

## ITC

### Performance Highlights

#### Quarterly result (Standalone)

(₹ cr)	1QFY13	1QFY12	% chg	4QFY12	%qoq
<b>Revenue</b>	<b>6,652</b>	<b>5,767</b>	<b>15.3</b>	<b>6,861</b>	<b>(3.0)</b>
EBITDA	2,307	1,873	23.2	2,170	6.3
OPM (%)	34.7	32.5	221	31.6	306
<b>PAT</b>	<b>1,602</b>	<b>1,333</b>	<b>20.2</b>	<b>1,614</b>	<b>(0.8)</b>

Source: Company, Angel Research

For 1QFY2013, ITC posted robust 20.2% yoy growth in its net profit to ₹1,602cr. The company's non-cigarette FMCG business reported substantial decline in its losses. The segment's operating losses stood at ₹39cr in 1QFY2013 (vs. ₹76cr in 1QFY2012).

**Key highlights:** For 1QFY2013, ITC posted 15.3% yoy growth in its net sales to ₹6,652cr. While growth in the cigarette business (net sales of ₹3,425cr) stood at 19.2% yoy, other FMCG business witnessed 23.0% yoy growth to ₹1473cr. The agri business and hotel business remained flat yoy at ₹1,691cr and ₹232cr respectively. Cigarette volume growth remained flat for the quarter due to price hikes on account of increase in excise duty. On the operating front, operating margin stood at 34.7%, up 221bp yoy due to higher realization on cigarettes, reduction in losses on the non-cigarette FMCG business. However, Gross margin remained flat yoy at 61.3%.

**Outlook and valuation:** We expect ITC to report a top-line and bottom-line CAGR of ~17% over FY2012-14E, driven by the company's diversified business model and ability to invest in growing businesses. Although we expect the recent price hikes to put pressure on cigarette volume growth, we do not see a major impact of the same on the company's earnings profile. **At the CMP, the stock is trading at 23.6x 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>29,513</b>	<b>33,885</b>
% chg	16.6	17.2	19.0	14.8
<b>Net Profit (Adj)</b>	<b>4,988</b>	<b>6,162</b>	<b>7,254</b>	<b>8,431</b>
% chg	22.8	23.6	17.7	16.2
EBITDA (%)	33.6	34.2	35.4	35.8
<b>EPS (₹)</b>	<b>6.4</b>	<b>7.9</b>	<b>9.3</b>	<b>10.8</b>
P/E (x)	39.9	32.3	27.4	23.6
P/BV (x)	12.3	10.6	9.1	7.6
RoE (%)	33.2	35.5	35.6	35.0
RoCE (%)	40.5	42.3	45.2	45.0
EV/Sales (x)	8.9	7.6	6.4	5.5
EV/EBITDA (x)	26.6	22.1	18.0	15.5

Source: Company, Angel Research

## NEUTRAL

CMP	₹254
Target Price	-

Investment Period	-
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Stock Info	
Sector	FMCG
Market Cap (₹ cr)	199,273
Net Debt (₹ cr)	(9,056)
Beta	0.5
52 Week High / Low	260/185
Avg. Daily Volume	524,214
Face Value (₹)	1
BSE Sensex	16,839
Nifty	5,100
Reuters Code	ITC.BO
Bloomberg Code	ITC@IN

Shareholding Pattern (%)	
Promoters	0.0
MF / Banks / Indian Fls	34.1
FII / NRIs / OCBs	18.3
Indian Public / Others	47.6

Abs. (%)	3m	1yr	3yr
Sensex	(1.7)	(8.6)	9.5
ITC	3.5	26.7	119.6

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

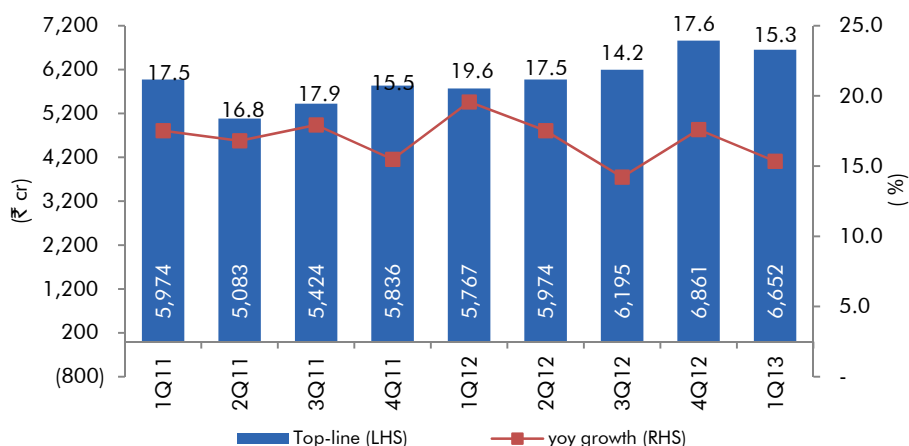
Y/E March (₹ cr)	1QFY13	1QFY12	% yoy	4QFY12	%qoq	FY2012	FY2011	% chg
<b>Net Sales</b>	<b>6,652</b>	<b>5,767</b>	<b>15.3</b>	<b>6,861</b>	<b>(3.0)</b>	<b>24,799</b>	<b>21,168</b>	<b>17.2</b>
Consumption of RM	2,577	2,310	11.5	2,804	(8.1)	9,633	8,161	18.0
(% of Sales)	38.7	40.1		40.9	(5.2)	38.8	38.6	
Staff Costs	412	388	6.2	332	24.1	1,256	1,140	10.2
(% of Sales)	6.2	6.7		4.8	28.0	5.1	5.4	
Other Expenses	1,356	1,196	13.3	1,555	(12.8)	5,429	4,745	14.4
(% of Sales)	20.4	20.7		22.7	(10.1)	21.9	22.4	
<b>Total Expenditure</b>	<b>4,345</b>	<b>3,895</b>	<b>11.6</b>	<b>4,691</b>	<b>(7.4)</b>	<b>16,318</b>	<b>14,046</b>	<b>16.2</b>
<b>Operating Profit</b>	<b>2,307</b>	<b>1,873</b>	<b>23.2</b>	<b>2,170</b>	<b>6.3</b>	<b>8,480</b>	<b>7,121</b>	<b>19.1</b>
OPM	34.7	32.5	221bp	31.6	306bp	34.2	33.6	55bp
Interest	14	20	(31.3)	15	(7.2)	78	68	14.0
Depreciation & Ammortisation	195	166	17.0	188	3.6	699	656	6.5
Other Income	238	251	(5.2)	301	(21.1)	1,201	871	37.8
<b>PBT (excl. Extraordinary Items)</b>	<b>2,337</b>	<b>1,937</b>	<b>20.6</b>	<b>2,268</b>	<b>3.0</b>	<b>8,904</b>	<b>7,268</b>	<b>22.5</b>
Extraordinary Income/(Expense)	-	-		-		-	-	
<b>PBT (incl. Extraordinary Items)</b>	<b>2,337</b>	<b>1,937</b>	<b>20.6</b>	<b>2,268</b>	<b>3.0</b>	<b>8,904</b>	<b>7,268</b>	<b>22.5</b>
(% of Sales)	35.1	33.6		33.1	6.2	35.9	34.3	
Provision for Taxation	734	604	21.5	654	12.3	2,742	2,281	20.2
(% of PBT)	31.4	31.2		28.8	9.0	30.8	31.4	
<b>Reported PAT</b>	<b>1,602</b>	<b>1,333</b>	<b>20.2</b>	<b>1,614</b>	<b>(0.8)</b>	<b>6,162</b>	<b>4,988</b>	<b>23.5</b>
PATM	24	23		24	2.4	25	24	
Equity shares (cr)	782	771		782	0.0	782	771	
<b>EPS (₹)</b>	<b>2.0</b>	<b>1.7</b>	<b>20.2</b>	<b>2.1</b>	<b>(0.8)</b>	<b>7.9</b>	<b>6.4</b>	<b>23.5</b>

Source: Company, Angel Research

**Double digit top-line growth continues**

ITC reported double-digit top-line growth of 15.3% yoy to ₹6,652cr. The cigarette division registered 19.2% yoy growth in net revenue to ₹3,425cr on the back of higher realization due to the price hikes taken by the company after hike in excise duty in budget.

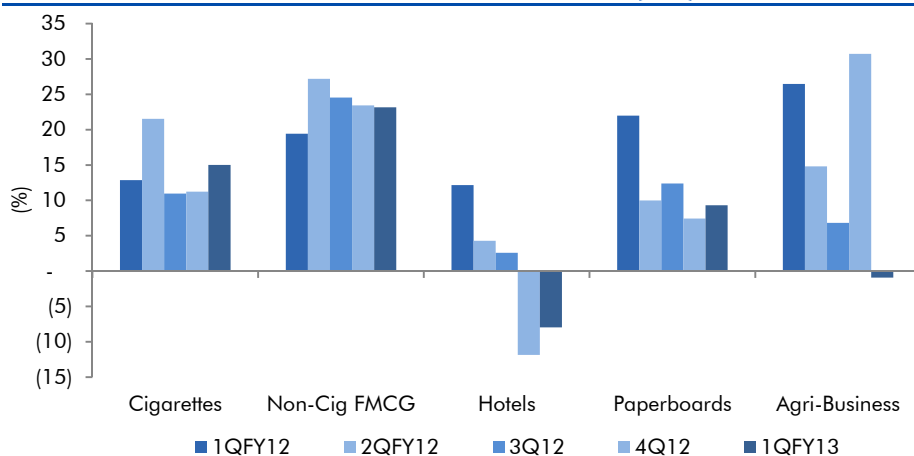
**Exhibit 2: Steady top-line growth of 15.3% yoy**



Source: Company, Angel Research

Amongst other segments, the paperboards and packaging businesses posted a growth of 9.3% yoy to ₹1,049cr while agriculture businesses remained flat at ₹1,691cr. The non-cigarette FMCG business reported robust revenue growth of 23.0% yoy to ₹1473cr while the hotel business revenue remained flat yoy at ₹232cr.

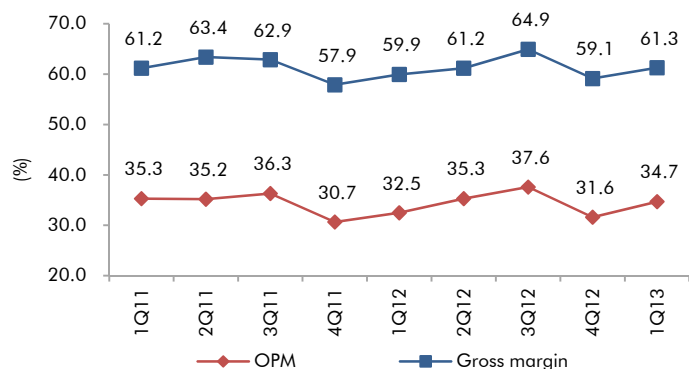
**Exhibit 3: Segmental growth trend on gross basis (yoy)**



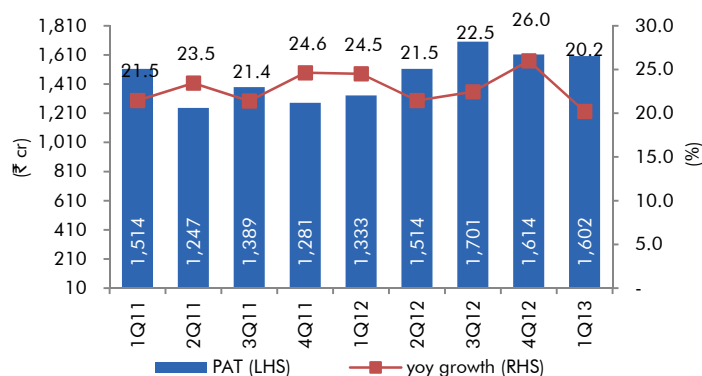
Source: Company, Angel Research

**Earnings grew by 20.2% yoy led by 221bp yoy OPM expansion**

Earnings for the quarter grew by robust 20.2% yoy to ₹1,602cr driven by double digit top-line growth and 221bp yoy expansion in OPM to 34.7%. Operating margin rose during the quarter driven by price hikes taken by the company. Gross margin rose by 132bp yoy to 61.3%.

**Exhibit 4: OPM expands 221bp yoy to 34.7%**


Source: Company, Angel Research

**Exhibit 5: Strong earnings growth rate at 20.2% yoy**


Source: Company, Angel Research

**Exhibit 6: Segment-wise performance (Standalone)**

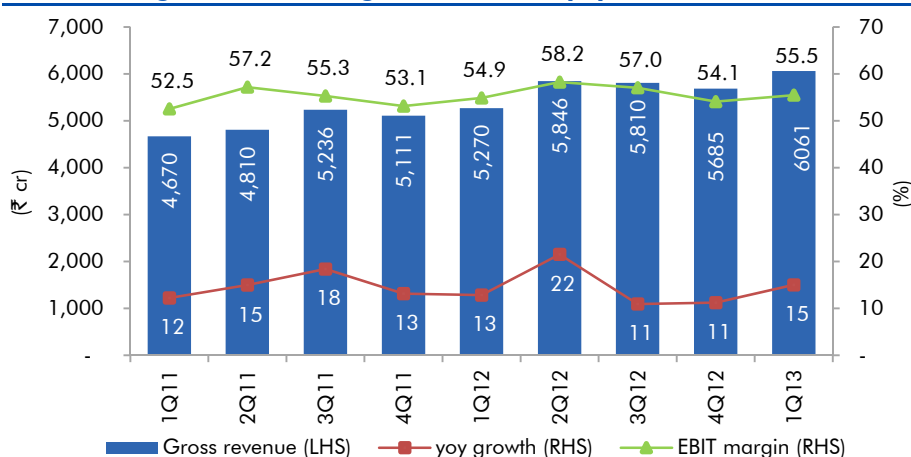
Y/E Mar (₹ cr)	1QFY13	1QFY12	% yoy	4QFY12	% qoq	FY12	FY11	% chg
Cigarettes	3,425	2,874	19.2	3,250	5.4	12,324	10,574	16.6
Others	1,473	1,198	23.0	1,617	(8.9)	5,526	4,472	23.6
Hotels	232	230	0.8	286	(18.7)	1,006	1,001	0.5
Agri Business	1,691	1,707	(0.9)	1,414	19.6	5,695	4,748	20.0
Paperboards & Packaging	1,049	960	9.3	980	7.0	3,923	3,507	11.9
Less: Inter-segmental Revenues	1,083	1,201	(9.8)	685	58.1	3,676	3,134	17.3
<b>Total Gross Income (Excl Other Income)</b>	<b>6,788</b>	<b>5,767</b>	<b>17.7</b>	<b>6,861</b>	<b>(1.1)</b>	<b>24,798</b>	<b>21,168</b>	<b>17.2</b>
Cigarettes	1,900	1,577	20.5	1,758	8.1	6,908	5,767	19.8
Others	(39)	(76)		(17)		(195)	(298)	
Hotels	26	51	(48.9)	83	(68.4)	279	267	4.8
Agri Business	171	157	9.1	106	62.3	643	566	13.6
Paperboards & Packaging	265	227	16.6	196	35.2	937	819	14.3
<b>Total PBIT</b>	<b>2,323</b>	<b>1,936</b>	<b>20.0</b>	<b>2,125</b>	<b>9.3</b>	<b>8,571</b>	<b>7,121</b>	<b>20.4</b>
<b>PBIT Margin (%)</b>								
Cigarettes	55.5	54.9		54.1		56.0	54.5	
Others	(2.6)	(6.4)		(1.0)		(3.5)	(6.7)	
Hotels	11.3	22.3		29.0		27.8	26.6	
Agri Business	10.1	9.2		7.5		11.3	11.9	
Paperboards & Packaging	25.2	23.7		20.0		23.9	23.4	

Source: Company, Angel Research

### Cigarette division growth driven by price hikes

ITC's cigarette division posted 15.0% yoy growth to ₹6061cr in gross revenue (19.2% yoy growth in net revenue to ₹3,425cr) on the back of price hikes taken in cigarettes. The hike in excise duty in the budget led to sharp price hike in cigarettes. This resulted in flat volume growth. On the margin front, the cigarette division's EBIT margin rose by 60bp yoy to 55.5%.

**Exhibit 7: Cigarette division grows at 15.0% yoy**

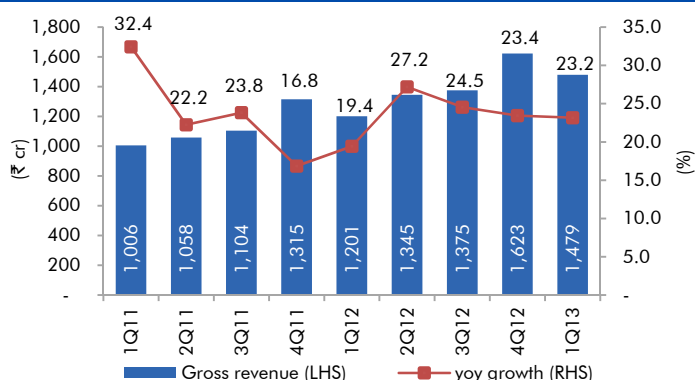


Source: Company, Angel Research

### Non-cigarette FMCG witnessing strong revenue traction

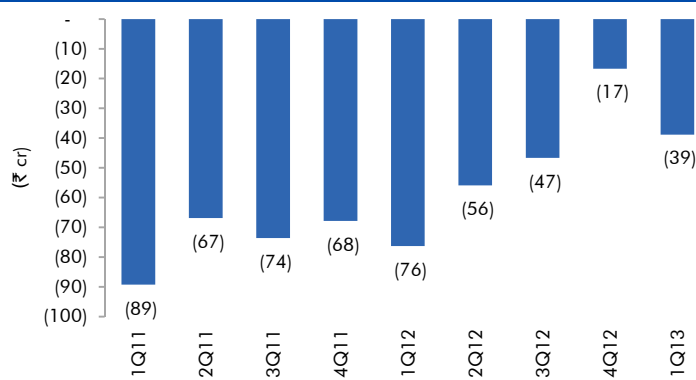
ITC's non-cigarette FMCG business registered strong revenue growth of 23.2% yoy to ₹1,479cr in gross revenue (23.0% yoy to ₹1473cr in net revenue), driven by impressive performance from product categories such as branded packaged foods and personal products among others. Operating losses of the business reduced to ₹39cr in 1QFY2013 from ₹76cr in 1QFY2012.

**Exhibit 8: Non-cig FMCG revenue growth at 23.2% yoy**



Source: Company, Angel Research

**Exhibit 9: Non-cig. FMCG losses reduce yoy to ₹39cr**



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 double-digit sales growth over FY2012-14E. The company has taken price hike of ~12% in cigarettes post the budget, which is expected to result in higher realization.
- **Non-cigarette businesses to register an ~13% CAGR over FY2012-14E:** While cigarettes remain the main profit center for the company, investments in 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% over FY2012-14E, driven by the company's diversified business model and ability to invest in growing businesses. Although we expect the recent price hikes to put pressure on cigarette volume growth, we do not see a major impact of the same on the company's earnings profile. **At the CMP, the stock is trading at 23.6x FY2014E EPS. We maintain a Neutral rating on the stock.**

**Exhibit 10: Peer valuation**

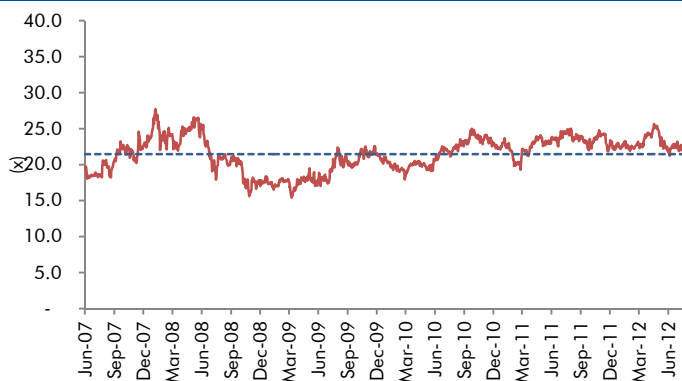
Company	Reco	Mcap (₹ cr)	CMP (₹)	TP (₹)	Upside (%)	P/E (x)		EV/Sales (x)		RoE (%)		CAGR #	
						FY13E	FY14E	FY13E	FY14E	FY13E	FY14E	Sales	EPS
Asian Paints	Neutral	33,617	3,505	-	-	29.0	24.2	2.9	2.4	37.4	35.3	17.0	18.5
Britannia	Buy	5,612	470	633	35	22.7	17.1	0.9	0.8	42.7	44.3	17.4	32.7
Colgate	Neutral	15,430	1,135	-	-	32.8	27.7	5.0	4.3	99.5	94.1	12.8	11.7
Dabur	Neutral	20,580	118	-	-	26.5	22.8	3.4	2.9	43.2	41.4	15.3	18.3
GCPL	Neutral	20,592	636	-	-	27.9	23.4	3.6	3.0	31.2	30.0	20.1	26.7
GSKCHL*	Neutral	11,158	2,653	-	-	25.8	21.5	3.2	2.7	34.0	32.8	16.8	20.8
HUL	Neutral	100,445	465	-	-	32.6	28.2	3.7	3.2	70.9	59.8	15.5	17.6
<b>ITC</b>	<b>Neutral</b>	<b>199,273</b>	<b>254</b>	-	-	<b>27.4</b>	<b>23.6</b>	<b>6.4</b>	<b>5.5</b>	<b>35.6</b>	<b>35.0</b>	<b>16.9</b>	<b>17.0</b>
Marico	Neutral	12,008	195	-	-	29.4	24.0	2.6	2.1	30.0	28.8	16.5	25.1
Nestle*	Neutral	42,888	4,448	-	-	38.9	31.1	4.8	4.0	71.1	61.4	18.6	18.3
Tata Global	Acc.	7,455	121	136	13	19.2	16.1	1.0	0.9	9.5	10.9	8.2	14.0

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

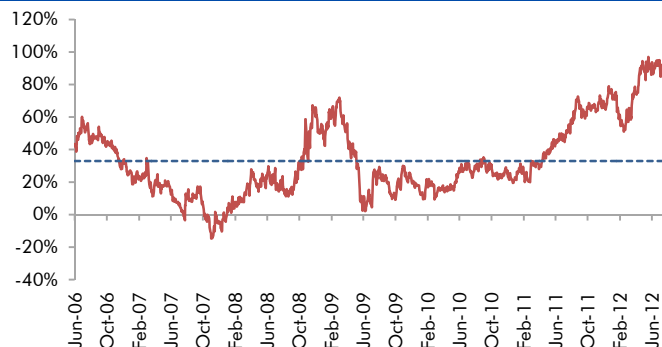
**Exhibit 11: Angel vs. consensus estimates**

Top-line (₹ cr)	FY2013E	FY2014E	EPS (₹)	FY2013E	FY2014E
Angel estimates	29,513	33,885	Angel estimates	9.3	10.8
Consensus	30,159	34,772	Consensus	9.3	11.1
Diff. (%)	(2.1)	(2.6)	Diff. (%)	0.0	(2.7)

Source: Company, Angel Research

**Exhibit 12: One year forward PE**


Source: Company, Angel Research (Blue line indicates 1yr fwd sensex PE)

**Exhibit 13: One year forward Premium v/s Sensex**


Source: Company, Angel Research

**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>29,513</b>	<b>33,885</b>
% chg	11.9	16.3	16.6	17.2	19.0	14.8
Total Expenditure	10,753	12,079	14,046	16,318	19,078	21,768
Cost of Materials	5,958	7,007	8,161	9,633	11,095	12,670
Advertising Exp	502	512	624	687	856	983
Personnel	891	1,003	1,140	1,256	1,623	1,864
Others	3,402	3,557	4,122	4,743	5,504	6,252
<b>EBITDA</b>	<b>4,859</b>	<b>6,074</b>	<b>7,121</b>	<b>8,480</b>	<b>10,435</b>	<b>12,116</b>
% chg	10.3	25.0	17.2	19.1	23.1	16.1
(% of Net Sales)	31.1	33.5	33.6	34.2	35.4	35.8
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>9,665</b>	<b>11,291</b>
% chg	8.7	26.8	18.3	20.4	24.2	16.8
(% of Net Sales)	27.6	30.1	30.5	31.4	32.7	33.3
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	9.9	9.3
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>10,637</b>	<b>12,362</b>
% chg	5.6	24.7	20.8	22.5	19.5	16.2
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>10,637</b>	<b>12,362</b>
Tax	1,562	1,954	2,281	2,742	3,382	3,931
(% 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>7,254</b>	<b>8,431</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>7,254</b>	<b>8,431</b>
<b>ADJ. PAT</b>	<b>3,264</b>	<b>4,061</b>	<b>4,988</b>	<b>6,162</b>	<b>7,254</b>	<b>8,431</b>
% chg	4.6	24.4	22.8	23.5	17.7	16.2
(% of Net Sales)	20.9	22.4	23.6	24.8	24.6	24.9
<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>10.8</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>10.8</b>
% chg	4.6	24.4	22.8	23.6	17.7	16.2

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	21,158	25,484
<b>Shareholders Funds</b>	<b>13,735</b>	<b>14,064</b>	<b>15,953</b>	<b>18,792</b>	<b>21,940</b>	<b>26,265</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>22,944</b>	<b>27,269</b>
<b>APPLICATION OF FUNDS</b>						
Gross Block	10,559	11,968	12,601	13,926	16,396	18,825
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>10,806</b>	<b>12,409</b>
Capital Work-in-Progress	1,214	1,009	1,323	2,269	1,640	1,882
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	11,884	13,044
Cash	1,031	1,126	2,243	2,819	2,415	2,173
Loans & Advances	1,860	1,595	657	637	885	1,017
Other	5,280	5,422	6,154	6,624	8,583	9,854
Current liabilities	4,716	8,064	8,476	9,100	9,528	9,843
<b>Net Current Assets</b>	<b>3,456</b>	<b>79</b>	<b>579</b>	<b>980</b>	<b>2,356</b>	<b>3,200</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>22,944</b>	<b>27,269</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	FY12E	FY13E	FY14E
Profit before tax	4,826	6,015	7,268	8,905	10,637	12,362
Depreciation	549	609	656	699	770	826
Change in Working Capital	(326)	291	4	(822)	(1,839)	(1,125)
Interest / Dividend (Net)	(276)	(267)	(326)	(516)	(360)	(360)
Direct taxes paid	1,562	1,954	2,281	2,742	3,382	3,931
Others	51	206	(188)	903	(11)	38
<b>Cash Flow from Operations</b>	<b>3,262</b>	<b>4,901</b>	<b>5,133</b>	<b>6,426</b>	<b>5,814</b>	<b>7,810</b>
(Inc.)/ Dec. in Fixed Assets	(1,686)	(1,204)	(947)	(2,272)	(1,840)	(2,671)
(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>(2,472)</b>	<b>(4,306)</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	(404)	(242)
<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>2,415</b>
<b>Closing Cash balances</b>	<b>1,031</b>	<b>1,126</b>	<b>2,243</b>	<b>2,819</b>	<b>2,415</b>	<b>2,173</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	FY12E	FY13E	FY14E
<b>Valuation Ratio (x)</b>						
P/E (on FDEPS)	60.9	49.0	39.9	32.3	27.4	23.6
P/CEPS	25.2	20.8	34.9	29.0	24.8	21.5
P/BV	7.0	6.9	12.3	10.6	9.1	7.6
Dividend yield (%)	1.5	3.9	1.7	1.8	1.8	1.8
EV/Sales	12.4	10.5	8.9	7.6	6.4	5.5
EV/EBITDA	39.8	31.3	26.6	22.1	18.0	15.5
EV / Total Assets	13.1	12.7	11.2	9.5	8.2	6.9
<b>Per Share Data (₹)</b>						
EPS (Basic)	4.2	5.2	6.4	7.9	9.3	10.8
EPS (fully diluted)	4.2	5.2	6.4	7.9	9.3	10.8
Cash EPS	10.1	12.2	7.3	8.8	10.3	11.8
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	33.6
<b>Returns (%)</b>						
RoCE	31.2	36.8	40.5	42.3	45.2	45.0
Angel RoIC (Pre-tax)	38.8	50.2	56.7	53.4	54.8	53.6
RoE	25.3	29.2	33.2	35.5	35.6	35.0
<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	58
Net Working capital (days)	57	(21)	(29)	(27)	(1)	11

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### 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%)