

ITC Limited

PART I: Statement of Unaudited Financial Results for the Quarter ended 30th June, 2014

(₹ in Crores)

Particulars		STANDALONE			
		3 months ended 30.06.2014	Corresponding 3 months ended 30.06.2013	Preceding 3 months ended 31.03.2014	Twelve Months ended 31.03.2014
		(Unaudited)	(Unaudited)	(Audited) *	(Audited)
INCOME FROM OPERATIONS					
a) NET SALES / INCOME FROM OPERATIONS (Net of Excise Duty)	(1)	9164.42	7338.52	9145.14	32882.56
b) OTHER OPERATING INCOME	(2)	83.87	72.18	93.38	356.04
TOTAL INCOME FROM OPERATIONS (Net) (1+2)	(3)	9248.29	7410.70	9238.52	33238.60
EXPENSES					
a) Cost of materials consumed		2660.62	2188.27	2707.89	10263.28
b) Purchases of stock-in-trade		1920.80	865.37	1011.38	3021.47
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(603.86)	(184.68)	150.35	(128.41)
d) Employee benefits expense		508.66	426.87	410.81	1608.37
e) Depreciation and amortisation expense		231.32	215.30	237.83	899.92
f) Other expenses		1484.48	1323.56	1754.70	6019.05
TOTAL EXPENSES	(4)	6202.02	4834.69	6272.96	21683.68
PROFIT FROM OPERATIONS BEFORE OTHER INCOME AND FINANCE COSTS (3-4)	(5)	3046.27	2576.01	2965.56	11554.92
OTHER INCOME	(6)	234.55	203.18	266.71	1107.14
PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS (5+6)	(7)	3280.82	2779.19	3232.27	12662.06
FINANCE COSTS	(8)	15.15	16.95	9.53	2.95
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	(9)	3265.67	2762.24	3222.74	12659.11
TAX EXPENSE	(10)	1079.28	870.91	944.73	3873.90
NET PROFIT FOR THE PERIOD (9-10)	(11)	2186.39	1891.33	2278.01	8785.21
PAID UP EQUITY SHARE CAPITAL (Ordinary shares of ₹ 1/- each)	(12)	795.50	790.18	795.32	795.32
RESERVES EXCLUDING REVALUATION RESERVES	(13)	-	-	-	25414.29
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	(14)				
(a) Basic (₹)		2.75	2.39	2.87	11.09
(b) Diluted (₹)		2.72	2.36	2.83	10.96

* The figures for the preceding 3 months ended 31.03.2014 are the balancing figures between the audited figures in respect of the full financial year ended 31.03.2014 and the year to date figures upto the third quarter of that financial year.

PART II: Select information for the Quarter ended 30th June, 2014

A. Particulars of Shareholding	3 months ended 30.06.2014	Corresponding 3 months ended 30.06.2013	Preceding 3 months ended 31.03.2014	Twelve Months ended 31.03.2014
1. PUBLIC SHAREHOLDING				
- NUMBER OF SHARES	7934240720	7878479687	7932401330	7932401330
- PERCENTAGE OF SHAREHOLDING	99.74	99.70	99.74	99.74
2. PROMOTERS AND PROMOTER GROUP SHAREHOLDING	Nil	Nil	Nil	Nil
a) Pledged / Encumbered	N.A.	N.A.	N.A.	N.A.
b) Non - encumbered	N.A.	N.A.	N.A.	N.A.

B. Investor Complaints	3 months ended 30.06.2014
Pending at the beginning of the quarter	Nil
Received during the quarter	Nil
Disposed off during the quarter	Nil
Remaining unresolved at the end of the quarter	Nil

Notes :

- (i) The Unaudited Financial Results and Segment Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 29th July, 2014.
- (ii) Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure.
- (iii) The Company does not have any Exceptional or Extraordinary item to report for the above periods.
- (iv) The launch and rollout costs of the Company's brands 'Fiama Di Wills', 'Vivel', 'Superia' and 'Engage' covering the range of personal care products of soaps, face washes, shower gels, shampoos, conditioners, skin care and deodorants, and the continuing significant brand building costs of the Foods businesses are reflected under 'Other expenses' stated above and in Segment Results under 'FMCG-Others'.
- (v) During the quarter, 18,33,390 Ordinary Shares of ₹ 1/- each were issued and allotted under the Company's Employee Stock Option Schemes. Consequently, the issued and paid-up Share Capital of the Company as on 30th June, 2014 stands increased to ₹ 795,50,16,340/-.
- (vi) For the twelve months ended 31.03.2014, Other Expenses and Finance Costs are net of liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively that are no longer required and therefore written back consequent to a favourable High Court Order.
- (vii) The Scheme of Arrangement between Wimco Limited ('Wimco') and the Company became effective on 27th June, 2014 on filing of the Order of the Hon'ble High Court with the respective Registrar of Companies. The Scheme, with effect from 1st April 2013, provided for the demerger of the Non Engineering Business of Wimco into the Company. The results for the quarter ended 30th June, 2014 reflect the effect of the Scheme, and consequently, the figures for the previous periods are not strictly comparable.

Pavan Poplar Limited and Prag Agro Farm Limited have become direct subsidiaries of the Company with effect from 27th June, 2014, consequent upon the Scheme becoming effective.
- (viii) Pursuant to the enactment of the Companies Act 2013 (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II to the Act. The consequential impact (after considering the transition provision specified in Schedule II) on the depreciation charged and on the results for the quarter is not material.
- (ix) This statement is as per Clause 41 of the Listing Agreement.

Limited Review

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the Quarter ended 30th June, 2014 which needs to be explained.

ITC LIMITED

Unaudited Segment-wise Revenue, Results and Capital Employed for the Quarter ended 30th June, 2014

(₹ in Crores)

	STANDALONE			
	3 Months ended 30.06.2014	Corresponding 3 Months ended 30.06.2013	Preceding 3 Months ended 31.03.2014	Twelve Months ended 31.03.2014
	(Unaudited)	(Unaudited)	(Audited) *	(Audited)
1. Segment Revenue				
a) FMCG - Cigarettes	4201.06	3537.39	4078.78	15456.05
- Others	1934.61	1744.66	2314.51	8099.21
Total FMCG	6135.67	5282.05	6393.29	23555.26
b) Hotels	248.69	249.86	320.51	1132.78
c) Agri Business	3296.06	2188.98	2004.24	7752.05
d) Paperboards, Paper & Packaging	1288.48	1163.14	1261.20	4860.51
Total	10968.90	8884.03	9979.24	37300.60
Less : Inter-segment revenue	1804.48	1545.51	834.10	4418.04
Net sales / Income from operations	9164.42	7338.52	9145.14	32882.56
2. Segment Results				
a) FMCG - Cigarettes	2721.75	2241.72	2551.94	9858.00
- Liability no longer required written back (Note 1)	-	-	-	157.91
FMCG - Cigarettes	2721.75	2241.72	2551.94	10015.91
- Others	(15.59)	(18.93)	43.09	21.82
Total FMCG	2706.16	2222.79	2595.03	10037.73
b) Hotels	(12.09)	8.94	59.85	139.71
c) Agri Business	202.45	199.31	145.48	834.78
d) Paperboards, Paper & Packaging	274.90	251.60	188.41	892.46
Total	3171.42	2682.64	2988.77	11904.68
Less : i) Finance Costs	15.15	16.95	9.53	37.72
Liability no longer required written back (Note 1)	-	-	-	(34.77)
Finance Costs	15.15	16.95	9.53	2.95
ii) Other un-allocable (income) net of un-allocable expenditure	(109.40)	(96.55)	(243.50)	(757.38)
Profit Before Tax	3265.67	2762.24	3222.74	12659.11
Tax Expense	1079.28	870.91	944.73	3873.90
Profit After Tax	2186.39	1891.33	2278.01	8785.21
3. Capital Employed				
a) FMCG - Cigarettes **	5087.46	4656.33	5705.48	5705.48
- Others	3941.74	3009.35	3383.53	3383.53
Total FMCG	9029.20	7665.68	9089.01	9089.01
b) Hotels	3648.46	3505.46	3625.39	3625.39
c) Agri Business	2299.03	1738.95	2052.44	2052.44
d) Paperboards, Paper & Packaging	5454.09	4986.61	5319.08	5319.08
Total Segment Capital Employed	20430.78	17896.70	20085.92	20085.92

* The figures for the preceding 3 months ended 31.03.2014 are the balancing figures between the audited figures in respect of the full financial year ended 31.03.2014 and the year to date figures upto the third quarter of that financial year.

** Segment Liabilities of FMCG-Cigarettes is before considering ₹ 673.08 Crores (30.06.2013 - ₹ 873.16 Crores ; 31.03.2014 - ₹ 667.98 Crores) in respect of disputed Taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Note 1: Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required, based on a favourable High Court Order; Segment Results of FMCG - Cigarettes and Finance Costs for the twelve months ended 31.03.2014 include the effect of such write back.

Notes :

- (1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :
- | | | | | |
|--------------------------------|---|------------|---|---|
| FMCG | : | Cigarettes | - | Cigarettes, Cigars etc. |
| | : | Others | - | Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis. |
| Hotels | | | - | Hoteliering. |
| Paperboards, Paper & Packaging | | | - | Paperboards, Paper including Specialty Paper & Packaging including Flexibles. |
| Agri Business | | | - | Agri commodities such as soya, spices, coffee and leaf tobacco. |
- (3) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- (4) The Segment Results for Hotels are after considering an incremental charge for the quarter of ₹ 14.28 Crores towards depreciation arising from the review and revision of estimated useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013. The impact of such revision on the results of all other reported Segments is not material.
- (5) The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.
- (6) Figures for the corresponding previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.

Registered Office :
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Kolkata 700 071, India
Dated : 29th July, 2014
Place : Kolkata, India

For and on behalf of the Board

Executive Director

Chairman