

PRESS RELEASES

Press Releases (press-releases.aspx) Press Reports (press-reports.aspx)

Financial Results for the Quarter ended 30th September, 2014

31 Oct 2014

Click here to download the Financial Results (https://www.itcportal.com/about-itc/shareholder-value/key-financials/Q2-1415.pdf) 

Financial Results for the Quarter ended 30th September, 2014

Highlights

Net Revenue up 14.8%  
Underlying growth in Profit Before Tax at 17.8%  
Non-cigarette FMCG Segment registers a revenue growth of 11.9% amidst a persistently sluggish consumer demand environment.  
Robust growth in Agri Business Revenue driven by trading activities in wheat, soya and coffee for the Quarter ended September 2014.  
Paper & Packaging Segment Revenue up 8% by higher capacity utilisation, product mix improvement and cost optimisation.  
Cartons and Flexibles packaging businesses.  
Hospitality Industry continues to be impacted by weak economic conditions and pricing environment. Segment Results for the quarter include additional depreciation charge due to revision in useful life of fixed assets in accordance with Companies Act, 2013.



ITC posted another quarter of impressive growth in revenue and profits notwithstanding a challenging business environment exacerbated by a steep hike in Excise Duties on Cigarettes for the third year in succession as announced in the Union Budget 2014. Net Revenue at Rs. 8930.32 crores recorded a growth of 14.8% driven by Agri Business, Branded Packaged Foods, Personal Care and Cigarettes. After adjusting for liability written back in Q2 FY14 (towards Rates & Taxes and interest thereon pertaining to earlier years, aggregating Rs. 192.68 crores), underlying growth in Profit Before Tax and Net Profit during the quarter stood at 17.8% and 15.6% respectively. Earnings Per Share for the quarter stood at Rs. 3.04.

**FMCG-Others** (/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#fmcg)| **Cigarettes** (/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#cigaret)| **Hotels** (/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#hotel)

**Paperboards, Paper & Packaging** (/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#paper)| **Contribution to Sustainable Development** (/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#cont)

## FMCG-Others

Amidst a sluggish consumer demand environment, the Branded Packaged Foods Businesses recorded further improvement in market standing during the quarter growing well ahead of the industry across most categories. In the Staples, Spices and Ready-to-Eat Foods Business, 'Aashirvaad' atta recorded robust growth driven by premium variants and the 'Select' offering which continues to gain impressive consumer franchise. During the quarter, the Bakery and Confectionery Foods Business launched the 'Sunfeast Mom's Magic' range of premium cookies in two variants - 'Cashew & Almond' and 'Rich Butter'. The Business also forayed into the Chewing Gums segment with the launch of 'GumOn' in select markets. The products have met with favourable consumer response and are being rolled out to target markets.


In the Snack Foods Business, 'Bingo!' registered robust growth driven by the finger snacks portfolio comprising the 'Mad Angles', 'Tedhe Medhe', 'Tangles' and 'Galata Masti' sub-brands. The recently launched 'Original Style' variants of Bingo! Yumitos potato chips also gained good traction during the quarter. In the Instant Noodles and Pasta categories, 'Sunfeast YIPpee!' sustained its high growth trajectory and enhanced market standing.

During the quarter, the Personal Care Products Business augmented its product range in the Deodorants category with the launch of 'Engage' Cologne in six variants - 3 each for men and women. In the Personal Wash category, the Business expanded its presence in the fast-growing male grooming segment with the introduction of several new variants of Gel Bathing Bars, Shower Gels and Face Wash under the 'Fiama Di Wills' brand. These products have received encouraging consumer response and are being extended to target markets.

## Cigarettes

Discriminatory and punitive taxation coupled with the growing incidence of smuggling and illegal manufacture are the biggest challenges facing the legal cigarette industry in India. These challenges were compounded during the quarter with the announcement in the Union Budget 2014 of a steep increase in Excise Duty rates including a 72% hike on filter cigarettes of 'length not exceeding 65 mm'. Such increase in Duty rates, coupled with further increase in VAT on cigarettes by some States during the quarter, will exert further pressure on legal industry volumes and sub-optimize the revenue potential from the tobacco sector. The recent Government notification mandating larger size of graphic health warnings covering 85% of the principal display area on both sides of the pack, to be effective from April 1st 2015, will adversely impact the domestic legal cigarette industry vis-à-vis both illegal cigarette trade and other unbranded tobacco products.

High incidence of taxation and a discriminatory regulatory regime on cigarettes in India have, over the years, led to a significant shift in tobacco consumption to lightly taxed or tax evaded tobacco products like Bidi, Khaini, Chewing Tobacco and Gutkha. These cheaper and revenue inefficient products presently constitute over 88% of total tobacco consumption in the country. Thus, while overall tobacco consumption is increasing in India, the share of legal cigarettes in overall tobacco consumption has progressively declined

 in Voice of Art celebrates #WomenEqualityDay with #VoiceOfArt watch now (/stories-pop/vivel.aspx)  
The imposition of discriminatory and punitive VAT rates by some States provides an attractive tax arbitrage opportunity resulting in sale of illegal stocks by criminal elements thus depriving the State Governments of their legitimate revenue share. Punitive tax rates on cigarettes have proved detrimental to revenue collection and have led to multi-fold increase in illegal trade of cigarettes without any visible decrease in overall tobacco consumption.



Financial Results for the Quarter ended 30th June, 2020 read more (/media-centre/press-releases-content.aspx?id=2302&type=C&news=standalone-financial-results-for-the-quarter-ended-30th-june-2020)



Green shoot up the farm read more (/media-centre/press-releases-content.aspx?id=2315&type=C&news=itc-taking-up-the-farm)

The Company will continue to engage with the concerned authorities, both at the Central Government and State level, highlighting the need for moderation in tax rates on cigarettes to maximize the revenue potential from the tobacco sector and contain the growth of the illegal segment.

Despite such a challenging business environment, the Company's unwavering focus on providing world-class products to consumers enabled it to sustain its leadership position in the industry. Consumer centricity, product innovation and quality processes have enabled the Business to deliver superior value.

[TOP \(/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#link\)](#)

## Hotels

The Hotels industry continued to be impacted by a weak pricing scenario in the backdrop of sluggish economic conditions and the overhang of excessive room inventory in key domestic markets. Consequently, Segment Revenue growth during the quarter remained muted at 5.9%. Segment Results of the Hotels Business includes Rs. 13.4 cr. towards additional depreciation charge for the quarter due to revision in the useful life of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013.

'My Fortune Bengaluru', a flagship property under the Fortune banner in the 'upscale' segment launched in May '14, has been well received by guests. Project activity at ITC Grand Bharat – a super luxury golf and spa resort – located at the Classic Golf Resort, Manesar is nearing completion and is expected to be launched in Q3 FY15. Construction activity at the luxury hotel projects in Kolkata and Hyderabad is progressing satisfactorily.

In line with its 'asset-right' growth strategy, the Business commenced providing operating services at WelcomHotel Jodhpur during the quarter, taking the total number of rooms under the management contract model in the 5 Star category to 1150.

[TOP \(/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#link\)](#)

## Paperboards, Paper & Packaging

Segment Revenue recorded a growth of 8.9% while Segment Results were up 9.7% driven by higher capacity utilisation & operating efficiencies, improvement in product mix and scale-up of Cartons and Flexibles packaging business. However, input prices – particularly that of wood – remained at elevated levels during the quarter adversely impacting margins.




The Business made good progress during the quarter towards scaling up its in-house pulp manufacturing capacity at the Bhadrachalam unit. The project is expected to be commissioned in Q3 FY15.

[TOP \(/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#link\)](#)

## Contribution to Sustainable Development

The Company's Social Investments Programme aims to address the challenges arising out of poverty, environmental degradation and climate change through a range of activities with the overarching objective of creating sustainable sources of livelihood for stakeholders.

The footprint of the Company's Social Investments Programme has spread to 71 districts across the country and can be viewed at a glance in the following chart:

Intervention Areas		Unit of Measurement	Cumulative till date
	<b>Total Districts Covered</b> Vivel Celebrates #WomensEqualityDay with #VoiceOfArt watch now (/stories-pop/vivel.aspx)	 Financial Results for the Quarter ended 30th June, 2020 read more (/media-centre/press-releases-content.aspx?id=2302&type=C&news=standalone-financial-results-for-the-quarter-ended-30th-june-2020)	 71 Green shoots up the farm read more (/media-centre/press-releases-content.aspx?id=2315&type=C&news=itc-taking-up-the-farm)

Social and Farm Forestry Soil and Moisture Conservation Programme	Hectare Hectare	181,887 167,276
Sustainable Agricultural Practices Compost Units	Number	20,952
Sustainable Livelihoods Initiative Cattle Development Centres Animal Husbandry Services	Number Artificial Insemination doses (in lakhs)	256 14.23
Economic Empowerment of Women Self Help Group Members Livelihoods created	Persons Persons	20,780 42,588
Primary Education Beneficiaries	Children ( in lakhs)	3.74
Health and Sanitation Low Cost Sanitary Units	Number	4,827

The Board of Directors, at its meeting in New Delhi on October 31st 2014, approved the financial results for the quarter ended September 30th 2014, which are enclosed.

[Click here for the Financial Results \(/about-itc/shareholder-value/key-financials/quarterly-results-september-2014.aspx\)](/about-itc/shareholder-value/key-financials/quarterly-results-september-2014.aspx)

[TOP \(/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#link\)](/media-centre/press-releases-content.aspx?id=1532&type=C&news=Financial-Results-for-the-Quarter-ended-30th-September-2014#link)



([press-releases-content.aspx?id=1534&type=C&news=Vivel-Launches-Love-Nourish](/media-centre/press-releases-content.aspx?id=1534&type=C&news=Vivel-Launches-Love-Nourish))([press-releases-content.aspx?id=1528&type=C&news=fama-di-wills-collaborates-with-masaba-gupta](/media-centre/press-releases-content.aspx?id=1528&type=C&news=fama-di-wills-collaborates-with-masaba-gupta))

Archives

Select Year

 **Vivel Celebrates #WomensEqualityDay**  
[watch now \(/stories-pop/vivel.aspx\)](/stories-pop/vivel.aspx)



[\(/media-centre/press-releases-content.aspx?id=2302&type=C&news=standalone-financial-results-for-the-quarter-ended-30th-june-2020\)](/media-centre/press-releases-content.aspx?id=2302&type=C&news=standalone-financial-results-for-the-quarter-ended-30th-june-2020)

Downloads & Websites (</experience-itc/index.aspx>)  
 Financial Results for the Quarter ended 30th June, 2020  
[read more \(/media-centre/press-releases-content.aspx?id=2315&type=C&news=itc-taking-up-the-farm\)](/media-centre/press-releases-content.aspx?id=2315&type=C&news=itc-taking-up-the-farm)



**GREEN SHOOTS FOR THE FUTURE**

ITC on Social Media (<http://itcportal.mobi/experience-itc/itc-on-social-media.aspx>)

[Subscribe to updates \(/UserSubscription.aspx\)](/UserSubscription.aspx)

Registered Office:  
ITC LIMITED  
Virginia House,  
37, J. L. Nehru Road  
Kolkata - 700071, India  
Ph: +91-33-22889371  
Fax: +91-33-22880655  
Corporate Identity  
Number:  
L16005WB1910PLC001985  
For any queries or  
grievances, contact Mr.  
Aurko Dasgupta at  
contactus@itc.in  
(mailto:contactus@itc.in)

#### ABOUT ITC (/ABOUT-ITC/INDEX.ASPX)

Our Values  
Our Profile  
Global Honours  
Leadership Speaks  
ITC Leadership  
Exemplar in  
Sustainability  
ITC Research and  
Development  
Our Policies  
Shareholder Value  
ITC Apps

#### BUSINESSES

Fast Moving  
Consumer  
Goods (FMCG)  
Hotels  
Paperboards &  
Specialty Papers  
Packaging  
Agri Business  
Information  
Technology  
Group Companies

#### SUSTAINABILITY (/SUSTAINABILITY/INDEX.ASPX)

ITC's Sustainability  
Initiatives  
Corporate Social  
Responsibility  
Environment, Health  
& Safety  
ITC Sustainability  
Policies  
ITC CSR Policy  
ITC Impact Studies

#### MEDIA CENTRE (/MEDIA-CENTRE/INDEX.ASPX)

Key Facts About ITC  
Business Information  
Tweets by  
@ITCCorpCom  
Everyday Stories  
From ITC  
ITC In The News  
Press Releases  
Press Reports

#### Brands

Investor Relations  
Careers  
Downloads  
Contact Us  
Store Locator  
ITC on Social Media

© ITC Limited 2020

[Terms of Use \(/terms-of-use.aspx\)](/terms-of-use.aspx) [Privacy Policy \(/about-itc/policies/privacy-policy.aspx\)](/about-itc/policies/privacy-policy.aspx) [Sitemap \(/sitemap.aspx\)](/sitemap.aspx)



Vivel Celebrates #WomensEqualityDay  
with #VoiceOfArt  
watch now

(/stories-pop/vivel.aspx)



Financial Results for the Quarter ended  
30th June, 2020  
read more

(/media-centre/press-releases-content.aspx?id=2302&type=C&news=standalone-financial-results-for-the-quarter-ended-30th-june-2020)



Green shoot  
up the farm  
read more

(/media-centre/press-releases-content.aspx?id=2315&type=C&news=itc-taking-up-the-farm)