Same industry, different business

Same industry, different business is a free 40-minute lesson for Class 11–12 Commerce on segment reports. Students read how Hindustan Unilever and ITC earned in FY26, and how each is funded, without ranking them.

5-minute prep

- Print one worksheet per student and one set of segment cards per group of four (end of this guide).
- Decide how students see the numbers: the worksheet, the projector or the student page (cityfort.in/class/segments).
- Read the ground rule aloud before groups start: we explain differences, we don't rank companies.
- Skim the answer key notes on ITC's inside sales and on the textbook debt-to-equity ratio.

Class	Senior secondary, Class 11–12 (Commerce)
Time	One 40-minute period. A 10-minute version for a revision class is in the teacher guide.
Edition	2026–27 first edition v1.0
Lesson page	cityfort.in/teachers/how-indian-companies-earn-and-spend/same-industry-different-business

Objective

Students can read a segment report and a balance sheet's owned and borrowed funds. They can explain how two companies in one industry earn and are funded differently.

CBSE units the lesson supports

- Accountancy (055), Class XII, Project work (CBSE Accountancy (055))
- Business Studies (054), Class XI, Unit 7 (CBSE Business Studies (054)), in part
- Business Studies (054), Class XII, Unit 9 (CBSE Business Studies (054)), in part

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Timing

Minutes	Step	What happens
0–5	**Hook**	Ask: "HUL and ITC are both FMCG companies. Where do you think most of each company's segment results come from?" Students write a guess for each in Part A.
5–11	**How a segment report works**	Walk through the made-up school fair in Part B. The food stall took ₹6,000 and kept ₹1,500: ₹25 per ₹100 of its sales. (made-up numbers)
11–21	**Read the two segment reports**	Groups take one company card each. They find the biggest segment by revenue and the biggest by result, and work out result per ₹100 (Part C).
21–26	**When segments sell to each other**	Show that ITC's five segment revenues add up to ₹99,515 crore, but its revenue from operations was ₹89,913 crore. Ask why (Part D).
26–35	**Owned and borrowed funds**	Students read each balance sheet in Part E: HUL's net worth ₹48,739 crore and no borrowings; ITC's net worth ₹72,507 crore and borrowings ₹2,186 crore. Ground rule: we explain differences, we don't rank.
35–40	**Exit ticket**	Students answer the three exit-ticket questions on the worksheet.

Materials

- The student worksheet (one per student), or the student page on phones or the class projector
- The segment cards from the end of the teacher guide (one set per group of four)
- The answer key (teacher only)
- Optional: the slides, projected

Discussion questions

1. Cigarettes were 40.8% of ITC's segment revenue but 82.2% of its segment results. What does that tell you about the other ITC segments?
2. HUL's largest segment by revenue, Home Care, kept ₹19.1 per ₹100. Beauty & Wellbeing kept ₹27.8. Why might two businesses in one company keep different amounts?
3. ITC's Agri Business sells leaf tobacco to ITC's own cigarette business. Why does the company take those sales out when it reports total revenue?
4. HUL had no borrowings on 31 Mar 2026 and ITC's debt-to-equity was 0.03. What would you want to know before saying anything about either mix of funds?
5. Both companies are in one NSE sector. Name one way the sector label helps a reader, and one way it hides the business.
6. A segment report shows results before some costs, such as interest and tax. What could a reader miss if they read only the segments?

Adapting the lesson

Students still building their English: Pre-teach five words with the word bank: segment, revenue, result, owned funds and borrowed funds. Students may answer in a mix of English and their home language, then share one sentence in English.

Students who need more support: Give each group its company card with the biggest segment already circled. Students answer only the revenue questions, and may point to the line instead of writing.

Students ready for more: A common method, used in the NCERT Accountancy textbook, puts only long-term debt in the debt-to-equity ratio. ITC's short-term borrowings were ₹2,126 crore of its ₹2,186 crore. Work out the rest, then that ratio against net worth of ₹72,507 crore.

Extension: Students take two more companies in one NSE sector and find each one's segment note in its annual report filed on NSE. They write three sentences on how the businesses differ, naming the filing and the financial year. No ranking.

Teacher background

What is a segment report?

Ind AS 108, Operating Segments, asks a listed company to report revenue and results for each business line that its top management reviews separately. It sits in the notes to the consolidated financial statements.

What is a segment result?

Each company reports a result for every segment, before costs it does not split by segment, such as interest and income tax. Result per ₹100 of segment revenue lets students compare segments of different sizes.

Why do ITC's segments add up to more than its revenue?

Some ITC segments sell to others: Agri Business sells leaf tobacco to Cigarettes, and Paperboards sells to other ITC businesses. The segments add up to ₹99,515 crore. Sales between ITC's segments were ₹10,256 crore, and revenue from operations (₹89,913 crore) also includes ₹655 crore of other operating revenue that is not in any segment.

What counts as owned and borrowed funds here?

Owned funds are net worth: the equity belonging to the company's shareholders. Borrowed funds are borrowings only; lease liabilities are left out, as the accounts do. HUL's leases were ₹1,478 crore and ITC's ₹213 crore.

Why is HUL's net worth smaller than its brands?

HUL's goodwill and other intangible assets, mostly brands, were ₹49,246 crore on 31 Mar 2026, more than its net worth of ₹48,739 crore. Most came from past deals, such as the 2020 GSK Consumer Healthcare merger.

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Teaching notes

- Students often read the biggest revenue line as the biggest earner. ITC's cigarettes and HUL's Beauty & Wellbeing show why the result column matters.
- If a student asks which company to put money in, say the lesson is about how each business works, and that Cityfort gives no advice.

- Avoid words like "healthier" or "riskier" for a mix of funds. Ask students to describe the mix and say what else they would check.
- All numbers use the consolidated statements: the group, including its subsidiaries.

CBSE units this lesson supports

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- Accountancy (055), Class XII, Project work, aspect "segment reports": supports.
- Business Studies (054), Class XI, Unit 7, Sources of Business Finance: partial (owners' funds and borrowed funds only).
- Business Studies (054), Class XII, Unit 9, Financial Management: partial (capital structure only, with no judgement on the right mix).

10-minute version

Use only ITC's cigarettes line and the two balance sheets. Guess (2 minutes), cigarettes' shares (3), both companies' funds (3), one-sentence exit (2).

student page

Scan the code or type: **cityfort.in/class/segments**

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Cards to print and cut out

Card 1: Hindustan Unilever, FY26 segments (find revenue, share and result for each)

- Home Care
- Beauty & Wellbeing
- Foods
- Personal Care
- Others

Card 2: ITC, FY26 segments (find revenue, share and result for each)

- Cigarettes
- FMCG – Others
- Agri Business
- Paperboards, Paper & Packaging
- Others

Card 3: Funds on 31 Mar 2026 (fill in for both companies)

- Net worth (owned funds)
- Borrowings (borrowed funds)
- Debt-to-equity

Sources

1. S1: Integrated Annual Report 2025-26 (FY26), with standalone and consolidated financial statements, Hindustan Unilever Limited, filed with NSE, 2 Jun 2026. https://nsearchives.nseindia.com/annual_reports/AR_29330_HINDUNILVR_2025_2026_A_21643813_02062026215058.pdf
2. S2: Report and Accounts 2026 (FY26), with standalone and consolidated financial statements and BRSR, ITC Limited, filed with NSE, 26 Jun 2026. https://nsearchives.nseindia.com/annual_reports/AR_29459_ITC_2025_2026_A_14678177_26062026165422.pdf

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Data from Hindustan Unilever's FY26 annual report, filed with NSE on 2 Jun 2026 and ITC's FY26 annual report, filed with NSE on 26 Jun 2026. Checked 15 Nov 2026.

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