



ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
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31st October, 2014

The Manager
Listing Department
National Stock Exchange of
India Ltd.
Exchange Plaza,
Plot No. C-1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

The General Manager
Dept. of Corporate Services
BSE Ltd.
1st floor, New Trading Ring
Rotunda Building
P. J. Towers
Dalal Street, Fort
Mumbai 400 001

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001

Dear Sirs,

**Unaudited Financial Results for the
Quarter and Six Months ended 30th September, 2014**

In terms of Clause 41 of the Listing Agreement, we enclose a copy of the Unaudited Financial Results of the Company alongwith Segment-wise Revenue, Results and Capital Employed for the Quarter and Six Months ended 30th September, 2014, and the Statement of Assets & Liabilities as at 30th September, 2014, approved at the meeting of the Board of Directors of the Company held on 31st October, 2014.

A copy of the 'Limited Review' Report of the Auditors of the Company in respect of the said Results is also enclosed.

Yours faithfully,
ITC Limited

(B. B. Chatterjee)
Executive Vice President &
Company Secretary

Encl. as above.

ITC Limited

PART I: Statement of Unaudited Financial Results for the Quarter and Six months ended 30th September, 2014

Particulars	STANDALONE					(₹ in Crores)
	3 months ended 30.09.2014	Corresponding 3 months ended 30.09.2013	Preceding 3 months ended 30.06.2014	6 Months ended 30.09.2014	6 Months ended 30.09.2013	Twelve Months ended 31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
INCOME FROM OPERATIONS						
a) NET SALES / INCOME FROM OPERATIONS (Net of Excise Duty)	8930.32	7775.79	9164.42	18094.74	15114.31	32882.56
b) OTHER OPERATING INCOME	93.42	86.74	83.87	177.29	158.92	356.04
TOTAL INCOME FROM OPERATIONS (Net) (1+2)	9023.74	7862.53	9248.29	18272.03	15273.23	33238.60
EXPENSES						
a) Cost of materials consumed	2792.72	2570.45	2660.62	5453.34	4758.72	10263.28
b) Purchases of stock-in-trade	638.99	541.50	1920.80	2559.79	1406.87	3021.47
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	123.45	(133.57)	(603.86)	(480.41)	(318.25)	(128.41)
d) Employee benefits expense	397.87	369.87	508.66	906.53	796.74	1608.37
e) Depreciation and amortisation expense	243.22	220.87	231.32	474.54	436.17	899.92
f) Other expenses *	1582.06	1338.44	1484.48	3066.54	2662.00	6019.05
TOTAL EXPENSES	5778.31	4907.56	6202.02	11980.33	9742.25	21683.68
PROFIT FROM OPERATIONS BEFORE OTHER INCOME AND FINANCE COSTS (3-4)	3245.43	2954.97	3046.27	6291.70	5530.98	11554.92
OTHER INCOME	356.22	246.19	234.55	590.77	449.37	1107.14
PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS (5+6)	3601.65	3201.16	3280.82	6882.47	5980.35	12662.06
FINANCE COSTS *	18.39	(32.67)	15.15	33.54	(15.72)	2.95
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	3583.26	3233.83	3265.67	6848.93	5996.07	12659.11
TAX EXPENSE	1158.10	1003.30	1079.28	2237.38	1874.21	3873.90
NET PROFIT FOR THE PERIOD (9-10)	2425.16	2230.53	2186.39	4611.55	4121.86	8785.21
PAID UP EQUITY SHARE CAPITAL	797.43	792.00	795.50	797.43	792.00	795.32
(Ordinary shares of ₹ 1/- each)						
RESERVES EXCLUDING REVALUATION RESERVES	-	-	-	-	-	25414.29
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):						
(a) Basic (₹)	3.04	2.82	2.75	5.79	5.21	11.09
(b) Diluted (₹)	3.01	2.78	2.72	5.73	5.14	10.96

* For the quarter and six months ended 30.09.2013 and for the twelve months ended 31.03.2014, Other Expenses and Finance Costs are net of liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively that were no longer required and therefore written back consequent to a favourable High Court Order.

PART II: Select Information for the Quarter and Six Months ended 30th September, 2014

	3 months ended 30.09.2014	Corresponding 3 months ended 30.09.2013	Preceding 3 months ended 30.06.2014	6 Months ended 30.09.2014	6 Months ended 30.09.2013	Twelve Months ended 31.03.2014
A. Particulars of Shareholding						
1. PUBLIC SHAREHOLDING						
- NUMBER OF SHARES	7954036697	7696890178	7934240720	7954036697	7896890178	7932401330
- PERCENTAGE OF SHAREHOLDING	99.75	99.71	99.74	99.75	99.71	99.74
2. PROMOTERS AND PROMOTER GROUP SHAREHOLDING						
a) Pledged / Encumbered	Nil	Nil	Nil	Nil	Nil	Nil
b) Non - encumbered	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Investor Complaints	3 months ended 30.09.2014
Pending at the beginning of the quarter	Nil
Received during the quarter	2
Disposed off during the quarter	2
Remainder unresolved at the end of the quarter	Nil

Notes :

(i) The Unaudited Financial Results, Segment Results and Statement of Assets and Liabilities were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 31st October, 2014.

(ii) Figures for the previous periods are re-classified / re-arranged / re-grouped, wherever necessary, to correspond with the current period's classification / disclosure.

(iii) The Company does not have any Exceptional or Extraordinary item to report for the above periods.

(iv) The launch and rollout costs of the Company's brands 'Fama Di Wills', 'Vivel', 'Superia' and 'Engage' covering the range of personal care products of soaps, face washes, shower gels, shampoos, conditioners, skin care and deodorants, 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'.

(v) During the quarter, 1,92,38,871 Ordinary Shares of ₹ 1/- each were issued and allotted, as follows:-

- 1,91,51,110 Ordinary Shares of ₹ 1/- each under the Company's Employee Stock Option Schemes

- 87,761 Ordinary Shares of ₹ 1/- each pursuant to the Scheme of Arrangement for demerger of the Non-Engineering Business of Wimco Limited into the Company.

Consequently, the issued and paid-up Share Capital of the Company as on 30th September, 2014 stands increased to ₹ 797,42,55,211/-.

(vi) The Scheme of Arrangement between Wimco Limited ('Wimco') and the Company became effective on 27th June, 2014 on filing of the Order of the Hon'ble High Court with the respective Registrar of Companies. The Scheme, with effect from 1st April 2013, provided for the demerger of the Non Engineering Business of Wimco into the Company. The results for the quarters ended 30th June, 2014 and 30th September, 2014 and for the six months ended 30th September, 2014 reflect the effect of the Scheme, and consequently, the figures for the previous periods are not strictly comparable.

Pavan Poplar Limited and Prag Agro Farm Limited have become direct subsidiaries of the Company with effect from 27th June, 2014, consequent upon the Scheme becoming effective.

(vii) Pursuant to the enactment of the Companies Act 2013, (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, generally in accordance with the provisions of Schedule II of the Act. The consequential impact [after charging ₹ 48.32 Crores (net of tax of ₹ 24.88 Crores) to Retained Earnings in line with the transition provision specified in Schedule III] on the depreciation charged and on the results for the quarter and six months is not material.

(viii) This statement is as per Clause 41 of the Listing Agreement.

Limited Review

The Limited Review, as required under Clause 41 of the Listing Agreement has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the above 'Results and Notes' for the Quarter ended 30th September, 2014 which needs to be explained.

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ITC Limited

(₹ in Crores)

STATEMENT OF ASSETS AND LIABILITIES		STANDALONE	
		As at current half year end 30.09.2014 *	As at previous year end 31.03.2014
		(Unaudited)	(Audited)
A	EQUITY AND LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	797.43	795.32
	(b) Reserves and surplus	30295.58	25466.70
	(c) Money received against share warrants	-	-
	Shareholders' Funds	31093.01	26262.02
2	SHARE APPLICATION MONEY PENDING ALLOTMENT	-	-
3	NON-CURRENT LIABILITIES		
	(a) Long-term borrowings	50.02	51.00
	(b) Deferred tax liabilities (net)	1396.20	1296.96
	(c) Other long-term liabilities	6.84	5.09
	(d) Long-term provisions	110.20	110.00
	Non-Current Liabilities	1563.26	1463.05
4	CURRENT LIABILITIES		
	(a) Short-term borrowings	566.36	0.14
	(b) Trade payables	1763.48	1987.59
	(c) Other current liabilities	4458.33	3631.88
	(d) Short-term provisions	713.98	5884.71
	Current Liabilities	7502.15	11504.32
	TOTAL EQUITY AND LIABILITIES	40158.42	39229.39
B	ASSETS		
1	NON-CURRENT ASSETS		
	(a) Fixed assets	14990.36	14308.47
	(b) Non-current investments	2377.15	2512.17
	(c) Deferred tax assets (net)	-	-
	(d) Long-term loans and advances	1353.08	1480.02
	(e) Other non-current assets	-	-
	Non-Current Assets	18720.59	18300.66
2	CURRENT ASSETS		
	(a) Current investments	6603.65	6311.26
	(b) Inventories	8463.43	7359.54
	(c) Trade receivables	2000.82	2165.36
	(d) Cash and bank balances	3593.11	3289.37
	(e) Short-term loans and advances	523.32	783.51
	(f) Other current assets	253.50	1019.69
	Current Assets	21437.83	20928.73
	TOTAL ASSETS	40158.42	39229.39

* Refer Note (vi).

ITC LIMITED

Unaudited Segment-wise Revenue, Results and Capital Employed for the Quarter and Six Months ended 30th September, 2014

(₹ in Crores)

	STANDALONE					
	3 Months ended 30.09.2014	Corresponding 3 Months ended 30.09.2013	Preceding 3 Months ended 30.06.2014	6 Months ended 30.09.2014	6 Months ended 30.09.2013	Twelve Months ended 31.03.2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment Revenue						
a) FMCG - Cigarettes	4250.86	3723.81	4201.06	8451.92	7261.20	15456.06
- Others	2196.01	1962.22	1934.61	4130.62	3706.88	8099.21
Total FMCG	6446.87	5686.03	6135.67	12582.54	10968.08	23555.26
b) Hotels	261.59	246.97	248.69	510.28	496.83	1132.78
c) Agri Business	2058.67	1772.46	3296.06	5354.73	3961.44	7752.05
d) Paperboards, Paper & Packaging	1284.07	1178.74	1288.48	2572.55	2341.88	4860.51
Total	10051.20	8884.20	10968.90	21020.10	17768.23	37300.60
Less : Inter-segment revenue	1120.88	1108.41	1804.48	2925.36	2653.92	4418.04
Net sales / Income from operations	8930.32	7775.79	9164.42	18094.74	15114.31	32882.56
2. Segment Results						
a) FMCG - Cigarettes	2882.06	2411.70	2721.75	5603.81	4653.42	9858.00
- Liability no longer required written back [Note (i)]	-	157.91	-	-	157.91	157.91
FMCG - Cigarettes	2882.06	2569.61	2721.75	5603.81	4811.33	10015.91
- Others	(10.31)	(12.69)	(15.59)	(25.90)	(31.62)	21.82
Total FMCG	2871.75	2556.92	2706.16	5577.91	4779.71	10037.73
b) Hotels [Note (ii)]	(9.58)	8.72	(12.09)	(21.67)	17.66	139.71
c) Agri Business	298.25	284.59	202.45	500.70	483.90	834.78
d) Paperboards, Paper & Packaging	242.14	220.76	274.90	517.04	472.36	892.46
Total	3402.56	3070.99	3171.42	6573.98	5753.63	11904.68
Less : i) Finance Costs	18.39	2.10	15.15	33.54	19.05	37.72
Liability no longer required written back [Note (i)]	-	(34.77)	-	-	(34.77)	(34.77)
Finance Costs	18.39	(32.67)	15.15	33.54	(15.72)	2.95
ii) Other un-allocable (income) net of un-allocable expenditure	(199.09)	(130.17)	(109.40)	(308.49)	(226.72)	(757.38)
Profit Before Tax	3583.26	3233.83	3265.67	6848.93	5996.07	12659.11
Tax Expense	1158.10	1003.30	1079.28	2237.38	1874.21	3873.90
Profit After Tax	2425.16	2230.53	2186.39	4611.55	4121.86	8785.21
3. Capital Employed						
a) FMCG - Cigarettes *	5661.80	4663.61	5087.46	5661.80	4663.61	5705.48
- Others	3963.28	3162.40	3941.74	3963.28	3162.40	3383.53
Total FMCG	9625.08	7826.01	9029.20	9625.08	7826.01	9089.01
b) Hotels	3705.84	3513.82	3648.46	3705.84	3513.82	3625.39
c) Agri Business	1677.73	1119.90	2299.03	1677.73	1119.90	2052.44
d) Paperboards, Paper & Packaging	5522.55	5068.80	5454.09	5522.55	5068.80	5319.08
Total Segment Capital Employed	20531.20	17528.53	20430.78	20531.20	17528.53	20085.92

* Segment Liabilities of FMCG-Cigarettes is before considering ₹ 678.00 Crores (30.09.2013 - ₹ 657.75 Crores; 30.06.2014 - ₹ 673.08 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'.

Note (i): Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required, based on a favourable High Court Order; Segment Results of FMCG - Cigarettes and Finance Costs for the quarter and six months ended 30.09.2013 and for the twelve months ended 31.03.2014 include the effect of such write back.

Note (ii): The Segment Results for Hotels are after considering an incremental charge of ₹ 13.38 Crores and ₹ 27.66 Crores for the quarter and six months ended 30th September, 2014 respectively towards depreciation from the review and revision of estimated useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013. The impact of such revision on the results of all other reported Segments is not material.

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Notes :

- (1) 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 organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :
- | | | | | |
|--------------------------------|---|------------|---|---|
| FMCG | : | Cigarettes | - | Cigarettes, Cigars etc. |
| | : | Others | - | Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis. |
| Hotels | | | - | Hoteliering. |
| Paperboards, Paper & Packaging | | | - | Paperboards, Paper including Specialty Paper & Packaging including Flexibles. |
| Agri Business | | | - | Agri commodities such as soya, spices, coffee and leaf tobacco. |
- (3) 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.
- (4) ITC Grand Chola, the Company's 600-key super premium integrated luxury hotel complex in Chennai was inaugurated on 15th September, 2012. The Hotel has been accredited as the World's largest LEED Platinum rated hotel, in the new construction category. The segment results of 'Hotels' for the quarter reflect the gestation cost of the newly opened property.
- (5) The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods Businesses and sources leaf tobacco for the Cigarettes Business.
- (6) Figures for the corresponding previous periods are re-arranged, wherever necessary, to conform to the figures of the current period.

Registered Office :
Virginia House, 37 J.L. Nehru Road,
Kolkata 700 071, India

Dated : 31st October, 2014
Place : New Delhi, India

For and on behalf of the Board


Executive Director


Chairman

INDEPENDENT AUDITORS' REVIEW REPORT TO THE BOARD OF DIRECTORS OF ITC LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **ITC Limited** ("the Company") for the Quarter and Six Months ended 30th September, 2014 ("the Statement"), being submitted by the Company pursuant to Clause 41 of the Listing Agreements with the Stock Exchanges, except for the disclosures in Part II - Select information referred to in paragraph 4 below. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the Accounting Standards specified under the Companies Act, 1956 (which are deemed to be applicable as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014) and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements with the Stock Exchanges, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. Further, we also report that we have traced the number of shares as well as the percentage of shareholding in respect of the aggregate amount of public shareholding in terms of Clause 35 of the Listing Agreements with the Stock Exchanges and the particulars relating to investor complaints disclosed in Part II - Select information for the Quarter and Six Months ended 30th September, 2014 of the Statement, from the details furnished by the Management.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No. 302009E)

P. R. Ramesh

P.R. Ramesh
Partner

Membership No.: 70928

New Delhi, 31st October, 2014