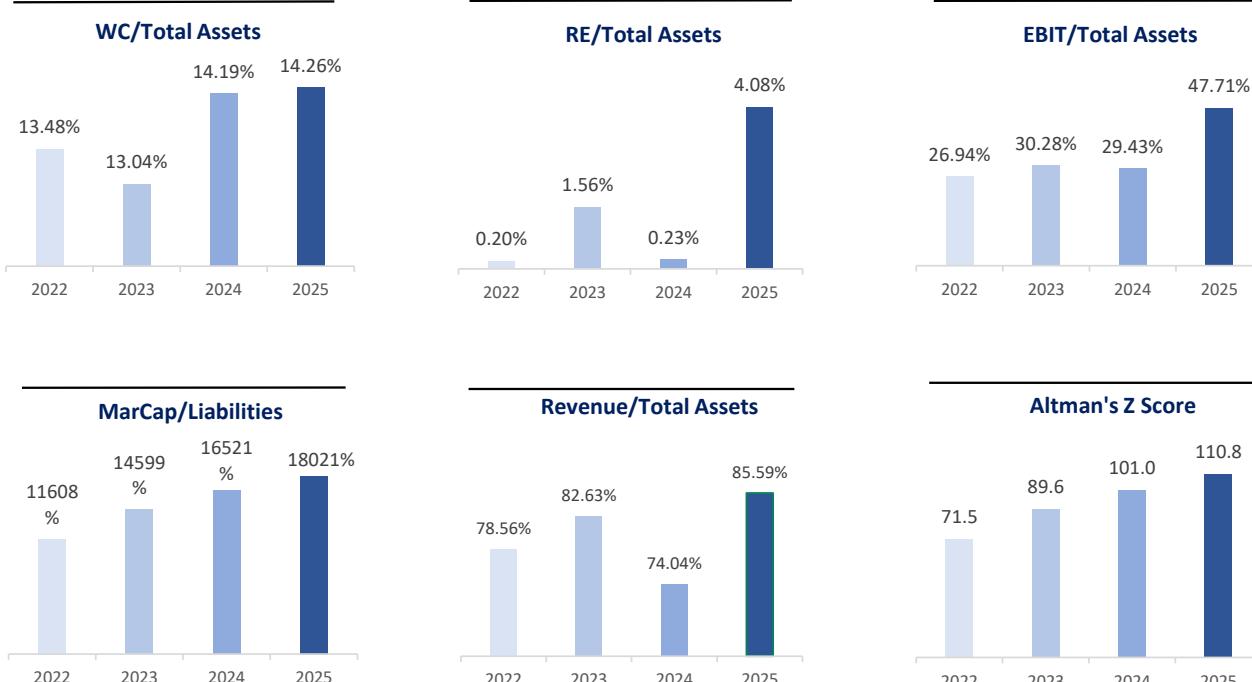




### Altman's Z Score Analysis Summary

The company maintains a consistently strong financial position across all years, with exceptionally high Z-scores indicating negligible risk of financial distress. This strength is primarily driven by robust earnings performance relative to total assets, exceptionally high market capitalization compared to long-term liabilities, and stable asset turnover. While retained earnings as a percentage of assets saw some fluctuations, other components like working capital and EBIT ratios remained solid. Overall, the firm demonstrates excellent financial stability and a strong

### Financial Summary



### Recent Updates

- Q1 FY 2025-26 revenue grew **20% YoY** to around **₹20,910-₹21,500 crore**. Q1 FY 2025-26 net profit was **₹5,243-₹5,343 crore**, up **3-5% YoY**.
- Gross Margin down 748 basis points YoY; EBITDA margin down 547 bps YoY (to 31.7%)** driven by high input /leaf tobacco & change in revenue mix..
- Paperboards, Paper & Packaging (PPP) revenue grew 7% YoY** (₹2,115-2,116 crore) but EBIT margin & PBIT dropped sharply (**550bps decline**). With the discretionary product mix being impacted, gross margins for the quarter came in below our estimate at 14.0%.
- Cigarette business revenue grew 7.6-7.7% YoY**; volumes up 6
- Agri business posted ~38.9% YoY growth in revenues (~₹9,685 crore)** with ~22% YoY growth in EBIT/PBIT.
- Acquired **Sresta Natural Bioproducts** (organic staples) fully in June 2025.
- Acquired **Mother Sparsh** (premium natural/ayurvedic babycare & hygiene).
- Laid out plans to invest **₹20,000 crore** over the medium term in new manufacturing units to boost capacity.

## Altman's Z Score Analysis Calculation

Working Capital / Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Working Capital	10,600.2	11,917.6	8,437.5	10,406.9	11,191.7	13,015.4	12,549.0
Total Assets	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0	88,002.7
<b>Working Capital/Total Assets</b>	<b>14.78%</b>	<b>15.42%</b>	<b>11.44%</b>	<b>13.48%</b>	<b>13.04%</b>	<b>14.19%</b>	<b>14.26%</b>

Retained Earnings / Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Retained Earnings	5,230.6	5,803.1	3,120.4	151.1	1,342.6	214.3	3,593.3
Total Assets	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0	88,002.7
<b>Retained Earnings/Total Assets</b>	<b>7.29%</b>	<b>7.51%</b>	<b>4.23%</b>	<b>0.20%</b>	<b>1.56%</b>	<b>0.23%</b>	<b>4.08%</b>

EBIT/Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
EBIT	19,221.2	20,116.0	17,996.1	20,800.5	25,992.9	26,999.9	41,988.0
Total Assets	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0	88,002.7
<b>EBIT/Total Assets</b>	<b>26.79%</b>	<b>26.02%</b>	<b>24.40%</b>	<b>26.94%</b>	<b>30.28%</b>	<b>29.43%</b>	<b>47.71%</b>

Market Cap / Long term Liabilities							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Market Cap	34,157.5	19,784.3	25,211.0	28,954.7	44,677.5	50,129.8	51,276.6
Long Term Liabilities	13.4	277.5	270.8	249.4	306.0	303.4	284.5
<b>Market Cap/Long term Liabilities</b>	<b>254148%</b>	<b>7131%</b>	<b>9309%</b>	<b>11608%</b>	<b>14599%</b>	<b>16521%</b>	<b>18021%</b>

Revenue / Total Assets							
	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Revenue	48,339.6	49,387.7	49,257.5	60,644.5	70,919.0	67,931.9	75,323.3
Total Assets	71,739.0	77,310.8	73,760.8	77,196.0	85,831.0	91,754.0	88,002.7
<b>Total Asset Turnover Ratio</b>	<b>67.38%</b>	<b>63.88%</b>	<b>66.78%</b>	<b>78.56%</b>	<b>82.63%</b>	<b>74.04%</b>	<b>85.59%</b>

### Altman's Z Score

	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
<b>Final Score</b>	<b>1,526.7</b>	<b>44.6</b>	<b>57.5</b>	<b>71.5</b>	<b>89.6</b>	<b>101.0</b>	<b>110.8</b>
<b>Financial Stability</b>	<b>Strong</b>	<b>Strong</b>	<b>Strong</b>	<b>Strong</b>	<b>Strong</b>	<b>Strong</b>	<b>Strong</b>

### Altman Z-Score Summary

The Altman Z-Score show an exceptionally strong financial position for the company across the 7Yr period. Liquidity ratios remained stable around 14–15%, ensuring short-term solvency. Retained earnings briefly declined in 2022, but the company has since rebuilt its profit reserves. EBIT/Assets and Revenue/Assets ratios both show strong and improving operational efficiency, representing robust profitability and efficient asset utilization. With almost no long-term debt and an enormous Equity/Debt parameter, the firm maintains a virtually debt-free structure, showing very strong stance against the possibility of bankruptcy. The Z-Score have consistently signaled way over **safe zone** meaning minimal default risk and outstanding financial stability.

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