



Enduring Value

ITC Limited

Statement of Unaudited Consolidated Financial Results for the Quarter and Six Months ended 30th September, 2019

(₹ in Crores)

Particulars		3 Months ended 30.09.2019	Corresponding 3 Months ended 30.09.2018	Preceding 3 Months ended 30.06.2019	6 Months ended 30.09.2019	6 Months ended 30.09.2018	Twelve Months ended 31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Gross Revenue from sale of products and services	(i)	12759.44	12018.61	12532.31	25291.75	23764.29	49348.43
Other operating revenue	(ii)	107.95	165.67	125.59	233.54	301.86	513.68
REVENUE FROM OPERATIONS[(i)+(ii)]	1	12867.39	12184.28	12657.90	25525.29	24066.15	49862.11
OTHER INCOME	2	629.88	474.37	647.29	1277.17	898.65	2173.79
TOTAL INCOME (1+2)	3	13497.27	12658.65	13305.19	26802.46	24964.80	52035.90
EXPENSES							
a) Cost of materials consumed		3461.47	3449.89	3125.01	6586.48	6533.23	13403.01
b) Purchases of stock-in-trade		720.74	851.45	1796.40	2517.14	2078.69	4220.51
c) Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates		255.49	(68.37)	(736.73)	(481.24)	(231.05)	(203.19)
d) Employee benefits expense		1035.95	947.92	1078.87	2114.82	2032.46	4177.88
e) Finance costs		13.99	22.19	14.58	28.57	30.09	45.42
f) Depreciation and amortization expense		415.84	349.28	378.94	794.78	669.40	1396.61
g) Other expenses		2551.68	2576.83	2456.60	5008.28	4683.99	9857.54
TOTAL EXPENSES	4	8455.16	8129.19	8113.67	16568.83	15796.81	32897.78
PROFIT BEFORE TAX (3-4)	5	5042.11	4529.46	5191.52	10233.63	9167.99	19138.12
TAX EXPENSE (Refer Note 4)	6	868.39	1484.39	1755.01	2623.40	3073.54	6313.92
a) Current Tax		1029.68	1409.20	1680.40	2710.08	2919.56	6191.62
b) Deferred Tax		(161.29)	75.19	74.61	(86.68)	153.98	122.30
PROFIT FOR THE PERIOD (5-6)	7	4173.72	3045.07	3436.51	7610.23	6094.45	12824.20
SHARE OF PROFIT / (LOSS) OF ASSOCIATES AND JOINT VENTURES	8	0.97	1.94	4.46	5.43	4.29	11.70
PROFIT AFTER TAX, SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES (7+8)	9	4174.69	3047.01	3440.97	7615.66	6098.74	12835.90
OTHER COMPREHENSIVE INCOME	10	(52.18)	(218.16)	(242.95)	(295.13)	(96.51)	326.40
A (i) Items that will not be reclassified to profit or loss		(43.21)	(194.09)	(236.29)	(279.50)	(90.85)	383.04
(ii) Income tax relating to items that will not be reclassified to profit or loss		2.58	(7.25)	2.23	4.81	(9.06)	3.04
B (i) Items that will be reclassified to profit or loss		(16.28)	(26.67)	(7.10)	(23.38)	(14.94)	(59.38)
(ii) Income tax relating to items that will be reclassified to profit or loss		4.73	9.85	(1.79)	2.94	18.34	(0.30)
TOTAL COMPREHENSIVE INCOME (9+10)	11	4122.51	2828.85	3198.02	7320.53	6002.23	13162.30
PROFIT FOR THE PERIOD ATTRIBUTABLE TO :							
OWNERS OF THE PARENT		4119.16	3003.99	3355.01	7474.17	5978.55	12592.33
NON-CONTROLLING INTERESTS		55.53	43.02	85.96	141.49	120.19	243.57
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO :							
OWNERS OF THE PARENT		4067.27	2787.05	3112.06	7179.33	5883.26	12919.28
NON-CONTROLLING INTERESTS		55.24	41.80	85.96	141.20	118.97	243.02
PAID UP EQUITY SHARE CAPITAL (Ordinary Shares of ₹ 1/- each)	12	1228.65	1224.19	1225.86	1228.65	1224.19	1225.86
RESERVES EXCLUDING REVALUATION RESERVES	13						57915.01
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	14						
(a) Basic (₹)		3.35	2.46	2.74	6.09	4.90	10.30
(b) Diluted (₹)		3.34	2.44	2.72	6.06	4.86	10.24

- Notes :**
- The Unaudited Consolidated Financial Results, Segment Results, Balance Sheet and Cash Flow Statement were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 24th October, 2019.
 - The continuing significant brand building costs covering a range of personal care and branded packaged food products are reflected under 'Other expenses' stated above and in Segment Results under 'FMCG-Others'.
 - During the quarter ended 30th September, 2019, 2,78,58,610 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, 2019 stands increased to ₹1228,64,90,211/-.
 - The Company and some of its subsidiaries have exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at March 31, 2019 and the estimate of tax expense for the year ended 31st March 2020 have been re-measured. The resultant impact is being recognised over the current and the remaining quarters of the financial year. Consequently, tax expense for the current quarter and six months ended 30th September, 2019 includes a credit of ₹ 349.62 Crores.
 - This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - The Group does not have any exceptional item to report for the above periods.

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 Six months ended 30th September, 2019 which needs to be explained.

ITC LIMITED
Unaudited Segment-wise Revenue, Results, Assets and Liabilities
for the Quarter and Six Months ended 30th September, 2019

(₹ in Crores)

CONSOLIDATED						
Particulars	3 Months ended 30.09.2019	Corresponding 3 Months ended 30.09.2018	Preceding 3 Months ended 30.06.2019	6 Months ended 30.09.2019	6 Months ended 30.09.2018	Twelve Months ended 31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a) FMCG - Cigarettes	5841.91	5469.86	6141.92	11983.83	11218.72	22913.27
- Others	3296.22	3168.74	3068.07	6364.29	6046.49	12535.04
Total FMCG	9138.13	8638.60	9209.99	18348.12	17265.21	35448.31
b) Hotels	445.82	381.14	411.60	857.42	742.49	1746.74
c) Agri Business	2673.59	2247.59	3622.40	6295.99	5408.98	9565.39
d) Paperboards, Paper & Packaging	1565.42	1424.46	1527.53	3092.95	2780.29	5860.16
e) Others	540.18	493.11	523.22	1063.40	962.64	1966.62
Total	14363.14	13184.90	15294.74	29657.88	27159.61	54587.22
Less : Inter-segment revenue	1603.70	1166.29	2762.43	4366.13	3395.32	5238.79
Gross Revenue from sale of products and services	12759.44	12018.61	12532.31	25291.75	23764.29	49348.43
2. Segment Results						
a) FMCG - Cigarettes	4036.44	3739.17	4145.75	8182.19	7563.77	15411.77
- Others	92.04	60.45	79.89	171.93	114.87	325.55
- Restructuring of Lifestyle Retailing Business	-	-	-	-	-	70.47
Total FMCG	4128.48	3799.62	4225.64	8354.12	7678.64	15807.79
b) Hotels	17.01	17.32	9.82	26.83	32.19	185.69
c) Agri Business	249.40	239.84	201.78	451.18	433.28	793.38
d) Paperboards, Paper & Packaging	355.91	310.91	329.76	685.67	606.57	1239.23
e) Others	77.01	44.99	68.82	145.83	110.17	172.45
Total	4827.81	4412.68	4835.82	9663.63	8860.85	18198.54
Less : i) Finance Costs	13.99	22.19	14.58	28.57	30.09	45.42
ii) Other un-allocable (income) net of un-allocable expenditure [Note]	(228.29)	(138.97)	(370.28)	(598.57)	(337.23)	(985.00)
Profit Before Tax	5042.11	4529.46	5191.52	10233.63	9167.99	19138.12
3. Segment Assets						
a) FMCG - Cigarettes	9013.44	8864.69	8913.86	9013.44	8864.69	8863.69
- Others	9683.03	8622.09	9651.52	9683.03	8622.09	8224.57
Total FMCG	18696.47	17486.78	18565.38	18696.47	17486.78	17088.26
b) Hotels	7832.54	7003.19	7649.38	7832.54	7003.19	7302.46
c) Agri Business	4172.49	3608.59	4923.75	4172.49	3608.59	4191.18
d) Paperboards, Paper & Packaging	6917.79	6970.09	6953.94	6917.79	6970.09	6960.54
e) Others	999.92	1021.01	1004.27	999.92	1021.01	901.55
Total	38619.21	36089.66	39096.72	38619.21	36089.66	36443.99
Unallocated Corporate Assets	33078.02	28937.16	37827.10	33078.02	28937.16	35354.42
Total Assets	71697.23	65026.82	76923.82	71697.23	65026.82	71798.41
4. Segment Liabilities						
a) FMCG - Cigarettes	4891.28	4606.68	5175.13	4891.28	4606.68	4888.65
- Others	2223.78	2101.07	2076.42	2223.78	2101.07	2020.85
Total FMCG	7115.06	6707.75	7251.55	7115.06	6707.75	6909.50
b) Hotels	888.07	649.97	846.63	888.07	649.97	637.39
c) Agri Business	784.00	910.33	929.40	784.00	910.33	785.36
d) Paperboards, Paper & Packaging	844.82	870.44	794.94	844.82	870.44	755.48
e) Others	298.53	285.78	310.02	298.53	285.78	296.42
Total	9930.48	9424.27	10132.54	9930.48	9424.27	9384.15
Unallocated Corporate Liabilities	2794.84	3457.83	4058.24	2794.84	3457.83	2929.92
Total Liabilities	12725.32	12882.10	14190.78	12725.32	12882.10	12314.07

Note: As stock options and stock appreciation linked reward units are granted under the ITC Employee Stock Option Schemes (ITC ESOS) and ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESARP), respectively, to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.

ITC Limited

(₹ in Crores)

Balance Sheet		CONSOLIDATED	
		As at current half year end 30.09.2019 (Unaudited)	As at previous year end 31.03.2019 (Audited)
Particulars			
A	ASSETS		
1	Non-current assets		
	(a) Property, Plant and Equipment	19586.52	18625.74
	(b) Capital work-in-progress	3261.90	4126.18
	(c) Investment Property	385.37	-
	(d) Goodwill on Consolidation	202.53	202.53
	(e) Other Intangible assets	538.75	545.92
	(f) Intangible assets under development	4.92	10.24
	(g) Right of use assets	1014.80	-
	(h) Financial Assets		
	(i) Investments		
	(a) Investment in Associates	147.90	157.26
	(b) Investment in Joint Ventures	120.24	121.86
	(c) Others	10551.17	11416.87
	(ii) Loans	6.71	8.34
	(iii) Others	1081.01	2385.17
	(i) Deferred tax assets (Net)	56.27	59.37
	(j) Income Tax Assets (Net)	32.10	28.53
	(k) Other non-current assets	1561.72	2363.13
	Non-current assets	38551.91	40051.14
2	Current assets		
	(a) Inventories	9290.12	7859.56
	(b) Biological assets other than bearer plants	100.77	84.41
	(c) Financial Assets		
	(i) Investments	13719.89	13347.50
	(ii) Trade receivables	4074.59	4035.28
	(iii) Cash and cash equivalents	308.26	317.81
	(iv) Other Bank Balances	3479.71	3834.22
	(v) Loans	5.46	6.75
	(vi) Others	1256.56	1499.68
	(d) Other current assets	909.96	762.06
	Current assets	33145.32	31747.27
	Total Assets	71697.23	71798.41
B	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity Share capital	1228.65	1225.86
	(b) Other Equity	57258.59	57915.01
	Attributable to the owners of the parent	58487.24	59140.87
	Non-controlling interests	484.67	343.47
	Total Equity	58971.91	59484.34
	LIABILITIES		
1	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	8.16	8.15
	(ii) Lease liabilities	226.00	-
	(iii) Other financial liabilities	147.23	73.41
	(b) Provisions	167.94	161.95
	(c) Deferred tax liabilities (Net)	1956.01	2052.06
	(d) Other non-current liabilities	11.12	6.51
	Non-current liabilities	2516.46	2302.08
2	Current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	1.32	1.86
	(ii) Trade payables		
	Total outstanding dues of micro enterprises and small enterprises	42.25	55.41
	Total outstanding dues of creditors other than micro enterprises and small enterprises	3582.03	3454.17
	(iii) Lease liabilities	63.88	-
	(iv) Other financial liabilities	1287.83	1187.16
	(b) Other current liabilities	4757.09	4838.32
	(c) Provisions	57.24	51.38
	(d) Current Tax Liabilities (Net)	417.22	423.69
	Current liabilities	10208.86	10011.99
	Total Equity and Liabilities	71697.23	71798.41

ITC Limited

Consolidated Cash Flow Statement for the half year ended 30th September, 2019

(₹ in Crores)

	For the half year ended 30th September, 2019		For the half year ended 30th September, 2018	
A. Cash Flow from Operating Activities				
PROFIT BEFORE TAX		10239.06		9172.28
ADJUSTMENTS FOR :				
Depreciation and amortization expense	794.78		669.40	
Share based payments to employees	84.23		155.64	
Finance costs	28.57		30.09	
Interest Income	(769.89)		(656.10)	
Dividend Income	(8.31)		(8.34)	
Loss on sale of property, plant and equipment - Net	30.58		49.22	
Net gain recognised on disposal of subsidiary	-		(1.53)	
Doubtful and bad debts	12.41		9.19	
Doubtful and bad advances, loans and deposits	(0.63)		1.90	
Share of (profit)/loss of associates and joint ventures	(5.43)		(4.29)	
Net (gain)/loss arising on investments mandatorily measured at Fair Value through profit or loss	(461.81)		(234.36)	
Foreign currency translations and transactions - Net	(7.43)	(302.93)	2.21	13.03
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		9936.13		9185.31
ADJUSTMENTS FOR :				
Trade receivables, loans, advances and other assets	(64.12)		(445.15)	
Inventories and biological assets other than bearer plants	(1446.92)		(779.39)	
Trade payables, other liabilities and provisions	48.42	(1462.62)	442.55	(781.99)
CASH GENERATED FROM OPERATIONS		8473.51		8403.32
Income tax paid		(2716.93)		(2069.76)
NET CASH FROM OPERATING ACTIVITIES		5756.58		6333.56
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment, Intangibles etc.	(1251.60)		(1587.51)	
Sale of property, plant and equipment	19.78		2.45	
Purchase of current investments	(41309.42)		(39949.60)	
Sale/redemption of current investments	41040.98		40281.91	
Purchase of non-current investments	(774.11)		(326.66)	
Redemption proceeds of non- current investments	1767.63		17.00	
Proceeds on disposal of subsidiary	-		2.01	
Dividend from associates and joint ventures	8.34		4.97	
Dividend from others	8.31		8.34	
Interest received	768.18		682.46	
Investment in bank deposits (original maturity more than 3 months)	(1392.20)		(985.88)	
Redemption / maturity of bank deposits (original maturity more than 3 months)	3269.70		1919.86	
Investment in deposit with housing finance companies	(675.53)		(61.15)	
Redemption / maturity of deposit with housing finance companies	699.15		536.42	
Loans given	(2.94)		(3.69)	
Loans realised	5.86		2.96	
NET CASH USED IN INVESTING ACTIVITIES		2182.13		543.89
C. Cash Flow from Financing Activities				
Proceeds from issue of share capital	517.95		657.05	
Proceeds from current borrowings	-		90.00	
Repayment of current borrowings	-		(3.19)	
Repayment of non-current borrowings	(0.07)		(0.03)	
Repayment of lease liabilities	(23.13)		-	
Interest paid	(23.99)		(89.74)	
Net increase in statutory restricted accounts balances	3.19		15.64	
Dividend paid	(7048.71)		(6285.21)	
Income tax on dividend paid	(1373.65)		(1230.28)	
NET CASH USED IN FINANCING ACTIVITIES		(7948.41)		(6845.76)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(9.70)		31.69
OPENING CASH AND CASH EQUIVALENTS		342.88		173.79
CLOSING CASH AND CASH EQUIVALENTS		333.18		205.48
<i>Note :</i>				
CASH AND CASH EQUIVALENTS :				
Cash and cash equivalents as above		333.18		205.48
Unrealised gain / (loss) on foreign currency cash and cash equivalents		(26.24)		(26.78)
Cash credit facilities		1.32		5.43
Cash and cash equivalents		<u>308.26</u>		<u>184.13</u>

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 & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); 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.
Others			-	Information Technology services etc.

- (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.

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

For and on behalf of the Board

Dated : 24th October, 2019
Place : Kolkata, India

Director & Chief Financial Officer

Chairman & Managing Director