

Table of Contents

1. One Page Company Profile

2. Historical Financials (10 Years)

- Income Statement
- Balance Sheet
- Cash Flow Statements

3. Common Size Statement

4. Discounted Cash Flow (DCF)

- Weighted Average Cost of Capital (WACC)
- Intrinsic Growth Rate
- Free Cash Flow to the Firm (FCFF)

5. Comparable Company Analysis

6. Value at Risk (VAR)

7. DuPont Analysis

8. Altman's Z - Score Analysis

9. Valuation Summary

ITC LTD - One Page Profile



ITC Limited is an Indian conglomerate, headquartered in Kolkata. It has a presence across six business segments, namely FMCG, agribusiness, information technology, paper products, and packaging. It generates a plurality of its revenue from tobacco products. In terms of market capitalization, ITC is the second largest FMCG company in India and the third-largest tobacco company in the world. It employs 36,500 people at more than 60 locations across India.

(INR Crs.)

Key Financial Metrics	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales	49,257.5	60,644.5	70,919.0	67,931.9	75,323.3
Sales Growth (Y-on-Y)	-0.26%	23.12%	16.94%	-4.21%	10.88%
Gross Profit Margins (%)	45.43%	43.85%	45.99%	47.50%	44.95%
EBIDTA Margins (%)	34.64%	34.01%	36.24%	37.08%	34.30%
EBIT Margins	31.30%	31.15%	33.69%	34.84%	32.12%
Net Profit Margins (%)	21.94%	22.41%	24.51%	25.64%	22.91%
Earning Per Share (In Rs)	8.78	11.03	13.98	13.95	13.79
EPS Growth (Y-on-Y)	81.90%	125.65%	126.77%	99.79%	98.83%
Dividend Per Share (In Rs)	10.75	11.50	15.50	13.75	14.35
DPS Growth (Y-on-Y)	122.45%	104.25%	110.84%	98.54%	104.06%

Key Financial Ratios	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Price to Earning	23.33x	21.30x	25.71x	28.78x	29.71x
EV/EBITDA	16.63x	20.44x	17.52x	18.20x	9.87x
EV/Sales	6.17x	7.39x	6.66x	6.98x	3.86x
Price to Book Value	5.80x	6.88x	5.57x	5.78x	3.03x
Return on Equity (%)	17.91%	21.76%	25.13%	23.38%	24.64%
Return on Capital Employed (%)	25.44%	30.13%	34.40%	31.64%	34.41%

Top Shareholders	Shares Held (Crs.)	% Holdings	Market Value (Crs.)
Tobacco Manufacturers Ltd.	222.85	17.81%	91,312.62
Life Insurance Corporation of India	197.70	15.80%	81,008.02
SUUTI	97.45	7.79%	39,931.43
Myddleton Investment Company Ltd	48.63	3.89%	19,926.63
SBI Mutual Funds	43.52	3.48%	17,831.27
ICICI Prudential Mutual Funds	27.62	2.21%	11,317.18
GQG Partners Equity Fund	26.39	2.11%	10,813.37

Managerial Remuneration	Designation	Remuneration (Lakh)	X of Median Salary
Mr. Sanjeev Puri	CMD	2,566	377x
Mr. Supratim Dutta	ED & CFO	853	132x
Mr. Hemant Malik	ED	494	99x
Mr. B Sumant	ED	1,181	174x
Mr. H Bharagva	Indep. Director	104	14x
Mr. A M Bharucha	Indep. Director	67	9x
Mr. C K Mishra	Indep. Director	3	9x

Peer Comparison (FMCG Industry)							
Companies	CMP (INR)	Market Capitalization	Debt	Cash at End	Sales	ROE %	ROCE %
Hind. Unilever	2,659.80	6,24,946.61	1,648.00	7,554.00	63,928.00	27.32%	36.79%
Nestle India	1,156.20	2,22,950.05	1,166.85	95.65	20,483.77	83.02%	95.66%
Varun Beverages	487.15	1,64,754.13	2,138.25	2,450.05	21,077.78	22.49%	24.85%
Britannia Inds.	5,824.00	1,40,300.16	1,246.51	312.48	18,314.59	52.94%	52.99%
Godrej Consumer	1,242.60	1,27,130.41	4,009.19	483.06	14,694.57	15.21%	19.21%

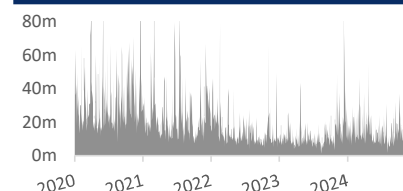
Recent Updates

- ITC posted a standalone net profit of **₹4,912 crore in Q1 FY26**, supported by steady growth in cigarettes, packaged foods, and agri-business, along with stronger rural demand recovery.
- British American Tobacco (BAT) trimmed its stake** in ITC by 2.5%, bringing its holding down to 22.94%, while raising over ₹12,900 crore through the stake sale.
- GQG Partners raised its shareholding** in ITC to 5.47%, signaling continued foreign institutional investor confidence in the company.
- ITC announced plans to **invest around ₹20,000 crore** in expanding manufacturing units across FMCG, packaging, and agri-business segments to strengthen its long-term growth.
- ITC Hotels is pursuing aggressive expansion**, targeting 220 properties by 2030, with 30 new agreements signed in 2024 and a strong pipeline of 58 projects.

Share Price - 5Y



Volume - 5Y



Shareholding Pattern



■ FII ■ DII ■ Government ■ Public

Capital Structure

Share Price (03-09-2025)	410
Number of Shares O/S	1,253
Market Capitalization	5,13,280
Less: Cash & Equivalents	(4,012)
Add: Total Debt	285
Add: Minority Interest	368
Enterprise Value	5,09,920

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Historical Financials Statements - ITC LTD										
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Income Statement										
Sales	₹ 39,192.1	₹ 42,767.6	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Sales Growth %	-	9.12%	1.59%	11.26%	2.17%	-0.26%	23.12%	16.94%	-4.21%	10.88%
COGS	₹ 19,162.9	₹ 21,949.1	₹ 21,967.5	₹ 24,216.0	₹ 24,330.4	₹ 26,881.5	₹ 34,053.1	₹ 38,302.1	₹ 35,666.0	₹ 41,469.2
COGS % of Sales	48.89%	51.32%	50.56%	50.10%	49.26%	54.57%	56.15%	54.01%	52.50%	55.05%
Gross Profit	₹ 20,029.2	₹ 20,818.5	₹ 21,481.4	₹ 24,123.6	₹ 25,057.3	₹ 22,375.9	₹ 26,591.5	₹ 32,616.9	₹ 32,266.0	₹ 33,854.1
Gross Margins	51.11%	48.68%	49.44%	49.90%	50.74%	45.43%	43.85%	45.99%	47.50%	44.95%
Selling & General Expenses	₹ 5,497.7	₹ 5,349.0	₹ 4,960.9	₹ 5,586.2	₹ 5,713.8	₹ 5,311.2	₹ 5,968.3	₹ 6,912.6	₹ 7,078.4	₹ 8,014.7
S&G Exp % of Sales	14.03%	12.51%	11.42%	11.56%	11.57%	10.78%	9.84%	9.75%	10.42%	10.64%
EBITDA	₹ 14,531.5	₹ 15,469.5	₹ 16,520.6	₹ 18,537.4	₹ 19,343.5	₹ 17,064.8	₹ 20,623.2	₹ 25,704.3	₹ 25,187.5	₹ 25,839.5
EBITDA % of Sales	37.08%	36.17%	38.02%	38.35%	39.17%	34.64%	34.01%	36.24%	37.08%	34.30%
Interest	₹ 78.1	₹ 49.0	₹ 115.0	₹ 71.4	₹ 81.4	₹ 58.0	₹ 60.0	₹ 77.8	₹ 39.1	₹ 45.1
Interest % of Sales	0.20%	0.11%	0.26%	0.15%	0.16%	0.12%	0.10%	0.11%	0.06%	0.06%
Depreciation	₹ 1,077.4	₹ 1,152.8	₹ 1,236.3	₹ 1,396.6	₹ 1,644.9	₹ 1,645.6	₹ 1,732.4	₹ 1,809.0	₹ 1,518.1	₹ 1,646.3
Depreciation % of Sales	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.23%	2.19%
EBIT	₹ 13,454.09	₹ 14,316.72	₹ 15,284.31	₹ 17,140.78	₹ 17,698.63	₹ 15,419.19	₹ 18,890.74	₹ 23,895.25	₹ 23,669.48	₹ 24,193.13
EBIT % of Sales	34.33%	33.48%	35.18%	35.46%	35.84%	31.30%	31.15%	33.69%	34.84%	32.12%
EBT	₹ 13,376.0	₹ 14,267.7	₹ 15,169.3	₹ 17,069.4	₹ 17,617.3	₹ 15,361.2	₹ 18,830.8	₹ 23,817.5	₹ 23,630.4	₹ 24,148.1
EBT % of Sales	34.13%	33.36%	34.91%	35.31%	35.67%	31.19%	31.05%	33.58%	34.79%	32.06%
Tax	₹ 5,358.2	₹ 5,549.1	₹ 5,916.4	₹ 6,313.9	₹ 4,441.8	₹ 4,555.3	₹ 5,237.3	₹ 6,438.4	₹ 6,209.5	₹ 6,890.5
Effective Tax Rate	40.06%	38.89%	39.00%	36.99%	25.21%	29.65%	27.81%	27.03%	26.28%	28.53%
Net Profit	₹ 8,017.8	₹ 8,718.6	₹ 9,252.9	₹ 10,755.5	₹ 13,175.5	₹ 10,805.9	₹ 13,593.4	₹ 17,379.1	₹ 17,420.9	₹ 17,257.6
Net Margins	20.46%	20.39%	21.30%	22.25%	26.68%	21.94%	22.41%	24.51%	25.64%	22.91%
No. of Equity Shares	1207.08	1214.74	1220.43	1225.86	1229.22	1230.88	1232.33	1242.8	1248.47	1251.41
EPS	₹ 6.6	₹ 7.2	₹ 7.6	₹ 8.8	₹ 10.7	₹ 8.8	₹ 11.0	₹ 14.0	₹ 14.0	₹ 13.8
EPS Growth %	-	108.06%	105.63%	115.72%	122.17%	81.90%	125.65%	126.77%	99.79%	98.83%
Divided per Share	₹ 5.7	₹ 4.8	₹ 5.1	₹ 5.8	₹ 10.1	₹ 10.8	₹ 11.5	₹ 15.5	₹ 13.7	₹ 14.3
Dividend Payout Ratio	85.31%	66.18%	67.93%	65.54%	94.70%	122.45%	104.25%	110.84%	98.54%	104.06%
Retained Earnings	14.69%	33.82%	32.07%	34.46%	5.30%	0.00%	0.00%	0.00%	1.46%	0.00%

52 Week (High - INR 410.45 & Low - INR 401.90)

[illegible]

Historical Financials Statements - ITC LTD										
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash Flows Statement										
Cash Flow from Operating Activity	₹ 9,799.0	₹ 10,627.3	₹ 13,169.4	₹ 12,583.4	₹ 14,689.7	₹ 12,527.0	₹ 15,775.5	₹ 18,877.6	₹ 17,178.9	₹ 17,627.0
Cash Flow from Investing Activity	₹ (3,920.7)	₹ (3,250.9)	₹ (7,113.9)	₹ (5,545.7)	₹ (6,174.0)	₹ 5,740.0	₹ (2,238.5)	₹ (5,732.3)	₹ 1,562.8	₹ (563.8)
Cash Flow from Financing Activity	₹ (5,612.5)	₹ (7,301.0)	₹ (6,221.1)	₹ (6,868.6)	₹ (8,181.5)	₹ (18,633.8)	₹ (13,580.5)	₹ (13,006.0)	₹ (18,551.0)	₹ (17,037.4)
Net Cash Flows	₹ 265.8	₹ 75.3	₹ (165.6)	₹ 169.1	₹ 334.2	₹ (366.9)	₹ (43.5)	₹ 139.2	₹ 190.7	₹ 25.8
Cash Flows Statement (Expanded)										
Cash Flow from Operating Activity										
Profit from operations	₹ 15,154.0	₹ 16,075.0	₹ 17,433.0	₹ 18,862.0	₹ 19,416.0	₹ 17,326.0	₹ 20,857.0	₹ 26,052.0	₹ 26,635.0	₹ 26,719.0
Receivables	₹ (207.0)	₹ (870.0)	₹ (964.0)	₹ (755.0)	₹ 1,411.0	₹ (66.0)	₹ (732.0)	₹ (884.0)	₹ (934.0)	₹ (1,023.0)
Inventory	₹ (693.0)	₹ 593.0	₹ 602.0	₹ (359.0)	₹ (508.0)	₹ (1,460.0)	₹ (466.0)	₹ (1,098.0)	₹ (2,545.0)	₹ (2,975.0)
Payables	₹ 622.0	₹ 321.0	₹ 2,098.0	₹ 639.0	₹ (607.0)	₹ 1,112.0	₹ 1,099.0	₹ 1,058.0	₹ 141.0	₹ 1,256.0
Working capital changes	₹ (277.0)	₹ 44.0	₹ 1,736.0	₹ (476.0)	₹ 296.0	₹ (413.0)	₹ (100.0)	₹ (924.0)	₹ (3,337.0)	₹ (2,742.0)
Direct taxes	₹ (5,078.0)	₹ (5,492.0)	₹ (6,000.0)	₹ (5,803.0)	₹ (5,023.0)	₹ (4,387.0)	₹ (4,982.0)	₹ (6,250.0)	₹ (6,120.0)	₹ (6,350.0)
Cash Generated from Operations	₹ 9,521.0	₹ 10,671.0	₹ 14,905.0	₹ 12,108.0	₹ 14,985.0	₹ 12,112.0	₹ 15,676.0	₹ 17,954.0	₹ 13,840.0	₹ 14,885.0
Cash Flow from Investing Activity										
Fixed assets purchased	₹ (2,348.0)	₹ (3,122.0)	₹ (2,878.0)	₹ (3,169.0)	₹ (2,441.0)	₹ (1,837.0)	₹ (2,142.0)	₹ (2,743.0)	₹ (3,563.0)	₹ (2,279.0)
Fixed assets sold	₹ 8.0	₹ 50.0	₹ 80.0	₹ 28.0	₹ 27.0	₹ 3.0	₹ 133.0	₹ 49.0	₹ 107.0	₹ 175.0
Investments purchased	₹ (1,54,081.0)	₹ (85,683.0)	₹ (98,330.0)	₹ (94,187.0)	₹ (79,835.0)	₹ (57,553.0)	₹ (69,776.0)	₹ (80,932.0)	₹ (75,107.0)	₹ (66,373.0)
Investments sold	₹ 1,50,651.0	₹ 81,034.0	₹ 95,017.0	₹ 92,454.0	₹ 75,835.0	₹ 62,797.0	₹ 70,992.0	₹ 77,230.0	₹ 77,830.0	₹ 67,311.0
Interest received	₹ 741.0	₹ 756.0	₹ 736.0	₹ 1,184.0	₹ 1,513.0	₹ 1,275.0	₹ 1,035.0	₹ 1,324.0	₹ 1,138.0	₹ 1,072.0
Dividends received	₹ 64.0	₹ 4.0	₹ 13.0	₹ 13.0	₹ 17.0	₹ 7.0	₹ 16.0	₹ 19.0	₹ 36.0	₹ 38.0
Invest in subsidiaries	₹ (8.0)	-	-	-	-	-	-	-	-	-
Investment in group cos	-	-	-	-	-	₹ (2.0)	₹ (2.0)	₹ (2.0)	₹ (65.0)	₹ (30.0)
Redemp n Canc of Shares	-	₹ 129.0	₹ 18.0	₹ 18.0	-	-	-	₹ 56.0	-	-
Other investing items	₹ 1,052.0	₹ 3,579.0	₹ (1,769.0)	₹ (1,887.0)	₹ (1,290.0)	₹ 1,051.0	₹ (2,494.0)	₹ (733.0)	₹ 1,187.0	₹ (478.0)
Cash from Investments	₹ (3,921.0)	₹ (3,253.0)	₹ (7,113.0)	₹ (5,546.0)	₹ (6,174.0)	₹ 5,741.0	₹ (2,238.0)	₹ (5,732.0)	₹ 1,563.0	₹ (564.0)
Cash Flow from Financing Activity										
Proceeds from shares	₹ 532.0	₹ 1,067.0	₹ 913.0	₹ 969.0	₹ 625.0	₹ 291.0	₹ 292.0	₹ 2,477.0	₹ 1,443.0	₹ 797.0
Proceeds from borrowings	-	-	₹ 11.0	-	-	-	-	-	₹ 8.0	₹ 90.0
Repayment of borrowings	₹ (13.0)	₹ (13.0)	₹ (8.0)	₹ (18.0)	₹ (3.0)	₹ (2.0)	₹ (1.0)	₹ (1.0)	₹ (2.0)	₹ (54.0)
Interest paid fin	₹ (28.0)	₹ (25.0)	₹ (49.0)	₹ (98.0)	₹ (44.0)	₹ (41.0)	₹ (40.0)	₹ (41.0)	₹ (46.0)	₹ (50.0)
Dividends paid	₹ (5,133.0)	₹ (6,994.0)	₹ (5,952.0)	₹ (6,519.0)	₹ (7,302.0)	₹ (18,881.0)	₹ (13,788.0)	₹ (15,418.0)	₹ (19,899.0)	₹ (17,782.0)
Financial liabilities	-	-	-	-	₹ (49.0)	₹ (55.0)	₹ (59.0)	₹ (59.0)	₹ (67.0)	₹ (66.0)
Other financing items	₹ (971.0)	₹ (1,335.0)	₹ (1,136.0)	₹ (1,203.0)	₹ (1,409.0)	₹ 55.0	₹ 15.0	₹ 35.0	₹ 12.0	₹ 28.0
Cash from Financing	₹ (5,613.0)	₹ (7,300.0)	₹ (6,221.0)	₹ (6,869.0)	₹ (8,182.0)	₹ (18,633.0)	₹ (13,581.0)	₹ (13,007.0)	₹ (18,551.0)	₹ (17,037.0)
Net Cash Flows	₹ (13.0)	₹ 118.0	₹ 1,571.0	₹ (307.0)	₹ 629.0	₹ (780.0)	₹ (143.0)	₹ (785.0)	₹ (3,148.0)	₹ (2,716.0)

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Common Size Income Statement - ITC LTD										
Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Raw Material Cost	35.12%	36.14%	34.13%	36.46%	36.54%	42.18%	44.64%	41.41%	40.26%	43.42%
Change in Inventory	0.50%	-1.39%	-2.37%	0.42%	1.42%	1.31%	1.13%	0.51%	0.54%	0.96%
Power and Fuel	1.46%	1.37%	1.50%	1.54%	1.58%	1.42%	1.47%	1.74%	1.40%	1.29%
Other Mfr. Exp	4.04%	3.94%	3.91%	3.87%	3.86%	3.22%	3.11%	3.28%	3.21%	3.11%
Employee Cost	8.78%	8.49%	8.66%	8.64%	8.70%	9.06%	8.06%	8.09%	8.17%	8.19%
Selling and admin	10.87%	9.77%	9.10%	9.41%	9.09%	8.60%	8.01%	7.90%	7.82%	7.69%
Other Expenses	3.15%	2.73%	2.32%	2.15%	2.48%	2.18%	1.83%	1.85%	2.60%	2.95%
Other Income	3.78%	4.11%	5.16%	4.30%	4.89%	5.23%	3.15%	2.96%	4.90%	23.62%
Depreciation	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.23%	2.19%
Interest	0.20%	0.11%	0.26%	0.15%	0.16%	0.12%	0.10%	0.11%	0.06%	0.06%
Profit before tax	37.91%	37.47%	40.07%	39.62%	40.57%	36.42%	34.20%	36.54%	39.69%	55.68%
Tax	13.67%	12.97%	13.62%	13.06%	8.99%	9.25%	8.64%	9.08%	9.14%	9.15%
Net profit	23.84%	24.06%	25.94%	26.05%	30.99%	26.72%	25.13%	27.06%	30.12%	46.13%
Dividend Amount	17.45%	13.49%	14.47%	14.58%	25.26%	26.86%	23.37%	27.16%	25.27%	23.84%
EBITDA	51.11%	48.68%	49.44%	49.90%	50.74%	45.43%	43.85%	45.99%	47.50%	44.95%

Common Size Balance Sheet - ITC LTD										
Particulars	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Equity Share Capital	1.56%	2.17%	1.90%	1.71%	1.59%	1.67%	1.60%	1.45%	1.36%	1.42%
Reserves	81.07%	80.86%	79.84%	80.73%	82.84%	80.15%	79.31%	79.12%	79.84%	78.16%
Borrowings	0.16%	0.08%	0.06%	0.02%	0.36%	0.37%	0.32%	0.36%	0.33%	0.32%
Other Liabilities	17.21%	16.89%	18.20%	17.54%	15.21%	17.82%	18.77%	19.07%	18.47%	20.10%
Total Assets	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Net Block	29.25%	28.43%	25.72%	27.01%	28.09%	31.59%	31.39%	30.12%	30.32%	24.95%
Capital Work in Progress	4.96%	6.67%	8.57%	5.77%	4.21%	5.44%	4.18%	3.50%	3.12%	1.24%
Investments	22.74%	31.45%	34.33%	34.91%	37.08%	33.72%	32.18%	34.27%	33.91%	39.45%
Other Assets	10.06%	9.19%	11.02%	9.95%	6.41%	5.45%	8.96%	9.27%	4.97%	6.67%
Receivables	3.71%	4.43%	4.18%	5.62%	3.31%	3.39%	3.19%	3.44%	4.39%	5.36%
Inventory	17.54%	14.52%	11.67%	10.96%	11.49%	14.10%	14.07%	13.71%	15.42%	17.77%
Cash & Bank	11.74%	5.31%	4.51%	5.79%	9.41%	6.32%	6.03%	5.69%	7.87%	4.56%

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Ratio Analysis - ITC LTD													
Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trend	Mean	Median
Sales Growth		9.12%	1.59%	11.26%	2.17%	-0.26%	23.12%	16.94%	-4.21%	10.88%		7.84%	9.12%
EBITDA Growth		6.46%	6.79%	12.21%	4.35%	-11.78%	20.85%	24.64%	-2.01%	2.59%		7.12%	6.46%
EBIT Growth		6.41%	6.76%	12.15%	3.25%	-12.88%	22.51%	26.49%	-0.94%	2.21%		7.33%	6.41%
EBT Growth		6.67%	6.32%	12.53%	3.21%	-12.81%	22.59%	26.48%	-0.79%	2.19%		7.38%	6.32%
Net Profit Growth		8.74%	6.13%	16.24%	22.50%	-17.98%	25.80%	27.85%	0.24%	-0.94%		9.84%	8.74%
Dividend Growth		-16.18%	8.42%	11.65%	76.52%	5.91%	6.98%	34.78%	-11.29%	4.36%		13.46%	6.98%
Gross Margin	51.11%	48.68%	49.44%	49.90%	50.74%	45.43%	43.85%	45.99%	47.50%	44.95%		47.76%	48.09%
EBITA Margin	37.08%	36.17%	38.02%	38.35%	39.17%	34.64%	34.01%	36.24%	37.08%	34.30%		36.51%	36.66%
EBIT Margin	34.33%	33.48%	35.18%	35.46%	35.84%	31.30%	31.15%	33.69%	34.84%	32.12%		33.74%	34.01%
EBT Margin	34.13%	33.36%	34.91%	35.31%	35.67%	31.19%	31.05%	33.58%	34.79%	32.06%		33.61%	33.86%
Net Profit Margin	20.46%	20.39%	21.30%	22.25%	26.68%	21.94%	22.41%	24.51%	25.64%	22.91%		22.85%	22.33%
Sales Expenses % of sales	14.03%	12.51%	11.42%	11.56%	11.57%	10.78%	9.84%	9.75%	10.42%	10.64%		11.25%	11.10%
Depreciation % of sales	2.75%	2.70%	2.85%	2.89%	3.33%	3.34%	2.86%	2.55%	2.23%	2.19%		2.77%	2.80%
Operating Income % of sales	34.33%	33.48%	35.18%	35.46%	35.84%	31.30%	31.15%	33.69%	34.84%	32.12%		33.74%	34.01%
Return on Capital Employed (%)	31.46%	30.82%	29.09%	28.98%	27.00%	25.44%	30.13%	34.40%	31.64%	34.41%		30.34%	30.47%
Retained Earnings (%)	14.69%	33.82%	32.07%	34.46%	5.30%	0.00%	0.00%	0.00%	1.46%	0.00%		12.18%	3.38%
Return on Equity (%)	18.79%	18.78%	17.62%	18.19%	20.19%	17.91%	21.76%	25.13%	23.38%	24.64%		20.64%	19.49%
Self Sustained Growth Rate (%)	2.76%	6.35%	5.65%	6.27%	1.07%	0.00%	0.00%	0.00%	0.34%	0.00%		2.24%	0.71%
Interest Coverage Ratio	172.20x	292.00x	132.90x	240.07x	217.48x	265.99x	314.90x	307.26x	605.20x	536.91x		308.49x	278.99x
Debtor Turnover Ratio	20.44x	17.28x	16.20x	11.98x	19.27x	19.69x	24.63x	23.99x	16.87x	15.96x		18.63x	18.28x
Creditor Turnover Ratio	4.41x	4.53x	3.72x	3.84x	4.20x	3.75x	4.18x	4.33x	4.01x	4.26x		4.12x	4.19x
Inventory Turnover	4.32x	5.27x	5.80x	6.15x	5.56x	4.74x	5.58x	6.02x	4.80x	4.82x		5.31x	5.42x
Fixed Asset Turnover	2.59x	2.69x	2.63x	2.50x	2.27x	2.11x	2.50x	2.74x	2.44x	3.43x		2.59x	2.55x
Capital Turnover Ratio	0.92x	0.92x	0.83x	0.82x	0.76x	0.82x	0.97x	1.03x	0.91x	1.08x		0.90x	0.92x
Debtor Days	18	21	23	30	19	19	15	15	22	23		20	20
Payable Days	83	81	98	95	87	97	87	84	91	86		89	87
Inventory Days	84	69	63	59	66	77	65	61	76	76		70	67
Cash Conversion Cycle <i>(in days)</i>	19	10	-13	-5	-2	-2	-7	-8	7	13		1	-2
CFO/Sales	25.00%	24.85%	30.31%	26.03%	29.74%	25.43%	26.01%	26.62%	25.29%	23.40%		26.27%	25.72%
CFO/Total Assets	18.97%	19.01%	20.50%	17.54%	19.00%	16.98%	20.44%	21.99%	18.72%	20.03%		19.32%	19.01%
CFO/Total Debt	11696.16%	23244.34%	36663.14%	93626.56%	5294.53%	4625.40%	6324.37%	6168.33%	5661.56%	6194.93%		19949.93%	6259.65%

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Weighted Average Cost of Capital

Peers comms

Name of the comp	Ticker	Country	Total Debt	Total Equity	Tax rate ¹	Debt / Equity	Debt / Capital	Levered ² Beta	Unlevered ³ Beta
Hind. Unilever	HINDUNILVR	India	₹ 1,648.0	₹ 6,24,946.6	30%	0.26%	0.26%	0.45	0.45
ITC	ITC	India	₹ 284.5	₹ 5,13,281.5	30%	0.06%	0.06%	0.57	0.57
Nestle India	NESTLEIND	India	₹ 1,166.9	₹ 2,22,950.0	30%	0.52%	0.52%	0.70	0.70
Varun Beverages	VBL	India	₹ 2,138.3	₹ 1,64,754.1	30%	1.30%	1.28%	0.91	0.90
Britannia Inds.	BRITANNIA	India	₹ 1,246.5	₹ 1,40,300.2	30%	0.89%	0.88%	0.53	0.52
Average					30%	0.61%	0.60%	0.63	0.63
Median					30%	0.52%	0.52%	0.566	0.57

Cost of Debt

Interest	₹ 216.0
Pre-Tax Cost of Debt	13.11%
Tax Rate	30.00%
Post Tax Cost of Debt	9.17%

Capital Structure

		Current	Target
Total Debt	₹ 1,648.0	0.26%	0.52%
Market Capitalization	₹ 6,24,946.6	99.74%	99.48%
Total Capital	₹ 6,26,594.6	100.00%	100.00%

Debt / Equity	0.26%	0.53%
---------------	-------	-------

Notes:

1. Tax Rate is Considered Marginal Tax Rate for the country
2. Levered Beta is based on 2 years weekly data
3. Unlevered Beta = Levered Beta / (1 + (1 - Tax Rate) * Debt / Equity)
3. Levered Beta = Unlevered Beta * (1 + (1 - Tax Rate) * Debt / Equity)

Cost of Equity

Risk Free Rate	6.40%
Market Risk Premium	6.00%
Levered Beta ⁴	0.57
Cost of Equity	9.81%

Levered Beta

Comps Median Unlevered Beta	0.57
Target Debt / Equity	0.53%
Tax Rate	30%
Levered Beta	0.57

Weighted Average Cost of Capital

	Total Cost	Total Weight
Debt	9.17%	0.52%
Equity	9.81%	99.48%
Weighted Average Cost Of Capital		9.81%

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Calculation of Intrinsic Growth Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Current Assets						
Inventories	₹ 8,879.0	₹ 10,397.0	₹ 10,864.0	₹ 11,771.0	₹ 14,153.0	₹ 15,638.0
Trade receivables	₹ 2,562.0	₹ 2,502.0	₹ 2,462.0	₹ 2,956.0	₹ 4,026.0	₹ 4,720.0
Loans n Advances	₹ 6.0	₹ 7.0	₹ 11.0	₹ 13.0	₹ 31.0	₹ 10.0
Other asset items	₹ 4,952.0	₹ 4,015.0	₹ 6,906.0	₹ 7,941.0	₹ 4,531.0	₹ 5,858.0
Total Current Assets	₹ 16,399.0	₹ 16,921.0	₹ 20,243.0	₹ 22,681.0	₹ 22,741.0	₹ 26,226.0
Current Liabilities						
Trade Payables	₹ 3,630.0	₹ 4,319.0	₹ 4,417.0	₹ 4,659.0	₹ 4,798.0	₹ 4,807.0
Advance from Customers	₹ 703.0	₹ 811.0	₹ 1,278.0	₹ 1,295.0	₹ 886.0	₹ 1,264.0
Other liability items	₹ 7,050.0	₹ 7,666.0	₹ 8,429.0	₹ 10,032.0	₹ 10,877.0	₹ 11,249.0
Total Current Liabilities	₹ 11,383.0	₹ 12,796.0	₹ 14,124.0	₹ 15,986.0	₹ 16,561.0	₹ 17,320.0
Net Working Capital	₹ 5,016.0	₹ 4,125.0	₹ 6,119.0	₹ 6,695.0	₹ 6,180.0	₹ 8,906.0
Non- Current Assets						
Land	₹ 2,797.0	₹ 2,889.0	₹ 2,829.0	₹ 2,830.0	₹ 2,865.0	₹ 1,588.0
Building	₹ 8,161.0	₹ 8,387.0	₹ 9,100.0	₹ 9,789.0	₹ 10,944.0	₹ 7,550.0
Plant Machinery	₹ 14,625.0	₹ 15,307.0	₹ 16,912.0	₹ 18,480.0	₹ 20,718.0	₹ 19,423.0
Equipments	₹ 40.0	₹ 41.0	₹ 44.0	₹ 44.0	₹ 53.0	₹ 63.0
Furniture n fittings	₹ 810.0	₹ 833.0	₹ 907.0	₹ 1,000.0	₹ 1,068.0	₹ 282.0
Railway sidings	₹ 2.0	₹ 2.0	₹ 2.0	₹ 2.0	₹ 2.0	₹ 2.0
Vehicles	₹ 184.0	₹ 180.0	₹ 179.0	₹ 189.0	₹ 192.0	₹ 141.0
Intangible Assets	₹ 684.0	₹ 2,734.0	₹ 2,744.0	₹ 3,490.0	₹ 3,505.0	₹ 3,622.0
Other fixed assets	₹ 663.0	₹ 716.0	₹ 719.0	₹ 786.0	₹ 841.0	₹ 967.0
Gross Block	₹ 27,303.0	₹ 30,373.0	₹ 32,717.0	₹ 35,824.0	₹ 39,347.0	₹ 32,671.0
Accumulated Depreciation	₹ (6,252.0)	₹ (7,790.0)	₹ (9,204.0)	₹ (10,757.0)	₹ (12,368.0)	₹ (11,683.0)
Net Non- Current Assets	₹ 21,051.0	₹ 22,583.0	₹ 23,513.0	₹ 25,067.0	₹ 26,979.0	₹ 20,988.0
Invested Capital	₹ 26,067.0	₹ 26,708.0	₹ 29,632.0	₹ 31,762.0	₹ 33,159.0	₹ 29,894.0
EBIT	₹ 17,698.6	₹ 15,419.2	₹ 18,890.7	₹ 23,895.3	₹ 23,669.5	₹ 24,193.1
Marginal Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
NOPAT	₹ 12,389.04	₹ 10,793.43	₹ 13,223.52	₹ 16,726.68	₹ 16,568.64	₹ 16,935.19
ROIC	47.53%	40.41%	44.63%	52.66%	49.97%	56.65%
Calculation of Intrinsic Growth Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Capex	₹ 2,468.0	₹ 1,840.0	₹ 2,275.0	₹ 2,792.0	₹ 3,670.0	₹ 2,454.0
ΔW.C	-	₹ (891.0)	₹ 1,994.0	₹ 576.0	₹ (515.0)	₹ 2,726.0
EBIT	₹ 17,698.6	₹ 15,419.2	₹ 18,890.7	₹ 23,895.3	₹ 23,669.5	₹ 24,193.1
Marginal Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
NOPAT	₹ 12,389.0	₹ 10,793.4	₹ 13,223.5	₹ 16,726.7	₹ 16,568.6	₹ 16,935.2
Reinvestment	₹ 2,468.0	₹ 949.0	₹ 4,269.0	₹ 3,368.0	₹ 3,155.0	₹ 5,180.0
Reinvestment Rate		8.79%	32.28%	20.14%	19.04%	30.59%
					4 Year Average	22.17%
					4 Year Median	20.14%
Calculation of Intrinsic Growth Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Reinvestment Rate		8.79%	32.28%	20.14%	19.04%	30.59%
ROIC		40.41%	44.63%	52.66%	49.97%	56.65%
Intrinsic Growth		3.55%	14.41%	10.60%	9.51%	17.33%
					4 Year Average	11.08%
					4 Year Median	10.60%

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Calculation of PV of FCFF	Mar-25A	Mar-26E	Mar-27E	Mar-28E	Mar-29E	Mar-30E
EBIT	₹ 17,698.6	₹ 15,419.2	₹ 18,890.7	₹ 23,895.3	₹ 23,669.5	₹ 24,193.1
Tax Rate	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
NOPAT	₹ 12,389.0	₹ 10,793.4	₹ 13,223.5	₹ 16,726.7	₹ 16,568.6	₹ 16,935.2
Less: Reinvestment Rate	20.14%	20.14%	20.14%	20.14%	20.14%	20.14%
Free Cash Flow to Firm (FCFF)	₹ 9,894.4	₹ 8,620.1	₹ 10,560.9	₹ 13,358.7	₹ 13,232.5	₹ 13,525.2
Mid Year Convention		0.5	1.5	2.5	3.5	4.5
Discounting Factor		0.954	0.869	0.791	0.721	0.656
PV of FCFF		₹ 8,226.2	₹ 9,178.3	₹ 10,573.0	₹ 9,537.9	₹ 8,878.3

Terminal Growth	5.00%
WACC	9.81%

Calculation of Terminal Value	
FCFF _(n+1)	₹ 14,201.5
WACC	9.81%
Terminal Growth	5.00%
Terminal Value	₹ 1,44,826.2

Calculation of Implied Share Value	
Sum PV of FCFF	₹ 46,393.7
PV of T.V	₹ 1,31,893.0
Enterprise Value	₹ 1,78,286.7
Add: Cash	₹ 4,012.4
Less: Debt	284.5
Equity Value	₹ 1,82,014.5
Total Shares	1,252.67
Implied Share Value	₹ 145.3
Share Price	409.75
Premium	2.82x

Sensitivity Analysis					
Enterprise Value (in INR)					
WACC	Terminal Growth Rate				
	3.00%	4.00%	5.00%	7.00%	
	7.00%	₹ 1,82,345.8	₹ 1,83,634.9	₹ 1,84,923.9	₹ 1,87,502.1
	8.00%	₹ 1,79,942.8	₹ 1,81,219.9	₹ 1,82,497.0	₹ 1,85,051.3
	9.81%	₹ 1,75,774.4	₹ 1,77,030.5	₹ 1,78,286.7	₹ 1,80,798.9
	11.00%	₹ 1,73,132.3	₹ 1,74,374.9	₹ 1,75,617.5	₹ 1,78,102.7
	13.00%	₹ 1,68,896.9	₹ 1,70,117.5	₹ 1,71,338.1	₹ 1,73,779.3

Implied Share Value (in INR)					
WACC	Terminal Growth Rate				
	3.00%	4.00%	5.00%	7.00%	
	7.00%	₹ 148.5	₹ 149.6	₹ 150.6	₹ 152.7
	8.00%	₹ 146.6	₹ 147.6	₹ 148.7	₹ 150.7
	9.81%	₹ 143.3	₹ 144.3	₹ 145.3	₹ 147.3
	11.00%	₹ 141.2	₹ 142.2	₹ 143.2	₹ 145.2
	13.00%	₹ 137.8	₹ 138.8	₹ 139.8	₹ 141.7

ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Comparable Company Valuation - Ambuja Cements (Amount in crores)

Company	Ticker	Market Data					Financials			Valuation		
		Share Price	Share Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Income	EV / Revenue	EV / EBITDA	P/E
ITC	ITC	409.75	1252.67	5,13,282	285	5,09,554	79,040	43,886	35,219	6.4x	11.6x	14.6x
Hind. Unilever	HINDUNILVR	2659.8	234.96	6,24,947	1,648	6,19,041	63,928	16,005	10,827	9.7x	38.7x	57.7x
Nestle India	NESTLEIND	1,156	192.83	2,22,950	1,167	2,24,021	20,484	5,074	3,227	10.9x	44.1x	69.1x
Varun Beverages	VBL	487	338.20	1,64,754	2,138	1,64,442	21,078	5,165	2,881	7.8x	31.8x	57.2x
Britannia Inds.	BRITANNIA	5,824	24.09	1,40,300	1,247	1,41,234	18,315	3,404	2,193	7.7x	41.5x	64.0x
Godrej Consumer	GODREJCP	1,243	102.31	1,27,130	4,009	1,30,657	14,695	3,234	1,854	8.9x	40.4x	68.6x
Tata Consumer	TATACONSUM	1,065	98.95	1,05,421	2,393	1,04,996	18,045	2,626	1,330	5.8x	40.0x	79.3x
United Spirits	MCDOWELL-N	1,311	72.74	95,362	480	93,812	12,329	2,456	1,514	7.6x	38.2x	63.0x
Marico	MARICO	726	129.79	94,208	554	93,985	11,447	2,395	1,697	8.2x	39.2x	55.5x
Dabur India	DABUR	521	177.37	92,428	950	92,800	12,619	2,894	1,754	7.4x	32.1x	52.7x
High										10.9x	44.1x	79.3x
75 th Percentile										8.7x	40.3x	67.4x
Average										8.0x	35.8x	58.2x
Median										7.8x	39.0x	60.4x
25 th Percentile										5.8x	11.6x	14.6x
Low										5.8x	11.6x	14.6x

Ambuja Cement Comparable Valuation	EV / Revenue	EV / EBITDA	P/E
Implied Enterprise Value	6,13,086	17,09,794	21,25,886
Net Debt	285	285	285
Implied Market Value	6,12,802	17,09,510	21,25,602
Shares Outstanding	1252.67	1252.67	1252.67
Implied Value Per Share	489.2	1,364.7	1,696.9

Source: The Valuation School, Screener.in Undervalued Undervalued Undervalued

ITC LTD

(ITC | BSE Code: 540376)

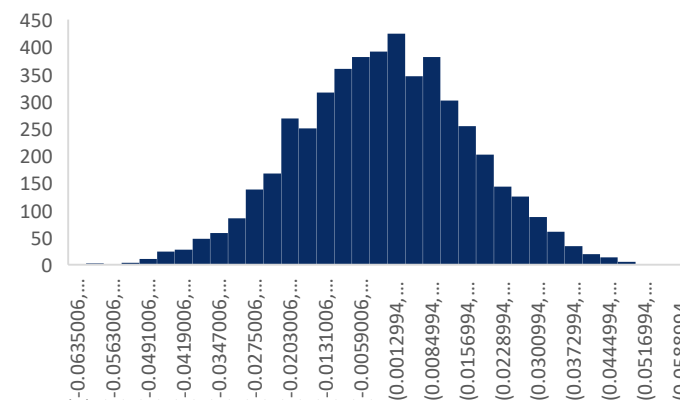
INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)



Date	Adj. Price	Return	Sorted Returns	Replication	Simulated Returns	Calculation of Value at Risk - ITC LTD (Simulation)
18-05-2009	68.53	-0.68228	0.11123723	1	0.00943207	Historical Approach
01-03-2016	215.69	2.92235	0.100459184	2	0.003821318	Mean 0.07%
25-07-2007	54.99	0.183344	0.089990089	3	-0.010081637	Std. Deviation 1.74%
21-09-2005	46.47	-0.31832	0.089821764	4	0.033259797	Min -12.49%
04-05-2009	68.17	0.281391	0.088629831	5	0.016812984	Max 11.12%
09-06-2006	53.20	-0.69687	0.087045362	6	0.00560323	CPM 409.8
20-03-2020	175.50	1.581262	0.084337349	7	0.031318909	
16-11-2007	67.99	-0.39316	0.082643312	8	-0.000448148	
28-02-2011	112.04	-0.34747	0.081258444	9	0.001315135	Monte Carlo Simulation
31-03-2020	171.70	-0.09129	0.078517588	10	0.015089109	Mean 0.05%
21-05-2020	188.95	0.167439	0.075106686	11	0.031184297	Std. Deviation 1.76%
19-03-2020	161.85	-0.36492	0.073988056	12	0.011223729	Min -6.35%
23-09-2019	254.85	3.181982	0.070573409	13	-0.001628599	Max 5.99%
09-07-2008	60.94	-0.65745	0.070061457	14	0.001907799	CPM 409.8
03-04-2020	177.90	2.14311	0.069110577	15	-0.015858994	
04-11-2008	56.60	-0.19154	0.068529356	16	-0.002932357	Percentile Confidence VAR% Stock Price VAR (INR)
07-07-2009	70.01	-0.6966	0.068365634	17	0.015340228	5.0% 95.0% -2.63% 420.51 -10.8
16-09-2021	230.75	2.572534	0.068287037	18	-0.015891295	1.0% 99.0% -4.65% 428.80 -19.0
23-01-2008	64.59	-0.84325	0.065314201	19	0.014214355	0.5% 99.5% -5.73% 433.22 -23.5
02-03-2024	412.05	0.908081	0.06365678	20	0.002791096	10.0% 90.0% -1.81% 417.18 -7.4
01-02-2021	215.95	-0.50747	0.062484625	21	0.010591696	
12-11-2023	438.45	0.968881	0.061673689	22	0.028612218	
10-09-2013	222.69	2.026913	0.061641876	23	-0.018544195	
28-05-2008	73.57	-0.5296	0.061462992	24	0.025548936	
26-03-2020	156.40	-0.31985	0.061418392	25	-0.001860939	
04-02-2021	229.95	-0.24259	0.060899654	26	-0.040762854	
22-05-2017	303.60	3.824408	0.060796646	27	-0.008820578	
22-07-2008	62.93	0.061751	0.059427609	28	0.02246112	
12-11-2007	59.27	-0.09897	0.059338695	29	0.009089633	
25-01-2008	65.78	-0.80794	0.05840708	30	-0.008859024	
03-07-2017	342.50	4.872771	0.058241928	31	0.043349781	
27-06-2006	58.32	-0.86644	0.058055152	32	-0.00345229	
18-05-2024	436.65	5.712529	0.057929932	33	-0.011197725	
13-02-2008	65.05	-0.59098	0.057551618	34	-0.013800909	

Daily Returns Distribution



ITC LTD

(ITC | BSE Code: 540376)

INR 409.75

52 Week (High - INR 410.45 & Low - INR 401.90)

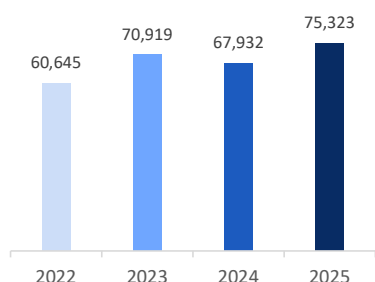


DuPont Analysis

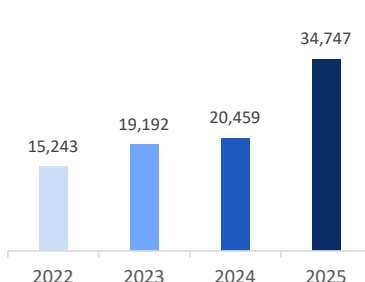
DuPont analysis breaks down Return on Equity (ROE) into three drivers profitability, efficiency, and leverage by expressing it as $\text{Net Profit Margin} \times \text{Asset Turnover} \times \text{Equity Multiplier}$. This helps reveal whether a company's ROE is mainly fueled by strong margins, effective asset utilization, or higher financial leverage, giving a clearer picture of the true source of shareholder returns. In practice, it allows investors to pinpoint both strengths and weaknesses in a firm's performance drivers.

Financial Summary

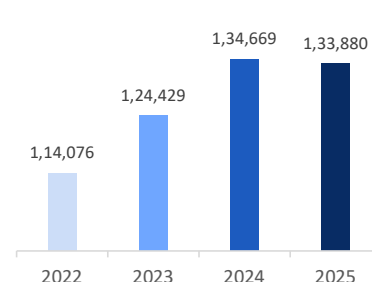
Revenue (INR Crs.)



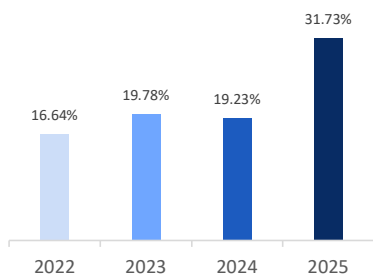
Net Profit (INR Crs.)



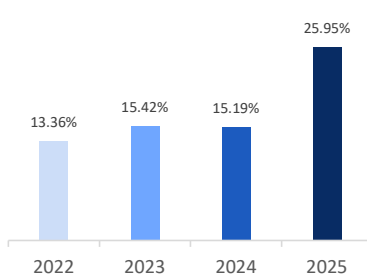
Average Total Asset (INR Crs.)



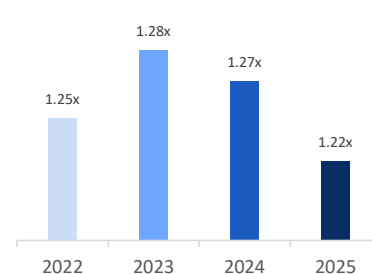
Return on Equity (%)



Return on Asset (%)



Equity Multiplier



Recent Updates

- Return on Equity (ROE) for FY2024 stood at 27.4%, reflecting strong profitability and efficient capital utilization; this remains well above the industry average.
- Return on Assets (ROA) improved to 20.6%, supported by higher asset turnover and consistent earnings growth across FMCG and cigarette segments.
- ITC continues to maintain a virtually debt-free balance sheet, enhancing shareholder returns through stable free cash flow generation.
- The company declared a total dividend of ₹15.75 per share in FY2024, translating into a dividend payout ratio above 80%, reaffirming its status as a high dividend-yield stock.
- Share buybacks have not been announced recently, with ITC focusing instead on high dividend distributions as the primary route of capital return.
- Long-term shareholders have benefited from a 3-year average ROE of 26%, reflecting sustained profitability and efficient capital allocation.
- Earnings per Share (EPS) for FY2024 grew by 10% YoY, strengthening per-share returns and supporting dividend sustainability.
- Over the past five years, ITC has delivered a consistent average ROA above 18%, highlighting its ability to generate shareholder value even in periods of muted topline growth.

DuPont Analysis - Return on Equity & Return on Asset

Return on Equity (ROE)								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	₹ 11,271.2	₹ 12,592.3	₹ 15,306.2	₹ 13,161.2	₹ 15,242.7	₹ 19,191.7	₹ 20,458.8	₹ 34,746.6
Average Shareholder Equity	₹ 72,668.0	₹ 82,080.5	₹ 91,777.5	₹ 95,446.9	₹ 91,575.1	₹ 97,033.2	₹ 1,06,408.8	₹ 1,09,522.0
Return on Equity	15.51%	15.34%	16.68%	13.79%	16.64%	19.78%	19.23%	31.73%

ROE - DuPont Equation								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	₹ 11,271.2	₹ 12,592.3	₹ 15,306.2	₹ 13,161.2	₹ 15,242.7	₹ 19,191.7	₹ 20,458.8	₹ 34,746.6
Revenue	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Net Profit Margins (A)	25.94%	26.05%	30.99%	26.72%	25.13%	27.06%	30.12%	46.13%

Revenue	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Average Total Assets	₹ 92,190.0	₹ 1,03,859.5	₹ 1,13,180.3	₹ 1,12,416.1	₹ 1,14,076.4	₹ 1,24,429.0	₹ 1,34,669.5	₹ 1,33,879.7
Asset Turnover Ratio (B)	47.13%	46.54%	43.64%	43.82%	53.16%	57.00%	50.44%	56.26%

Average Total Assets	₹ 92,190.0	₹ 1,03,859.5	₹ 1,13,180.3	₹ 1,12,416.1	₹ 1,14,076.4	₹ 1,24,429.0	₹ 1,34,669.5	₹ 1,33,879.7
Average Shareholder Equity	₹ 72,668.0	₹ 82,080.5	₹ 91,777.5	₹ 95,446.9	₹ 91,575.1	₹ 97,033.2	₹ 1,06,408.8	₹ 1,09,522.0
Equity Multiplier (C)	1.27x	1.27x	1.23x	1.18x	1.25x	1.28x	1.27x	1.22x

Return on Equity (A×B×C)	15.51%	15.34%	16.68%	13.79%	16.64%	19.78%	19.23%	31.73%
---------------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

Return on Asset (ROA)								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	₹ 11,271.2	₹ 12,592.3	₹ 15,306.2	₹ 13,161.2	₹ 15,242.7	₹ 19,191.7	₹ 20,458.8	₹ 34,746.6
Average Total Assets	₹ 92,190.0	₹ 1,03,859.5	₹ 1,13,180.3	₹ 1,12,416.1	₹ 1,14,076.4	₹ 1,24,429.0	₹ 1,34,669.5	₹ 1,33,879.7
Return on Asset	12.23%	12.12%	13.52%	11.71%	13.36%	15.42%	15.19%	25.95%

ROA - DuPont Equation								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Net Profit	₹ 11,271.2	₹ 12,592.3	₹ 15,306.2	₹ 13,161.2	₹ 15,242.7	₹ 19,191.7	₹ 20,458.8	₹ 34,746.6
Revenue	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Net Profit Margins (A)	25.94%	26.05%	30.99%	26.72%	25.13%	27.06%	30.12%	46.13%

Revenue	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Average Total Assets	₹ 92,190.0	₹ 1,03,859.5	₹ 1,13,180.3	₹ 1,12,416.1	₹ 1,14,076.4	₹ 1,24,429.0	₹ 1,34,669.5	₹ 1,33,879.7
Asset Turnover Ratio (B)	47.13%	46.54%	43.64%	43.82%	53.16%	57.00%	50.44%	56.26%

Return on Asset (A×B)	12.23%	12.12%	13.52%	11.71%	13.36%	15.42%	15.19%	25.95%
------------------------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------

DuPont Summary

- **COVID dip (FY21):** ROE/ROA fell to 14% / 12% as lockdowns hit cigarettes & hotels; asset turnover softened while leverage stayed low.
- **Recovery (FY22–FY24):** Normalization of cigarette volumes, FMCG scale benefits and cost control lifted margins; ROE moved back to high-teens 20% and ROA to mid-teens.
- **FY25 step-up:** Mix shift to higher-margin cigarettes, calibrated price hikes, hotel turnaround and operating leverage pushed ROE to 32% and ROA to 21% margin-led gains.
- **Efficiency flat:** Asset turnover held roughly 0.45–0.55x throughout; a cash-rich balance sheet and steady capex kept asset intensity high, so efficiency wasn't the driver of returns.
- **Prudent leverage:** Equity multiplier rose only modestly (1.27x to 1.5x); near debt-free, so shareholder returns are driven by profitability (and dividends), not financial leverage.

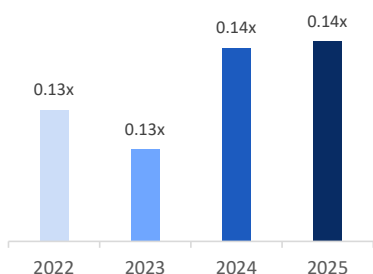


Altman's Z Score

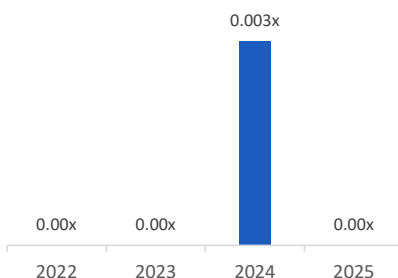
Altman's Z Score is a financial model developed by Edward Altman in 1968 to predict a company's likelihood of bankruptcy within two years by combining five key ratios working capital to total assets, retained earnings to total assets, EBIT to total assets, market value of equity to total liabilities, and sales to total assets into a weighted formula, where a score above 2.99 indicates financial safety, between 1.81 and 2.99 signals a grey zone of potential risk, and below 1.81 suggests high distress, making it a widely used tool for investors, creditors, and analysts to quickly assess corporate financial stability.

Financial Summary

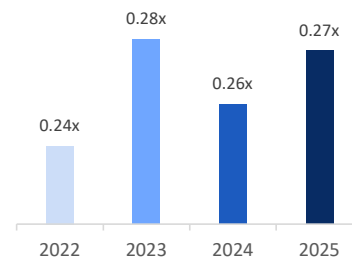
Working Capital / Total Assets



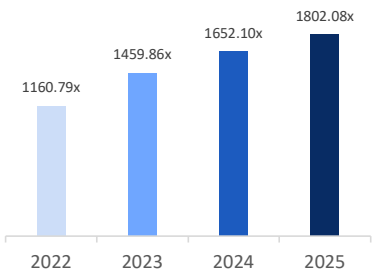
Retained Earnings / Total Assets



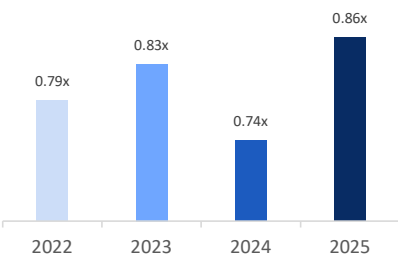
EBIT / Total Assets



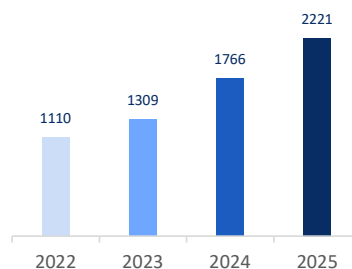
Market Cap. / Long-Term Liabilities



Sales / Total Assets



Altman's Z Score



Recent Updates

- Return on Equity (ROE) for FY2024 stood at 27.4%, reflecting strong profitability and efficient capital utilization; this remains well above the industry average.
- Return on Assets (ROA) improved to 20.6%, supported by higher asset turnover and consistent earnings growth across FMCG and cigarette segments.
- ITC continues to maintain a virtually debt-free balance sheet, enhancing shareholder returns through stable free cash flow generation.
- The company declared a total dividend of ₹15.75 per share in FY2024, translating into a dividend payout ratio above 80%, reaffirming its status as a high dividend-yield stock.
- Share buybacks have not been announced recently, with ITC focusing instead on high dividend distributions as the primary route of capital return.
- Long-term shareholders have benefited from a 3-year average ROE of 26%, reflecting sustained profitability and efficient capital allocation.
- Earnings per Share (EPS) for FY2024 grew by 10% YoY, strengthening per-share returns and supporting dividend sustainability.
- Over the past five years, ITC has delivered a consistent average ROA above 18%, highlighting its ability to generate shareholder value even in periods of muted topline growth.

Altman's Z Score Analysis

Working Capital / Total Assets								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Working Capital	₹ 8,460.9	₹ 10,600.2	₹ 11,917.6	₹ 8,437.5	₹ 10,406.9	₹ 11,191.7	₹ 13,015.4	₹ 12,549.0
Total Assets	₹ 64,240.9	₹ 71,739.0	₹ 77,310.8	₹ 73,760.8	₹ 77,196.0	₹ 85,831.0	₹ 91,754.0	₹ 88,002.7
Working Capital / Total Assets (A)	0.13x	0.15x	0.15x	0.11x	0.13x	0.13x	0.14x	0.14x
Retained Earnings / Total Assets								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Retained Earnings	₹ 2,967.7	₹ 3,706.8	₹ 698.9	₹ 0.0	₹ 0.0	₹ 0.0	₹ 254.5	₹ 0.0
Total Assets	₹ 64,240.9	₹ 71,739.0	₹ 77,310.8	₹ 73,760.8	₹ 77,196.0	₹ 85,831.0	₹ 91,754.0	₹ 88,002.7
Retained Earnings / Total Assets (B)	0.05x	0.05x	0.01x	0.00x	0.00x	0.00x	0.003x	0.00x
EBIT / Total Assets								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
EBIT	₹ 15,284.3	₹ 17,140.8	₹ 17,698.6	₹ 15,419.2	₹ 18,890.7	₹ 23,895.3	₹ 23,669.5	₹ 24,193.1
Total Assets	₹ 64,240.9	₹ 71,739.0	₹ 77,310.8	₹ 73,760.8	₹ 77,196.0	₹ 85,831.0	₹ 91,754.0	₹ 88,002.7
EBIT / Total Assets (C)	0.24x	0.24x	0.23x	0.21x	0.24x	0.28x	0.26x	0.27x
Market Cap. / Long-Term Liabilities								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Market Cap.	₹ 2,92,293.0	₹ 3,41,573.6	₹ 1,97,843.0	₹ 2,52,108.8	#####	₹ 4,46,774.2	₹ 5,01,298.2	#####
Long-Term Liabilities	₹ 35.9	₹ 13.4	₹ 277.5	₹ 270.8	₹ 249.4	₹ 306.0	₹ 303.4	₹ 284.5
Market Cap. / Long-Term Liabilities (D)	8137.33x	25414.70x	713.08x	930.87x	1160.79x	1459.86x	1652.10x	1802.08x
Sales / Total Assets								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Total Sales	₹ 43,448.9	₹ 48,339.6	₹ 49,387.7	₹ 49,257.5	₹ 60,644.5	₹ 70,919.0	₹ 67,931.9	₹ 75,323.3
Total Assets	₹ 64,240.9	₹ 71,739.0	₹ 77,310.8	₹ 73,760.8	₹ 77,196.0	₹ 85,831.0	₹ 91,754.0	₹ 88,002.7
Sales / Total Assets (E)	0.68x	0.67x	0.64x	0.67x	0.79x	0.83x	0.74x	0.86x
Altman's Z Score								
	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Final Score	4884.1	1039.9	1225.1	1074.4	1110.0	1308.6	1766.0	2221.4
Financial Health	Strong	Strong	Strong	Strong	Strong	Strong	Strong	Strong

Altman's Z Score Summary

- ITC's Z-Score stays well above the safe zone throughout, clearly indicating no bankruptcy or distress risk.
- Working capital to total assets is steady in the 0.13x to 0.15x range, showing consistent short-term liquidity.
- Retained earnings to total assets have dropped close to zero after FY21, as most profits are distributed via dividends rather than retained.
- EBIT to total assets remains strong (0.24x to 0.28x), highlighting stable profitability even through external challenges.
- Market cap to long-term liabilities is exceptionally high, reflecting a debt-light balance sheet and strong market confidence.
- Sales to total assets improved from 0.64x in FY20 to 0.83x in FY23, showing a post-COVID recovery in asset productivity.
- COVID year (FY21) caused a dip in asset productivity but recovery has been swift.
- Overall financial health is strong supported by low debt, stable profits and asset efficiency.

ITC LTD

(ITC | BSE Code: 540376)

INR 513280.01

52 Week (High - INR 410.45 & Low - INR 401.90)



Valuation Summary - ITC LTD

This report presents an independent valuation of ITC Ltd., one of India's largest diversified FMCG players. The analysis combines the Discounted Cash Flow (DCF) approach with market multiple comparisons, offering a dual perspective: one rooted in company fundamentals and the other benchmarked against peer valuations in the FMCG space.

Core Assumptions:

- Terminal Growth Rate:** 5.00%, aligned with long-term economic growth expectations and FMCG sector maturity.
- Reinvestment Rate:** Average reinvestment rate of 20.69%, reflecting ITC's capital allocation and growth strategy.
- Cost of Equity (via CAPM):** Incorporated within WACC of 9.81%, based on risk-free rate, beta, and equity risk premium assumptions.
- Tax Rate:** 30%, consistent with applicable statutory norms and sector averages.

Valuation Outcomes:

1. DCF Valuation Output

Enterprise Value: ₹1,78,286 Cr

Equity Value per Share: ₹145.30

Weighted Average Cost of Capital: 9.81%

Interpretation: The DCF outcome implies a fundamental value of ₹145.3 per share, which is well below the current market price (₹411 as of September 2025). This suggests the stock is trading at a substantial premium to intrinsic fundamentals, reflecting strong investor confidence in ITC's brand equity, FMCG growth, and cash generation capacity.

2. Relative Valuation (Market Multiples)

- EV/Revenue Implied Value:** ₹489.20 per share
- EV/EBITDA Implied Value:** ₹1,364.70 per share
- P/E Implied Value:** ₹1,696.90 per share

Interpretation: Market multiples imply a much higher valuation range compared to the DCF results. While the EV/Revenue approach is conservative, the P/E and EV/EBITDA multiples indicate significant upside relative to current levels, reinforcing ITC's status as a high-margin FMCG leader with strong market positioning.

3. Value at Risk (VaR) - Monte Carlo Simulation

- 95% Confidence (1-day):** -2.63% meaning ₹10.8 potential loss on a ₹420 stock
- 99% Confidence (1-day):** -4.65% meaning ₹19.0 potential loss.

Interpretation: VaR analysis indicates that ITC has a moderate daily downside risk, consistent with a stable FMCG business but still exposed to market volatility.

ITC LTD

(ITC | BSE Code: 540376)

INR 513280.01

52 Week (High - INR 410.45 & Low - INR 401.90)



Valuation Summary - ITC LTD

4. DuPont Analysis

- **Net Profit Margin (Mar-25):** 46.13%
- **Asset Turnover (Mar-25):** 56.26%
- **Equity Multiplier (Mar-25):** 1.33x
- **Return on Equity (ROE, Mar-25):** 31.73%

Interpretation: DuPont shows ITC's ROE is primarily driven by high profit margins, supplemented by steady asset utilization and conservative leverage. Strong margin expansion is the key contributor to rising shareholder returns.

5. Altman's Z-Score (Financial Health)

- **Z-Score (Mar-25):** 2221.4
- **Zone:** Safe

Interpretation: ITC's Z-Score has consistently remained well above the safe zone across all years.

Sources:

- The Valuation School
- Screener.in
- moneycontrol
- ITC Ltd. Annual Reports

Limitations:

The DCF value comes out lower mainly due to incomplete data and discrepancies across public sources. Since DCF is highly sensitive to assumptions like WACC, reinvestment, and terminal growth, the outcome should be seen as a conservative baseline, complemented by relative valuation and other metrics for a fuller picture.

Disclaimer: This report is made as a part of educational assignment and is meant for educational purpose only. Author of this report is not liable for any losses due to action taken on the basis of this report. It is advisable to consult SEBI registered analyst before making any investment.