



ITC Limited

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2017

(₹ in Crores)

Particulars		3 Months ended	Corresponding 3 Months ended	Preceding 3 Months ended	9 Months ended	9 Months ended	Twelve Months ended
		31.12.2017	31.12.2016	30.09.2017	31.12.2017	31.12.2016	31.03.2017
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gross Revenue from sale of products and services	(i)	9852.74	13470.89	9676.20	33251.15	40118.94	55001.69
Other operating revenue	(ii)	99.45	99.08	87.72	265.38	320.70	446.77
REVENUE FROM OPERATIONS[(i)+(ii)]	1	9952.19	13569.97	9763.92	33516.53	40439.64	55448.46
OTHER INCOME	2	626.92	687.94	494.21	1597.90	1583.81	1985.91
TOTAL INCOME (1+2)	3	10579.11	14257.91	10258.13	35114.43	42023.45	57434.37
EXPENSES							
a) Cost of materials consumed		2941.91	2912.58	2858.00	8694.81	8792.72	11765.56
b) Purchases of stock-in-trade		498.90	864.89	558.82	2048.61	2370.84	3566.57
c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates		140.22	(400.90)	939.55	1029.98	129.94	644.17
d) Excise duty		180.17	4321.58	(550.21)	3475.72	11476.50	15359.78
e) Employee benefits expense		595.02	572.31	606.54	1876.19	1872.95	2444.31
f) Finance costs		24.02	13.59	29.01	63.41	34.41	22.95
g) Depreciation and amortization expense		290.75	266.54	282.42	841.38	796.23	1038.04
h) Other expenses		1691.47	1753.12	1589.71	4978.81	5094.04	7090.03
TOTAL EXPENSES	4	6362.46	10303.71	6313.84	23008.91	30567.63	41931.41
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (3-4)	5	4216.65	3954.20	3944.29	12105.52	11455.82	15502.96
EXCEPTIONAL ITEMS (Refer Note 6)	6	412.90	-	-	412.90	-	-
PROFIT BEFORE TAX (5+6)	7	4629.55	3954.20	3944.29	12518.42	11455.82	15502.96
TAX EXPENSE	8	1539.35	1307.47	1304.45	4227.88	3924.39	5302.06
a) Current Tax		1457.14	1398.14	1320.39	4151.55	3902.19	5285.65
b) Deferred Tax		82.21	(90.67)	(15.94)	76.33	22.20	16.41
PROFIT FOR THE PERIOD (7-8)	9	3090.20	2646.73	2639.84	8290.54	7531.43	10200.90
OTHER COMPREHENSIVE INCOME	10	86.86	(161.61)	(29.04)	214.64	(123.23)	77.00
A (i) Items that will not be reclassified to profit or loss		78.07	(168.22)	(26.07)	216.12	(145.30)	40.80
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.67	10.37	1.14	2.98	20.11	24.22
B (i) Items that will be reclassified to profit or loss		7.84	(5.75)	(6.29)	(6.80)	2.99	18.29
(ii) Income tax relating to items that will be reclassified to profit or loss		(2.72)	1.99	2.18	2.34	(1.03)	(6.31)
TOTAL COMPREHENSIVE INCOME (9+10)	11	3177.06	2485.12	2610.80	8505.18	7408.20	10277.90
PAID UP EQUITY SHARE CAPITAL (Ordinary shares of ₹ 1/- each)	12	1219.05	1212.14	1218.36	1219.05	1212.14	1214.74
RESERVES EXCLUDING REVALUATION RESERVES	13						44126.22
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	14						
(a) Basic (₹)		2.54	2.18	2.17	6.82	6.23	8.43
(b) Diluted (₹)		2.52	2.17	2.15	6.76	6.19	8.38

Notes :

- The Unaudited Standalone Financial Results and Segment Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 19th January, 2018.
- The launch and rollout costs of the Company's brands 'Fiamsa', 'Vivel', 'Superia', 'Engage', 'Savlon' and 'Shower to Shower' covering the range of personal care products of soaps, face washes, shower gels, skin care, deodorants, handwash and ayurvedic talc, 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'.
- During the quarter, 68,10,380 Ordinary Shares of ₹ 1/- each were issued and allotted under the Company's Employee Stock Option Schemes (ESOS). Consequently, the issued and paid-up Share Capital of the Company as on 31st December, 2017 stands increased to ₹ 1219,04,56,871/-.
- This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July 2017, Central Excise [other than National Calamity Contingent Duty (NCCD) on cigarettes], Value Added Tax (VAT) etc. have been replaced by GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, VAT, etc. are excluded, but does not exclude NCCD, in Gross Revenue from sale of products and services for applicable periods. In view of the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and services and Excise duty for the quarter and nine months ended 31st December, 2017 are not comparable with the previous periods. Following additional information is being provided to facilitate such comparison:

(₹ in Crores)

Particulars	3 Months ended	Corresponding 3 Months ended	Preceding 3 Months ended	9 Months ended	9 Months ended	Twelve Months ended
	31.12.2017	31.12.2016	30.09.2017	31.12.2017	31.12.2016	31.03.2017
Gross Sales Value (net of rebates and discounts) (A)	16746.20	15746.93	16391.58	49148.44	46858.42	64174.17
Taxes other than Excise Duty / NCCD (B)*	6893.46	2276.04	6715.38	15897.29	6739.48	9172.48
Gross Revenue from sale of products and services [C = (A-B)]	9852.74	13470.89	9676.20	33251.15	40118.94	55001.69

* Taxes include GST, GST Compensation Cess, Service Tax, VAT, Luxury Tax etc., as applicable for the reported periods

Excise duty for the quarter ended 30th September, 2017 represents NCCD net of reversal of excise duty on closing inventories held as on 30th June, 2017.

- Exceptional Items represent provisions for earlier years of ₹ 412.90 Crores (₹ 270.00 Crores post tax), in respect of Tamil Nadu entry tax that have been written back during the current quarter, based on a favourable order of the Hon'ble Supreme Court.

Limited Review

The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report does not have any impact on the above 'Results and Notes' for the Quarter and Nine Months ended 31st December, 2017 which needs to be explained.

ITC LIMITED
Unaudited Segment-wise Revenue, Results, Assets and Liabilities
for the Quarter and Nine Months ended 31st December, 2017

(₹ in Crores)

Particulars	STANDALONE					
	3 Months ended 31.12.2017	Corresponding 3 Months ended 31.12.2016	Preceding 3 Months ended 30.09.2017	9 Months ended 31.12.2017	9 Months ended 31.12.2016	Twelve Months ended 31.03.2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a) FMCG - Cigarettes	4629.19	8287.97	4554.21	17957.56	25047.04	34001.98
- Others	2871.78	2569.26	2804.11	8276.78	7626.07	10511.83
Total FMCG	7500.97	10857.23	7358.32	26234.34	32673.11	44513.81
b) Hotels	404.44	370.51	300.18	1009.51	955.21	1341.73
c) Agri Business	1530.86	1671.92	1967.98	6259.36	6346.06	8264.55
d) Paperboards, Paper & Packaging	1279.60	1335.82	1309.41	3948.83	3990.13	5362.86
Total	10715.87	14235.48	10935.89	37452.04	43964.51	59482.95
Less : Inter-segment revenue	863.13	764.59	1259.69	4200.89	3845.57	4481.26
Gross Revenue from sale of products and services *	9852.74	13470.89	9676.20	33251.15	40118.94	55001.69
2. Segment Results						
a) FMCG - Cigarettes	3269.25	3033.69	3291.67	9835.06	9255.15	12513.91
- Others	46.99	(19.66)	20.49	72.91	(27.44)	28.12
Total FMCG	3316.24	3014.03	3312.16	9907.97	9227.71	12542.03
b) Hotels	54.77	42.15	4.24	64.32	44.02	110.95
c) Agri Business	233.34	236.61	256.20	724.65	770.88	905.80
d) Paperboards, Paper & Packaging	268.26	246.03	274.19	799.74	725.67	965.84
Total	3872.61	3538.82	3846.79	11496.68	10768.28	14524.62
Less : i) Finance Costs	24.02	13.59	29.01	63.41	34.41	22.95
ii) Other un-allocable (income) net of un-allocable expenditure [Note (i)]	(368.06)	(428.97)	(126.51)	(672.25)	(721.95)	(1001.29)
iii) Exceptional items**	(412.90)	-	-	(412.90)	-	-
Profit Before Tax	4629.55	3954.20	3944.29	12518.42	11455.82	15502.96
3. Segment Assets						
a) FMCG - Cigarettes	7829.31	7792.74	8389.61	7829.31	7792.74	7994.51
- Others	7436.51	6596.10	7744.46	7436.51	6596.10	7113.91
Total FMCG	15265.82	14388.84	16134.07	15265.82	14388.84	15108.42
b) Hotels [Note (ii)]	5402.59	5039.01	5356.60	5402.59	5039.01	5082.80
c) Agri Business	2986.56	2750.70	2929.88	2986.56	2750.70	2991.57
d) Paperboards, Paper & Packaging	6815.89	6323.56	6774.68	6815.89	6323.56	6322.79
Total	30470.86	28502.11	31195.23	30470.86	28502.11	29505.58
Unallocated Corporate Assets	29357.27	23248.16	25898.12	29357.27	23248.16	24710.37
Total Assets	59828.13	51750.27	57093.35	59828.13	51750.27	54215.95
4. Segment Liabilities						
a) FMCG - Cigarettes**	4684.73	2999.09	4416.35	4684.73	2999.09	2447.84
- Others	1879.37	1414.40	1749.29	1879.37	1414.40	1407.21
Total FMCG	6564.10	4413.49	6165.64	6564.10	4413.49	3855.05
b) Hotels	512.94	452.29	479.61	512.94	452.29	420.62
c) Agri Business	1027.58	1001.44	1198.51	1027.58	1001.44	795.88
d) Paperboards, Paper & Packaging	786.75	615.62	749.53	786.75	615.62	623.85
Total	8891.37	6482.84	8593.29	8891.37	6482.84	5695.40
Unallocated Corporate Liabilities	2980.80	3302.69	3925.49	2980.80	3302.69	3179.59
Total Liabilities	11872.17	9785.53	12518.78	11872.17	9785.53	8874.99

* Refer note 5 to the financial results.

** Segment Liabilities of FMCG-Cigarettes is before considering ₹ 229.14 Crores (31.12.2016 - ₹ 651.37 Crores; 30.09.2017 - ₹ 638.09 Crores; 31.03.2017 - ₹ 629.83 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'. Also refer note 6 to the financial results.

Note (i): As stock options are granted under ITC ESOS to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the option value of ITC ESOS do not form part of the segment performance reviewed by the Corporate Management Committee.

Note (ii): Includes ₹ 541.21 Crores (31.12.2016 - ₹ 541.21 Crores; 30.09.2017 - ₹ 541.21 Crores; 31.03.2017 - ₹ 541.21 Crores) towards payment to IFCI Limited and applicable stamp duty for purchase of a five star hotel resort in Goa operating under the name Park Hyatt Goa Resort & Spa and IFCI Limited issued required sale certificate in favour of the Company. The erstwhile owners of the property thereafter challenged the sale. By its judgement dated 23.03.2016, the Bombay High Court set aside the sale and directed IFCI Limited to refund the sale consideration to the Company. The Company and IFCI Limited have approached the Hon'ble Supreme Court against the High Court judgement. The Hon'ble Supreme Court by its order dated 22.04.2016 has directed maintenance of status quo and that the amount paid by ITC shall remain with IFCI Limited until further orders. The hearing of the matter is completed and is awaiting judgement by the Hon'ble Supreme Court.

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.

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

- (2) The business groups comprise the following :

FMCG	:	Cigarettes	-	Cigarettes, Cigars etc.
	:	Others	-	Branded Packaged Foods Businesses (Staples; Snacks and Meals; Dairy and Beverages; Confections); 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 Branded Packaged Foods businesses and Personal Care Products business.

- (4) Figures for the corresponding previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.

Registered Office :
Virginia House, 37 J.L. Nehru Road,
Kolkata 700 071, India

For and on behalf of the Board

Dated : 19th January, 2018
Place : Kolkata, India

Director & Chief Financial Officer

Chief Executive Officer & Director