

## ITC

### Performance Highlights

#### Quarterly result (Standalone)

(₹ cr)	2QFY13	2QFY12	% chg	1QFY13	%qoq
<b>Revenue</b>	7,146	5,974	19.6	6,652	7.4
EBITDA	2,608	2,108	23.7	2,307	13.0
OPM (%)	36.5	35.3	121bp	34.7	180bp
<b>PAT</b>	<b>1,836</b>	<b>1,514</b>	<b>21.3</b>	<b>1,602</b>	<b>14.6</b>

Source: Company, Angel Research

For 2QFY2013, ITC posted a robust 21.3% yoy growth in its net profit to ₹1,836cr, ahead of our estimates. The cigarette division posted a strong 20.3% improvement in its EBIT. The company's non-cigarette FMCG business reported a substantial decline in its losses to ₹30cr from ₹56cr in 2QFY2012.

**Key highlights:** ITC's top-line rose by 19.6% on a yoy basis. The cigarettes business posted a 14.0% yoy growth in net sales to ₹3,385cr, with the volumes remaining flat. The other (non-cigarette) FMCG business posted a healthy 26.1% yoy growth in net sales to ₹1,691cr. The agri business surprised with a remarkably good 41.1% yoy growth in net sales to ₹2,024cr, aided by wheat exports. The OPM came in at 36.5% up 121bp on yoy basis, with the cigarette business posting a healthy margin expansion. However, margins of the agri business fell on a high base. The bottom-line rose by 21.5% yoy to ₹1,836cr.

**Outlook and valuation:** We expect ITC to report a top-line and bottom-line CAGR of 17.2% and 17.7% respectively over FY2012-14E, driven by the company's diversified business model and ability to invest in growing businesses. **At the current market price, the stock is trading at 26.9x FY2014E EPS. We maintain a Neutral rating on the stock.**

#### Key financials (Standalone)

Y/E March (₹ cr)	FY2011	FY2012	FY2013E	FY2014E
<b>Net Sales</b>	<b>21,168</b>	<b>24,799</b>	<b>29,409</b>	<b>34,060</b>
% chg	16.6	17.2	18.6	15.8
<b>Net Profit (Adj)</b>	<b>4,988</b>	<b>6,162</b>	<b>7,289</b>	<b>8,543</b>
% chg	22.8	23.6	18.3	17.2
EBITDA (%)	33.6	34.2	35.7	36.1
<b>EPS (₹)</b>	<b>6.4</b>	<b>7.9</b>	<b>9.3</b>	<b>10.9</b>
P/E (x)	46.1	37.3	31.5	26.9
P/BV (x)	14.3	12.2	10.5	8.7
RoE (%)	33.2	35.5	35.8	35.3
RoCE (%)	40.5	42.3	45.4	45.5
EV/Sales (x)	10.4	8.8	7.4	6.4
EV/EBITDA (x)	30.8	25.7	20.8	17.7

Source: Company, Angel Research

## NEUTRAL

CMP	₹294
Target Price	-

Investment Period	-
-------------------	---

Stock Info	
Sector	FMCG
Market Cap (₹ cr)	230,818
Net Debt (₹ cr)	(6,618)
Beta	0.8
52 Week High / Low	299/189
Avg. Daily Volume	357,775
Face Value (₹)	1
BSE Sensex	18,793
Nifty	5,717
Reuters Code	ITC.BO
Bloomberg Code	ITC@IN

Shareholding Pattern (%)	
Promoters	0.0
MF / Banks / Indian Fls	33.8
FII / NRIs / OCBs	18.9
Indian Public / Others	47.3

Abs. (%)	3m	1yr	3yr
Sensex	10.7	11.3	11.3
ITC	19.2	46.1	140.3

V.Srinivasan

022 – 3935 7800 Ext: 6831

v.srinivasan@angelbroking.com

**Exhibit 1: Quarterly performance (Standalone)**

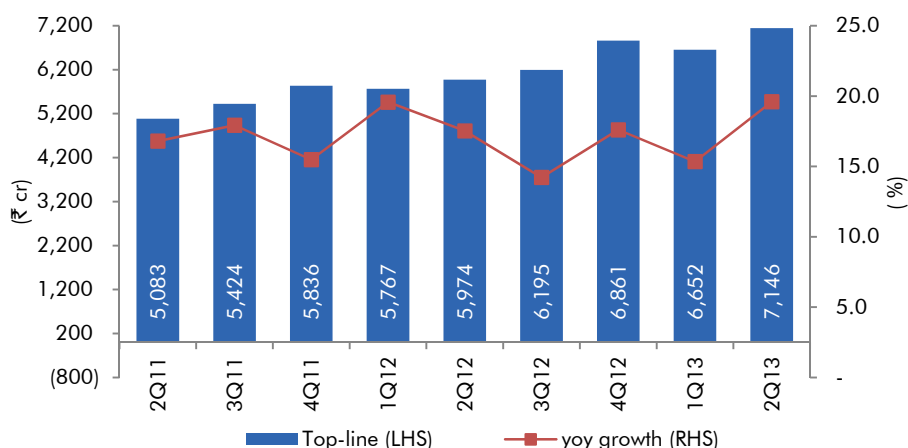
Y/E March (₹ cr)	2QFY13	2QFY12	% yoy	1QFY13	%qoq	1HFY2013	1HFY2012	% chg
<b>Net Sales</b>	<b>7,146</b>	<b>5,974</b>	<b>19.6</b>	<b>6,652</b>	<b>7.4</b>	<b>13,798</b>	<b>11,742</b>	<b>17.5</b>
Consumption of RM	2,864	2,319	23.5	2,577	11.2	5,441	4,640	17.3
(% of Sales)	40.1	38.8		38.7	3.5	39.4	39.5	
Staff Costs	289	265	9.1	412	(29.9)	702	644	8.9
(% of Sales)	4.0	4.4		6.2	(34.7)	5.1	5.5	
Other Expenses	1,385	1,282	8.0	1,356	2.1	2,734	2,472	10.6
(% of Sales)	19.4	21.5		20.4	(4.9)	19.8	21.1	
<b>Total Expenditure</b>	<b>4,538</b>	<b>3,866</b>	<b>17.4</b>	<b>4,345</b>	<b>4.5</b>	<b>8,876</b>	<b>7,757</b>	<b>14.4</b>
<b>Operating Profit</b>	<b>2,608</b>	<b>2,108</b>	<b>23.7</b>	<b>2,307</b>	<b>13.0</b>	<b>4,922</b>	<b>3,985</b>	<b>23.5</b>
OPM	36.5	35.3	121	34.7	180	35.7	33.9	173.4
Interest	23	14	64.2	14	69.3	37	41	(9.1)
Depreciation & Amortization	189	170	11.0	195	(3.0)	384	337	14.0
Other Income	266	292	(9.0)	238	11.7	496	545	(8.9)
<b>PBT (excl. Extraordinary Items)</b>	<b>2,661</b>	<b>2,215</b>	<b>20.1</b>	<b>2,337</b>	<b>13.9</b>	<b>4,998</b>	<b>4,152</b>	<b>20.4</b>
Extraordinary Income/(Expense)	-	-		-		-	-	
<b>PBT (incl. Extraordinary Items)</b>	<b>2,661</b>	<b>2,215</b>	<b>20.1</b>	<b>2,337</b>	<b>13.9</b>	<b>4,998</b>	<b>4,152</b>	<b>20.4</b>
(% of Sales)	37.2	37.1		35.1	6.0	36.2	35.4	
Provision for Taxation	825	701	17.6	734	12.3	1,559	1,305	19.4
(% of PBT)	31.0	31.6		31.4	(1.4)	31.2	31.4	
<b>Reported PAT</b>	<b>1,836</b>	<b>1,514</b>	<b>21.3</b>	<b>1,602</b>	<b>14.6</b>	<b>3,439</b>	<b>2,847</b>	<b>20.8</b>
PATM	26	25		24	6.7	25	24	
Equity shares (cr)	786	777		782	0.0	786	777	
<b>EPS (₹)</b>	<b>2.3</b>	<b>1.9</b>	<b>21.3</b>	<b>2.0</b>	<b>14.6</b>	<b>4.4</b>	<b>3.6</b>	<b>20.8</b>

Source: Company, Angel Research

**Top-line growth impressive at 19.6% yoy**

ITC reported a top-line growth of 19.6% yoy to ₹7,146cr. The cigarette division registered a 14.0% yoy growth in net revenue to ₹3,385cr on the back of higher realization due to the price hikes taken by the company during the year. The impressive top-line growth was led by the non-cigarette FMCG and agri businesses. While the non-cigarette FMCG business reported a robust revenue growth of 26.0% yoy to ₹1,691cr, the agriculture business reported a strong 41.1% yoy growth due to wheat exports. The paperboards and packaging business reported a flat top-line of ₹1,059cr. The hotel business continued to be a disappointment, registering a de-growth of 6.7% yoy.

**Exhibit 2: Steady top-line growth of 19.6% yoy**

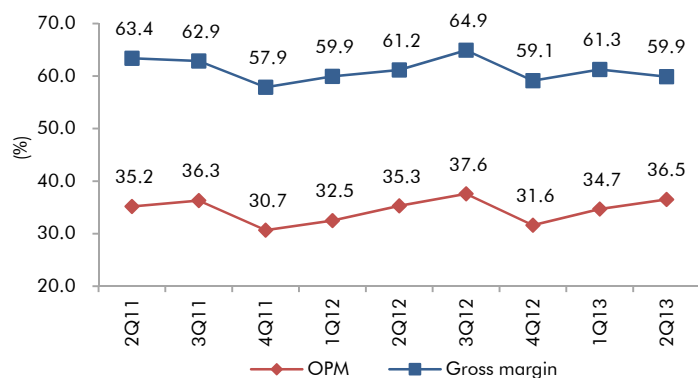


Source: Company, Angel Research

**Earnings grew by 21.3% yoy led by 121bp yoy OPM expansion**

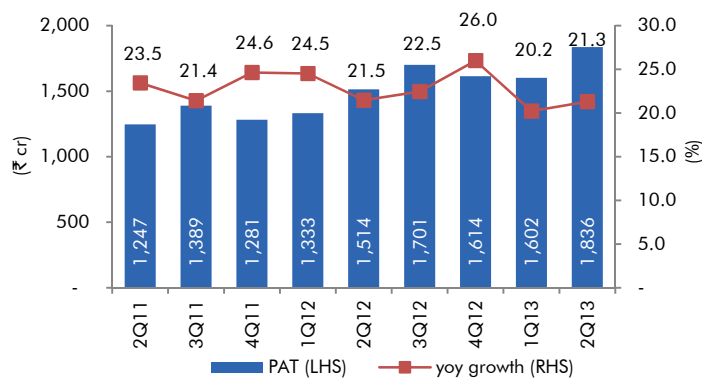
The earnings for the quarter grew by a robust 21.3% yoy to ₹1,836cr driven by a double digit top-line growth and 121bp yoy expansion in OPM to 36.5%. The operating margin rose during the quarter driven by price hikes taken by the company over the past one year. However, the gross margin fell by 135bp yoy to 59.9%.

**Exhibit 3: OPM expands 121bp yoy to 36.5%**



Source: Company, Angel Research

**Exhibit 4: Strong earnings growth rate at 21.3% yoy**



Source: Company, Angel Research

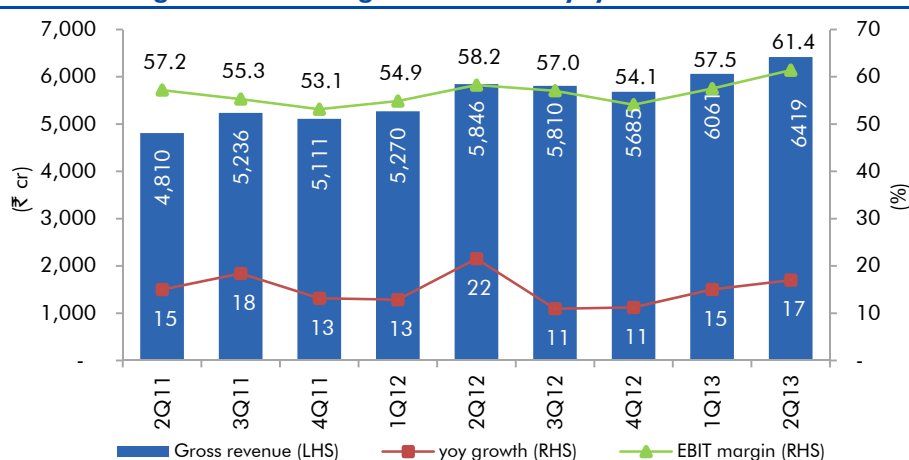
**Exhibit 5: Segment-wise performance (Standalone)**

Y/E Mar (₹ cr)	2QFY13	2QFY12	% yoy	1QFY13	% qoq	1HFY13	1HFY12	% chg
Cigarettes	3,385	2,968	14.0	3,304	2.4	6,689	5,842	14.5
Others	1,691	1,341	26.1	1,473	14.8	3,164	2,538	24.6
Hotels	217	211	2.8	232	(6.6)	1,006	1,001	0.5
Agri Business	2,024	1,435	41.1	1,691	19.7	3,715	3,142	18.3
Paperboards & Packaging	1,059	1,005	5.3	1,059	0.0	2,118	1,965	7.8
Less: Inter-segmental Revenues	1,230	986	24.8	986	24.8	2,337	2,187	6.9
<b>Total Gross Income (Excl Other Income)</b>	<b>7,146</b>	<b>5,974</b>	<b>19.6</b>	<b>6,774</b>	<b>5.5</b>	<b>14,355</b>	<b>12,301</b>	<b>16.7</b>
Cigarettes	2,080	1,729	20.3	1,900	9.5	3,980	3,306	20.4
Others	(30)	(56)		(39)		(69)	(132)	
Hotels	15	43	(64.8)	26	(41.7)	42	95	(56.2)
Agri Business	260	239	8.8	171	51.6	431	396	8.9
Paperboards & Packaging	283	290	(2.5)	265	6.7	547	517	5.9
<b>Total PBIT</b>	<b>2,607</b>	<b>2,245</b>	<b>16.1</b>	<b>2,323</b>	<b>12.2</b>	<b>4,931</b>	<b>4,181</b>	<b>17.9</b>
<b>PBIT Margin (%)</b>								
Cigarettes	61.4	58.2		57.5		59.5	56.6	
Others	(1.8)	(4.2)		(2.6)		(2.2)	(5.2)	
Hotels	7.1	20.6		11.3		4.1	9.5	
Agri Business	12.8	16.6		10.1		11.6	12.6	
Paperboards & Packaging	26.7	28.8		25.0		25.8	26.3	

Source: Company, Angel Research

**Cigarette division growth driven by price hikes**

ITC's cigarette division posted a 17.0% yoy growth to ₹6,419cr in gross revenue (14.0% yoy growth in net revenue to ₹3,385cr) on the back of ~17% price hike taken in cigarettes over the last one year. Volumes remained flat despite the price hikes, indicating the company's pricing power. On the margin front, the cigarette division's EBIT margin rose by 320bp yoy to 61.4%.

**Exhibit 6: Cigarette division grows at 17.0% yoy**


Source: Company, Angel Research

### Non-cigarette FMCG witnessing strong revenue traction

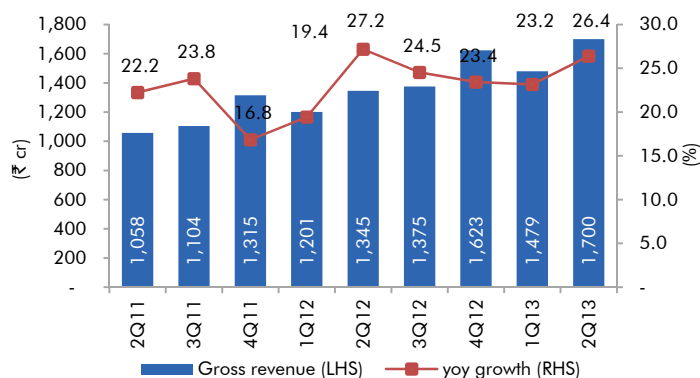
ITC's non-cigarette FMCG business registered a strong revenue growth of 26.4% yoy to ₹1,700cr in gross revenue (26.1% yoy to ₹1,691cr in net revenue), driven by an impressive performance by both, the packaged foods and the personal products segments. Growth in packaged foods was healthy in biscuits, atta and noodles categories.

Sunfeast biscuits sustained its robust growth trajectory led by a portfolio of differentiated and innovative products such as *Dream Cream*, *Dark Fantasy* and *Choco Fills*. The Sunfeast brand has emerged as a clear market leader in the highly competitive premium cream biscuits segment. *Aashirvad* atta too consolidated its leadership position with premium offerings such as *Select* and multi-grain variants enjoying increased customer traction.

Personal care products sustained their impressive growth trajectory during the quarter with the soap category garnering significant consumer franchise driven by *Vivel Luxury Creme* and *Vivel Clear* variants.

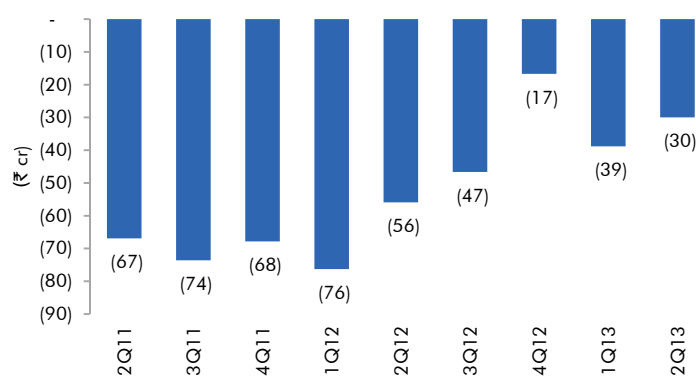
The operating losses of the other (non-cigarette) FMCG business reduced to ₹30cr in 2QFY2013 from ₹56cr in 2QFY2012.

**Exhibit 7: Non-cig FMCG revenue growth at 26.4% yoy**



Source: Company, Angel Research

**Exhibit 8: Non-cig. FMCG losses reduce yoy to ₹30cr**



Source: Company, Angel Research

## Investment rationale

- **Cigarettes to continue to grow in double digits:** We believe ITC's cigarette business is well poised to continue to post a double-digit sales growth over FY2012-14E. The company has continued to take price hikes over the past one year and it has not impacted its volumes much, indicating the company's strong pricing power.
- **Non-cigarette businesses to register an ~15% CAGR over FY2012-14E:** While cigarettes remain the main profit center for the company, investments in the non-cigarette businesses such as FMCG, hotels and paperboards have given the company a foothold into diversified business. We expect these businesses to play a major role in driving the company's long-term growth.

## Outlook and valuation

We expect ITC to report a top-line and bottom-line CAGR of 17.2% and 17.7% respectively over FY2012-14E, driven by the company's diversified business model and ability to invest in growing businesses. **At the current market price, the stock is trading at 26.9x FY2014E EPS. We maintain our Neutral rating on the stock.**

### Exhibit 9: Peer valuation

Company	Reco	Mcap (₹ cr)	CMP (₹)	TP (₹)	Upside (%)	P/E (x)		EV/Sales (x)		RoE (%)		CAGR #	
						FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	Sales	EPS
Asian Paints	Neutral	37,657	3,926	-	-	32.4	27.1	3.2	2.7	37.4	35.3	17.0	18.5
Britannia	Buy	5,830	488	584	20	23.6	19.2	0.9	0.7	43.1	41.9	17.4	27.4
Colgate	Neutral	17,084	1,256	-	-	35.2	29.7	5.5	4.8	101.0	93.5	12.8	13.6
Dabur	Neutral	22,730	131	-	-	29.2	25.2	3.7	3.2	43.2	41.4	15.3	18.3
GCPL	Neutral	23,717	697	-	-	31.9	26.3	4.1	3.4	25.5	25.4	22.1	28.3
GSKCHL*	Neutral	12,760	3,034	-	-	27.2	23.0	3.7	3.1	36.3	34.0	16.8	24.9
HUL	Neutral	123,022	569	-	-	39.9	34.6	4.6	4.0	70.9	59.8	15.5	17.6
<b>ITC</b>	<b>Neutral</b>	<b>229,705</b>	<b>294</b>	-	-	<b>31.5</b>	<b>26.9</b>	<b>7.4</b>	<b>6.4</b>	<b>35.8</b>	<b>35.3</b>	<b>17.2</b>	<b>17.7</b>
Marico	Neutral	12,676	206	-	-	30.4	24.4	2.6	2.2	31.4	29.7	18.6	27.6
Nestle*	Neutral	45,709	4,741	-	-	41.3	33.9	5.2	4.4	71.2	60.3	16.5	15.0
Tata Global	Neutral	9,876	160	-	-	24.2	20.4	1.3	1.1	8.6	9.5	9.7	16.6

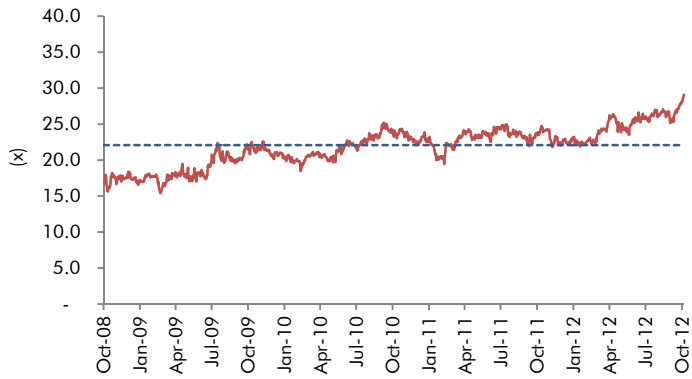
Source: Company, Angel research; Note: # Denotes CAGR over FY2012-14E, \*December Year Ending.

### Exhibit 10: Angel vs. consensus estimates

Top-line (₹ cr)	FY2013E	FY2014E	EPS (₹)	FY2013E	FY2014E
Angel estimates	29,409	34,060	Angel estimates	9.3	10.9
Consensus	29,000	33,730	Consensus	9.4	11.1
Diff. (%)	1.4	1.0	Diff. (%)	(0.6)	(1.6)

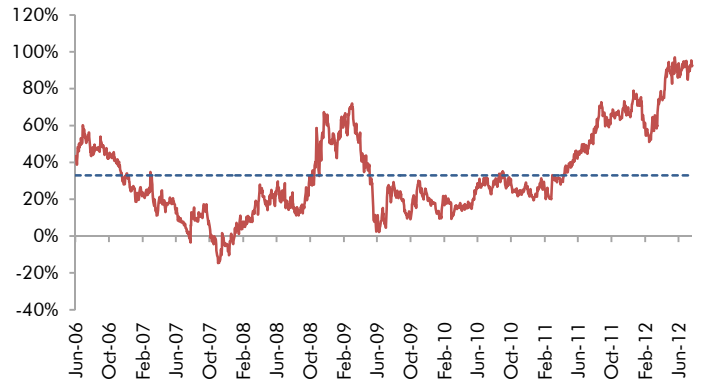
Source: Company, Angel Research

**Exhibit 11: One year forward PE**



Source: Company, Angel Research (Blue line indicates 5-year Average PE)

**Exhibit 12: One year forward premium over Sensex**



Source: Company, Angel Research, (Blue line indicates 5-year Avg. premium)

**Profit and loss statement (Standalone)**

Y/E March (₹ cr)	FY09	FY10	FY11	FY12	FY13E	FY14E
<b>Total operating income</b>	<b>15,612</b>	<b>18,153</b>	<b>21,168</b>	<b>24,798</b>	<b>29,409</b>	<b>34,060</b>
% chg	11.9	16.3	16.6	17.2	18.6	15.8
Total Expenditure	10,753	12,079	14,046	16,318	18,923	21,778
Cost of Materials	5,958	7,007	8,161	9,633	11,056	12,736
Advertising Exp	502	512	624	687	853	988
Personnel	891	1,003	1,140	1,256	1,529	1,771
Others	3,402	3,557	4,122	4,743	5,485	6,284
<b>EBITDA</b>	<b>4,859</b>	<b>6,074</b>	<b>7,121</b>	<b>8,480</b>	<b>10,487</b>	<b>12,281</b>
% chg	10.3	25.0	17.2	19.1	23.7	17.1
(% of Net Sales)	31.1	33.5	33.6	34.2	35.7	36.1
Depreciation & Amortisation	549	609	656	699	770	826
<b>EBIT</b>	<b>4,309</b>	<b>5,465</b>	<b>6,465</b>	<b>7,782</b>	<b>9,716</b>	<b>11,455</b>
% chg	8.7	26.8	18.3	20.4	24.9	17.9
(% of Net Sales)	27.6	30.1	30.5	31.4	33.0	33.6
Interest & other Charges	18	65	68	78	79	79
Other Income	535	615	871	1,201	1,051	1,151
(% of PBT)	11.1	10.2	12.0	13.5	9.8	9.2
Share in profit of Associates	-	-	-	-	-	-
<b>Recurring PBT</b>	<b>4,826</b>	<b>6,015</b>	<b>7,268</b>	<b>8,904</b>	<b>10,688</b>	<b>12,527</b>
% chg	5.6	24.7	20.8	22.5	20.0	17.2
Extraordinary Expense/(Inc.)	0	-	-	-	-	-
<b>PBT (reported)</b>	<b>4,826</b>	<b>6,015</b>	<b>7,268</b>	<b>8,904</b>	<b>10,688</b>	<b>12,527</b>
Tax	1,562	1,954	2,281	2,742	3,399	3,984
(% of PBT)	32.4	32.5	31.4	30.8	31.8	31.8
<b>PAT (reported)</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>6,162</b>	<b>7,289</b>	<b>8,543</b>
Add: Share of associates	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>6,162</b>	<b>7,289</b>	<b>8,543</b>
<b>ADJ. PAT</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>6,162</b>	<b>7,289</b>	<b>8,543</b>
% chg	4.6	24.4	22.8	23.5	18.3	17.2
(% of Net Sales)	20.9	22.4	23.6	24.8	24.8	25.1
<b>Basic EPS (₹)</b>	<b>4.2</b>	<b>5.2</b>	<b>6.4</b>	<b>7.9</b>	<b>9.3</b>	<b>10.9</b>
<b>Fully Diluted EPS (₹)</b>	<b>4.2</b>	<b>5.2</b>	<b>6.4</b>	<b>7.9</b>	<b>9.3</b>	<b>10.9</b>
% chg	4.6	24.4	22.8	23.6	18.3	17.2

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers



**Balance Sheet (Standalone)**

Y/E March (₹ cr)	FY09	FY10	FY11	FY12E	FY13E	FY14E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	377	382	774	782	782	782
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	13,358	13,683	15,179	18,010	21,193	25,631
<b>Shareholders Funds</b>	<b>13,735</b>	<b>14,064</b>	<b>15,953</b>	<b>18,792</b>	<b>21,975</b>	<b>26,413</b>
Minority Interest	-	-	-	-	-	-
Total Loans	178	108	89	79	79	79
Deferred Tax Liability	867	785	802	873	802	802
Long term Provisions			94	107	107	107
Other long term liabilities			21	16	16	16
<b>Total Liabilities</b>	<b>14,780</b>	<b>14,957</b>	<b>16,958</b>	<b>19,866</b>	<b>22,979</b>	<b>27,416</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	10,559	11,968	12,601	13,926	16,338	18,922
Less: Acc. Depreciation	3,287	3,825	4,245	4,820	5,590	6,416
<b>Net Block</b>	<b>7,272</b>	<b>8,142</b>	<b>8,356</b>	<b>9,107</b>	<b>10,748</b>	<b>12,506</b>
Capital Work-in-Progress	1,214	1,009	1,323	2,269	1,634	1,892
Goodwill	-	-	-	-	-	-
<b>Investments</b>	<b>2,838</b>	<b>5,727</b>	<b>5,555</b>	<b>6,317</b>	<b>6,948</b>	<b>8,583</b>
Long term loans and adv.			1,146	1,194	1,194	1,194
Current Assets	8,172	8,143	9,054	10,080	11,969	13,089
Cash	1,031	1,126	2,243	2,819	2,535	2,162
Loans & Advances	1,860	1,595	657	637	882	1,022
Other	5,280	5,422	6,154	6,624	8,553	9,905
Current liabilities	4,716	8,064	8,476	9,100	9,515	9,848
<b>Net Current Assets</b>	<b>3,456</b>	<b>79</b>	<b>579</b>	<b>980</b>	<b>2,454</b>	<b>3,241</b>
Mis. Exp. not written off	-	-	-	-	-	-
<b>Total Assets</b>	<b>14,780</b>	<b>14,957</b>	<b>16,958</b>	<b>19,866</b>	<b>22,979</b>	<b>27,416</b>

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

**Cash flow statement (Standalone)**

Y/E March (₹ cr)	FY09	FY10	FY11	FY12	FY13E	FY14E
Profit before tax	4,826	6,015	7,268	8,905	10,688	12,527
Depreciation	549	609	656	699	770	826
Change in Working Capital	(326)	291	4	(822)	(1,819)	(1,200)
Interest / Dividend (Net)	(276)	(267)	(326)	(516)	(360)	(360)
Direct taxes paid	1,562	1,954	2,281	2,742	3,399	3,984
Others	51	206	(188)	903	(10)	41
<b>Cash Flow from Operations</b>	<b>3,262</b>	<b>4,901</b>	<b>5,133</b>	<b>6,426</b>	<b>5,870</b>	<b>7,850</b>
(Inc.)/ Dec. in Fixed Assets	(1,686)	(1,204)	(947)	(2,272)	(1,777)	(2,842)
(Inc.)/ Dec. in Investments	144	(2,889)	172	(762)	(632)	(1,635)
<b>Cash Flow from Investing</b>	<b>(1,542)</b>	<b>(4,093)</b>	<b>(775)</b>	<b>(3,034)</b>	<b>(2,409)</b>	<b>(4,477)</b>
Issue of Equity	45	721	904	765	-	-
Inc./ (Dec.) in loans	(37)	(70)	(19)	(9)	-	-
Dividend Paid (Incl. Tax)	1,543	1,630	4,452	4,088	4,106	4,106
Interest / Dividend (Net)	(276)	(267)	(326)	(516)	(360)	(360)
<b>Cash Flow from Financing</b>	<b>(1,259)</b>	<b>(712)</b>	<b>(3,241)</b>	<b>(2,816)</b>	<b>(3,746)</b>	<b>(3,746)</b>
Inc./ (Dec.) in Cash	461	95	1,117	576	(284)	(372)
<b>Opening Cash balances</b>	<b>570</b>	<b>1,031</b>	<b>1,126</b>	<b>2,243</b>	<b>2,819</b>	<b>2,533</b>
<b>Closing Cash balances</b>	<b>1,031</b>	<b>1,126</b>	<b>2,243</b>	<b>2,819</b>	<b>2,535</b>	<b>2,162</b>

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

**Key ratios**

Y/E March	FY09	FY10	FY11	FY12	FY13E	FY14E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	70.4	56.6	46.1	37.3	31.5	26.9
P/CEPS	29.1	24.0	40.3	33.5	28.5	24.5
P/BV	8.1	8.0	14.3	12.2	10.5	8.7
Dividend yield (%)	1.3	3.4	1.5	1.5	1.5	1.5
EV/Sales	14.3	12.2	10.4	8.8	7.4	6.4
EV/EBITDA	46.0	36.3	30.8	25.7	20.8	17.7
EV / Total Assets	15.1	14.7	13.0	11.0	9.5	8.0
<b>Per Share Data (₹)</b>						
EPS (Basic)	4.2	5.2	6.4	7.9	9.3	10.9
EPS (fully diluted)	4.2	5.2	6.4	7.9	9.3	10.9
Cash EPS	10.1	12.2	7.3	8.8	10.3	12.0
DPS	3.7	10.0	4.5	4.5	4.5	4.5
Book Value	36.4	36.8	20.6	24.0	28.1	33.8
<b>Returns (%)</b>						
RoCE	31.2	36.8	40.5	42.3	45.4	45.5
Angel RoIC (Pre-tax)	38.8	50.2	56.7	53.4	55.2	54.3
RoE	25.3	29.2	33.2	35.5	35.8	35.3
<b>Turnover ratios (x)</b>						
Asset Turnover	1.6	1.6	1.7	1.9	1.9	1.9
Inventory / Sales (days)	108	91	91	83	91	91
Receivables (days)	16	18	15	15	15	15
Payables (days)	70	71	77	71	63	57
Net Working capital (days)	57	(21)	(29)	(27)	(1)	12

Note: Some of the figures from FY2011 onwards are reclassified; hence not comparable with previous year numbers

Research Team Tel: 022 - 39357800

E-mail: research@angelbroking.com

Website: www.angelbroking.com

## DISCLAIMER

This document is solely for the personal information of the recipient, and must not be singularly used as the basis of any investment decision. Nothing in this document should be construed as investment or financial advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the securities of the companies referred to in this document (including the merits and risks involved), and should consult their own advisors to determine the merits and risks of such an investment.

Angel Broking Limited, its affiliates, directors, its proprietary trading and investment businesses may, from time to time, make investment decisions that are inconsistent with or contradictory to the recommendations expressed herein. The views contained in this document are those of the analyst, and the company may or may not subscribe to all the views expressed within.

Reports based on technical and derivative analysis center on studying charts of a stock's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamentals.

The information in this document has been printed on the basis of publicly available information, internal data and other reliable sources believed to be true, but we do not represent that it is accurate or complete and it should not be relied on as such, as this document is for general guidance only. Angel Broking Limited or any of its affiliates/ group companies shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Angel Broking Limited has not independently verified all the information contained within this document. Accordingly, we cannot testify, nor make any representation or warranty, express or implied, to the accuracy, contents or data contained within this document. While Angel Broking Limited endeavours to update on a reasonable basis the information discussed in this material, there may be regulatory, compliance, or other reasons that prevent us from doing so.

This document is being supplied to you solely for your information, and its contents, information or data may not be reproduced, redistributed or passed on, directly or indirectly.

Angel Broking Limited and its affiliates may seek to provide or have engaged in providing corporate finance, investment banking or other advisory services in a merger or specific transaction to the companies referred to in this report, as on the date of this report or in the past.

Neither Angel Broking Limited, nor its directors, employees or affiliates shall be liable for any loss or damage that may arise from or in connection with the use of this information.

**Note: Please refer to the important 'Stock Holding Disclosure' report on the Angel website (Research Section). Also, please refer to the latest update on respective stocks for the disclosure status in respect of those stocks. Angel Broking Limited and its affiliates may have investment positions in the stocks recommended in this report.**

### Disclosure of Interest Statement

	ITC
1. Analyst ownership of the stock	No
2. Angel and its Group companies ownership of the stock	No
3. Angel and its Group companies' Directors ownership of the stock	No
4. Broking relationship with company covered	No

*Note: We have not considered any Exposure below ₹ 1 lakh for Angel, its Group companies and Directors*

### Ratings (Returns):

Buy (&gt; 15%)

Reduce (-5% to 15%)

Accumulate (5% to 15%)

Sell (&lt; -15%)

Neutral (-5 to 5%)