



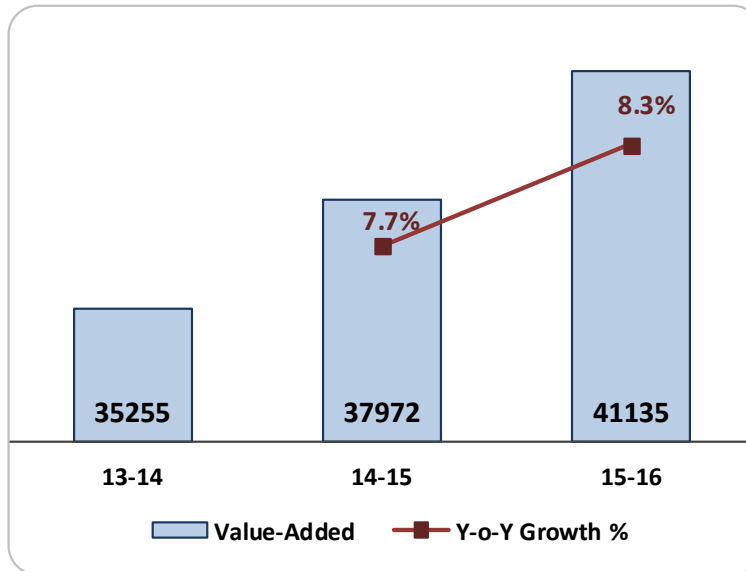
ITC Limited

One of India's Most Admired and Valuable Companies

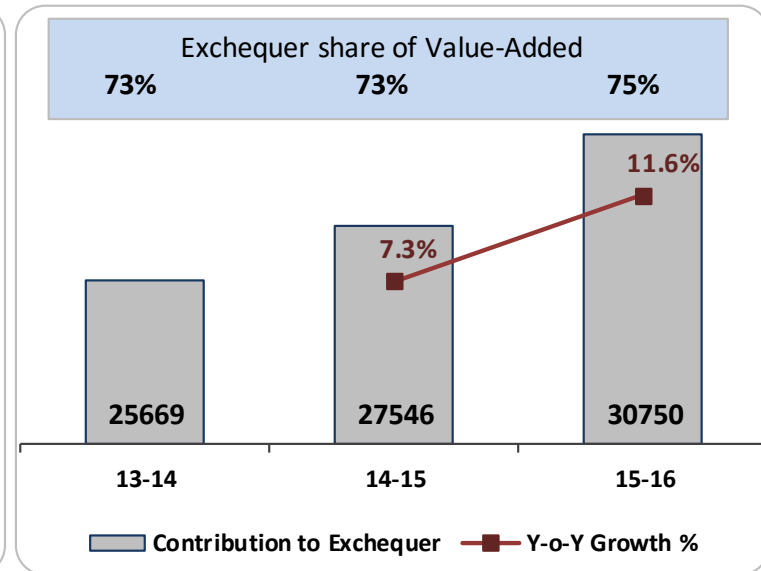
- **One of India's most Admired and Valuable companies**
 - Market Capitalisation: ~Rs. 3 lakh crores
- **A US\$ 8 billion enterprise by Revenue**
 - ~57% of Net Revenue from non-Cigarette segments
- **Leading Fast Moving Consumer Goods (FMCG) marketer in India**
 - Established several world-class brands in the last 10 years
- **10 year Value Addition ~ Rs. 2.5 lakh crores (US\$ 47 billion). Contribution to Exchequer represents 75% of Value Addition (FY16)**
 - Among the top tax payers in the country
- **ITC & its Group Companies employ over 32,000 people directly; Sustainable development models and value chains have supported creation of ~6 million sustainable livelihoods**
- **A global exemplar in sustainable business practices**
 - Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being 'water positive' (for 14 years), 'carbon positive' (for 11 years), and 'solid waste recycling positive' (for 9 years)

Incremental Value Addition in FY16 accrued entirely to the Exchequer

Value-Added by ITC



ITC's Contribution to Exchequer



- 8.3% growth in **Value Addition** in FY16 Vs. 11.6% growth in **Contribution to Exchequer**
- **Incremental Value Addition in FY16 accrued entirely to the Exchequer**
- **Share of Contribution to Exchequer in Value Addition up from 73% to 75% in FY16**

ITC remains amongst the Top 3 Contributors to Exchequer (pvt. sector)

ITC Performance Track Record



	Rs. cr.		
	1995-96	2015-16	20-yr Cagr 95-96 to 15-16
Gross Revenue	5,115	51,582	12.2%
Net Revenue	2,536	36,475	14.3%
PBT	452	14,958	19.1%
PAT	261	9,845	19.9%
Capital Employed	1,886	34,820	15.7%
ROCE %	28.4	43.1	
Market Capitalisation	5,571	2,63,989	21.3%
Total Shareholder Returns %			23.3%

Market Cap and TSR based on FY-end prices for FY96 and FY16

Sensex (CAGR 95-96 to 15-16) : 10.6%

Note: Financials based on previous GAAP

ITC's ranking

Amongst all listed private sector cos.

PBT: No. 5

PAT: No. 5

Market Capitalisation: No. 4

- **ITC** ranked as **the most admired company** in India in 2014 (*Fortune-Hay Group survey*)
- **One of the foremost in the private sector in terms of :**
 - Sustained value creation
 - Operating profits
 - Cash Profits
- **ITC ranked 3rd amongst leading corporates in India in terms of Corporate Reputation** (*Nielsen Corporate Image Monitor 2014-15*)
- **ITC ranked most active in CSR for the third year in a row** (*Nielsen Corporate Image Monitor 2014-15*)

Awards & Accolades (2)

Harvard Business Review ranked ITC Chairman Y C Deveshwar as the 7th Best Performing CEO in the World.

Chairman Y C Deveshwar conferred the Indian Visionary - Business Leader Award by The Economic Times, for being the country's most visionary corporate leader.

Chairman Y C Deveshwar conferred the Management Man of the Year Award by the Bombay Management Association (BMA) in recognition of his contribution to entrepreneurship, the management movement and Indian Industry.



Chairman Y C Deveshwar was conferred the Padma Bhushan by the Government of India (2011).



ITC conferred the prestigious 'World Business and Development Award 2012' at the Rio+20 UN Summit for its Social and Farm Forestry Initiatives.

Awards & Accolades (3)

Rainforest Alliance awarded ITC's Bhadrachalam Unit, the Forest Stewardship Council Forest Management certification



Businessworld FICCI CSR award in Large Enterprise category



AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility



ITC Hotels awarded the 'Most Trusted Hotel brand' in the Public Choice Honours category at the Times Travel Honours



Best Overall Corporate Social Responsibility Performance: Institute of Public Enterprise



Major Awards & Accolades in 2016/17



ITC Limited was recognised and felicitated as the 'Corporate Trailblazer' at the India Today Safaigiri Awards held on October 2, 2016. ITC was the only Corporate to have been presented the Safaigiri Award by India Today.

BUKHARA

Bukhara at ITC Maurya Rated Among 'Best Restaurants in the World' by Conde Nast Traveler.



ITC Grand Bharat was ranked 'Best in Asia' for the second year in a row in the coveted Condé Nast Traveller U.S. Readers' Choice Awards.

Major Awards & Accolades in 2015/16 (1)



Vivel

'Sunfeast' and 'Vivel' voted as the 'Buzziest Brands' in the Foods and Personal Care categories, respectively by Afaqs – one of the world's largest marketing and advertising portals

Vivel

Vivel has broken into the 'Top 100 Most Trusted Brands' in India across categories in a survey conducted by Economic Times Brand Equity & Nielsen. Additionally, Vivel was conferred the 'Most Preferred Consumer Brand' award in the North-East

WILLS
LIFESTYLE

Wills Lifestyle conferred 'Superbrand' status by the Superbrands Council of India

JOHN
PLAYERS

John Players ranked 4th Most Exciting Brand in the Apparel Category by Brand Equity, Economic Times.

classmate

'Classmate' ranked as India's No. 1 Notebook brand in a survey conducted by IMRB in February 2015

Major Awards & Accolades in 2015/16 (2)



ITC Hotels was recognised as the 'Most Respected Company' in the hospitality segment in a survey conducted by Business World. ITC Hotels was also adjudged the 'Best Hotel Group' at Travel + Leisure, India & South Asia Awards 2015.



ITC Grand Bharat was ranked 'Best in Asia' and '4th in the world' in the coveted Condé Nast Traveller U.S. Readers' Choice Awards 2015.

The hotel also received the Outlook Traveller Award for the 'Indian Hotel Debut of the year'



ITC Maurya was adjudged the 'Best Business Hotel' in India at the Lonely Planet Awards 2015

Major Awards & Accolades 2015/16 (3)



ITC's Karnataka Green Leaf Threshing Plant won the 'Prashamsa Suraksha Puraskara' awarded by National Safety Council, Karnataka Chapter. The Chirala GLT received the 'Utthama Yajamanya Puraskaram' from the Labour Department, Government of Andhra Pradesh.



The Bhadrachalam and Kovai units received the 'Excellent Energy Efficient Unit 2015' awards and 'GreenCo Platinum' Certifications from Confederation of Indian Industry, Green Business Centre (CII GBC). The Kovai unit received 'Shreshtha Suraksha Puraskar' from National Safety Council of India (NSCI).



ITC's Packaging & Printing Business won 1 'World Star Awards' from the World Packaging Organisation, 2 'Asia Star Awards' from the Asian Packaging Federation for excellence in packaging solutions. The Tiruvottiyur unit received the CII 'Excellent Energy Efficient Unit' award while the Haridwar unit received the National Safety Council Award and CII North Zone Award for '5S Excellence'.

Sustain ITC's position as one of India's most valuable and admired corporations through world-class performance, creating growing value for the Indian economy and the Company's stakeholders

- **Make a significant and growing contribution towards :**
 - mitigating societal challenges
 - enhancing shareholder rewards

By

- creating **multiple drivers of growth** while **sustaining leadership in tobacco**, and
- focusing on **'Triple Bottom Line' Performance**
 - ✓ **Enlarge contribution to the Nation's**
 - **Financial capital**
 - **Environmental capital**
 - **Social capital**

- **Focus on the chosen business portfolio**
 - FMCG; Hotels; Paperboards, Paper & Packaging; Agri Business; Information Technology
- **Blend diverse core competencies residing in various Businesses to enhance the competitive power of the portfolio**
- **Position each business to attain leadership on the strength of world-class standards in quality and costs**
- **Craft appropriate 'Strategy of Organisation' and governance processes to:**
 - Enable focus on each business *and*
 - Harness diversity of portfolio to create unique sources of competitive advantage

3-Tiered Governance Structure

Board of Directors

Strategic Supervision

**Corporate Management
Committee**

Strategic Management

**Divisional Management
Committees**

Executive Management



- ☐ Enabling Focus on each Business
- ☐ Harnessing Diversity of Portfolio

ITC's Business Portfolio



FMCG

Cigarettes



Foods



Personal Care



Lifestyle Retailing



Education & Stationery



Safety Matches & Incense Sticks



Hotels



Paperboards, Paper & Packaging



Agri Business



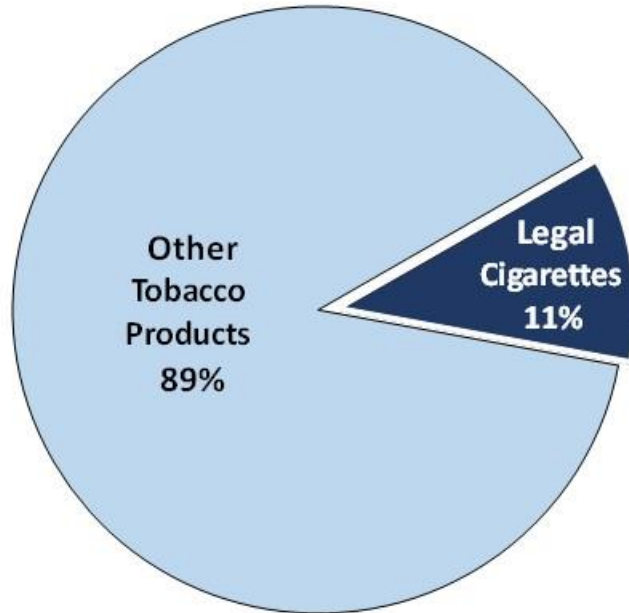
Information Technology



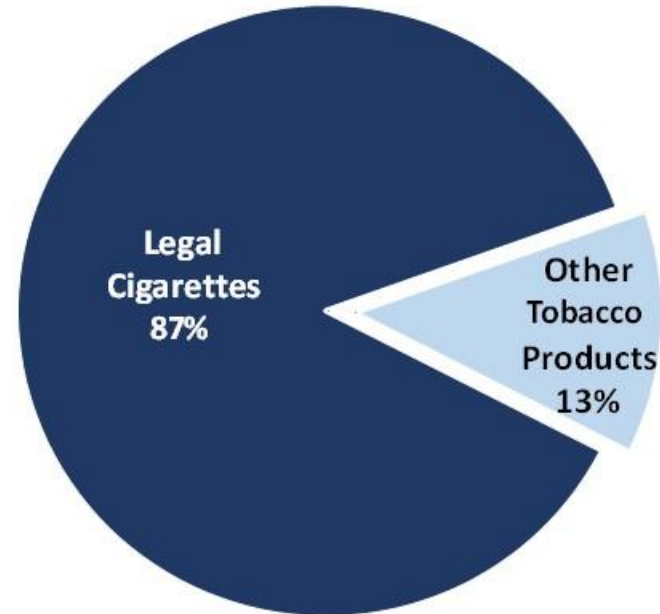
- **Market leadership**
 - Leadership across all segments - geographic & price
- **State-of-the-art technology and world-class products**

- Legal cigarettes account for only **~11% of tobacco consumed in India** due to a punitive taxation and discriminating regulatory regime
- India is the **4th Largest Illegal cigarette Market** in the World; resulting in **Revenue loss of over 9000 cr. p.a.** to the National Exchequer
- 48% of adult Indian males consume tobacco. **Only 10% of adult Indian males** smoke cigarettes as compared to 16% who smoke bidis and 33% who use smokeless tobacco (*Source: Global Adult Tobacco Survey India 2010*)
- Annual per capita adult cigarette consumption in India is approx. **one-ninth of world average**

Legal Cigarettes contribute 87% of Tax Revenue, despite constituting only 11% of Tobacco consumption



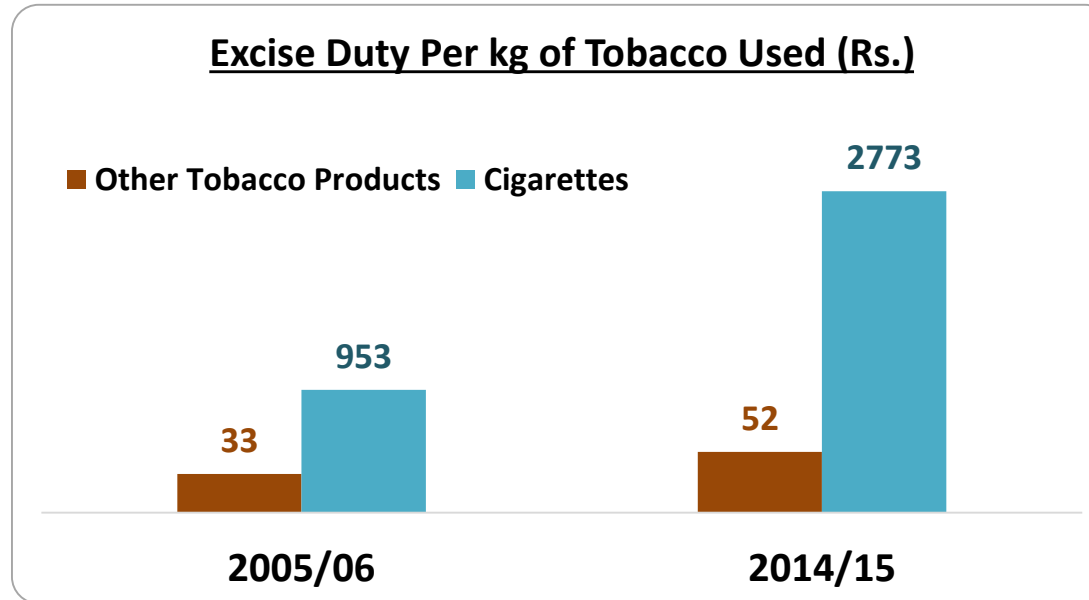
Consumption Share



Tax Revenue Share

- Over the last 4 years, **Excise Duty** has increased by **118%** and **VAT** by **142%** on a per unit level cumulatively

Widening differential in Excise Duty rates between Cigarettes and Other Tobacco Products

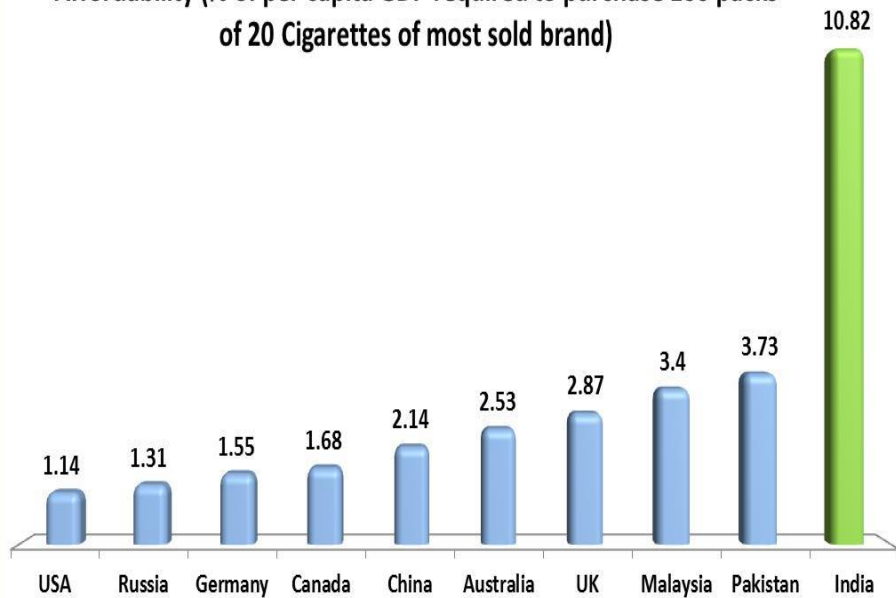


Source: Tobacco Institute of India

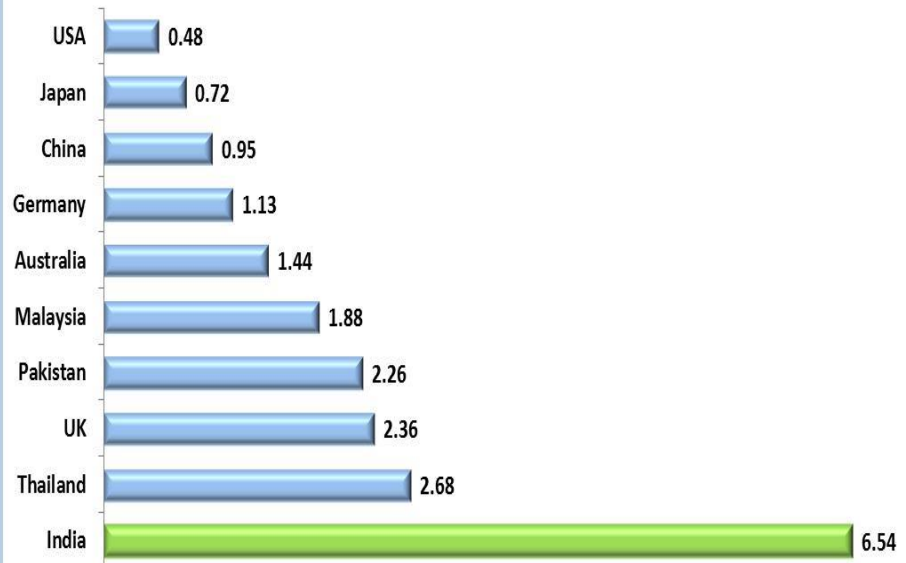
- On a per kg basis, the **differential in Excise Duty** rates between cigarettes and other tobacco products has **widened from 29 times in 2005/06 to over 53 times currently**

Cigarettes are least affordable in India

Affordability (% of per capita GDP required to purchase 100 packs of 20 Cigarettes of most sold brand)



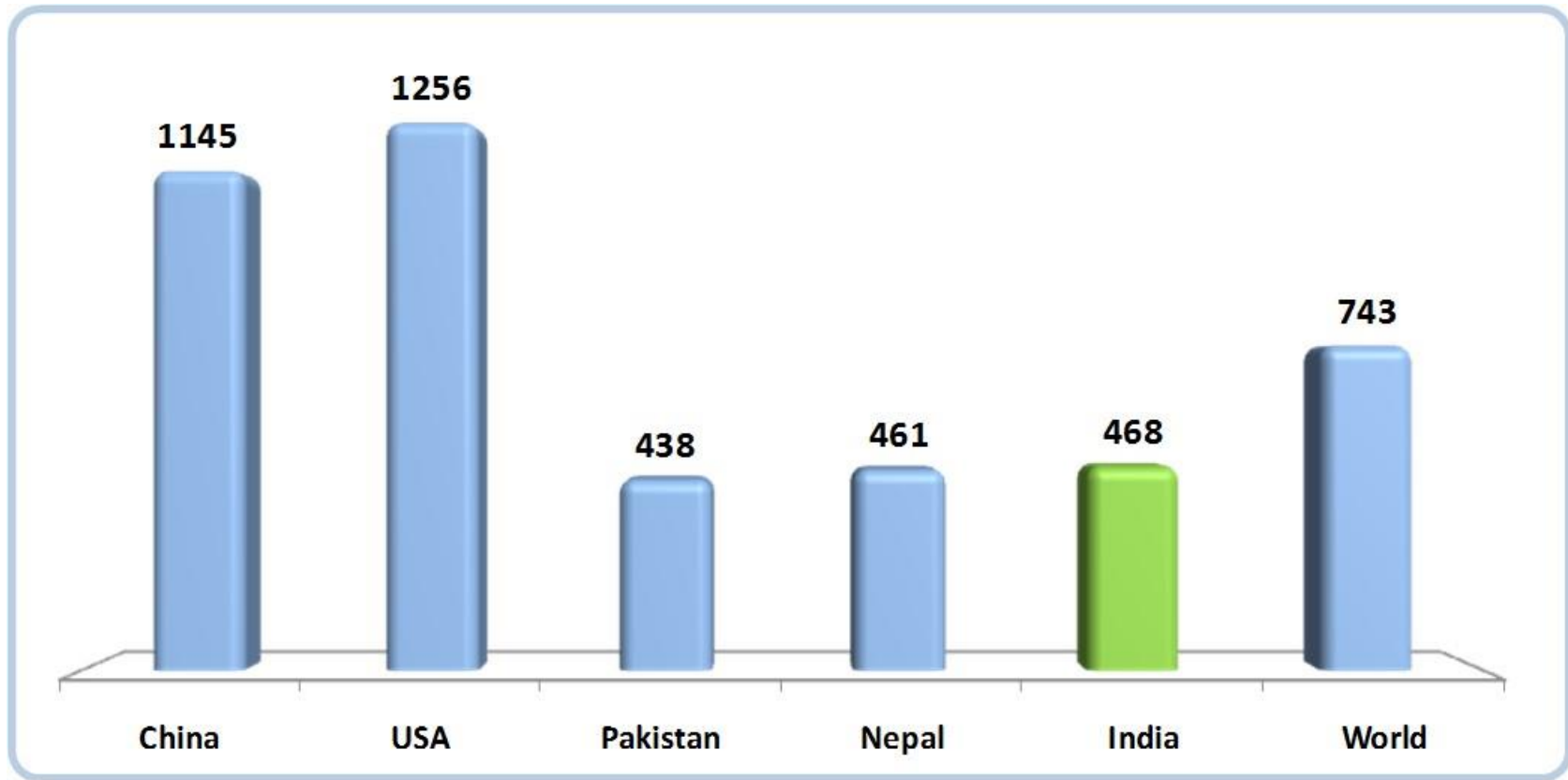
Tax on Cigarettes as a % of per capita GDP (for 100 packs of 20 cigarettes of the most sold brand covering both Central and State Taxes)



Source : WHO Report on the Global Tobacco Epidemic, 2015-Raising Taxes on Tobacco

- Cigarette taxes in India are 14 times higher than USA, 9 times higher than Japan, 7 times higher than China, 5 times higher than Australia and 3 times higher than Malaysia and Pakistan.

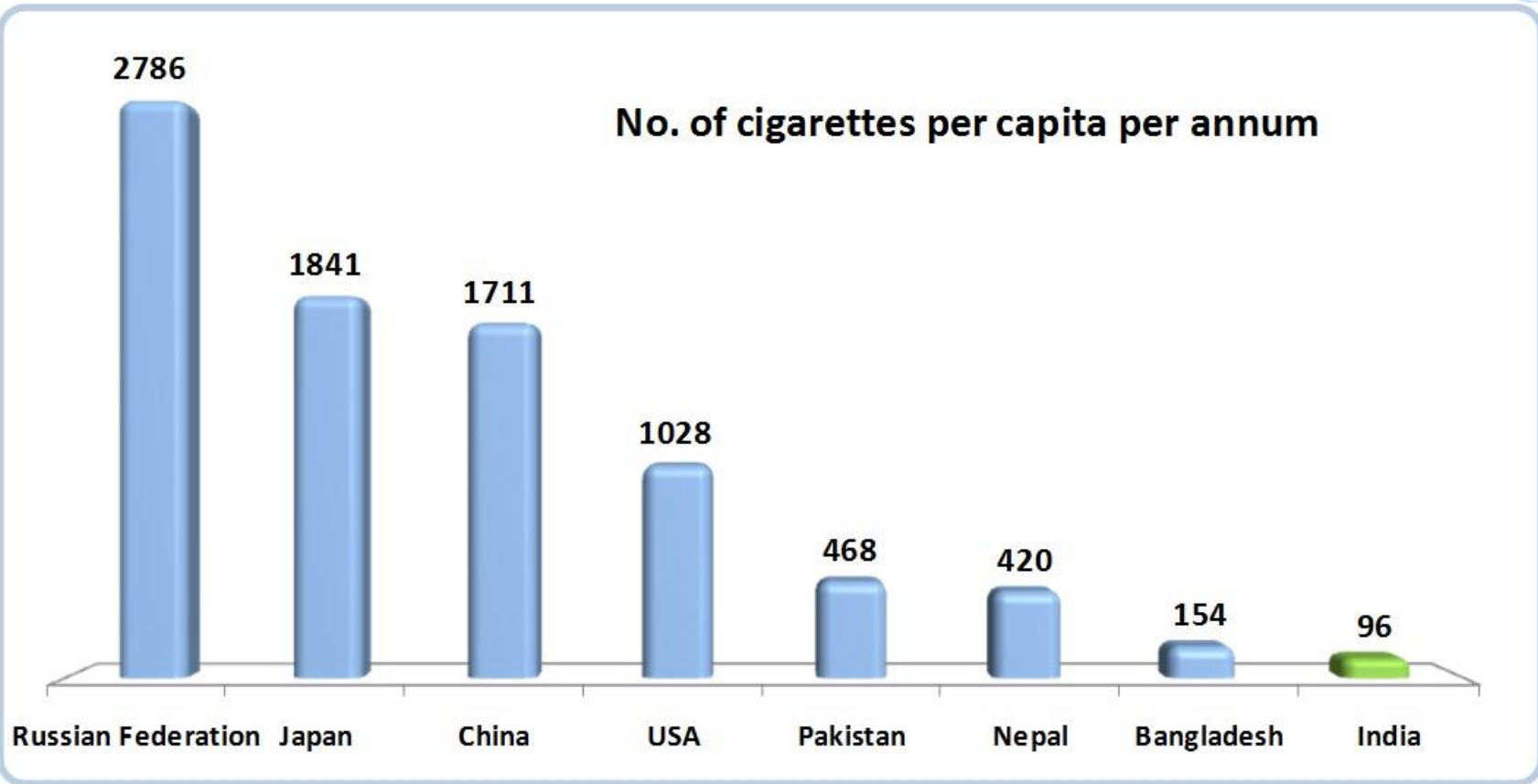
Per Capita Consumption of Tobacco in India (gms per year)



Source: World Cigarettes – ERC Statistics, Tob Board & Industry Estimates – gms/Yr

Per Capita consumption is ~60% of World Average

Per Capita Cigarette Consumption – per annum



Source: *The Tobacco Atlas - 4th Edition* (American Cancer Society), 2012

- Although India accounts for **17% of world population**, its share of world **cigarette consumption is just 1.8%**
- Per Capita consumption in India ~11% of World average

- **Legal cigarette industry volumes remain under pressure**
 - Continued growth in Illegal industry
- **Indirect tax incidence up ~125% over the last 5 years**
 - Steep increase in Excise Duty for the 5th successive year
- **85% Graphic Health Warning**
 - Current manufacture & sale based on 85% GHW in compliance with interim requirements pending completion of hearing at the Karnataka High Court
 - Hearings expected to re-commence in December 2016
 - All stocks seized (in Maharashtra, Goa, Rajasthan) have been released

Creating world-class brands for Indian Consumers



WILLS
LIFESTYLE

JOHN
PLAYERS

classmate

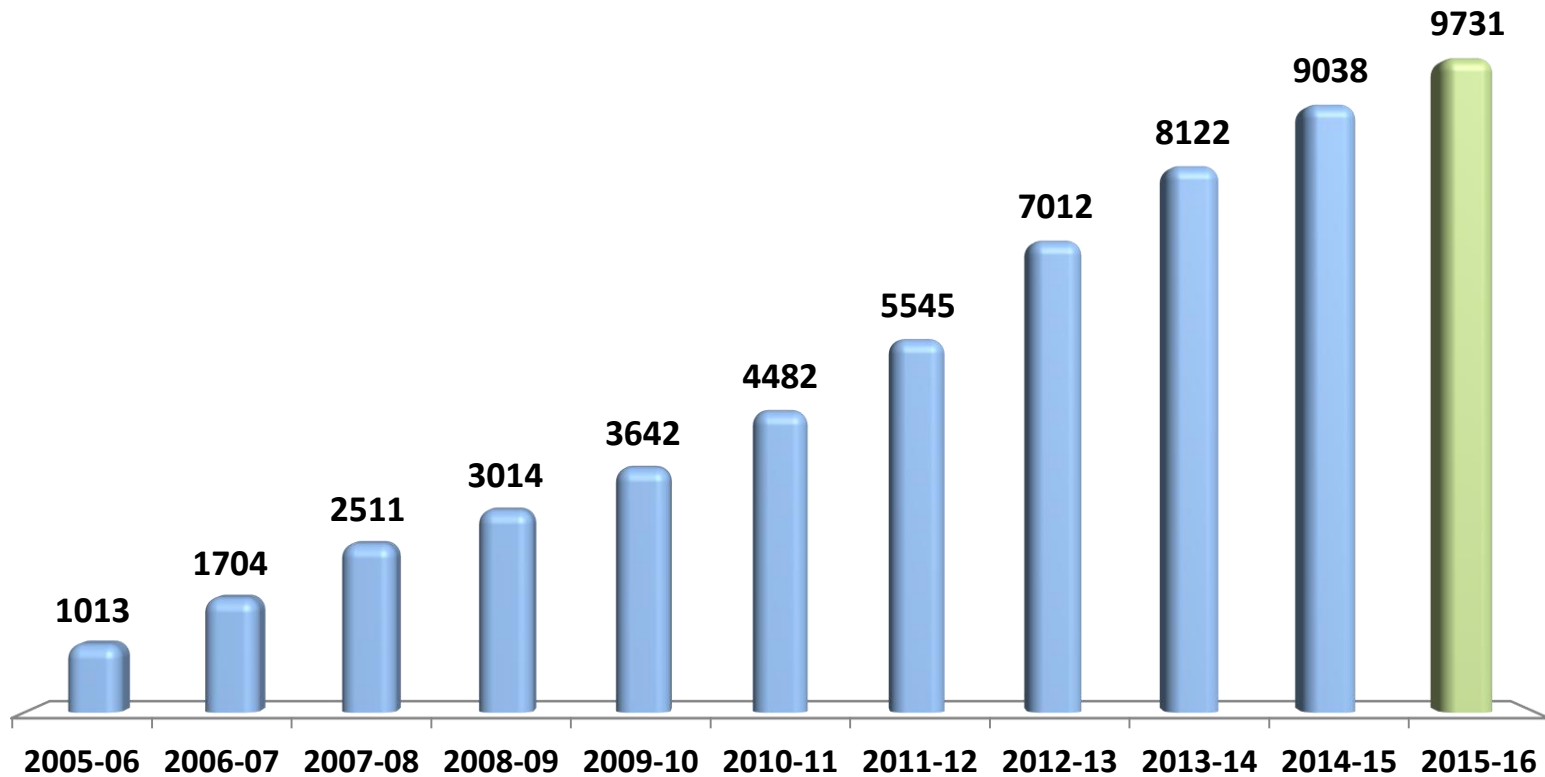
Paperkraft

AIM

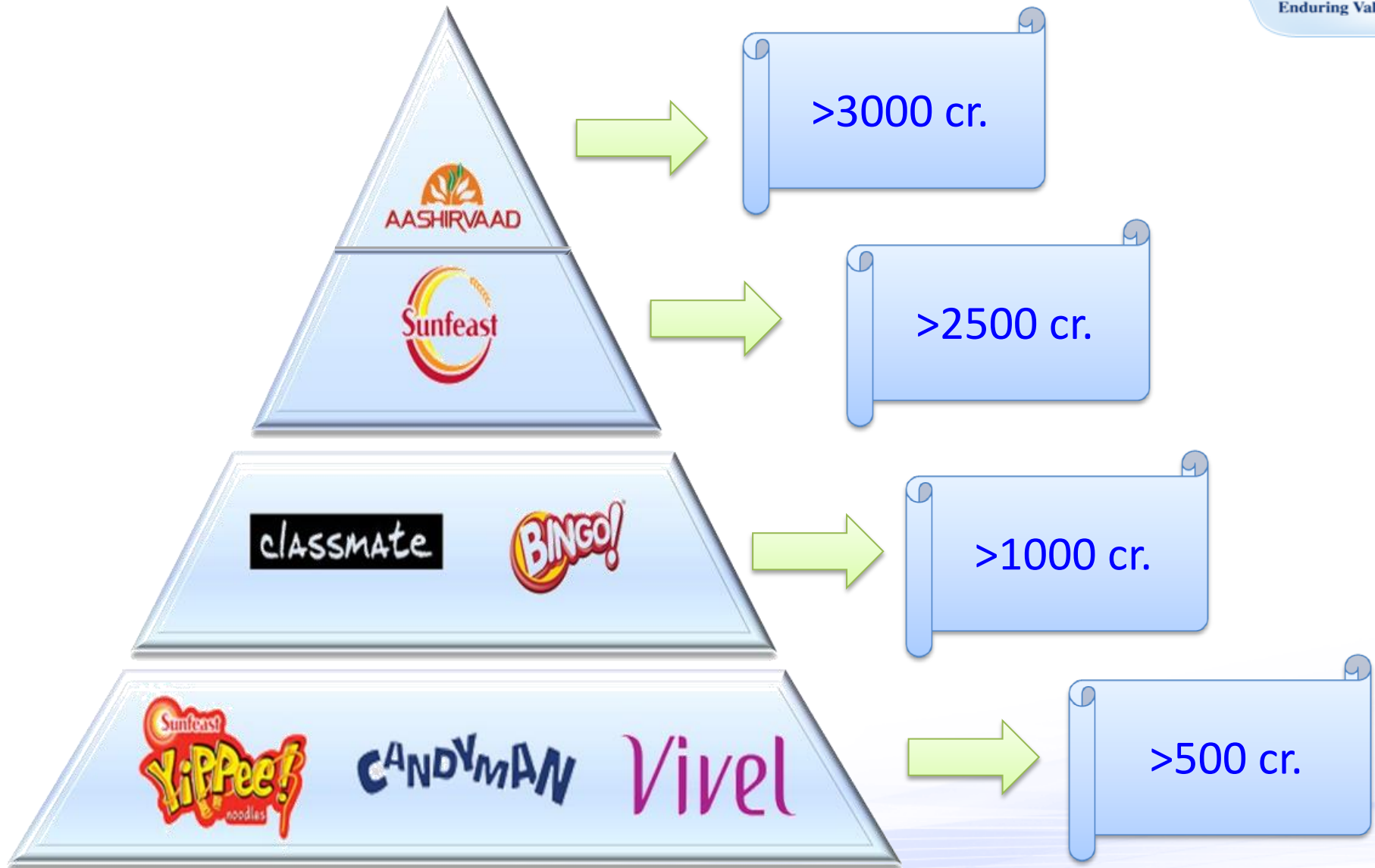
MANGALDEEP
PURE AGARBATTES

Rapid scale up of FMCG businesses

Rs. cr.



Annual Consumer Spends of over 12000 cr. (FY16)



Branded Packaged Foods Portfolio



Biscuits, Staples, Snacks, Noodles & Pasta, Confectionery, Ready to Eat, Juices, Dairy and Chocolates



Fabelle Chocolate

Now available in exclusive boutiques in select ITC Hotels



Ganache



Fabelle Chocolate Boutique at ITC Grand Chola



Gianduja



Single Origin Cacaos



Fabelle Gift Hamper

- Launched in Q1 FY17
- Currently available at ITC Gardenia, ITC Maurya, ITC Sonar and ITC Grand Chola

Sunbean Gourmet Coffee



- Launched in Q2 FY17
- Currently available at select ITC Hotels

‘Sunbean Nicamalai’ - a blend of the choicest coffee beans from Nicaragua and Anamalai in Tamil Nadu - is a fruity-sweet aromatic coffee with a creamy expression

‘Sunbean Panagiri’ - a blend of select coffee varieties from Panama and Baba Budangiri in Chikkamagaluru, Karnataka - is an intensely fragrant coffee with a pleasant roasted nutty taste and a hint of chocolate



Branded Packaged Foods: Some recent launches



'YipPee! Power Up Masala' - Atta Noodles



Bingo! Tedhe Medhe Achaari Masti



Yumitos Dilli Masala



Candyman Jellicious Jelimals



ITC Master Chef Spices



Sunfeast Farmlite Digestive All Good



Aashirvaad Sugar Release Control Atta

- **Civil works at the Integrated Manufacturing and Logistics facilities progressing as per schedule**
 - Uluberia, Panchla, Kapurthala, Mysuru and Guwahati facilities expected to be commissioned shortly.
 - Project work underway in over 20 locations.



Panchla



Guwahati

Personal Care Products

- Portfolio approach straddling all consumer segments with 4 umbrella brands in the Personal Wash segment
 - Essenza Di Wills
 - Fiamma Di Wills
 - Vivel
 - Superia



- Recently acquired 'Savlon' and 'Shower to Shower' trademarks were fully integrated with the existing operations of the Business.
- The '**Engage**' range of deodorants strengthened its No. 2 position in this category. New portfolio addition during the year
 - 'Engage Perfume Sprays' in four variants each for both men and women.



- **Laboratoire Naturel** – A state-of-the-art consumer and product interaction centre – leveraged to launch unique and differentiated products

Personal Care: Some recent launches



**Fama Di Wills Gel Bar
(Double Moisturiser)**



**Shower to Shower
Prickly Heat Powder**



Savlon Soaps, Handwash & Antiseptic Liquid



Vivel Cell Renew Skin & Body Care



Engage Perfume & Cologne Spray



**Superia Naturals
(with Jasmine and Lavender Oil)**

- **Leverages printing and paper know-how** to address suitable opportunities in the stationery market
 - Paperkraft, Classmate, Classmate Pulse and Saathi brands continue to enhance market standing
- Industry growth driven by increasing literacy and enhanced scale of government and public-private initiatives in education
- Complementary categories comprising writing instruments, art stationery and scholastic products witnessed robust growth
- **Classmate** : Market leader in Notebooks segment



Lifestyle Retailing

- Wills Lifestyle available in over 100 exclusive stores across 50 cities and more than 350 'shop-in-shops' in leading retail chains, departmental stores and multi-brand outlets

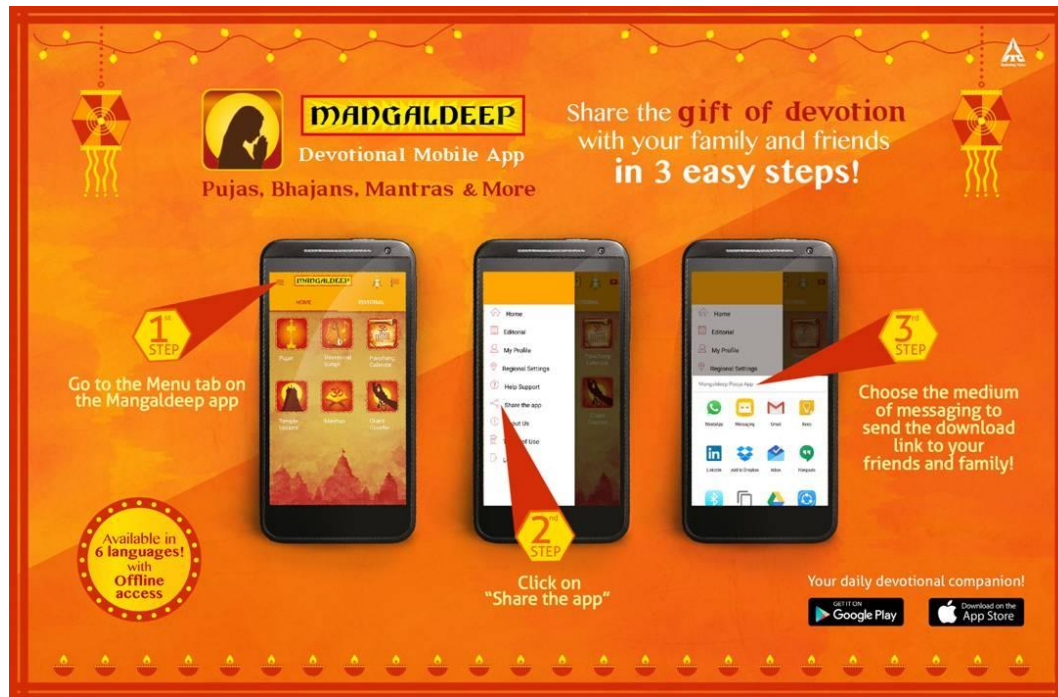


- Strong distribution network in place for the mid-market brand 'John Players'
 - availability in 400+ Exclusive Branded outlets, 600 'shop-in-shops' in leading retail chains, departmental stores, multi branded outlets



Incense sticks (Agarbattis) & Safety Matches

- **'Mangaldeep'** continues to be the fastest growing agarbatti brand.
- **'AIM'** continues to be the largest selling safety matches brand in India.
- During the year, launched Mangaldeep App with 7 main features:- Pujas, Devotional Songs, Panchang, Temple Locator, Mantras, Chant Counter and Editorial



The graphic is a promotional banner for the Mangaldeep Devotional Mobile App. It features a warm orange and yellow background with decorative string lights at the top and a row of small diya icons at the bottom. The central text reads "Share the gift of devotion with your family and friends in 3 easy steps!". Three smartphones are shown in a row, each illustrating a step: 1. "Go to the Menu tab on the Mangaldeep app" (pointing to the menu icon on the home screen), 2. "Click on 'Share the app'" (pointing to the share icon in the app's menu), and 3. "Choose the medium of messaging to send the download link to your friends and family!" (pointing to the sharing options like WhatsApp, Messenger, etc.). The app's logo and name "MANGALDEEP Devotional Mobile App" are at the top left, with a tagline "Pujas, Bhajans, Mantras & More". A circular badge on the bottom left states "Available in 6 languages! with Offline access". At the bottom right, it says "Your daily devotional companion!" and includes "GET IT ON Google Play" and "Download on the App Store" buttons.

MANGALDEEP
Devotional Mobile App
Pujas, Bhajans, Mantras & More

Share the **gift of devotion**
with your family and friends
in 3 easy steps!

1 STEP
Go to the Menu tab on the Mangaldeep app

2 STEP
Click on "Share the app"

3 STEP
Choose the medium of messaging to send the download link to your friends and family!

Available in 6 languages! with Offline access

Your daily devotional companion!

GET IT ON Google Play | Download on the App Store



- One of the fastest growing hospitality chains in India
- Leader in Profitability



- Foreign Tourist Arrivals (FTA) grew by 14% in Q2 FY 17 Vs. 7% in Q1 FY17, 10% in Q4 FY16, 4% in Q3 FY16, 7% in Q2 FY16 and 8% in FY15
 - FTA into India @ ~7.7 million remains far behind China (~55.6 million)
[Source: UNWTO Tourism Highlights 2015 edition]
 - Going forward, as economic conditions and infrastructure improve, leisure tourism and business related travel is also projected to grow faster
 - Foreign Tourist Arrivals into India is projected at ~11 million by 2021
- Industry: Current Room inventory ~210,000 rooms, of which 52,000 rooms are in the Luxury and Upper-Upscale segments
- India needs an additional ~60,000 rooms in Luxury and Upscale Segments in the next 5 years to service projected tourist arrivals

- **The Chain:** 100 properties across 71 locations
 - 4 Brands: **ITC Hotels, WelcomHotel, Fortune & WelcomHeritage**
 - 19 Five-Star Deluxe/ Five-Star Properties with over 4300 rooms
 - 46 Fortune Hotels with over 3800 rooms
 - 35 WelcomHeritage Properties with over 750 rooms
- Industry **impacted by weak pricing scenario** in the backdrop of excessive room inventory in key domestic markets and a sluggish macro-economic environment
- **Projects** underway:
 - ITC Hotels: Kolkata, Hyderabad, Ahmedabad, Srinagar
 - My Fortune at 7 cities including Coimbatore, Bhubaneswar, Guntur and Amritsar
- Company's first **overseas project** in **Colombo**, being undertaken by WelcomHotels Lanka (P) Ltd. (a wholly-owned subsidiary)
 - Construction activity is progressing as per schedule



ITC Hotels: World's Greenest Luxury Hotel Chain



All ITC Luxury Hotels LEED Platinum certified



“Responsible Luxury” ethos woven into the Brand Identity

Paperboards & Packaging Business

- No. 1 in Size
- No. 1 in Profitability
- No. 1 in Environmental Performance



- Annual paperboard demand over 2.6 million tonnes
- Low per capita usage of paper at around 9 kgs p.a. (world average – over 58 kgs p.a.)
- Indian paperboard market growing at 6% p.a.
- Value-added Paperboards - the fastest growing segment (10% p.a.) in India driven by :
 - Increasing demand for branded packaged products
 - Growth in organised retail
 - Use of packaging as a key differentiator, especially in the FMCG sector

- **Market leader in Value-Added Paperboards segment**
- **World-class technology & quality**
 - Fully integrated Ozone bleached Pulp Mill (3.5 lakh MT) – one of its kind in Asia meeting world-class environmental standards
- **Strategic projects underway** - Bleached Chemi Thermo Mechanical Pulp mill (+ 1 LTPA), Value Added Paperboard (+ 1.4 LTPA), Decor (+ 0.2 LTPA)
- **ITC's packaging SBU - India's largest converter of Paperboards into high quality printed packaging**
 - Provides superior packaging solutions to the cigarettes and new FMCG businesses
 - Leading supplier to Indian FMCG industry
 - Fully integrated packaging unit at Haridwar operationalised and operating at benchmark performance parameters



- Leading Agri Business player in India
- Pioneer in rural transformation
- No. 1 in Leaf Tobacco



- **India – the second largest producer of tobacco (World excl. China)**
- **However, India's share is only at 9% of world tobacco trade**
 - Leaf exports dropped to a four-year low of ~210 million Kgs.
- **ITC – India's largest buyer, processor, consumer & exporter of cigarette tobaccos**
 - 5th largest leaf tobacco exporter in the world
- **Pioneering cultivation of flavourful Flue-cured and superior Burley tobaccos in India**
- **Growth in exports in recent years driven by improvement in farm realisations**



- **Distinctive sourcing capability for ITC's Branded Packaged Foods Businesses**
 - Identity-preserved superior quality wheat for 'Aashirvaad' atta
 - High quality chip stock for 'Bingo! Yumitos' potato wafers
 - Superior quality fruit pulp for 'B Natural' range of juices
- **Farm linkages in 17 States covering Wheat, Soya, Potato, Coffee etc.**
- **Unique Customer Relationship Management programme for commodity customers in both domestic and international markets**
- **Leveraging Information Technology for the transformational 'e-Choupal' initiative**
 - Rural India's largest Internet-based intervention
 - Over 35000 villages linked through around 6100 e-Choupals servicing around 4 million farmers

e-Choupal: Strategic Thrust

- **Procurement: cost & quality optimisation**
 - strategic sourcing support to the Branded Packaged Foods Businesses
 - cost-effective sourcing for exports/domestic external business
- **Rural retail**
 - 23 Choupal Saagars operational



ITC e-Choupal – Global Recognition

- **World Development Report 2008 published by World Bank**
- **Stockholm Challenge Award 2006** in the Economic Development category which recognises initiatives that leverage Information Technology to improve living conditions and foster economic growth in all parts of the world.
- First Indian Company and second in the world to win the **Development Gateway Award 2005** for its trail-blazing e-Choupal initiative.
- **Corporate Social Responsibility Award 2004** from The Energy and Resources Institute (TERI) .
- **World Business Award 2004:** International Chamber of Commerce & the HRH Prince of Wales & International Business forum.
- **Harvard University** case study
- **Applauded by the then President of India Dr APJ Abdul Kalam** in his special address during the national symposium to commemorate 60th year of Independence.



ITC - Key Financials – Q2 2016/17 (Ind-AS)



Rs. cr.

	Q2 CY	Q2 LY	GOLY
Revenue from Operations	13,491	12,512	7.8%
PBDIT	3,630	3,383	7.3%
PBT	3,826	3,507	9.1%
PAT	2,500	2,263	10.5%
Other Comprehensive Income (net of tax)	(25)	(16)	-
Total Comprehensive Income	2,475	2,246	10.2%

Revenue growth driven by Foods, Agarbatti and Agribusiness

Segment Revenue – Q2 2016/17 (Ind-AS)

		Rs. Cr.		
Q1		Q2		
2016-17		2016-17	2015-16	Goly(%)
	Segment Revenue (Gross)			
8231	a) FMCG - Cigarettes	8528	7963	7.1
2385	- Others	2672	2358	13.3
10616	Total FMCG	11200	10321	8.5
287	b) Hotels	297	290	2.5
2794	c) Agri Business	1880	1844	2.0
1323	d) Paperboards, Paper & Packaging	1331	1331	0.0
15020	Total	14709	13786	6.7
1863	Less : Inter segment revenue	1218	1274	(4.4)
13157	Revenue from Operations	13491	12512	7.8

- **FMCG-Others** Revenue growth driven by YiPPee!, Bingo!, Aashirvaad, Mangaldeep, Savlon & Engage.
- **Paperboards, Paper and Packaging** segment impacted by subdued demand a/c slowdown in FMCG & pressure on legal Cigarette industry.

Segment Results – Q2 2016/17 (Ind-AS)

		Rs. Cr.		
Q1		Q2		
2016-17		2016-17	2015-16	Goly(%)
	Segment Results			
3005	a) FMCG - Cigarettes	3217	2969	8.4
(5)	- Others	(3)	(11)	70.6
3000	Total FMCG	3214	2958	8.6
1	b) Hotels	1	(6)	NA
237	c) Agri Business	297	294	1.0
248	d) Paperboards, Paper & Packaging	232	209	10.8
3486	Total	3743	3455	8.3
10	Less : i) Finance Cost	11	10	4.0
(199)	ii) Other net un-allocable expenditure/ (income)	(94)	(62)	52.2
3675	Profit Before Tax	3826	3507	9.1

- Improvement in profitability of **FMCG-Others** segment aided by enhanced scale and improved category mix despite rising input cost & gestation cost of new categories.
- **Paperboards, Paper & Packaging Segment** improvement in profitability a/c lower input costs and better product mix.
- **ESOS** Charge included in 'Unallocable expenditure' (CY: 146 cr.; LY: 141 cr.).

Segment Assets – Q2 2016/17 (Ind-AS)

Rs. cr.

Q1		Q2		
2016-17		2016-17	2015-16	Goly(%)
	Segment Assets			
7616	a) FMCG - Cigarettes	7817	7916	(1.3)
6775	- Others	6826	5909	15.5
14392	Total FMCG	14642	13825	5.9
4868	b) Hotels	4931	4775	3.3
3183	c) Agri Business	2818	2694	4.6
6144	d) Paperboards, Paper & Packaging	6243	5935	5.2
28586	Total Segment Assets	28634	27229	5.2

Increase in Segment Assets primarily on a/c of Net Fixed Assets:

- Capacity augmentation in FMCG Businesses
- Ongoing investments in Hotels Business
- Investment in Bleached Chemi Thermo Mechanical Pulp mill in Paperboards, Paper & Packaging Business

Segment Liabilities – Q2 2016/17 (Ind-AS)

Rs. cr.

Q1		Q2		
2016-17		2016-17	2015-16	Goly(%)
	Segment Liabilities			
2470	a) FMCG - Cigarettes *	2859	2672	7.0
1308	- Others	1333	1135	17.5
3778	Total FMCG	4192	3806	10.1
362	b) Hotels	384	354	8.4
825	c) Agri Business	1090	997	9.3
545	d) Paperboards, Paper & Packaging	583	512	13.9
5510	Total Segment Liabilities	6249	5670	10.2
657	* Local Tax Provision not incl.	662	640	3.4

Increase in Segment Liabilities primarily a/c trade payables (in line with business growth) and statutory liabilities a/c increase in tax rates

Statement of Assets and Liabilities – Q2 2016/17 (Ind-AS)

		Rs. cr.	
STATEMENT OF ASSETS AND LIABILITIES		Qtr ended Sep'16	Qtr ended Mar'16
A	ASSETS		
1	NON-CURRENT ASSETS		
	Fixed assets	17129.86	16398.89
	Financial Assets	6538.05	7895.81
	Other non-current assets	2569.46	2474.72
	Non-Current Assets	26237.37	26769.42
2	CURRENT ASSETS		
	Inventories	8276.96	8519.82
	Financial Assets		
	<i>Investments</i>	8940.91	6471.34
	<i>Trade receivables</i>	2076.14	1686.35
	<i>Cash and Bank Balances</i>	3187.06	5639.20
	<i>Others</i>	345.41	411.07
	Other current assets	588.41	506.15
	TOTAL ASSETS	49652.26	50003.35
B	EQUITY AND LIABILITIES		
	EQUITY		
	Equity Share capital	1211.16	804.72
	Other Equity	38016.99	40834.60
	Shareholders' Funds	39228.15	41639.32
	LIABILITIES		
1	NON-CURRENT LIABILITIES		
	Financial Liabilities	32.81	40.96
	Provisions	136.36	112.19
	Deferred tax liabilities (Net)	1963.63	1856.61
	Other non-current liabilities	2.72	-
	Non-Current Liabilities	2135.52	2009.76
2	CURRENT LIABILITIES		
	Financial Liabilities	3471.85	2826.32
	Other current liabilities	4298.96	3441.96
	Provisions	21.65	57.60
	Current Tax Liabilities (Net)	496.13	28.39
	Current Liabilities	8288.59	6354.27
	TOTAL EQUITY AND LIABILITIES	49652.26	50003.35

H1 Segment Revenue (Ind-AS)

Rs. cr.

	H1		
	2016-17	2015-16	Goly(%)
Segment Revenue (Gross)			
a) FMCG - Cigarettes	16759	15697	6.8
- Others	5057	4535	11.5
Total FMCG	21816	20232	7.8
b) Hotels	585	578	1.2
c) Agri Business	4674	4169	12.1
d) Paperboards, Paper & Packaging	2654	2675	(0.8)
Total	29729	27654	7.5
Less : Inter segment revenue	3081	2992	3.0
Revenue from Operations	26648	24662	8.1

H1 Segment Results (Ind-AS)

Rs. cr.

	H1		
	2016-17	2015-16	Goly(%)
Segment Results			
a) FMCG - Cigarettes	6221	5750	8.2
- Others	(8)	(19)	59.2
Total FMCG	6214	5731	8.4
b) Hotels	2	(13)	NA
c) Agri Business	534	528	1.2
d) Paperboards, Paper & Packaging	480	464	3.4
Total	7229	6710	7.7
Less : i) Finance Cost	21	21	0.2
ii) Other net un-allocable expenditure/ (income)	(293)	(159)	84.8
Profit Before Tax	7502	6847	9.6

ITC - Key Financials – 2015/16 (Previous GAAP)



	Rs. cr.		
	2015/16	2014/15	Goly %
Gross Revenue	51582	49965	3.2
Net Revenue	36475	36083	1.1
PBDIT	16042	15017	6.8
PBIT	15008	14055	6.8
PBT	14958	13998	6.9
PAT	9845	9608	2.5

- Overall performance impacted by steep increase in Excise Duty/VAT on Cigarettes, decline in agri exports, weak demand & pricing scenario in FMCG, Paperboards and Hotels
- Excluding Agri-exports Gross Revenue up 6.4% and Net Revenue up 5.5%

Segment Revenue - 2015/16 (Previous GAAP)

Rs. cr.

	Full Year		
	2015-16	2014-15	Goly(%)
Segment Revenue (Net)			
a) FMCG - Cigarettes	17486	16805	4.1
- Others	9704	9011	7.7
Total FMCG	27190	25816	5.3
b) Hotels	1286	1187	8.4
c) Agri Business	7457	8380	(11.0)
d) Paperboards, Paper & Packaging	5017	4974	0.9
Total	40951	40357	1.5
Less : Inter segment revenue	4475	4274	4.7
Net sales / income from operations	36475	36083	1.1

- Legal **Cigarette** industry volumes under severe pressure
- **FMCG Others**: muted growth due to weak demand in rural markets; Noodles, Atta, Agarbatti, John Players, Savlon & Shower to Shower performed well
- **Hotels**: Growth a/c higher occupancy and Food & Beverage revenue
- **Agri Business**: Revenue impacted mainly a/c lack of trading opportunities in soya, wheat & coffee
- **Paperboards, Paper & Packaging**: impacted a/c slowdown in FMCG industry and volume degrowth in cigarettes

Segment Results - 2015/16 (Previous GAAP)



Rs. cr.

	Full Year		
	2015-16	2014-15	Goly(%)
Segment Results			
a) FMCG - Cigarettes	11752	11196	5.0
- Others	71	34	106.9
Total FMCG	11823	11230	5.3
b) Hotels	56	49	13.5
c) Agri Business	934	904	3.3
d) Paperboards, Paper & Packaging	908	921	(1.5)
Total	13720	13105	4.7
Less : i) Finance Cost	49	57	(14.5)
ii) Other net un-allocable expenditure/ (income)	(1288)	(950)	35.5
Profit Before Tax	14958	13998	6.9

- **FMCG Others** profit up 37 cr. driven by Gross Margin expansion. Includes start-up costs of Juices, Dairy & Gums
- **Hotels** profit includes gestation of new properties (ITC Grand Bharat) and disruption due to heavy rains in Chennai during Nov/Dec'15.
- **Paperboards, Paper & Packaging** margin impacted by capacity expansion in the industry and cheap imports from ASEAN.

Segment Capital Employed - 2015/16 (Previous GAAP)

Rs. cr.

	Full Year		
	2015-16	2014-15	Goly(%)
Capital Employed			
a) FMCG - Cigarettes	5249	5819	(9.8)
- Others	4852	3988	21.7
Total FMCG	10101	9806	3.0
b) Hotels	4475	4301	4.0
c) Agri Business	2359	1959	20.4
d) Paperboards, Paper & Packaging	5520	5426	1.7
Total Segment Capital Employed	22455	21492	4.5

Increase in Segment Capital Employed primarily on a/c of Net Fixed Assets:

- Capacity augmentation in FMCG Businesses
- Ongoing investments in Hotels Business

- **10 year Value addition** ~ Rs. 2.5 lakh crore (US\$ 47 billion)
 - 75% of value addition accrued to the Exchequer (in FY16)
 - Among the top tax payers in the country

- **Foreign exchange earnings** in the last 10 years: US\$ 6.8 bln
 - Of which agri exports constituted ~57%

- **Direct employment** ITC Group : over 32,000
- Supported creation of around **6 million sustainable livelihoods**
- **e-Choupal**: world's largest rural digital infrastructure serving more than **4 million farmers**
- **Social and Farm forestry** initiative has greened nearly *225,000 hectares* and generated nearly *101 million person days of employment* for rural households, including poor tribal and marginal farmers.
- Significant thrust on **social sector** investments under 'Mission Sunehra Kal' initiatives
 - Natural resource management
 - Sustainable livelihoods
 - Community development programmes in the economic vicinity of operating locations

Environmental Performance

- **Water positive - 14 years in a row**
 - Creating over three times the rainwater harvesting potential than ITC's net water consumption
- **Carbon positive enterprise – 11 years in a row**
 - Sequestering over twice the amount of CO₂ that the Company emits
- **Solid waste recycling positive – 9 years in a row**
- **Over 47% of total energy consumed is from renewable sources**
- **Sustainability Report 2016** can be accessed on <http://itcportal.mobi/sustainability/sustainability-report-2016/default.aspx>



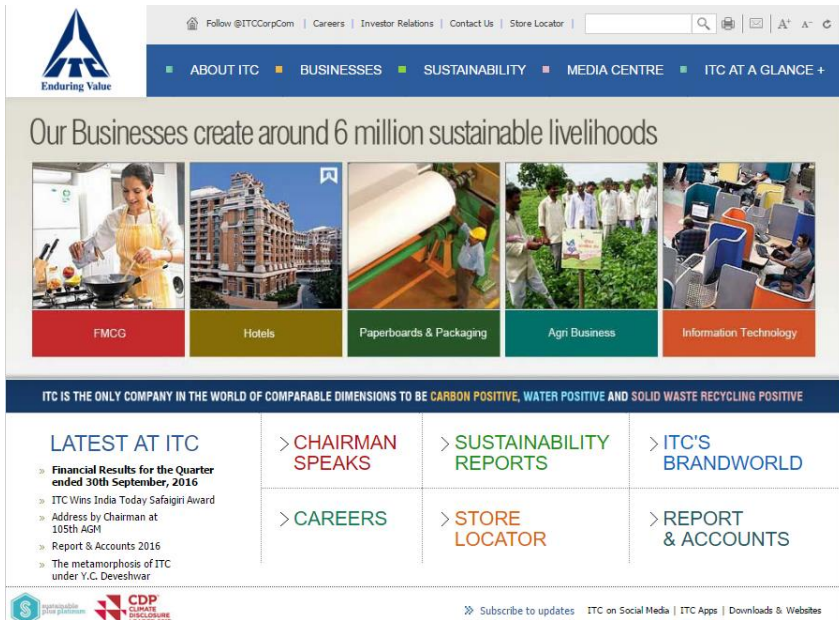
Only enterprise in the world of comparable dimensions to have achieved and sustained the 3 key global indices of environmental sustainability of being Carbon positive, Water positive and Solid waste recycling positive

Statements in this presentation describing the Company's objectives, future prospects, estimates, expectations etc. may be "forward looking statements" within the meaning of applicable securities laws and regulations. Investors are cautioned that "forward looking statements" are based on certain assumptions of future events over which the Company exercises no control. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Therefore there can be no guarantee as to their accuracy. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those that may be projected or implied by these forward looking statements. Such risks and uncertainties include, but are not limited to: growth, competition, acquisitions, domestic and international economic conditions affecting demand, supply and price conditions in the various businesses in the Company's portfolio, changes in Government regulations, tax regimes and other statutes, and the ability to attract and retain high quality human resource.

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The screenshot shows the ITC Corporate Website. At the top is the ITC logo and navigation links: Follow @ITCCorpCom, Careers, Investor Relations, Contact Us, Store Locator. Below the navigation bar is a banner with the text "Our Businesses create around 6 million sustainable livelihoods" and five images representing different business segments: FMCG, Hotels, Paperboards & Packaging, Agri Business, and Information Technology. Below the banner is a section titled "ITC IS THE ONLY COMPANY IN THE WORLD OF COMPARABLE DIMENSIONS TO BE CARBON POSITIVE, WATER POSITIVE AND SOLID WASTE RECYCLING POSITIVE". This section contains four columns of links: "LATEST AT ITC" (Financial Results for the Quarter ended 30th September, 2016; ITC Wins India Today Safaigiri Award; Address by Chairman at 105th AGM; Report & Accounts 2016; The metamorphosis of ITC under Y.C. Deveshwar), "CHAIRMAN SPEAKS", "SUSTAINABILITY REPORTS", "ITC'S BRANDWORLD", "CAREERS", "STORE LOCATOR", and "REPORT & ACCOUNTS". At the bottom are logos for sustainable price platform and CDP, and a footer with links: Subscribe to updates, ITC on Social Media, ITC Apps, Downloads & Websites.

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