

Rating matrix		
Rating	:	Buy
Target	:	₹ 365
Target Period	:	12 months
Potential Upside	:	29%

What's changed?		
Target		Unchanged
EPS FY19E		Unchanged
EPS FY20E		Changed from ₹ 11.5 to ₹ 11.3
Rating		Unchanged

Quarterly performance					
₹ crore	Q2FY19	Q2FY18	YoY (%)	Q1FY19	QoQ (%)
Sales	11068.9	10314.1	7.3	10707.0	3.4
EBITDA	4206.0	3761.5	11.8	4202.1	0.1
EBITDA (%)	38.0	39.5	-153 bps	39.2	-125 bps
PAT	2954.7	2639.9	11.9	2818.7	4.8

Key financials				
₹ Crore	FY17	FY18	FY19E	FY20E
Revenue	39,642	40,255	44,535	48,923
EBITDA	14,578	15,541	17,675	19,709
Net Profit	10,201	11,223	12,456	13,749
EPS (₹)	8.4	9.2	10.3	11.3

Valuation summary				
	FY17	FY18	FY19E	FY20E
P/E	33.7	30.6	27.6	25.0
Target P/E	43.5	39.5	35.6	32.3
Div. Yield	1.7	2.6	2.8	3.0
Mcap/Sales	8.7	8.5	7.7	7.0
RoNW (%)	22.5	21.3	23.4	24.8
RoCE (%)	32.9	30.9	33.8	35.8

Stock data	
Particular	Amount
Market Capitalization (₹ Crore)	343,771.4
Total Debt (FY18) (₹ Crore)	11.1
Cash and Investments (FY18) (₹ Crore)	12,498.3
EV (₹ Crore)	331,284.2
52 week H/L	322 / 250
Equity capital	₹ 1220.4 crore
Face value	₹ 1

Price performance				
	1M	3M	6M	12M
ITC	-4.6	0.4	4.9	6.7
VST Industries	1.9	2.1	-5.3	-5.1
HUL	-3.5	-4.7	8.0	23.8
Nestle India	-2.2	-7.3	9.0	33.1

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ITC Ltd (ITC)

₹ 283

Cigarette volumes, FMCG EBIT spur earnings

- ITC's cigarette segment posted robust volume growth of ~6% in Q2FY19. Cigarette volumes had grown 1.5% in Q1FY19 after three consecutive quarters of volume de-growth. In addition to strong growth from the cigarette segment, sales growth of 7.3% YoY was supported by FMCG, agri business, paperboard & hotels business growth of 12.7%, 12.8%, 8.8% & 20.8%, respectively
- Operating profit grew 11.8% to ₹ 4,206 crore supported by 8.7% & 13.4% EBIT growth in cigarette & paperboard segments. FMCG EBIT witnessed a significant improvement from ₹ 20.5 crore to ₹ 58.5 crore on the back of strong growth in the branded packaged foods business, better product mix and cost rationalisation initiatives. Similarly, hotels EBIT increased from ₹ 4.2 crore to ₹ 15.6 crore on the back of increase in occupancy to 67-68% & strong F&B sales. However, agri segment EBIT declined 7.8%. On the back of higher operating profit, net profit grew 11.9% YoY to ₹ 2,954.7 crore

Cigarette volume growth & better FMCG margins to aid profitability

Cigarette business EBIT registered growth of 8.7% on the back of robust volume growth. We believe stable taxation on cigarettes would lead to strong volume growth in FY19E. We estimate 4%, 3% volume growth in FY19E, FY20E, respectively. However, cigarette EBIT declined 107 bps due to one-off impact of loss of stock in Kerala floods and expenditure incurred in changing cigarette pack cover with new health warnings and graphics. Despite sustained investments in brands and gestation cost of new categories, the FMCG segment witnessed a significant improvement in EBIT from ₹ 20.5 crore to ₹ 58.5 crore (EBITDA almost doubled from ₹ 89 crore to ₹ 158 crore) on the back of strong growth in branded packaged foods business, a better product mix and cost rationalisation initiatives. With strong operating margins at ~5% in the FMCG business during the quarter, we believe the company should end the year with 6%+ EBITDA margin. With a recovery in cigarette volumes coupled with better profitability in the FMCG segment, we expect EBITDA margin to expand to 39.1% & 39.7% in FY19E, FY20E from 38.3% in FY18.

Non-cigarette business set for long haul

Over the years, ITC has successfully built brands like Aashirvaad, Sunfeast, Bingo in its packaged food portfolio. Backward integration, large appetite to spend on brand investments and pan-India distribution would be key triggers for growth momentum in non-cigarette businesses. With improving consumption dynamics, ITC can scale up its existing portfolio through several brand extensions and enter newer categories. We believe other non-cigarette segments (hotels, paper and agri) are also on the verge of posting an improved performance. We expect overall non-cigarette business to grow at 15.2% CAGR in FY18-20E.

Improving rural consumption to drive upgrade; reiterate BUY

With the government's impetus to boost rural incomes coupled with normal monsoons this year, we expect to witness a broad based recovery in volume growth. In the current year, we are expected to witness 4% volume growth in cigarettes after five years of decline and 13.9% sales CAGR in FMCG on the back of focus on premiumisation across brands. We expect revenue and earnings to grow at a CAGR of 10% and 11.6%, respectively. We value the stock on an SOTP basis valuing the cigarette business at 30x PE and FMCG business at 5x price/sales. We continue to maintain our **BUY** rating on the stock with a target price of ₹ 365.

Variance analysis

	Q2FY19	Q2FY19E	Q2FY18	YoY (%)	Q1FY19	QoQ (%)	Comments
Net Sales	11,068.9	11,152.1	10,314.1	7.3	10,707.0	3.4	Net sales increased 7.3%. Cigarette, FMCG, hotels & agri business segments grew 10.4%, 12.7%, 20.8% and 12.8%, respectively. Cigarettes volume increased 6-7%
Operating Income	177.6	109.1	87.7	102.5	152.4	16.6	
Raw Material Expenses	4,279.7	4,383.1	4,356.4	-1.8	4,109.4	4.1	
Employee Expenses	596.3	687.3	606.5	-1.7	743.0	-19.7	
Other operating Expenses	1,986.9	1,651.4	1,589.7	25.0	1,652.6	20.2	Other expenses increased 25% due to loss of input credit on the damaged stock during Kerala floods
EBITDA	4,206.0	4,430.3	3,761.5	11.8	4,202.1	0.1	Operating profit increased 11.8% well supported by profitable growth in all segments except the agri business
EBITDA Margin (%)	38.0	39.7	39.5	-153 bps	39.2	-125 bps	EBITDA margin declined 153 bps impacted by 107 bps drop in cigarette EBIT due to loss of stock in Kerala floods and expenditure incurred in changing cigarette pack cover with new health warnings and graphics
Depreciation	327.5	362.9	282.4	16.0	298.7	9.6	
Interest	13.5	10.7	29.0	-53.4	7.3	83.9	
Other Income	504.1	560.8	494.2	2.0	403.9	24.8	
PBT	4,369.1	4,617.4	3,944.3	10.8	4,299.9	1.6	
Tax Outgo	1,414.5	1,523.8	1,304.5	8.4	1,481.3	-4.5	
PAT	2,954.7	3,093.7	2,639.9	11.9	2,818.7	4.8	On the back of higher operating profit and other income, net profit grew 11.9% YoY

Key Metrics YoY growth (%)						
Cigarette Growth (%)	10.4		NA		NA	Cigarette segment reported 10.4% increase in sales on the back of volume growth of ~6%
FMCG (Others) Growth (%)	12.7		5.0		10.3	FMCG segment reported 12.7% growth on the back of strong growth in branded packaged foods business, better product mix and cost rationalisation initiatives
Hotels Growth (%)	20.8		1.0		11.9	Hotels segment grew 20.8% on the back of increase in occupancy to 67-68% and higher F&B revenues
Agri Business Growth (%)	12.8		4.7		14.2	Agri business grew 12.8% driven by trading opportunities in oilseeds, pulses, wheat and spices
Paperboards Growth (%)	8.8		-1.7		-0.3	Paperboards segment grew 8.8% driven by better product mix, strategic investments in imported pulp substitution

Source: Company, ICICI Direct Research

Change in estimates

(₹ Crore)	FY19E			FY20E			Comments
	Old	New	% Change	Old	New	% Change	
Sales	44341.6	44535.0	0.4	48,698.8	48923.1	0.5	Minor change in estimates
EBITDA	17889.5	17675.0	-1.2	19919.3	19708.7	-1.1	
EBITDA Margin (%)	40.0	39.1	-84 bps	40.5	39.7	-81 bps	
PAT	12550.2	12456.1	-0.7	13968.2	13748.8	-1.6	
EPS (₹)	10.3	10.3	-0.7	11.6	11.4	-1.6	

Source: Company, ICICI Direct Research

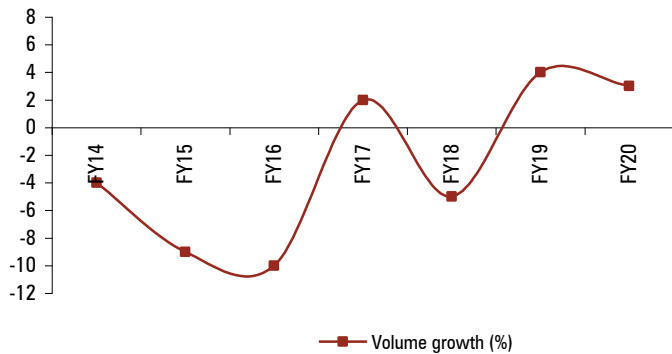
Assumptions

	Current				Earlier		
	FY17	FY18	FY19E	FY20E	FY19E	FY20E	
Cigarettes (₹ cr)	34,002.0	22,894.0	40,236.3	44,344.4	39,849.4	43,918.1	
Cigarette Vol. Growth (%)	2.0	-4.0	4.0	3.0	3.0	3.0	We revise volume growth estimates upwards based on strong growth reported
Cigarette Price Growth (%)	3.0	12.0	7.0	7.0	7.0	7.0	
FMCG - Others (₹ cr)	10,498.6	11,314.4	13,018.6	14,681.5	13,018.6	14,681.5	
Hotels (₹ cr)	1,329.3	1,404.1	1,537.5	1,593.6	1,537.5	1,593.6	
Agri Business (₹ cr)	5,352.9	4,552.0	9,009.5	9,738.3	9,590.8	10,366.6	We revise growth estimates downwards based on muted growth reported
Paperboards (₹ cr)	3,819.0	3,792.4	5,777.8	6,157.2	5,777.8	6,157.2	

Source: Company, ICICI Direct Research

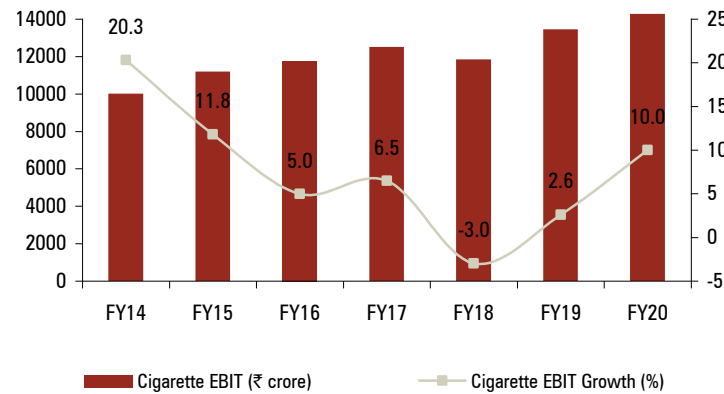
Segmental Analysis

Exhibit 1: Cigarette volume growth set to recover



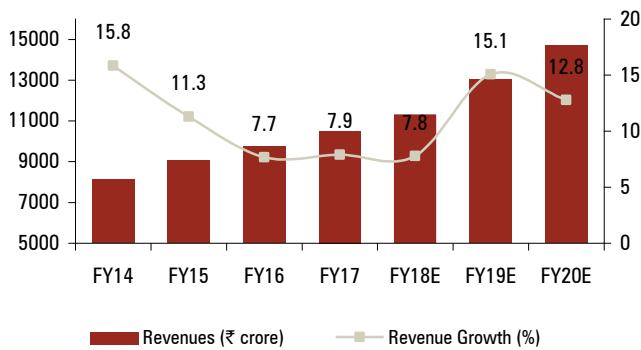
Source: Company, ICICI Direct, Research

Exhibit 2: Cigarette EBIT growth trend



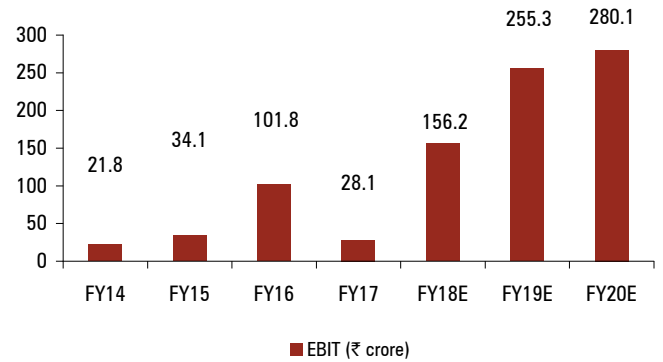
Source: Company, ICICI Direct, Research

Exhibit 3: FMCG revenues (₹ crore) and growth (%)



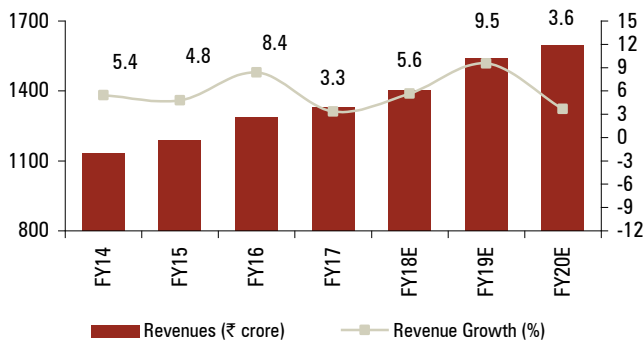
Source: Company, ICICI Direct, Research

Exhibit 4: FMCG EBIT (₹ crore)



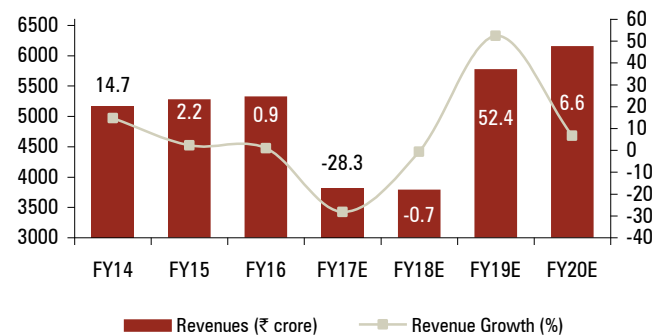
Source: Company, ICICI Direct, Research

Exhibit 5: Hotel revenues (₹ crore) and growth (%)



Source: Company, ICICI Direct, Research

Exhibit 6: Paperboards revenues (₹ crore) and growth (%)



Source: Company, ICICI Direct, Research

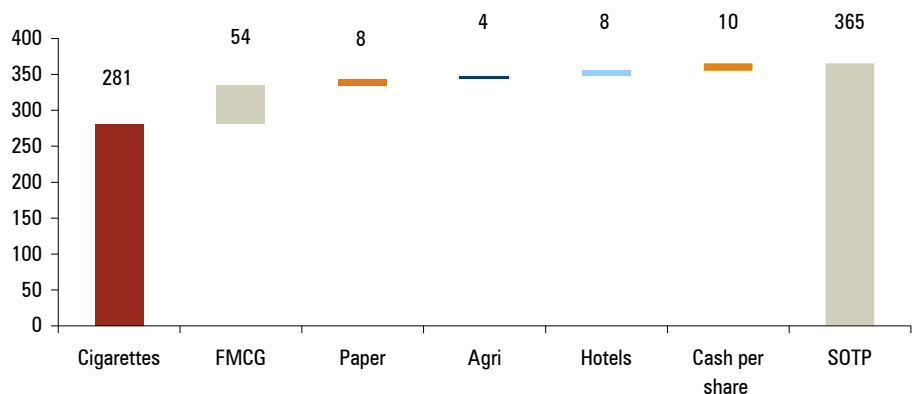
Outlook & valuation

Given the steep GST rate increase in July 2017, cigarette volumes declined ~4% in FY18. However, we expect no further increase (or minimal changes) in GST on cigarettes by FY20E. This would curb the decline in cigarettes volume in FY19E and FY20E. We are factoring in 4% and 3% volume growth for FY19E and FY20E, respectively. Further, in order to pass on the existing tax burden, we estimate cigarette realisation growth of 7% each in FY19E & FY20E. Additionally, ITC's focus on growing its FMCG business (estimated to grow at 13.9% CAGR in FY18-20E) by entering newer segments and tapping the opportunity in foods segment would be a catalyst for topline growth in the long run.

Taking into consideration the accounting changes under GST, we are thus estimating a net revenue and PAT CAGR of 10.6% and 10.7%, respectively, over FY18-20E, with EBITDA margin of 39.7% in FY20E.

We are valuing the cigarettes business at ₹ 281 (PE multiple of 30x FY20E EPS), FMCG at ₹ 54 (5x MCap/sales FY20E), paperboards at ₹ 8 (5x FY20E EV/EBITDA), agri-business at ₹ 4 (2x P/BV FY20) and hotels at ₹ 8 (2x EV/room FY20E) and also added the cash per share of ₹ 10. We believe cigarette's volume growth should grow on a low base, going forward. However, revenue growth and profitability of the FMCG business would be the key driven catalyst for growth over a long term period. We maintain our **BUY** rating on the stock price with a target price of ₹ 365 per share.

Exhibit 7: Sum of the parts valuation



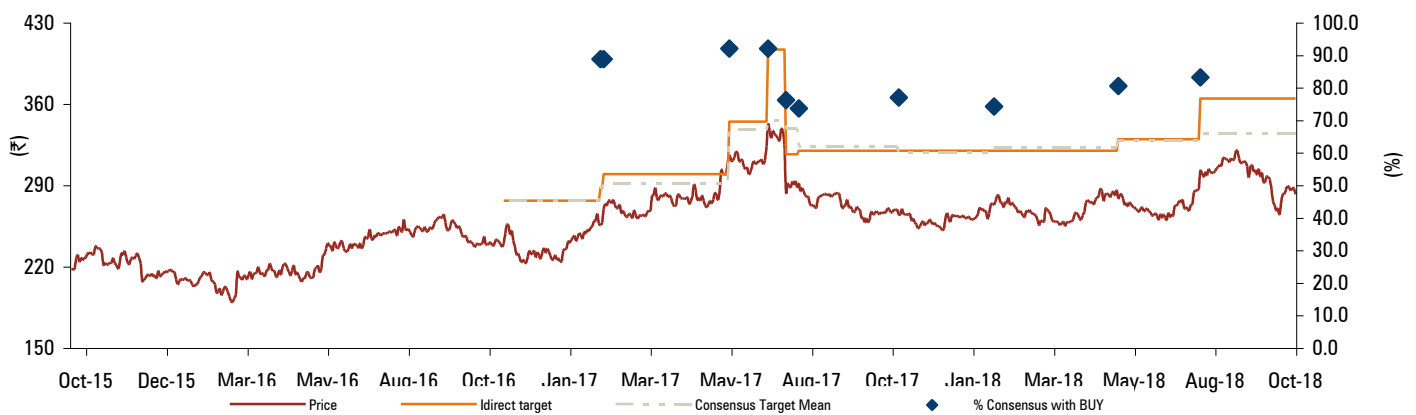
Source: Company, ICICI Direct Research

Exhibit 8: Valuations

	Sales (₹ cr)	Growth (%)	EPS (₹)	Growth (%)	PE (x)	EV/EBITDA (x)	RoNW (%)	RoCE (%)
FY17	39641.9	9.4	8.4	9.4	33.7	23.4	22.5	32.9
FY18	40254.7	1.5	9.2	10.0	30.6	22.0	21.3	30.9
FY19E	44535.0	10.6	10.3	11.0	27.6	19.3	23.4	33.8
FY20E	48923.1	9.9	11.3	10.4	25.0	17.3	24.8	35.8

Source: Company, ICICI Direct Research

Recommendation history vs. Consensus



Source: Bloomberg, Company, ICICI Direct Research

Key events

Date	Event
Dec-10	ITC shuts all its five cigarette manufacturing units awaiting clarity from the government on the pictorial representation of packs
Feb-11	The Gol leaves excise duty unchanged in its FY12 Budget; a key positive for the company
Feb-12	Gol increases basic excise duty on cigarettes by whopping 20% in its FY13 Budget
Sep-12	Inaugurates its largest luxury hotel, Grand Chola, in Chennai. It has a capacity of ~600 rooms
Dec-12	Begins the construction of milk processing unit in Munger, Bihar
Feb-13	The Gol in its Budget again raises the basic excise duty on cigarettes by 18%
May-13	For the first time during the quarter the company reports a profit in its FMCG (others) business
Jul-14	Gol increases excise duty on cigarettes for a third consecutive year. It announces an increase of 11-72% in excise duty in its FY15E Budget
Feb-15	Acquisition of Shower To Shower, Savlon brands from Johnson & Johnson
Feb-15	Excise hike of 25% in below 65 mm category & 15% in above 65 mm category in Budget 2015
Feb-16	Excise hike of 10% on cigarettes in Budget 2016
Feb-17	Excise hike of 6% on cigarettes in Budget 2017
Jul-17	Ad valorem VAT is replaced by the GST rate of 28% and excise duty is replaced by GST compensation cess of 5% plus specific duty as per the cigarette size.
Jul-17	GST Council raised the specific cess on cigarettes in all categories below 75 mm and sharply increased the ad-valorem rate in above 75 mm category to 36%
Jun-18	Acquires Nimyle floor cleaner, forays into home care space. Nimyle is second largest brand in the floor cleaning segment in West Bengal and Odisha
Sep-18	Plans to enter packaged rice segment under Aashirvaad brand

Source: Company, ICICI Direct Research

Top 10 Shareholders

Rank	Name	Latest Filing Date	% O/S	Position (m)	Change (m)
1	British American Tobacco PLC	30-Jun-18	24.33	2,978.3	0.0
2	Life Insurance Corporation of India	30-Jun-18	16.13	1,975.1	0.0
3	UTI Asset Management Co. Ltd.	30-Jun-18	7.91	968.7	-56.6
4	Myddleton Investments Co., Ltd.	30-Jun-18	3.97	486.3	0.0
5	General Insurance Corporation of India	30-Jun-18	1.71	209.8	-1.1
6	SBI Funds Management Pvt. Ltd.	30-Sep-18	1.63	200.1	8.0
7	The New India Assurance Co. Ltd.	30-Jun-18	1.57	192.3	-3.0
8	ICICI Prudential Asset Management Co. Ltd.	30-Sep-18	1.52	185.5	5.3
9	GIC Private Limited	30-Jun-18	1.39	170.0	2.9
10	HDFC Asset Management Co., Ltd.	30-Sep-18	1.37	167.3	2.8

Shareholding Pattern

(in %)	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18
Promoter	-	-	-	-	-
FII	19.9	18.6	18.0	17.5	17.3
DII	36.4	36.7	37.1	37.6	37.8
Others	43.8	44.7	44.9	44.9	44.9

Source: Reuters, ICICI Direct Research

Recent Activity

Buys			Sells		
Investor name	Value	Shares	Investor name	Value	Shares
Vontobel Asset Management, Inc.	107.53m	23.87m	UTI Asset Management Co. Ltd.	-220.24m	-56.63m
SBI Funds Management Pvt. Ltd.	32.99m	8.04m	Aberdeen Standard Investments (Asia) Limited	-23.22m	-5.15m
Matthews International Capital Management, L.L.C.	29.02m	7.46m	Oriental Insurance Company Ltd.	-18.76m	-4.83m
Fidelity Management & Research Company	33.03m	7.33m	The New India Assurance Co. Ltd.	-11.76m	-3.03m
ICICI Prudential Asset Management Co. Ltd.	21.57m	5.26m	Nuveen LLC	-11.93m	-2.65m

Source: Reuters, ICICI Direct Research

Financial summary

Profit and loss statement					₹ Crore				
	FY17	FY18	FY19E	FY20E					
Total operating Income	40,088.7	40,627.5	45,187.6	49,686.6					
Growth (%)	10.7	1.3	11.2	10.0					
Raw Material Expenses	15,976.3	15,790.0	17,581.3	19,040.6					
Employee Expenses	2,444.3	2,487.5	2,761.2	3,040.9					
Marketing Expenses	792.4	886.2	890.7	980.9					
Administrative Expenses	4,648.1	4,154.5	1,514.2	1,667.6					
Excise Duty	15359.8	3702.2	0.0	0.0					
Other expenses	1,649.5	1,768.3	4,765.3	5,247.9					
Total Operating Expenditure	25,510.6	25,086.6	27,512.6	29,977.8					
EBITDA	14,578.0	15,541.0	17,675.0	19,708.7					
Growth (%)	6.3	6.6	13.7	11.5					
Depreciation	1,038.0	1,145.4	1,129.1	1,374.4					
Interest	23.0	86.7	43.0	47.3					
Other Income	1,985.9	2,129.8	2,088.3	2,294.0					
PBT	15,503.0	16,851.7	18,591.2	20,581.1					
Total Tax	5,302.1	5,628.5	6,135.1	6,832.3					
PAT	10,200.9	11,223.3	12,456.1	13,748.8					
Growth (%)	9.4	10.0	11.0	10.4					
EPS (₹)	8.4	9.2	10.3	11.3					

Source: Company, ICICI Direct Research

Cash flow statement					₹ Crore				
(Year-end March)	FY17	FY18	FY19E	FY20E					
Profit After Tax	10,290.0	11,132.1	12,456.1	13,748.8					
Add: Depreciation	1,038.0	1,145.4	1,129.1	1,374.4					
(Inc)/dec in Current Assets	-203.2	-157.3	-2,498.4	-1,734.6					
Inc/(dec) in CL and Provisions	266.3	2,077.4	-1,244.7	750.0					
CF from operating activities	10,002.0	12,650.9	9,842.0	14,138.5					
(Inc)/dec in Investments	0.0	0.0	4,342.7	-901.7					
(Inc)/dec in LT loans & advances	0.0	0.0	-50.0	-50.0					
(Inc)/dec in Fixed Assets	-2,897.1	-2,547.8	-3,861.0	-2,120.0					
Others	0.0	0.0	0.0	0.0					
CF from investing activities	-2,780.3	-6,691.2	431.8	-3,071.7					
Issue/(Buy back) of Equity	410.0	5.7	0.0	0.0					
Inc/(dec) in loan funds	-12.9	-7.8	10.0	10.0					
Dividend paid & dividend tax	-8,173.6	-6,880.3	-10,695.0	-11,375.6					
Others	0.0	0.0	27.6	15.5					
CF from financing activities	-7,137.6	-6,019.9	-10,657.5	-11,350.1					
Net Cash flow	84.1	-60.2	-383.7	-283.2					
Opening Cash	72.1	156.2	95.9	-287.8					
Cash with Bank	2,591.1	2,498.9	2,498.9	2,498.9					
Closing Cash	2,747.3	2,594.9	2,211.1	1,927.9					

Source: Company, ICICI Direct Research

Balance sheet					₹ Crore				
(Year-end March)	FY17	FY18	FY19E	FY20E					
Liabilities									
Equity Capital	1,214.7	1,220.4	1,220.4	1,220.4					
Reserve and Surplus	44,126.2	50,179.6	51,940.7	54,313.8					
Total Shareholders funds	45,341.0	51,400.1	53,161.1	55,534.2					
LT Borrowings & Provisions	18.0	11.1	21.1	31.1					
Deferred Tax Liability	1,871.7	1,917.9	1,917.9	1,917.9					
Others Non-current Liabilities	155.2	195.6	223.1	238.6					
Total Liabilities	47,385.9	53,524.7	55,323.3	57,722.0					
Assets									
Gross Block	23,696.7	27,233.7	32,259.3	34,359.3					
Less: Acc Depreciation	9,227.4	10,372.7	11,501.8	12,876.2					
Net Block	14,469.3	16,861.0	20,757.5	21,483.1					
Capital WIP	3,537.0	5,025.6	2,100.0	2,100.0					
Net Intangible Assets	410.9	446.0	466.0	486.0					
Non-current Investments	8,485.5	13,493.8	9,151.0	10,052.7					
LT loans & advances	5.8	7.4	57.4	107.4					
Current Assets									
Inventory	7,864.0	7,237.2	9,517.1	10,052.7					
Debtors	2,207.5	2,357.0	2,440.3	2,412.6					
Loans and Advances	3.4	4.2	3.8	4.2					
Other Current Assets	1,615.5	2,406.4	1,708.2	1,876.5					
Cash	2,747.3	2,594.9	2,211.1	1,927.9					
Current Investments	10,099.8	9,903.5	10,737.2	11,795.2					
Current Liabilities	6,830.1	8,856.6	7,611.9	8,361.8					
Creditors	2,551.2	3,382.3	2,806.3	3,082.8					
Provisions	41.8	39.2	47.0	51.6					
Short term debt & other CL	4,237.0	5,435.1	4,758.5	5,227.4					
Application of Funds	47,385.9	53,524.7	55,323.3	57,722.0					

Source: Company, ICICI Direct Research

Key ratios				
(Year-end March)	FY17	FY18	FY19E	FY20E
Per share data (₹)				
EPS	8.4	9.2	10.3	11.3
Cash EPS	9.3	10.2	11.2	12.4
BV	37.3	42.3	43.8	45.7
DPS	4.8	7.3	7.8	8.6
Cash Per Share	2.3	2.1	1.8	1.6
Operating Ratios (%)				
EBITDA Margin	36.4	38.3	39.1	39.7
PBT / Total Operating income	38.7	40.5	41.1	41.4
PAT Margin	25.4	27.6	27.6	27.7
Inventory days	72.4	65.6	78.0	75.0
Debtor days	20.3	21.4	20.0	18.0
Creditor days	23.5	30.7	23.0	23.0
Return Ratios (%)				
RoE	22.5	21.3	23.4	24.8
RoCE	32.9	30.9	33.8	35.8
RoIC	32.7	29.7	33.9	35.6
Valuation Ratios (x)				
P/E	33.7	30.6	27.6	25.0
EV / EBITDA	23.4	22.0	19.3	17.3
EV / Net Sales	8.6	8.5	7.7	7.0
Market Cap / Sales	8.7	8.5	7.7	7.0
Price to Book Value	7.6	6.7	6.5	6.2
Solvency Ratios				
Debt/EBITDA	0.0	0.0	0.0	0.0
Debt / Equity	0.0	0.0	0.0	0.0
Current Ratio	3.2	2.5	3.2	3.1
Quick Ratio	2.0	1.7	2.0	1.9

Source: Company, ICICI Direct Research

ICICI Direct coverage universe (FMCG)

Sector / Company	CMP		Rating	M Cap (₹ Cr)	EPS (₹)			P/E (x)			Price/Sales (x)			RoCE (%)			RoE (%)		
	(₹)	TP(₹)			FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E	FY18	FY19E	FY20E
Colgate (COLPAL)	1,105	1,150	Hold	29,483	24.8	26.8	30.3	44.6	41.3	38.0	6.9	6.6	6.0	62.9	58.5	59.0	44.7	41.4	41.6
Dabur India (DABIND)	400	475	Buy	75,530	7.7	8.6	10.4	51.9	46.7	38.5	9.7	8.5	7.5	26.2	26.6	29.6	23.8	23.8	26.1
GSK CH (GLACON)	6,900	7,700	Buy	28,177	166.5	192.5	212.8	41.5	35.8	36.2	6.4	5.8	5.3	29.8	30.8	31.2	20.1	21.2	21.3
Hindustan Unilever (HINLEV)	1,570	1,800	Buy	328,320	24.2	28.9	35.3	64.8	54.4	51.0	9.5	8.6	7.5	79.9	100.3	120.7	74.7	86.7	103.8
ITC Limited (ITC)	283	365	Buy	364,422	9.2	10.3	11.5	30.6	27.4	31.8	9.1	8.2	7.5	30.9	34.0	36.2	21.3	23.6	25.0
Jyothy Lab (JYOLAB)	180	215	Buy	6,545	8.8	4.9	6.1	20.4	36.4	35.3	3.9	3.5	3.2	35.1	33.8	37.0	23.5	25.3	29.1
Marico (MARLIM)	300	400	Buy	45,157	6.4	8.0	9.6	46.8	37.7	41.6	7.1	5.8	5.2	38.9	44.2	45.9	32.5	36.3	37.3
Nestle (NESIND)	9,580	12,000	Buy	104,972	127.1	158.2	194.4	75.4	60.6	61.7	10.4	9.3	8.2	34.9	45.3	47.7	37.6	42.2	42.7
Prabhat Dairy (PRADAI)	100	185	Buy	1,543	4.8	6.3	9.2	32.9	32.6	25.1	1.0	0.9	0.8	9.6	11.3	14.1	7.0	8.2	11.2
VST Industries (VSTIND)	2,950	4,000	Buy	4,393	117.8	158.4	175.4	25.0	18.6	16.8	4.6	3.6	3.4	46.9	54.4	51.5	31.3	36.3	34.7
Varun Beverage (VARBEV)	760	860	Buy	13,856	11.7	15.7	19.7	64.8	48.5	38.5	3.5	2.8	2.4	12.7	15.6	17.5	12.1	14.7	17.0

Source: Company, ICICI Direct Research

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Buy: > 10%/15% for large caps/midcaps, respectively;

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