ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
Tel. : 91 33 2288 9371
Fax : 91 33 2288 4016 / 1256 / 2259 / 2260

Enduring Value

27th January, 2017

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 Nine Months ended 31st December, 2016

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Unaudited Financial Results of the Company alongwith Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Nine Months ended 31st December, 2016, approved at the meeting of the Board of Directors of the Company held on 27th January, 2017. The meeting commenced at 11.30 a.m. and concluded at 1.00 p.m.

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.

cc: Securities Exchange Commission
Division of Corporate Finance
Office of International Corporate Finance
Mail Stop 3-9
450 Fifth Street
Washington DC 20549
U.S.A.

cc: Societe de la Bourse de Luxembourg
35 A Boulevard Joseph II
L- 1840 Luxembourg.

ITC Limited

Statement of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2016

(₹ in Crores)

Particulars		3 Months ended 31.12.2016	Corresponding 3 Months ended 31.12.2015	Preceding 3 Months ended 30.09.2016	9 Months ended 31.12.2016	9 Months ended 31.12.2015	Twelve Months ended 31.03.2016
		(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*	(Unaudited)*
INCOME FROM OPERATIONS							
a) REVENUE FROM OPERATIONS	1	13470.89	12887.78	13491.37	40118.94	37550.02	51582.45
b) OTHER OPERATING INCOME	2	99.08	74.07	125.24	320.70	255.77	362.12
TOTAL INCOME FROM OPERATIONS (1+2)	3	13569.97	12961.85	13616.61	40439.64	37805.79	51944.57
EXPENSES							
a) Cost of materials consumed		2912.58	2760.36	3000.10	8792.72	8020.91	11054.75
b) Purchases of stock-in-trade		864.89	705.40	501.11	2370.84	1772.43	2591.80
c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		(400.90)	(437.69)	170.14	129.94	89.50	(196.55)
d) Excise duty		4321.58	4094.79	3955.90	11476.50	10979.82	15361.90
e) Employee benefits expense		572.31	571.37	600.33	1872.95	1776.88	2328.27
f) Depreciation and amortisation expense		266.54	261.87	268.44	796.23	777.68	1031.93
g) Other expenses		1753.12	1793.00	1759.00	5094.04	5056.68	7086.46
TOTAL EXPENSES	4	10290.12	9749.10	10255.02	30533.22	28473.90	39258.56
PROFIT FROM OPERATIONS BEFORE OTHER INCOME AND FINANCE COSTS (3-4)	5	3279.85	3212.75	3361.59	9906.42	9331.89	12686.01
OTHER INCOME	6	687.94	648.97	475.35	1583.81	1398.03	1769.26
PROFIT FROM ORDINARY ACTIVITIES BEFORE FINANCE COSTS (5+6)	7	3967.79	3861.72	3836.94	11490.23	10729.92	14455.27
FINANCE COSTS	8	13.59	16.09	10.72	34.41	36.86	49.13
PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7-8)	9	**3954.20**	**3845.63**	**3826.22**	**11455.82**	**10693.06**	**14406.14**
TAX EXPENSE	10	1307.47	1341.87	1326.19	3924.39	3760.71	5094.88
NET PROFIT FOR THE PERIOD (9-10)	11	2646.73	2503.76	2500.03	7531.43	6932.35	9311.26
OTHER COMPREHENSIVE INCOME (NET OF TAX)	12	(161.61)	283.31	(25.19)	(123.23)	182.53	(66.58)
TOTAL COMPREHENSIVE INCOME (11+12)	13	2485.12	2787.07	2474.84	7408.20	7114.88	9244.68
PAID UP EQUITY SHARE CAPITAL (Ordinary shares of ₹ 1/- each)	14	1212.14	803.67	1211.16	1212.14	803.67	804.72
RESERVES EXCLUDING REVALUATION RESERVES	15						40834.60
EARNINGS PER SHARE (of ₹ 1/- each) (not annualised):	16						
(a) Basic (₹)		2.18	2.08	2.07	6.23	5.75	7.72
(b) Diluted (₹)		2.17	2.06	2.04	6.19	5.72	7.68

* The financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted Ind AS from 1st April, 2016, and accordingly, these financial results (including for all the periods presented in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards) have been prepared in accordance with the recognition and measurement principles in Ind AS 34 - Interim Financial Reporting, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Notes :

1 The Unaudited Standalone Financial Results and Segment Results were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 27th January, 2017.

2 The launch and rollout costs of the Company's brands 'Fiama', 'Vivel', 'Superia', 'Engage', 'Savlon' and 'Shower to Shower' covering the range of personal care products of soaps, face washes, shower gels, skin care, deodorants, handwash and ayurvedic talc, 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'.

3 King Maker Marketing, Inc. USA (KMM) ceased to be a subsidiary of the Company with effect from 16th November 2016 consequent to divestment of the Company's entire shareholding in KMM along with certain related trademarks owned by the Company.

4 Other Income includes (i) dividend income from equity investments ₹ 193.48 Crores (quarter ended 31.12.2015 - ₹ 318.69 Crores; quarter ended 30.09.2016 - ₹ 28.60 Crores; nine months ended 31.12.2016 - ₹ 248.73 Crores and 31.12.2015 - ₹ 329.50 Crores; and twelve months ended 31.03.2016 - ₹ 338.92 Crores) and (ii) ₹ 137.93 Crores towards profit on divestment of KMM (₹ Nil for all comparative periods).

5 a) During the quarter ended 30th September, 2016, the Company has issued 402,66,57,100 Ordinary Shares of ₹ 1/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 1/- each for every existing 2 (Two) Ordinary Shares of ₹ 1/- each. Pursuant to the issue and allotment of Bonus Shares, the earnings per share (Basic and Diluted) have been adjusted for all the periods stated above.

b) During the quarter ended 31st December, 2016, 98,02,400 Ordinary Shares of ₹ 1/- each were issued and allotted under the Company's Employee Stock Option Schemes.

6 Reconciliation of the standalone financial results to those reported under previous Generally Accepted Accounting Principles (GAAP) are summarised as follows:

Particulars	Notes	3 months ended 31.12.2015	9 months ended 31.12.2015	Twelve months ended 31.03.2016
Profit After Tax as reported under previous GAAP		**2652.82**	**7349.51**	**9844.71**
Impact of measuring investments at Fair Value through Profit or Loss (FVTPL)	(ii), (iii)	(38.66)	(74.66)	(115.78)
Impact of measuring derivative financial instruments, other than those designated as cash flow hedges, at fair value	(iv)	1.36	(0.43)	8.29
Impact of recognising the cost of the employee stock option scheme at fair value	(i) (c)	(130.56)	(385.72)	(498.60)
Reclassification of actuarial gains / losses, arising in respect of employee benefit schemes, to Other Comprehensive Income (OCI)		9.00	27.00	53.84
Tax Adjustments		9.80	16.65	18.80
Profit After Tax as reported under Ind AS		**2503.76**	**6932.35**	**9311.26**
Other Comprehensive Income (net of tax)		283.31	182.53	(66.58)
Total Comprehensive Income as reported under Ind AS		**2787.07**	**7114.88**	**9244.68**

(i) Exemptions applied at transition

Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its standalone financial results:

a. Property, Plant and Equipment were carried in the statement of financial position prepared under previous GAAP as at 31st March, 2015. The Company has elected to regard such carrying amount as deemed cost at the date of transition i.e. 1st April, 2015.

b. Under previous GAAP, investment in subsidiaries, joint ventures and associates were stated at cost and provisions made to recognise the decline, other than temporary. Under Ind AS, the Company has elected to regard such carrying amount as at 31st March, 2015 as deemed cost at the date of transition.

c. As per the previous GAAP, the cost of ITC Employee Stock Option Scheme (ITC ESOS) [equity-settled] was recognised using the intrinsic value method. Under this method, no expenses were recognised in the statement of profit and loss as the fair value of shares on the date of grant equalled the exercise price. Under Ind AS, the cost of ITC ESOS is recognised based on the fair value of the options as on the grant date. In terms of the exemptions, the fair value of unvested options as at the date of transition have been accounted for as part of reserves. The fair value of options vesting after the transition date have been recognised in profit or loss.

The cost of ITC ESOS applicable to employees of group companies, net of reimbursements, have been considered as capital contribution.

(ii) Under previous GAAP, current investments were stated at lower of cost and fair value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition and fair value changes after the date of transition has been recognised in profit or loss.

(iii) Under previous GAAP, non current Investments were stated at cost. Where applicable, provision was made to recognise a decline, other than temporary, in valuation of such Investments. Under Ind AS, financial assets in equity instruments [other than those in (i) (b)] have been classified as Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable election at the date of transition.

(iv) Under previous GAAP, the net mark to market losses on derivative financial instruments, other than those designated as cash flow hedges, as at the Balance Sheet date, were recognized in profit or loss, and the net gains, if any, were ignored. Under Ind AS, such derivative financial instruments are to be recognised at fair value and the movement is recognised in profit or loss.

7 This statement is as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Limited Review

The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 31st December, 2016 which needs to be explained.

ITC LIMITED

Unaudited Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Nine Months ended 31st December, 2016

(₹ in Crores)

Particulars	STANDALONE					
	3 Months ended 31.12.2016	Corresponding 3 Months ended 31.12.2015	Preceding 3 Months ended 30.09.2016	9 Months ended 31.12.2016	9 Months ended 31.12.2015	Twelve Months ended 31.03.2016
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1. Segment Revenue						
a) FMCG - Cigarettes	8287.97	8106.31	8528.47	25047.04	23802.83	32348.29
- Others	2569.26	2484.91	2671.66	7626.07	7020.39	9731.17
Total FMCG	**10857.23**	**10591.22**	**11200.13**	**32673.11**	**30823.22**	**42079.46**
b) Hotels	370.51	345.29	297.34	955.21	923.18	1286.17
c) Agri Business	1671.92	1480.99	1880.06	6346.06	5650.09	7456.88
d) Paperboards, Paper & Packaging	1335.82	1337.67	1331.41	3990.13	4012.67	5327.70
Total	**14235.48**	**13755.17**	**14708.94**	**43964.51**	**41409.16**	**56150.21**
Less : Inter-segment revenue	764.59	867.39	1217.57	3845.57	3859.14	4567.76
Revenue from operations	**13470.89**	**12887.78**	**13491.37**	**40118.94**	**37550.02**	**51582.45**
2. Segment Results						
a) FMCG - Cigarettes	3033.69	2983.83	3216.88	9255.15	8733.87	11752.43
- Others	(19.66)	18.75	(3.26)	(27.44)	(0.32)	70.51
Total FMCG	**3014.03**	**3002.58**	**3213.62**	**9227.71**	**8733.55**	**11822.94**
b) Hotels	42.15	25.83	0.65	44.02	13.04	55.69
c) Agri Business	236.61	234.92	296.96	770.88	762.71	933.03
d) Paperboards, Paper & Packaging	246.03	240.98	231.95	725.67	704.67	907.62
Total	**3538.82**	**3504.31**	**3743.18**	**10768.28**	**10213.97**	**13719.28**
Less : i) Finance Costs	13.59	16.09	10.72	34.41	36.86	49.13
ii) Other un-allocable (income) net of un-allocable expenditure [Note (i)]	(428.97)	(357.41)	(93.76)	(721.95)	(515.95)	(735.99)
Profit Before Tax	**3954.20**	**3845.63**	**3826.22**	**11455.82**	**10693.06**	**14406.14**
3. Segment Assets						
a) FMCG - Cigarettes	7792.74	7979.31	7816.59	7792.74	7979.31	7946.13
- Others	6596.10	5752.71	6825.79	6596.10	5752.71	6059.49
Total FMCG	**14388.84**	**13732.02**	**14642.38**	**14388.84**	**13732.02**	**14005.62**
b) Hotels [Note (ii)]	5039.01	4812.48	4930.88	5039.01	4812.48	4820.29
c) Agri Business	2750.70	2877.92	2817.81	2750.70	2877.92	2968.39
d) Paperboards, Paper & Packaging	6323.56	5944.42	6242.72	6323.56	5944.42	6031.00
Total	**28502.11**	**27366.84**	**28633.79**	**28502.11**	**27366.84**	**27825.30**
Unallocated Corporate Assets	23248.16	20916.25	21018.47	23248.16	20916.25	22178.05
Total Assets	**51750.27**	**48283.09**	**49652.26**	**51750.27**	**48283.09**	**50003.35**
4. Segment Liabilities						
a) FMCG - Cigarettes**	2999.09	2898.14	2858.54	2999.09	2898.14	2644.39
- Others	1414.40	1262.48	1333.26	1414.40	1262.48	1179.77
Total FMCG	**4413.49**	**4160.62**	**4191.80**	**4413.49**	**4160.62**	**3824.16**
b) Hotels	452.29	393.17	383.62	452.29	393.17	345.39
c) Agri Business	1001.44	871.56	1089.73	1001.44	871.56	610.35
d) Paperboards, Paper & Packaging	615.62	539.91	583.39	615.62	539.91	510.68
Total	**6482.84**	**5965.26**	**6248.54**	**6482.84**	**5965.26**	**5290.58**
Unallocated Corporate Liabilities	3302.69	3108.52	4175.57	3302.69	3108.52	3073.45
Total Liabilities	**9785.53**	**9073.78**	**10424.11**	**9785.53**	**9073.78**	**8364.03**

** Segment Liabilities of FMCG-Cigarettes is before considering ₹ 651.37 Crores (31.12.2015 - ₹ 645.44 Crores; 30.09.2016 - ₹ 661.60 Crores; 31.03.2016 - ₹ 651.54 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): As stock options are granted under ITC ESOS to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the option value of ITC ESOS do not form part of the segment performance reviewed by the Corporate Management Committee. Also refer note 6 (i) (c) to the financial results.

Note (ii): Includes ₹ 541.21 Crores (31.12.2015 - ₹ 541.21 Crores; 30.09.2016 - ₹ 541.21 Crores; 31.03.2016 - ₹ 541.21 Crores) towards payment to IFCI Limited and applicable stamp duty for purchase of a five star hotel resort in Goa operating under the name Park Hyatt Goa Resort & Spa and IFCI Limited issued required sale certificate in favour of the Company. The erstwhile owners of the property thereafter challenged the sale. By its judgement dated 23.03.2016, the Bombay High Court set aside the sale and directed IFCI Limited to refund the sale consideration to the Company. The Company and IFCI Limited have approached the Hon'ble Supreme Court against the High Court judgement. The Hon'ble Supreme Court by its interim order dated 22.04.2016 has issued notice in the matter, ordered status quo and directed that the sale consideration shall remain with IFCI Limited. The matter is pending before the Hon'ble Supreme Court.

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.

The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

(2) The business groups comprise the following :

FMCG	: Cigarettes	-	Cigarettes, Cigars etc.
	: Others	-	Branded Packaged Foods Businesses (Staples, Snacks and Meals; Dairy and Beverages; Confections); 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.

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

Dated : 27th January, 2017
Place : Kolkata, India

For and on behalf of the Board

Director & Chief Financial Officer

Chairman

ITC Limited

Extract of Standalone Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2016

(₹ in Crores)

Sl. No.	Particulars	3 Months ended 31.12.2016	9 Months ended 31.12.2016	Corresponding 3 Months ended 31.12.2015
1	Total Income from Operations	13569.97	40439.64	12961.85
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	3954.20	11455.82	3845.63
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	3954.20	11455.82	3845.63
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	2646.73	7531.43	2503.76
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	2485.12	7408.20	2787.07
6	Equity Share Capital	1212.14	1212.14	803.67
7	Earnings Per Share (of ₹ 1/- each) (not annualised):			
	1. Basic (₹):	2.18	6.23	2.08
	2. Diluted (₹):	2.17	6.19	2.06

Note:

a) The above is an extract of the detailed format of Statement of Standalone Unaudited Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The detailed financial results and this extract were reviewed by the Audit Committee and approved at the meeting of the Board of Directors of the Company held on 27th January 2017. The full format of the Statement of Standalone Unaudited Financial Results are available on the Company's website (www.itcportal.com) and on the websites of the National Stock Exchange of India Limited (www.nseindia.com), BSE Limited (www.bseindia.com) and the Calcutta Stock Exchange Limited (www.cse-india.com).

b) During the quarter ended 30th September, 2016 the Company issued and allotted 402,66,57,100 Ordinary Shares of ₹ 1/- each, as fully paid-up Bonus Shares in the proportion of 1 (One) Bonus Share of ₹ 1/- each for every existing 2 (Two) Ordinary Shares of ₹ 1/- each. Pursuant to the above, the earnings per share (Basic and Diluted) have been adjusted for all the periods stated above.

c) The Limited Review, as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been completed and the related Report forwarded to the Stock Exchanges. This Report does not have any impact on the 'Results and Notes' for the Quarter ended 31st December, 2016 which needs to be explained.

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

Dated : 27th January, 2017
Place : Kolkata, India

For and on behalf of the Board

Director & Chief Financial Officer

Chairman

Deloitte
Haskins & Sells

Chartered Accountants
Bengal Intelligent Park
Building Alpha, 1st floor
Block - EP & GP, Sector - V
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INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

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 Nine Months ended 31st December, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016.

   This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated 5th July, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Shyamak R Tata
Partner
(Membership No. 38320)

KOLKATA, 27th January, 2017