# Same industry, different business

Name: Class: Date:

Two companies can sit in the same industry and still run very different businesses. A segment report shows each business line on its own, and the balance sheet shows how the company is funded.

**Ground rule:** In this lesson there is no winner. We explain differences; we don't rank companies or say which is better to own.

## What to do

1. Guess where most of HUL's and ITC's segment results come from. Write it down.
2. Read how the made-up school fair's segment report works.
3. Read HUL's and ITC's segments and funds below, then answer the questions.
4. Every number you need is on this page. The filings are linked if you want to see them.

## Part A. Your guess

HUL and ITC are both FMCG companies listed on NSE.

1. Which HUL business do you think earns the most? Which ITC business? Why?

## Part B. How a segment report works

A made-up school fair had two stalls. The food stall took ₹6,000 and kept ₹1,500. The book stall took ₹4,000 and kept ₹400.

1. How much did the food stall keep per ₹100 of its sales? Show the working: ₹1,500 ÷ ₹6,000 × 100.
2. How much did the book stall keep per ₹100?
3. Which stall brought in more sales, and which kept more per ₹100?


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**Groups: take one company each. Every group reports back to the class.**

Name: _____ Class: _____ Date: _____

## Part C, group 1. Hindustan Unilever

HUL, FY26 (revenue; result): Home Care ₹23,672 crore; ₹4,521 crore. Beauty & Wellbeing ₹14,990 crore; ₹4,161 crore. Foods ₹14,061 crore; ₹2,824 crore. Personal Care ₹9,564 crore; ₹1,805 crore. Others ₹2,181 crore; ₹410 crore.

1. Which segment had the most revenue? Which had the largest result?

2. Work out Foods' result per ₹100 of its revenue: result ÷ revenue × 100.

3. Give one reason a beauty business might keep more per ₹100 than a detergent business.

## Part C, group 2. ITC

ITC, FY26 (revenue; result): Cigarettes ₹40,601 crore; ₹22,246 crore. FMCG – Others ₹24,322 crore; ₹1,812 crore. Agri Business ₹20,787 crore; ₹1,584 crore. Paperboards, Paper & Packaging ₹8,769 crore; ₹754 crore. Others ₹5,036 crore; ₹670 crore.

1. Which segment had the most revenue? Which had the largest result?

2. Work out Cigarettes' result per ₹100 of its revenue.

3. What share of ITC's segment results came from businesses other than cigarettes?

## Part D. When segments sell to each other

ITC's five segment revenues add up to ₹99,515 crore. Its revenue from operations was ₹89,913 crore.

1. What is the difference between the two numbers?


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2. Which ITC segments sell to other ITC businesses? Why are those sales left out of revenue?

## Part E. Owned and borrowed funds

On 31 Mar 2026: HUL's net worth was ₹48,739 crore, with no borrowings. ITC's net worth was ₹72,507 crore, with borrowings of ₹2,186 crore, up from ₹91 crore a year earlier.

1. Work out each company's debt-to-equity: borrowings ÷ net worth.

2. Describe each company's mix of owned and borrowed funds in one sentence. Do not rank them.

3. What would you want to read in the annual report before saying more about ITC's borrowings?

## Exit ticket

1. In your own words, what does a segment report show?

2. Name one way HUL and ITC earn differently, with a number.

3. What is the difference between owned funds and borrowed funds?


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## Word bank

| | |
|---|---|
| **Segment** | A business line that a company reports on its own, such as Home Care or Cigarettes. |
| **Segment revenue** | Money a segment earned from its sales, sometimes including sales to the company's other segments. |
| **Segment result** | What a segment kept from its revenue before costs the company does not split by segment, such as interest and tax. |
| **Owned funds** | Money that belongs to the shareholders: share capital plus profits kept in the business. Also called net worth. |
| **Borrowed funds** | Money the company owes to lenders, such as banks, and must repay with interest. |
| **Debt-to-equity** | Borrowed funds divided by owned funds. Zero means the company had no borrowings. |

## Sentence starters

- Most of ___'s segment results came from ___, which sells ___.
- ___ kept more per ₹100 of segment revenue than ___ because ___.
- ___ is funded mostly by ___ funds, because its balance sheet shows ___.

**student page**

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

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