

## ITC

### Performance Highlights

(₹ cr)	2QFY12	2QFY11	% yoy	Angel est.	% Diff
<b>Revenue</b>	5,974	5,083	17.5	5,948	0.4
EBITDA	2,108	1,788	17.9	2,138	(1.4)
OPM (%)	35.3	35.2	11bp	36.0	(67bp)
<b>PAT</b>	1,514	1,247	21.5	1,478	2.5

Source: Company, Angel Research

For 2QFY2012, ITC declared steady growth in its top line and earnings (broadly in-line with our estimates). **We recommend Accumulate on the stock.**

**Key highlights:** During the quarter, ITC declared top-line growth of 17.5% yoy to ₹5,974cr (₹5,0834cr), in-line with our estimates. The cigarette division registered 21.5% yoy growth in gross revenue (16.4% yoy growth in net revenue) on the back of higher volume growth as well as price hikes taken in cigarettes. Amongst other segments, at net level, agri-business, paperboards and packaging and hotels posted growth of 14.8% yoy, 9.4% yoy and 1.1% yoy, respectively, while the non-cigarette FMCG business grew by robust ~27% yoy. Earnings for the quarter grew by robust 21.5% yoy to ₹1,514cr (₹1,247cr), marginally above our estimates. The company has been successful in reducing its losses in the non-cigarette FMCG business – loss during 2QFY2012 stood at ~₹56cr (₹67cr).

**Outlook and valuation:** Post 2QFY2012, we maintain our revenue and earnings estimates. We expect ITC to report a top line of ₹24,706cr in FY2012E and ₹29,294cr in FY2013E, registering a CAGR of ~17% over FY2011-13E. Growth would be driven by the company's diversified business model and ability to invest in growing businesses. In terms of earnings, we expect the company to report a ₹17.4% CAGR over the same period, backed by good performance by all businesses. **At the CMP of ₹207, the stock is trading at 23.4x FY2013E EPS. We recommend Accumulate on the stock with a target price of ₹219, based on our SOTP valuation.**

#### Key financials

Y/E March (₹ cr)	FY2010	FY2011	FY2012E	FY2013E
<b>Net Sales</b>	<b>18,153</b>	<b>21,168</b>	<b>24,706</b>	<b>29,294</b>
% chg	16.3	16.6	16.7	18.6
<b>Net Profit (Adj)</b>	<b>4,061</b>	<b>4,988</b>	<b>5,799</b>	<b>6,876</b>
% chg	24.4	22.8	16.3	18.6
EBITDA (%)	33.5	33.8	34.0	34.2
<b>EPS (₹)</b>	<b>5.2</b>	<b>6.4</b>	<b>7.5</b>	<b>8.8</b>
P/E (x)	39.6	32.2	27.7	23.4
P/BV (x)	5.6	10.0	8.3	6.7
RoE (%)	29.2	33.2	32.7	31.5
RoCE (%)	36.8	40.8	41.2	40.7
EV/Sales (x)	8.4	7.2	6.2	5.1
EV/EBITDA (x)	25.2	21.3	18.2	15.1

Source: Company, Angel Research

## ACCUMULATE

CMP	₹207
Target Price	₹219

Investment Period	12 Months
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#### Stock Info

Sector	FMCG
Market Cap (₹ cr)	1,61,185
Beta	0.7
52 Week High / Low	211/150
Avg. Daily Volume	6,69,730
Face Value (₹)	1
BSE Sensex	18,197
Nifty	5,482
Reuters Code	ITC.BO
Bloomberg Code	ITC@IN

#### Shareholding Pattern (%)

Promoters	0.0
MF / Banks / Indian Fls	42.1
FII / NRIs / OCBs	46.6
Indian Public / Others	11.3

Abs. (%)	3m	1yr	3yr
Sensex	(5.7)	1.1	31.9
ITC	8.7	34.4	119.4

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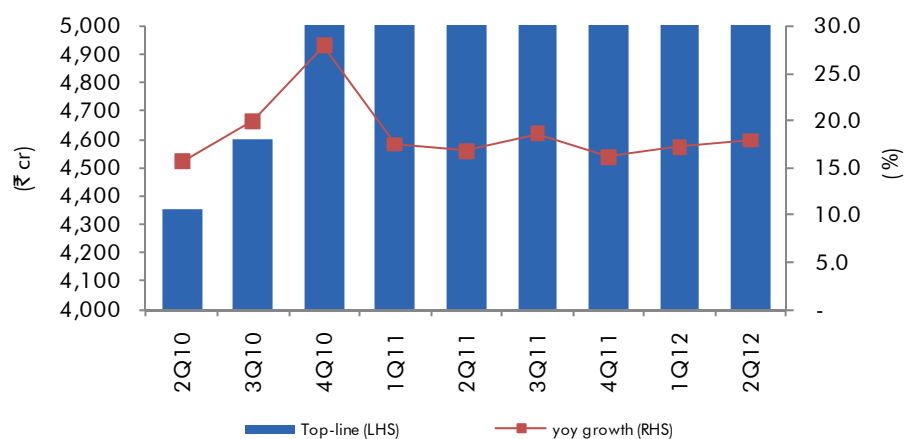
**Exhibit 1: Quarterly performance**

Y/E March (₹ cr)	2QFY12	2QFY11	% yoy	1HFY2012	1HFY2011	% chg
<b>Net Sales</b>	<b>5,974</b>	<b>5,083</b>	<b>17.5</b>	<b>11,742</b>	<b>9,907</b>	<b>18.5</b>
Consumption of RM	2,319	1,861	24.6	4,618	3,654	26.4
(% of Sales)	38.8	36.6		39.3	36.9	
Staff Costs	265	261	1.5	659	603	9.3
(% of Sales)	4.4	5.1		5.6	6.1	
Other Expenses	1,282	1,173	9.3	2,473	2,255	9.7
(% of Sales)	21.5	23.1		21.1	22.8	
<b>Total Expenditure</b>	<b>3,866</b>	<b>3,295</b>	<b>17.3</b>	<b>7,750</b>	<b>6,512</b>	<b>19.0</b>
<b>Operating Profit</b>	<b>2,108</b>	<b>1,788</b>	<b>17.9</b>	<b>3,991</b>	<b>3,395</b>	<b>17.6</b>
OPM	35.3	35.2		34	34	
Interest	14	11	33.4	31	23	32.9
Depreciation	170	164	3.7	337	324	4.0
Other Income	292	217	34.7	528	352	50.2
<b>PBT (excl. Extr. Items)</b>	<b>2,215</b>	<b>1,830</b>	<b>21.1</b>	<b>4,153</b>	<b>3,400</b>	<b>22.1</b>
Extr. Income/(Expense)	0	0		0	0	
<b>PBT (incl. Extr. Items)</b>	<b>2,215</b>	<b>1,830</b>	<b>21.1</b>	<b>4,153</b>	<b>3,400</b>	<b>22.1</b>
(% of Sales)	37.1	36.0		35.4	34.3	
Provision for Taxation	701	583	20.2	1,305	1,083	20.5
(% of PBT)	31.6	31.9		31.4	31.9	
<b>Reported PAT</b>	<b>1,514</b>	<b>1,247</b>	<b>21.5</b>	<b>2,847</b>	<b>2,317</b>	<b>22.9</b>
PATM (%)	25	25		24	23	
Equity shares (cr)	777	768		777	768	
<b>FDEPS (₹)</b>	<b>1.9</b>	<b>1.6</b>	<b>21.5</b>	<b>3.7</b>	<b>3.0</b>	<b>21.4</b>

Source: Company, Angel Research

**Steady top-line growth in-line with our estimates**

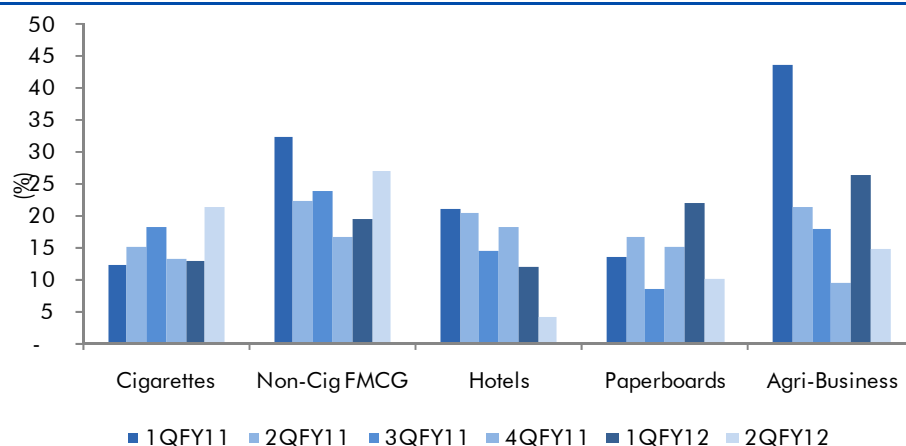
ITC declared steady top-line growth of 17.5% yoy to ₹5,974cr (₹5,083cr). The cigarette division registered 21.5% yoy growth in gross revenue (16.4% % yoy growth in net revenue) on the back higher realizations (ITC took a price hike of ~10% in 2QFY2012 in its Navy cut and Classic brands).

**Exhibit 2: Steady top-line growth of 17.5% yoy**


Source: Company, Angel Research

Amongst other segments, at net level, the agri, paperboards and packaging and hotels businesses posted growth of 14.8% yoy, 9.4% yoy and 1.1% yoy, respectively, while non-cigarette FMCG business grew by robust ~27% yoy.

**Exhibit 3: Segmental growth trend (yoy)**

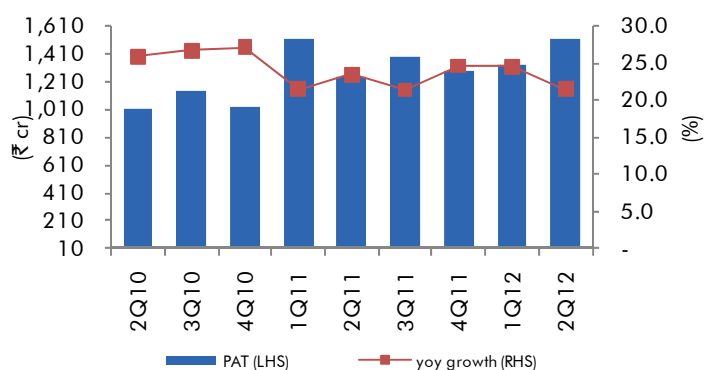


Source: Company, Angel Research

**Earnings grew by robust 21.5% yoy, aided by high other income**

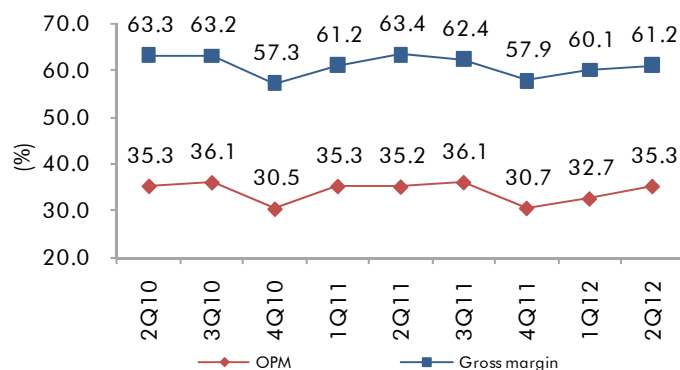
Earnings for the quarter grew by robust 21.5% yoy to ₹1,514cr (₹1,247cr), marginally above our estimates, driven by steady top-line growth, a 22bp yoy decline in tax rate and a 34.7% yoy jump in other income to ₹292cr (₹217cr). Operating margin dipped marginally during the quarter, as ITC continued to face the brunt of increased raw-material prices. OPM marginally increased by 11bp yoy despite a 221bp yoy gross margin contraction as ITC reduced its other expenses and staff costs by 162bp yoy and 70bp yoy, respectively, to arrest the slippage in OPM.

**Exhibit 4: Strong earnings growth rate at 21.5% yoy**



Source: Company, Angel Research

**Exhibit 5: OPM flat yoy despite lower gross margin...**



Source: Company, Angel Research

**Exhibit 6: Segment-wise performance**

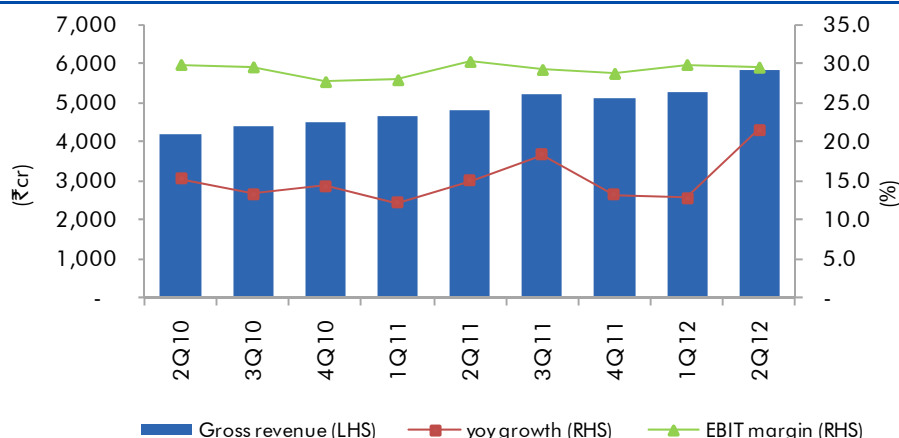
Y/E Mar (₹ cr)	2QFY12	2QFY11	% chg	1HFY2012	1HFY2011	% chg
Cigarette	5,846	4,810	21.5	11,116	9,480	17.3
Others	1,345	1,058	27.2	2,546	2,063	23.4
Hotels	234	225	4.3	487	450	8.2
Agri Business	1,435	1,250	14.8	3,142	2,599	20.9
Paperboards & Packaging	1,055	960	10.0	2,067	1,789	15.5
Less: Inter seg revenue	1,006	940	7.0	2,226	1,976	12.6
<b>Total Gross Inc (Ex OI)</b>	<b>8,910</b>	<b>7,362</b>	<b>21.0</b>	<b>17,132</b>	<b>14,405</b>	<b>18.9</b>
Cigarettes	1,729	1,458	18.6	3,306	2,763	19.6
Others	(56)	(67)		(132)	(156)	
Hotels	43	40	9.0	95	78	20.9
Agri Business	239	202	18.0	396	325	21.6
Paperboards & Packaging	290	246	17.9	517	434	19.0
<b>Total PBIT</b>	<b>2,245</b>	<b>1,879</b>	<b>19.5</b>	<b>4,181</b>	<b>3,445</b>	<b>21.4</b>
Less: Interest Exp	14	5		48	65	
Less: Other Unallocable Exp	15	44		(195)	(143)	
<b>PBT</b>	<b>2,215</b>	<b>1,830</b>	<b>21.1</b>	<b>4,328</b>	<b>3,523</b>	<b>22.8</b>
<b>PBIT Margin (%)</b>						
Cigarettes	29.6	30.3		29.7	29.1	
Others	(4.2)	(6.3)		(5.2)	(7.6)	
Hotels	18.5	17.7		19.5	17.4	
Agri Business	16.6	16.2		12.6	12.5	
Paperboards & Packaging	27.5	25.6		25.0	24.3	

Source: Company, Angel Research

### Cigarette segment registered double-digit sales and EBIT growth

ITC's cigarette division registered 21.5% yoy growth in gross revenue (16.4% yoy growth in net revenue) on the back of higher volume growth as well as price hikes taken in cigarettes (took a price hike of ~10% in 2QFY2012 in its Navy cut and Classic brands). On the margin front, the cigarette division's EBIT margin registered a 74bp contraction on a gross level (107bp expansion on net level), aided by price hikes. **We believe the cigarette business is poised for double-digit growth in terms of revenue and EBIT in FY2012E.**

**Exhibit 7: Peg cigarette division to grow at a 17% CAGR in FY2011-13E**

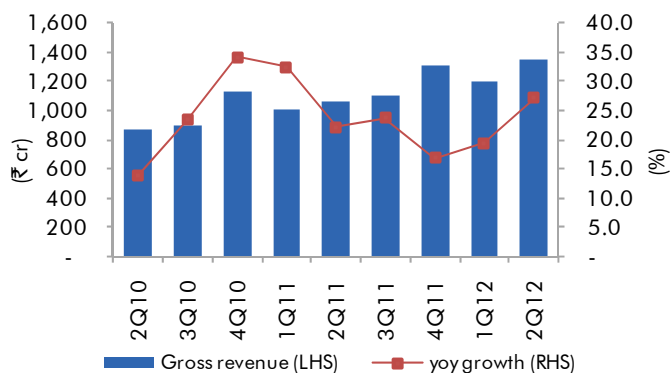


Source: Company, Angel Research

### Non-cigarette FMCG witnessing strong revenue traction

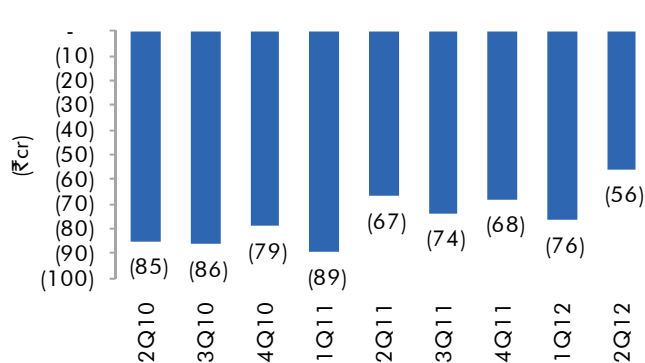
ITC's non-cigarette FMCG business registered steady revenue growth of 27.2% yoy at net level to ₹1,341cr (₹1,056cr), driven by impressive performance from all product categories. Also, losses of the business reduced to ₹56cr (₹67cr). **Going ahead, we expect revenue traction in the segment to continue and losses to reduce, though breakeven is likely to be achieved only in FY2013.**

**Exhibit 8: Revenue growth steady at 27.2% yoy**



Source: Company, Angel Research

**Exhibit 9: Losses reduce to ₹56cr in 2QFY2012**

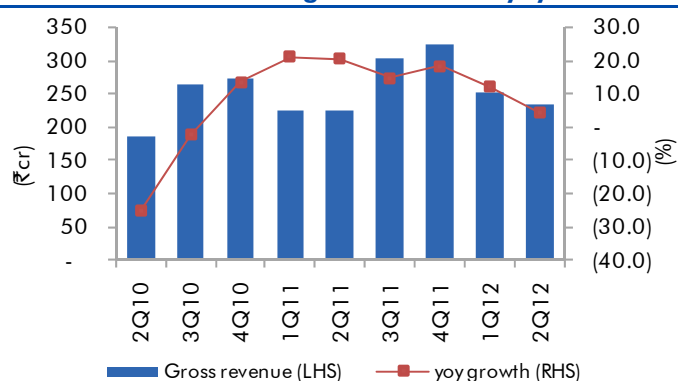


Source: Company, Angel Research

### Dismal performance by the hotels business

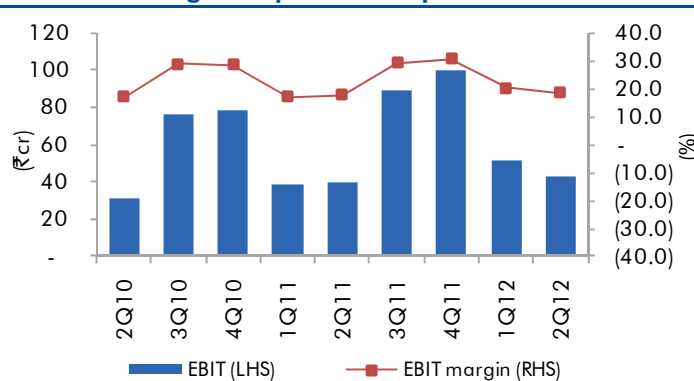
ITC's hotels business at net level registered flat growth of 1.1% yoy to ₹211cr (₹209cr) during the quarter due to a weak global economic scenario and slowdown in the Indian economy. The business segment reported EBIT margin of 20.6% (expansion of 149bp yoy), driving modest 9% yoy growth in EBIT. **We believe the hotels business is well on track to post a 21% CAGR in revenue during FY2011-13E, aided by low base and uptick in the economic activity. Moreover, the margin of the business is likely to register significant improvement as ARR recovers.**

**Exhibit 10: Flat revenue growth of 1.1% yoy**



Source: Company, Angel Research

**Exhibit 11: Margins expand on improvement in ARR**

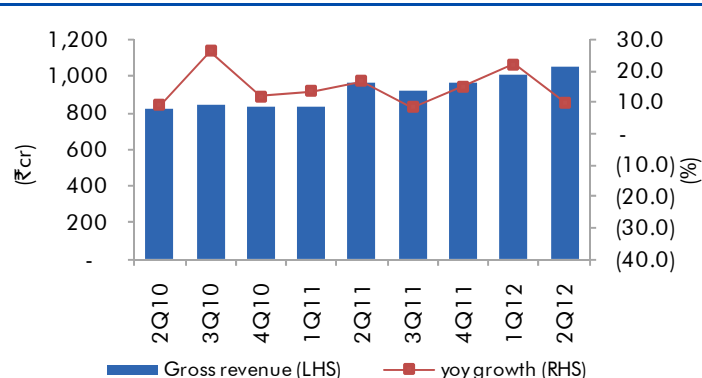


Source: Company, Angel Research

### Paperboard and packaging show resilience

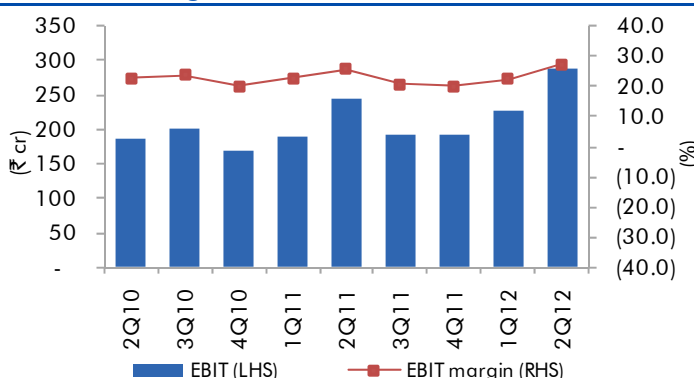
The paperboard and packaging business registered strong revenue growth of 9.4% yoy (10% on a net level) to ₹1,055cr (₹960cr). However, EBIT margin of the segment registered an impressive expansion of 185bp yoy to 27.5%, driven by a combination of better product mix and higher realization.

**Exhibit 12: 9-10% revenue contribution in FY12-13E**



Source: Company, Angel Research

**Exhibit 13: Margin to sustain at ~23% over FY12-13E**

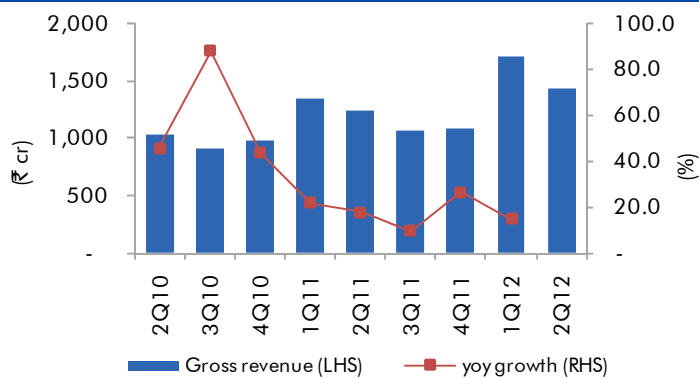


Source: Company, Angel Research

### Agri business registers steady revenue growth of 18% yoy

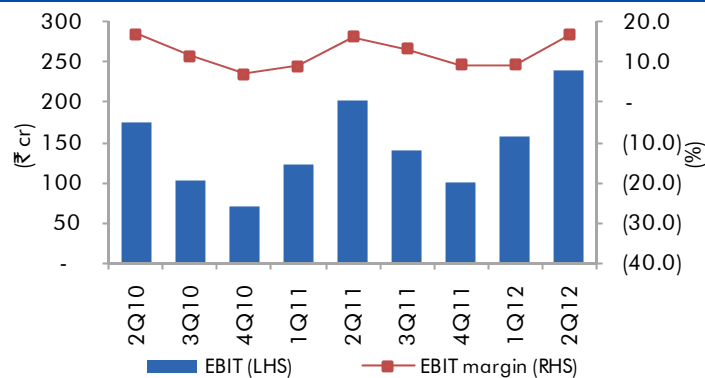
ITC's agri business registered 14.8% yoy growth in revenue to ₹1,435cr (₹1,205cr). The business segment reported flat EBIT margin of 16.6%, aiding 18% yoy growth in EBIT.

**Exhibit 14: Revenue grows by 14.8% yoy...**



Source: Company, Angel Research

**Exhibit 15: Peg margins at 12-13% for FY2012-13E**



Source: Company, Angel Research

## Investment rationale

- **Cigarettes to grow by double digits and post impressive EBIT margin:** We believe the cigarette business is well poised to post double-digit sales and EBIT growth in FY2012E. The company has taken price hikes in brands such as *Classic* and *Navy cut* and is expected to hike prices of the *Gold Flake* brand. This will aid in higher realization.
- **Non-cigarette FMCG to register a ~20% CAGR over FY2011-13E:** While cigarettes remain the main profit center for the company, investments in non-cigarette businesses such as FMCG, hotels and paperboards have started yielding positive contribution. During FY2011-13E, we expect non-cigarette EBIT to register a ~20% CAGR, aided by 1) reduction in non-cigarette FMCG losses (likely breakeven in FY2013); 2) improvement in hotel margins, aided by higher ARR and uptick in the economy; and 3) higher margins in the paperboards and packaging business.

## Outlook and valuation

Post 2QFY2012, we maintain our revenue and earnings estimates. We expect ITC to report a top line of ₹24,706cr in FY2012E and ₹29,294cr in FY2013E, registering a CAGR of ~17% over FY2011-13E. Growth would be driven by the company's diversified business model and ability to invest in growing businesses. In terms of earnings, we expect the company to report a ₹17.4% CAGR over the same period, backed by good performance by all businesses. **At the CMP of ₹207, the stock is trading at 23.4x FY2013E EPS. We recommend Accumulate on the stock with a target price of ₹219, based on our SOTP valuation.**

**Exhibit 16: Peer valuation**

Company	Reco.	Mcap (₹ cr)	CMP (₹)	TP (₹)	Upside (%)	P/E (x)		EV/Sales (x)		RoE (%)		CAGR #	
						FY12E	FY13E	FY12E	FY13E	FY12E	FY13E	Sales	PAT
Asian Paints	Neutral	28,922	3,015	-	-	29.4	23.9	3.1	2.6	39.6	38.3	17.3	19.8
Britannia	Accumulate	5,404	452	495	9	29.4	20.1	1.1	0.9	37.8	46.0	17.3	36.0
Colgate	Neutral	13,477	991	-	-	30.7	26.2	5.1	4.4	111.7	108.0	14.9	12.9
Dabur	Buy	17,860	103	115	12	25.5	22.2	3.5	3.1	44.9	41.6	20.5	18.8
GSKCHL	Neutral	9,926	2,360	-	-)	28.5	24.0	3.3	2.8	32.6	31.8	17.3	17.5
GCPL	Accumulate	13,069	404	457	13	24.4	18.8	3.2	2.6	36.6	29.4	22.9	20.2
HUL	Neutral	73,403	336	-	-	28.8	25.3	3.2	2.8	87.5	85.3	12.7	17.1
<b>ITC</b>	<b>Neutral</b>	<b>160,101</b>	<b>207</b>	<b>219</b>	<b>6</b>	<b>27.7</b>	<b>23.4</b>	<b>6.2</b>	<b>5.1</b>	<b>32.7</b>	<b>31.5</b>	<b>17.6</b>	<b>17.4</b>
Marico	Neutral	9,339	152	-	-	30.0	24.1	2.7	2.4	30.4	28.6	15.7	27.6

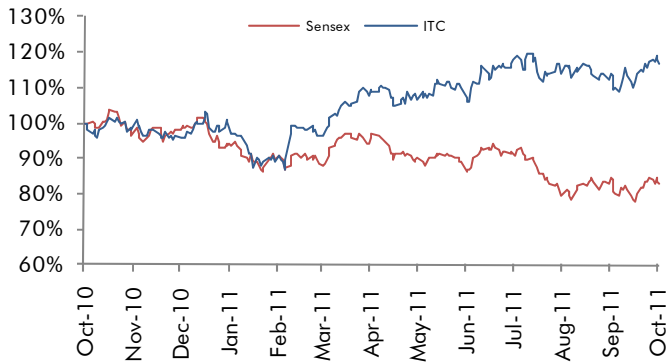
Source: Company, Angel Research; Note: #denotes CAGR for FY2011-13E

**Exhibit 17: Angel vs. consensus estimates**

Top-line (₹ cr)	FY2012E	FY2013E	EPS (₹)	FY2012E	FY2013E
Angel estimates	24,706	29,294	Angel estimates	7.5	8.8
Consensus	24,896	28,668	Consensus	7.5	9.0
Diff. (%)	(0.8)	2.2	Diff. (%)	(0.5)	(1.7)

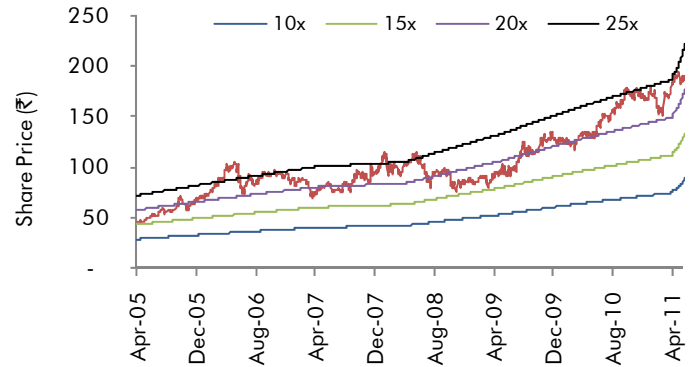
Source: Company, Angel Research

**Exhibit 18: Return ITC vs. Sensex (indexed to 100)**



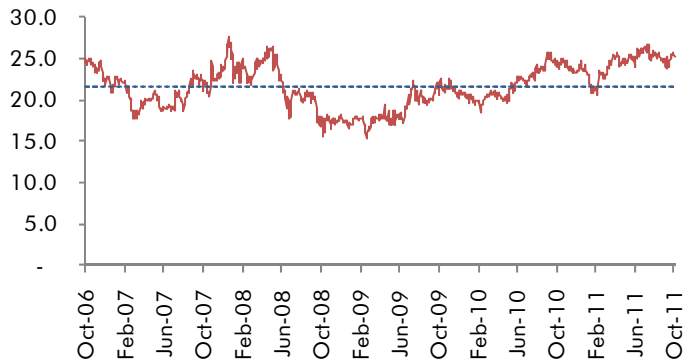
Source: Company, Angel Research

**Exhibit 19: One-year forward P/E**



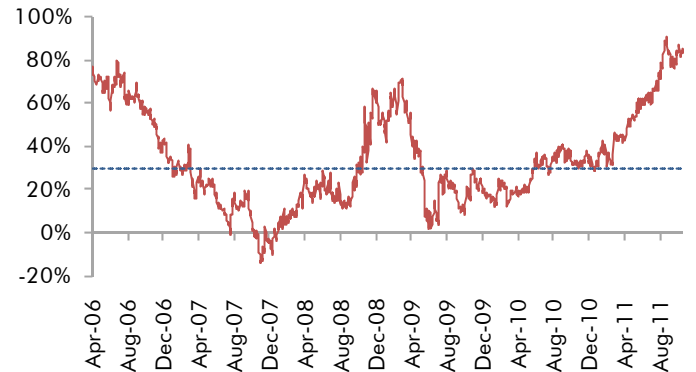
Source: Company, Angel Research

**Exhibit 20: One-year forward P/E**



Source: Company, Angel Research

**Exhibit 21: One-year forward premium vs. Sensex**



Source: Company, Angel Research

**Profit and loss statement**

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
<b>Gross sales</b>	<b>21,356</b>	<b>23,144</b>	<b>26,260</b>	<b>30,604</b>	<b>35,468</b>	<b>41,735</b>
Less: Excise duty	7,408	7,532	8,106	9,437	10,762	12,442
Net Sales	13,948	15,612	18,153	21,168	24,706	29,294
<b>Total operating income</b>	<b>13,948</b>	<b>15,612</b>	<b>18,153</b>	<b>21,168</b>	<b>24,706</b>	<b>29,294</b>
% chg	14.7	11.9	16.3	16.6	16.7	18.6
Total Expenditure	9,544	10,753	12,079	14,014	16,319	19,290
Cost of Materials	6,017	5,958	7,007	8,127	9,586	11,366
Advertising Exp	378	502	512	624	692	850
Personnel	733	891	1,003	1,159	1,359	1,611
Others	2,416	3,402	3,557	4,105	4,682	5,463
<b>EBITDA</b>	<b>4,404</b>	<b>4,859</b>	<b>6,074</b>	<b>7,153</b>	<b>8,388</b>	<b>10,004</b>
% chg	11.3	10.3	25.0	17.8	17.3	19.3
(% of Net Sales)	31.6	31.1	33.5	33.8	34.0	34.2
Depreciation & Amortisation	438	549	609	656	714	770
<b>EBIT</b>	<b>3,965</b>	<b>4,309</b>	<b>5,465</b>	<b>6,497</b>	<b>7,674</b>	<b>9,233</b>
% chg	10.4	8.7	26.8	18.9	18.1	20.3
(% of Net Sales)	28.4	27.6	30.1	30.7	31.1	31.5
Interest & other Charges	5	18	65	48	25	25
Other Income	611	535	615	819	830	844
(% of PBT)	13.4	11.1	10.2	11.3	9.8	8.4
Share in profit of Associates	-	-	-	-	-	-
<b>Recurring PBT</b>	<b>4,572</b>	<b>4,826</b>	<b>6,015</b>	<b>7,268</b>	<b>8,479</b>	<b>10,052</b>
% chg	16.4	5.6	24.7	20.8	16.7	18.6
Extraordinary Expense/(Inc.)	0	0	0	0	0	0
<b>PBT (reported)</b>	<b>4,572</b>	<b>4,826</b>	<b>6,015</b>	<b>7,268</b>	<b>8,479</b>	<b>10,052</b>
Tax	1,452	1,562	1,954	2,281	2,679	3,177
(% of PBT)	31.8	32.4	32.5	31.4	31.6	31.6
<b>PAT (reported)</b>	<b>3,120</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>5,799</b>	<b>6,876</b>
Add: Share of associates	-	-	-	-	-	-
Less: Minority interest (MI)	-	-	-	-	-	-
<b>PAT after MI (reported)</b>	<b>3,120</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>5,799</b>	<b>6,876</b>
<b>ADJ. PAT</b>	<b>3,120</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>5,799</b>	<b>6,876</b>
% chg	15.6	4.6	24.4	22.8	16.3	18.6
(% of Net Sales)	22.4	20.9	22.4	23.6	23.5	23.5
<b>Basic EPS (₹)</b>	<b>4.0</b>	<b>4.2</b>	<b>5.2</b>	<b>6.4</b>	<b>7.5</b>	<b>8.8</b>
<b>Fully Diluted EPS (₹)</b>	<b>4.0</b>	<b>4.2</b>	<b>5.2</b>	<b>6.4</b>	<b>7.5</b>	<b>8.8</b>
% chg	15.6	4.6	24.4	22.8	16.3	18.6

**Balance sheet**

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
<b>SOURCES OF FUNDS</b>						
Equity Share Capital	377	377	382	774	777	777
Preference Capital	-	-	-	-	-	-
Reserves & Surplus	11,681	13,358	13,683	15,179	18,714	23,322
<b>Shareholders' Funds</b>	<b>12,058</b>	<b>13,735</b>	<b>14,064</b>	<b>15,953</b>	<b>19,491</b>	<b>24,099</b>
Minority Interest	-	-	-	-	-	-
Total Loans	214	178	108	99	77	57
Deferred Tax Liability	545	867	785	802	802	802
<b>Total Liabilities</b>	<b>12,817</b>	<b>14,780</b>	<b>14,957</b>	<b>16,854</b>	<b>20,370</b>	<b>24,958</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	8,960	10,559	11,968	12,766	14,900	17,667
Less: Acc. Depreciation	2,791	3,287	3,825	4,421	5,135	5,905
<b>Net Block</b>	<b>6,169</b>	<b>7,272</b>	<b>8,142</b>	<b>8,345</b>	<b>9,765</b>	<b>11,762</b>
Capital Work-in-Progress	1,127	1,214	1,009	1,333	1,192	1,413
Goodwill	-	-	-	-	-	-
<b>Investments</b>	<b>2,935</b>	<b>2,838</b>	<b>5,727</b>	<b>5,555</b>	<b>6,240</b>	<b>6,875</b>
Current Assets	7,031	8,172	8,143	10,203	10,473	13,136
Cash	570	1,031	1,126	2,243	1,561	2,653
Loans & Advances	1,662	1,860	1,595	1,766	2,174	2,578
Other	4,799	5,280	5,422	6,194	6,738	7,905
Current liabilities	4,444	4,716	8,064	8,582	7,300	8,227
<b>Net Current Assets</b>	<b>2,587</b>	<b>3,456</b>	<b>79</b>	<b>1,621</b>	<b>3,173</b>	<b>4,909</b>
Misc Exp	-	-	-	-	-	-
<b>Total Assets</b>	<b>12,817</b>	<b>14,780</b>	<b>14,957</b>	<b>16,854</b>	<b>20,370</b>	<b>24,958</b>

**Cash flow statement**

Y/E March (₹ cr)	FY08	FY09	FY10	FY11	FY12E	FY13E
Profit before tax	4,572	4,826	6,015	7,268	8,479	10,052
Depreciation	438	549	609	656	714	770
Change in Working Capital	(432)	(326)	291	5	(454)	(616)
Interest / Dividend (Net)	(337)	(276)	(267)	(336)	(395)	(414)
Direct taxes paid	1,452	1,562	1,954	2,281	2,679	3,177
Others	(80)	51	206	(25)	(45)	(29)
<b>Cash Flow from Operations</b>	<b>2,710</b>	<b>3,262</b>	<b>4,901</b>	<b>5,287</b>	<b>5,620</b>	<b>6,587</b>
(Inc.)/ Dec. in Fixed Assets	(2,242)	(1,686)	(1,204)	(1,122)	(1,993)	(2,988)
(Inc.)/ Dec. in Investments	172	144	(2,889)	172	(685)	(635)
<b>Cash Flow from Investing</b>	<b>(2,071)</b>	<b>(1,542)</b>	<b>(4,093)</b>	<b>(950)</b>	<b>(2,678)</b>	<b>(3,623)</b>
Issue of Equity	45	45	721	904	3	0
Inc./ (Dec.) in loans	14	(37)	(70)	(9)	(22)	(20)
Dividend Paid (Incl. Tax)	1,365	1,543	1,630	4,452	4,001	2,266
Interest / Dividend (Net)	(337)	(276)	(267)	(336)	(395)	(414)
<b>Cash Flow from Financing</b>	<b>(969)</b>	<b>(1,259)</b>	<b>(712)</b>	<b>(3,220)</b>	<b>(3,624)</b>	<b>(1,872)</b>
Inc./ (Dec.) in Cash	(330)	461	95	1,117	(683)	1,093
<b>Opening Cash balances</b>	<b>900</b>	<b>570</b>	<b>1,031</b>	<b>1,126</b>	<b>2,243</b>	<b>1,561</b>
<b>Closing Cash balances</b>	<b>570</b>	<b>1,031</b>	<b>1,126</b>	<b>2,243</b>	<b>1,561</b>	<b>2,653</b>

**Key ratios**

Y/E March	FY08	FY09	FY10	FY11	FY12E	FY13E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	51.5	49.3	39.6	32.2	27.7	23.4
P/CEPS	21.9	20.5	16.9	28.4	24.7	21.0
P/BV	6.5	5.7	5.6	10.0	8.3	6.7
Dividend yield (%)	1.7	1.8	4.8	2.2	1.2	1.2
EV/Sales	11.2	10.0	8.4	7.2	6.2	5.1
EV/EBITDA	35.6	32.2	25.2	21.3	18.2	15.1
EV / Total Assets	12.2	10.6	10.3	9.0	7.5	6.0
<b>Per Share Data (₹)</b>						
EPS (Basic)	4.0	4.2	5.2	6.4	7.5	8.8
EPS (fully diluted)	4.0	4.2	5.2	6.4	7.5	8.8
Cash EPS	9.4	10.1	12.2	7.3	8.4	9.8
DPS	3.5	3.7	10.0	4.5	2.5	2.5
Book Value	32.0	36.4	36.8	20.6	25.1	31.0
<b>Returns (%)</b>						
RoCE	33.1	31.2	36.8	40.8	41.2	40.7
Angel RoIC (Pre-tax)	43.2	38.8	50.2	57.3	52.5	51.8
RoE	27.7	25.3	29.2	33.2	32.7	31.5
<b>Turnover ratios (x)</b>						
Asset Turnover	1.7	1.6	1.6	1.7	1.8	1.8
Inventory / Sales (days)	106	108	91	91	83	81
Receivables (days)	20	16	18	16	17	17
Payables (days)	73	70	71	77	72	72
Net Working capital (days)	53	57	(21)	(11)	24	28

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	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 (> 15%)	Accumulate (5% to 15%)	Neutral (-5 to 5%)
	Reduce (-5% to 15%)	Sell (< -15%)	