ITC (ITC.BO)

The Read Through: FY12 Annual Report Analysis

- Company Update
- Target Price Change
- Estimate Change

- **Robust operating leverage in cigarettes** — We estimate fixed costs of the cigarette business have risen by 46% over the past 5 years – while net cigarette revenues have virtually doubled (primarily driven by price – volumes have risen only ~7% FY07-12). The growth in cigarette EBIT over the same period has been ~118% - illustrating the high operating leverage and sensitivity to pricing.
- **Healthy turnaround in non cigarette FMCG under way** — Other FMCG EBIT losses were lower by 35% at Rs1.96bn, as the business garners scale and better pricing / mix drives profitability despite higher input costs and ad spends. Revenue CAGR has been 27% over FY07-12. We believe the category is likely to break even in 2HFY13.
- **Profit ratios and cash surplus trend up** — The increase in profits translated into a healthy rise in cash + current investments to ~Rs72bn end FY12, from ~Rs62bn end FY11, and accounted for ~36% of total funds applied. RoEs rose modestly YoY, driven by modest increases in the balance sheet size and accompanied by an operating margin expansion.
- **Capex: Moderating as % of cash flows**— Capex spends surged over FY07-12: ~Rs17bn annual average vs. ~Rs9bn between FY02-07. However, over the recent years we note that the annual capex spends as % of cigarette EBITDA have declined from 45% in FY07 to 33% in FY12. We note that higher spends on new hotels projects and in cigarettes led to higher capex of Rs23bn in FY12. Going forward, we expect this ratio to decline further as capex is expected to remain in the range of ~Rs15-20bn pa.
- **Reiterate Buy** — We believe ITC should continue to be a core holding, given its solid competitive positioning and cash flows of the cigarettes business. Over the immediate term, however, we think share price performance could be modest, given a) the recent spike in share price, and b) the possibility that cigarette volumes might decline in 1HFY13 on last year's high base (+8%) and given the aggressive price hikes (+12-13% YTD). Our FY13/14 estimates are marginally increased (~1%) as we update the annual report details and revise our target price to Rs278 as we roll forward to 25x FY14 EPS.

Buy	**1**
Price (26 Jun 12)	Rs246.35
Target price	Rs278.00
from Rs255.00	
Expected share price return	12.8%
Expected dividend yield	2.3%
Expected total return	**15.1%**
Market Cap	Rs1,926,069M
	US$33,811M

Price Performance
(RIC: ITC.BO, BB: ITC IN)

Statistical Abstract

Year to 31 Mar	Net Profit (RsM)	Diluted EPS (Rs)	EPS growth (%)	P/E (x)	P/B (x)	ROE (%)	Yield (%)
2011A	49,876	6.45	21.2	38.2	11.9	33.2	1.8
2012A	61,624	7.88	22.3	31.3	10.2	35.5	1.8
2013E	73,748	9.43	19.7	26.1	9.2	37.0	2.3
2014E	86,797	11.10	17.7	22.2	8.1	38.9	2.7
2015E	99,892	12.78	15.1	19.3	7.2	39.7	3.1

Source: Powered by dataCentral

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See Appendix A-1 for Analyst Certification, Important Disclosures and non-US research analyst disclosures.

ITC.BO: Fiscal year end 31-Mar — **Price: Rs246.35; TP: Rs278.00; Market Cap: Rs1,926,069m; Recomm: Buy**

Profit & Loss (Rsm)	**2011**	**2012**	**2013E**	**2014E**	**2015E**
Sales revenue	211,676	251,738	282,230	321,444	365,268
Cost of sales	-106,771	-125,065	-135,296	-152,268	-173,360
Gross profit	104,905	126,673	146,935	169,176	191,908
Gross Margin (%)	49.6	50.3	52.1	52.6	52.5
EBITDA	**71,534**	**88,486**	**104,857**	**122,983**	**140,985**
EBITDA Margin (%)	33.8	35.2	37.2	38.3	38.6
Depreciation	-6,560	-6,985	-7,796	-8,586	-9,304
Amortisation	0	0	0	0	0
EBIT	**64,975**	**81,501**	**97,061**	**114,397**	**131,681**
EBIT Margin (%)	30.7	32.4	34.4	35.6	36.1
Net interest	-481	-779	-142	-6	-6
Associates	0	0	0	0	0
Non-op/Except	8,188	8,253	9,500	10,857	12,469
Pre-tax profit	**72,682**	**88,975**	**106,419**	**125,248**	**144,144**
Tax	-22,806	-27,352	-32,671	-38,451	-44,252
Extraord./Min.Int./Pref.div.	0	0	0	0	0
Reported net profit	**49,876**	**61,624**	**73,748**	**86,797**	**99,892**
Net Margin (%)	23.6	24.5	26.1	27.0	27.3
Core NPAT	49,876	61,624	73,748	86,797	99,892

Per share data	**2011**	**2012**	**2013E**	**2014E**	**2015E**
Reported EPS (Rs)	6.45	7.88	9.43	11.10	12.78
Core EPS (Rs)	6.45	7.88	9.43	11.10	12.78
DPS (Rs)	4.45	4.50	5.66	6.66	7.67
CFPS (Rs)	6.77	10.42	10.60	12.77	14.44
FCFPS (Rs)	5.24	7.36	8.68	10.85	12.84
BVPS (Rs)	20.62	24.04	26.89	30.25	34.12
Wtd avg ord shares (m)	7,738	7,818	7,818	7,818	7,818
Wtd avg diluted shares (m)	7,738	7,818	7,818	7,818	7,818

Growth rates	**2011**	**2012**	**2013E**	**2014E**	**2015E**
Sales revenue (%)	16.6	18.9	12.1	13.9	13.6
EBIT (%)	18.9	25.4	19.1	17.9	15.1
Core NPAT (%)	22.8	23.6	19.7	17.7	15.1
Core EPS (%)	21.2	22.3	19.7	17.7	15.1

Balance Sheet (Rsm)	**2011**	**2012**	**2013E**	**2014E**	**2015E**
Cash & cash equiv.	22,432	28,189	31,228	42,881	69,334
Accounts receivables	9,076	9,860	10,959	12,469	14,110
Inventory	52,675	56,378	64,856	73,014	83,024
Net fixed & other tangibles	96,785	125,696	134,882	143,230	148,587
Goodwill & intangibles	0	0	0	0	0
Financial & other assets	73,202	69,541	83,226	95,374	99,126
Total assets	**254,171**	**289,664**	**325,150**	**366,968**	**414,181**
Accounts payable	44,579	47,961	51,025	57,092	64,520
Short-term debt	0	0	0	0	0
Long-term debt	992	791	18	18	18
Provisions & other liab	49,067	52,993	63,858	73,326	82,864
Total liabilities	**94,638**	**101,745**	**114,900**	**130,436**	**147,402**
Shareholders' equity	159,533	187,919	210,250	236,532	266,779
Minority interests	0	0	0	0	0
Total equity	**159,533**	**187,919**	**210,250**	**236,532**	**266,779**
Net debt	**-21,440**	**-27,398**	**-31,211**	**-42,863**	**-69,316**
Net debt to equity (%)	-13.4	-14.6	-14.8	-18.1	-26.0

Valuation ratios	**2011**	**2012**	**2013E**	**2014E**	**2015E**
PE (x)	38.2	31.3	26.1	22.2	19.3
PB (x)	11.9	10.2	9.2	8.1	7.2
EV/EBITDA (x)	26.5	21.3	17.9	15.2	13.1
FCF yield (%)	2.1	3.0	3.5	4.4	5.2
Dividend yield (%)	1.8	1.8	2.3	2.7	3.1
Payout ratio (%)	69	57	60	60	60
ROE (%)	33.2	35.5	37.0	38.9	39.7

Cashflow (Rsm)	**2011**	**2012**	**2013E**	**2014E**	**2015E**
EBITDA	71,534	88,486	104,857	122,983	140,985
Working capital	-4,254	12,167	1,325	4,443	3,726
Other	-14,930	-19,169	-23,312	-27,600	-31,790
Operating cashflow	**52,351**	**81,484**	**82,870**	**99,826**	**112,921**
Capex	-11,831	-23,960	-15,000	-15,000	-12,500
Net acq/disposals	1,722	-7,619	-10,781	-10,859	-2,312
Other	0	0	0	0	0
Investing cashflow	**-10,109**	**-31,579**	**-25,781**	**-25,859**	**-14,812**
Dividends paid	-40,015	-40,890	-51,417	-60,515	-69,645
Financing cashflow	**-31,072**	**-44,148**	**-54,050**	**-62,314**	**-71,657**
Net change in cash	**11,170**	**5,757**	**3,039**	**11,653**	**26,452**
Free cashflow to s/holders	**40,520**	**57,525**	**67,870**	**84,826**	**100,421**

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For definitions of the items in this table, please click here.

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Annual Report Takeaways

Cigarettes business

The management notes in its commentary that the regulatory environment remains challenging for the cigarettes industry which is impacted by a discrimination taxation and regulatory framework. Cigarettes contribute over 74% of tax revenue, while accounting for less than 15% of tobacco consumption. India, with 17% of the world population, accounts for 89% of global tobacco consumption in smokeless form. Cigarette consumption in India, on the other hand, constitutes only 1.9% of global consumption.

Per the annual report, 29 different tax rates are currently applicable on cigarettes across States in India which has forced manufacturers to adopt State-specific pricing.

The high tax levels spur the sales of illegal cigarettes - over 2005-2010, 'duty paid' cigarette volumes declined 4.4% - 'duty-not-paid' volumes rose 49.3% over the same period.

Based on our estimates, we note that the fixed costs of the cigarette business have risen by 46% over the past 5 years – while net revenues have risen an estimated 100%, primarily driven by price – volumes have risen only ~7% FY07-12 (1% CAGR). The growth in cigarette EBIT over the same period has been 118% - illustrating the high operating leverage and sensitivity to pricing.

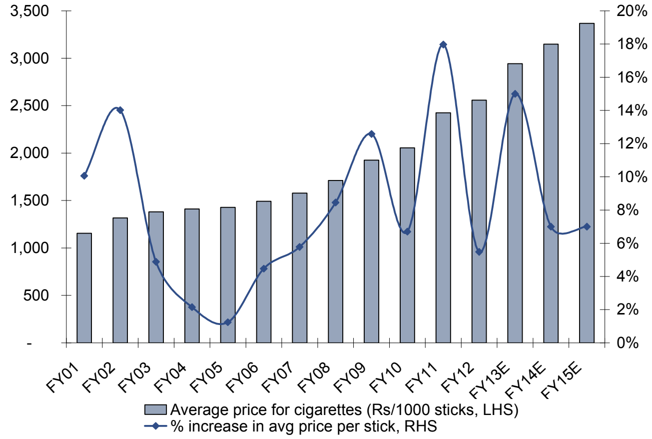
The higher pricing and relatively stable tobacco costs have led to a modest rise in gross margins.

Figure 1. ITC: Cigarette Business (Rs Mn)

	2007	2008	2009	2010	2011	2012
No. of sticks sold (bn)	81	81	78	84	82	87
Cigarette revenues (gross)	128,337	138,256	151,151	172,830	198,276	222,504
Less: Excise	(66,671)	(71,484)	(75,582)	(79,619)	(92,539)	(99,260)
Net cigarette revenues	61,666	66,772	75,568	93,212	105,737	123,244
Cigarette related costs	9,422	9,553	13,786	21,151	23,464	23,660
Cigarette gross profits	52,244	57,218	61,782	72,060	82,273	99,584
GM(%)	84.7%	85.7%	81.8%	77.3%	77.8%	80.8%
Other expenses	19,469	19,538	18,368	20,996	22,684	28,458
EBITDA	32,775	37,680	43,414	51,064	59,589	71,126
EBITDA Margins (%)	53.1%	56.4%	57.4%	54.8%	56.4%	57.7%

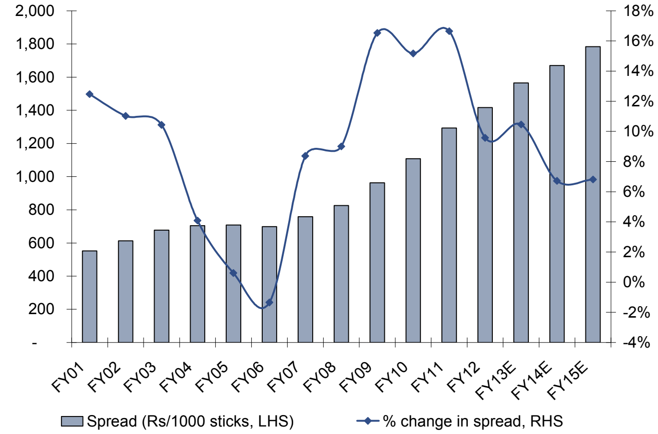
Source: Company Reports and Citi Investment Research and Analysis estimates

Figure 2. Average Cigarette Pricing Trends (Rs/1000 sticks, % Change Y/Y)



Source: Company Reports and CIRA Estimates

Figure 3. Difference Between Price hike vs. Excise duty change (Rs/1000 sticks, % Change Y/Y)



Source: Company Reports and CIRA Estimates

Branded Packaged Foods

This business comprises seven brands - Aashirvaad, Sunfeast, Bingo!, Kitchens of India, mint-o, Candyman and Yippee! These brands leverage off ITC's internal R&D capabilities, consumer insights and an understanding of the Indian palate gained from its Hotels business. The back end of the business benefits from linkages with ITC's agri-sourcing & packaging strengths. The front end benefits from ITC's distribution network - the food products are distributed over more than 3.2 million outlets pan-India (in line with competitors like Dabur - 3.4m).

There appears to be a continued focus on premiumisation and focusing on health and wellness - for instance, within Aashirvaad atta, the new variants were in multi grains (health platform) and Aashirvaad Select (made from Sharbati grains).

Within biscuits too, the focus to premiumize the portfolio continues - with Sunfeast Dark Fantasy Choco Fills (biscuits with a semi-liquid chocolate center), and also dual cream biscuits.

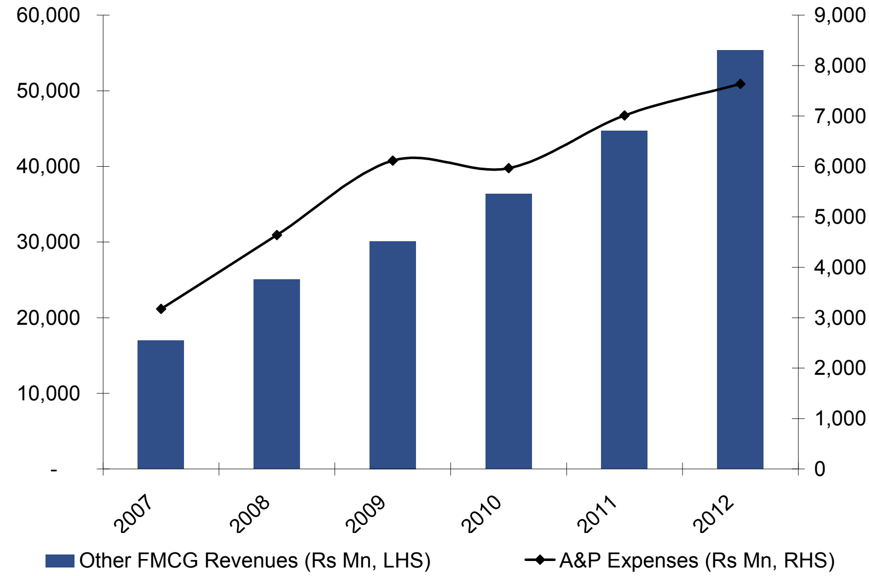
The foods business exports its products to geographies like North America, Africa, Middle East and Australia. The brand has been targeted at American and Canadian consumers - Aashirvaad has also been targeted to the Indian diaspora in these geographies. Exports of Aashirvaad Whole Wheat atta rose 87% Y/Y in FY12. Kitchens of India currently ranks No.2 in the USA and No.1 in Canada among all brands in the Indian Ready-to-Eat segment in traditional supermarkets. It is also sold through chains like Kroger, Safeway, Walmart, Whole Foods, et al.

Sunfeast biscuits were launched in the Middle East and Africa in 2011.

Personal Care

A new range of soaps was introduced under the 'Vivel' franchise with the launch of 'Vivel Luxury Créme' variant and a new offering 'Vivel Clear 3-in-1' in the transparent soap segment. The business entered the talcum powder category during the year with the launch of 3 variants under the Fiama Di Wills brand. During the year, the business also entered the fast growing Face Wash category with offerings under the Fiama Di Wills and Vivel brands. The fairness cream portfolio was augmented with the introduction of a new variant under the Superia brand.

Figure 4. Other FMCG Revenues v/s A&P Spends (Rs Mn)



Source: Company Reports

Retailing

In the premium segment, Wills Lifestyle's retail footprint was expanded to 86 exclusive stores across 40 cities and more than 300 ‘shop-in-shops’ in department stores and multi-brand outlets. Within this category too, there appears to be a focus on premiumisation and differentiation with the launch of ‘Wonderpress’ wrinkle free fabrics, ‘Ecostyle’ organic collection and ‘Créme de Cotton’ supersoft cottons. Within the popular segment, ‘John Players’ now has an established pan-India presence with over 340 flagship stores and 1,100 multi brand outlets and department stores. During the year, nearly 100 new stores were launched. The denims category grew strongly as a result of an enhanced range and premium differentiated washes.

Hotels

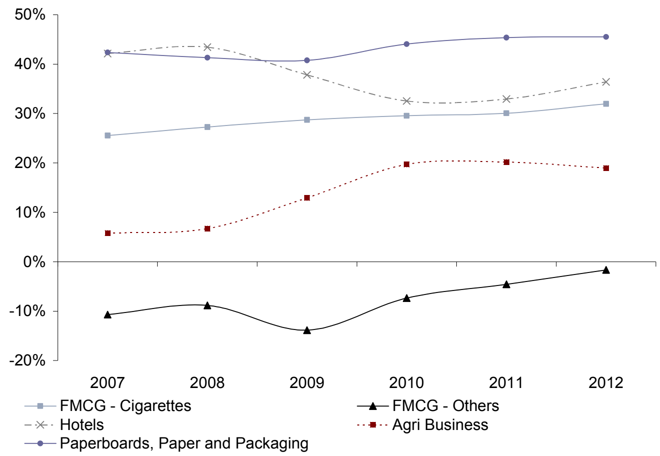
The business had 94 properties at 67 locations in India operating under 4 brands – ‘ITC Hotel’ at the luxury end, ‘WelcomHotel’ in the 5 star segment, ‘Fortune’ in the mid market segment and ‘WelcomHeritage’ in the heritage leisure segment. The new property in Chennai , ITC Grand Chola, is expected to commence operations in early FY13. The hotel has 522 rooms and suites and 78 service apartments. Construction activity of two new luxury properties at Kolkata and at Classic Golf Resort near Gurgaon continues. The ‘Fortune’ brand which caters to the mid market to upscale segment continued its expansion with an aggregate room inventory of over 5,000.

Paperboards, paper and packaging

The long term growth opportunity in paper is supported by the low levels of per capita consumption in India (9 kgs) vs. the global average of 55 kgs, 65 kgs in China and 215 kgs in Japan. Growth across segments like value-added paperboard, writing and printing paper, copier / fine paper is expected to range from 8%-16%.

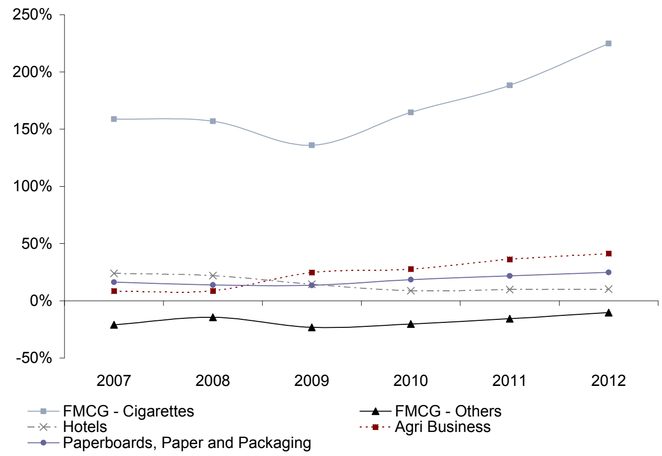
Modest Uptick in Margins and Return Ratios

Figure 5. Segmental EBITDA Margin Trends (%)



Source: Company Reports

Figure 6. Segmental RoCE Trends (%)

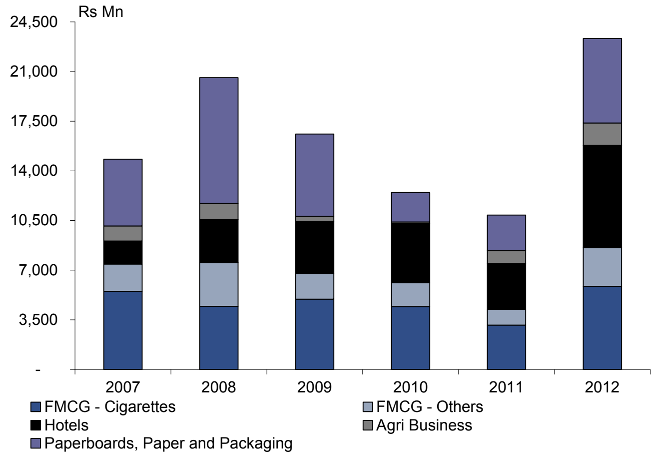


Source: Company Reports, CIRA; Segmental ROCEs are calculated on segmental EBIT

Overall, EBIT margins for the company rose ~110bps YoY in FY12, driven by an expansion in all segments, expects agri (impacted by a weaker mix). Cigarette business profitability was solid with operating margins higher by 200bps over FY11 as benefits of a higher pricing and better mix was visible. Other FMCG EBIT losses were lower by 35% at Rs1.96bn, driven by higher realizations, scale and process efficiencies. Segmental ROCE witnessed an uptick in most segments, cigarettes being the most prominent.

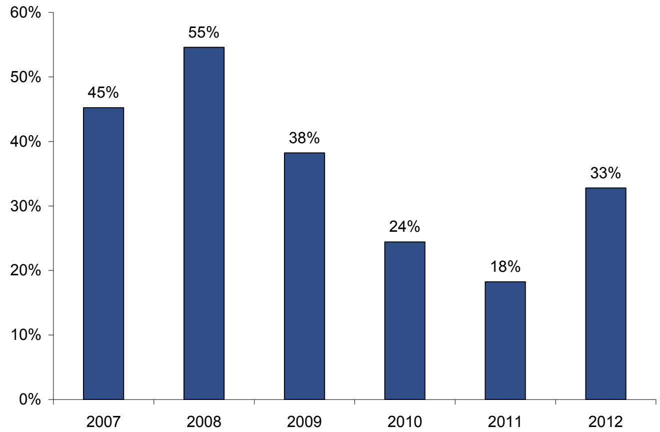
Capex is expected to be ~Rs45-60bn over the next 3 years (FY13-15E). Spends surged over the past 5 years – annual average capex between FY07-12 was ~Rs17bn annual average (vs. ~Rs9bn between FY02-07) – last year being among the highest (Rs23bn). However, we note that capex spends as % of cigarette EBITDA have declined from 45% in FY07 to 33% in FY12. Going forward, we expect this ratio to decline further as capex is expected to remain in the range of ~Rs15-20bn pa.

Figure 7. Capex Trends (Rs Mn)



Source: Company Reports

Figure 8. Ratio of Capex / Cigarette EBITDA (%)



Source: Company Reports, CIRA

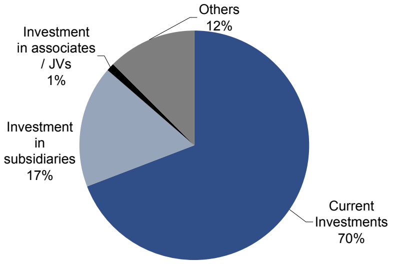
The cash flow statement in the FY12 annual report depicts that operating cash flows improved from Rs53bn to Rs60bn. The impact of working capital increase is limited in context of the increase in ITC's net revenue increase.

Figure 9. Cash Flow From Operations, Changes in Working Capital and FCF (Rs Mn)

	FY11	**FY12**
Operating Profits Before working Capital	**74,548**	**88,204**
Adjustments for:		
Trade Receivables, Loans and Advances and Other Assets	(1,250)	(3,992)
Inventories	(7,201)	(3,687)
Trade Payables, Other Liabilities and Provisions	9,187	2,811
Cash Generated from operations	**75,284**	**83,336**
Income Tax Paid	(21,957)	(23,180)
Net Cash Flow From Operations	**53,327**	**60,156**
Purchase of Fixed Assets	(13,499)	(23,036)
FCF	**39,828**	**37,120**
Purchase of Fixed Assets As of % of Net Cash Flow from operations	**25%**	**38%**

Source: Company Reports, CIRA

Figure 10. Break Up of Investments on the Balance Sheet (end FY12)



Source: Company Reports

The increase in profits translated into a healthy rise in cash + current investments to ~Rs72bn end FY12, from ~Rs62bn end FY11, and accounted for ~36% of the balance sheet size. We note that of the total investments of Rs63bn on the balance sheet, ~70% are current investments.

Figure 11. Income Statement Summary (Rs Mn, %)

Year ended Mar 31	2012	2013E	2014E	2015E
Gross Sales	352,473	400,021	455,113	515,029
Excise Duties	100,734	117,790	133,670	149,760
Net Sales	**251,738**	**282,230**	**321,444**	**365,268**
% change YoY	18.9%	12.1%	13.9%	13.6%
Total raw materials including stock movements	75,953	80,977	91,618	105,441
% of net sales	30.2%	28.7%	28.5%	28.9%
Total purchases	20,372	22,876	25,526	28,943
% of net sales	8.1%	8.1%	7.9%	7.9%
Gross Profit	**155,413**	**178,377**	**204,299**	**230,884**
Gross Margin (%)	61.7%	63.2%	63.6%	63.2%
Total Variable Expenses	21,755	23,647	26,538	29,672
% of net sales	8.6%	8.4%	8.3%	8.1%
Fixed Expenses				
Salaries and Wages	12,654	14,173	16,015	18,097
% of net sales	5.0%	5.0%	5.0%	5.0%
Other Expenses (SG&A)	32,518	35,701	38,763	42,130
% of net sales	12.9%	12.6%	12.1%	11.5%
EBITDA	**88,486**	**104,857**	**122,983**	**140,985**
% of net sales	35.2%	37.2%	38.3%	38.6%
Depreciation	6,985	7,796	8,586	9,304
% of net sales	2.8%	2.8%	2.7%	2.5%
Interest	779	142	6	6
% of net sales	0.3%	0.1%	0.0%	0.0%
Profit Before Tax	**88,975**	**106,419**	**125,248**	**144,144**
% of net sales	35.3%	37.7%	39.0%	39.5%
Tax	27,352	32,671	38,451	44,252
% of PBT	30.7%	30.7%	30.7%	30.7%
Reported PAT	**61,624**	**73,748**	**86,797**	**99,892**
% of net sales	24.5%	26.1%	27.0%	27.3%
% Change YoY	23.6%	19.7%	17.7%	15.1%
EPS (Rs)	**7.88**	**9.43**	**11.10**	**12.78**
DPS (Rs)	**4.50**	**5.66**	**6.66**	**7.67**

Source: Company Reports and CIRA Estimates

Figure 12. Balance Sheet Summary (Rs Mn)

As of Mar 31	2012	2013E	2014E	2015E
SOURCES OF FUNDS :				
Share Capital	7,818	7,818	7,818	7,818
Reserves & Surplus	180,101	202,431	228,714	258,961
Total Shareholders Funds	**187,919**	**210,250**	**236,532**	**266,779**
Deferred Tax Liability / Asset	8,727	8,727	8,727	8,727
Secured Loans	773	-	-	-
Unsecured Loans	18	18	18	18
Total Debt	**791**	**18**	**18**	**18**
Other long term liabilities	155	171	188	207
Long term provisions	1,071	1,178	1,296	1,426
Total sources of funds	**198,663**	**220,344**	**246,761**	**277,156**
APPLICATION OF FUNDS :				
Gross Block	141,518	164,211	179,211	196,711
Less: Accum. Depreciation	(50,452)	(58,248)	(66,833)	(76,137)
Net Block	**91,067**	**105,963**	**112,378**	**120,574**
Capital Work in Progress	22,693	15,000	15,000	10,000
Net Fixed Assets	**113,759**	**120,963**	**127,378**	**130,574**
Current investments	43,633	53,633	63,633	65,000
Others	19,533	20,314	21,173	22,117
Total Investments	**63,166**	**73,947**	**84,806**	**87,117**
Long term loans and advances	11,936	13,918	15,852	18,013
Current Assets				
Inventories	56,378	64,856	73,014	83,024
Sundry Debtors	9,860	10,959	12,469	14,110
Cash and Bank Balance	28,189	31,228	42,881	69,334
Loans, advances and Other current assets	6,375	9,279	10,568	12,009
Total current assets	**100,803**	**116,322**	**138,932**	**178,477**
Current Liabilities	47,961	51,025	57,092	64,520
Provisions	43,040	53,781	63,115	72,505
Total current liabilities and provisions	91,001	104,807	120,207	137,025
Net Current Assets	**9,802**	**11,516**	**18,725**	**41,452**
Total Application of Funds	**198,663**	**220,344**	**246,761**	**277,156**

Source: Company Reports and CIRA Estimates

ITC

Company description

ITC is the leading cigarette manufacturer and marketer in India with about 74% market share by volumes. The group is ~32% owned by BAT (British American Tobacco). The company's cigarette portfolio carries strong brands such as Wills, Gold Flake, India Kings and Scissors, and two global brands, Benson & Hedges and State Express 555. Besides tobacco, ITC operates in other business divisions, namely a) other FMCG businesses (foods/snacks, personal care, education & stationary and retailing), b) hotels, c) paper & packaging d) agricultural commodities business, and, e) IT. However, about 63% of its revenues and 81% of its profits are from the cigarette business (in FY12).

Investment strategy

We rate the stock as a Buy. The cigarette business remains the key driver of earnings, given the backdrop of a robust pricing environment, coupled with modest volume growth and better mix. Thus far, ITC has been successful in passing through excise duty increases, resulting in strong margins. Relatively stable cigarette volume growth despite aggressive pricing actions should enable the stock's re-rating to sustain. Over the next few years, ITC's overall revenue streams should become far more balanced as the non-tobacco FMCG business attains critical mass (currently ~16% of revenues). We forecast a strong ~19% EPS growth CAGR over FY12-14E.

Valuation

Our target price of Rs278 is based on 25x Mar14E earnings. ITC's stock has re-rated, as concerns pertaining to cigarette volume decline (post the excise/VAT imposition) have been largely unfounded, with overall cigarette volumes remaining firm and thus underscoring the resilience and defensive attributes of the core cigarette business. The aggressive price increases in turn augmented the operating margins. Moreover, while revenues and earnings have been somewhat volatile over the past few years on account of the different growth trajectories and life cycles of ITC's other businesses, some of which (esp. personal care) are at nascent stages of operations and have yet to attain sustainable cash generation. Our target P/E multiple of 25x is above the last three-year historical trading average (~22x).

ITC has a relatively stable earnings stream, so P/E is our primary valuation methodology.

Risks

Downside risks that could prevent the stock from reaching our target price include: 1) With most of its earnings coming from the tobacco segment, ITC is most at risk from controls and the government's tax policy. 2) Perceived as being a "sin" industry, the stock is prone to negative share price reactions. 3) Other significant risks for the company are dilution in capital efficiency from investments in non-tobacco businesses and the possible acquisitions of capital intensive businesses that fail to enhance value.

Appendix A-1

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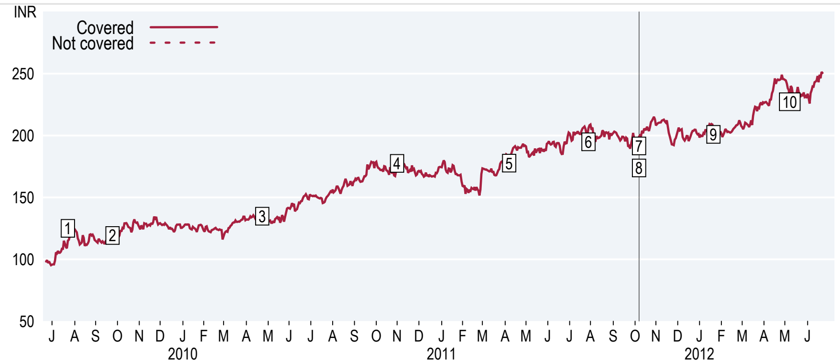
IMPORTANT DISCLOSURES

ITC (ITC.BO)

Ratings and Target Price History
Fundamental Research

Analyst: Jamshed Dadabhoy



	Date	Rating	Target Price	Closing Price
1	23-Jul-09	1L	*130.00	114.98
2	24-Sep-09	1L	*133.50	116.20
3	23-Apr-10	1L	*151.00	133.43
4	31-Oct-10	1L	*190.00	171.15
5	7-Apr-11	1L	*207.00	182.50
6	28-Jul-11	1L	*228.00	206.05
7	7-Oct-11	Stock rating system changed		
8	7-Oct-11	*1	228.00	199.20
9	20-Jan-12	1	*232.00	201.35
10	8-May-12	1	*255.00	227.30

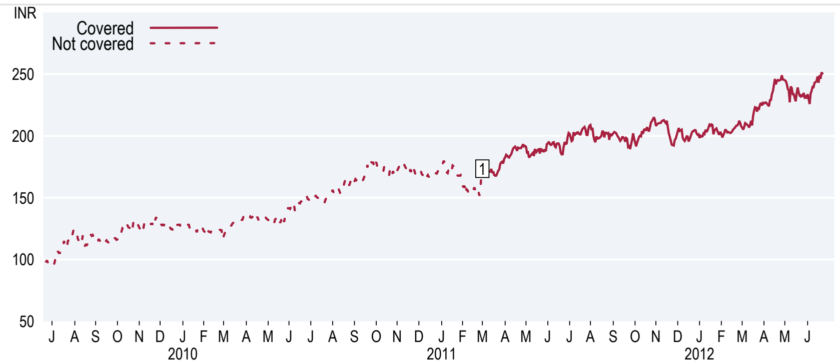
* Indicates change

Rating/target price changes above reflect Eastern Standard Time

ITC (ITC.BO)

Ratings and Target Price History
Best Ideas Research
Relative Call (3 Month)

Analyst: Jamshed Dadabhoy



	Date	Rating	Target Price	Closing Price
1	1-Mar-11	*ADD MP	-	173.50

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Data current as of 31 Mar 2012	**Buy**	**Hold**	**Sell**	**Buy**	**Hold**	**Sell**
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% of companies in each rating category that are investment banking clients	44%	42%	40%	47%	42%	43%

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