

ITC Limited

PART I: Statement of Unaudited Financial Results for the Quarter and Six months ended 30th September, 2013

(₹ in Crores)

Particulars		STANDALONE					
		3 months ended 30.09.2013	Corresponding 3 months ended 30.09.2012 in the previous year	Preceding 3 months ended 30.06.2013	6 Months ended 30.09.2013	6 Months ended 30.09.2012	Twelve Months ended 31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
GROSS INCOME		11541.21	10488.16	11002.20	22543.41	20168.92	43044.21
GROSS SALES / INCOME FROM OPERATIONS		11208.28	10223.86	10726.84	21935.12	19680.40	41809.82
EXCISE DUTIES		3432.49	3077.86	3388.32	6820.81	5882.19	12204.24
INCOME FROM OPERATIONS							
a) NET SALES / INCOME FROM OPERATIONS (Net of Excise Duty)	(1)	7775.79	7146.00	7338.52	15114.31	13798.21	29605.58
b) OTHER OPERATING INCOME	(2)	86.74	80.30	72.18	158.92	134.58	295.69
TOTAL INCOME FROM OPERATIONS (Net) (1+2)	(3)	7862.53	7226.30	7410.70	15273.23	13932.79	29901.27
EXPENSES							
a) Cost of materials consumed		2570.45	2079.41	2188.27	4758.72	4147.11	8936.21
b) Purchases of stock-in-trade		541.50	1103.03	865.37	1406.87	1860.94	3375.92
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(133.57)	(318.06)	(184.68)	(318.25)	(567.62)	(246.35)
d) Employee benefits expense		369.87	289.05	426.87	796.74	697.02	1387.01
e) Depreciation and amortisation expense		220.87	188.86	215.30	436.17	383.65	795.56
f) Other expenses		1338.44	1383.62	1323.56	2662.00	2730.93	5820.97
TOTAL EXPENSES	(4)	4907.56	4725.91	4834.69	9742.25	9252.03	20069.32
PROFIT FROM OPERATIONS BEFORE OTHER INCOME AND FINANCE COSTS (3-4)	(5)	2954.97	2500.39	2576.01	5530.98	4680.76	9831.95
OTHER INCOME	(6)	246.19	184.00	203.18	449.37	353.94	938.70
PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS (5+6)	(7)	3201.16	2684.39	2779.19	5980.35	5034.70	10770.65
FINANCE COSTS	(8)	(32.67)	23.29	16.95	(15.72)	37.05	86.47
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	(9)	3233.83	2661.10	2762.24	5996.07	4997.65	10684.18
TAX EXPENSE	(10)	1003.30	824.68	870.91	1874.21	1559.09	3265.79
NET PROFIT FOR THE PERIOD (9-10)	(11)	2230.53	1836.42	1891.33	4121.86	3438.56	7418.39
PAID UP EQUITY SHARE CAPITAL (Ordinary shares of ₹ 1/- each)	(12)	792.00	785.63	790.18	792.00	785.63	790.18
RESERVES EXCLUDING REVALUATION RESERVES	(13)	-	-	-	-	-	21444.92
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	(14)						
(a) Basic (₹)		2.82	2.34	2.39	5.21	4.39	9.45
(b) Diluted (₹)		2.78	2.31	2.36	5.14	4.34	9.33

PART II: Select information for the Quarter and Six Months ended 30th September, 2013

	3 months ended 30.09.2013	Corresponding 3 months ended 30.09.2012 in the previous year	Preceding 3 months ended 30.06.2013	6 Months ended 30.09.2013	6 Months ended 30.09.2012	Twelve Months ended 31.03.2013
A. Particulars of Shareholding						
1. PUBLIC SHAREHOLDING						
- NUMBER OF SHARES	7896890178	7832583758	7878479687	7896890178	7832583758	7878339017
- PERCENTAGE OF SHAREHOLDING	99.71	99.70	99.70	99.71	99.70	99.70
2. PROMOTERS AND PROMOTER GROUP SHAREHOLDING	Nil	Nil	Nil	Nil	Nil	Nil
a) Pledged / Encumbered	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
b) Non - encumbered	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
B. Investor Complaints						
	3 months ended 30.09.2013					
Pending at the beginning of the quarter	Nil					
Received during the quarter	1					
Disposed off during the quarter	1					
Remaining unresolved at the end of the quarter	Nil					

Notes :

- (i) The Unaudited Financial Results, Segment Results and Statement of Assets and Liabilities were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 25th October, 2013.
- (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) Gross Income comprises Gross Sales / Income from Operations, Other Operating Income and Other Income.
- (v) 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'.
- (vi) During the quarter, 1,81,45,790 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 September, 2013 stands increased to ₹ 791,99,78,900/-
- (vii) For the quarter and six months ended 30.09.2013, 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.
- (viii) The Board of Directors of the Company at its meeting held on 28th August, 2013, approved the demerger of the Non-Engineering Business comprising Safety Matches Business and Agri (Forestry) Business of Wimco Ltd. (a subsidiary of the Company) into the Company and the related Scheme of Arrangement ('Scheme') between Wimco Ltd. and the Company.
The Scheme, which is subject to approvals as necessary, will take effect from 1st April, 2013. Upon the Scheme becoming effective, the Members of Wimco Ltd. will be entitled to 2 (Two) Ordinary Shares of ₹ 1/- each of the Company for every 77 (Seventy Seven) Equity Shares of ₹ 1/- each of Wimco Ltd. held by them.
- (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 September, 2013 which needs to be explained.

ITC Limited

(₹ in Crores)

STATEMENT OF ASSETS AND LIABILITIES		STANDALONE	
		As at current half year end 30.09.2013 (Unaudited)	As at previous year end 31.03.2013 (Audited)
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	792.00	790.18
	(b) Reserves and surplus	25862.24	21497.67
	(c) Money received against share warrants	-	-
	Shareholders' Funds	26654.24	22287.85
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-
3	NON-CURRENT LIABILITIES		
	(a) Long-term borrowings	64.72	66.40
	(b) Deferred tax liabilities (net)	1314.22	1203.72
	(c) Other long-term liabilities	4.77	3.11
	(d) Long-term provisions	124.94	125.62
	Non-Current Liabilities	1508.65	1398.85
4	CURRENT LIABILITIES		
	(a) Short-term borrowings	132.09	-
	(b) Trade payables	1764.92	1668.98
	(c) Other current liabilities	4194.51	3528.62
	(d) Short-term provisions	647.73	5133.13
	Current Liabilities	6739.25	10330.73
	TOTAL EQUITY AND LIABILITIES	34902.14	34017.43
B	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Fixed assets	13340.45	12697.13
	(b) Non-current investments	2443.78	2,000.86
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	1421.80	1727.97
	(e) Other non-current assets	-	-
	Non-Current Assets	17206.03	16425.96
2	CURRENT ASSETS		
	(a) Current investments	6149.15	5059.43
	(b) Inventories	7111.70	6600.20
	(c) Trade receivables	1378.03	1163.34
	(d) Cash and bank balances	1811.03	3615.00
	(e) Short-term loans and advances	523.25	512.14
	(f) Other current assets	722.95	641.36
	Current Assets	17696.11	17591.47
	TOTAL ASSETS	34902.14	34017.43

Registered Office :
Virginia House, 37 J.L. Nehru Road,
Kolkata 700 071, India
Dated : 25th October, 2013
Place : Kolkata, India

For and on behalf of the Board

Executive Director Chairman

ITC LIMITED

Unaudited Segment-wise Revenue, Results and Capital Employed for the Quarter and Six Months ended 30th September, 2013

(₹ in Crores)

	STANDALONE					
	3 Months ended 30.09.2013	Corresponding 3 Months ended 30.09.2012 in the previous year	Preceding 3 Months ended 30.06.2013	6 Months ended 30.09.2013	6 Months ended 30.09.2012	Twelve Months ended 31.03.2013
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a) FMCG - Cigarettes - Gross	7103.10	6418.61	6880.05	13983.15	12479.98	25987.20
- Net	3723.81	3385.15	3537.39	7261.20	6689.39	13969.98
FMCG - Others - Gross	1968.04	1700.36	1750.09	3718.13	3179.65	7012.38
- Net	1962.22	1690.80	1744.66	3706.88	3163.85	6982.75
Total FMCG - Gross	9071.14	8118.97	8630.14	17701.28	15659.63	32999.58
- Net	5686.03	5075.95	5282.05	10968.08	9853.24	20952.73
b) Hotels - Gross	246.99	216.98	249.87	496.86	449.37	1074.39
- Net	246.97	216.96	249.86	496.83	449.31	1074.22
c) Agri Business - Gross	1772.46	2023.88	2188.98	3961.44	3715.30	7200.73
- Net	1772.46	2023.88	2188.98	3961.44	3715.30	7200.73
d) Paperboards, Paper & Packaging - Gross	1253.11	1121.68	1235.92	2489.03	2249.82	4504.37
- Net	1178.74	1059.00	1163.14	2341.88	2117.70	4236.75
Total - Gross	12343.70	11481.51	12304.91	24648.61	22074.12	45779.07
- Net	8884.20	8375.79	8884.03	17768.23	16135.55	33464.43
Less : Inter-segment revenue - Gross	1135.42	1257.65	1578.07	2713.49	2393.72	3969.25
- Net	1108.41	1229.79	1545.51	2653.92	2337.34	3858.85
Gross sales / Income from operations	11208.28	10223.86	10726.84	21935.12	19680.40	41809.82
Net sales / Income from operations	7775.79	7146.00	7338.52	15114.31	13798.21	29605.58
2. Segment Results						
a) FMCG - Cigarettes	2411.70	2080.17	2241.72	4653.42	3979.98	8325.94
- Liability no longer required written back (Note 1)	157.91	-	-	157.91	-	-
FMCG - Cigarettes	2569.61	2080.17	2241.72	4811.33	3979.98	8325.94
FMCG - Others	(12.69)	(30.31)	(18.93)	(31.62)	(69.15)	(81.26)
Total FMCG	2556.92	2049.86	2222.79	4779.71	3910.83	8244.68
b) Hotels	8.72	15.30	8.94	17.66	41.53	137.65
c) Agri Business	284.59	259.74	199.31	483.90	431.11	731.28
d) Paperboards, Paper & Packaging	220.76	282.53	251.60	472.36	547.24	963.95
Total	3070.99	2607.43	2682.64	5753.63	4930.71	10077.56
Less : i) Finance Costs	2.10	23.29	16.95	19.05	37.05	86.47
Liability no longer required written back (Note 1)	(34.77)	-	-	(34.77)	-	-
Finance Costs	(32.67)	23.29	16.95	(15.72)	37.05	86.47
ii) Other un-allocable (income) net of un-allocable expenditure	(130.17)	(76.96)	(96.55)	(226.72)	(103.99)	(693.09)
Profit Before Tax	3233.83	2661.10	2762.24	5996.07	4997.65	10684.18
Tax Expense	1003.30	824.68	870.91	1874.21	1559.09	3265.79
Profit After Tax	2230.53	1836.42	1891.33	4121.86	3438.56	7418.39
3. Capital Employed						
a) FMCG - Cigarettes *	4663.61	4167.85	4656.33	4663.61	4167.85	4953.40
FMCG - Others	3162.40	2359.40	3009.35	3162.40	2359.40	2531.89
Total FMCG	7826.01	6527.25	7665.68	7826.01	6527.25	7485.29
b) Hotels	3513.82	3386.68	3505.46	3513.82	3386.68	3459.90
c) Agri Business	1119.90	1098.40	1738.95	1119.90	1098.40	1256.56
d) Paperboards, Paper & Packaging	5068.80	4674.46	4986.61	5068.80	4674.46	4958.27
Total Segment Capital Employed	17528.53	15686.79	17896.70	17528.53	15686.79	17160.02

* Segment Liabilities of FMCG-Cigarettes is before considering ₹ 657.75 Crores (30.09.2012 - ₹ 783.16 Crores; 30.06.2013 - ₹ 873.16 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 quarter and six months ended 30.09.2013 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 and Smoking Mixtures. |
| | : | 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 Branded Packaged Foods businesses and Personal Care Products business.
- (4) ITC Grand Chola, the Company's 600-key super premium integrated luxury hotel complex in Chennai was inaugurated on 15th September, 2012. The Hotel has been accredited as the World's largest LEED Platinum rated hotel, in the new construction category. The segment results of 'Hotels' for the quarter reflect the gestation cost of the newly opened property.
- (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. The segment results for the quarter and half year are after absorbing costs relating to the strategic e-Choupal initiative.
- (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 : 25th October, 2013
Place : Kolkata, India

For and on behalf of the Board

Executive Director

Chairman