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

(\text{\textdollar} \text{in Crores})

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<tr>
<td>Gross Revenue from sale of products and services</td>
<td>9582.74</td>
<td>13470.89</td>
<td>9676.20</td>
<td>33251.15</td>
<td>40118.94</td>
<td>55001.69</td>
</tr>
<tr>
<td>Other operating revenue</td>
<td>99.45</td>
<td>99.08</td>
<td>87.72</td>
<td>265.38</td>
<td>320.70</td>
<td>446.77</td>
</tr>
<tr>
<td>REVENUE FROM OPERATIONS[\text{\textdollar}(\text{i})+\text{\textdollar}(\text{ii})]</td>
<td>9592.15</td>
<td>13569.97</td>
<td>9763.92</td>
<td>33561.53</td>
<td>40439.64</td>
<td>55448.46</td>
</tr>
<tr>
<td>OTHER INCOME</td>
<td>626.92</td>
<td>687.94</td>
<td>494.21</td>
<td>1597.90</td>
<td>1583.81</td>
<td>1985.91</td>
</tr>
<tr>
<td>TOTAL INCOME [\text{\textdollar}(1+2)]</td>
<td>10157.91</td>
<td>14257.91</td>
<td>10258.13</td>
<td>35114.43</td>
<td>42023.45</td>
<td>57434.37</td>
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**EXCLUDED ITEMS**

\[\text{\textdollar}(\text{i})\] Cost of materials consumed
- \text{\textdollar}2941.91
- \text{\textdollar}2912.58
- \text{\textdollar}2858.00
- \text{\textdollar}8694.81
- \text{\textdollar}8792.72
- \text{\textdollar}11765.56

\[\text{\textdollar}(\text{ii})\] Purchases of stock-in-trade
- \text{\textdollar}498.90
- \text{\textdollar}864.89
- \text{\textdollar}558.82
- \text{\textdollar}2048.61
- \text{\textdollar}2370.84
- \text{\textdollar}3565.57

\[\text{\textdollar}(\text{iii})\] Changes in inventories of finished goods, stock-in-trade, work-in-progress and intermediates
- \text{\textdollar}140.22
- \text{\textdollar}(400.90)
- \text{\textdollar}939.55
- \text{\textdollar}1029.98
- \text{\textdollar}129.94
- \text{\textdollar}644.17

\[\text{\textdollar}(\text{iv})\] Excise duty
- \text{\textdollar}180.17
- \text{\textdollar}1304.45
- \text{\textdollar}1304.45
- \text{\textdollar}4227.88
- \text{\textdollar}3924.39
- \text{\textdollar}5302.06

\[\text{\textdollar}(\text{v})\] Employee benefits expense
- \text{\textdollar}595.02
- \text{\textdollar}732.31
- \text{\textdollar}606.54
- \text{\textdollar}1876.19
- \text{\textdollar}1782.95
- \text{\textdollar}2444.31

\[\text{\textdollar}(\text{vi})\] Finance costs
- \text{\textdollar}24.02
- \text{\textdollar}13.59
- \text{\textdollar}29.01
- \text{\textdollar}83.41
- \text{\textdollar}34.41
- \text{\textdollar}229.95

\[\text{\textdollar}(\text{vii})\] Depreciation and amortization expense
- \text{\textdollar}290.75
- \text{\textdollar}266.54
- \text{\textdollar}282.42
- \text{\textdollar}841.38
- \text{\textdollar}796.23
- \text{\textdollar}1038.04

\[\text{\textdollar}(\text{viii})\] Other expenses
- \text{\textdollar}1691.47
- \text{\textdollar}1753.12
- \text{\textdollar}1589.71
- \text{\textdollar}4978.81
- \text{\textdollar}5094.04
- \text{\textdollar}7090.03

**TOTAL EXPENSES**
- \text{\textdollar}46362.46
- \text{\textdollar}10303.71
- \text{\textdollar}6313.84
- \text{\textdollar}23089.91
- \text{\textdollar}30567.63
- \text{\textdollar}41931.91

\[\text{\textdollar}(\text{\textdollar}1+\text{\textdollar}2+\text{\textdollar}3+\text{\textdollar}4+\text{\textdollar}5+\text{\textdollar}6+\text{\textdollar}7+\text{\textdollar}8+\text{\textdollar}9+\text{\textdollar}10+\text{\textdollar}11+\text{\textdollar}12+\text{\textdollar}13+\text{\textdollar}14)\]

**TAXES**

\[\text{\textdollar}(\text{\textdollar}11+\text{\textdollar}12+\text{\textdollar}13+\text{\textdollar}14)\]

\[\text{\textdollar}(\text{\textdollar}15+\text{\textdollar}16+\text{\textdollar}17)\]

**EXCEPTIONAL ITEMS**

\[\text{\textdollar}(\text{\textdollar}15+\text{\textdollar}16+\text{\textdollar}17)\]

Notes:

1. 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.

2. The launch and rollout costs of the Company's brands 'Fiamma', 'Vivel', 'Superia', 'Engage', 'Savlon' and 'Showertoon' covering the range of personal care products of soaps, face washes, gels, skincare, 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'.

3. During the quarter, 68,10,380 Ordinary Shares of \text{\textdollar}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 \text{\textdollar}1219,04,56,871/-.

4. This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

5. 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, Service Tax, 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:

6. Exceptional Items represent provisions for earlier years of \text{\textdollar}412.90 Crores (\text{\textdollar}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

(\(\text{\textbf{\textcurrency{\text{Rs}}}}\) \text{in Crores})

### 1. Segment Revenue

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<td><strong>Particulars</strong></td>
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<tr>
<td><strong>Total FMCG</strong></td>
<td>7500.97</td>
<td>10587.23</td>
<td>7358.32</td>
<td>26234.34</td>
<td>32673.11</td>
<td>44531.83</td>
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<tr>
<td><strong>Less : Inter-segment revenue</strong></td>
<td>863.13</td>
<td>754.99</td>
<td>1259.69</td>
<td>4200.89</td>
<td>3845.57</td>
<td>4481.26</td>
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<tr>
<td><strong>Gross Revenue from sale of products and services</strong></td>
<td>9852.74</td>
<td>13470.89</td>
<td>9676.20</td>
<td>33251.15</td>
<td>40118.94</td>
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### 2. Segment Results

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<tr>
<td><strong>Total FMCG</strong></td>
<td>3316.24</td>
<td>3014.03</td>
<td>3312.16</td>
<td>9907.97</td>
<td>9227.71</td>
<td>12542.03</td>
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<td><strong>Less :</strong></td>
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<tr>
<td>i) <strong>Finance Costs</strong></td>
<td>24.02</td>
<td>13.59</td>
<td>29.01</td>
<td>63.41</td>
<td>34.41</td>
<td>22.95</td>
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<tr>
<td>ii) <strong>Other un-allocable (income) net of un-allocable expenditure</strong> [Note (i)]</td>
<td>(368.06)</td>
<td>(428.97)</td>
<td>(126.51)</td>
<td>(672.25)</td>
<td>(721.95)</td>
<td>(1001.29)</td>
</tr>
<tr>
<td>iii) <strong>Exceptional items</strong></td>
<td>(412.90)</td>
<td>-</td>
<td>(412.90)</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td><strong>Profit Before Tax</strong></td>
<td>4629.55</td>
<td>3954.20</td>
<td>3944.29</td>
<td>12518.42</td>
<td>11455.82</td>
<td>15502.96</td>
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### 3. Segment Assets

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<tr>
<td><strong>Total FMCG</strong></td>
<td>15265.82</td>
<td>14388.84</td>
<td>16134.07</td>
<td>15265.82</td>
<td>14388.84</td>
<td>15108.42</td>
</tr>
<tr>
<td><strong>Unallocated Corporate Assets</strong></td>
<td>29357.27</td>
<td>23248.16</td>
<td>25898.10</td>
<td>29357.27</td>
<td>23248.16</td>
<td>24710.37</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>59828.13</td>
<td>51750.27</td>
<td>57093.35</td>
<td>59828.13</td>
<td>51750.27</td>
<td>54215.95</td>
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### 4. Segment Liabilities

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<tr>
<td><strong>Total FMCG</strong></td>
<td>8891.37</td>
<td>8482.84</td>
<td>8593.29</td>
<td>8891.37</td>
<td>8482.84</td>
<td>5695.40</td>
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<tr>
<td><strong>Unallocated Corporate Liabilities</strong></td>
<td>2980.80</td>
<td>3302.69</td>
<td>3925.49</td>
<td>2980.80</td>
<td>3302.69</td>
<td>3179.59</td>
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<tr>
<td><strong>Total Liabilities</strong></td>
<td>11872.17</td>
<td>9785.53</td>
<td>12518.78</td>
<td>11872.17</td>
<td>9785.53</td>
<td>8874.99</td>
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* Refer note 5 to the financial results.

** Segment Liabilities of FMCG-Cigarettes is before considering \(\text{\textcurrency{\text{Rs}}}}\) 229.14 Crores (31.12.2016 - \(\text{\textcurrency{\text{Rs}}}}\) 651.37 Crores; 30.09.2017 - \(\text{\textcurrency{\text{Rs}}}}\) 638.09 Crores; 31.03.2017 - \(\text{\textcurrency{\text{Rs}}}}\) 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 \(\text{\textcurrency{\text{Rs}}}}\) 541.21 Crores (31.12.2016 - \(\text{\textcurrency{\text{Rs}}}}\) 541.21 Crores; 30.09.2017 - \(\text{\textcurrency{\text{Rs}}}}\) 541.21 Crores; 31.03.2017 - \(\text{\textcurrency{\text{Rs}}}}\) 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.
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 organizational 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.

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** - Hoteliereing.

- **Paperboards, Paper & Packaging** - Paperboards, Paper including Specialty Paper & Packaging including Flexibles.

- **Agri Business** - Agri commodities such as soya, spices, coffee and leaf tobacco.

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.

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