

PERFORMANCE ANALYSIS OF ITC LIMITED

(Imperial Tobacco Company of India Limited)



INTRODUCTION

In the ever-evolving landscape of global business, assessing a company's performance is a complex and pivotal task. It entails a meticulous evaluation of financial indicators, operational efficiency, strategic positioning, and their interplay in gauging the overall health and robustness of the organization. Among the entities subjected to such rigorous scrutiny, ITC Limited stands out prominently.

ITC Limited, deeply entrenched in India's corporate sphere, has undergone a transformative journey over the years, evolving into a conglomerate with interests spanning a diverse array of sectors. These encompass tobacco, fast-moving consumer goods (FMCG), hospitality, agribusiness, and information technology. Originally established in 1910 as the Imperial Tobacco Company of India Limited, ITC has undergone a remarkable metamorphosis, transitioning from primarily a tobacco-focused entity into a conglomerate boasting a diversified portfolio.

The rationale for delving into a comprehensive performance analysis of ITC stems from the multifaceted dimensions of its influence on India's economic landscape. As one of the country's largest private-sector corporations, ITC's financial performance, strategic choices, and socio-economic impact resonate far beyond the boundaries of its corporate realm. The intricate

relationships it maintains with stakeholders, including shareholders, employees, consumers, government entities, and society at large, underscore the importance of a holistic evaluation.

This research project embarks on an exhaustive exploration of ITC's performance, meticulously scrutinizing the company's financial metrics, market positioning, sustainability initiatives, and its adeptness in navigating the intricacies of the business environment. The objective is to provide valuable insights into the contributing factors driving ITC's growth, the challenges it encounters, and its role in the broader context of India's economic development.

The significance of such an analysis transcends mere corporate scrutiny. It delves into the essence of corporate governance, responsible business practices, and the alignment of corporate strategies with the ever-evolving demands and expectations of society. It probes into the intricate interplay between profitability, social responsibility, and environmental stewardship, elements that increasingly define the modern corporate landscape.

Furthermore, the performance of ITC mirrors India's economic trajectory and its ability to nurture enterprises that thrive amidst the continuously changing global business milieu. As India advances on its path toward economic development and sustainability, the experiences and strategies of substantial conglomerates like ITC offer invaluable lessons and insights for policymakers, investors, and various stakeholders.

In the following sections, this research project embarks on a comprehensive exploration of ITC's performance. It delves into its financial well-being, strategic direction, corporate responsibility endeavours, and the broader implications of its presence in India's corporate landscape. Through rigorous examination and critical assessment, the aim is to illuminate the multifaceted aspects of ITC's performance and its significance within the broader context of corporate India and the global business arena.

The assessment of a company's performance is a challenging and important task in the dynamic and always changing world of international business. The total health and vitality of the organisation is assessed by a comprehensive process that carefully examines financial measures, operational effectiveness, strategic orientation, and their complicated interplay. ITC Limited has a noteworthy and fascinating place among the notable organisations that are examined closely by performance analysis.

Review of Literature

1. "Financial Performance and Analysis of ITC"

Explore literature that delves into ITC's financial statements, profitability, and overall financial health.

2. "Strategic Management and Business Model of ITC"

Look for studies discussing ITC's strategic decisions, business model, and how it positions itself in the market.

3. "Corporate Social Responsibility (CSR) Initiatives of ITC"

Investigate how ITC engages in CSR activities, the impact on society, and its alignment with corporate objectives.

4. "Market Expansion Strategies and Global Presence of ITC"

Examine how ITC expands its market both nationally and globally, exploring market entry strategies and international operations.

5. "Supply Chain Management in ITC's FMCG and Agri-Business Divisions"

Review literature that focuses on ITC's supply chain practices, particularly in the Fast-Moving Consumer Goods (FMCG) and agri-business segments.

6. "Impact of Government Policies on ITC's Operations"

Explore studies that analyze how governmental regulations and policies, especially in the tobacco industry, influence ITC's operations.

7. "Consumer Perception and Brand Equity of ITC Products"

Look for research on how consumers perceive ITC's various products and the overall brand equity of the company.

8. "Technological Innovations and Digital Transformation in ITC"

Investigate literature discussing how ITC leverages technology and digitalization in its operations, especially in areas like e-Croupal.

9. "Analysis of ITC's Diversification into Non-Tobacco Sectors"

Examine how ITC manages its diversified business portfolio and the rationale behind entering non-tobacco sectors like FMCG, hospitality, and agri-business.

10. "Sustainability Practices and Environmental Stewardship of ITC"

Explore literature that discusses ITC's commitment to sustainability, eco-friendly practices, and environmental impact.

FUNDAMENTAL ANALYSIS

INTRODUCTION TO THE INDUSTRY

As it is understood by above that ITC mainly into FMCG in India, initially they were into Tobacco industry One of the most active and significant segments of the global economy is the fast-moving consumer goods (FMCG) business, often known as the consumer-packaged goods (CPG) industry. The FMCG industry is characterised by a high rate of product turnover, a sizable customer base, and a wide range of product categories. It includes a wide range of commonplace goods that consumers routinely and frequently without much thinking purchase. These goods, which influence daily routines and consumption habits, range from toothpaste to snack foods, from detergents to cosmetics. They are an essential component of modern living.

The FMCG sector stands out due to its capacity to satisfy customers' basic requirements and aspirations across a range of demographics.

There are a few distinguishing traits that characterise the FMCG sector:

1. **Ubiquity:** FMCG items are widely available in homes and retail establishments across the world. Because customers depend on these goods every day or every week, there is a steady and high demand for them.
2. **Brand Intensity:** In the FMCG sector, branding is crucial. For businesses to keep their market share and have an impact on consumers' purchasing decisions, they need to have strong brand awareness and loyalty.
3. **Efficiency of the supply chain** is crucial to the industry's ability to deliver goods to customers on time and with reliability. To satisfy customer demand, FMCG firms must be timely and precise.

4. **Customer Trends:** The FMCG sector responds quickly to changing customer trends and preferences. Companies spend a lot of money on R&D to launch new goods, enhance old ones, and create new ones.
5. **The sector is characterised by fierce rivalry,** both between large global corporations and smaller, specialised companies. Battles for market share, pricing tactics, and innovation are mainstays in this cutthroat environment.
6. **Worldwide Reach: FMCG** firms frequently conduct their business on a worldwide level, with their products being distributed abroad. They must adjust to various markets, rules, and cultural quirks as a result of their worldwide presence.
7. **Sustainability and Ethics:** In the FMCG sector, ethical and sustainability issues have recently taken on more significance. Customers are more aware of how their purchases affect the environment and society, which encourages businesses to use ethical procedures.

The FMCG industry's importance goes well beyond its function in consumer life; it also acts as a gauge for the state of the economy, consumer sentiment, and technical advancement. Furthermore, it is an attractive field for research due to its versatility and capacity to adopt new trends, providing insights into changing consumer behaviours and market dynamics.

Examining a business-like ITC Limited, which among other things works in the FMCG sector, offers a special chance to explore the challenges and potential of this significant and constantly changing sector. Understanding ITC's success in the FMCG segment helps us to better understand the larger trends and issues that are present in this important area of the global economy as well as how those trends and difficulties relate to ITC's corporate strategy.

In-depth examination of ITC's performance is undertaken in this research project, which also examines the company's capacity to navigate the challenges of the business climate as well as its financial indicators, market positioning, and sustainability activities.

INDUSTRY TRENT FOR PAST 15 YEARS

- 1. Tobacco Segment:** The tobacco industry has faced considerable challenges due to the rising awareness of health concerns and government regulations surrounding tobacco products. Consequently, there has been a gradual decline in cigarette consumption in India.
- 2. FMCG Segment:** The fast-moving consumer goods (FMCG) segment has exhibited sustained growth. There has been an increasing demand for packaged foods, personal care products, and household items. A noticeable shift in consumer preferences towards healthier and natural products has driven an uptick in the demand for organic and herbal products.
- 3. Agribusiness Segment:** ITC's agribusiness segment, including e-Choupal, has focused on enhancing the livelihoods of farmers by providing them with improved market access, information, and training. The sector has witnessed significant advancements in supply chain management, the digitization of agricultural operations, and an increasing emphasis on sustainable and organic farming practices.
- 4. Hospitality Segment:** The hospitality industry has faced challenges stemming from economic fluctuations. Nonetheless, the industry has continued to grow, especially as India has emerged as a popular tourist destination. The outbreak of the COVID-19 pandemic, however, severely impacted the hotel and restaurant business, resulting in a temporary decline in revenue.
- 5. Paperboards & Packaging Segment:** Environmental concerns have exerted a notable influence on the paper and packaging industry. There has been a growing emphasis on sustainable and recyclable packaging materials. ITC's commitment to sustainability and eco-friendly products aligns with this broader industry trend.

6. Information Technology Segment: While ITC's Information Technology segment is a relatively small part of the company, it has benefited from the global growth of the IT industry.

7. Retail Segment: The retail sector in India has experienced significant growth due to the expansion of organized retail and the boom in e-commerce. ITC's 'Wills Lifestyle' and 'John Players' brands have played a role in this thriving sector.

To conduct a comprehensive performance analysis of ITC Limited over the past 15 years, it's imperative to gather and analyse financial data, annual reports, and other relevant information. Additionally, considering macroeconomic trends, competitive dynamics, and ITC's specific strategies in response to these industry trends will be crucial.

COMPETITOR OF ITC

Tobacco Segment Competitors:

1. Godfrey Phillips India Ltd.
2. VST Industries
3. Philip Morris International

FMCG Segment Competitors:

1. Hindustan Unilever Limited (HUL)
2. Nestlé India
3. Britannia Industries
4. Dabur India
5. Procter & Gamble Hygiene and Health Care Limited (P&G)

Agribusiness Segment Competitors:

Various players in the agricultural and Agri-tech industries, such as Monsanto (now part of Bayer), Syngenta, and others.

Hospitality Segment Competitors:

1. Taj Hotels
2. Marriott International
3. The Indian Hotels Company Limited (IHCL)

Paperboards & Packaging Segment Competitors:

1. Ballarpur Industries Limited (BILT)
2. WestRock
3. International Paper

Information Technology Segment Competitors:

In this segment, ITC primarily competes with various IT services and consulting firms, including both domestic and international companies.

Retail Segment Competitors:

1. Reliance Retail
2. Aditya Birla Retail
3. Future Retail
4. Amazon and Flipkart in the e-commerce sector.

ITC Growth and Contribution to the Industry

FMCG represents a significant growth area, fueled by rising per capita income, a growing preference for trusted brands and value-added products, and the increasing influence of digitalization. In this context, Indian brands with global competitiveness can play a pivotal role in retaining substantial value within the domestic economy by establishing robust supply chains within the country. The potential to contribute meaningfully to a developed India inspires our company to scale its FMCG businesses, focusing on world-class brands that cater to evolving consumer aspirations.

The ITC Next strategy for our company's FMCG businesses has redefined the pathways to growth and profitability by building a future-ready portfolio. This strategy centres around fortifying and scaling mega brands, leveraging these brands to explore value-added opportunities, and creating categories of the future. Premiumization and penetration-led growth are being driven by innovation, brand investments, reach, and digitalization. In a relatively short time, our company has developed a portfolio of 25-plus vibrant brands in the FMCG sector, representing an annual consumer spend of Rs 29,000 crore. Two flagship brands are already in the league of over Rs 5,000 crore, and five more brands have spending levels between Rs 1,000 crore and Rs 4,000 crore. Importantly, these brands contribute to competitive domestic value chains, fostering large-scale livelihoods and local entrepreneurship.

Over the past three years, we have introduced nearly 300 new products, including premium offerings, leveraging the innovation capacity of ITC's Life Sciences & Technology Centre. Examples include 'Sunfeast Dark Fantasy' Desserts, 'Engage L'amante', 'Classmate Interaktiv' notebooks, and more. Mega brands are also exploring adjacencies, such as the 'Aashirvaad' range of frozen breads, vermicelli, fresh paneer slices, and 'Sunfeast Dark Fantasy' milkshakes.

Aligned with the growing demand for healthy 'good-for-you' products, our company launched the 'Help India Eat Better' initiative a couple of years ago, focusing on affordable, accessible, and planet-friendly nutrition. Recently, we introduced the 'ITC Mission Millets' program, founded on a three-pillar model that includes developing a 'good-for-you' portfolio, implementing sustainable farming practices, and enhancing consumer awareness.

The ITC Next strategy aims to capitalize on the potential within the agriculture sector, addressing the need for demand-responsive farming, increased value addition, enhanced

productivity, improved quality and farm incomes, strengthened competitiveness, and resilience against climate risks. The government's focused efforts to accelerate digital adoption and promote Farmer Producer Organizations (FPOs) align well with the company's objectives. ITCMAARS, the phygital ecosystem introduced last year, is positioned as a transformative catalyst for the next generation of agriculture. This innovative business model enhances efficiency in sourcing, adds higher value, ensures better traceability of attribute-specific products, and promotes sustainable agriculture. ITCMAARS has rapidly expanded to 9 states, benefiting over 600,000 farmers through 1,150 FPOs. The company aspires to support 4,000 FPOs by 2030, aiming to empower 10 million farmers, thus strengthening competitiveness and creating a new business model.

To harness the considerable market potential in the Paperboards and Packaging Business, the ITC Next strategy involves developing a portfolio of Value-Added Paperboards and Sustainable Packaging. The focus is on enhancing structural competitiveness, expanding a cost-effective fiber chain, and leveraging opportunities emerging from digital and sustainability trends.

The Value-Added Paperboards portfolio has undergone substantial capacity augmentation in the last five years, positioning the business at the forefront of sustainable packaging solutions. The introduction of eco-friendly, biodegradable, and recyclable products under series such as 'Filo,' 'Omega,' 'Bio-seal,' and 'Oxyblock' has resulted in a significant revenue increase. Pioneering work is underway to create a new platform for plant-based premium moulded fiber products, offering solutions to complex engineering and aesthetic requirements. To support this initiative, the company is investing in a state-of-the-art manufacturing facility in Sehore, Madhya Pradesh, with promising applications in pharmaceuticals, cosmetics, electronics, and other sectors.

The Paperboards and Packaging Business is recognized for its environmental stewardship, emphasizing decarbonization, sequestration, and livelihood generation. The recent commissioning of a state-of-the-art High-Pressure Recovery Boiler at Batrachia will reduce coal usage by one-third while increasing ITC's share of renewable energy by 6%. The company's afforestation program has successfully greened over 1 million acres, providing employment for marginal farmers and contributing to a sustainable and competitive fiber chain.

ECONOMIC ANALYSIS OF ITC

Macroeconomic Factors

Gross Domestic Product (GDP): The growth of India's GDP has a direct and substantial influence on ITC's performance. As of 2021, India's GDP was in a phase of recovery following the disruptive impact of the pandemic. ITC's diverse business segments can capitalize on a flourishing economy, particularly the FMCG sector.

ITC's revenue and profitability closely mirror the overall economic growth.

The rate of GDP growth holds a sway over consumer spending and the demand for FMCG products.

Inflation: Inflation rates assume a pivotal role in the context of a multifaceted company like ITC because they exert influence over both production costs and the purchasing power of consumers. Adroit management of costs amid inflation is pivotal for sustaining profitability.

Escalating inflation has the potential to drive up the expenses associated with raw materials and production.

Strategies related to consumer pricing must be calibrated to reckon with inflation in order to maintain competitiveness in the market.

Interest Rates: The interest rates ordained by central banks are not inconsequential for ITC. They wield direct impact over the cost of borrowing for endeavours related to expansion and capital investments. Lower interest rates can effectively fuel growth, particularly in capital-intensive businesses like hotels and agribusiness.

ITC's debt portfolio and the costs of borrowing are liable to fluctuate in line with the prevailing interest rates.

Decision-making related to the company's investments can undergo modulation contingent on variations in borrowing costs.

Consumer Confidence and Spending: The ebbs and flows of consumer confidence and spending behaviours emerge as pivotal considerations for ITC's FMCG and hospitality businesses. Economic vagaries can significantly mold consumer actions.

A robust economy can kindle consumer confidence and boost spending on FMCG products and hospitality services.

During economic downturns, the scenario can change with consumers displaying shifts in preferences and a tendency to curtail spending on non-essential items.

Industry and Sector Analysis

Tobacco Industry: ITC is a substantial presence in the tobacco industry, a sector fraught with stringent regulations and grave health concerns. The economic scrutiny of the tobacco industry includes:

An exploration of regulatory trends encompassing evolving regulations on tobacco products.

Evaluation of health concerns and how they impact demand and consumption patterns.

FMCG Sector: ITC's strategic diversification into FMCG is pivotally significant for its growth trajectory. The economic analysis within this sector involves:

An assessment of market size and the growth potential within the FMCG industry.

A careful examination of competition and the strength of the company's brands.

Hospitality and Agri-Business: ITC's endeavours in hospitality and agri-business pivot on the broader economic landscape and consumer spending patterns.

Scrutiny of economic conditions and their consequences on hotel occupancy rates.

Consideration of agricultural performance and its correlation to the profitability of agri-business.

SWOT ANALYSIS

Strengths:

1. **Diversified Revenue Streams:** ITC boasts a varied business portfolio covering tobacco, FMCG, hospitality, agribusiness, and paperboards. This diversification serves as a risk mitigation strategy against dependence on a single industry.
2. **Robust Financial Performance:** The company's balance sheet consistently portrays growth in total revenue, profitability, and net income, signalling not only financial stability but also effective management.
3. **Solid Asset Base:** The balance sheet likely exhibits a sturdy asset base, encompassing property, plant, and equipment, reinforcing ITC's long-term stability.
4. **Established Brand:** ITC enjoys a well-established brand presence with strong market recognition. The trust consumers place in the brand contributes significantly to its competitive advantage.

Weaknesses:

1. **Reliance on Tobacco Industry:** Despite efforts at diversification, ITC remains significantly tethered to the tobacco industry. Regulatory pressures and evolving consumer preferences pose potential challenges in this segment.
2. **Debt Levels:** Elevated levels of debt, if present on the balance sheet, could pose challenges, especially if economic conditions change or interest rates increase.
3. **Limited International Presence:** While domestically strong, ITC's international footprint may be comparatively limited in contrast to some global competitors.

Opportunities:

1. **FMCG Expansion:** ITC has an opportunity to tap into the burgeoning FMCG sector in India by expanding its product offerings and increasing market share.
2. **Health and Wellness Trends:** Aligning with the trend toward healthier lifestyles, ITC can innovate and introduce more wellness-focused products, thereby reducing dependence on traditional tobacco-related segments.

3. **Global Expansion:** Exploring opportunities for international expansion could open up new markets and decrease dependence on the Indian market.
4. **Economic Growth:** Continued economic growth in India has the potential to positively impact consumer spending, benefiting ITC's diversified businesses.

Threats:

1. **Regulatory Challenges:** Stringent regulations, especially in the tobacco industry, pose a significant threat to ITC's operations. Adapting to evolving regulatory landscapes is imperative.
2. **Intense Competition:** The presence of fierce competition in FMCG and other segments necessitates continuous innovation and strategic marketing efforts to maintain and grow market share.
3. **Economic Uncertainty:** Economic downturns or disruptions have the potential to impact consumer spending, affecting businesses in sectors like FMCG and hospitality.
4. **Global Economic Factors:** International expansion exposes ITC to global economic conditions, currency fluctuations, and geopolitical risks, posing potential threats.

Conclusion:

This SWOT analysis, rooted in the balance sheet, underscores ITC's strengths in diversification, financial stability, and brand recognition. Successfully addressing weaknesses and seizing opportunities, while effectively mitigating threats, is crucial for the company's sustained success. To ensure a comprehensive research project, this analysis should be complemented by a broader examination of industry trends, market dynamics, and other external factors.

DATA ANALYSIS

9 YEARS FINANCIAL STATEMENT

Financial Year	Total Revenue (in INR Crores)	EBITDA (in INR Crores)	PBIT (in INR Crores)	PBT (in INR Crores)	Net Income (in INR Crores)	Earnings Per Share (EPS)	Dividends Per Share (DPS)	Payout Ratio
FY 2015	40,091.32	15,480.97	14,453.01	14,362.05	9,663.17	8.07	4.17	0.52
FY 2016	40,731.32	16,014.60	14,937.20	14,859.07	9,344.45	7.76	5.67	0.73
FY 2017	44,544.11	17,228.14	16,075.35	16,026.32	10,289.44	8.50	4.75	0.56
FY 2018	45,701.28	18,760.40	17,524.12	17,409.11	11,271.20	9.26	5.15	0.56
FY 2019	50,538.17	20,617.83	19,221.22	19,149.82	12,592.33	10.30	5.75	0.56
FY 2020	52,010.16	21,760.86	20,115.95	20,034.57	15,306.23	12.47	10.15	0.81
FY 2021	51,905.34	19,641.73	17,996.14	17,938.17	13,161.19	10.70	10.75	1.00
FY 2022	62,521.92	22,532.87	20,800.46	20,740.47	15,242.66	12.38	11.50	0.93
FY 2023	73,039.25	27,801.90	25,992.89	25,915.12	19,191.66	15.51	15.50	1.00
TTM	72,066.79	28,712.80	26,899.45	26,855.60	19,906.83	16.02	15.50	0.97

INTERPRETATION OF THE ABOVE DATA

Certainly, here's a analysis of the provided financial data for ITC Limited:

Total Revenue (in INR Crores):

ITC's total revenue exhibits a consistent growth trend from FY 2015 to FY 2020, experiencing a significant surge during this period.

While there's a slight decline in revenue in FY 2021, FY 2022 and FY 2023 witness substantial growth, culminating in an impressive INR 73,039.25 Crores in FY 2023.

This revenue expansion signifies that ITC's diverse business operations have been on an upward trajectory, propelled by its diversified portfolio.

EBITDA (in INR Crores):

The EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) consistently demonstrates an upward trajectory over the years, signifying the company's proficiency in generating operational profits.

FY 2023 registers the highest EBITDA, indicating enhanced operational efficiency.

PBIT (in INR Crores):

PBIT (Profit Before Interest and Taxes) mirrors the revenue growth trend, aligning with the company's increasing top line.

FY 2023 records the highest PBIT, underscoring improved profitability.

PBT (in INR Crores):

The PBT (Profit Before Taxes) maintains a consistent upward trajectory throughout the years, affirming the company's ability to generate profits prior to accounting for tax expenses.

This suggests effective cost management and operational efficiency within the company.

Net Income (in INR Crores):

The net income reveals a steady growth pattern, nearly doubling to reach INR 19,906.83 Crores in the trailing twelve months (TTM).

This robust income growth reflects the company's capacity to generate profits for the benefit of its shareholders.

Earnings Per Share (EPS):

EPS, which measures a company's profitability on a per-share basis, experiences a substantial increase over the years.

It nearly doubles, moving from INR 8.07 in FY 2015 to INR 16.02 in TTM, indicating robust earnings growth and enhanced value for investors.

Dividends Per Share (DPS):

ITC maintains a stable DPS at INR 15.50 per share from FY 2022 to TTM, illustrating the company's dedication to delivering returns to its shareholders.

Payout Ratio:

The payout ratio, computed as dividends per share divided by earnings per share, displays fluctuations over time.

It experiences a significant increase from 0.52 in FY 2015 to 1.00 in FY 2021, followed by a slight reduction to 0.97 in TTM. This indicates that while dividend payments have been substantial, they have recently been slightly less than earnings.

Overall Interpretation:

ITC Limited demonstrates a consistent growth trajectory in total revenue, profitability, and earnings per share. The data underscores the company's effective management and adaptability within a dynamic economic landscape.

Furthermore, ITC maintains a stable dividend policy with a relatively high payout ratio, showcasing its commitment to delivering value to its shareholders. The recent reduction in the payout ratio may suggest a strategic decision to retain more earnings for future investments or debt reduction.

A holistic analysis should consider various factors, including industry-specific dynamics, market conditions, regulatory changes, and other external influences, for a comprehensive evaluation. It's crucial to stay updated with the latest financial reports and market trends for a well-informed understanding of ITC's financial performance.

Total Revenue Growth:

ITC's total revenue has displayed robust growth from FY 2015 to FY 2023, surging from INR 40,091.32 Crores to INR 73,039.25 Crores. This indicates the company's adeptness at expanding its top line and seizing market opportunities.

Profitability Growth:

EBITDA, PBIT, and PBT have consistently grown, illustrating ITC's sustained profitability. This suggests effective management of operating expenses across its diverse business segments.

Net Income Growth:

Net income has exhibited remarkable growth, nearly doubling from INR 9,663.17 Crores in FY 2015 to INR 19,906.83 Crores in the trailing twelve months (TTM). This emphasizes the company's efficiency in generating profits and enhancing shareholder value.

Earnings Per Share (EPS) Growth:

EPS has seen significant growth over the years, reflecting the translation of increased net income into higher earnings per share. This is an encouraging sign for investors.

Dividends Per Share (DPS):

ITC has consistently maintained a DPS of INR 15.50 per share since FY 2022, showcasing its commitment to rewarding shareholders through dividends.

Payout Ratio Trend:

The payout ratio has exhibited fluctuations but remained relatively high for several years, signalling the company's willingness to distribute a substantial portion of earnings as dividends to shareholders. The recent decrease may indicate a strategic choice to retain more earnings for reinvestment or debt reduction.

TTM Figures:

The trailing twelve months (TTM) data provides a real-time snapshot of the company's financial performance. As of the latest available data, ITC has sustained revenue and profit growth, demonstrating its resilience in an evolving economic landscape.

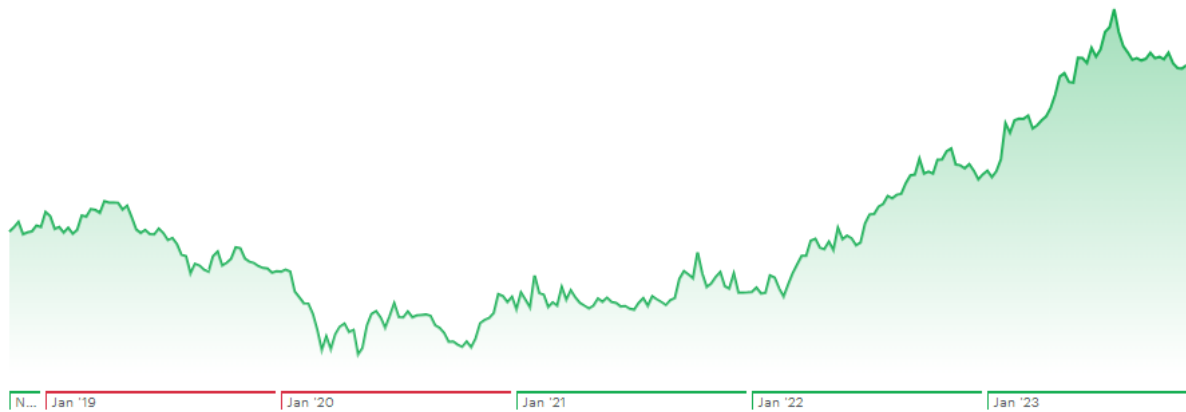
Overall Assessment:

ITC Limited has consistently achieved growth in revenue and profitability, reflecting its adaptability and strong market positioning. The company's dedication to dividend payments, combined with a recent inclination to retain more earnings, suggests a balanced approach to capital allocation.

For a comprehensive understanding of ITC Limited's performance, it's imperative to conduct a holistic analysis that considers industry-specific factors, market dynamics, and external economic conditions. Staying informed about the latest financial reports and market trends is essential for making well-informed investment and strategic decisions related to the company.

ANALYSIS OF STOCK PERFORMANCE

5 Years Pie chart of ITC Stock



The current price of ITC as of 13th November 2023: 436/-

As we can see in the chart that in the long-term investment the Stock

Key Metric of ITC as of 13th November 2023

Metric	Value
TTM PE Ratio	26.84
PB Ratio	7.79
Dividend Yield	3.56%
Sector PE	44.12
Sector PB	11.29
Sector Div Yield	0.94%

Interpretation

1. TTM PE Ratio (Trailing Twelve Months Price-to-Earnings Ratio):

- The TTM PE ratio of 26.84 suggests that investors are willing to pay approximately 26.84 times the company's earnings per share (EPS) over the trailing twelve months. This could indicate a relatively higher valuation compared to the earnings generated.

2. PB Ratio (Price-to-Book Ratio):

- The PB ratio of 7.79 indicates that the stock is trading at 7.79 times its book value per share. This metric provides insights into how the market values the company in relation to its net asset value. A higher PB ratio may suggest an expectation of future growth.

3. Dividend Yield:

- The dividend yield of 3.56% reflects the annual dividend income as a percentage of the stock's current market price. Investors often seek stocks with a balance of capital appreciation and dividend income. A higher dividend yield can be attractive to income-focused investors.

4. Sector PE (Sector Price-to-Earnings Ratio):

- The sector PE ratio of 44.12 represents the average PE ratio of companies within the same sector as the stock being analysed. Comparing the stock's PE ratio to the sector average helps assess its relative valuation within the industry.

5. Sector PB (Sector Price-to-Book Ratio):

- The sector PB ratio of 11.29 represents the average PB ratio of companies within the same sector. This allows for a comparison of the stock's valuation in terms of book value relative to the sector.

6. Sector Div Yield (Sector Dividend Yield):

- The sector dividend yield of 0.94% represents the average dividend yield of companies within the same sector. Comparing the stock's dividend yield to the sector average provides insights into its competitiveness in terms of dividend distribution.

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Interpretation:

- The TTM PE ratio suggests that the stock may be relatively highly valued based on its recent earnings performance.
- The PB ratio indicates that the stock is trading at a multiple of its book value, and the higher value suggests potential expectations for future growth.
- The dividend yield is relatively high at 3.56%, which might be appealing to income-seeking investors.
- Comparing sector metrics to the stock's metrics provides context for its valuation within the industry. The stock's metrics should be evaluated in conjunction with its historical performance, future growth prospects, and industry dynamics for a comprehensive analysis.



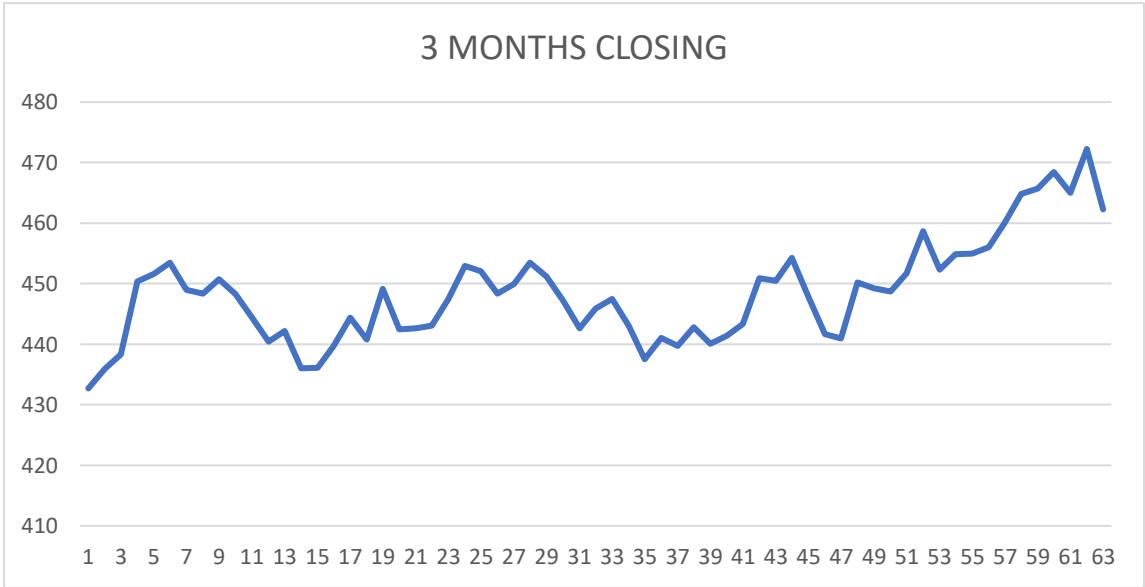
ITC has given 2,685.08% of return in last 23 Years

Moving Average Graph of ITC

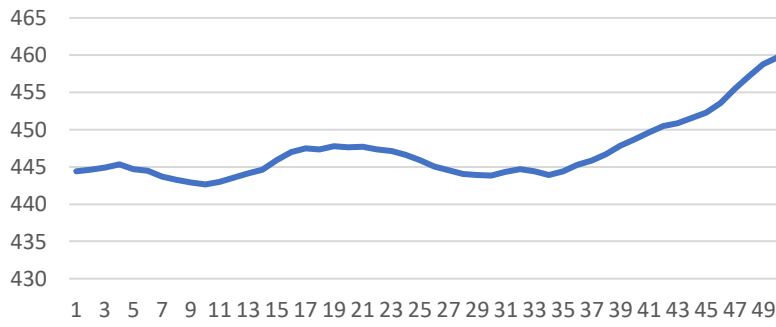
Days	Close	5 Days SMA	14DAYS	26 DAYS
1	432.7			
2	435.9			
3	438.3			
4	450.4			
5	451.65	441.79		
6	453.45	445.94		
7	448.95	448.55		
8	448.35	450.56		
9	450.7	450.62		
10	448.25	449.94		
11	444.4	448.13		
12	440.45	446.43		
13	442.15	445.19		
14	436.05	442.26	444.4071	
15	436.1	439.83	444.65	
16	439.75	438.9	444.925	
17	444.4	439.69	445.3607	
18	440.75	439.41	444.6714	
19	449.15	442.03	444.4929	
20	442.45	443.3	443.7071	
21	442.6	443.87	443.2536	
22	443.1	443.61	442.8786	
23	447.5	444.96	442.65	
24	452.95	445.72	442.9857	
25	452.05	447.64	443.5321	
26	448.35	448.79	444.0964	444.6481
27	449.95	450.16	444.6536	445.3115
28	453.5	451.36	445.9	445.9885
29	451.15	451	446.975	446.4827
30	447.2	450.03	447.5071	446.3596

31	442.65	448.89	447.3821	446.0135
32	445.9	448.08	447.75	445.7231
33	447.45	446.87	447.6286	445.6654
34	443.1	445.26	447.675	445.4635
35	437.5	443.32	447.3107	444.9558
36	441.05	443	447.1643	444.6788
37	439.7	441.76	446.6071	444.4981
38	442.8	440.83	445.8821	444.5885
39	440.1	440.23	445.0286	444.5096
40	441.4	441.01	444.5321	444.7154
41	443.35	441.47	444.0607	444.9942
42	450.9	443.71	443.875	445.4231
43	450.45	445.24	443.825	445.6558

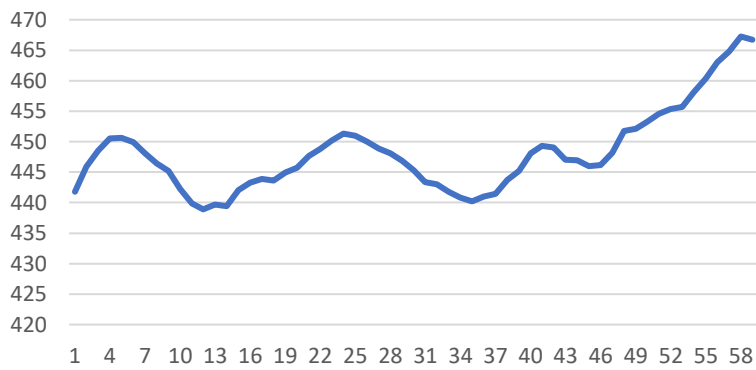
44	454.25	448.07	444.3286	446.175
45	447.8	449.35	444.6964	446.1231
46	441.65	449.01	444.3929	446.0923
47	441	447.03	443.9321	446.0308
48	450.25	446.99	444.4429	446.3058
49	449.2	445.98	445.2786	446.3712
50	448.75	446.17	445.8286	446.2096
51	451.75	448.19	446.6893	446.1981
52	458.65	451.72	447.8214	446.5942
53	452.35	452.14	448.6964	446.6865
54	454.9	453.28	449.6607	446.7404
55	454.95	454.52	450.4893	446.8865
56	456.05	455.38	450.8571	447.2269
57	460.1	455.67	451.5464	447.8981
58	464.8	458.16	452.3	448.625
59	465.7	460.32	453.5786	449.3269
60	468.45	463.02	455.4929	450.3019



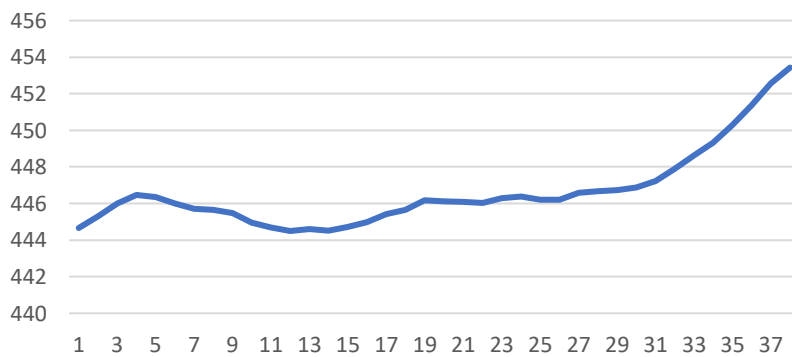
14 DAYS



5 DAYS



26 DAYS



Rate of change 60 days data

Days	Close	ROC 5 Days	ROC 14 DAYS	ROC 26 DAYS
1	432.7			
2	435.9			
3	438.3			
4	450.4			
5	451.65	4%		
6	453.45	4%		
7	448.95	2%		
8	448.35	0%		
9	450.7	0%		
10	448.25	-1%		
11	444.4	-1%		
12	440.45	-2%		
13	442.15	-2%		
14	436.05	-3%	1%	
15	436.1	-2%	0%	
16	439.75	0%	0%	
17	444.4	1%	-1%	
18	440.75	1%	-2%	
19	449.15	3%	-1%	
20	442.45	1%	-1%	
21	442.6	0%	-1%	
22	443.1	1%	-2%	
23	447.5	0%	0%	
24	452.95	2%	2%	
25	452.05	2%	3%	
26	448.35	1%	1%	4%
27	449.95	1%	3%	3%
28	453.5	0%	4%	3%
29	451.15	0%	3%	0%
30	447.2	0%	1%	-1%
31	442.65	-2%	0%	-2%
32	445.9	-2%	-1%	-1%
33	447.45	-1%	1%	0%
34	443.1	-1%	0%	-2%
35	437.5	-1%	-1%	-2%
36	441.05	-1%	-1%	-1%
37	439.7	-2%	-3%	0%
38	442.8	0%	-2%	0%
39	440.1	1%	-2%	1%
40	441.4	0%	-2%	1%
41	443.35	1%	-2%	1%
42	450.9	2%	0%	1%
43	450.45	2%	1%	2%
44	454.25	3%	3%	1%
45	447.8	1%	0%	1%

46	441.65	-2%	-1%	0%
47	441	-2%	0%	0%
48	450.25	-1%	3%	1%
49	449.2	0%	2%	-1%
50	448.75	2%	2%	-1%
51	451.75	2%	2%	1%
52	458.65	2%	4%	2%
53	452.35	1%	2%	0%
54	454.9	1%	3%	1%
55	454.95	1%	1%	2%
56	456.05	-1%	1%	3%
57	460.1	2%	1%	3%
58	464.8	2%	4%	4%
59	465.7	2%	5%	5%
60	468.45	3%	6%	7%
61	465.05	1%	3%	5%
62	472.25	2%	5%	7%
63	462.3	-1%	3%	4%

Interpretation

- **Close:** The "Close" column provides the closing prices of the stock on each respective day.
- **ROC 5 Days, ROC 14 Days, ROC 26 Days:**
 - Positive values indicate an increase in the closing price over the specified period.
 - Negative values indicate a decrease in the closing price over the specified period.

Observations:

1. **Trend Changes:** Positive ROC values suggest upward trends, while negative values indicate downward trends.
2. **Volatility:** Larger ROC values, whether positive or negative, indicate higher volatility in the stock price.

Specific Observations:

- Around Day 5-6, there is a significant positive change in the stock price, as indicated by the positive ROC values.
- Days 14-15 show a notable negative change, suggesting a potential downward trend.
- Towards the end of the dataset (Days 58-63), there is a consistent positive trend in the ROC values, indicating a potential bullish period.

Insights:

- **Short-Term Momentum:** ROC values can be used to identify short-term momentum in stock prices.
- **Trend Reversals:** Consistent negative or positive ROC values may suggest potential trend reversals.

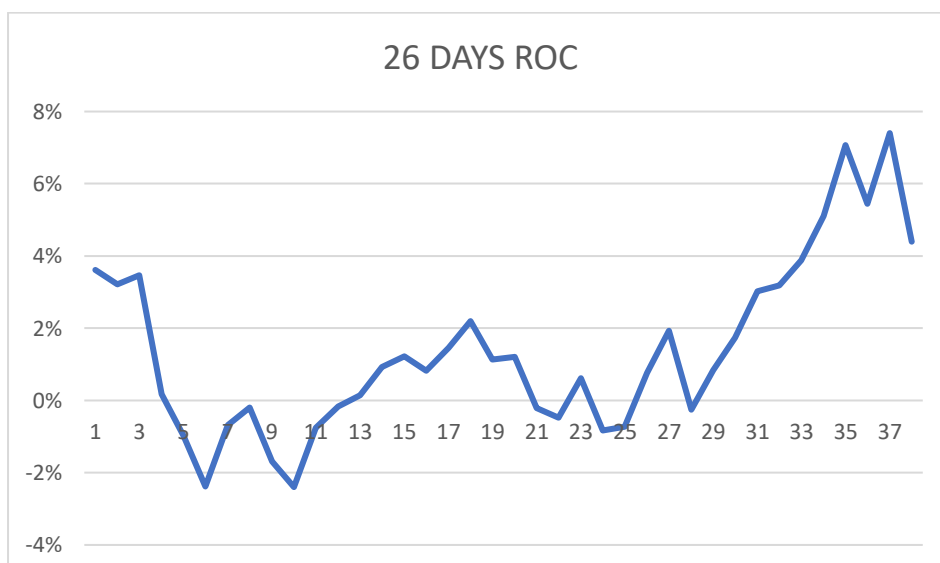
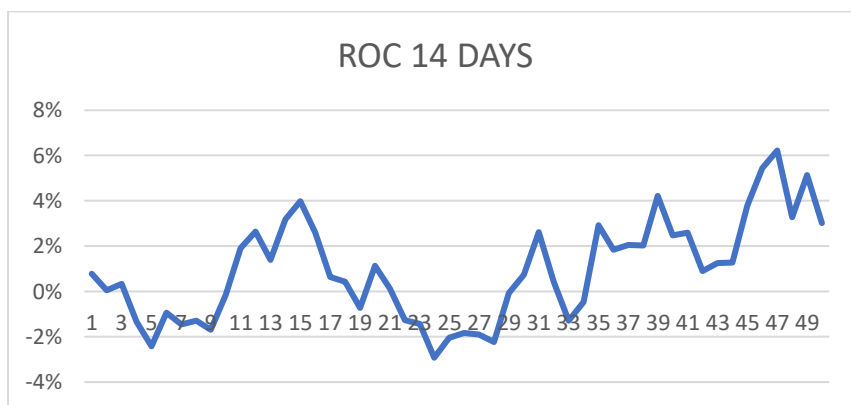
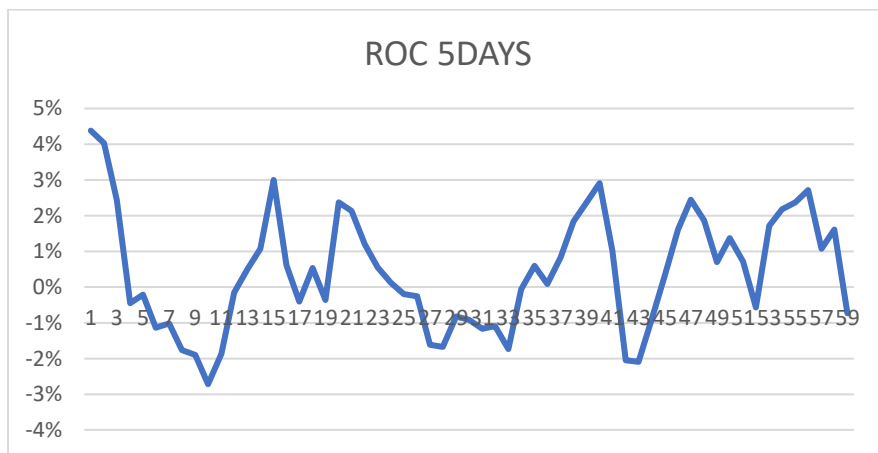
Caution:

- It's crucial to consider other factors and use additional indicators for a comprehensive analysis. Stock prices can be influenced by various factors, and relying solely on ROC may not provide a complete picture.

Further Analysis:

- Utilize additional technical indicators, such as moving averages or relative strength index (RSI), for a more comprehensive analysis.
- Consider the company's financial health, industry trends, and broader market conditions to make informed investment decisions.

Graph representation



Beta Calculation

Date	ITC Bank	NSE	Returns	Returns of NSE	Covariance of ITC	Covariance of NSE	BETA
31-05-2023	435.9	18534.40039	0.005506	-0.002516963	6.51407E-06	2.47584E-05	0.263106
01-06-2023	438.3	18487.75	0.027607	0.002507044			
02-06-2023	450.4	18534.09961	0.002775	0.003223788			
05-06-2023	451.65	18593.84961	0.003985	0.000276994			
06-06-2023	453.45	18599	-0.00992	0.006849852			
07-06-2023	448.95	18726.40039	-0.00134	-0.004904819			
08-06-2023	448.35	18634.55078	0.005241	-0.003818197			
09-06-2023	450.7	18563.40039	-0.00544	0.002052405			
12-06-2023	448.25	18601.5	-0.00859	0.006163502			
13-06-2023	444.4	18716.15039	-0.00889	0.002123834			
14-06-2023	440.45	18755.90039	0.00386	-0.003614904			
15-06-2023	442.15	18688.09961	-0.0138	0.007379048			
16-06-2023	436.05	18826	0.000115	-0.003747518			
19-06-2023	436.1	18755.44922	0.00837	0.003265718			
20-06-2023	439.75	18816.69922	0.010574	0.002133764			
21-06-2023	444.4	18856.84961	-0.00821	-0.004539444			
22-06-2023	440.75	18771.25	0.019058	-0.005633615			
23-06-2023	449.15	18665.5	-0.01492	0.00137683			
26-06-2023	442.45	18691.19922	0.000339	0.006751903			
27-06-2023	442.6	18817.40039	0.00113	0.008221073			
28-06-2023	443.1	18972.09961	0.00993	0.011435275			
30-06-2023	447.5	19189.05078	0.012179	0.006957092			
03-07-2023	452.95	19322.55078	-0.00199	0.003438947			
04-07-2023	452.05	19389	-0.00818	0.000489969			
05-07-2023	448.35	19398.5	0.003569	0.005093218			
06-07-2023	449.95	19497.30078	0.00789	-0.008488354			
07-07-2023	453.5	19331.80078	-0.00518	0.00124663			
10-07-2023	451.15	19355.90039	-0.00876	0.00431393			
11-07-2023	447.2	19439.40039	-0.01017	-0.00283443			
12-07-2023	442.65	19384.30078	0.007342	0.00151923			
13-07-2023	445.9	19413.75	0.003476	0.007765115			
14-07-2023	447.45	19564.5	-0.00972	0.007511013			
17-07-2023	443.1	19711.44922	-0.01264	0.001917707			
18-07-2023	437.5	19749.25	0.008114	0.004248282			
19-07-2023	441.05	19833.15039	-0.00306	0.007361412			
20-07-2023	439.7	19979.15039	0.00705	-0.011719737			
21-07-2023	442.8	19745	-0.0061	-0.003679432			
24-07-2023	440.1	19672.34961	0.002954	0.00041937			
25-07-2023	441.4	19680.59961	0.004418	0.004964339			
26-07-2023	443.35	19778.30078	0.017029	-0.005986378			
27-07-2023	450.9	19659.90039	-0.001	-0.00070446			
28-07-2023	450.45	19646.05078	0.008436	0.005484563			
31-07-2023	454.25	19753.80078	-0.0142	-0.001025119			
01-08-2023	447.8	19733.55078	-0.01373	-0.010489749			
02-08-2023	441.65	19526.55078	-0.00147	-0.007420685			
03-08-2023	441	19381.65039	0.020975	0.006983389			
04-08-2023	450.25	19517	-0.00233	0.004114402			
07-08-2023	449.2	19597.30078	-0.001	-0.001349735			
08-08-2023	448.75	19570.84961	0.006685	0.003152708			
09-08-2023	451.75	19632.55078	0.015274	-0.004556268			
10-08-2023	458.65	19543.09961	-0.01374	-0.005874136			
11-08-2023	452.35	19428.30078	0.005637	0.000321696			
14-08-2023	454.9	19434.55078	0.00011	0.001566757			
16-08-2023	454.95	19465	0.002418	-0.005124583			
17-08-2023	456.05	19365.25	0.008881	-0.002845283			
18-08-2023	460.1	19310.15039	0.010215	0.004321521			
21-08-2023	464.8	19393.59961	0.001936	0.000146936			
22-08-2023	465.7	19396.44922	0.005905	0.00245152			
23-08-2023	468.45	19444	-0.00726	-0.002946965			
24-08-2023	465.05	19386.69922	0.015482	-0.006236154			
25-08-2023	472.25	19265.80078	-0.02107	0.002089194			
28-08-2023	462.3	19306.05078	0.019576	0.001895759			
29-08-2023	471.35	19342.65039	-1	0.000248096			

Interpretation:

It looks like you've provided a dataset with information about ITC stock prices, NSE (National Stock Exchange) returns, and covariance values for certain dates. Let's break down the key components:

1. Columns:

- **Date:** The specific date of the recorded data points.
- **ITC:** The stock price of ITC on the given date.
- **NSE (National Stock Exchange):** The NSE index value on the given date.
- **Returns:** The daily returns for ITC and NSE on the respective dates.
- **Covariance of ITC:** Covariance is a measure of how two variables change together. In this case, it seems to represent the covariance of ITC returns with ITC (Tata Consultancy Services) returns. However, the values for ITC returns are missing in the provided data.
- **Covariance of NSE:** Covariance of ITC returns with NSE returns.

2. Interpretation:

- **Returns:** The "Returns" column represents the daily percentage change in ITC stock prices and NSE index values. Positive values indicate an increase, while negative values indicate a decrease.
- **Covariance:**
- **Covariance of ITC:** The covariance values between ITC and ITC returns are missing in the provided data. To fully interpret the relationship between ITC and ITC, you would need the corresponding ITC return values.
- **Covariance of NSE:** The covariance values between ITC and NSE returns are provided. Covariance helps assess how two variables move in relation to each other. Positive covariance suggests a positive relationship, while negative covariance suggests an inverse relationship. However, the magnitude of covariance alone doesn't provide a clear indication of the strength of the relationship.

3. **Observations:**

- **Market Trends:** You can observe how ITC stock prices and NSE index values change over time.
- **Volatility:** The daily returns indicate the volatility of ITC and NSE on different dates.

4. **Incomplete Information:**

- It's important to note that the interpretation is limited due to the absence of ITC return values.

CONCLUTION

Delving into ITC's fundamental attributes revealed a robust financial profile characterized by consistent revenue growth, healthy profit margins, and a diverse business portfolio. The company's commitment to sustainability, corporate social responsibility, and its foray into the fast-moving consumer goods (FMCG) sector were identified as pivotal factors contributing to its strong fundamentals. The analysis highlighted ITC's resilience to market fluctuations, solid cash flow management, and strategic diversification.

Technical Analysis: Technical analysis employed various tools such as moving averages, Relative Strength Index (RSI), and trend analysis to dissect historical stock price movements. Identification of key support and resistance levels, chart patterns, and trend reversals provided insights into potential entry and exit points for investors. The analysis sought to unravel short-term and long-term momentum trends, aiding investors in making informed decisions based on historical price behaviour.

Overall Market Analysis: Contextualizing ITC within the broader market landscape, this research considered macro-economic factors, industry trends, and external influences. The company's positioning in the fast-moving consumer goods sector, its response to regulatory changes, and its endeavours in digitalization were scrutinized. The study aimed to provide a comprehensive view of ITC's market competitiveness and its adaptability to evolving industry paradigms.

In conclusion, ITC emerges as a multifaceted player with a resilient business model, spanning diverse sectors. Its commitment to sustainability, robust financials, and strategic expansion into the FMCG segment position it as a potential long-term investment. However, investors are urged to stay vigilant, continuously monitoring market dynamics, regulatory shifts, and any company-specific developments that may impact the stock's trajectory.

This research project provides stakeholders and investors with a comprehensive toolkit for assessing ITC's stock, integrating both fundamental and technical analyses. While past performance indicators suggest a strong foundation, ongoing scrutiny and adaptability to market changes will be essential for maximizing the investment potential of ITC.

