



ITC Limited
(BSE: 540376 | NSE: ITC))

FINANCIAL MODELLING & VALUATION REPORT

2025

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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.

INR (Cr\$)

Key Financial Metrics	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Share Price - 5Y
Total Sales	49,388	49,257	60,645	70,919	70,866	
Sales Growth (y-o-y)	2.17%	-0.26%	23.12%	16.94%	-0.07%	
Gross Profit Margins (%)	56.59%	51.87%	49.65%	53.07%	54.76%	
EBITDA Margins (%)	39.17%	34.64%	34.01%	36.24%	37.02%	
EBIT Margins (%)	35.84%	31.30%	31.15%	33.69%	34.45%	
Net Profit Margins (%)	30.99%	26.72%	25.13%	27.06%	28.87%	
Earnings Per Share (in Rs.)	12.45	10.69	12.37	15.44	16.39	
EPS Growth (y-o-y)	21.22%	-14.13%	15.68%	24.85%	6.12%	
Dividend Per Share (in Rs.)	10.15	10.75	11.50	15.50	13.75	
DPS Growth (y-o-y)	76.52%	5.91%	6.98%	34.78%	-11.29%	

Key Financial Ratios	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Volumes - 5Y
Price to Earnings	12.93x	19.16x	19.00x	23.28x	24.50x	
EV/EBITDA	9.87x	14.52x	13.83x	17.20x	18.85x	
EV/Sales	6.11x	6.17x	7.39x	6.66x	6.98x	
Price to Book Value	3.03x	4.18x	4.64x	6.46x	6.73x	
Return on Equity (%)	23.45%	21.81%	24.41%	27.75%	27.46%	
Return on Capital Employed (%)	32.26%	28.53%	33.73%	39.33%	37.73%	

Shareholder's name	No. Shares (Cr\$.)	% Holding	Market Value (Cr\$.)	Shareholding Pattern
Tobacco Manufacturers (India) Limited	254	20.32%	1,03,311.8	
Life Insurance Corporation of India	192	15.34%	77,986.1	
Specified Undertaking of the Unit Trust of India	97	7.79%	39,614.7	
Myddleton Investment Company Limited	49	3.89%	19,768.6	
QIB - Insurance Company Registered	31	2.51%	12,761.8	
GQG Partners Emerging Markets Equity Fund	23	1.87%	9,505.1	
General Insurance Corporation of India	22	1.73%	8,820.5	
The New India Assurance Company Limited	18	1.43%	7,285.9	
SBI Nifty 50 ETF	17	1.35%	6,872.3	
Rothmans International Enterprises Limited	15	1.24%	6,298.9	

Managerial Remuneration	Designation	Remuneration	X of Median Salary	Capital Structure
Mr. Sanjeev Puri	CMD	25.17	401x	Share price as on XXX 395.8
Mr. Supratim Dutta	ED & CFO	5.67	116x	No. of shares outstanding 1,248.9
Mr. Suman Bhargavan	ED	2.49	191x	Market Capitalization 4,94,242.9
Mr. Hemant Malik	ED	11.92	43x	Less: Cash and Equivalents (7,218)
				Add: Total Debt. 303
				Add: Minority Interest 383
				Enterprise Value 4,87,711.7

Recent Updates

Business giant ITC ties up with state governments of Maharashtra, Karnataka for river basin rejuvenation

ITC Hotels share price hits 52 weeks high

ITC Limited announce financial results for Q3 FY2025

Acquisition Execution of Definitive Agreements to acquire shares ITC acquires 100% stake in Ample foods Pvt Ltd and Meat and Spice Pvt Ltd.

Allotment of Equity Shares by ITC Hotels Limited

Demerger of Hotel business into ITC Hotel Limited

Sources

Websites: Screener.com, Investing.com, Moneycontrol.com, Zeebusiness.com

Reports: ITC Annual Reports

Years	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
# Cash Flow Statements										
Operating Activities										
Profit from operations	₹ 15,154.00	₹ 16,075.00	₹ 17,433.00	₹ 18,862.00	₹ 19,416.00	₹ 17,326.00	₹ 20,857.00	₹ 26,052.00	₹ 26,635.00	₹ 26,719.00
Receivables	(₹207.00)	(₹870.00)	(₹964.00)	(₹755.00)	₹ 1,411.00	(₹66.00)	(₹732.00)	(₹884.00)	(₹934.00)	(₹1,023.00)
Inventory	(₹693.00)	₹ 593.00	₹ 602.00	(₹359.00)	(₹508.00)	(₹1,460.00)	(₹466.00)	(₹1,098.00)	(₹2,545.00)	(₹2,975.00)
Payables	₹ 622.00	₹ 321.00	₹ 2,098.00	₹ 639.00	(₹607.00)	₹ 1,112.00	₹ 1,099.00	₹ 1,058.00	₹ 141.00	₹ 1,256.00
Working capital changes	(₹277.00)	₹ 44.00	₹ 1,736.00	(₹476.00)	₹ 296.00	(₹413.00)	(₹100.00)	(₹924.00)	(₹3,337.00)	(₹2,742.00)
Direct taxes	(₹5,078.00)	(₹5,492.00)	(₹6,000.00)	(₹5,803.00)	(₹5,023.00)	(₹4,387.00)	(₹4,982.00)	(₹6,250.00)	(₹6,120.00)	(₹6,350.00)
Cash from Operating Activities	₹ 9,521.00	₹ 10,671.00	₹ 14,905.00	₹ 12,108.00	₹ 14,985.00	₹ 12,112.00	₹ 15,676.00	₹ 17,954.00	₹ 13,840.00	₹ 14,885.00
Investing Activities										
Fixed assets purchased	(₹2,348.00)	(₹3,122.00)	(₹2,878.00)	(₹3,169.00)	(₹2,441.00)	(₹1,837.00)	(₹2,142.00)	(₹2,743.00)	(₹3,563.00)	(₹2,279.00)
Fixed assets sold	₹ 8.00	₹ 50.00	₹ 80.00	₹ 28.00	₹ 27.00	₹ 3.00	₹ 133.00	₹ 49.00	₹ 107.00	₹ 175.00
Investments purchased	(₹1,54,081.00)	(₹85,683.00)	(₹98,330.00)	(₹94,187.00)	(₹79,835.00)	(₹57,553.00)	(₹69,776.00)	(₹80,932.00)	(₹75,107.00)	(₹66,373.00)
Investments sold	₹ 1,50,651.00	₹ 81,034.00	₹ 95,017.00	₹ 92,454.00	₹ 75,835.00	₹ 62,797.00	₹ 70,992.00	₹ 77,230.00	₹ 77,830.00	₹ 67,311.00
Interest received	₹ 741.00	₹ 756.00	₹ 736.00	₹ 1,184.00	₹ 1,513.00	₹ 1,275.00	₹ 1,035.00	₹ 1,324.00	₹ 1,138.00	₹ 1,072.00
Dividends received	₹ 64.00	₹ 4.00	₹ 13.00	₹ 13.00	₹ 17.00	₹ 7.00	₹ 16.00	₹ 19.00	₹ 36.00	₹ 38.00
Invest in subsidiaries	(₹8.00)	-	-	-	-	-	-	-	-	-
Investment in group cos	-	-	-	-	(₹2.00)	(₹2.00)	(₹2.00)	(₹2.00)	(₹65.00)	(₹30.00)
Redemp n Canc of Shares	-	₹ 129.00	₹ 18.00	₹ 18.00	-	-	-	₹ 56.00	-	-
Other investing items	₹ 1,052.00	₹ 3,579.00	(₹1,769.00)	(₹1,887.00)	(₹1,290.00)	₹ 1,051.00	(₹2,494.00)	(₹733.00)	₹ 1,187.00	(₹478.00)
Cash from Investing Activities	(₹3,921.00)	(₹3,253.00)	(₹7,113.00)	(₹5,546.00)	(₹6,174.00)	₹ 5,741.00	(₹2,238.00)	(₹5,732.00)	₹ 1,563.00	(₹564.00)
Financing Activities										
Proceeds from shares	₹ 532.00	₹ 1,067.00	₹ 913.00	₹ 969.00	₹ 625.00	₹ 291.00	₹ 292.00	₹ 2,477.00	₹ 1,443.00	₹ 797.00
Proceeds from borrowings	-	-	₹ 11.00	-	-	-	-	-	₹ 8.00	₹ 90.00
Repayment of borrowings	(₹13.00)	(₹13.00)	(₹8.00)	(₹18.00)	(₹3.00)	(₹2.00)	(₹1.00)	(₹1.00)	(₹2.00)	(₹54.00)
Interest paid fin	(₹28.00)	(₹25.00)	(₹49.00)	(₹98.00)	(₹44.00)	(₹41.00)	(₹40.00)	(₹41.00)	(₹46.00)	(₹50.00)
Dividends paid	(₹5,133.00)	(₹6,994.00)	(₹5,952.00)	(₹6,519.00)	(₹7,302.00)	(₹18,881.00)	(₹13,788.00)	(₹15,418.00)	(₹19,899.00)	(₹17,782.00)
Financial liabilities	-	-	-	-	(₹49.00)	(₹55.00)	(₹59.00)	(₹59.00)	(₹67.00)	(₹66.00)
Other financing items	(₹971.00)	(₹1,335.00)	(₹1,136.00)	(₹1,203.00)	(₹1,409.00)	₹ 55.00	₹ 15.00	₹ 35.00	₹ 12.00	₹ 28.00
Net Cash Flow	₹ 266.00	₹ 75.00	(₹166.00)	₹ 169.00	₹ 334.00	(₹367.00)	(₹43.00)	₹ 139.00	₹ 191.00	₹ 26.00
Cash from Financing Activities	(₹5,347.00)	(₹7,225.00)	(₹6,387.00)	(₹6,700.00)	(₹7,848.00)	(₹19,000.00)	(₹13,624.00)	(₹12,868.00)	(₹18,360.00)	(₹17,011.00)
Net Cash Flow	₹ 253.00	₹ 193.00	₹ 1,405.00	(₹138.00)	₹ 963.00	(₹1,147.00)	(₹186.00)	(₹646.00)	(₹2,957.00)	(₹2,690.00)

Years	Ratio Analysis - ITC LTD											Mean	Median
	Mar-16	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Trends		
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	6.83%	7.04%	12.85%	4.30%	-12.03%	21.44%	25.16%	-1.94%	2.56%		7.36%	6.83%	
Net Profit Growth	8.85%	7.29%	16.45%	22.52%	-16.52%	23.88%	25.94%	-1.39%	-0.25%		9.64%	8.85%	
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%		47.76%	48.09%	
EBITDA Margin	37.08%	36.17%	38.02%	38.35%	39.17%	34.64%	34.01%	36.24%	37.08%		36.51%	36.66%	
EBIT Margin	35.95%	35.11%	37.14%	37.55%	38.35%	33.80%	33.32%	35.66%	36.45%		35.71%	35.81%	
EBT Margin	35.75%	35.00%	36.87%	37.40%	38.19%	33.68%	33.22%	35.56%	36.40%		35.57%	35.65%	
Net Profit Margin	22.08%	22.02%	23.26%	24.34%	29.19%	24.43%	24.59%	26.48%	27.26%		24.82%	24.48%	
SalesExpenses%Sales	14.03%	12.51%	11.42%	11.56%	11.57%	10.78%	9.84%	9.75%	10.42%		11.25%	11.10%	
Depreciation%Sales	1.13%	1.06%	0.88%	0.80%	0.82%	0.84%	0.69%	0.58%	0.62%		0.80%	0.81%	
OperatingIncome%Sales	35.95%	35.11%	37.14%	37.55%	38.35%	33.80%	33.32%	35.66%	36.45%		35.71%	35.81%	
Return on Capital Employed	32.95%	32.32%	30.71%	30.69%	28.89%	27.46%	32.23%	36.41%	33.10%		32.09%	32.27%	
Retained Earnings%	20.95%	38.74%	37.80%	40.10%	13.46%	0.00%	4.95%	0.00%	7.29%		16.61%	10.37%	
Return on Equity%	20.27%	20.29%	19.24%	19.90%	22.09%	19.94%	23.87%	27.15%	24.85%		22.40%	21.19%	
Self Sustained Growth Rate	4.25%	7.86%	7.27%	7.98%	2.97%	0.00%	1.18%	0.00%	1.81%		3.41%	2.39%	
Interest Coverage Ratio	180.33x	306.27x	140.31x	254.23x	232.74x	287.19x	336.84x	325.23x	633.20x		32601.45%	29673.22%	
Debtor Turnover Ratio	20.44x	17.28x	16.20x	11.98x	19.27x	19.69x	24.63x	23.99x	16.87x		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		4.12x	4.19x	
Inventory Turnover	4.32x	5.27x	5.80x	6.15x	5.56x	4.74x	5.58x	6.02x	4.80x		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		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		0.90x	0.92x	
											0.00x	0.00x	
(in days)													
Debtor Days	18	21	23	30	19	19	15	15	22		20	20	
Payable Days	83	81	98	95	87	97	87	84	91		89	87	
Inventory Days	84	69	63	59	66	77	65	61	76		70	67	
Cash Conversion Cycle (in days)	19	10	-13	-5	-2	-2	-7	-8	7		1	-2	
CFO/Sales	24.29%	24.95%	34.30%	25.05%	30.34%	24.59%	25.85%	25.32%	20.37%		25.48%	25.00%	
CFO/Total Assets	18.43%	19.09%	23.20%	16.88%	19.38%	16.42%	20.31%	20.92%	15.08%		18.66%	18.76%	
CFO/Total Debt	11364%	23340%	41495%	90089%	5401%	4472%	6284%	5867%	4561%		19810.51%	6075.52%	

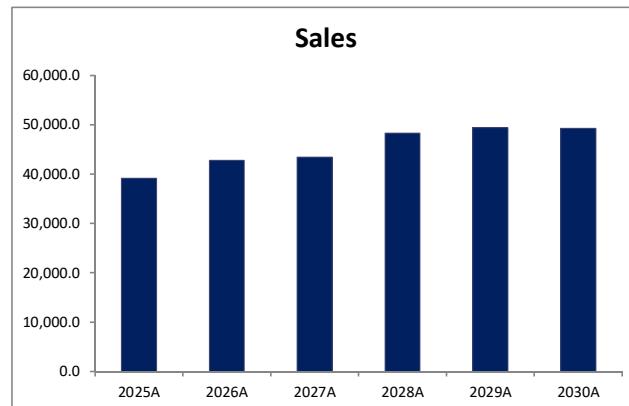
Common Size Income Statement - ITC LTD

#	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%	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	40.46%	39.84%	42.67%	42.15%	43.48%	39.43%	36.73%	38.80%	41.55%	57.52%	

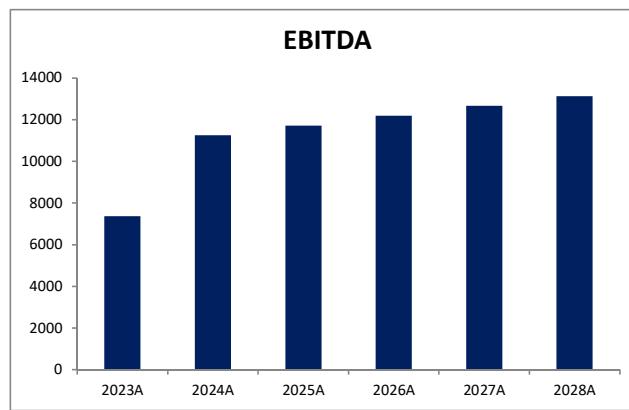
Common Size Balance Sheet - ITC LTD

Forecasting- ITC LTD

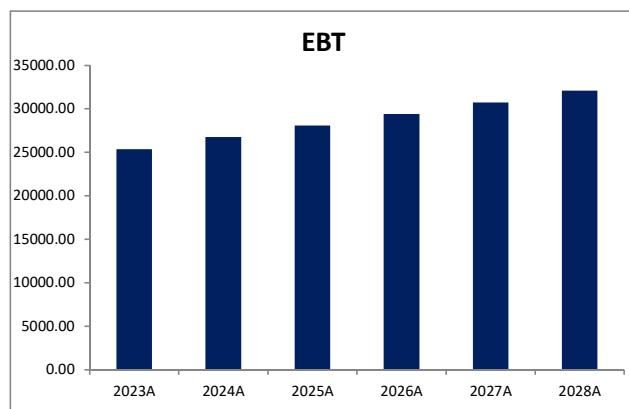
ITC LTD - Sales Forecasting			
Year Weight	Year	Sales	Sales Growth
1	2016A	39,192.1	
2	2017A	42,767.6	9.12%
3	2018A	43,448.9	1.59%
4	2019A	48,339.6	11.26%
5	2020A	49,387.7	2.17%
6	2021A	49,257.5	-0.26%
7	2022A	60,644.5	23.12%
8	2023A	70,919.0	16.94%
9	2024A	67,931.9	-4.21%
10	2025A	75,323.3	10.88%
11	2026E	77,236.8	2.54%
12	2027E	81,330.5	5.30%
13	2028E	85,424.3	5.03%
14	2029E	89,518.0	4.79%
15	2030E	93,611.7	4.57%



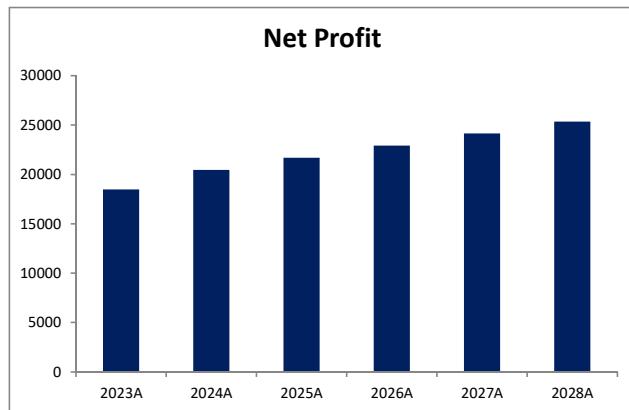
ITC LTD - EBITDA Forecasting			
Year Weight	Year	EBITDA	EBITDA Growth
1	2014A	7317.18	
2	2015A	7061.29	-3.50%
3	2016A	6959.2	-1.45%
4	2017A	7099.91	2.02%
5	2018A	7230.57	1.84%
6	2019A	7180.83	-0.69%
7	2020A	7086.92	-1.31%
8	2021A	21830.16	208.03%
9	2022A	7468.23	-65.79%
10	2023A	7373.09	-1.27%
11	2024E	11248.00	52.55%
12	2025E	11718.41	4.18%
13	2026E	12188.82	4.01%
14	2027E	12659.23	3.86%
15	2028E	13129.65	3.72%



ITC LTD - Earnings Before Tax Forecasting			
Year Weight	Year	EBT	EPS Growth
1	2014A	14010.90	
2	2015A	14967.44	6.83%
3	2016A	16021.54	7.04%
4	2017A	18080.90	12.85%
5	2018A	18859.03	4.30%
6	2019A	16590.63	-12.03%
7	2020A	20147.18	21.44%
8	2021A	25215.46	25.16%
9	2022A	24725.46	-1.94%
10	2023A	25359.59	2.56%
11	2024E	26742.63	5.45%
12	2025E	28078.05	4.99%
13	2026E	29413.47	4.76%
14	2027E	30748.89	4.54%
15	2028E	32084.31	4.34%



ITC LTD - Net Profit Forecasting			
Year Weight	Year	Net Profit	EPS Growth
1	2014A	8652.69	
2	2015A	9418.35	8.85%
3	2016A	10105.11	7.29%
4	2017A	11766.98	16.45%
5	2018A	14417.24	22.52%
6	2019A	12035.34	-16.52%
7	2020A	14909.84	23.88%
8	2021A	18777.06	25.94%
9	2022A	18516	-1.39%
10	2023A	18469.12	-0.25%
11	2024E	20454.70	10.75%
12	2025E	21681.60	6.00%
13	2026E	22908.49	5.66%
14	2027E	24135.39	5.36%
15	2028E	25362.29	5.08%



Calculation of ROIC	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Current Assets					
Inventories	8,879.0	10,397.0	10,864.0	11,771.0	14,153.0
Trade receivables	2,562.0	2,502.0	2,462.0	2,956.0	4,026.0
Loans n Advances	6.0	7.0	11.0	13.0	31.0
Other asset items	4,952.0	4,015.0	6,906.0	7,941.0	4,531.0
Total Current Assets	16,399.0	16,921.0	20,243.0	22,681.0	22,741.0
Current Liabilities					
Trade Payables	3,630.0	4,319.0	4,417.0	4,659.0	4,798.0
Advance from Customers	703.0	811.0	1,278.0	1,295.0	886.0
Other liability items	7,050.0	7,666.0	8,429.0	10,032.0	10,877.0
Total Current Liabilities	11,383.0	12,796.0	14,124.0	15,986.0	16,561.0
# Net Working Capital	5,016.0	4,125.0	6,119.0	6,695.0	6,180.0
Non Current Assets					
Land	2,797.0	2,889.0	2,829.0	2,830.0	2,865.0
Building	8,161.0	8,387.0	9,100.0	9,789.0	10,944.0
Plant Machinery	14,625.0	15,307.0	16,912.0	18,480.0	20,718.0
Equipments	40.0	41.0	44.0	44.0	53.0
Furniture n fittings	810.0	833.0	907.0	1,000.0	1,068.0
Railway sidings	2.0	2.0	2.0	2.0	2.0
Vehicles	184.0	180.0	179.0	189.0	192.0
Intangible Assets	684.0	2,734.0	2,744.0	3,490.0	3,505.0
Other fixed assets	663.0	716.0	719.0	786.0	841.0
Gross Block	27,966.0	31,089.0	33,436.0	36,610.0	40,188.0
Accumulates Depreciation	(6,252.0)	(7,790.0)	(9,204.0)	(10,757.0)	(12,368.0)
# Net Non Current Assets	21,714.0	23,299.0	24,232.0	25,853.0	27,820.0
Invested Capital	26,730.0	27,424.0	30,351.0	32,548.0	34,000.0
EBIT	18,940.4	16,648.6	20,207.2	25,293.2	24,764.6
ROIC	70.86%	60.71%	66.58%	77.71%	72.84%
Calculation of Reinvestment Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Net Capex	2,414.0	1,834.0	2,009.0	2,694.0	3,456.0
Change in Working Capital		(891.0)	1,994.0	576.0	(515.0)
EBIT	18,940.4	16,648.6	20,207.2	25,293.2	24,764.6
Marginal Tax Rate	25.00%	25.00%	25.00%	25.00%	25.00%
EBIT(1-T)	14,205.3	12,486.5	15,155.4	18,969.9	18,573.4
Reinvestment		943.0	4,003.0	3,270.0	2,941.0
Reinvestment Rate		7.55%	26.41%	17.24%	15.83%
			4 Year Average	16.76%	
			4 Year Median	16.54%	
Calculation of Growth Rate	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24
Reinvestment Rate		7.55%	26.41%	17.24%	15.83%
ROIC		60.71%	66.58%	77.71%	72.84%
Intrinsic Growth		4.58%	17.59%	13.40%	11.53%
		4 Year Average	11.77%		
		4 Year Median	12.46%		

logo

Weighted Average Cost of Capital

All figures are in INR unless stated otherwise

Name of the Companies	Peer comps				Debt / Equity	Debt / Capital	Leverage Beta ²	Unlevered Beta ³
	Country	Total Debt	Total Equity	Tax Rate ¹				
Hind. Unilever	India	1,775.0	5,36,975.6	30.00%	0.33%	0.33%	0.80	0.80
ITC	India	363.0	5,06,357.9	30.00%	0.07%	0.07%	0.75	0.75
Nestle India	India	476.9	2,45,397.3	30.00%	0.19%	0.19%	1.19	1.19
Varun Beverages	India	2,138.3	1,63,299.3	30.00%	1.31%	1.29%	0.78	0.77
Britannia Inds.	India	2,196.3	1,45,303.8	30.00%	1.51%	1.49%	0.74	0.73
		Average	30.00%	0.68%	0.68%	0.85	0.85	
		Median	30.00%	0.33%	0.33%	0.78	0.77	

Cost of Debt

Pre Tax Cost of Debt	8.40%
Tac Rate	30%
Post Tax Cost of Debt	5.88%

Cost of Equity

Risk Free Rate	6.50%
Equity Risk Premium	8.83%
Levered Beta ⁴	0.78
Cost of Equity	13.88%

Cost of Debt

	Current	Target
Total Debt	363.0	0.07% 0.68%
Market Capitalization	5,06,357.9	99.93% 99.32%
Total Capital	5,06,720.9	100.00% 100.00%
Debt / Equity	0.07%	0.68%

Levered Beta

Comps Median Unlevered Beta	0.77
Target Debt / Equity	0.68%
Tax Rate	30%
Levered Beta	0.78

Notes:

1. Tax Rate considered as Marginal Tax Rate for the Country
2. Levered Beta is based on 5 year monthly data
3. Unlevered Beta = Levered Beta/(1+(1-Tax Rate)*Debt/Equity)
4. Levered Beta = Unlevered Beta*(1+(1-Tax Rate)*Debt/Equity)

Weighted Average Cost of Capital

Cost of Equity	13.88%
Equity Weight	99.32%
Cost of Debt	5.88%
Debt Weight	0.68%
WACC	13.83%

Calculation of PV of FCFF	Mar-24A	Mar-25F	Mar-26F	Mar-27F	Mar-28F	Mar-29F
EBIT	26,707.4	30,036.3	33,780.1	37,990.7	42,726.0	48,051.6
Tax Rate	25%	25%	25%	25%	25%	25%
EBIT(1-T)	20,030.5	22,527.2	25,335.1	28,493.0	32,044.5	36,038.7
Less: Reinvestment Rate	16.54%	24.82%	33.11%	41.40%	49.69%	49.69%
Free Cash Flow to Firm (FCFF)	16,718.2	18,802.1	21,145.7	23,781.4	26,745.6	30,079.3
Mid Year Conversion	0.5	1.5	2.5	3.5	4.5	
Discounting Factor	0.937	0.823	0.723	0.636	0.558	
PV of FCFF	17623.013	17411.81425	17203.14646	16996.97939	16793.283	
Calculation of Terminal Value		Expected Growth				12.46%
FCFF (n+1)		Terminal Growth				6.41%
WACC		WACC				13.83%
Terminal Growth Rate		Sensitivity Analysis - Terminal Value				
Terminal Value		11.00%	13.83%	15.00%	17.00%	
4.00%		4,83,264.1	3,44,135.1	3,07,531.7	2,60,219.1	
5.00%		5,63,808.1	3,83,108.5	3,38,284.8	2,81,904.0	
6.41%		7,37,004.0	4,55,909.5	3,93,812.4	3,19,438.0	
7.00%		8,45,712.1	4,95,292.6	4,22,856.1	3,38,284.8	
8.00%		11,27,616.1	5,80,248.4	4,83,264.1	3,75,872.0	
Calculation of Equity Value per Share		Sensitivity Analysis - Equity Value per Share				
PV of FCFF		11.00%	13.83%	15.00%	17.00%	
PV of Terminal Value		287.0	225.0	208.7	187.6	
Value of Operating Assets		322.9	242.4	222.4	197.3	
Add: Cash		400.1	274.8	247.1	214.0	
Less: Debt		448.5	292.3	260.1	222.4	
Value of Equity		574.1	330.2	287.0	239.1	
Equity Value per Share		274.83				
Share Price	402.55					
Discount/Premium	0.46x					
Football Field Analysis - Valuation Summary						
1800.00	₹ 1,683.96					
1600.00						
1400.00						
1200.00						
1000.00						
800.00						
600.00						
400.00	₹ 495.70	₹ 239.13	₹ 330.20	₹ 574.11	₹ 491.00	
200.00						
0.00		₹ 187.59	₹ 224.99	₹ 286.99	₹ 345.25	
Comps	DCF Bear	DCF Base	DCF Bull	52W H/L		

Amount in Crores.

Comparable Company Valuation												
Company	Ticker	Market Data					Financials			Valuation		
		Share Price	Share Outstanding	Equity Value	Net Debt	Enterprise Value	Revenue	EBITDA	Net Profit	EV/Revenue	EV/EBITDA	P/E
ITC	ITC	350	1252.90	4,38,452	(3,649)	4,34,803	78,552	29,133	35,351	5.5x	14.9x	12.4x
Hind. Unilever	HINDUNILVR	2,348	234.96	5,51,721	(5,779)	5,45,942	64,243	15,646	10,926	8.5x	34.9x	50.5x
Nestle India	NESTLEIND	1,282	192.83	2,47,208	381	2,47,589	21,023	4,847	2,994	11.8x	51.1x	82.6x
Varun Beverages	VBL	491	338.20	1,66,158	(312)	1,65,846	21,170	5,284	2,998	7.8x	31.4x	55.4x
Britannia Inds.	BRITANNIA	5,974	24.09	1,43,908	1,884	1,45,791	18,488	3,581	2,317	7.9x	40.7x	62.1x
Godrej Consumer	GODREJCP	1,230	102.32	1,25,864	3,630	1,29,494	14,853	3,247	1,822	8.7x	39.9x	69.1x
Tata Consumer	TATACONSUM	1,171	98.95	1,15,856	(242)	1,15,614	18,797	2,652	1,369	6.2x	43.6x	84.6x
United Spirits	MCDOWELL-N	1,385	72.74	1,00,716	(1,618)	99,098	12,658	2,721	1,637	7.8x	36.4x	61.5x
Marico	MARICO	756	129.81	98,097	(202)	97,895	12,265	2,400	1,696	8.0x	40.8x	57.8x
Dabur India	DABUR	516	177.37	91,487	723	92,211	12,781	2,918	1,782	7.2x	31.6x	51.4x
High										11.8x	51.1x	84.6x
75th Percentile										8.4x	40.8x	67.3x
Average										7.9x	36.5x	58.7x
Medium										7.9x	38.1x	59.7x
25th Percentile										7.4x	32.4x	52.4x
Low										5.5x	14.9x	12.4x
ITC Ltd Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										6,17,415	11,11,397	21,06,189
Net Debt										(3,649)	(3,649)	(3,649)
Implied Market Value										6,21,064	11,15,046	21,09,839
Shares Outstanding										1252.90	1252.90	1252.90
Implied Value per Share										495.70	889.97	1683.96
										<i>Undervalued</i>	<i>Undervalued</i>	<i>Undervalued</i>
Hind. Unilever Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										5,04,949	5,96,884	6,46,312
Net Debt										(5,779)	(5,779)	(5,779)
Implied Market Value										5,10,728	6,02,663	6,52,091
Shares Outstanding										234.96	234.96	234.96
Implied Value per Share										2173.68	2564.96	2775.33
										<i>Overvalued</i>	<i>Undervalued</i>	<i>Undervalued</i>
Nestle India Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										1,65,244	1,84,914	1,79,069
Net Debt										381	381	381
Implied Market Value										1,64,862	1,84,533	1,78,688
Shares Outstanding										192.83	192.83	192.83
Implied Value per Share										854.96	956.97	926.66
										<i>Overvalued</i>	<i>Overvalued</i>	<i>Overvalued</i>
Varun Beverages Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										1,66,394	2,01,575	1,78,597
Net Debt										(312)	(312)	(312)
Implied Market Value										1,66,706	2,01,887	1,78,909
Shares Outstanding										338.20	338.20	338.20
Implied Value per Share										492.92	596.94	529.00
										<i>Undervalued</i>	<i>Undervalued</i>	<i>Undervalued</i>
Varun Beverages Comparable Valuation										EV/Revenue	EV/EBITDA	P/E
Implied Enterprise Value										1,45,313	1,36,629	1,40,146
Net Debt										1,884	1,884	1,884
Implied Market Value										1,43,429	1,34,745	1,38,262
Shares Outstanding										24.09	24.09	24.09
Implied Value per Share										5953.88	5593.39	5739.38
										<i>Overvalued</i>	<i>Overvalued</i>	<i>Overvalued</i>

Source: The Valuation School, Screener.in

Value at Risk Calculation - ITC LTD					
Date	Price	Return	Sorted Return	Calculation of Value at Risk - ITC LTD (Historical)	
18-05-2009	68.53	-0.68227548796884400	0.11123723	Historical Approach	
01-03-2016	215.69	2.92234951809420000	0.100459184	Mean	0.06%
25-07-2007	54.99	-0.19334017896435400	0.089990089	Standard Deviation	1.72%
04-05-2009	68.17	0.28139097744360900	0.088629831	Min	-12.49%
09-06-2006	53.20	-0.69686609686609700	0.087045362	Max	11.12%
20-03-2020	175.50	1.58126195028681000	0.084337349	CMP	341.25
16-11-2007	67.99	-0.39316315601570900	0.082643312	Historical Approach	
28-02-2011	112.04	-0.34746651135701800	0.081258444	Percentile	Confidence
31-03-2020	171.70	-0.09129399311987300	0.078517588	5.0%	95.00%
21-05-2020	188.95	0.16743898671609500	0.075106686	1.0%	99.00%
19-03-2020	161.85	-0.36492054149499700	0.073988056	0.5%	99.50%
23-09-2019	254.85	3.18198227765015000	0.070573409	10%	90.00%
09-07-2008	60.94	-0.65744800449690800	0.070061457		
03-04-2020	177.90	2.14310954063604000	0.069110577		
04-11-2008	56.60	-0.19154406513355200	0.068529356		
07-07-2009	70.01	-0.69659804983748700	0.068365634		
16-09-2021	230.75	2.57253444805697000	0.068287037		
23-01-2008	64.59	-0.84324717874044400	0.065314201		
02-03-2024	412.05	0.90808057420699300	0.06365678		
01-02-2021	215.95	-0.50746949481126700	0.062484625		
12-11-2023	438.45	0.96888050653374600	0.061673689		
10-09-2013	222.69	2.02691314394454000	0.061641876		
28-05-2008	73.57	-0.52960358056266000	0.061462992		
26-03-2020	156.40	-0.31985214176995000	0.061418392		
04-02-2021	229.95	-0.24258893280632400	0.060899654		
22-05-2017	303.60	3.82440807246147000	0.060796646		
22-07-2008	62.93	0.06175130757550190	0.059427609		
12-11-2007	59.27	-0.09896625114016410	0.059338695		
25-01-2008	65.78	-0.80794160583941600	0.05840708		
03-07-2017	342.50	4.87277091906722000	0.058241928		
27-06-2006	58.32	-0.86643765029199600	0.058055152		
18-05-2024	436.65	5.71252882398155000	0.057929932		
13-02-2008	65.05	-0.59098340040241400	0.057551618		
09-05-2012	159.04	1.36279898974892000	0.057306209		
03-06-2009	67.31	0.30496316401706100	0.056506043		
15-06-2006	51.58	-0.18035912919116500	0.056101556		
08-04-2009	62.93	-0.86484977342525000	0.055872483		
23-07-2024	465.63	0.83311680642494400	0.054989125		
04-12-2014	254.01	2.34267666798263000	0.054771198		
17-07-2009	75.99	-0.00886917960088701	0.054684247		
07-01-2008	76.67	0.00669642857142864	0.054462935		
23-07-2009	76.16	0.30366312906538800	0.053971769		
18-07-2008	58.42	-0.80690794909932200	0.053751804		
27-07-2018	302.55	0.49703117268678900	0.053447075		
25-06-2020	202.10	2.13381919677469000	0.053427157		
05-03-2008	64.49	-0.18716914544996200	0.052210801		
13-08-2009	79.34	-0.83061485909479100	0.050443532		
20-01-2024	468.40	1.03696455751250000	0.05010649		
23-05-2016	229.95	1.66608695652174000	0.049952057		
23-10-2009	86.25	-0.26351293655537500	0.049780915		
20-09-2010	117.11	0.72220588235294100	0.049278738		
01-02-2008	68.00	0.25693160813308700	0.049058932		
16-06-2006	54.10	-0.20112226816302400	0.048856146		
17-05-2006	67.72	-0.02882546966872230	0.048784265		
07-04-2008	69.73	-0.12333417148604500	0.048729132		

ITC LTD

BSE : 540376 | NSE :ITC

INR 341.25



Dupont Analysis

About the Company

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.

Summary

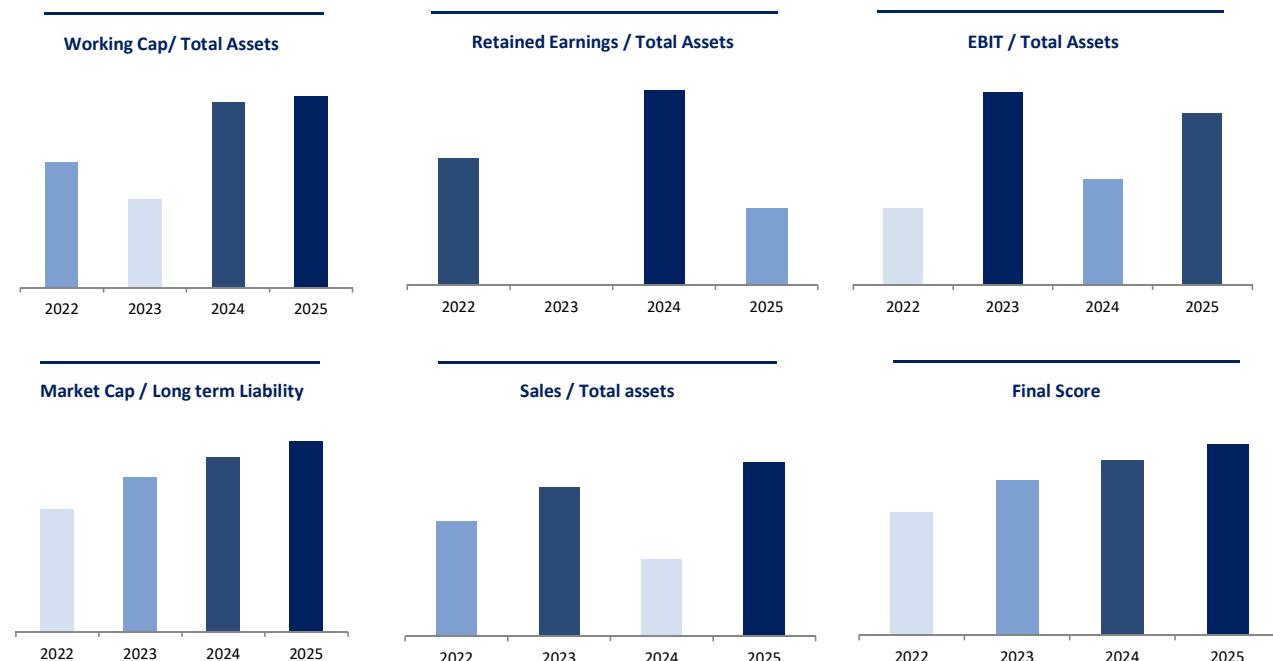


Dupont Analysis - Calculation

	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	49,461.5	55,825.5	62,207.1	62,810.3	61,401.5	65,805.4	71,831.1	72,268.5
Return on Equity (ROE)	22.79%	22.56%	24.61%	20.95%	24.82%	29.16%	28.48%	48.08%
	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 Margin (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 Asset	60,069.6	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5	89,878.3
Asset Turnover Ratio (B)	0.7x	0.7x	0.7x	0.7x	0.8x	0.9x	0.8x	0.8x
Average Total Asset	60,069.6	67,990.0	74,524.9	75,535.8	75,478.4	81,513.5	88,792.5	89,878.3
Average Shareholder Equity	49,461.5	55,825.5	62,207.1	62,810.3	61,401.5	65,805.4	71,831.1	72,268.5
Equity Multiplier (C)	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x
Return on Equity (A*B*C)	22.79%	22.56%	24.61%	20.95%	24.82%	29.16%	28.48%	48.08%
	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	49,461.5	55,825.5	62,207.1	62,810.3	61,401.5	65,805.4	71,831.1	72,268.5
Return on Asset	22.79%	22.56%	24.61%	20.95%	24.82%	29.16%	28.48%	48.08%

Altman's Z Score Analysis**About the Company**

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.

Summary

Altman's Z Score Calculation