21x Dec'27E P/E)**.

Exhibit 5: No material changes to our EPS estimates for FY27 and FY28

	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Sales	819.9	870.9	929.8	818.0	868.9	927.8	0.2	0.2	0.2
EBITDA	271.7	270.6	291.7	271.8	267.8	289.9	0.0	1.0	0.6
PAT	207.8	207.0	222.8	207.8	204.9	221.4	0.0	1.0	0.6

Source: MOFSL

Exhibit 6: ITC P/E (x)

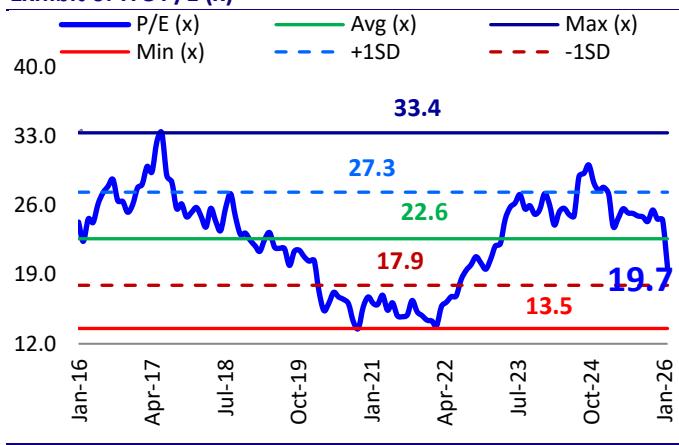
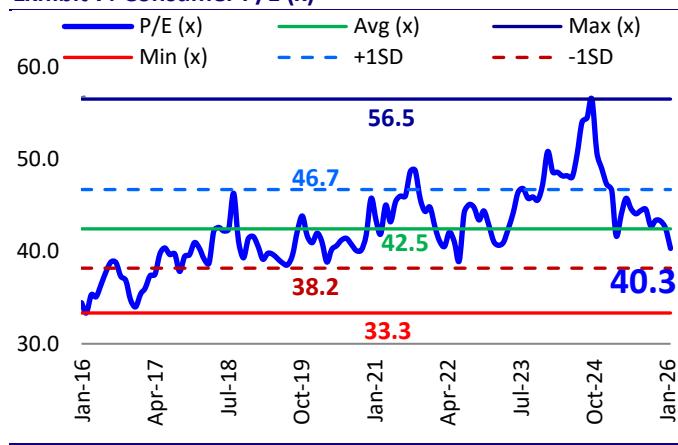


Exhibit 7: Consumer P/E (x)



Financials and valuations

Income Statement								(INR b)	
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Net Sales	513.9	531.6	652.0	765.2	768.4	830.4	887.0	942.2	1,005.9
Excise duty	19.9	38.8	45.4	55.8	59.6	62.9	67.2	71.3	76.1
Total Revenue	494.0	492.7	606.7	709.4	708.8	767.5	819.9	870.9	929.8
Change (%)	2.2	-0.3	23.1	16.9	-0.1	8.3	6.8	6.2	6.8
Gross Profit	320.6	291.4	342.8	419.3	436.3	446.2	462.4	496.4	539.3
Margin (%)	64.9	59.1	56.5	59.1	61.6	58.1	56.4	57.0	58.0
Other operating expenditure	128.0	121.4	136.2	162.7	173.8	182.3	190.7	225.8	247.6
EBITDA	192.6	170.0	206.6	256.6	262.5	263.9	271.7	270.6	291.7
Change (%)	4.6	-11.7	21.5	24.2	2.3	0.5	2.9	-0.4	7.8
Margin (%)	39.0	34.5	34.1	36.2	37.0	34.4	33.1	31.1	31.4
Depreciation	16.4	16.5	17.3	18.1	18.2	18.5	17.7	18.9	20.2
Int. and Fin. Charges	0.5	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.6
Other Inc. - Recurring	26.0	26.3	18.4	19.8	27.3	25.5	27.3	29.2	31.2
Profit before Taxes	201.6	179.5	207.2	257.9	271.2	270.4	280.7	280.2	302.1
Change (%)	5.3	-11.0	15.5	24.5	5.1	-0.3	3.8	-0.2	7.8
Margin (%)	40.8	36.4	34.2	36.4	38.3	35.2	34.2	32.2	32.5
Tax	48.5	44.6	53.1	64.5	61.7	69.6	70.7	70.5	76.0
Deferred Tax	-4.0	0.9	-0.7	-0.1	2.2	0.0	0.0	0.0	0.0
Tax Rate (%)	22.0	25.4	25.3	25.0	23.6	25.7	25.2	25.2	25.2
Profit after Taxes	152.7	130.3	150.6	186.8	204.6	197.9	207.8	207.0	222.8
Change (%)	22.5	-14.6	15.5	24.1	9.5	-3.3	5.0	-0.4	7.6
Margin (%)	30.9	26.4	24.8	26.3	28.9	25.8	25.3	23.8	24.0
Reported PAT	146.0	131.6	152.4	191.4	204.6	198.4	207.8	207.0	222.8
Balance Sheet								(INR b)	
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Share Capital	12.3	12.3	12.3	12.4	12.5	12.5	12.5	12.5	12.5
Reserves	640.4	585.6	602.4	679.1	732.6	687.8	709.5	723.2	753.5
Net Worth	652.7	597.9	614.8	691.6	745.1	700.3	722.1	735.8	766.0
Loans	0.1	0.1	0.1	0.4	0.1	0.9	1.0	1.1	1.2
Deferred Liability	15.7	16.8	16.1	15.8	20.7	20.7	20.7	20.7	20.7
Capital Employed	668.5	614.8	630.9	707.7	765.9	721.9	743.8	757.6	787.9
Gross Block	364.2	396.5	423.4	457.6	476.6	436.3	463.8	494.7	525.6
Less: Accum. Depn.	147.0	163.5	180.8	198.9	217.1	216.7	234.4	253.4	273.6
Net Fixed Assets	217.2	233.1	242.6	258.7	278.3	219.6	229.4	241.3	252.1
Capital WIP	32.5	40.0	32.0	29.8	28.5	10.9	8.7	7.0	5.6
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investments	286.6	248.7	248.4	294.2	311.1	347.2	362.2	377.2	392.2
Current	179.5	148.5	122.6	172.3	129.4	162.9	177.9	192.9	207.9
Non-current	107.2	100.2	125.8	121.8	181.7	184.3	184.3	184.3	184.3
Curr. Assets, L&A	236.8	210.2	239.2	275.6	299.6	298.1	312.1	317.6	342.6
Inventory	89.7	104.0	108.6	117.7	141.5	156.4	154.4	162.4	170.3
Account Receivables	25.6	25.0	24.6	29.6	40.3	47.2	47.6	49.6	53.0
Cash and Bank Balance	72.8	41.0	36.8	48.8	72.2	40.1	48.6	40.9	51.4
Others	48.7	40.2	69.2	79.5	45.6	54.4	61.6	64.7	67.9
Curr. Liab. and Prov.	100.8	113.8	127.6	146.8	147.8	150.2	161.4	174.3	188.6
Account Payables	36.3	43.2	44.2	46.6	48.0	48.1	52.1	55.3	59.0
Other Liabilities	59.9	65.3	75.7	98.6	98.2	100.8	107.8	117.2	127.5
Net Current Assets	136.0	96.4	111.6	128.8	151.8	147.9	150.7	143.3	154.0
Application of Funds	672.3	618.2	634.6	711.5	769.7	725.6	751.0	768.8	803.8

E: MOSL Estimates

Financials and valuations

Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Basic (INR)									
EPS	12.4	10.6	12.2	15.0	16.4	15.8	16.6	16.5	17.8
Cash EPS	13.8	11.9	13.6	16.5	17.8	17.3	18.0	18.0	19.4
BV/Share	53.1	48.6	49.9	55.6	59.7	56.0	57.6	58.7	61.1
DPS	10.2	10.8	11.5	15.5	13.8	14.4	14.9	14.9	16.0
Payout %	85	101	93	101	84	91	90	90	90
Valuation (x)									
P/E	25.7	30.1	26.1	21.2	19.5	20.2	19.2	19.3	17.9
Cash P/E	23.2	26.8	23.4	19.3	17.9	18.5	17.7	17.7	16.4
EV/Sales	9.4	9.3	7.6	6.4	6.3	5.8	5.4	5.1	4.7
EV/EBITDA	25.2	28.9	23.8	19.0	18.4	18.3	17.7	17.7	16.3
P/BV	6.0	6.6	6.4	5.7	5.3	5.7	5.5	5.4	5.2
Dividend Yield (%)	3.2	3.4	3.6	4.9	4.3	4.5	4.7	4.7	5.0
Return Ratios (%)									
RoE	24.5	20.8	24.8	28.6	28.5	27.4	29.2	28.4	29.7
RoCE	24.6	20.9	24.9	29.0	28.2	27.0	28.7	28.0	29.3
RoIC	49.5	40.8	47.2	55.2	54.2	53.8	58.7	57.3	60.5
Working Capital Ratios									
Debtor (Days)	24	19	15	14	18	21	21	20	20
Asset Turnover (x)	0.8	0.9	1.0	1.1	1.0	1.2	1.2	1.2	1.3

Cash Flow Statement (INR b)									
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
OP/(loss) before Tax	200.3	179.5	207.2	259.2	271.4	269.3	280.7	280.2	302.1
Financial other income	-8.0	-0.1	0.2	-3.0	-6.6	-7.0	1.2	1.3	1.4
Depreciation and Amort.	16.4	16.5	17.3	18.1	18.2	19.5	17.7	18.9	20.2
Interest Paid	-14.7	-15.3	-6.9	-15.3	-16.6	-14.6	-19.4	-21.0	-22.6
Direct Taxes Paid	-50.2	-44.6	-53.1	-62.5	-61.2	-63.5	-70.7	-70.5	-76.0
Incr in WC	3.0	6.1	-18.5	-7.7	-33.4	-27.4	5.7	-0.3	-0.2
CF from Operations	146.9	142.0	146.3	188.8	171.8	176.3	215.3	208.7	224.8
Other items	44.7	14.6	3.5	24.0	42.0	-26.1	19.4	21.0	22.6
Incr Decr in FA	24.1	39.9	18.8	26.9	34.6	21.0	25.3	29.2	29.5
Free Cash Flow	122.8	102.2	127.5	161.8	137.2	155.2	189.9	179.5	195.3
Pur of Investments	54.4	-37.9	-0.3	43.7	-29.6	-9.2	15.0	15.0	15.0
CF from Invest.	-33.8	12.7	-15.0	-46.7	37.1	-38.0	-20.9	-23.2	-21.9
Issue of shares	6.3	0.0	0.0	24.8	14.4	8.0	0.0	0.0	0.0
Incr in Debt	0.0	0.0	0.0	-0.6	-0.6	-0.3	0.1	0.1	0.1
Net Interest Paid	0.4	0.0	0.0	0.4	0.5	0.5	0.0	0.0	0.0
Dividend Paid	87.1	186.5	135.6	154.0	199.0	177.6	186.0	193.3	192.5
Others	-0.5	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0
CF from Fin. Activity	-81.8	-186.4	-135.6	-130.1	-185.5	-170.4	-185.9	-193.2	-192.4
Incr of Cash	31.3	-31.7	-4.3	12.0	23.4	-32.1	8.4	-7.6	10.5
Add: Opening Balance	41.5	72.8	41.0	36.8	48.8	72.2	40.1	48.6	40.9
Closing Balance	72.8	41.0	36.8	48.8	72.2	40.1	48.6	40.9	51.4

E: MOSL Estimates

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