



# Enduring Value

Nation First: Sab Saath Badhein

**ITC Limited**  
REPORT AND ACCOUNTS 2024

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The mnemonic is a vibrant expression of the theme, 'ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First'. The colourful petals stand for the 12 vibrant businesses of ITC. The green leaf below represents ITC's exemplary sustainability performance while the one in blue signifies ITC's pursuit of growth, competitiveness and profitability. The rings at the centre are a metaphor for the Company's future readiness and depict mainstreaming of digital in every node of its businesses.



ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

# Highlights of ITC's Triple Bottom Line Contribution





## ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

ITC's deep commitment to national priorities rests on the foundation of its resolve to shape an extremely competitive, resilient, innovative and inclusive enterprise. The Company's credo of 'Nation First, Sab Saath Badhein' is manifest in ITC's century-old engagement with farmers, state-of-the-art manufacturing facilities and iconic hospitality properties, cutting-edge R&D, world-class Indian brands and multi-dimensional initiatives that address challenges of climate change and livelihood generation. ITC's presence across agriculture, manufacturing and services enables it to make a larger contribution to the national economy.

ITC is today rapidly progressing on its journey to shape a future-ready enterprise, premised on its vision to create larger societal value through a paradigm of Responsible Competitiveness. This assumes even more significance as the world navigates an era of unprecedented challenges and uncertainties. Escalating climate change and its impact on food security, geo-political tensions, supply chain disruptions, a global debt crisis amongst others, are indeed daunting issues. Equally unmatched is the speed of change, driven by several factors including the technological and digital revolution.

Amidst the global turbulence, India has emerged as a beacon of hope led by the Government's vision for Viksit Bharat. This has been powered by the remarkable progress in physical and digital infrastructure, structural reforms in the financial sector, as well as the thrust on establishing the country as a manufacturing and services hub in a reglobalising world economy. The nation is also a leader in climate action with path-breaking interventions. Indeed, India offers exciting opportunities for growth as it marches into the future with a young and dynamic demographic profile, rapid urbanisation, rising incomes, growing consumption, technological prowess and accelerated digital adoption.

Pivoting sharply to the new context, the ITC Next strategy is being rigorously pursued to shape the next horizon of growth and profitability. The extensive

strategy reset unleashes new drivers of structural competitiveness by strengthening the **multiple drivers of growth, Innovation and R&D**, building **agile, resilient and efficient Supply Chains**, mainstreaming **Digital Adoption, Sustainability**, and ensuring **Cost Optimisation**. The ITC Next strategy focuses on exploring opportunities to craft disruptive business models anchored at the intersection of the mega trends of Digital and Sustainability, while leveraging the Company's institutional strengths. At the core is also the sharp thrust of the ITC Next strategy on agility, consumer centricity and inspired talent.

### Pillars of ITC NEXT

Reinforcing ITC's strategy of **multiple drivers of growth**, ITC Next focuses on building a future-ready portfolio leveraging its enterprise strengths and the emerging mega trends. A three-horizon growth strategy has been envisioned by enhancing and enlarging the leadership of its core businesses, given their immense potential for growth; scaling up emerging categories by addressing adjacencies and incubating ideas for the next horizon to build solutions for the future.

**Innovation and R&D** will be important vectors to power growth in the future. Over the years, ITC's Life Sciences and Technology Centre in Bengaluru, ranked as the top private sector innovator in India, has emerged as a robust innovation engine. Reinforced with world-class infrastructure and resourced with a team of over 400 talented scientists, LSTC drives purposeful and agile innovation that fulfils the needs of the consumers through superior offerings, providing a competitive edge to ITC's businesses.

ITC Next focuses on building structural competitiveness through **agile, resilient and efficient Supply Chains**. ITC's world-class brands derive competitive strength not only from their high quality and differentiated offerings but also from ITC's extensive agri value chains that benefit millions of farmers, and state-of-the-art, digitally enriched manufacturing and distribution infrastructure.





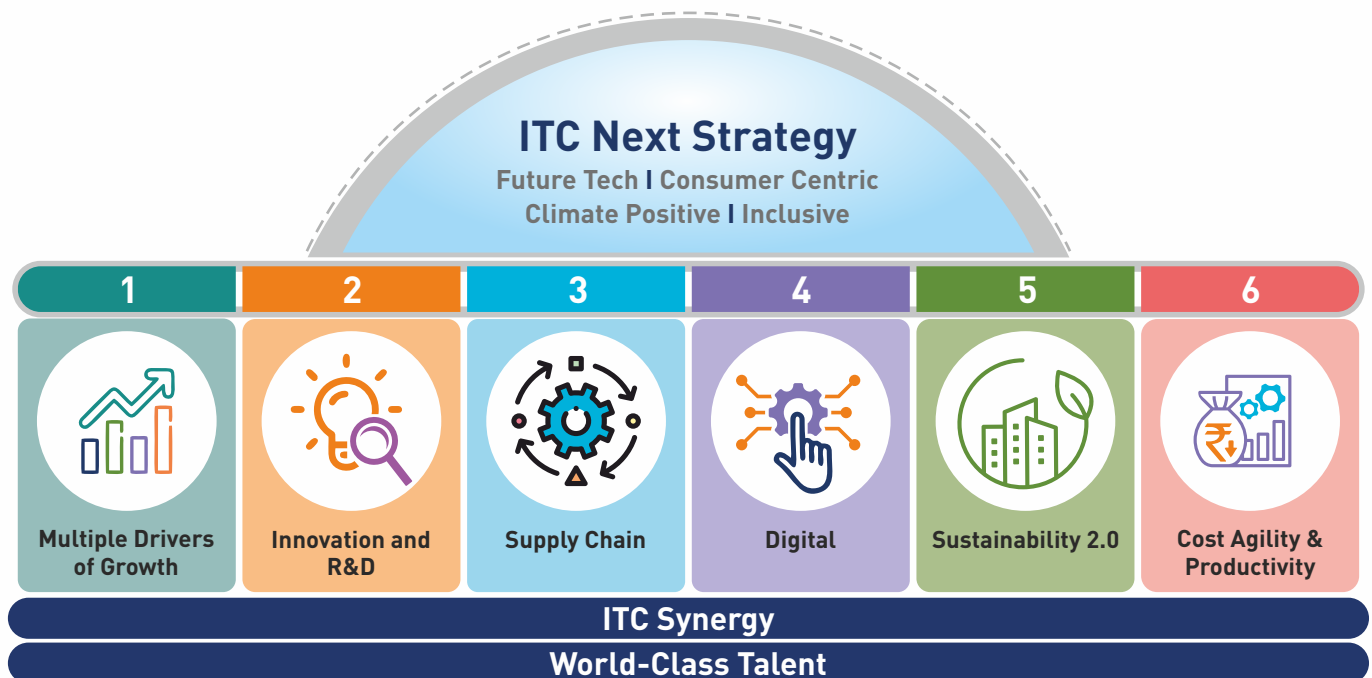
## ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

Significant investments in state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities provide structural advantages to ITC's FMCG businesses by ensuring product freshness, enhancing agility and responsiveness, and reducing cost of servicing proximal markets. ITC's omni-channel distribution infrastructure today reaches over 25 crore households in India.

ITC's vision to be a Future Tech Enterprise is powered by 'Mission DigiArc', a next-generation smart digital architecture based on a 'digital first' culture, to create a new source of competitive

exemplar in sustainability, embracing pro-active climate action together with support to livelihood generation at scale. ITC is the only enterprise globally to be water, carbon and solid waste recycling positive for over a decade. ITC's businesses support 60 lakh sustainable livelihoods.

As part of ITC Next, ITC has embraced a bold new **Sustainability 2.0 agenda**, setting the bar even higher. Sustainability 2.0, which reimagines sustainability under the pressing challenges of climate change and social inequity, calls for inclusive



advantage. ITC has accelerated digital adoption across every node of its businesses and value chains. A multitude of projects are transforming all facets of ITC's operations – from insighting to product development, smart sourcing to smart supply chain to smart trade as also superior brand engagement and marketing through real-time content, connect and commerce. This intelligent, digital architecture is embedded with cutting-edge technologies in AI/ML together with Centres of Excellence in Industry 4.0, Advanced Analytics and Data Sciences as well as the 6th Sense Marketing Command Centre.

It is ITC's conviction that what is good for the planet is good for business. ITC's sustainability interventions are not only designed for risk mitigation and building resilience, but also are a source of competitive advantage. ITC has been an

strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy for post-consumer packaging waste. It envisions protecting and restoring biodiversity and ecosystem services through adoption of nature-based solutions. ITC's products are progressively embedding purpose, recognising the power of the brands to drive social action. ITC remains committed to making a meaningful contribution to national priorities while retaining its status as a sustainability exemplar.

The following pages provide a glimpse into the ITC Next vision for the various businesses and the growth drivers that are propelling ITC to a new horizon of competitive and sustainable growth.





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

## ITC FMCG

ITC is passionate about building world-class Indian brands that are globally competitive and superior to the best in the world. Today, ITC's portfolio of 25 vibrant mother brands reach over 25 crore households. Many of them are market leaders in their segments.

- ◆ India's leading FMCG marketer
- ◆ Present in Packaged Foods, Cigarettes, Personal Care Products, Education & Stationery Products, Agarbattis & Matches
- ◆ Annual consumer spend of nearly ₹32,500 cr
- ◆ Exports to over 70 countries

### Brand Leadership

**AASHIRVAAD**  
No. 1 in Branded Atta

**Sunfeast**  
No. 1 in Cream Biscuits

**BINGO!**  
No. 1 in the Bridges segment of Snack Foods

**classmate**  
No. 1 in Notebooks

**MANGALDEEP**  
PREMIUM QUALITY INCENSE  
No. 2 in Agarbattis (No. 1 in Dhoop segment)

**Sunfeast Yippee!**  
No. 2 in Noodles

**fiama**  
No. 2 in Bodywash





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

## ITC NEXT: FMCG

ITC's FMCG Businesses are well poised for rapid scale up. The ITC Next strategy for FMCG focuses on a 4P strategy - building a **portfolio** that aims at fortifying and scaling mega brands, leveraging power brands to address value-added adjacencies and crafting categories of the future; **premiumisation**, greater market **penetration** with an omni-channel strategy, **personalisation** to meet diverse consumer needs and building purpose-led brands. ITC is also pursuing value accretive acquisition, joint ventures and collaboration to accelerate growth.

<b>FORTIFYING THE CORE</b>	         
<b>ADDRESSING ADJACENCIES</b>	        
<b>NEW GROWTH VECTORS</b>	    

Scaling up innovation across all categories, ITC has launched 300 products in 3 years





ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First

## ITC's World-Class Brands: Foods

ITC's Branded Packaged Foods Businesses meet evolving consumer demands through innovations centred on health, nutrition, wellness, immunity, indulgence and convenience. One of India's largest branded packaged foods companies, ITC is constantly exploring new ways to expand its range of branded packaged foods, launching first-to-market products and developing distinctive products tailored to regional tastes and preferences.

The Foods Business is present in multiple categories - Staples, Spices, Biscuits, Confectionery & Gums, Snacks, Noodles & Pasta, Beverages, Dairy, Ready-to-Eat Meals, Chocolate, Coffee and Frozen Foods.



India's leading food brand with offerings across Staples, Organic Pulses, Dairy, Ready-to-cook, Vermicelli, Rava, Salt and Spices, Frozen Breads & Parathas, Millets, Instant Mixes, Ready-to-Eat Meals. Aashirvaad Atta is trusted by over 3.5 crore households.







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ITC's uncompromising commitment to the health and safety of consumers ensures adherence to the highest levels of quality, safety and hygiene standards in manufacturing processes and the supply chain.

The 'Aashirvaad Chakki' initiative allows consumers to create their own atta mix from 12 varieties



Scan the QR code to explore <https://www.aashirvaadchakki.com>







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## ITC's World-Class Brands: Foods



Exciting range of snacks and namkeens, especially for the youth



Scrumptious offerings that include instant noodles, pasta, quick meals, etc.



Delightful range of spices that are integral part of households in Eastern India. Made from ingredients of the highest quality. ITC's state-of-the-art infrastructure ensures consistent quality.



Unique products based on regional tastes including - Sunrise Haah Salkumura, first-to-market product for duck curry for Assam, and 'Swaad Bihar ka' range of spices





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# ITC's World-Class Brands: Foods



Diverse portfolio spanning Biscuits, Cakes, Cookies, and Milkshakes







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## ITC's World-Class Brands: Foods

### ITC MASTER CHEF

Delectable range of frozen  
snacks, frozen prawns,  
cooking pastes, all-purpose  
gravies, and dips & spreads



Tasty and nutritious fruit  
beverages made from  
Indian fruit pulp and not  
from concentrate







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## ITC's World-Class Brands: Foods



Kitchens of India captures the rich heritage of authentic Indian Cuisine



Mouth-watering candies and toffees that delight consumers of all age groups



Meticulously crafted by ITC's master-blenders and tastefully curated by expert baristas, Sunbean Coffee range includes gourmet coffee, beaten caffe, etc.



Fabelle chocolates are made with cocoa beans sourced from the most exotic cocoa-growing regions of the world and combined with unique ingredients







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## ITC's Health & Nutrition Portfolio

ITC's Foods Business works towards contributing to nutritional and health priorities through its 'Help India Eat Better' strategy.



ITC has topped the ATNI (Access to Nutrition Initiative) overall rankings among top 20 Indian food & beverage companies.



## ITC Mission Millets

ITC Foods has also developed an innovative 'good-for-you' range of millet-based products for new-age consumers.



Scan the QR code to explore  
<https://www.betterwithmillets.com>



Empowering farmers, encouraging planet friendly crops and offering healthier food choices for consumers





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## FoodTech: A New Vector of Growth

Harnessing ITC's enterprise strengths and nurturing opportunities at the convergence of mega trends in digital and sustainability, ITC has launched FoodTech services that synergise the Company's strengths in Foods, Hotels and Digital. Operating under 3 brands - 'ITC Master Chef Creations', 'ITC Aashirvaad Soul Creations' and 'ITC Sunfeast Baked Creations' – ITC's FoodTech services are delivered through cloud kitchens in Bengaluru and Chennai.







ITC Next: Shaping a Future-Ready Enterprise  
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## ITC's World-Class Brands: Personal Care Products

ITC's wide range of personal care brands offers a unique value proposition to consumers. The Business launches first-in-category innovative products responding to consumers' needs.

Germ protection, skincare and bath care, gel bars, shower gels, handwash & perfume mists, fragrances, soaps and body washes, floor cleaners



One of India's leading science-based health brands that delivers hygiene and skin friendly germ protection



One of India's leading premium personal wash brands



A vibrant range of products, including body washes and soaps







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## ENGAGE

India's leading fragrance expert brand



## DERMAFIQUE

A premium skin care range developed for Indian skin

cell by cell



## nimyle

Kid and pet safe floors with the power of Neem

Herbal and Lemongrass  
Floor Cleaners



### D2C Capabilities

ITC has built D2C capabilities for its premium brands like Dermafique, Engage and Fiama to meet the demands of the new-age digital savvy consumer



### Investment in D2C

ITC has invested in Mother Sparsh, a premium ayurvedic and natural personal care start-up and Mylo, a content community-commerce platform for mother and baby care.





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## ITC's World-Class Brands: Education & Stationery

ITC's popular range of Education & Stationery Products includes notebooks, pens, pencils, art stationery, geometry boxes & scholastic products, premium notebooks and notepads under the brands 'Classmate' and 'Paperkraft'.

Industry-first propositions such as personalised video notebooks and AI-generated cover designs through classmate.shop.com further enhance consumer engagement.



myClassmate, a gamified app focused on developing co-curricular skill to make learning more enjoyable, has garnered over 20 lakh downloads

## ITC's World-Class Brands: Matches & Agarbattis

ITC's Safety Matches & Agarbatti offerings include renowned brands such as Mangaldeep, Homelites, AIM and Dazzle. With differentiated product features and formats packed in carefully crafted packaging, these brands effectively address the varied needs of their consumer segments.







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## Brands with Purpose

ITC leverages the market equity of its world-class brands to influence positive social change. Many of its brands lead purposeful initiatives supporting environmental and social causes, and create awareness amongst consumers.

ITC's brands have also been leading the way in incorporating recycled materials in their packaging to tackle the challenge of plastic waste.

**RAHO CHAAR KADAM AAGE**  
Initiative by AASHIRVAAD in association with Flipkart and Skillsoft

- Get online courses on every AASHIRVAAD pack
- Get professional certification

Get an opportunity to become a seller on Flipkart

**AASHIRVAAD**

'Raho Chaar Kadam Aage'

**Savlon Swasth India Mission**

**#HANDWASH**

'Savlon Swasth India Mission'

**Feel good with fiana**

Feel Good With Fiana

Fiana supports Subsidised Therapy

'Mental well-being'

**Vivel Mahila Leadership**

**Azad Foundation**

Female Leadership Program Since 2016

'Ab Samjhauta Nahin'

**MOM'S MAGIC #HugHerMore**

**MOM'S MAGIC**

'#HugHerMore campaign'

**Yippee! BETTER WORLD**

**Terra and Parks**

'Terra and Parks'

**classmate ALL ROUNDER**

Showcase your skills!

A chance to win ₹ 1 Lakh for national winners

Empowering every child's inner all-rounder, through holistic development, aligned to the National Education Policy 2020

Empowering every child's inner all-rounder, through holistic development, aligned to the National Education Policy 2020

**MANGALDEEP SIXTH SENSE**

'Visually impaired fragrance tester'

Scan the code to take a walk with Mr. Virender Sharma

'Visually impaired fragrance tester'

### Plastic Substitution

Sunfeast Farmlite High Fibre Digestive biscuits in 100% paper outer bag

**PAPER-BASED**

Savlon Wet Wipes with a PET layer comprising 70% Post Consumer Plastic Recyclate

**RECYCLABLE**





**ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First**

# ITC's Agri Business

ITC is one of the country's largest agri businesses and a pioneer in rural transformation. The Business works with farmers to improve productivity and quality of various crops.

ITC's Agri Business delivers sustainable competitive advantage to ITC's Foods Business through high-quality and cost-competitive agri sourcing.



Scan the QR code to watch videos on ITC's Contribution to Indian Agriculture  
[https://www.youtube.com/playlist?list=PLzBgNCxoFvm2NFXrcr\\_GOV0g-ssHocA\\_U](https://www.youtube.com/playlist?list=PLzBgNCxoFvm2NFXrcr_GOV0g-ssHocA_U)



**Century-old engagement with farmers**



**Sourcing over 30 lakh tonnes from over 20 crop value chain clusters across 22 States**



**Largest procurer of wheat in the private sector**



**One of India's largest exporters of agri commodities; exports to over 85 countries**

## Empowering Indian Farmers Through Demand-Driven Agri Value Chains



**Wheat**



**Potato**



**Fruit Pulp**



**Spices**



**Millets**



**Milk**



**Paper**







ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

## ITC Next: Agri

Recognising the need to transform India's agriculture to support livelihoods, enhancing climate resilience and build capacity for higher growth, ITC is now unleashing NextGen Agri by fostering market-responsive value-chains, promoting climate-smart agriculture and digitally empowering farmers.



ITCMAARS

### ITCMAARS: A New-Age Solutions Integrator



ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) is a pioneering 'phygital' ecosystem that provides on-ground interventions, whilst bringing the power of digital to farmers through a super app.

ITCMAARS today works with over 1650 FPOs in 10 states with over 15 lakh farmer registrations.

### Climate Smart Agriculture

ITC's Climate Smart Agriculture intervention aims to de-risk farmers from erratic weather events through the promotion of climate smart practices including adoption of climate-resilient crop varieties, conservation agriculture techniques, agroforestry, precision farming, water management strategies and others.



ITC's CSA programme has covered around 28 lakh acres in 19 states.

### Value-Added Agri Products

ITC is fortifying its Value-Added Agri Products portfolio comprising Spices, Shrimps, Wheat-based Products, Coffee, Processed Fruits & Vegetables and Medicinal and Aromatic Plant Extracts.



ITC's state-of-the-art Spices processing facility in Guntur, Andhra Pradesh, enables the Company to expand its customer base in food-safe export markets.





ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First

# ITC's Paperboards & Packaging Businesses: Building Manufacturing Assets for India

ITC's Paperboards and Specialty Papers Business is India's largest and technologically advanced, paper and paperboards business. It is a leader in the value-added paperboards, eco-labelled products as well as the premium recycled paperboards segments.

- ◆ Clear market leader in scale and profitability
- ◆ Over 50% of energy consumption from renewable sources
- ◆ Contributing to 'Make in India' and Import Substitution
- ◆ Established India's largest integrated pulp and paper mill, anchoring inclusive fibre value chain
- ◆ The Business is a pioneer in Industry 4.0 Technology Adoption



Scan the QR codes to explore



<https://www.itcpspd.com>



<https://packaging.itcportal.com>

High Pressure Recovery Boiler at the ITC Paperboards & Specialty Papers Manufacturing unit, Bhadrachalam, Telangana, that is progressively enhancing energy efficiency and reducing the carbon footprint of the unit



ITC's Packaging and Printing Business is a leading provider of superior and differentiated packaging solutions catering to a variety of functional and aesthetic requirements. The Business has also been a consistent winner of the Worldstar Awards issued by WPO for excellence in packaging solutions.



**WORLDSTAR  
GLOBAL  
PACKAGING  
AWARDS**





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

## ITC Next: Promoting Sustainable Packaging

ITC's Paperboards and Packaging Businesses are promoting sustainable packaging solutions that substitute single-use plastics.



FiloPack, FiloServe, FiloTub, FiloBev - Recyclable Paperboards



Replacing plastic containers in food delivery



An easily-recyclable food grade paper that serves as a substitute for aluminium foil



Compostable coating that provides excellent oil & grease resistance and heat sealability



A germ free and grease resistant product offering a safe and interactive packaging choice for all culinary creations



ITC's paperboard offering that is a more sustainable alternative to plastic-based indoor advertising



100% recyclable alternative to single-use plastic packaging

The new state-of-the-art manufacturing facility in Madhya Pradesh specialises in moulded fibre products made from renewable natural fibres such as wood, bamboo or bagasse





ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First

## ITC Hotels: Signature Properties, Iconic Cuisines

ITC Hotels is one of the largest hotel chains in the world with over 130 properties across more than 80 destinations. The Group operates under six distinct brands: ITC Hotels, Mementos, Welcomhotel, Storii, Fortune and WelcomHeritage. ITC's Hotels business contributes to the tourism potential of the country, while supporting livelihoods.



Scan the QR code to explore and  
download the ITC Hotels App  
<https://www.itchotels.com/in/en/app>



ITC Ratnadipa – ITC Hotels' first international property

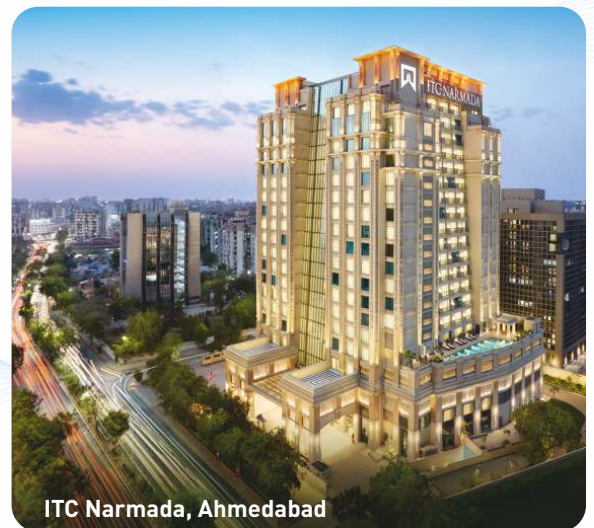
One of India's  
pre-eminent luxury  
hotel chains

ITC Hotels achieved  
2030 sectoral  
emission targets (in  
line with COP21 Paris  
Agreement) well  
ahead of time

D&I amongst one  
of the best in  
the industry



ITC Royal Bengal, Kolkata



ITC Narmada, Ahmedabad





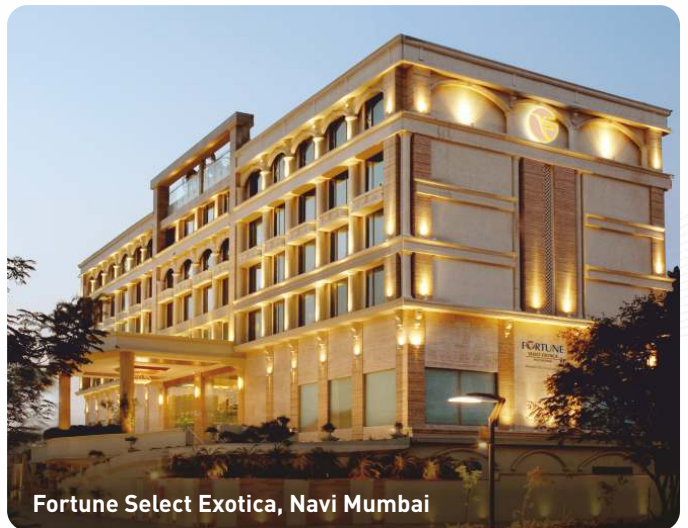
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Welcomhotel by ITC Hotels, Pine N Peak, Pahalgam



WelcomHeritage Ramgarh, Panchkula



Fortune Select Exotica, Navi Mumbai

### Iconic Cuisine Brands

**BUKHARA**

*Dum Pukht*  
The Grand Cuisine of India

*Ottimo*  
Cucina Italiana

*Kebabs & Kurries*

*avartana*  
Southern Culinary Mosaics

PAN ASIAN

*Royal Vega*  
Luxury Vegetarian Cuisine of India

**PESHAWRI**

*The Royal Afghan*  
Robust flavours of the North-West Frontier

THE  
PAVILION

易经  
YI JING

**Dakshin**





**ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First**

## ITC Next: Hotels

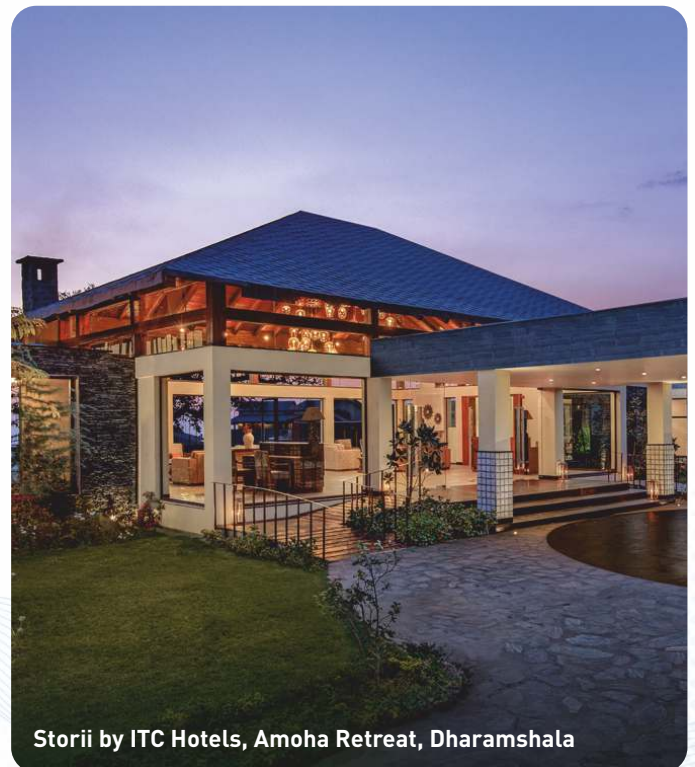
ITC Hotels has embraced an "Asset-right" approach as part of its ITC Next strategy. The focus is on sweating existing assets, increasing the footprint of management contracts and creating additional revenue streams to engender the next horizon of growth and value creation while providing best-in-class consumer experience.



**Mementos by ITC Hotels, Jaipur**



**Storii by ITC Hotels, Moira Riviera, Goa**



**Storii by ITC Hotels, Amoha Retreat, Dharamshala**





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

# ITC Hotels: Pioneering Responsible Luxury

A trailblazer in green hoteliering, ITC Hotels has pioneered the credo of 'Responsible Luxury' - combining luxury with responsible practices, benefiting society and the environment, while ensuring that luxury experiences at ITC Hotels do not burden the environment or community.

**23** LEED\* Platinum® Rated Hotels  
**12** LEED® Zero Carbon Hotels  
**4** LEED® Zero Water Hotels



The world's first 12 hotels to be LEED® Zero Carbon certified and first 4 hotels to be LEED® Zero Water certified are ITC properties



ITC Grand Chola, Chennai



ITC Maratha, Mumbai



ITC Sonar, Kolkata



ITC Grand Central, Mumbai



ITC Windsor, Bengaluru



ITC Mughal, Agra



ITC Rajputana, Jaipur



Welcomhotel Bengaluru



Sheraton New Delhi



Welcomhotel Coimbatore



Welcomhotel Chennai



ITC Maurya, New Delhi



Welcomhotel Guntur



ITC Gardenia, Bengaluru

\* Leadership in Energy and Environmental Design





ITC Next: Shaping a Future-Ready Enterprise  
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# ITC's Life Sciences and Technology Centre: Driving Purposeful and Agile Innovation

ITC Life Sciences and Technology Centre (LSTC), the company's R&D and innovation hub in Bengaluru, is at the centre of driving innovation to strengthen ITC's competitiveness. Strategic investments in key science-based platforms in emerging areas of importance for the future as well as Centres of Excellence across domains have enabled ITC to launch winning products anchored on the vectors of Health & Nutrition, Indulgence, Hygiene, Protection & Care, Convenience & On-the-Go, etc.



With a diverse team of accomplished scientists who collectively have over 4,000 years of research experience, ITC LSTC has filed over 800 patents





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

# Mission DigiArc: ITC's Digital Revolution

ITC's vision to be a FutureTech enterprise is inspired by its commitment to mainstream digital across all facets of its operations. This is powered by 'Mission DigiArc', a next-generation smart digital architecture. The ecosystem is embedded with cutting-edge technologies in AI/ML together with Centres of Excellence in Industry 4.0, Advanced Analytics and Data Sciences as well as the 6th Sense Marketing Command Centre.

## Pillars of DigiArc

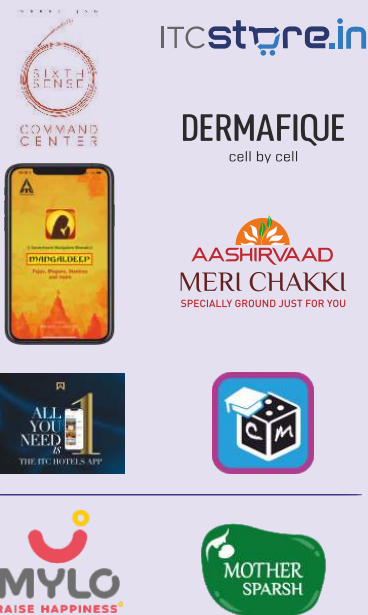
Insighting to product development

Smart sourcing to efficient supply chains and delivery in markets

Superior brand engagement and marketing through real-time content, connect and commerce

## Mission DigiArc

### Smart Consumer



Superior Insight | Agile Innovation  
Hyper-personalisation | Marketing ROI

### Smart Operations



Efficiency | Flexibility  
Optimised System Costs

### Smart Trade



Right Markets | Right Outlets  
Right Assortment

The DigiArc ecosystem encompasses over 200 factories, 50 warehouses, nearly 3,000 distributors and 26 lakh retailers driving real-time, data-led intelligence across ITC

6 D2C platforms



- ITC eStore
- Dermafique.com
- Aashirvaad Meri/Namma Chakki
- Engageshop.in
- Fiama.in
- Classmateshop.com



Scan the QR code to explore ITC's D2C Platforms  
<https://www.itcportal.com/shop-at-itc.aspx>





ITC Next: Shaping a Future-Ready Enterprise  
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## ITC: A Global Exemplar in Sustainability

For over a quarter of a century, ITC has pursued a path to lead as an exemplar in sustainability. ITC's credo of 'Responsible Competitiveness' has inspired the Company to build extreme competitiveness even as it enhanced environmental resources, worked for combatting climate change and supported livelihood generation at scale.

### ITC's Climate Action

ITC has been pursuing a low-carbon growth strategy through extensive decarbonisation programmes across its value chain. ITC is also implementing adaptation measures based on nature-based solutions, across its operations and sites.

#### Decarbonisation

##### Renewable Energy

**50%** of energy needs met from renewable sources, well ahead of target

##### Green Infrastructure

**40 platinum** rated green buildings

##### Carbon Sequestration

ITC's social and farm forestry initiative sequesters nearly **60 lakh tonnes** of CO<sub>2</sub>e annually



#### Circular Economy

- ◆ Well-being Out of Waste covered 2.5 crore citizens
- ◆ Solid Waste Management - covered 50 lakh households
- ◆ Plastic Neutral since FY22







ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First

## Adaptation: Nature-Based Solutions

- ◆ Climate Smart Agriculture - Covers around **28** lakh acres in 19 states
- ◆ Biodiversity - Restored over **4.7** lakh acres in 10 states
- ◆ Integrated Water Stewardship
  - + Watershed Development: **54** million kl rainwater harvesting potential created
  - + Demand Side Management: Potential water savings of **1,090** million kl annually
- ◆ AWS Certification for high water-stressed sites – **7**



**Climate Risk Assessments:** ITC has carried out climate risk assessments across 140 sites using latest climate models at a pan organisation level. This was followed by site and agri value chain-specific assessments for developing locally contextual adaptation plans.





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

# ITC: Supporting Sustainable Livelihoods

ITC's social investment initiatives follow a two-horizon approach for supporting and sustaining livelihoods of communities, keeping women and other vulnerable sections of society at the core. Horizon-I focuses on strengthening the dominant sources of livelihoods by promoting climate smart agriculture, providing access to natural resources like water, and helping households diversify into off-farm and other on-farm activities. Horizon-II aims at building capabilities for the future through programmes for women empowerment, support to education, public health including maternal and child health, skilling, sanitation & waste management, etc.

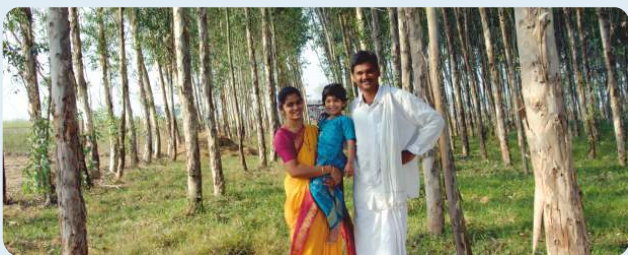
## HORIZON-I



Climate Smart Agriculture - Benefitted over 10 lakh farmers



Integrated Water Stewardship - Covered over 4.8 lakh people



Afforestation - Supports 21.2 crore person-days of employment



Livestock - Benefitted over 7 lakh farmers

## HORIZON-II



Women Empowerment - Over 1.9 lakh women reached through livelihood and micro-enterprises



Rural Healthcare - Over 14.6 lakh beneficiaries under Maternal & Child Healthcare and Nutrition programme



Support to Education - Over 15 lakh children covered



Skilling - Over 1 lakh youth trained



Sanitation & Waste Management - Over 50 lakh households covered





ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First

# Sustainability 2.0: Towards the Next Horizon of Sustainability

<p><b>Decarbonisation</b></p> <p><b>Renewable Energy</b></p> <p>2030 Target achieved <b>50%</b> of total energy needs</p> <hr/> <p>2030 Target <b>100%</b> of purchased grid electricity</p> <p><b>Afforestation</b></p> <p>2030 Target <b>15 lakh acres</b></p>	<p><b>Water Security for All</b></p> <p><b>Rainwater Harvesting Potential</b></p> <p>2030 Target <b>6 crore kl</b></p> <p><b>Water Use Efficiency in Agriculture (Annual Savings)</b></p> <p>2030 Target <b>200 crore kl</b></p> <p><b>Alliance for Water Stewardship</b></p> <p>7 AWS Platinum Certified Sites All Water Stressed Sites by 2035</p>	<p><b>Agile &amp; Resilient Agri Value Chains</b></p> <p><b>Climate Smart Agriculture</b></p> <p>2030 Target <b>30 lakh acres</b></p> <hr/> <p>Around <b>28 lakh acres</b> Already covered</p>
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<p><b>Enhancing Biodiversity</b></p> <p></p> <p><b>Biodiversity Conservation</b></p> <p>2030 Target <b>10 lakh acres</b></p>	<p><b>Sustainable Products</b></p> <p></p> <p><b>100%</b> Packaging to be Recyclable/ Reusable/ Compostable or Biodegradable by 2028</p> <p></p>	<p><b>Supporting Sustainable Livelihoods</b></p> <p></p> <p><b>Sustainable Livelihoods Supported across Operations</b></p> <p>2030 Target <b>1 crore</b></p>
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ITC Next: Shaping a Future-Ready Enterprise  
that Puts Nation First

# Recognitions & Awards



Scan the QR code to watch the  
ITC CorpComm YouTube Channel  
<https://www.youtube.com/channel/UCA6kL19PkfpLSu57zlyWHrg>



## Board of Directors

### Chairman & Managing Director

Sanjiv Puri

### Executive Directors

Sumant Bhargavan  
Supratim Dutta  
(also Chief Financial Officer)  
Hemant Malik

## Board Committees

### Audit Committee

A Duggal	Chairman
S Banerjee	Member
H Bhargava	Member
S Mukherjee	Member
S Dutta	Invitee
M Ganesan (Head of Internal Audit)	Invitee
Representative of the Statutory Auditors	Invitee
R K Singhi	Secretary

### CSR and Sustainability Committee

S Puri	Chairman
M Gupta	Member
R Jain *	Member
S Panray	Member
N Rao	Member
A K Seth	Member
M Shankar	Member
A Singh	Member
R K Singhi	Secretary

### Securityholders Relationship Committee

H Bhargava	Chairman
S Dutta	Member
M Gupta	Member
A Nayak	Member
B Sumant	Member
R K Singhi	Secretary

### Non-Executive Directors

Shilabhadra Banerjee	Anand Nayak
Hemant Bhargava	Sunil Panray
Alka Marezban Bharucha	Nirupama Rao
Arun Duggal	Ajit Kumar Seth
Mukesh Gupta	Meera Shankar
Rahul Jain *	Atul Singh
Shyamal Mukherjee	Pushpa Subrahmanyam

### Nomination & Compensation Committee

A Nayak	Chairman
S Banerjee	Member
S Puri	Member
A K Seth	Member
M Shankar	Member
R K Singhi	Secretary

### Independent Directors Committee

S Banerjee	Member
H Bhargava	Member
A M Bharucha	Member
A Duggal	Member
S Mukherjee	Member
A Nayak	Member
N Rao	Member
A K Seth	Member
M Shankar	Member
P Subrahmanyam	Member

## Corporate Management Committee

S Puri	Chairman
S Dutta	Member
S Kaul	Member
H Malik	Member
A K Rajput	Member
S Sivakumar	Member
B Sumant	Member
R K Singhi	Secretary

### Executive Vice President & Company Secretary

Rajendra Kumar Singhi

### General Counsel

Shanmuga Sundaram Angamuthu

### Investor Service Centre

37 Jawaharlal Nehru Road, Kolkata 700 071, India  
Telephone nos. : 1800-345-8152 (toll free)  
033 2288 6426 / 0034

Facsimile no. : 033 2288 2358

e-mail : isc@itc.in

### Statutory Auditors

S R B C & CO LLP  
Chartered Accountants, Mumbai

### Registered Office

Virginia House  
37 Jawaharlal Nehru Road, Kolkata 700 071, India  
Telephone no. : 033 2288 9371

CIN : L16005WB1910PLC001985

ITC Corporate Website : [www.itcportal.com](http://www.itcportal.com)

\* Resigned w.e.f. 31st May, 2024.



# Your Directors

## S. Puri

Sanjiv Puri (61), DIN: 00280529, is the Chairman & Managing Director of ITC Limited.

Puri was appointed as a Wholetime Director on the Board of ITC with effect from December 6, 2015, Chief Executive Officer in February 2017 and re-designated as the Managing Director in May 2018. He was appointed as the Chairman effective May 13, 2019. He is an alumnus of the Indian Institute of Technology, Kanpur, and the Wharton School of Business, USA.

Puri joined ITC in January 1986. During his career of close to four decades at ITC and its subsidiaries, he has held several business leadership positions and also handled a wide range of responsibilities in manufacturing, operations and information & digital technology. Puri served as the Chief Operating Officer ('COO') of ITC between July 2016 and January 2017, and prior to that as President - FMCG Businesses since December 2014. Earlier, he was the Divisional Chief Executive of the Tobacco Division since December 2009, with additional responsibility for the Company's Trade Marketing & Distribution ('TM&D') Vertical from August 2012. He led ITC Infotech India Limited, a wholly owned subsidiary of ITC, as its Managing Director from May 2006 to August 2009. Puri served between October 2001 and April 2006 as the Managing Director of Surya Nepal Private Limited, a joint venture subsidiary company of ITC in Nepal.

Spearheading the 'ITC Next' vision, Puri has driven an extensive strategy reset to define new vectors of growth for each business with greater focus on consumer-centricity, agility, resilience and innovation to build an even more competitive, future-ready, climate positive and inclusive enterprise. Puri's emphasis on purposeful and cutting-edge innovation has led to the creation of sharp focused R&D platforms in areas aligned to market opportunities. Given his deep conviction

that mega trends like Digital and Sustainability will reshape the future, Puri has passionately rallied the organisation to develop capabilities, channelise investments and resources to enhance competitiveness of existing businesses, and also identify tech-enabled growth opportunities. Lending new wings to ITC's credo of 'Nation First: Sab Saath Badhein', he has articulated an ambitious Sustainability 2.0 vision that will enlarge ITC's contributions to a net-zero future and meaningfully support national priorities.

Puri has served as the Chairman of the Expert Group constituted by the Fifteenth Finance Commission of the Government of India to promote agri-exports and a Member of the technology discussion group 'Farm to Table - driving India's agriculture sector digitally' constituted by the NITI Aayog. He was also the Chairman of the 'Action Council on ESG in Business' under the aegis of Business 20 India, the official dialogue forum with the global business community as part of India's G20 Presidency, as well as the Co-Chair of the 'Business Commission to Tackle Inequality' set up by the World Business Council for Sustainable Development, Geneva.

Presently, Puri is the President of CII, the apex business and industry association in the country. He is the Chairman of the Board of Governors of the Indian Institute of Technology, Gandhinagar, and Chairman of the Advisory Council of the CII-ITC Centre of Excellence for Sustainable Development. He is a Director on the Board of US-India Strategic Partnership Forum, Member of the BRICS Business Council - India Chapter, and also a Member of the Governing Body of the National Council of Applied Economic Research.

In 2024, Puri was honoured with the 'Business Leader of the Year Award' by the All India Management Association, 'Best CEO Award' by Business Today, and 'Transformational Leader Award 2022-23' by the Asian Centre for Corporate Governance and Sustainability.



He was conferred with the 'IMPACT Person of the Year, 2020' Award by exchange4media, a leading online news platform, 'Distinguished Alumnus Award of the year 2018' by the Indian Institute of Technology, Kanpur, and was also bestowed with an Honorary Doctorate by the XIM University, Bhubaneshwar.

### Other Directorships

Name of the company	Position
ITC Hotels Limited	Chairperson & Non-Executive Director
ITC Infotech India Limited	Chairperson & Non-Executive Director
ITC Infotech Limited, UK *	Chairperson & Non-Executive Director
ITC Infotech (USA), Inc. *	Chairperson & Non-Executive Director
Surya Nepal Private Limited *	Chairperson & Non-Executive Director
Indian School of Business	Member, Governing Board and Executive Board

**Committee Membership of other companies:** Nil

### S. Dutta

Supratim Dutta (57), DIN: 01804345, was appointed as a Wholtime Director on the Board of ITC effective July 22, 2022. He is, inter alia, responsible for Finance, Accounting, Internal Audit & IT Functions and also for the Investment Subsidiaries of the Company. He continues to be the Chief Financial Officer ('CFO') of the Company.

A qualified Chartered Accountant and Cost Accountant, Dutta joined ITC in November 1990. In a career spanning over three decades at ITC, he has held

various senior roles in the finance function, both at the business and corporate level. Before becoming the CFO, he held the position of the Corporate Financial Controller of the Company responsible for Accounts, Taxation and Finance operations, and prior to that, he was Executive Vice President - Corporate Finance in charge of the Corporate Treasury, Strategic Planning and Corporate Planning Functions of the Company. He has handled various aspects of finance including Planning, Treasury, M&A, Accounting, Taxation, IT, Investor Relations and business strategy. He has served as a Member of the World Business Council for Sustainable Development CFO Network.

Presently, Dutta is a Member of the CII National Committee on Financial Reporting.

### Other Directorships

Name of the company	Position
Russell Credit Limited	Chairperson & Non-Executive Director
ITC Integrated Business Services Limited	Chairperson & Non-Executive Director
Gold Flake Corporation Limited	Chairperson & Non-Executive Director
Greenacre Holdings Limited	Chairperson & Non-Executive Director
ITC Hotels Limited	Non-Executive Director
ITC Infotech India Limited	Non-Executive Director
ITC Infotech Limited, UK *	Non-Executive Director
ITC Infotech (USA), Inc. *	Non-Executive Director
Surya Nepal Private Limited *	Non-Executive Director
WelcomHotels Lanka (Private) Limited *	Non-Executive Director



## Your Directors

### Committee Membership of other companies

Name of the company	Committee	Position
Russell Credit Limited	Audit Committee	Chairperson
	CSR Committee	Chairperson
	Nomination and Remuneration Committee	Member
ITC Infotech India Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

### H. Malik

Hemant Malik (58), DIN: 06435812, was appointed as a Wholetime Director on the Board of ITC effective August 12, 2023. He is also the Divisional Chief Executive of the Foods Business Division of the Company. After completing his B.A.(Hons.) in Economics from Delhi University and M.B.A. from the Indian Institute of Management, Calcutta, he joined ITC in June 1989 from the campus and has more than 34 years of experience across multiple businesses of ITC including Tobacco, Lifestyle Retailing, Foods and TM&D.

Prior to becoming the Divisional Chief Executive of the Foods Business Division in October 2016, Malik was the Chief Executive of the TM&D Vertical from April 2016. He headed the All India Tobacco Sales function in 2001, where he contributed meaningfully to the development of the FMCG Sales Network. He then assumed charge as the Head of Marketing of the then nascent Foods Business in April 2002, where he was instrumental in the launch and development of some of the key food brands of ITC including 'Aashirvaad', 'Sunfeast', 'Bingo!', 'YiPPeel' and 'Kitchens of India'. Malik was then given the responsibility to set up the new FMCG TM&D Vertical and was made the

COO of TM&D in April 2008. He thereafter took over as the COO of Cigarette Brands and Supply Chain, India Tobacco Division ('ITD') in August 2012, and was elevated as the Divisional Chief Executive of ITD in August 2015.

Malik is currently the Chairman of the Food Processing Committee of FICCI.

Malik does not hold directorship of any other company.

### B. Sumant

Sumant Bhargavan (60), DIN: 01732482, was appointed as a Wholetime Director on the Board of ITC effective November 16, 2018. He oversees the Paperboards, Paper and Packaging as well as the Personal Care and Education & Stationery Products Businesses of the Company. He also oversees the TM&D Vertical and the Central Projects Organisation. Sumant, an alumnus of the National Institute of Technology, Durgapur, joined ITC in January 1986, and has handled a wide range of responsibilities across several businesses.

Prior to his appointment as a Director on the Board of ITC, Sumant was President - FMCG Businesses since April 2016. Earlier, he was the Divisional Chief Executive of ITD. He also held responsibility of the TM&D Vertical as COO from November 2014 to March 2016 and as Chief Executive for a period of one year from October 2016. He spent his first 19 years with ITC in Manufacturing operations of the Tobacco Division and has worked in four production units as well as at the Head Office. In October 2004, he moved to the Foods Business and set up the Snack Food category under the brand name 'Bingo!'. He has led ITC Infotech India Limited, a wholly owned subsidiary of ITC, as its Managing Director from September 2009 to October 2014, and has been on the Boards of ITC Infotech's wholly owned subsidiaries in the UK and the USA.



Sumant has also been on the Boards of Surya Nepal Private Limited and The Tobacco Institute of India. Presently, he serves as a Member of the CII Eastern Region Council.

### Other Directorships

Name of the company	Position
ITC Fibre Innovations Limited	Chairperson & Non-Executive Director
The Tollygunge Club Limited	Member, General Committee

**Committee Membership of other companies:** Nil

### S. Banerjee

Shilabhadra Banerjee (75), DIN: 02922331, joined the ITC Board as a Non-Executive Director effective July 24, 2014 and was appointed as an Independent Director effective July 30, 2014.

Banerjee, a Masters in History from St. Stephen's College, Delhi, Post Graduate Diploma holder in Public Administration from the Indian Institute of Public Administration, New Delhi, and an M.Phil in Social Sciences from the University of Panjab, joined the Indian Administrative Service in 1971. In a career spanning over 37 years, he has held several eminent positions in the Government of India including that of Joint Secretary in the Ministry of Petroleum and Natural Gas and the then Ministry of Urban Development. Banerjee was Director General (Acquisition) in the Ministry of Defence and retired as Secretary, Ministry of Tourism in October 2008. He has been a Visiting Fellow at the Queen Elizabeth House, University of Oxford, UK. He also served on the Board of the Company from February 2010 to March 2014.

Banerjee does not hold directorship of any other company.

### H. Bhargava

Hemant Bhargava (64), DIN: 01922717, was appointed as a Non-Executive Independent Director on the ITC Board effective December 20, 2021.

Bhargava, a Post Graduate in Economics from the Lucknow University, has also studied Masters in Financial Management from the Jamnalal Bajaj Institute of Management Studies. He started his corporate journey in 1981 with the Life Insurance Corporation of India ('LIC') as the youngest Direct Recruit Officer, and reached the zenith of becoming the Chairman in-charge and Managing Director of the organisation in January 2019. He was also appointed as the Non-Executive Chairman of IDBI Bank Limited and LIC Housing Finance Limited in January 2019. During his long tenure of 38 years, he worked across diverse set of roles both in India and abroad, building multi-dimensional experience in different capacities, especially in Marketing, International Operations and new ventures. Adept at establishing new strategic initiatives with multiple stakeholders and designing innovative marketing & sales campaigns, Bhargava has guided several skilled professionals across the finance value chain. He also served on the Board of the Company from July 2018 to August 2021.

### Other Directorships

Name of the company	Position
Larsen & Toubro Limited #	Nominee Director
SMC Global Securities Limited #	Independent Director
UGRO Capital Limited #	Independent Director
Providence Life Limited, PCC, Mauritius *	Non-Executive Director

## Your Directors

### Committee Membership of other companies

Name of the company	Committee	Position
Larsen & Toubro Limited	Stakeholders Relationship Committee	Member
SMC Global Securities Limited	Audit Committee	Member
UGRO Capital Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

### A. M. Bharucha

Alka Marezban Bharucha (67), DIN: 00114067, joined the ITC Board as a Non-Executive Independent Director effective August 12, 2023.

She is a Senior Partner at Messrs. Bharucha & Partners, Advocates & Solicitors, Mumbai. She completed her B.A.(Hons.) and L.L.B. from the University of Bombay and Masters in Law from the University of London. She is a Solicitor with the High Court of Mumbai and Supreme Court of England and Wales, and also an Advocate on Record with the Supreme Court of India.

She began her career with Mulla & Mulla and Craigie Blunt & Caroe and joined Amarchand & Mangaldas as Partner in 1992. In 2008, she co-founded Bharucha & Partners, which has earlier been ranked by RSG Consulting, London, amongst the top law firms in India. With over 30 years of experience, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal amongst India's leading lawyers. She chairs the Transactions Practice at Bharucha & Partners and her core areas of legal expertise include mergers & acquisitions, joint ventures, private equity and banking & finance.

### Other Directorships

Name of the company	Position
UltraTech Cement Limited #	Independent Director
Hindalco Industries Limited #	Independent Director
Aditya Birla Sun Life AMC Limited #	Independent Director
Honda India Power Products Limited #	Independent Director
Orient Electric Limited #	Independent Director
Honda Cars India Limited	Independent Director
Safalya Investments and Traders Private Limited	Non-Executive Director

### Committee Membership of other companies

Name of the company	Committee	Position
UltraTech Cement Limited	Audit Committee	Member
	Nomination, Remuneration and Compensation Committee	Member
Aditya Birla Sun Life AMC Limited	Stakeholders Relationship Committee	Chairperson
	Nomination, Remuneration and Compensation Committee	Chairperson
	Corporate Social Responsibility Committee	Chairperson
Honda India Power Products Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Chairperson



**Committee Membership of other companies (Contd.)**

Name of the company	Committee	Position
Orient Electric Limited	Stakeholders Relationship Committee	Chairperson
	Nomination and Remuneration Committee	Chairperson
	Audit Committee	Member
Honda Cars India Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

**A. Duggal**

Arun Duggal (77), DIN: 00024262, joined the ITC Board as a Non-Executive Independent Director effective September 15, 2014.

Duggal, a Mechanical Engineer from the Indian Institute of Technology, Delhi ('IIT Delhi'), and an M.B.A. from the Indian Institute of Management, Ahmedabad ('IIM Ahmedabad'), is an international banker with global experience in financial strategy, M&A and capital raising. His professional career includes 26 years with Bank of America ('BoA'), primarily in the USA, Hong Kong and Japan, with his last assignment as Chief Executive of BoA, India, from 1998 to 2001. He was the Chief Financial Officer of HCL Technologies Limited, India, from 2001 to 2003. He has also been the Chairman of the American Chamber of Commerce, India, and on the Board of Governors of the National Institute of Bank Management. He is presently a Trustee of the Chennai Mathematical Institute.

Duggal is involved in several initiatives in social & educational sectors and is founder of FICCI's 'Women on Corporate Boards' Programme, the 'Centre of Excellence for Research in Climate Change and

Air Pollution' at IIT Delhi, and the 'Centre for ESG Research' at IIM Ahmedabad. He is recipient of Distinguished Alumnus Awards from IIT Delhi and IIM Ahmedabad.

**Other Directorships**

Name of the company	Position
ICRA Limited #	Chairperson & Independent Director
ASK Automotive Limited #	Independent Director
Dr. Lal PathLabs Limited #	Independent Director
Davenport Management Consultants Services Private Limited	Non-Executive Director

**Committee Membership of other companies**

Name of the company	Committee	Position
ICRA Limited	Audit Committee	Member
	Stakeholders Relationship Committee	Member
ASK Automotive Limited	Audit Committee	Chairperson
	Stakeholders Relationship Committee	Member
	Nomination and Remuneration Committee	Member
Dr. Lal PathLabs Limited	Stakeholders Relationship Committee	Chairperson
	Nomination and Remuneration Committee	Chairperson
	Audit Committee	Member
	Corporate Social Responsibility Committee	Member

## Your Directors

### M. Gupta

Mukesh Gupta (62), DIN: 06638754, was appointed as a Non-Executive Director on the ITC Board effective October 27, 2021, representing LIC.

Gupta holds Degrees of Bachelor in Science and Masters in Business Administration (Human Resources). He joined LIC as a Direct Recruit Officer in 1984 and retired as its Managing Director on September 30, 2021. During his long tenure of 37 years, he worked across diverse set of roles building multi-dimensional experience in different capacities, especially in Insurance and Marketing. Gupta held prominent positions in the Corporate Office and three major zones of LIC, including Executive Director (Personnel) and Executive Director (Bancassurance) at Corporate Office, Marketing Manager of Bikaner Division, Senior Divisional Manager of two Divisions viz., Amritsar and Hyderabad, Regional Manager (Bancassurance & Alternate Channels) of LIC's South Central Zone, Regional Manager (Marketing) of Western Zone, and Zonal Manager of the Central Zone.

#### Other Directorships

Name of the company	Position
IDBI Bank Limited #	Nominee Director
CFM Asset Reconstruction Private Limited	Independent Director

#### Committee Membership of other companies

Name of the company	Committee	Position
IDBI Bank Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
CFM Asset Reconstruction Private Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member

### R. Jain

Rahul Jain (44), DIN: 07442202, joined the ITC Board as a Non-Executive Director effective January 1, 2024, representing the Specified Undertaking of the Unit Trust of India ('SUUTI').

Jain, an IAS Officer, is also a Chartered Accountant and holds a Masters Degree in Commerce from the University of Pune. He is currently posted as Joint Secretary of the Sixteenth Finance Commission of the Government of India. Prior to this, he was Joint Secretary to the Government of India in the Department of Investment and Public Asset Management, Ministry of Finance.

Jain joined the Indian Administrative Service in 2005 (Madhya Pradesh cadre). In a career spanning over 18 years, he has served as District Collector in various districts of Madhya Pradesh and as Director, Town and Country Planning Department of the said state. He has extensive experience in the fields of rural and urban development, urban planning, tourism promotion, revenue administration, handling law and order, disaster management, regulatory matters in administration and conducting elections. Jain has been on the Boards of Rewa City Transport Services Limited, Bhopal Smart City Development Corporation Limited and Indore Smart City Development Limited, amongst others.

#### Other Directorships

Name of the company	Position
AI Airport Services Limited	Nominee Director
AI Assets Holding Limited	Nominee Director
AI Engineering Services Limited	Nominee Director
National Financial Holdings Company Limited	Nominee Director
National Land Monetization Corporation Limited	Nominee Director



**Committee Membership of other companies**

Name of the company	Committee	Position
AI Airport Services Limited	Audit Committee	Member
	Corporate Social Responsibility Committee	Member
AI Assets Holding Limited	Stakeholders Relationship Committee	Member
	Nomination and Remuneration Committee	Member
AI Engineering Services Limited	Audit Committee	Member
	Corporate Social Responsibility Committee	Member

**S. Mukherjee**

Shyamal Mukherjee (64), DIN: 03024803, joined the ITC Board as a Non-Executive Independent Director effective August 11, 2021.

Mukherjee is a Chartered Accountant and also holds Degrees of Bachelor in Commerce and Law from Delhi University. He is the former Chairman and Senior Partner of PricewaterhouseCoopers ('PwC') in India. With over 37 years of experience, Mukherjee started his professional journey with PwC in 1984 and became a Partner in 1993. As PwC's Chairman, he was at the forefront of making it a more future-ready firm, investing in and strengthening the firm's key capabilities across its people, go-to-market initiatives and internal transformation. He has been known for building

a culture that is value-driven and encourages innovation & robust governance. He is presently the Managing Trustee of the Phanindranath Education Trust, Howrah, and also a Member of the Bar Council of Delhi.

**Other Directorships**

Name of the company	Position
Bharti Airtel Limited #	Independent Director
UrbanClap Technologies India Private Limited	Independent Director

**Committee Membership of other companies**

Name of the company	Committee	Position
Bharti Airtel Limited	Audit Committee	Chairperson
	Stakeholders Relationship Committee	Member
UrbanClap Technologies India Private Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

**A. Nayak**

Anand Nayak (72), DIN: 00973758, joined the ITC Board as a Non-Executive Independent Director effective July 13, 2019.

Nayak is a Post Graduate in Personnel Management and Industrial Relations from XLRI, Jamshedpur, from where he graduated in 1973. He joined ITC the same year and served for more than 42 years until his retirement in December 2015.

During his long tenure with the Company, Nayak held various portfolios and worked across several

## Your Directors

businesses as well as at Corporate Headquarters where he headed the Human Resources Function from 1996 to 2015. He served on the Corporate Management Committee of ITC for over 18 years from 1997 to 2015. He was also responsible for overall management of Social Sector initiatives under the CSR agenda of ITC, and mentored the Mission Sunehra Kal team in crafting enduring sustainability solutions for rural India.

Nayak does not hold directorship of any other company.

### S. Panray

Sunil Panray (66), DIN: 09251023, was appointed as a Non-Executive Director on the Board of ITC effective August 11, 2021, as a representative of Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British American Tobacco p.l.c. ('BAT').

Panray holds Degrees of Bachelor in Commerce and Masters in Business Administration from Concordia University in Montreal, Canada. He is a retired senior executive. He started his professional journey as a Senior Auditor and Financial Consultant with Raymond Chabot Grant Thornton, Canada, and has held senior leadership positions at Imasco Limited, Imperial Tobacco Canada, and BAT. He has also served as the Vice President - Finance and Treasurer of Canadian National Railway Company, the largest transcontinental public railway transportation company in Canada, from 2012 to 2016. During his professional career, he has played key leadership roles in complex business & regulatory environments, and has led significant M&A transactions as well as key strategic initiatives across geographies.

Panray does not hold directorship of any other company.

### N. Rao

Nirupama Rao (73), DIN: 06954879, was appointed as a Non-Executive Independent Director on the Board of ITC effective April 8, 2016.

A Post Graduate in English Literature, she is also a Fellow - Harvard University, Fellow - Brown University, Jawaharlal Nehru Fellow, and a recipient of the Degree of Doctor of Letters (Honoris Causa) from the Pondicherry University. She was conferred with the Vanitha Ratna by the Government of Kerala in 2016. She is currently a Global Fellow of The Wilson Center in Washington, D.C., Council Member of the World Refugee & Migration Council, Council Member & Court Member of the Indian Institute of Science, Bengaluru, and an Advisor to the Board of US-India Business Council. She is also a Member of the Council of Management and Society of the National Institute of Advanced Studies as well as of the Board of Governors of the Indian Council for Research on International Economic Relations, besides being a Founder Trustee of The South Asian Symphony Foundation, Bengaluru.

A career diplomat from the Indian Foreign Service from 1973 to 2011, she served the Government in several important positions including that of the Foreign Secretary of India. She has represented India in several countries during her distinguished career and was the first Indian woman to be appointed High Commissioner to Sri Lanka and Ambassador to China. She was also the first woman spokesperson of the Ministry of External Affairs. After her retirement, she was appointed Ambassador of India to the United States for a period of two years from 2011 to 2013.

### Other Directorships

Name of the company	Position
JSW Steel Limited #	Independent Director
KEC International Limited #	Independent Director



**Committee Membership of other companies**

Name of the company	Committee	Position
JSW Steel Limited	Corporate Social Responsibility Committee	Chairperson
	Nomination and Remuneration Committee	Member
KEC International Limited	Stakeholders Relationship Committee	Chairperson
	Sustainability and Corporate Social Responsibility Committee	Chairperson
	Nomination and Remuneration Committee	Member

**A. K. Seth**

Ajit Kumar Seth (72), DIN: 08504093, joined the ITC Board as a Non-Executive Independent Director effective July 13, 2019.

An alumnus of St. Stephen's College, Delhi, from where he did his post-graduation in Chemistry, Seth obtained an M.Phil in Life Sciences from the Jawaharlal Nehru University, New Delhi, and Masters in Development Finance from the University of Birmingham, UK. In 2015, the University of Birmingham conferred upon him a Doctorate Honoris Causa.

Seth is a retired IAS Officer with administrative experience of more than 41 years. He retired in June 2015 after serving for four years as the Cabinet Secretary of the Government of India, the highest position in civil services. Thereafter, he was

appointed Chairman of the Public Enterprises Selection Board. In a varied and distinguished career, his past assignments include postings in the Ministry of Commerce, the Permanent Mission of India to the United Nations at Geneva (dealing with GATT / UNCTAD) and the Ministry of Textiles. Earlier in Uttar Pradesh, he served as Principal Secretary - Rural Development, Special Secretary - Industries, Divisional Commissioner of Kumaon Division and District Magistrate, Lucknow.

Seth does not hold directorship of any other company.

**M. Shankar**

Meera Shankar (73), DIN: 06374957, was appointed as a Non-Executive Independent Director on the Board of ITC effective September 6, 2012.

A Post Graduate in English Literature, she joined the Indian Foreign Service in 1973 and had a long career spanning 38 years. She served in the Prime Minister's Office for six years from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked on Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later as Joint Secretary, she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association for Regional Cooperation ('SAARC'). As Additional Secretary, she handled the UN and international security issues. She served as Ambassador of India to Germany from 2005 to 2009 and then to the United States from 2009 to 2011.

## Your Directors

### Other Directorships

Name of the company	Position
Adani Energy Solutions Limited #	Independent Director
JK Tyre & Industries Limited #	Independent Director
Pidilite Industries Limited #	Independent Director
INDO-MIM Limited	Independent Director

### Committee Membership of other companies

Name of the company	Committee	Position
Adani Energy Solutions Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
JK Tyre & Industries Limited	Stakeholders Relationship Committee	Chairperson
	Corporate Social Responsibility and Sustainability Committee	Member
Pidilite Industries Limited	Corporate Social Responsibility Committee	Member
INDO-MIM Limited	Stakeholders Relationship Committee	Chairperson
	Corporate Social Responsibility Committee	Chairperson
	Audit Committee	Member
	Nomination and Remuneration Committee	Member

### A. Singh

Atul Singh (64), DIN: 00060943, joined the ITC Board as a Non-Executive Director effective April 2, 2024, as a representative of TMI.

Singh holds Degrees of Bachelor in Commerce from St. Xavier's College, Kolkata, and Masters in Business Administration from the Neeley School of Business, Texas, USA. He is a retired executive with more than 35 years of diverse experience in consumer-oriented roles across multiple geographies. He started his career as an Auditor with Price Waterhouse, USA, and has held several senior leadership positions at Colgate-Palmolive, Coca-Cola and Fawaz Abdulaziz Alhokair Company. In 2022, he assumed the role of Executive Vice Chairman (Senior Management Personnel) of Raymond Limited, a position from which he stepped down in August, 2023.

Presently, Singh is a Member of Young Presidents' Organization, New Delhi Chapter, and a Member Designate of the Governing Board of Plan International, India Chapter, a NGO working in over 80 countries. He has been on the Boards of Genesis Colors Limited, Coca-Cola India Private Limited and Coca-Cola India Foundation, amongst others. He was an Independent Director on the Board of Bata India Limited from 2011 to 2014. He has also served as Chairman of the American Chamber of Commerce in India and as a Member of the Advisory Board of AIESEC, the world's largest student organisation, in India.

### Other Directorships

Name of the company	Position
Compass Limited *	Non-Executive Director

**Committee Membership of other companies:** Nil



### P. Subrahmanyam

Pushpa Subrahmanyam (62), DIN: 01894076, was appointed as a Non-Executive Independent Director on the Board of ITC effective April 2, 2024.

A Masters in Development Planning and Project Management from the University of Bradford, UK, and a Masters in Political Science from the University of Hyderabad, she is a retired IAS Officer with administrative experience of over 36 years.

She joined the Indian Administrative Service in 1985 (Andhra Pradesh cadre) and has worked across several sectors including tribal, women & child development, urban development and poverty alleviation. She was the Secretary of the Ministry of Food Processing Industries, Government of India, for more than three years, from where she retired in January, 2022. She also worked as Finance Secretary

of the combined State of Andhra Pradesh and has expertise in handling public finance. Since 2013, she managed the employment intensive sectors of textiles and food processing industries at the national level in the Government of India. She has had high level exposure to policy making having worked in the Prime Minister's Office for four years. She also worked with the erstwhile Department for International Development, UK, as Governance Adviser for three years.

She has been on the Boards of National Textile Corporation Limited, Andhra Pradesh Power Generation Corporation Limited, Transmission Corporation of Andhra Pradesh Limited and Andhra Pradesh Urban Finance and Infrastructure Development Corporation Limited, amongst others.

She presently does not hold directorship of any other company.

\* Denotes foreign company

# Denotes Indian company whose securities are listed on a recognised stock exchange

**Notes:**

1. Other Directorships and Committee Memberships of Directors are as on 23rd May, 2024.
2. Committee Memberships cover Committees under the Companies Act, 2013 viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Indian companies.

# Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

ITC Limited has been one of the frontrunners in India to have put in place a formalised system of Corporate Governance. Its governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for all stakeholders.

## THE COMPANY'S GOVERNANCE PHILOSOPHY

ITC defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their wealth-generating capacity. Since large corporations employ a vast quantum of societal resources, ITC believes that the governance process should ensure that these resources are utilised in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line", namely conservation and development of the nation's economic, social and environmental capital.

ITC's Corporate Governance structure, systems and processes are based on two core principles:

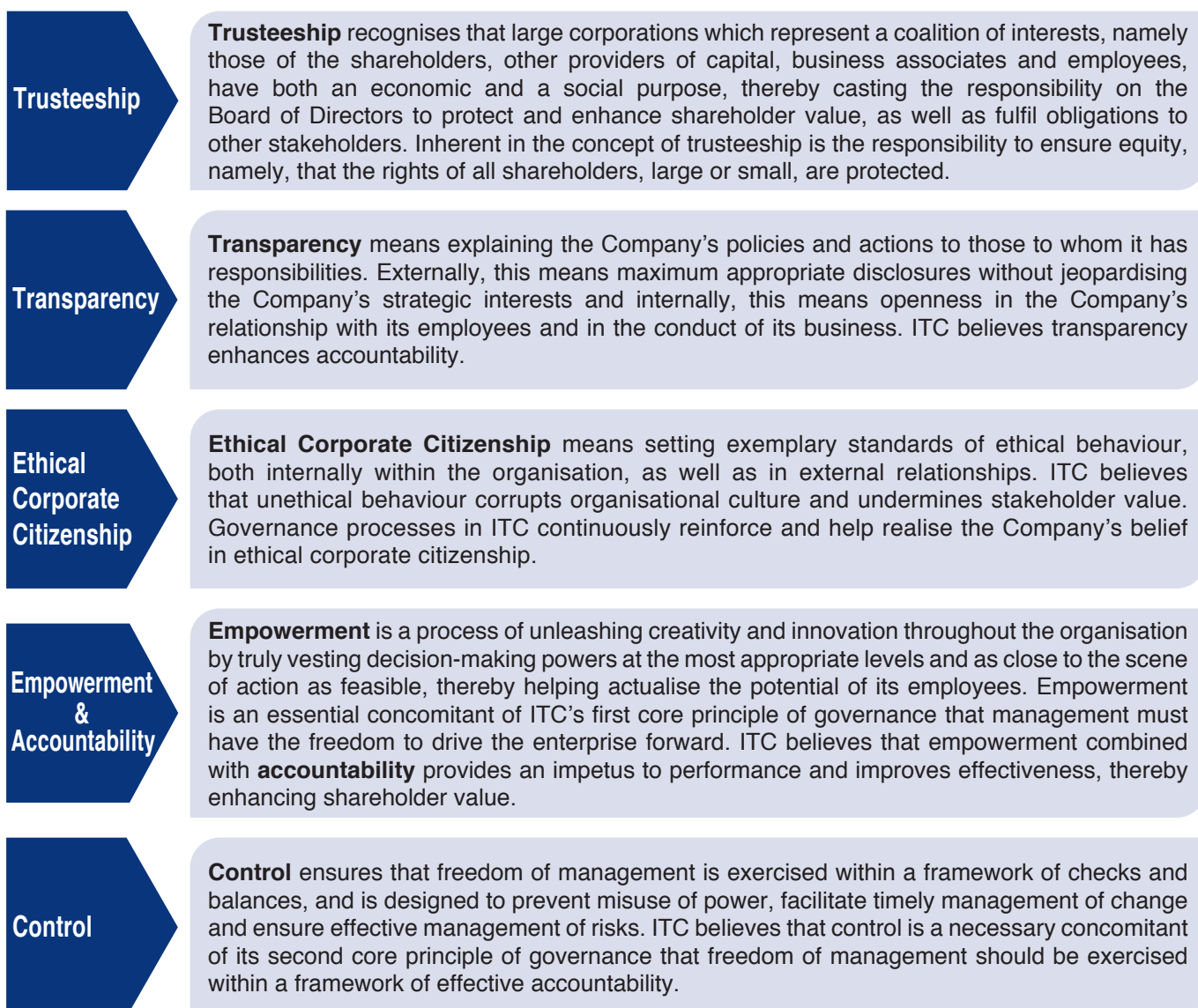
- (i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and
- (ii) This freedom of management should be exercised within a framework of effective accountability.

ITC believes that any meaningful policy on Corporate Governance must empower the executive management of the Company. At the same time, Governance should create a mechanism of checks and balances to ensure that the decision-making powers vested in the executive management are used with care and responsibility to meet stakeholders' aspirations and societal expectations.

From this definition and core principles of Corporate Governance emerge the cornerstones of ITC's governance philosophy, namely trusteeship, transparency, ethical corporate citizenship, empowerment & accountability and control. ITC believes that the practice of each of these creates the right corporate culture that fulfils the true purpose of Corporate Governance.

The cornerstones of ITC's governance philosophy are trusteeship, transparency, ethical corporate citizenship, empowerment & accountability and control.





## THE GOVERNANCE STRUCTURE

The practice of Corporate Governance in ITC takes place at three interlinked levels:

Strategic supervision	by the Board of Directors
Strategic management	by the Corporate Management Committee
Executive management	by the Divisional Chief Executive assisted by the Divisional Management Committee

The three-tier governance structure ensures that:

(a) Strategic supervision (on behalf of the Shareholders), being free from involvement in the task of strategic management of the Company, can be conducted with objectivity, thereby sharpening accountability of management;

- (b) Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised; and
- (c) Executive management of the divisional business free from collective strategic responsibilities for ITC as a whole, remains focused on enhancing the quality, efficiency and effectiveness of the business to achieve best-in-class performance.

The core roles of the key entities flow from this structure. These roles, in turn, determine the core responsibilities of each entity. In order to discharge such responsibilities, each entity is empowered formally with requisite powers.

## Report on Corporate Governance

The structure, processes and practices of governance are designed to support effective management of multiple businesses while retaining focus on each one of them.

The Governance Document that sets out the structure, policies and practices of governance is available on the Company's corporate website at <https://www.itcportal.com/governance-document>.

### ROLES OF VARIOUS ENTITIES

**Board of Directors ('Board'):** The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic supervision of ITC and its wholly owned subsidiaries. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth. The Board sets strategic goals and seeks accountability for their fulfilment. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations. The Board, as part and parcel of its functioning, annually reviews its role and also evaluates its performance and that of the Board Committees & the Directors.

**Board Committees:** The roles of the Board Committees are determined by the Board from time to time, details of which are provided below under the heading 'Committees of the Board'.

**Corporate Management Committee ('CMC'):** The primary role of the CMC is strategic management of the Company's businesses within Board approved direction / framework and realisation of Company goals. The CMC also assesses the performance of the businesses and allocates resources, and operates under the strategic supervision and control of the Board.

**Divisional Management Committee ('DMC'):** The primary role of the DMC is executive management of the business to realise tactical and strategic objectives in accordance with the Board approved Business Plan. The Executive Committee for Business Vertical within the Division is responsible to deliver comprehensive business results under the overall direction and supervision of the Divisional Chief Executive supported by the DMC.

**Chairman:** The Chairman is the Chief Executive of the Company. He is the Chairman of the Board and the CMC and also presides over General Meetings of Shareholders. His primary role is to provide leadership to the Board and the CMC for realising Company goals in accordance with the charter approved by the Board. He is responsible, inter alia, for the working of the Board and the CMC, for ensuring that all relevant issues are on the agenda and that all Directors and CMC Members are enabled and encouraged to play a full part in the activities of the Board and the CMC, respectively. He keeps the Board informed on all matters of importance. He is also responsible for balance of membership of the Board, subject to Board and Shareholder approvals.

**Non-Executive Director:** Non-Executive Directors, including Independent Directors, play a critical role in imparting balance to the Board processes by bringing independent judgement on issues of strategy, performance, resources, standards of Company conduct etc.

**Executive Director:** The Executive Director assists the Board in realising its role of strategic supervision of the Company in pursuit of its purpose and goals. As a member of the CMC, an Executive Director contributes to the strategic management of the Company's businesses within Board approved direction / framework. An Executive Director accountable to the Board for a business assumes overall responsibility for its strategic management, including governance processes and top management effectiveness. Similarly, as Director accountable to the Board for a corporate function, the overall strategic responsibility for its performance forms part of the Executive Director's role. In the context of the multi-business character of the Company, an Executive Director is in the nature of a Managing Director for those businesses and functions reporting to him.

**CMC Member:** The CMC Member contributes to the strategic management of the Company's businesses within Board approved direction / framework. A CMC Member accountable for a business assumes responsibility for its strategic management, including governance processes and top management effectiveness. Similarly, where accountable for a corporate function, the overall strategic responsibility for its performance forms part of the CMC Member's role.



**Divisional Chief Executive:** The Divisional Chief Executive for a business has the executive responsibility for its day-to-day operations and provides leadership to the DMC in its task of executive management of the business and the Verticals within the Division.

The Chief Operating Officer of a Business Vertical is responsible for providing leadership to the Executive Committee of the Vertical and realising the tactical & strategic objectives of the respective business area.

## BOARD OF DIRECTORS

### Composition

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. Independent Directors represent at least 50% of the total strength of the Board.

The Governance Policy of the Company, inter alia, requires that Non-Executive Directors be drawn from amongst eminent professionals, with experience in business / finance / law / public administration and enterprises. The Board is also required to have balance of skills, competencies, experience and diversity of perspectives appropriate to the Company in terms of the Policy on Board Diversity. The present composition of the Board represents an optimal mix of professionalism, knowledge, experience and diversity. **The Directors of the Company also possess the skills, expertise and competencies, as identified by the Board and provided in the Annexure forming part of this Report.**

In terms of the applicable regulatory requirements read with the Articles of Association of the Company, the strength of the Board shall not be fewer than six nor more than eighteen. The present strength of the Board is eighteen comprising the Chairman & Managing Director, three Executive Directors, ten Non-Executive Independent Directors, of which four are Women Directors, and four other Non-Executive Directors.

Composition of the Board as on 31st March, 2024:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	4	25.00
Non-Executive Independent Directors	9	56.25
Other Non-Executive Directors	3	18.75
<b>Total</b>	<b>16</b>	<b>100.00</b>

Director	Category	No. of other Directorship(s) *	No. of Membership(s) / Chairpersonship(s) of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies
S. Puri	Chairman & Managing Director	5	Nil
S. Dutta	Executive Director & Chief Financial Officer	9	2 [also as Chairperson]
H. Malik	Executive Director	Nil	Nil
B. Sumant	Executive Director	2	Nil
S. Banerjee	Independent Director	Nil	Nil
H. Bhargava	Independent Director	4	3 [including 1 as Chairperson]
A. M. Bharucha	Independent Director	8	7 [including 4 as Chairperson]
A. Duggal	Independent Director	4	6 [including 2 as Chairperson]
S. Mukherjee	Independent Director	2	2 [including 1 as Chairperson]
A. Nayak	Independent Director	Nil	Nil
N. Rao	Independent Director	3	Nil
A. K. Seth	Independent Director	Nil	Nil
M. Shankar	Independent Director	4	4 [including 2 as Chairperson]
M. Gupta	Non-Executive Director Representative of the Life Insurance Corporation of India as Investor	2	1
R. Jain	Non-Executive Director Representative of the Specified Undertaking of the Unit Trust of India as Investor	5	3
S. Panray	Non-Executive Director Representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., as Investor	Nil	Nil

\* Details with respect to other Directorships are provided under the section 'Your Directors' in the Report and Accounts.

## Report on Corporate Governance

### Meetings and Attendance

The Company's Governance Policy requires the Board to meet at least five times a year. The tentative annual calendar of meetings is determined at the beginning of each year. During the financial year 2023-24, the intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations.

### Board Agenda

Meetings are governed by a structured agenda. The Board Members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated seven to fourteen days prior to the Board Meeting.

### Information placed before the Board

In terms of the Company's Governance Policy, all statutory and other significant & material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of Shareholders. The following in particular are tabled for the Board's approval / periodic review or information:

- Annual operating plans & budgets and periodic review of the Company's businesses.
- Quarterly performance including business-wise financials.
- External Audit Management Reports (through the Audit Committee).
- Status of safety and legal compliance.
- Status and effectiveness of risk management plans.
- Succession to senior management (through the Nomination & Compensation Committee).
- Statutory compliance reports from business units / corporate functions.
- Show cause / demand / prosecution / adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's net worth, and their outcome.
- Significant court judgement or order passing strictures, if any, on the conduct of the Company or a subsidiary of the Company or any employee, which could negatively impact the Company's image.

- Product liability claims of substantial nature, if any.
- Default, if any, in payment of dues to any major creditor.
- Write-offs / disposals of fixed assets, inventories, receivables, advances etc.
- Significant development in Human Resources / Industrial Relations.
- Non-compliance of any regulatory, statutory or listing requirements and in relation to shareholders' services.

### Post-meeting follow-up system

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board, the Board Committees, the CMC and the DMCs.

### Details of Board Meetings during the financial year 2023-24

Six meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	17th April, 2023	16	16
2	18th May, 2023	16	16
3	24th July, 2023	16	15
4	14th August, 2023	18	17
5	19th October, 2023	17	17
6	29th January, 2024	17	16

### Attendance at Board Meetings and at Annual General Meeting ('AGM') during the financial year 2023-24

Director	No. of Board Meetings attended	Attendance at last AGM
S. Puri	6	Yes
S. Dutta	6	Yes
H. Malik <sup>1</sup>	3	N.A.
B. Sumant	6	Yes
S. Banerjee	6	Yes
H. Bhargava	6	Yes
A. M. Bharucha <sup>2</sup>	2	N.A.
A. Duggal	6	Yes
M. Gupta	6	Yes
R. Jain <sup>3</sup>	1	N.A.
S. Mukherjee	6	Yes
A. Nayak	6	Yes
S. Panray	6	Yes



**Attendance at Board Meetings and at AGM during the financial year 2023-24 (Contd.)**

Director	No. of Board Meetings attended	Attendance at last AGM
N. Rao	5	Yes
A. K. Seth	6	Yes
M. Shankar	6	Yes
N. Anand <sup>4</sup>	5	Yes
P. R. Chittaranjan <sup>5</sup>	3	Yes
D. R. Simpson <sup>6</sup>	6	Yes

1. Appointed as Executive Director w.e.f. 12th August, 2023.

2. Appointed as Independent Director w.e.f. 12th August, 2023.

3. Appointed as Non-Executive Director w.e.f. 1st January, 2024.

4. Ceased to be Executive Director w.e.f. 3rd January, 2024 upon completion of term.

5. Resigned as Non-Executive Director w.e.f. 1st September, 2023.

6. Resigned as Non-Executive Director w.e.f. 30th January, 2024.

**COMMITTEES OF THE BOARD**

Currently, there are five Board Committees – the Audit Committee, the Nomination & Compensation Committee, the Securityholders Relationship Committee, the CSR and Sustainability Committee and the Independent Directors Committee. The terms of reference of the Committees are determined by the Board from time to time, other than the Independent Directors Committee the terms of reference of which are as prescribed under law. Meetings of Board Committees are normally convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the Committee Chairman. All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of Board Committee Meetings are placed before the Board. The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

**I. AUDIT COMMITTEE**

The Audit Committee provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations, both domestic and overseas.
- safeguarding of assets and adequacy of provisions for all liabilities.
- reliability of financial and other management information and adequacy of disclosures.
- compliance with all relevant statutes.

The role of the Committee includes the following:

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) To recommend the appointment, remuneration and removal of the Statutory Auditors and the Cost Auditors;
- (c) To recommend the appointment of the Chief Financial Officer of the Company;
- (d) To approve transactions with related parties, including modifications thereto;
- (e) To evaluate the Company's internal financial controls and risk management systems;
- (f) To review with the management, before submission to the Board for approval, the following:
  - (i) Annual financial statements and Auditor's Report thereon;
  - (ii) Quarterly financial results and Auditor's Report / Limited Review Report thereon;
- (g) To review the following:
  - (i) Management discussion and analysis of financial condition & results of operations, and matters required to be included in the Directors' Responsibility Statement;
  - (ii) Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, the Statutory Auditors and the Internal Auditors;
  - (iii) Adequacy and effectiveness of internal control systems laid down in the Company for compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iv) Internal Audit Reports and discussion with Internal Auditors on any significant findings and follow-up thereon;
  - (v) Statutory Auditors' independence and performance, and effectiveness of the audit process;
  - (vi) System for maintenance, storage, retrieval, security etc. of books of accounts in the electronic form;
  - (vii) Functioning of Whistleblower mechanism in the Company;
  - (viii) Annual financial statements, including investments, of subsidiary companies;
  - (ix) Utilisation of loans and / or advances and investments by the Company to / in the subsidiary companies.

## Report on Corporate Governance

### Composition

The Audit Committee presently comprises four Independent Directors. The Chairman of the Committee is also an Independent Director. The Executive Director representing the Finance function, the Chief Financial Officer, the Head of Internal Audit and the representative of the Statutory Auditors are Invitees to the meetings of the Audit Committee. The Head of Internal Audit is the Coordinator and the Company Secretary is the Secretary to the Committee. The representatives of the Cost Auditors are invited to meetings of the Committee whenever matters relating to cost audit are considered. All members of the Committee are financially literate; three members, including the Chairman of the Committee, have accounting and financial management expertise.

The names of the members of the Audit Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

### Meetings and Attendance during the financial year 2023-24

#### Details of Audit Committee Meetings

Eight meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	7th April, 2023	4	4
2	5th May, 2023	4	4
3	18th May, 2023	4	4
4	7th July, 2023	4	4
5	14th August, 2023	4	4
6	19th October, 2023	4	4
7	12th January, 2024	4	4
8	29th January, 2024	4	4

#### Attendance at Audit Committee Meetings

Member	No. of Meetings attended
A. Duggal	8
S. Banerjee	8
H. Bhargava	8
S. Mukherjee	8

### II. NOMINATION & COMPENSATION COMMITTEE

The Nomination and Remuneration Committee of the Board, under the nomenclature 'Nomination & Compensation Committee', inter alia, identifies persons qualified to become Directors, and recommends to the Board the appointment, remuneration and removal of the Directors and senior management. The Committee's role also includes formulation of criteria for evaluation of performance of the Directors & the Board as a whole, and administration of the Employee Stock Option Schemes of the Company.

### Composition

The Nomination & Compensation Committee presently comprises four Independent Directors and the Chairman of the Company. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee.

The names of the members of the Nomination & Compensation Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

### Meetings and Attendance during the financial year 2023-24

#### Details of Nomination & Compensation Committee Meetings

Four meetings of the Nomination & Compensation Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	17th May, 2023	4	4
2	24th July, 2023	4	4
3	18th October, 2023	4	4
4	29th January, 2024	4	4

#### Attendance at Nomination & Compensation Committee Meetings

Member	No. of Meetings attended
S. Banerjee <sup>1</sup>	4
A. Nayak	4
S. Puri	4
A. K. Seth <sup>2</sup>	N.A.
M. Shankar	4

1. Ceased to be Chairman of the Committee w.e.f. 15th April, 2024.  
2. Appointed as Member w.e.f. 29th January, 2024.



## Remuneration Policy

ITC's Remuneration strategy is performance based, competitive and values led. It is designed to reward holistic performance that is in congruence with the Company's "triple bottom line" approach to business, to attract & retain high quality talent and is anchored on ITC's values, all of which are integral in pursuit of the Company's vision and mission of enhancing the wealth generating capability of the enterprise in a globalised environment, while delivering superior and sustainable stakeholder value. The Remuneration Policy of the Company is market-led and factors in the competitive context of each business. Performance against the Sustainability goals of the Company has also been included as a factor in assessing business performance, which, in turn, contributes in determining remuneration. The Company has adopted a comprehensive 'Total Rewards' approach to remuneration that, inter alia, promotes a superior quality of personal and work life by combining both cash and non-cash components / benefits.

The Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees, as approved by the Board, may be accessed on its corporate website at <https://www.itcportal.com/remuneration-policy>. There has been no change in the Policy during the year.

## Remuneration of Directors

Remuneration of the Chairman and the Executive Directors is determined by the Board on the recommendation of the Nomination & Compensation Committee, subject to the approval of the Shareholders. The Chairman and each of the Executive Directors are entitled to performance bonus for every financial year up to a maximum of 300% and 200% of their basic / consolidated salary, respectively, as may be determined by the Board on the recommendation of the Nomination & Compensation Committee; such remuneration is linked to the performance of the Company inasmuch as the performance bonus is based on various qualitative and quantitative performance criteria. Apart from fixed elements of remuneration and benefits / perquisites, the Chairman and the Executive Directors are also eligible for Long Term Incentives, including Stock Options, as may be determined by the Nomination & Compensation Committee and / or the Board; such incentives are linked to individual performance and the overall performance of the Company, including performance against Sustainability goals. The maximum annual value of such Long Term Incentives is 0.10% and 0.05% for the Chairman and each of the Executive Directors, respectively, of the net profits of the Company for the immediately preceding financial year.

Non-Executive Directors, including Independent Directors, are entitled to remuneration by way of commission for each financial year, ranging between ₹ 1,00,00,000/- and ₹ 1,30,00,000/- individually,

as approved by the Shareholders. Non-Executive Directors' commission is determined by the Board, based inter alia on Company performance and regulatory provisions, and is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending the meetings of the Board and its Committees. The sitting fees as determined by the Board are ₹ 1,00,000/- for each meeting of the Board, ₹ 50,000/- for each meeting of the Audit Committee, Nomination & Compensation Committee, CSR and Sustainability Committee, and Independent Directors Committee, and ₹ 10,000/- for each meeting of the Securityholders Relationship Committee. Non-Executive Directors are also entitled to coverage under Personal Accident Insurance.

## Details of Remuneration paid to the Directors during the financial year ended 31st March, 2024

(₹ in Lakhs)

Director	Basic / Consolidated Salary	Perquisites / Other Benefits	Performance Bonus / Long Term Incentives / Commission	Sitting Fees	Total
S. Puri	312.00	57.70	2,148.09	-	2,517.79
S. Dutta	156.00	31.67	379.11	-	566.78
H. Malik <sup>1</sup>	99.39	18.57	131.41	-	249.37
B. Sumant	180.00	33.82	978.10	-	1,191.92
S. Banerjee	-	-	100.00	13.00	113.00
H. Bhargava	-	-	100.00	11.00	111.00
A. M. Bharucha <sup>2</sup>	-	-	-	2.50	2.50
A. Duggal	-	-	100.00	12.50 <sup>#</sup>	112.50
M. Gupta	-	-	100.00 <sup>*</sup>	8.10	108.10
R. Jain <sup>3</sup>	-	-	-	1.00 <sup>*</sup>	1.00
S. Mukherjee	-	-	100.00	11.00	111.00
A. Nayak	-	-	100.00	10.80	110.80
S. Panray	-	-	100.00	7.50	107.50
N. Rao	-	-	100.00	7.50	107.50
A. K. Seth	-	-	100.00	8.50	108.50
M. Shankar	-	-	100.00	10.50	110.50
N. Anand <sup>4</sup>	135.97	222.72	978.10	-	1,336.79
P. R. Chittaranjan <sup>5</sup>	-	-	15.62 <sup>*</sup>	4.90 <sup>*</sup>	20.52
N. Doda <sup>6</sup>	-	-	80.55 <sup>*</sup>	-	80.55
D. R. Simpson <sup>7</sup>	-	-	100.00	7.50	107.50
R. Tandon <sup>8</sup>	-	-	564.38	-	564.38

\* Paid to the Public Financial Institution the Director represents / represented.

# Includes ₹ 1.50 Lakhs towards sitting fees for attending the meetings of the Risk Management Committee.

1. Appointed as Executive Director w.e.f. 12th August, 2023.

2. Appointed as Independent Director w.e.f. 12th August, 2023.

3. Appointed as Non-Executive Director w.e.f. 1st January, 2024.

4. Ceased to be Executive Director w.e.f. 3rd January, 2024 upon completion of term.

5. Resigned as Non-Executive Director w.e.f. 1st September, 2023.

6. Resigned as Non-Executive Director w.e.f. 20th January, 2023.

7. Resigned as Non-Executive Director w.e.f. 30th January, 2024.

8. Ceased to be Executive Director w.e.f. 22nd July, 2022 upon completion of term.

Note: Disclosure with respect to Non-Executive Directors - Pecuniary relationship or transaction: None.

## Report on Corporate Governance

### Employee Stock Option Schemes

During the financial year, the eligible employees and Directors of the Company were granted 15,16,450 Stock Options at 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of such vesting.

Options vest as per the following schedule:

From the date of grant of the Options	% of Options vest
On completion of 12 months	30%
On completion of 24 months	30%
On completion of 36 months	40%

### Shareholding and Stock Options of Directors

Director	No. of Ordinary Shares of ₹ 1/- each held (singly / jointly) as on 31st March, 2024	No. of Options granted during the financial year
S. Puri	2,79,843	1,34,500
S. Dutta	8,93,980	67,250
H. Malik	5,61,591	18,750 *
B. Sumant	6,30,401	67,250
S. Banerjee	Nil	Nil
H. Bhargava	Nil	Nil
A. M. Bharucha	51,145	Nil
A. Duggal	Nil	Nil
M. Gupta	Nil	Nil
R. Jain	Nil	Nil
S. Mukherjee	21,000	Nil
A. Nayak	13,62,455	Nil
S. Panray	Nil	Nil
N. Rao	Nil	Nil
A. K. Seth	1,32,480	Nil
M. Shankar	45,000	Nil

\* Options granted for the period prior to appointment as Executive Director.

### Service Contract, Severance Fee and Notice Period

The appointment of the Chairman and the Executive Directors is governed by resolutions passed by the Board and the Shareholders, which cover the terms and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with those elevated to the Board from the management cadre, since they already have a Service Contract with the Company. Letters of appointment are issued by the Company to the Independent Directors, detailing their roles, duties, responsibilities etc.

There is no separate provision for payment of severance fee under the resolutions governing the appointment of the Chairman and the Executive Directors who have all been drawn from the management cadre. The statutory provisions will however apply. With respect to notice period, the service rules of the Company read with the statutory provisions will apply.

### Performance Evaluation

Performance evaluation of the Board, the Board Committees and the individual Directors was carried out by the Board in accordance with the Policy approved by the Nomination & Compensation Committee; brief details of such evaluation are provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.

### III. SECURITYHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Board, under the nomenclature 'Securityholders Relationship Committee', primarily oversees redressal of shareholder and investor grievances, approves transmission of shares, sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates, and allots shares upon exercise of Options under the Company's Employee Stock Option Schemes. The Committee also reviews adherence to the service standards adopted by the Company in respect of its share registration and related activities, and the measures taken for effective exercise of voting rights by the Shareholders.

[ Inherent in the concept of trusteeship is the responsibility to ensure equity, namely, that the rights of all shareholders, large or small, are protected. ]



### Composition

The Securityholders Relationship Committee presently comprises five Directors. The Chairman of the Committee is an Independent Director. The Company Secretary is the Secretary to the Committee.

The names of the members of the Securityholders Relationship Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

### Meetings and Attendance during the financial year 2023-24

#### Details of Securityholders Relationship Committee Meetings

Eighteen meetings of the Securityholders Relationship Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	6th April, 2023	4	4
2	17th May, 2023	4	4
3	29th June, 2023	4	4
4	7th July, 2023	4	3
5	18th July, 2023	4	4
6	26th July, 2023	4	4
7	4th August, 2023	4	3
8	23rd August, 2023	4	4
9	30th August, 2023	4	4
10	19th September, 2023	3	2
11	18th October, 2023	3	3
12	20th November, 2023	4	4
13	15th December, 2023	4	3
14	10th January, 2024	4	4
15	17th January, 2024	4	4
16	15th February, 2024	4	4
17	28th February, 2024	4	3
18	15th March, 2024	4	4

#### Attendance at Securityholders Relationship Committee Meetings

Member	No. of Meetings attended
A. Nayak <sup>1</sup>	18
S. Dutta	15
M. Gupta <sup>2</sup>	6
B. Sumant	17
P. R. Chittaranjan <sup>3</sup>	9

1. Ceased to be Chairman of the Committee w.e.f. 23rd May, 2024.

2. Appointed as Member w.e.f. 19th October, 2023.

3. Ceased to be Member w.e.f. 1st September, 2023.

### IV. CSR AND SUSTAINABILITY COMMITTEE

The role of the CSR Committee of the Board, under the nomenclature 'CSR and Sustainability Committee', is inter alia, to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its "triple bottom line" objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation. Formulation and monitoring of the CSR Policy, the Sustainability Policies and the annual CSR Action Plan, including making recommendation to the Board as necessary, form part of the role of the Committee. The Committee also approves the Sustainability Report, besides reviewing the Business Responsibility and Sustainability Report of the Company and recommending the same to the Board for adoption.

#### Composition

The CSR and Sustainability Committee presently comprises the Chairman of the Company and seven Non-Executive Directors, three of whom are Independent Directors. The Chairman of the Company is the Chairman of the Committee. The Company Secretary is the Secretary to the Committee.

The names of the members of the CSR and Sustainability Committee, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

#### Meetings and Attendance during the financial year 2023-24

##### Details of CSR and Sustainability Committee Meetings

Three meetings of the CSR and Sustainability Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	16th April, 2023	8	8
2	17th May, 2023	8	8
3	18th October, 2023	7	7

#### Attendance at CSR and Sustainability Committee Meetings

Member	No. of Meetings attended
S. Puri	3
M. Gupta	3
R. Jain <sup>1</sup>	N.A.
S. Panray	3
N. Rao	3
A. K. Seth	3
M. Shankar	3
P. R. Chittaranjan <sup>2</sup>	2
D. R. Simpson <sup>3</sup>	3

1. Appointed as Member w.e.f. 1st January, 2024.

2. Ceased to be Member w.e.f. 1st September, 2023.

3. Ceased to be Member w.e.f. 30th January, 2024.

## Report on Corporate Governance

### V. INDEPENDENT DIRECTORS COMMITTEE

The statutory role of the Independent Directors Committee of the Board is to review the performance of the non-Independent Directors including the Chairman of the Company and the Board, and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

#### Composition

The Independent Directors Committee comprises all the Independent Directors of the Company.

The names of the members of the Independent Directors Committee are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

#### Meetings and Attendance during the financial year 2023-24

##### Details of Independent Directors Committee Meetings

Two meetings of the Independent Directors Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	5th May, 2023	8	8
2	14th August, 2023	9	9

##### Attendance at Independent Directors Committee Meetings

Member	No. of Meetings attended
S. Banerjee	2
H. Bhargava	2
A. M. Bharucha <sup>1</sup>	1
A. Duggal	2
S. Mukherjee	2
A. Nayak	2
N. Rao	2
A. K. Seth	2
M. Shankar	2

1. Appointed as Member w.e.f. 12th August, 2023.

### OTHER COMMITTEES

#### RISK MANAGEMENT COMMITTEE

The role of the Risk Management Committee is, inter alia, to approve the strategic risk management framework of the Company, and review the risk mitigation strategies, measures taken for cyber security and results of risk identification, prioritisation & mitigation plans for all business units / corporate functions. Formulation of the Risk Management Policy and review of the implementation, effectiveness and adequacy of the risk management systems, processes & plans of the Company form part of the role of the Committee.

#### Composition

The Risk Management Committee presently comprises the Chairman of the Company, all Executive Directors, one Independent Director and one senior member of management. The Chairman of the Company is the Chairman of the Committee. The Head of Internal Audit is an Invitee to the meetings of the Committee. The Chief Risk Officer is the Secretary to the Committee.

The names of the members of the Risk Management Committee, including its Chairman, are provided below.

#### Meetings and Attendance during the financial year 2023-24

##### Details of Risk Management Committee Meetings

Three meetings of the Risk Management Committee were held, as follows:

Sl. No.	Date	Committee Strength (including Invitees)	No. of Members & Invitees present
1	14th September, 2023	7	7
2	19th December, 2023	8	8
3	11th March, 2024	7	7

The CSR and Sustainability Committee provides strategic direction to the Company's CSR and Sustainability practices towards fulfilling its Triple Bottom Line objectives.



### Attendance at Risk Management Committee Meetings

Member	No. of Meetings attended
S. Puri (Chairman)	3
A. Duggal	3
S. Dutta	3
H. Malik <sup>1</sup>	2
B. Sumant	3
S. Sivakumar	3
N. Anand <sup>2</sup>	2
Invitee	No. of Meetings attended
M. Ganesan	3

1. Appointed as Member w.e.f. 19th October, 2023.

2. Ceased to be Member w.e.f. 3rd January, 2024.

### CORPORATE MANAGEMENT COMMITTEE

The primary role of the CMC is strategic management of the Company's businesses within Board approved direction / framework and realisation of Company goals. The CMC, inter alia, formulates the Company's Business Plans and organisational policies, systems & processes, reviews business performance against approved plans, allocates resources, and operates under the strategic supervision & control of the Board.

#### Composition

The CMC presently comprises the Chairman of the Company, all Executive Directors and three senior members of management. The Chairman of the Company is the Chairman of the Committee. The composition of the CMC is determined by the Board on the recommendation of the Nomination & Compensation Committee. The Company Secretary is the Secretary to the CMC.

The names of the members of the CMC, including its Chairman, are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

#### Meetings

The CMC normally meets once a month. Minutes of CMC Meetings are placed before the Board. Matters requiring the Board's attention / approval, as emanating from the CMC Meetings, are placed in the form of notes from the relevant Executive Director, backed by comprehensive background information.

### SUBSIDIARY COMPANIES

All subsidiaries of the Company are managed by their respective Board of Directors in the best interest of those companies and their shareholders. The annual financial statements of the subsidiary companies are reviewed by the Audit Committee of the Company. Performance review reports of the subsidiary companies are placed before the Board of Directors of the Company on a half-yearly basis. The Minutes of Board Meetings of the subsidiary companies, including details of significant transactions & arrangements entered into by them, are also placed before the Board of Directors of the Company.

The Company does not have any material subsidiary. The Company's Policy for determination of a material subsidiary, as approved by the Board, may be accessed on its corporate website at <https://www.itcportal.com/material-subsiidiary-policy>.

### FAMILIARISATION PROGRAMME FOR DIRECTORS

ITC believes that a Board, which is well informed / familiarised with the Company and its affairs, can contribute significantly to effectively discharge its role of trusteeship in a manner that fulfils stakeholders' aspirations and societal expectations. In pursuit of this, the Directors of the Company are updated on material changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation & economic environment, and on matters significantly affecting the Company to enable them to take well informed and timely decisions. The Directors are also kept abreast on all business related matters including risk assessment & minimisation procedures, CSR & sustainability interventions, succession plans including management development processes, and new initiatives proposed by the Company. Induction programme is organised by the Company for the Non-Executive Directors joining the Board. Visits to Company facilities are also organised for the Directors from time to time.

Further details may be accessed on the Company's corporate website at <https://www.itcportal.com/directors-familiarisation-programme>.

## Report on Corporate Governance

### MEANS OF COMMUNICATION

Timely disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is at the core of good governance. Towards this end, the Company has taken the following initiatives:

#### Website

The Company's corporate website [www.itcportal.com](http://www.itcportal.com) provides comprehensive information on ITC's portfolio of businesses, CSR & sustainability initiatives, EHS performance, shareholding pattern, key Company Policies, and contact details of the Company's employees responsible for assisting investors and handling investor grievances. An exclusive section on 'Investor Relations' serves to inform and service Shareholders, enabling them to access information at their convenience.

#### Annual Report

The Report & Accounts, including the Standalone and Consolidated Financial Statements, the Report of the Board of Directors and the Auditors' Reports, is sent to the Shareholders of the Company.

The Report of the Board of Directors includes all aspects of Management Discussion and Analysis as required under the Listing Regulations. The said Report & Accounts is also available in downloadable format on the Company's corporate website.

#### Financial Results

The quarterly, half-yearly & annual financial results, along with the Media Statement and presentation on the Company's financial performance, are sent to the Shareholders. These documents along with FAQs on results are also available in downloadable format on the Company's corporate website.

Extracts of these results are published, inter alia, in 'The Times of India / Business Standard' & 'Aajkal / Ei Samay' from Kolkata, and on an all India basis in major newspapers and also in 'Luxemburger Wort', Luxembourg.

#### Communications with the investing community

Detailed presentations to the investing community on the quarterly results are sent to the Stock Exchanges and also made available on the Company's corporate website.

During the year, the Company organised an '**Institutional Investors and Financial Analysts Day**' to provide deeper insights into the Company's Corporate Strategy and its operating segments including, inter alia, their competitive strengths, unique value propositions and key drivers of growth & profitability.

An analyst call was also hosted to provide the Company's perspectives on the proposed demerger of its Hotels Business and responding to investor queries.

#### Other disclosures / filings

A copy of the Chairman's speech made at the AGM is sent to the Shareholders and also made available on the Company's corporate website. In addition, shareholding pattern, material events and other important information relating to the Company are submitted to the Stock Exchanges and also made available on the Company's website.

#### Media Releases

The 'Media Centre' section of the Company's corporate website includes all major media releases from the Company and relevant media reports.

### ITC CODE OF CONDUCT

The ITC Code of Conduct, as adopted by the Board, is applicable to the Directors, senior management and employees of the Company. The Code is derived from three interlinked fundamental principles viz., good corporate governance, good corporate citizenship and exemplary personal conduct in relation to the Company's business and reputation. The Code covers ITC's commitment to CSR and sustainable development, concern for occupational health, safety and environment, a gender friendly workplace, transparency and auditability, legal compliance, avoidance of conflict of interest, and the philosophy of leading by personal example. The Code is available on the Company's corporate website.

#### **Declaration as required under the Listing Regulations**

All Directors and senior management of the Company have affirmed compliance with the ITC Code of Conduct for the financial year ended 31st March, 2024.

Kolkata, 23rd May, 2024.

S. Puri  
Chairman &  
Managing Director



## WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts. The Whistleblower Policy, as approved by the Board, may be accessed on the Company's corporate website at <https://www.itcportal.com/whistleblower-policy>.

## POLICY ON RELATED PARTY TRANSACTIONS

The Policy, as approved by the Board, may be accessed on the Company's corporate website at <https://www.itcportal.com/rpt-policy>.

## ITC CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2019

The ITC Code of Conduct for Prevention of Insider Trading - 2019, as approved by the Board, inter alia, prohibits trading in the securities of the Company by the Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

## OTHER DISCLOSURES

- During the last three years, there was neither any instance of non-compliance by the Company nor penalty / stricture imposed on the Company by the Stock Exchanges / SEBI / Statutory Authorities on any matter related to the capital markets.
- There are no inter-se relationships between the Directors and Key Managerial Personnel of the Company.
- During the year, the Company has not entered into any materially significant related party transaction which may have potential conflict with the interest of the Company at large. The details of related party transactions entered into by the Company during the year are provided in the 'Notes to the Financial Statements', forming part of the Report and Accounts.
- The names of senior management of the Company under the Listing Regulations (i.e., CMC Members, Chief Financial Officer and Company Secretary) are provided under the section 'Board of Directors and Committees' in the Report and Accounts. There were no changes in the Company's senior management during the year.

- The senior management of the Company did not enter into any material financial and commercial transaction during the year, in which they had personal interest that may have had potential conflict with the interest of the Company at large.
- During the year, the Company was not required to obtain credit rating for any debt instrument, fixed deposit programme or any other scheme involving mobilisation of funds.
- The Company has not raised any funds through preferential allotment or qualified institutions placement.
- None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by the SEBI / Ministry of Corporate Affairs / Statutory Authorities; certificate from the Company's Secretarial Auditors confirming the above is annexed to this Report.
- Details of 'loans and advances (being in the nature of loans) provided by the Company to firms / companies in which its Directors are interested' are given in the 'Notes to the Financial Statements', forming part of the Report and Accounts.
- Details with respect to conduct of secretarial audit of the Company, and confirmation by the Board regarding independence of the Independent Directors, are provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the 'Business Responsibility and Sustainability Report', forming part of the Report and Accounts.
- Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' and in the 'Notes to the Financial Statements', forming part of the Report and Accounts.

In view of the diversified business portfolio of the Company, its exposure in none of the individual commodities which are sourced either for use as inputs in its businesses or for agri-commodity trading is material in the context of its overall operations, and also in terms of the 'Policy for determination of materiality of events and information for disclosure to the Stock Exchanges', as approved by the Board. Accordingly, the disclosure requirements prescribed under the SEBI Master Circular dated 11th July, 2023 are not applicable for the Company.

## Report on Corporate Governance

- The total fees paid during the year by the Company and its subsidiaries to Messrs. S R B C & CO LLP, Statutory Auditors, and all entities in the network firm / network entities which are part of the network of which the Statutory Auditors are a member firm, aggregate ₹ 8.67 Crores.
- Mr. R. K. Singhi, Executive Vice President & Company Secretary, is the Compliance Officer under the Listing Regulations.

### DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

The status of compliance with the discretionary requirements under the Listing Regulations is provided below:

- 1. Separate posts of Chairman and Managing Director:** The Chairman of the Company is an Executive Chairman. The Company has a diversified business portfolio, which demands that the senior leadership has in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organisation and contribute significantly to stakeholders' aspirations and societal expectations. The Chief Executive is therefore generally chosen from amongst the executive management of the Company.
- 2. Non-Executive Chairman's Office:** Not applicable.
- 3. Shareholder Rights:** The quarterly, half-yearly and annual financial results of the Company are

sent to the Shareholders and also posted on the Company's corporate website; extracts of these results in the prescribed format are published in newspapers on an all India basis. Significant events are also posted on the Company's website under the 'Media Centre' section.

- 4. Audit Opinion:** It has always been the Company's endeavour to present Financial Statements with unmodified audit opinion, i.e. without any qualification. The Statutory Auditors have issued an unmodified audit opinion on the Company's Financial Statements for the year ended 31st March, 2024.
- 5. Internal Audit:** The Head of Internal Audit reports to the Audit Committee of the Board.

### GENERAL SHAREHOLDER INFORMATION

Provided in the 'Shareholder Information' section of the Report and Accounts.

### CONFIRMATION OF COMPLIANCE

It is confirmed that the Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations. The Statutory Auditors' Certificate that the Company has complied with the conditions of Corporate Governance is annexed to the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.

#### Notes:

1. Reference to Division / Divisional Business includes Strategic Business Unit (SBU), Business Vertical and Shared Services.
2. Reference to Divisional Management Committee includes SBU Management Committee, Shared Services Management Committee and Executive Committee for Business Vertical.
3. Reference to Divisional Chief Executive includes Heads of SBU, Business Vertical and Shared Services.

The ITC Code of Conduct is derived from three interlinked fundamental principles - good corporate governance, good corporate citizenship and exemplary personal conduct.



## **ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE**

### **SKILLS, EXPERTISE AND COMPETENCIES OF DIRECTORS**

ITC believes that it is the collective effectiveness of the Board that impacts Company performance and therefore members of the Board amongst themselves should have a balance of skills, experience and diversity of perspectives appropriate to the Company.

Given the Company's size, scale and diversified nature of its businesses, the Directors should possess one or more of the following skills, expertise and competencies:

#### **1. Organisational Purpose**

Ability to comprehend the socio-economic, political, regulatory and competitive environment, both domestic and global, in which the Company is operating and insight to identify opportunities and threats for the Company's businesses.

Ability to contribute towards creating an inspiring Vision for the Company with superordinate societal goals and appreciate the Company's triple bottom line philosophy of building synergy between serving the society and creating economic value for the Company.

#### **2. Strategic Insight**

Ability to evaluate competitive corporate and business strategies and, based thereon, contribute towards progressive refinement of the Company's strategies for fulfilment of its goals.

Ability to comprehend strategy of organisation of a diversified company like ITC, in the context of its unique sources of competitive advantage and assess its strengths and weaknesses.

#### **3. Organisational Capacity Building**

Acumen to evaluate organisational capacity and readiness across relevant parameters and provide guidance on bridging gaps in capacity building.

Ability to understand the talent market and the Company's talent quotient so as to help finetune strategies to attract, retain and nurture competitively superior talent.

Ability to appreciate and critique the need for in-depth specialisation across business critical areas such as manufacturing, marketing, legal, information technology, public advocacy etc., as well as the breadth of general management capabilities.

#### **4. Stakeholder Value Creation**

Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders.

#### **5. Commercial Acumen**

Commercial acumen to critique the Company's financial performance and evaluate the Company's strategies and action plans in the context of their financial outcomes.

#### **6. Risk Management and Compliance**

Ability to appreciate key risks impacting the Company's businesses and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically.

#### **7. Policy Evaluation**

Ability to comprehend the Company's governance philosophy and contribute towards its refinement periodically.

Ability to evaluate policies, systems and processes in the context of the Company's businesses, and review the same periodically.

#### **8. Culture Building**

Ability to contribute to the Board's role towards promoting an ethical organisational culture, eliminating conflict of interest, and setting & upholding the highest standards of ethics, integrity and organisational conduct.

#### **9. Board Cohesion**

Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole.

Ability to encourage and sustain a cohesive working environment and to listen to multiple views and thought processes and synergise a range of ideas for organisational benefit.

**ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
**The Members of  
ITC Limited**

CIN: L16005WB1910PLC001985  
Virginia House, 37 Jawaharlal Nehru Road,  
Kolkata - 700 071

We have examined the following documents:

- i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');
  - ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents')
- as submitted by the Directors of **ITC Limited** ('the Company') bearing **CIN: L16005WB1910PLC001985** and having its registered office at Virginia House, 37 Jawaharlal Nehru Road, Kolkata - 700 071, to the Board of Directors of the Company ('the Board') for the Financial Year ended 31st March 2024 and Financial Year ending 31st March 2025 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these, based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial Year ended 31st March, 2024, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Sanjiv Puri	00280529	06/12/2015
2.	Mr. Sumant Bhargavan	01732482	16/11/2018
3.	Mr. Supratim Dutta	01804345	22/07/2022
4.	Mr. Hemant Malik	06435812	12/08/2023
5.	Mr. Shilabhadra Banerjee	02922331	24/07/2014
6.	Mr. Hemant Bhargava	01922717	20/12/2021
7.	Ms. Alka Marezban Bharucha	00114067	12/08/2023



Sr. No.	Name of Director	DIN	Date of Appointment
8.	Mr. Arun Duggal	00024262	15/09/2014
9.	Mr. Mukesh Gupta	06638754	27/10/2021
10.	Mr. Rahul Jain	07442202	01/01/2024
11.	Mr. Shyamal Mukherjee	03024803	11/08/2021
12.	Mr. Anand Nayak	00973758	13/07/2019
13.	Mr. Sunil Panray	09251023	11/08/2021
14.	Ms. Nirupama Rao	06954879	08/04/2016
15.	Mr. Ajit Kumar Seth	08504093	13/07/2019
16.	Ms. Meera Shankar	06374957	06/09/2012

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial Year ended 31st March, 2024.

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
**ICSI Unique Code: P1991MH040400**  
**Peer Review Cert. No.: 5218/2023**  
**S. N. Ananthasubramanian**  
**Founding Partner**  
**FCS: 4206 | COP No.: 1774**  
**ICSI UDIN: F004206F000327573**

**8th May, 2024**  
**Thane**

\*\*\*\*\*

# Shareholder Information

## Details of Annual General Meeting ('AGM')

Date	Friday, 26th July, 2024
Venue	The AGM will be held on electronic platform
Time	10.30 a.m.
Record Date for Final Dividend	Tuesday, 4th June, 2024
Dividend Payment Date	Between Monday, 29th July, 2024 and Wednesday, 31st July, 2024

## Share Transfer Agent (in-house)

The Investor Service Centre of the Company ('ISC') is registered with the Securities and Exchange Board of India ('SEBI') as Category II Share Transfer Agent for providing in-house share registration and related services to the Shareholders and Investors. ISC, accredited with ISO 9001:2015 certification, continues to provide best-in-class services to the Shareholders and Investors of the Company.

Mr. T. K. Ghosal, Deputy Secretary and Head of ISC, is the Compliance Officer under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

## Shareholder / Investor complaints

The Company attends to Shareholder / Investor complaints within three working days, except where constrained by disputes or legal impediments.

During the financial year, the Company did not receive any complaint which qualified as such in terms of the Complaint Identification Policy approved by the Securityholders Relationship Committee. Further, there was no investor complaint pending at the beginning of the year.

National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited have confirmed that there were no investor complaints pending against the Company at the end of each quarter as also on 31st March, 2024; the same position was also reflected on SCORES, the web-based complaints redressal system of SEBI.

The e-mail ID earmarked by the Company for investor complaints is **isc@itc.in**.

## Share Transfer System

Transfer of shares of a listed company can be effected only in dematerialised form in terms of the regulatory requirements. Accordingly, no share transfers in the certificate form were required to be effected by the Company during the financial year.

It is in this context, Shareholders who are holding shares in the certificate form are advised to consider dematerialising their shares.

## Dematerialisation of Shares

The shares of the Company are traded in the dematerialised form under both the Depository Systems in India - NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Company's shares under the Depository System is INE154A01025.

During the financial year, 1,25,20,482 shares of the Company, covered in 2,040 requests and constituting 0.10% of the Issued and Subscribed Share Capital of the Company, were dematerialised. The processing activities with respect to requests received for dematerialisation were completed within one to five working days.

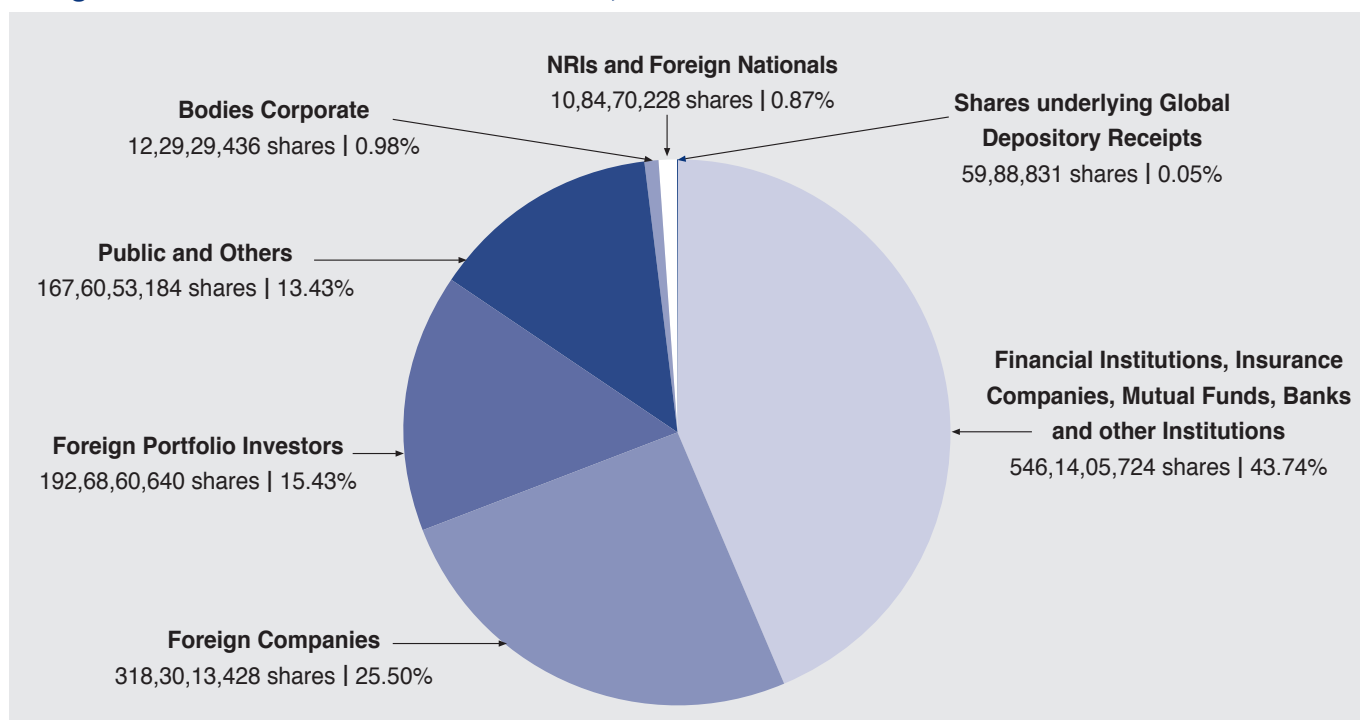
## Liquidity of Shares

The Company's shares are amongst the most liquid and actively traded shares on the Indian Stock Exchanges and consistently rank among the top frequently traded shares. As on 31st March, 2024, the Company's market capitalisation was ₹ 5,34,783 Crores (US\$ 64.12 Billion).



**Distribution of Shareholding as on 31st March, 2024**

No. of Shares Slab	No. of Shareholders				No. of Shares			
	Physical	Demat	Total	%	Physical	Demat	Total	%
1 – 5000	17,556	35,78,095	35,95,651	98.55	1,20,44,959	59,36,51,450	60,56,96,409	4.85
5001 – 10000	1,146	22,606	23,752	0.65	85,05,484	16,47,41,159	17,32,46,643	1.39
10001 – 20000	687	13,171	13,858	0.38	92,76,636	18,56,48,119	19,49,24,755	1.56
20001 – 30000	294	5,373	5,667	0.16	72,41,504	13,28,52,115	14,00,93,619	1.12
30001 – 40000	98	2,279	2,377	0.06	33,20,550	7,91,27,817	8,24,48,367	0.66
40001 – 50000	74	1,600	1,674	0.05	33,01,800	7,23,71,927	7,56,73,727	0.61
50001 – 100000	116	2,815	2,931	0.08	82,02,225	19,84,62,192	20,66,64,417	1.65
100001 and above	46	2,581	2,627	0.07	121,57,96,595	979,01,76,939	1100,59,73,534	88.16
<b>Total</b>	<b>20,017</b>	<b>36,28,520</b>	<b>36,48,537</b>	<b>100.00</b>	<b>126,76,89,753</b>	<b>1121,70,31,718</b>	<b>1248,47,21,471</b>	<b>100.00</b>

**Categories of Shareholders as on 31st March, 2024**

**Global Depository Receipts**

Pursuant to the offer of Global Depository Receipts ('GDRs') made in 1993 by the Company, 59,88,831 GDRs, representing 59,88,831 underlying shares i.e. 0.05% of the Issued and Subscribed Share Capital of the Company, were outstanding as on 31st March, 2024.

The Company's GDRs are listed on the Luxembourg Stock Exchange (Code: 004660919), 35A Boulevard Joseph II, L-1840, Luxembourg. The Listing Fee for the calendar year 2024 has been paid to the Luxembourg Stock Exchange ('LSE').

## Shareholder Information

### Listing of Shares on Stock Exchanges with Stock Code

Stock Exchange	Stock Code
<b>National Stock Exchange of India Limited ('NSE')</b> Exchange Plaza, Plot No. C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Telephone nos. : 022-2659 8100 / 14 Facsimile no. : 022-2659 8120 e-mail : ignse@nse.co.in Website : www.nseindia.com	ITC
<b>BSE Limited ('BSE')</b> Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Telephone nos. : 022-2272 1233 / 34 Facsimile no. : 022-2272 1919 e-mail : is@bseindia.com Website : www.bseindia.com	500875
<b>The Calcutta Stock Exchange Limited ('CSE')</b> 7, Lyons Range Kolkata 700 001 Telephone no. : 033-4025 3000 Facsimile no. : 033-4025 3030 e-mail : cseadm@csce-india.com Website : www.cse-india.com	10000018

Stock Exchange	Reuters Code	Bloomberg
NSE	ITC.NS	ITC IS
BSE	ITC.BO	ITC IB

The Listing Fees for the financial year 2024-25 have been paid to NSE, BSE and CSE.

### Monthly High and Low Quotes and Volume of Shares traded on NSE & BSE and GDRs on LSE

Year & Month	NSE			BSE			LSE		
	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (US\$)	Low (US\$)	Volume in 000's (Nos.)
2023 APRIL	428.25	378.50	1,71,368	428.00	378.60	8,512	5.20	4.60	15
MAY	452.00	411.35	2,88,306	452.00	411.50	9,659	N.A.	N.A.	Nil
JUNE	455.90	433.85	1,64,984	455.90	432.95	5,697	N.A.	N.A.	Nil
JULY	499.70	450.05	2,84,133	499.60	446.05	13,188	N.A.	N.A.	Nil
AUGUST	468.85	436.10	2,29,261	468.75	436.10	9,665	N.A.	N.A.	Nil
SEPTEMBER	457.00	436.65	2,05,725	456.95	436.65	7,363	N.A.	N.A.	Nil
OCTOBER	458.20	427.05	1,83,880	458.00	427.15	6,655	N.A.	N.A.	Nil
NOVEMBER	444.50	425.50	1,57,164	444.40	425.60	6,815	N.A.	N.A.	Nil
DECEMBER	467.90	437.40	2,54,716	468.00	437.55	12,274	N.A.	N.A.	Nil
2024 JANUARY	481.45	437.40	2,86,079	481.40	437.25	17,677	N.A.	N.A.	Nil
FEBRUARY	447.75	399.40	3,76,523	447.80	399.50	21,481	N.A.	N.A.	Nil
MARCH	438.00	399.35	4,87,270	439.00	399.30	4,55,952	N.A.	N.A.	Nil

There was no trading in the Company's shares on CSE during the financial year 2023-24.



### ITC Share Price vis-à-vis Nifty 50



Note: Indicates monthly closing positions.

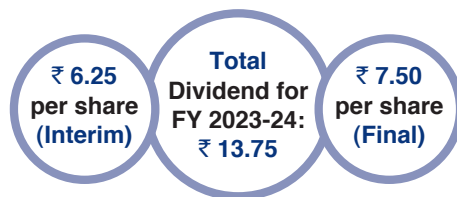
### ITC Share Price and Volume traded on NSE



Note: Indicates monthly high & low share price and volume.

## Shareholder Information

### Dividend



As one of India's foremost private sector companies, the Company has performed consistently for over a century and has rewarded Shareholders since inception with uninterrupted dividends. Details of dividend for the last 10 financial years are provided below:

Financial Year	Dividend per Share (including Interim Dividend) (₹)	Dividend (₹ in Crores)	Dividend Distribution Tax (₹ in Crores)	Total Dividend including Dividend Distribution Tax, where applicable (₹ in Crores)
2023-24	13.75 *	17,162.99	N.A.	17,162.99
2022-23	15.50 @	19,255.02	N.A.	19,255.02
2021-22	11.50	14,171.55	N.A.	14,171.55
2020-21	10.75	13,230.31	N.A.	13,230.31
2019-20	10.15	12,476.63	N.A.	12,476.63
2018-19	5.75	7,048.71	1,448.88	8,497.59
2017-18	5.15	6,285.21	1,291.94	7,577.15
2016-17	4.75 #	5,770.01	1,174.64	6,944.65
2015-16	8.50 ^	6,840.13	1,392.48	8,232.61
2014-15	6.25	5,009.71	1,019.86	6,029.57

\* Includes Final Dividend of ₹ 7.50 per share, which is subject to the approval of the Shareholders.

@ Includes Special Dividend of ₹ 2.75 per share.

# On expanded Share Capital arising out of Bonus Shares issued in the ratio of 1:2.

^ Includes Special Dividend of ₹ 2.00 per share.

### Financial Calendar

Financial Year 2024-25 (1st April - 31st March)		
1	First Quarter Results	July / August 2024
2	Second Quarter and Half-Year Results	October / November 2024
3	Third Quarter Results	January / February 2025
4	Fourth Quarter and Annual Results	May 2025

### Particulars of past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolution passed
112th	2022-23	The AGM was held on electronic platform	11/08/2023	10.30 a.m.	<ul style="list-style-type: none"> <li>Appointment of Ms. A. M. Bharucha as an Independent Director with effect from 12th August, 2023.</li> <li>Re-appointment of Mr. A. Nayak as an Independent Director with effect from 13th July, 2024.</li> <li>Re-appointment of Mr. A. K. Seth as an Independent Director with effect from 13th July, 2024.</li> </ul>
111th	2021-22		20/07/2022		–
110th	2020-21		11/08/2021		–



## Postal Ballot through E-voting

- During the financial year, the following Resolutions were passed by the Shareholders by requisite majority by way of postal ballot through e-voting. The Board of Directors of the Company appointed Mr. R. L. Auddy, Senior Solicitor and Partner, Messrs. Sandersons & Morgans, Advocates & Solicitors, as the Scrutinizer for scrutinizing the postal ballot through e-voting. Brief details pertaining to the said postal ballot are provided below:

	Appointment of Mr. R. Jain as a Non-Executive Director (Resolution No. 1 - Ordinary Resolution)	Appointment of Mr. A. Singh as a Non-Executive Director (Resolution No. 2 - Ordinary Resolution)	Appointment of Ms. P. Subrahmanyam as an Independent Director (Resolution No. 3 - Special Resolution)
Date of Postal Ballot Notice	19th October, 2023	29th January, 2024	
Date of completion of despatch of Postal Ballot Notice	21st November, 2023	18th February, 2024	
Period of e-voting	22nd November, 2023 to 21st December, 2023	19th February, 2024 to 19th March, 2024	
Date of declaration of results	22nd December, 2023	20th March, 2024	

The results of the postal ballot through e-voting were as follows:

Resolution	Votes in favour of the Resolution		Votes against the Resolution	
	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast
Resolution No. 1	993,10,26,611	96.16	39,70,60,309	3.84
Resolution No. 2	964,43,99,788	92.37	79,64,48,989	7.63
Resolution No. 3	1042,28,01,341	99.83	1,81,11,058	0.17

- No special resolution is proposed to be passed by postal ballot.

## Plant Locations

### CIGARETTE FACTORIES

#### Bengaluru

1. Meenakunte Village  
Jala Hobli  
Bengaluru North Taluk  
Karnataka 562 157

#### Kolkata

2. 93/1, Karl Marx Sarani  
Kolkata  
West Bengal 700 043

#### Munger

3. Basdeopur P.O.  
District Munger  
Bihar 811 202

#### Pune

4. Plot No. B - 27, MIDC  
Ranjangaon, Taluka Shirur  
District Pune  
Maharashtra 412 220

#### Saharanpur

5. Sardar Patel Marg  
Saharanpur  
Uttar Pradesh 247 001

### GREEN LEAF THRESHING PLANTS

#### Anaparti

1. Anaparti  
District East Godavari  
Andhra Pradesh 533 342

#### Chirala

2. Chirala  
District Bapatla  
Andhra Pradesh 523 157

#### Nanjangud

3. Thandya Industrial Area  
Immavu & Adakanahalli Villages  
Nanjangud Taluk  
District Mysuru  
Karnataka 571 302

### SPICES PROCESSING PLANT

#### Guntur

- Plot Nos. 1, 2 & 2A, Spices Park  
Mydavolu Village  
Edlapadu Mandal  
District Guntur  
Andhra Pradesh 522 233

### PACKAGING & PRINTING FACTORIES

#### Chennai

1. Tiruvottiyur  
Chennai  
Tamil Nadu 600 019

#### Haridwar

2. Plot No. 1, Sector - 11  
Integrated Industrial Estate  
Haridwar  
Uttarakhand 249 403

#### Munger

3. Basdeopur P.O.  
District Munger  
Bihar 811 202

#### Nadiad

4. Memdabad - Nadiad Road  
Village Silod, Taluka Nadiad  
District Kheda  
Gujarat 387 320

### PAPER & PAPERBOARD MILLS

#### Bollaram

1. Anrich Industrial Estate  
Bollaram Municipality, Jinnaram Mandal  
District Sangareddy  
Telangana 502 325

#### Sarapaka

2. Sarapaka Village  
Burgampahad Mandal  
District Bhadradi Kothagudem  
Telangana 507 128

#### Thekkampatty

3. Thekkampatty Village  
Vivekanandapuram Post  
Mettupalayam Taluk, District Coimbatore  
Tamil Nadu 641 113

#### Tribeni

4. Village & Post Chandrahati  
District Hooghly  
West Bengal 712 504

## Shareholder Information

### FOODS FACTORIES

#### Agra

- 13.2 Km. Stone, Shamshabad Road  
Village Naufri  
Post Shyamo, Agra  
Uttar Pradesh 283 125

#### Bikaner

- Plot No. F-16  
Bichhawal Industrial Area  
Phase II, Bikaner  
Rajasthan 334 006

#### Haridwar

- Plot No. 1, Sector - 11  
Integrated Industrial Estate  
Haridwar  
Uttarakhand 249 403

#### Jaitpura

- Plot Nos. F-170-171 & G-172-173  
Jaitpura Industrial Area, Jaipur  
Rajasthan 303 704

#### Jammu

- Khasra Nos. 74, 78 & 117  
Bari Brahmana, Village Rakh Rajpur  
Jammu, Samba  
Jammu & Kashmir 181 133

#### Kamrup

- NH - 37, Bortejpur  
Mouza Rampur  
Kukurmara, District Kamrup  
Assam 781 134

#### Kapurthala

- Plot Nos. A-1-A & A-1-B  
Integrated Mixed Use Industrial Park  
Village Jhalthikriwal, District Kapurthala  
Punjab 144 601

#### Khordha

- IDCO Plot No. 4  
Kholadwara Industrial Area  
District Khordha  
Odisha 752 050

#### Malur

- Survey Nos. 15/1 & 15/2  
Madviala Gram Panchayat  
Village Yeshwanthpura, District Kolar  
Karnataka 563 130

#### Medak

- 395-412, 416, 417, 447, 449-451  
Next to TSTransco Sub-station  
Manoharabad, Medak  
Telangana 502 336

#### Munger

- Sitakund Industrial Area  
Village Nandlalpur, District Munger  
Bihar 811 202

#### Nanjangud

- Survey No. 77/3  
Thandya Industrial Area  
Immavu & Adakanahalli Villages  
Nanjangud Taluk, District Mysuru  
Karnataka 571 302

#### Panchla

- Mouza Kulai, J. L. No. 26  
P.S. Panchla, District Howrah  
West Bengal 711 322

#### Pudukkottai

- Vadugapatti & Velur Villages  
Taluk Illupur, District Pudukkottai  
Tamil Nadu 621 316

#### Pune

- Plot No. D - 1, MIDC  
Ranjangaon, Taluka Shirur  
District Pune  
Maharashtra 412 220

#### Reengus

- F-122 & F-126  
Shree Khatu Shyam Industrial Area  
Reengus, District Sikar  
Rajasthan 332 404

#### Sankrail

- F-21, Sudharas Food Park  
Kandua Gram Panchayat  
P.S. Sankrail, Howrah  
West Bengal 711 302

#### Uluberia

- Mouza Amraberia, J. L. No. 8  
P.S. Uluberia, District Howrah  
West Bengal 711 303

### PERSONAL CARE PRODUCTS FACTORIES

#### Haridwar

- Plot No. 1, Sector - 11  
Integrated Industrial Estate, Haridwar  
Uttarakhand 249 403

#### Kamrup

- NH - 37, Bortejpur  
Mouza Rampur  
Kukurmara, District Kamrup  
Assam 781 134

#### Manpura

- Village Manpura  
Tehsil Baddi, District Solan  
Himachal Pradesh 174 101

### PLANTS UNDER CONSTRUCTION

#### Sandila

- Integrated Consumer Goods  
Manufacturing Facility  
Plot No. H-1, Industrial Area, Phase II  
Village Samodha, Sandila, District Hardoi  
Uttar Pradesh 241 204

#### Uluberia

- Personal Care Products Factory  
Mouza Malanchaberia, J. L. No. 56  
P.S. Uluberia, District Howrah  
West Bengal 711 316

### HOTELS

#### Owned Hotels

##### Agra

- ITC Mughal  
Taj Ganj, Agra  
Uttar Pradesh 282 001

##### Ahmedabad

- ITC Narmada  
Judges Bungalow Road  
Vastrapur, Ahmedabad  
Gujarat 380 015

##### Amritsar

- Welcomhotel Amritsar  
Raja Sansi, Ajnala Road  
Amritsar  
Punjab 143 101

##### Bengaluru

- ITC Gardenia  
1, Residency Road, Bengaluru  
Karnataka 560 025
- ITC Windsor  
25, Windsor Square  
Golf Course Road, Bengaluru  
Karnataka 560 052
- Welcomhotel Bengaluru  
46, Richmond Road, Bengaluru  
Karnataka 560 025

##### Bhubaneswar

- Welcomhotel Bhubaneswar  
D/1, Mz. Dumuduma, District Khordha  
Bhubaneswar  
Odisha 751 019

##### Chennai

- ITC Grand Chola  
63, Mount Road, Guindy  
Chennai  
Tamil Nadu 600 032
- Welcomhotel Chennai  
Cathedral Road, Chennai  
Tamil Nadu 600 086

#### Coimbatore

- Welcomhotel Coimbatore  
1266/14, West Club Road  
Race Course Area, Coimbatore  
Tamil Nadu 641 018

#### Goa

- ITC Grand Goa Resort & Spa  
Arossim Beach Road, Cansaulim  
Goa 403 712

#### Guntur

- Welcomhotel Guntur  
4-5-10 Vidyannagar Ring Road, Guntur  
Andhra Pradesh 522 007

#### Hyderabad

- ITC Kohenur  
Plot No. 5, Hyderabad Knowledge City  
Madhapur, Hyderabad  
Telangana 500 081

#### Jaipur

- ITC Rajputana  
Palace Road, Jaipur  
Rajasthan 302 006

#### Kolkata

- ITC Sonar  
1, JBS Haldane Avenue  
Kolkata  
West Bengal 700 046
- ITC Royal Bengal  
1, JBS Haldane Avenue  
Kolkata  
West Bengal 700 046

#### Mumbai

- ITC Maratha  
Sahar, Mumbai  
Maharashtra 400 099
- ITC Grand Central  
287, Dr. B. Ambedkar Road  
Parel, Mumbai  
Maharashtra 400 012

#### New Delhi

- ITC Maurya  
Sardar Patel Marg  
Diplomatic Enclave  
New Delhi 110 021
- Sheraton New Delhi  
District Centre, Saket  
New Delhi 110 017

#### Licensed Hotels

##### Ahmedabad

- Fortune Park, Ahmedabad  
Ellis Bridge, Ahmedabad  
Gujarat 380 006

##### Gurugram

- ITC Grand Bharat  
P.O. Hasanpur, Tauru  
District Mewat, Gurugram  
Haryana 122 105

##### Port Blair

- Welcomhotel Bay Island  
Marine Hill, Port Blair  
Andaman & Nicobar Islands 744 101

##### Vadodara

- Welcomhotel Vadodara  
R. C. Dutt Road, Alkapuri  
Vadodara  
Gujarat 390 007

#### Hotels under Operating Services

##### Ahmedabad

- Welcomhotel Ahmedabad  
15 Ashram Road, Dandi Kuch Circle  
Ahmedabad  
Gujarat 380 013

##### Aurangabad

- Welcomhotel Rama International  
R - 3, Chikalhana, Jalna Road  
Aurangabad  
Maharashtra 431 003



## Shareholder Information

### Chail

27. Welcomhotel Chail  
Tavleen Chail, Bhalawag Forest  
Kandaghat-Chail-Kufri Road  
Near Janedghat, Shimla  
Himachal Pradesh 173 217

### Chennai

28. Welcomhotel GST Road Chennai  
1, GST Road, SP Koil  
Maraimalai Nagar, Chennai  
Tamil Nadu 603 204

### Colombo

29. ITC Ratnadipa  
21 Galle Face Centre Road  
Colombo 00100  
Sri Lanka

### Dharamshala

30. Storii Amoha Retreat  
Village Diktu, P.O. Jheol  
District Kangra, Tehsil Dharamshala  
Himachal Pradesh 176 001

### Goa

31. Storii Shanti Morada  
8/123, Bairo Alto Vaddo  
Saligao, North Goa  
Goa 403 511
32. Storii Moira Riviera Goa  
Tin Manas Bambordem  
Moirra, Bardez, North Goa  
Goa 403 507

### Hyderabad

33. ITC Kakatiya  
6-3-1187, Begumpet, Hyderabad  
Telangana 500 016

### Jaipur

34. Mementos Jaipur  
Village Natata, Near Kukas, Jaipur  
Rajasthan 302 028

### Jim Corbett

35. Welcomhotel Jim Corbett  
Village Kyari, Tehsil Salt  
Ramnagar Betalghat Road, District Almora  
Uttarakhand 263 646

### Jodhpur

36. Welcomhotel Jodhpur  
Khasra No. 53  
Uchiyada Village, Jodhpur  
Rajasthan 342 027

### Katra

37. Welcomhotel Katra  
9 Shrine View, SMVD Chowk  
Katra, Reasi  
Jammu & Kashmir 182 301

### Khimsar

38. Welcomhotel Khimsar Fort & Dunes  
P.O. Khimsar, District Nagaur  
Rajasthan 341 025

### Mamallapuram

39. Welcomhotel Kences Palm Beach  
No. 53, Devaneri Village, East Coast Road  
District Kanchipuram, Mamallapuram  
Tamil Nadu 603 104

### Manali

40. Welcomhotel Hamsa  
Village Buruwa, Manali  
Himachal Pradesh 175 103
41. Storii Urvashi's Retreat  
Shanag Road, P.O. Bahang, Manali  
Himachal Pradesh 175 103

### Mashobra

42. Welcomhotel Shimla  
Village Patengali (Tarapur)  
P.O. Mashobra, Shimla  
Himachal Pradesh 171 007

### Mussoorie

43. Welcomhotel The Savoy  
Library Bazar, Gandhi Chowk  
P.O. Savoy, Mussoorie  
Uttarakhand 248 179

### New Delhi

44. Welcomhotel Dwarka  
Plot No. 3, Sector - 10  
District Centre, Dwarka  
New Delhi 110 075

### Pahalgam

45. Welcomhotel Pine-n-Peak  
Aru Road, Near Amusement Park  
Pahalgam  
Jammu & Kashmir 192 126

### Panchkula

46. Welcomhotel Bella Vista  
SM - 8, City Center  
Sector - 5, Panchkula  
Haryana 134 109

### Udaipur

47. Mementos Ekaya  
Raya, Near Eklingji Temple  
Udaipur  
Rajasthan 313 324

### Visakhapatnam

48. Welcomhotel Devee Grand Bay  
Beach Road, Visakhapatnam  
Andhra Pradesh 530 002

### HOTEL UNDER CONSTRUCTION

#### Puri

- Welcomhotel Puri  
Plot Nos. 360(P) & 321(P)  
New Marine Drive Road, Sipasarubali, Puri  
Odisha 752 001

### CHOUPAL SAAGARS – RURAL SERVICES CENTRES

#### Amravati

1. Patwari Halka No. 48  
Mouza Devlgaon, Pargane Nandgaon Peth  
Taluka & District Amravati  
Maharashtra 444 602

#### Badaun

2. Arazi Nos. 10 & 12/3 (Part)  
Village Khunak, Tehsil & District Badaun  
Uttar Pradesh 243 601

#### Bahraich

3. Khasra Nos. 475-476, 477 (Part), 496-kha (Part),  
497, 498 (Part), 500-Mi, 501-505, 507 & 509  
Village Mohammad Nagar  
Tehsil, Pargana & District Bahraich  
Uttar Pradesh 271 801

#### Chandouli

4. Khasra Nos. 57-62 & 641  
Village Muhabatpur, Ganj Khwaja  
Pargana Dhoos, Tehsil Mughal Sarai  
District Chandouli  
Uttar Pradesh 232 104

#### Chindwara

5. Survey Nos. 16/1-16/2 & 16/4-16/7  
Settlement No. 7, Patwari Halka No. 34, R. I. Circle  
Village Imaliya Bohata, Chindwara - I  
Tehsil & District Chindwara  
Madhya Pradesh 480 001

#### Dewas

6. Survey Nos. 294/2 & 295  
Patwari Halka No. 26  
Village Lohar Pipliya, Tehsil & District Dewas  
Madhya Pradesh 455 001

#### Dhar

7. Survey No. 438, Patwari Halka No. 13  
Village Jaitpura, Tehsil & District Dhar  
Madhya Pradesh 454 001

#### Gonda

8. Arazi Nos. 420 (Part), 421-424, 427-428, 431,  
433-434, 442-446, 447 (Part),  
448 (Part), 450-456, 456 (kha) & 457 (Part)  
Village Haripur, Tehsil & District Gonda  
Uttar Pradesh 271 001

#### Hardoi

9. Arazi Nos. 658 & 659  
Village Korriyan, Pargana Gopamau  
Tehsil & District Hardoi  
Uttar Pradesh 241 001

### Hathras

10. Khasra No. 21, Village Srinagar  
Tehsil Sasni, District Hathras  
Uttar Pradesh 204 216

### Itarsi

11. Survey Nos. 309/1, 310/2 & 310/3  
Patwari Halka No. 11, Village Raisalpur  
Tehsil Itarsi, District Hoshangabad  
Madhya Pradesh 461 111

### Jagdishpur

12. Khasra Nos. 2377-2380  
Village Kathura, Pargana Jagdishpur  
Tehsil Musafirkhana, District Amethi  
Uttar Pradesh 227 817

### Mandsaur

13. Survey Nos. 30-33  
Patwari Halka No. 14, Village Azizkhedi  
Tehsil & District Mandsaur  
Madhya Pradesh 458 001

### Mhow

14. Survey Nos. 188/2, 189/1, 189/2, 189/4,  
190/1, 191 & 192/2  
Patwari Halka No. 20  
Village Gawli Palasia, Vikaskhand Mhow  
Tehsil Mhow, District Indore  
Madhya Pradesh 453 441

### Nagda

15. Khasra Nos. 1393 (Part), 1394 (Part),  
1396/1 & 1397/1  
Patwari Halka No. 18, Village Padliya Kala  
Tehsil Nagda, District Ujjain  
Madhya Pradesh 456 335

### Parbhani

16. Gate No. 803  
Near Water Filter Plant, Village Assola  
Vasmat Road, Taluka & District Parbhani  
Maharashtra 431 401

### Pilibhit

17. Khasra No. 261  
Village Sandiya Mustakil  
Tehsil, Pargana & District Pilibhit  
Uttar Pradesh 262 001

### Ratlam

18. Survey Nos. 107/1-107/3  
R. I. Circle No. 5, Moondri  
Patwari Halka No. 31  
Village Kharakhedi, Tehsil & District Ratlam  
Madhya Pradesh 457 001

### Sehore

19. Khasra Nos. 208-209  
Patwari Halka No. 36  
Village Rafiqganj, Tehsil & District Sehore  
Madhya Pradesh 466 001

### Ujjain

20. Survey Nos. 433/3, 456 & 458  
R. I. Circle No. 2, Patwari Halka No. 19  
Village Kamed, Tehsil Ghattia, District Ujjain  
Madhya Pradesh 456 001

### Vidisha

21. New Revenue Survey Nos. 18 & 18/2  
Patwari Halka Nos. 35 & 45  
Village Bais, Tehsil & District Vidisha  
Madhya Pradesh 464 001

### Wardha

22. Survey Nos. 151/1 & 151/4  
Wardha - Hinghaghat Road, Inzapur  
Taluka & District Wardha  
Maharashtra 442 001

### Washim

23. Survey No. 104  
Patwari Halka No. 10  
Mouza Zakalwadi, Taluka & District Washim  
Maharashtra 444 505

### Yavatmal

24. Bhumapan # 15/2A  
Village Parwa, Pandharkoda Road  
Taluka & District Yavatmal  
Maharashtra 445 001

## Shareholder Referencer

### Service of Documents

In conformity with the regulatory requirements, the Notice of the 113th Annual General Meeting of the Company and the Report and Accounts 2024 are being sent only through electronic mode to those Shareholders who have registered their e-mail address with the Company or with the Depositories. The Company will also provide physical copies of the Notice and the Report and Accounts 2024 to the Shareholders upon request.

Shareholders who have not registered their e-mail address with the Company are requested to register the same at <https://eform.itcportal.com>. Alternatively, Shareholders may send a letter requesting for registration of their e-mail address, mentioning their name and DP ID & Client ID / folio number, through **e-mail at [isc@itc.in](mailto:isc@itc.in)** or by **post to the Investor Service Centre** of the Company ('ISC') at 37 Jawaharlal Nehru Road, Kolkata 700 071.

### KYC details of Shareholders holding shares in the certificate form

Shareholders holding shares in the certificate form are required to furnish to the Company their Permanent Account Number ('PAN'), which should be duly linked to their Aadhaar Number, specimen signature, bank account details, complete postal address including pin code, and mobile number.

Shareholders who are yet to provide any of the aforesaid information to the Company or who would like to advise any change in such information may use the prescribed forms for this purpose, which may be accessed on the Company's corporate website at <https://www.itcportal.com/mandatory-furnishing>, or can be furnished by ISC on request.

Pursuant to the regulatory requirements, ISC in the absence of any of the aforesaid information, will not be able to process any service request from such Shareholders such as sub-division / consolidation / renewal of share certificates, issue of duplicate share certificates, change of address or bank particulars etc. Also, dividend will only be paid to such Shareholders once they furnish all the aforesaid information to the Company.

### Dividend

The Company provides the facility for remittance of dividend to Shareholders through RTGS ('Real Time Gross Settlement') / NACH ('National Automated Clearing House') / NEFT ('National Electronic Funds Transfer').

Shareholders who have not opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including IFSC ('Indian Financial System Code') and MICR ('Magnetic Ink Character Recognition') Number, to the respective Depository Participants ('DPs'), if the shares are held in the dematerialised form, or to ISC in respect of shares held in the certificate form. Shareholders holding shares in the certificate form may use the prescribed form for this purpose, which is available on the Company's corporate website at <https://www.itcportal.com/form>, or can be furnished by ISC on request.

Pursuant to the Income-tax Act, 1961, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct tax at source from such dividend at the prescribed rates. A separate communication providing detailed information and instructions with respect to tax on the Final Dividend for the financial year ended 31st March, 2024 is being sent to the Shareholders.

### Transfer of unclaimed dividend and shares to the Investor Education and Protection Fund

During the financial year 2023-24, unclaimed dividend for the financial year 2015-16 aggregating ₹ 25,27,91,438/- and 24,79,698 shares in respect of which dividend entitlements remained unclaimed for seven consecutive years, were transferred by the Company to the Investor Education and Protection Fund established by the Central Government ('IEPF'), pursuant to the regulatory requirements.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2015-16 and the shares from the IEPF Authority by applying in the prescribed Form No. IEPF-5, which can be accessed through the Company's corporate website at <https://www.itcportal.com/IEPF-claim> and also on the website of the IEPF Authority at <https://www.iepf.gov.in/IEPF/corporates.html>.

The due dates for transfer of unclaimed dividend and the shares to the IEPF for the subsequent financial years are given in the table below. Attention in particular is drawn that the unclaimed dividend for the financial year 2016-17 and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 2nd September, 2024. Separate communication for this purpose has been sent to the concerned Shareholders advising them to write to ISC to claim their dividend and notices in this regard have also been published in the newspapers. Details of such unclaimed dividend and the shares are available on the Company's corporate website at [http://info-dividend-shares.itcportal.com/popup\\_new.aspx](http://info-dividend-shares.itcportal.com/popup_new.aspx) and <http://info-dividend-shares.itcportal.com/popupiepf.aspx>, respectively.



**Transfer of unclaimed dividend and shares to the Investor Education and Protection Fund (Contd.)**

Financial Year	Dividend Identification No.	Date of declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31/03/2024		Due date for transfer of dividend and shares to IEPF
				(₹)	%	
2016-17	87th	28th July, 2017	57,70,01,46,310	23,69,87,492	0.41	2nd September, 2024 *
2017-18	88th	27th July, 2018	62,85,22,11,487	23,68,02,585	0.38	27th August, 2025
2018-19	89th	12th July, 2019	70,48,72,63,716	20,49,50,078	0.29	12th August, 2026
2019-20	90th	4th September, 2020	1,24,76,63,21,288	31,52,64,196	0.25	5th October, 2027
2020-21	Interim Dividend	11th February, 2021	61,52,68,08,755	16,64,48,720	0.27	15th March, 2028
	91st (Final Dividend)	11th August, 2021	70,77,62,73,691	18,95,59,416	0.27	13th September, 2028
2021-22	Interim Dividend	3rd February, 2022	64,69,47,59,808	18,15,88,409	0.28	7th March, 2029
	92nd (Final Dividend)	20th July, 2022	77,02,07,16,603	21,43,97,400	0.28	22nd August, 2029
2022-23	Interim Dividend	3rd February, 2023	74,48,40,89,766	20,74,88,307	0.28	8th March, 2030
	93rd (Final Dividend)	11th August, 2023	1,18,06,67,41,295	34,58,36,476	0.29	11th September, 2030
2023-24	Interim Dividend	29th January, 2024	77,99,49,28,801	17,75,26,875	0.23	5th March, 2031

\* ISC will not be able to entertain any claim received after 30th August, 2024.

**Unclaimed Shares**

The status of unclaimed shares of the Company transferred to the demat account, 'ITC Limited - Unclaimed Suspense Account', in accordance with the regulatory requirements, is as follows:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2023	6,494	59,47,514
Number of Shareholders who approached the Company during the year for transfer of shares from the Unclaimed Suspense Account	154	3,58,220
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	138	3,84,897
Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF	134	2,44,785
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2024	6,356	53,17,832 *

\* Voting rights in respect of these shares will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned Shareholders.

**Depository Services**

Shareholders may write to the respective Depository / DPs or to ISC for guidance on depository services. The contact details of the Depositories are given below:

**National Securities Depository Limited**

Trade World, 'A' Wing, 4th Floor  
Kamala Mills Compound  
Senapati Bapat Marg, Lower Parel  
Mumbai 400 013

Telephone no. : 022-4886 7000  
Facsimile no. : 022-2497 6351  
e-mail : info@nsdl.co.in  
Website : www.nsdl.co.in

**Central Depository Services (India) Limited**

Marathon Futurex, 'A' Wing, 25th Floor  
Mafatal Mills Compound  
N. M. Joshi Marg, Lower Parel  
Mumbai 400 013

Telephone no. : 022-2305 8640  
Facsimile no. : 022-2300 2035  
e-mail : helpdesk@cdslindia.com  
Website : www.cdslindia.com

**Address for Correspondence with ISC**

Investor Service Centre  
ITC Limited  
37 Jawaharlal Nehru Road  
Kolkata 700 071

Telephone nos. : 1800-345-8152 (toll free), 033-2288 6426 / 0034  
Facsimile no. : 033-2288 2358  
e-mail : isc@itc.in  
Website : www.itcportal.com

Shareholders holding shares in the dematerialised form should address their correspondence to the respective DPs, other than for dividend and Report and Accounts, which should be addressed to ISC.

Shareholders are requested to provide their DP ID & Client ID / folio number, e-mail address and contact number to facilitate prompt and efficient investor servicing.

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# Report of the Board of Directors

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## Management Discussion and Analysis

For the Financial Year Ended 31st March, 2024

### SOCIO-ECONOMIC ENVIRONMENT

The global economy witnessed another year of deceleration in growth to 3.2% in 2023 (Vs. 3.5% in 2022) with the slowdown being largely attributable to Advanced Economies, particularly the Euro Area and UK, and structural weakness in the Chinese economy. Advanced Economies grew by 1.6% with the US economy belying expectations of recession with a resilient performance in 2023, registering a growth of 2.5% (Vs. 1.9% in 2022). Emerging Markets & Developing Economies grew at a relatively faster pace of 4.3% (Vs. 4.1% in 2022), though remaining well below the long period average. The recent conflict in the Middle East, extreme weather events and the overlapping shocks of the past four years – COVID pandemic, Russia-Ukraine conflict, unprecedented inflation and subsequent sharp increase in interest rates – have rendered the global macroeconomic environment highly uncertain and volatile.

Going forward, aggregate global economic growth as per IMF estimates is expected to remain subdued at 3.2% in 2024, well below the historical (2000-19) annual average of 3.8%. In 2024, Advanced Economies are projected to grow at 1.7% while Emerging Markets and Developing Economies are estimated to grow at 4.2%. With expectations of inflation easing towards target levels, the timing of central banks pivoting towards policy easing in major economies remains a key monitorable in the near term.

India remained a relatively bright spot amidst the global slowdown, recording robust Real GDP growth of 7.6% in FY 2023-24. Growth was primarily driven by Fixed Investments led by Government's thrust on infrastructure creation and household investments in real estate. Private Consumption, on the other hand, grew 3.0% - its slowest pace in two decades. The weakness in consumption was reflected, inter alia, in the muted volume growth of the FMCG sector (FY 2023-24 Volume growth appx. 3% Vs. 7% p.a. average in the pre-pandemic period). While Industry and Services sectors grew by 9.0% and 7.5% respectively, growth in the Agri sector slowed to 0.7%, with adverse weather events impacting harvests.

Going forward, the Indian economy is expected to sustain its high growth trajectory in FY 2024-25 driven by strong momentum in Fixed Investments and a pick-up in Private Consumption on the back of moderation in inflation, improvement in agri terms of trade, a good Rabi harvest and normal monsoons. Green shoots of recovery in rural markets, improving employment conditions and sustained momentum in manufacturing and services sectors augur well for consumption demand in the near term.

India continues to be acknowledged as one of the fastest growing major economies in the world with significant headroom for growth over the medium and long-term benefiting from a slew of purposeful

Going forward, the Indian economy is expected to sustain its high growth trajectory in FY 2024-25 driven by strong momentum in Fixed Investments and a pick-up in Private Consumption on the back of moderation in inflation, improvement in agri terms of trade, a good Rabi harvest and normal monsoons.



interventions over several years. A favourable demographic profile, increasing affluence, rapid urbanisation and accelerated digital adoption represent some of the key structural drivers of growth of the Indian Economy. Multi-dimensional interventions undertaken by the Government of India towards expansion of physical and digital public infrastructure, enhancing the competitiveness of the manufacturing sector, indirect/direct taxation and financial sector reforms along with measures to promote ease of doing business are expected to power the economy going forward. While stepped-up capital expenditure outlay and focus on infrastructure are expected to drive growth in domestic manufacturing, focus on agri-related schemes are expected to boost farmers' welfare and rural consumption demand, spurring a virtuous investment-employment-consumption cycle.

As the Indian economy contends with uncertainties in the external environment, policy interventions focused on supporting sustainable livelihoods and fostering inclusive growth augur well for the economy. Structural support would need to be provided to sectors with large economic multiplier impact. In this regard, the development of robust domestic agri and wood-based value chains hold special importance in the Indian context given their enormous potential to contribute to national objectives.

The agricultural sector is pivotal to the Indian economy, employing about half of the country's workforce. India is amongst the leading producers in the world of several agri-commodities, including milk, rice, wheat, sugarcane, cotton, pulses, spices, fruits & vegetables. While India's agri exports have grown strongly in recent years to a peak of US\$ 53 billion in

FY 2022-23, it witnessed a decline to US\$ 49 billion in FY 2023-24 due to restrictions imposed during the year on agri-commodity trading led by concerns over food security and inflation on the back of geopolitical tensions and climate emergencies. India's share of global agri-trade remains low at only about 3%. Enhancing agricultural productivity and value addition to international standards, while simultaneously improving market linkages, remain critical to enhance competitiveness of the agri sector and drive significant increase in farmers' income.

The farm sector faces enormous threats arising out of climate change as evident from the growing number of extreme weather events such as droughts and floods. Given the vulnerabilities, it is critical to strengthen climate resilience and adaptability of the agri-food sector. An exponential increase in crop production and productivity, backed by climate smart agriculture, will be critical in meeting the growing needs of an increasing population as also in mitigating potential risks. Evolving consumer preferences are also driving a shift towards nutritious and sustainably sourced food products. These developments accentuate the need to enhance the competitiveness of agri value chains to cater to the dynamic market requirements of the future. India, with its tremendous strengths in this sector, has a unique opportunity to play a leading role in this global transition and in forging an eco-system of sustainable, regenerative and climate smart agriculture.

In this regard, the Government's focus on promoting Farmer Producer Organisations (FPOs) holds immense potential to catalyse agricultural transformation by leveraging economies of scale, enabling sustainable

The agricultural sector is pivotal to the Indian Economy. Enhancing agricultural productivity and value addition to international standards, while simultaneously improving market linkages, remain critical to strengthening competitiveness of the agri sector and drive significant increase in farmers' income.

## Report of the Board of Directors

agriculture, supporting market-led production and creating larger market access. Government interventions encouraging private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chain, primary and secondary processing, marketing and branding are steps in the right direction and will go a long way in unlocking the full potential of the agri sector.

In this context, your Company has adopted targeted collaborative models to multiply the scale and impact of its agri and rural interventions. This collaborative approach, as opposed to a traditional transactional approach, can contribute meaningfully towards building next generation agriculture that is climate resilient and capable of supporting gainful livelihoods. Digitalisation of agriculture also offers the potential to increase productivity and foster structural changes across the value chain thereby enabling efficient use of resources. In line with its commitment to harness the power of cutting-edge digital technologies and NextGen agri practices towards unlocking the potential of India's farmers, your Company had launched ITCMAARS (Metamarket for Advanced Agriculture and Rural Services). The initiative continues to be scaled up rapidly and currently covers over 1.5 million farmers and over 1,650 FPOs, across 10 states and over 18,000 villages. This 'phygital' ecosystem continues to empower the farming community and FPOs by delivering personalised and dynamic advisory services as well as hyperlocal offerings including market linkages, agri inputs and credit enablement. Further details on this transformative initiative are provided in the Agri Business section of this report.

The Government of India had inspired the United Nations to declare 2023 as the 'International Year of Millets'. This drew global attention to this 'super-grain' that has the potential to redefine agriculture with its unique value proposition. Millets are climate resilient crops using substantially lesser water than other staples and grow in half the time as other crops, offering a comprehensive solution for sustained nutrition and food security.

Your Company has spearheaded 'ITC Mission Millets', leveraging its enterprise strengths in agriculture, food and hospitality to implement multi-dimensional interventions in this area. The holistic programme follows a strategic 3-fold approach – 1) developing a 'good-for-you' product portfolio, 2) implementing sustainable farming systems, and 3) enhancing consumer awareness through an Educate, Empower and Encourage approach. Your Company has implemented a focused strategy in crafting a millet-based products portfolio under its world-class Indian brands for every occasion, age and format. To cater to the diverse needs of consumers, your Company has launched products across traditional and modern formats viz. 'Gluten Free Flour', 'Multi-Millet Batter Mix', 'Atta with Millets' and 'Ragi Flour', Vermicelli, Biscuits, Snacks and Noodles under the 'Aashirvaad', 'Sunfeast', 'Bingo!' and 'YiPPee!' brands. These are being progressively scaled up across target markets. Your Company has also designed products that suit every meal occasion like millet idlis for breakfast, biscuits & cookies for snacking and noodles & pasta for other meals. The thrust on millets is further exemplified by the Hotels Business creating easy-to-try recipes with millets to help encourage individuals experiment with the taste and texture of millets. The first ever postal

Your Company's ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) initiative continues to be scaled up rapidly and currently covers over 1.5 million farmers and over 1,650 FPOs, across 10 states and over 18,000 villages.

stamp to commemorate the year of millets and your Company's unique Mission Millets initiative was also launched by the Department of Posts during the year.

In line with your Company's commitment to empower farmers, your Company has developed a millets agri-value chain with special thrust on enhancing value-addition and market linkages. Your Company is also promoting FPOs in millet farming anchored by ITCMAARS. The Agri Business has entered into a partnership with Indian Institute of Millets Research (IIMR), Hyderabad to promote high yielding varieties and advanced package of practices among millet farmers. Your Company remains committed to supporting the Government's efforts to promote millets given their immense benefits in terms of nutritional properties and attributes as a planet friendly and climate resilient crop.

It is pertinent to note that a substantial quantum of food is wasted along the chain in India, depending on the season and the inherent perishability of the crop. Higher levels of food processing in the economy can create a much larger pull for quality agri-commodities, thereby reducing farm wastages and raising farm incomes. This would require focused investments in developing product-specific climate-controlled infrastructure as well as in branded products that benefit large agri-value chains. Corporate participation is essential not only to invest in requisite infrastructure, but also to provide assured market linkages to farmers. A big thrust on India's Food Processing sector can play a pivotal role in this regard and have a large multiplier effect which will lead to significant job creation, enhance rural incomes and help manage food inflation in a sustainable manner. In this context, the PLI Scheme for the Food

Processing sector is expected to play a critical role in boosting investments, agri exports, farmer incomes, employment generation and building Indian brands for the global market. Your Company has been included under the scheme for several of its Branded Packaged Foods Businesses and in the Agri Business, details of which are provided in the subsequent sections.

Similarly, the Agro-forestry sector, as a source of raw material for wood-based industry, is woefully constrained by policies that not only impede job creation in India but also promote avoidable imports. Recent policy interventions to enable greening of wastelands and providing financial assistance to members of marginalised communities taking up Agro-forestry is a commendable starting point to reverse this situation. Supportive policies in this area would go a long way in enhancing sustainable livelihoods, augmenting alternative sources of energy (bio-fuel) and enabling import substitution for wood-based industries while simultaneously augmenting the Nation's environmental capital.

Your Company's interventions across operating segments are aligned to the national priorities of enhancing competitiveness of Indian agriculture and industry, generating large-scale employment opportunities and supporting sustainable livelihoods, driving import substitution, creating national brands to maximise value capture in India, accelerating growth in tourism, increasing Indian agri exports and promoting sustainable business practices. Investments made by your Company continue to be guided by the national objectives of 'Make in India' and 'Doubling Farmers' Income' and the overarching theme of 'Aatma Nirbhar Bharat' that seeks to make the country stronger, resilient and more competitive.

**A big thrust on India's Food Processing sector can play a pivotal role and have a large multiplier effect. PLI Scheme for Food Processing sector is expected to play a critical role in boosting investments, agri exports, farmer incomes, employment generation and building Indian brands for the global market. Your Company has been included under the scheme for several of its Branded Packaged Foods Businesses as well as Agri Business.**



## Report of the Board of Directors

The collaboration with NITI Aayog, aimed at boosting agricultural and allied activities in 27 Aspirational Districts of eight states under the Aspirational Districts programme, is in its second phase. This phase focuses on internalising capability enhancement methodology for training of farmers as well as communicating the model village template amongst Government teams and agencies such as Krishi Vikas Kendras. During the year, over 12 lakh farmers were trained on package of practices for principal crops of the region as well as on livestock management, resulting in over 44 lakh cumulative farmer interactions. Similarly, Government has also initiated work on 8,000 model villages based on the activities demonstrated by your Company across 1,350 villages during the initial period of the partnership. Estimates indicate yield improvement of up to 30% for cotton, maize, paddy and soyabean in locations covered by the programme; similarly, cost of cultivation is estimated to have reduced by nearly 15%, resulting in expansion of farmer incomes by up to 60%.

Your Company is working towards developing village level institutions, promoting women agriculturists, facilitating cadre of women service providers like Pashu Sakhis, Yojana Sakhis, Krishi Sakhis and fostering micro entrepreneurship through Agri-Business Centres and Self-Help Groups. Custom hiring centres for farm mechanisation, post-harvest product management infrastructure and community managed seed banks for self-reliance in quality seed material are also being facilitated. Environmentally sustainable farm practices, including zero-till sowing of wheat, direct seeding of rice, micro-irrigation and watershed development, continue to be promoted.

Your Company's collaboration with CGIAR's 'Climate Change and Food Security Programme' to build climate smart villages was expanded to 6,755 villages across 19 states covering nearly 19 lakh acres, supporting farmers in the management of risks arising from erratic and extreme weather events. Further, according to CGIAR's estimates, your Company's Climate Smart Village intervention in Madhya Pradesh demonstrated average increase in yield of 38% and 15% in soyabean and wheat respectively, over the baseline. Reduction in cost of cultivation along with yield improvement led to an increase in net income by 93% in soyabean and 46% in wheat over the baseline and average Green House Gas emissions reduced by 66% for soyabean and 13% for wheat as compared to the baseline. In villages where the intervention has been implemented for over three years, adoption rates for High-Yield and High-Resilience varieties have exceeded 70%, as against 20% in the baseline assessment.

In Kapurthala District, Punjab, your Company under its flagship programme of 'ITC Mission Sunehra Kal' has, over the last six years, implemented solutions that have effectively substituted the burning of paddy stubble by farmers. During the year, the programme covered nearly 2.5 lakh acres with appx. 94% of the area (2.3 lakh acres) witnessing total stoppage of stubble burning, thereby avoiding appx. 1.8 lakh tonnes of carbon release into the atmosphere.

Although India accounts for appx. 18% of the world population, its share of natural resources is disproportionately low with only 2% of global land mass, 4% of freshwater resources and 2% of forest resources. It is more critical than ever before to redouble efforts, both at the national and corporate

It is more critical than ever before to redouble efforts, both at the national and corporate level, to fashion strategies that foster sustainable, equitable and inclusive growth.

level, to fashion strategies that foster sustainable, equitable and inclusive growth.

It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods and the preservation of natural capital while enhancing shareholder value.

This 'Triple Bottom Line' approach to creating larger 'stakeholder value', as opposed to merely focusing on uni-dimensional 'shareholder value' creation, is the driving force that defines your Company's sustainability vision and its growth path into the future.

Your Company is a global exemplar in 'Triple Bottom Line' performance. The focus on creating unique business models that generate substantial livelihoods across the value chains has led to your Company's Businesses supporting over six million sustainable livelihoods, many of whom belong to the weaker sections of society.

Your Company sustained its 'AA' rating by MSCI-ESG for the sixth successive year - the highest amongst global tobacco companies. Your Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fourth year in a row – a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet. Your Company entered the prestigious 'A List' for Water by CDP achieving the highest 'A' rating 'Leadership Level' (Asia and Global average of 'C'). For CDP Climate, your Company retained its 'A-' rating 'Leadership Level' (Asia and Global average of 'C').

As a testament to your Company's 'Triple Bottom Line' philosophy and Responsible Luxury ethos, all major hotel properties of your Company are LEED Platinum®

certified, making your Company a trailblazer in green hoteliering globally. ITC Grand Chola, the 600-key super-premium luxury hotel complex in Chennai, is amongst the world's largest LEED Platinum® certified green hotels. In 2020, ITC Windsor's best practices on carbon management distinguished it as the first hotel in the world to be LEED® Zero Carbon certified. Since then, 11 more ITC Hotels have been certified as LEED® Zero Carbon. ITC Mughal became the first hotel globally to be awarded the LEED® Zero Water Certification by the U.S. Green Building Council (USGBC), followed by ITC Sonar, ITC Rajputana and ITC Maurya which are the only other hotels globally to have been awarded the certification. Your Company's 'Sankhya' data centre in Bengaluru had earlier become the first data centre in the world to be awarded the LEED® Zero Carbon certification.

In addition, your Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard which is a credible, globally-applicable and recognised framework for ensuring sustainable water management within the wider water catchment context. The Kovai unit of your Company is the first site in India and the first paper mill in the world to achieve the highest Platinum rating under the 'Alliance for Water Stewardship Standards'. During the year, five of your Company's units received the AWS Platinum level certification. Till date, seven units of your Company have achieved Platinum level certification under the AWS Standard. Your Company is in the process of implementing the AWS Standard at other units in high water stress areas and will progressively obtain AWS certification for these sites.

Your Company has been championing the urgent need to combat climate change for building a more secure future and the role it can play in enabling

Your Company sustained its 'AA' rating by MSCI-ESG for the 6th successive year. It has also been included in the Dow Jones Sustainability Emerging Markets Index for the 4th year in a row. Your Company entered the prestigious 'A List' for Water by CDP achieving the highest 'A' rating 'Leadership Level' (Asia and Global average of 'C'). For CDP Climate, your Company retained its 'A-' rating 'Leadership Level' (Asia and Global average of 'C').

## Report of the Board of Directors

a net-zero economy. Your Company continues to pursue a low carbon growth strategy through extensive decarbonisation programmes across its value chains whilst also developing adaptation plans across its sites. Your Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 22 years), 'carbon positive' (for 19 years), and 'solid waste recycling positive' (for 17 years). With its bold Sustainability 2.0 agenda, your Company is setting the bar even higher, and remains committed to making a meaningful contribution across all the three sectors of the economy – Agri, Manufacturing and Services, while retaining its status as a sustainability exemplar. Further details on this subject are available in the Sustainability section of this Report.

### FINANCIAL PERFORMANCE

Your Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment.

- The **FMCG-Others** Segment turned in a strong performance in the backdrop of weak demand conditions and significant increase in competitive intensity from regional/local players. Sustained margin expansion on the back of premiumisation, delayering operations, agile cost management and judicious pricing actions led to robust growth in operating profits. Segment Revenue for the year grew by 9.6% on a high base with Segment EBITDA growing at a significantly faster pace of 19.7% to ₹ 2338.50 crores. Segment EBITDA margins expanded by 94 bps to 11.2% during the year.
- The **FMCG-Cigarettes** Segment witnessed consolidation on a high base after a period of sustained growth momentum. Market standing was reinforced through focused portfolio/market interventions and agile execution. Differentiated variants and premium segment performed well.
- The **Hotels** Segment delivered stellar performance, clocking record highs in Revenue and Profits. Strong growth in RevPAR was driven by retail, MICE (Meetings, Incentives, Conferencing, Exhibition) and marquee events hosted in the country. Segment Revenue at ₹ 2989.50 crores and Segment EBITDA at ₹ 1049.88 crores grew by 15.6% and 26.2% respectively, on a high base. Segment EBITDA margin stood at 35.1% representing an expansion of 295 bps over the previous year.
- With the Government having to impose stock limits and restrictions on agri-commodity exports to ensure food security and control inflation, the **Agri Business** had limited business opportunities during the year in the bulk commodities space. However, the strategic portfolio of value-added agri products recorded strong growth while the overall leaf tobacco business continued to perform well.
- The **Paperboards, Paper & Packaging** Segment had to contend with soft domestic and export demand conditions which significantly depressed net realisations, cheap Chinese supplies in international markets, unprecedented escalation in domestic wood costs and high base effect.

Your Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 22 years), 'carbon positive' (for 19 years), and 'solid waste recycling positive' (for 17 years).



Structural advantages arising out of an integrated business model, Industry 4.0 initiatives, strategic investments in High Pressure Recovery Boiler and proactive capacity augmentation in Value-Added Paperboards aided in partly mitigating pressure on margins.

Overall for FY 2023-24, Gross Revenue and EBITDA stood at ₹ 69446.20 crores and ₹ 24478.61 crores respectively. Profit Before Tax and Exceptional items at ₹ 26323.34 crores, grew by 6.7% over previous year. Your Company reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Honourable Supreme Court received during the year which resulted in a credit of ₹ 468.44 crores in the Current Tax expense for the year. Profit After Tax grew by 8.9% to ₹ 20421.97 crores (previous year ₹ 18753.31 crores). Total Comprehensive Income for the year stood at ₹ 22703.03 crores (previous year ₹ 18782.57 crores). Earnings Per Share for the year stood at ₹ 16.39 (previous year ₹ 15.15).

The Directors of your Company are pleased to recommend a Final Dividend of ₹ 7.50 per share for the financial year ended 31st March, 2024. Together with the Interim Dividend of ₹ 6.25 per share paid on 27th February, 2024, the total Dividend for the financial year ended 31st March, 2024 amounts to ₹ 13.75 per share (previous year Ordinary Dividend of ₹ 12.75 per share and Special Dividend of ₹ 2.75 per share). Total cash outflow on account of Dividend (including Interim Dividend of ₹ 7799.45 crores paid in February 2024) will be ₹ 17162.99 crores.

## VALUE-ADDED AND CONTRIBUTION TO EXCHEQUER

Over the last five years, the Value-Added by your Company, i.e. the value created by the economic activities of your Company and its employees, aggregated over ₹ 292000 crores, of which over ₹ 194000 crores accrued to the Exchequer.

Including the share of dividends paid and retained earnings attributable to government owned institutions, your Company's contribution to the Central and State Governments represented appx. 74% of its Value-Added during the year.

Your Company has, over the years, consistently ranked amongst the Top 3 Indian corporates in the private sector in terms of Contribution to Exchequer.

## FOREIGN EXCHANGE EARNINGS

Your Company continues to view foreign exchange earnings as a priority. All Businesses in your Company's portfolio are mandated to engage with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth.

Foreign exchange earnings of the ITC Group over the last ten years aggregated nearly US\$ 9.3 billion, of which agri exports constituted appx. 60%. Earnings from agri exports, which effectively link small farmers with international markets, are an indicator of your Company's contribution to the rural economy.

During FY 2023-24, your Company and its subsidiaries earned ₹ 9512 crores in foreign exchange. The direct foreign exchange earned by your Company amounted to ₹ 7213 crores, mainly on account of exports of agri-commodities. Your Company's expenditure in foreign currency amounted to ₹ 2790 crores,

Over the last five years, the Value-Added by your Company, i.e. the value created by the economic activities of your Company and its employees, aggregated over ₹ 292000 crores, of which over ₹ 194000 crores accrued to the Exchequer.

## Report of the Board of Directors

comprising purchase of raw materials, spares and other expenses of ₹ 2355 crores and import of capital goods of ₹ 435 crores.

### PROFITS, DIVIDENDS AND RETAINED EARNINGS

(₹ in crores)

PROFITS	2023 - 24	2022 - 23
a) Profit Before Exceptional Items and Tax	26323.34	24677.54
b) Exceptional Items (refer note 28 (i) of Notes to the Standalone Financial Statements)	(7.57)	72.87
c) Profit Before Tax	26315.77	24750.41
d) Tax Expense		
– Current Tax	5661.21	6025.32
– Deferred Tax	232.59	(28.22)
e) Profit for the year	20421.97	18753.31
f) Other Comprehensive Income	2281.06	29.26
g) Total Comprehensive Income	22703.03	18782.57
STATEMENT OF RETAINED EARNINGS		
a) At the beginning of the year	33687.70	30060.39
b) Add: Profit for the year	20421.97	18753.31
c) Add: Other Comprehensive Income (net of tax)	(17.18)	(16.81)
d) Add: Transfer from Share Options Outstanding Account on exercise and lapse	1.67	20.82
e) Less: Dividends		
– Final Dividend of ₹ 6.75 (2023: ₹ 6.25) per share	8388.91	7702.03
– Special Dividend of ₹ 2.75 (2023: Nil) per share	3417.70	–
– Interim Dividend of ₹ 6.25 (2023: ₹ 6.00) per share	7799.45	7448.41
– Income Tax on Dividend paid (refund)	–	(20.43)
f) At the end of the year	<b>34488.10</b>	<b>33687.70</b>

### FMCG CIGARETTES

After a period of sustained growth momentum, the Business witnessed consolidation in volumes on a high base amidst subdued demand conditions in the overall consumption space, even as illicit trade remained at elevated levels. Differentiated and premium offerings saw robust traction during the year.

Your Company's leadership position in the cigarette industry continues to be driven by its unwavering focus on nurturing a future-ready portfolio of world-class products anchored on its integrated seed to smoke value chain, superior consumer insights, robust innovation pipeline and world-class product development capabilities. Your Company continues to counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution. Several differentiated variants have been introduced recently under the 'Classic', 'Gold Flake', 'American Club', 'Bristol' brands amongst others. The Business also strengthened its presence in focus markets with the launch of several differentiated offerings across segments.

During the year, your Company further strengthened its direct reach in target markets and augmented the stockist network to service rural and semi-urban markets efficiently. Your Company's investments towards building a differentiated portfolio coupled with agile and micro market focused last mile execution capabilities augur well for the future.

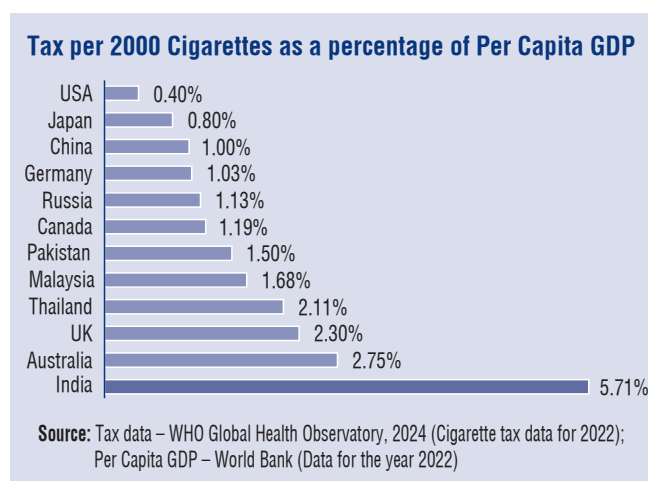
Globally, cigarettes constitute the dominant form of tobacco use. In the Indian context, tobacco use comprises a diverse range of chewing and smoking formats that are available at multiple price points consequent to punitive and discriminatory taxation on

Your Company continues to counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution.

cigarettes. While India is the world’s second largest consumer of tobacco, legal cigarettes constitute only 9% of overall tobacco consumption in India, as against a global average of 90%. It is pertinent to note that India accounts for less than 2% of global cigarette consumption despite having 18% of the world’s population - making India’s per capita cigarette consumption amongst the lowest in the world.

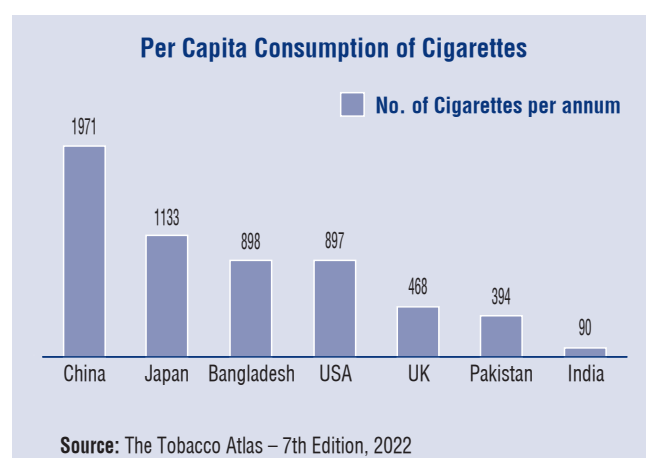
Over the years, discriminatory and punitive taxation on cigarettes has led to progressive migration of consumption from duty-paid cigarettes to other lightly taxed/tax-evaded forms of tobacco products, comprising illicit cigarettes, bidi, chewing tobacco, gutkha, zarda, snuff, etc. It is pertinent to note that while the share of legal cigarettes in total tobacco consumption has declined from 21% in 1981-82 to a mere 9%, aggregate tobacco consumption in the country has increased over the same period. As a result, despite accounting for less than 1/10th of the tobacco consumed in the country, duty-paid cigarettes contribute more than 4/5th of the revenue generated from the tobacco sector.

Taxes on cigarettes remain one of the highest in India as depicted in the chart:



Taxes on cigarettes in India are multiple times higher than in developed countries viz. 14x of USA, 7x of Japan, 6x of Germany and so on. Further, the same is also substantially higher than that in neighbouring countries.

It is pertinent to note that India’s per capita cigarette consumption is amongst the lowest in the world and is significantly lower compared to that of China, Japan, USA, UK and even neighbouring countries such as Bangladesh and Pakistan.



Historically, steep increases in taxation have adversely impacted tax collections and legal cigarette volumes, while a stable tax regime has led to buoyancy in tax collections as evidenced in the table below:

Period	Increase in Tax Incidence	Increase in Revenue Collections
FY 2012-13 to FY 2016-17 (CAGR)	15.7%	4.7%
Apr 2018 to Jan 2020 over Jul 2017 to Mar 2018	–	10.2%
Oct 2020 to Mar 2021 over Aug 2019 to Jan 2020	13.0%	1.8%
Apr 2022 to Jan 2023 over Oct 2021 to Mar 2022	–	11.1%

Punitive taxes on the legal cigarette industry in earlier years have resulted in rapid growth of illicit cigarette trade – making India the 4th largest illicit cigarette market globally according to Euromonitor estimates.



## Report of the Board of Directors

Punitive taxes on the legal cigarette industry in earlier years have resulted in rapid growth of illicit cigarette trade – making India the 4th largest illicit cigarette market globally according to Euromonitor estimates. Over the years this has created attractive tax arbitrage opportunities for unscrupulous players indulging in illicit cigarette trade. While legitimate cigarette industry volumes have declined consistently over the last decade, illicit cigarette volumes, in contrast, have grown rapidly during the same period, accounting for about 1/3rd of the legal industry. It is pertinent to note that the legal industry has been able to partially claw back volumes from illicit trade during periods of tax stability, backed by deterrent actions by enforcement agencies.

During the year, there were extensive media reports on the multitude of cases of evasion of taxes/duties by dealers in illicit cigarettes which were unearthed by raids conducted by Directorate of Revenue Intelligence (DRI) and other enforcement agencies. ‘Illicit markets: A Threat to Our National Interests’, a study published by FICCI-TARI in September 2022, noted that *“The consumption of illegal cigarettes in India has increased, signalling a shift from legal products to cheaper substitutes or illicit products, which have no or little tax element in them. When taxes are raised beyond a certain optimum level, consumers gravitate towards cheaper alternatives or illicit supplies, which are normally smuggled or tax evaded goods”*. It is estimated that illicit trade causes an annual revenue loss of appx. ₹ 21000 crores to the Exchequer. With respect to other tobacco products as well, the revenue losses are significant since about 68%<sup>1</sup> of the total tobacco consumed in the country remains outside the tax net.

<sup>1</sup> Report on the impact of current tax framework on the tobacco sector in India and suggestions for its improvement - 2014, by ASSOCHAM and KPMG.

The Directorate of Revenue Intelligence (DRI), in its report “Smuggling in India 2021-22” acknowledges the high incidence of taxes in India providing opportunities for illicit trade of cigarettes. The report states: *“High Incidence of tax on cigarettes in India results in a tax arbitrage in favour of smuggled cigarettes on which no taxes are paid and there is no statutory requirement of pictorial warning covering at least 85 percent of the packaging space. More importantly, the smuggled cigarettes are, on an average, 50 percent cheaper in the Indian Market, compared to the price of any similar cigarette brand. From a public health perspective, the smuggling of cigarettes also poses a very serious challenge since a part of the smuggled cigarettes are counterfeits and the quality of tobacco and other ingredients used in the said cigarettes, is inferior.”*

Tobacco control measures in India have ranked amongst the most stringent in the world from the time of enactment of the Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975, to the present. India is also one of the few countries where tobacco products are regulated across the value chain – from their manufacture to sale to consumers. The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COTPA) requires cigarette packages to display the statutorily mandated pictorial and textual warnings covering 85% of the surface area of the packet - one of the largest in the world.

It may be observed that smuggled international brands of cigarettes do not bear any of the pictorial or textual warnings mandated by Indian laws or, bear much smaller pictorial/textual warnings as per the tobacco laws of the countries from where

It is estimated that illicit trade causes an annual revenue loss of around ₹ 21000 crores to the Exchequer. The illicit cigarette trade also has a deleterious impact on farmers and farm workers engaged in the tobacco value chain.

these cigarettes originate. As reported in prior years, findings from research conducted by IMRB International, an independent market research organisation, show that the lack of pictorial warnings on packets of smuggled international brands of cigarettes or their diminutive size creates a perception in the consumers' mind that these illicit cigarettes are 'safer' than domestic duty-paid cigarettes that carry the 85% pictorial warnings. The combination of low prices to consumers due to tax evasion and the misleading perception created by the absence of statutory pictorial warnings provides significant buoyancy to illicit cigarette volumes.

India is among the top three tobacco growing countries in the world. Tobacco plays a significant role in the Indian economy on account of its considerable contribution to the agricultural, industrial and export sectors<sup>2</sup>. Illicit cigarette trade also has a deleterious impact on farmers and farm workers engaged in the tobacco value chain. In India, cigarettes are manufactured largely using Flue Cured Virginia (FCV) tobacco grown in the states of Andhra Pradesh, Telangana and Karnataka. As smuggled international brands of cigarettes do not use Indian tobaccos, in addition to revenue losses, the growth of illicit cigarette trade has also resulted in a sharp drop in demand for Indian FCV tobaccos in the domestic market. FCV tobacco production has dropped by ~40% between 2013-14 and 2021-22, resulting in shrinkage in earnings and loss of an estimated 35 million man-days of employment in tobacco growing areas.

<sup>2</sup> Report on Tobacco Control in India, Ministry of Health & Family Welfare, Gov, 2004 (Jointly supported by Centers for Disease Control and Prevention, USA and the World Health Organisation).

It is pertinent to note that several other major tobacco producing countries, including the USA, have established regulatory frameworks taking into consideration the economic interests of their tobacco farmers. The punitive and discriminatory taxation & regulatory regime on cigarettes in India over the years, has adversely affected the livelihood of Indian tobacco farmers with corresponding gains to those countries that have opted for moderate and equitable tobacco regulations. These developments, coupled with lower availability of Indian crop, lower export incentives in India and relative weakness of currencies in certain competing geographies have, in the past, had a debilitating impact on millions of livelihoods, dependent on the tobacco value chain in India. This has been exacerbated by global crop shortages due to extreme weather events and supply chain disruptions on account of geopolitical developments. However, recent stability in taxes on cigarettes backed by deterrent actions of enforcement agencies has enabled the legal cigarette industry to combat illicit trade and claw back volumes, thereby generating domestic and export demand for Indian tobaccos.

As reported in earlier years, your Company and several other stakeholders had challenged the validity of the pictorial and textual warning covering 85% of the surface area of the packet prescribed under COTPA. The Honourable Karnataka High Court, by its judgement in December, 2017, held the 85% pictorial warnings to be factually incorrect and unconstitutional. Upon Special Leave Petitions filed by the Government and others, the Honourable Supreme Court has stayed the judgment of the High Court. The cases are pending before the Honourable Supreme Court.

The extremely stringent regulations along with the discriminatory and steep taxation on cigarettes

Recent stability in taxes on cigarettes backed by deterrent actions of enforcement agencies has enabled the legal cigarette industry to combat illicit trade and claw back volumes, thereby generating domestic and export demand for Indian tobaccos.

## Report of the Board of Directors

have had numerous negative, albeit unintended repercussions. These include:

- rapid growth in illicit cigarette volumes, which resulted in sub-optimisation of the revenue potential of the tobacco sector and significant loss to the Exchequer. It is estimated that on account of illicit cigarettes alone, revenue loss to the Government is appx. ₹ 21000 crores per annum.
- widespread availability of illicit cigarettes and other tobacco products of dubious quality and hygiene to consumers at extremely affordable prices. As a result, despite accounting for less than 1/10th of the tobacco consumed in the country, duty-paid cigarettes contribute more than 4/5th of the revenue generated from the tobacco sector.
- a large component of tobacco consumption in the country, aggregating around 68%, remaining outside the tax net.
- persistent negative impact on the livelihood of tobacco farmers and others dependent on tobacco. Studies by the Central Tobacco Research Institute (CTRI) indicate that on account of agro-climatic conditions, there is no equally remunerative alternate crop that can be grown in the FCV tobacco growing regions of the country.

Your Company continues to engage with policy makers for a framework of pragmatic, equitable, non-discriminatory, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives, cognising for the unique tobacco consumption pattern in India. Stability in taxes is

critical to address the interests of all stakeholders of this industry, including tobacco farmers, consumers and the Exchequer.

Manufacturing facilities of the Business continue to be modernised by inducting contemporary technologies to drive innovation and secure higher levels of productivity and product excellence. New benchmarks continue to be set in areas of quality, sustainability, supply chain responsiveness and productivity. Cutting-edge technologies such as Industry 4.0 and Data Sciences are being leveraged to build a smart manufacturing environment of connected systems. These initiatives, coupled with innovative capabilities, in-house design and development expertise, have further improved the speed-to-market for launch of differentiated products and augmented the innovation pipeline of the Business.

It is extremely satisfying to report that your Company continued to be recognised for its commitment towards operational excellence. The Kidderpore unit won the ‘Apex Prize for Operational Excellence’ at the Integrated Manufacturing Excellence Initiative (IMExI) Awards organised by Kaizen Hansei Institute, a wing of Kaizen Institute of India.

In line with your Company’s commitment to the ‘Triple Bottom Line’ philosophy, the Business continued to focus its efforts for resource conservation and adoption of best-in-class technologies and processes. During the year, two offsite solar power plants in Karnataka (14.5 MW) and Uttar Pradesh (13.5 MW) have been commissioned to augment the renewable energy footprint. Nearly 55% of the total energy used by the Business is generated from renewable sources. Sustainability initiatives of the

Sustainability initiatives of the Business continued to be recognised with Bengaluru, Saharanpur and Pune units being awarded the prestigious Alliance for Water Stewardship (AWS) Platinum Certification.



Business continued to be recognised with Bengaluru, Saharanpur and Pune units being awarded the prestigious Alliance for Water Stewardship (AWS) Platinum Certification, thereby securing three of the four certifications awarded globally to tobacco factories. Further, the Kidderpore unit received the ‘National Energy Leader Award’ at the CII National Award for Excellence in Energy Management. The 21 MW wind farm in Karnataka and 12.3 MW wind farm in Maharashtra received the ‘Best Performing Wind Farm Award’ from Indian Wind Power Association for FY 2022-23 in their respective regions.

Additionally, Bengaluru and Pune units secured ‘Five Golden Stars’ rating & ‘Safety Shield’ apex level award from National Safety Council of India for excellence in Occupational Health and Safety systems, with Pune unit also being awarded with the prestigious ‘Sarvashreshtha Suraksha Puraskar’. As a testimony to the success of initiatives taken on strengthening the HR practices, your Company was honoured with The Economic Times – Human Capital Award (Gold) for ‘Excellence in Communication Strategy’ for overall employee communication strategy.

Your Company remains well positioned to fortify its market standing in the legal cigarette industry, leveraging its superior strategies, integrated seed to smoke value chain, future-ready portfolio, robust innovation pipeline, cutting-edge manufacturing & digital technologies and best-in-class execution capabilities. A stable taxation and regulatory regime remains critical to enable the legal cigarette industry to claw back volumes from illicit trade, as also borne out by recent experience.

## FMCG – OTHERS

Amidst a challenging macro-economic and operating environment and on the back of significant inflationary pressures in the previous year, consumption demand remained subdued during the year, especially in rural markets and in the value segments.

Overall, input costs remained elevated compared to pre-pandemic levels with several commodities witnessing sequential uptick in prices; while certain commodities witnessed moderation in prices on a high base. Notwithstanding the challenging conditions and heightened competitive intensity, your Company’s FMCG Businesses grew ahead of the industry in both urban and rural markets driven by deep consumer insights, purposeful innovation, portfolio premiumisation, strategic portfolio augmentation, sharp execution of channel-specific business plans, enhanced distribution footprint and superior last mile execution.

Your Company’s FMCG Businesses recorded Segment Revenue of ₹ 20966.83 crores representing an increase of 9.6% over the previous year. Segment EBITDA for the year registered a robust growth of 19.7% to ₹ 2338.50 crores with margins improving by 94 bps to 11.2% on the back of premiumisation, supply chain efficiency, agile cost management and judicious pricing actions in spite of the gestation costs of new initiatives.

A consumer-centric approach, driven by purpose led brands, a future-ready portfolio including value-added adjacencies backed by agility in execution, remains at the core of your Company’s strategy to rapidly scale-up the FMCG Businesses.

Your Company’s FMCG Businesses grew ahead of the industry in both urban and rural markets driven by deep consumer insights, purposeful innovation, portfolio premiumisation, strategic portfolio augmentation, sharp execution of channel-specific business plans, enhanced distribution footprint and superior last mile execution.

## Report of the Board of Directors

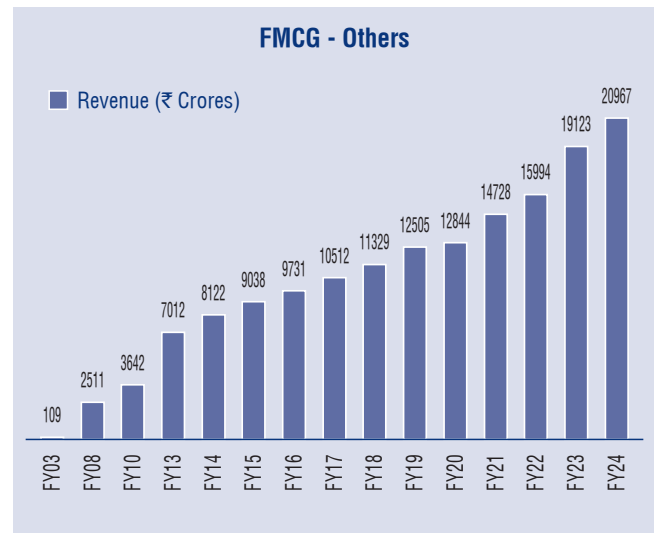
The Businesses continue to leverage the power of digital to drive superior consumer insights & innovation, deepen consumer engagement and enhance brand loyalty. Strategic interventions continue to be made towards delivering delightful brand experiences seamlessly across touchpoints through personalised journeys mapped to individual needs, preferences and context.

Your Company continues to leverage deep consumer insights and cutting-edge R&D capability to address present and emergent consumer need spaces.

Over 100 new products anchored on the vectors of Health & Nutrition, Hygiene, Protection & Care, Convenience & On-the-Go, Indulgence etc., were launched across target markets during the year, leveraging the R&D platforms of your Company's Life Sciences and Technology Centre (LSTC) and agile product development teams across Businesses.

Cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) continue to be deployed towards strengthening your Company's real time operations and execution platform, enhancing productivity, driving efficiency and cost agility. These initiatives are anchored on the key pillars of synchronised planning and forecasting, agile, resilient & efficient supply chain, smart buying & value engineering, smart manufacturing and smart demand capture & fulfilment. Strategic investments have been stepped up to build platforms of insights by harmonising and integrating large and isolated datasets powered by AI/ML technologies and 'human-centred design' & visualisation tools.

The FMCG Businesses comprising Branded Packaged Foods, Personal Care Products, Education



and Stationery Products, Incense Sticks (Agarbattis) and Safety Matches have grown at an impressive pace over the past several years.

Your Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy leveraging institutional synergies in a relatively short period of time, represents an annual consumer spend of nearly ₹ 32500 crores and reach over 250 million households in India. These home-grown, purpose-led Indian brands, powered by agile innovation, support the competitiveness of domestic value chains, especially in the agri space, thereby ensuring creation and retention of value within the country.

Your Company's FMCG brands have achieved impressive market standing<sup>3</sup> in a relatively short span of time in their respective categories viz. Aashirvaad is No. 1 in Branded Atta, Bingo! is No. 1 in the Bridges segment of Snack Foods, Sunfeast is No. 1 in the Cream Biscuits segment, Classmate is No. 1 in

<sup>3</sup> Source: Nielsen, Kantar Household Panel

Cutting-edge digital technologies including Industry 4.0, Advanced Analytics, Big Data and industrial Internet of Things (IoT) continue to be deployed towards strengthening your Company's real time operations and execution platform, enhancing productivity, driving efficiency and cost agility.

Notebooks, YIPpee! is No. 2 in Noodles, Fiama is No. 2 in Bodywash and Mangaldeep is No. 2 in Agarbattis (No. 1 in Dhooop segment).

Your Company remains focused on rapidly scaling up the FMCG Businesses anchored on strong growth platforms and a future-ready portfolio. It is pertinent to note that the chosen categories, which are largely characterised by low household penetration levels and/or low per capita consumption, offer significant headroom for long-term growth. This is borne out by several reports which highlight that your Company's total addressable market expansion potential is amongst the highest in the Indian FMCG space. In this context, it is noteworthy that a key element of your Company's growth strategy is to foray into value-added adjacencies and categories of the future by leveraging the 25+ powerful mother brands it has established over the years. Recent examples of such brand extensions include Aashirvaad to Dairy, Ready-to-Eat, Vermicelli, Rava, Besan, Indian breads, Salt and Spices; Sunfeast to Dairy Beverages and Cakes; Bingo! to Namkeens; ITC Master Chef to Frozen Snacks and Cooking pastes; Classmate to Writing instruments; Savlon to Sanitisers, Wipes and Disinfectant sprays etc. Simultaneously, the FMCG Businesses continue to make strategic investments in building categories of the future and establishing your Company's 'right to win' by progressively scaling up nascent categories where beachheads have been created. Your Company is also proactively pursuing value accretive acquisition, joint venture and collaboration opportunities towards accelerating growth and value creation.

The FMCG Businesses continue to expand their export footprint leveraging the equity of their world-class brands – with a reach now spanning

over 70 countries. The PLI scheme continues to be leveraged to scale-up exports across Biscuits & Cakes, Snacks, Dairy and Ready-to-Eat categories. Your Company is also exploring strategic opportunities in proximal markets as a potential vector of growth going forward.

The FMCG Businesses continue to create structural competitive advantages and enhance profitability by leveraging world-class distributed manufacturing and logistics infrastructure, multi-channel distribution network and newer routes to market, smart buying & value engineering and smart manufacturing. Investments over the years in several state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) have laid a strong foundation to drive structural advantages such as ensuring product freshness, enhancing agility and responsiveness of the supply chain, reducing cost of servicing proximal markets through lower distance-to-market, etc. Capacity utilisation at the 11 operational ICMLs continues to be ramped up along with focused smart manufacturing interventions leveraging automation and Industry 4.0 technologies to drive operational efficiencies, yield and energy management and further enhance safety and quality. With growing scale, supply chain operations are being increasingly delayed through direct-to-market shipments thereby reducing freight costs and eliminating multiple handling. Your Company is confident that these strategic interventions which are already delivering substantial benefits will realise their full potential over the medium term and continue to create long-term value.

Your Company remains confident of rapidly scaling up its FMCG Businesses on the back of a strong

Your Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy leveraging institutional synergies in a relatively short period of time, represents an annual consumer spend of nearly ₹ 32500 crores and reach over 250 million households in India.



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future-ready portfolio powered by purpose-led brands, world-class quality, deep consumer insights, cutting-edge innovation and an agile, resilient and efficient supply chain. The Businesses will continue to leverage your Company's institutional strengths viz. strong backward linkages with the Agri Business, deep and wide multi-channel distribution network, cuisine knowledge resident in the Hotels Business, industry-leading packaging knowhow and access to robust R&D platforms nurtured by LSTC.

### Branded Packaged Foods

Your Company sustained its position as one of the largest and fastest growing branded packaged foods businesses in the country, leveraging a robust portfolio of brands, a slew of first-to-market offerings, a range of distinctive products customised to address regional tastes and preferences, supported by an efficient supply chain and distribution network. This was achieved against the backdrop of subdued demand conditions and heightened competitive intensity across product categories.

The Branded Packaged Foods Businesses remain focused on addressing emerging consumer needs with innovations anchored on the vectors of health, nutrition, wellness, immunity, naturals, indulgence and convenience. Several innovative and first-to-market products were launched during the year, leveraging your Company's institutional strengths including superior consumer insights, capabilities of your Company's Life Sciences and Technology Centre (LSTC) and the cuisine expertise resident in your Company's Hotels Business. While strengthening their core portfolios, the Businesses continue to scale-up presence in value-added

adjacencies leveraging powerful mother brands and invest in categories of the future.

With the overarching vision to 'Help India Eat Better', your Company's Nutrition strategy seeks to create a sustainable ecosystem anchored on a portfolio of healthier, affordable & accessible 'Good For You/Free From' value-added products, supported by responsible policies in line with national priorities on nutrition. Your Company's institutional strengths, as aforesaid, are being leveraged to develop products providing consumers wholesome and enjoyable food experiences.

Encouraged by the Government of India's initiative of promoting millets, your Company continued to further augment its range of millet-based products comprising 'Ragi Flour', 'Gluten Free Flour', 'Multi-Millet Mix', 'Ragi Vermicelli' under the 'Aashirvaad' brand, 'Sunfeast Farmlite Super Millets', with two variants – 'Chocochip Millet' and 'Multi Millet' cookies and millet-based 'Fantastik Choco Sticks'. During the year, your Company introduced millet-based finger snacks under 'Bingo! Tedhe Medhe' and millet noodles under 'YiPPee!'. Your Company is focused on developing and promoting a comprehensive millets-based portfolio under its popular brands and in familiar formats to enable easier consumer adoption.

The Businesses continue to use a data driven approach to make sharp targeted brand investments, clutter-breaking communication and deepen consumer engagements across all touch points, along with focused market development efforts leading to reinforcement of market standing across operating categories. Several campaigns launched during the year received wide recognition and won

Your Company sustained its position as one of the largest and fastest growing branded packaged foods businesses in the country. The Branded Packaged Foods Businesses remain focused on addressing emerging consumer needs with innovations anchored on the vectors of health, nutrition, wellness, immunity, naturals, indulgence and convenience. Several innovative and first-to-market products were launched during the year.

prestigious awards across leading platforms, including a Gold from 'IAMA - India Digital Awards' in 'Tech Enabled Campaign' and a Bronze EMVIES from The Advertising Club in 'Best Media Innovation : Digital – Social Media' for 'Dark Fantasy - Fulfilling over a million fantasies' campaign; a Gold in Health and Wellness Marketing Award for 'New product launch' for 'Launch of Easy Digest Milk- Aashirvaad Svasti Milk' and a Silver IDMA Maddies Award in Promotion for 'Score Goals with Bingo! Tedhe Medhe' campaign, a Silver from Exchange4Media for 'Best Use of Influencer Marketing' for 'Aashirvaad Superior MP Atta - Try my recipe' campaign; and a Bronze from ET Brand Equity in 'Use of Data Analytics/Consumer Insights' for 'ITC B Natural - Amazon Super Value Days Campaign'.

During the year, the Businesses rolled out several unique interventions in brand marketing across the portfolio. Sufficiency based media planning, full funnel marketing, first party data usage, curated content for individual platforms and holistic social media strategy enabled strengthening of brand equity. AI and Gen AI were adopted at scale to bring efficiency in the core areas of content creation and media deployment. The Sunfeast Dark Fantasy #hardilkifantasy, an immersive personalised creative content campaign and Bingo! Tedhe Medhe Snack Attack, that used Gen AI extensively were well received across forums. The Businesses also revamped brand websites into personalised destinations, which are modular with quick go-to-market timelines and tailor-made to create immersive consumer experiences. Culture Centric Marketing has been successfully deployed by brands like Sunrise in Bihar, Sunfeast Supermilk in Tamil Nadu and Marie Light in Odisha.

Relentless focus on delivering superior quality products to consumers continues to be a key source of sustainable competitive advantage for the Branded Packaged Foods Businesses. In this context, the Businesses continue to leverage the agri-commodity sourcing expertise resident in your Company's Agri Business to procure high quality raw materials, thereby ensuring the highest level of quality, consistency and safety in its products. In addition, each of your Company's branded packaged food products is manufactured in HACCP/ISO-certified manufacturing locations ensuring compliance with all applicable laws and adherence to the highest quality norms.

- In the Staples Business, 'Aashirvaad' delivered robust growth on a high base. The value-added Atta portfolio, consisting of Multigrain, Select and Sugar Release Control Atta posted healthy growth driven by superior value proposition; the range was further augmented with the launch of 'Atta with Millets'. Millet products viz., ('Gluten Free Flour', 'Ragi Flour', 'Multi-Millet Batter Mix'), Organic portfolio ('Organic Atta' and 'Organic Dals'), 'Aashirvaad Vermicelli', 'Aashirvaad Rava' (Suji Rava, Bansi Rava, Samba Rava) continued to witness strong growth. 'Aashirvaad Besan', made from the finest 100% Bikaneri chana dal which mixes easily with water to provide smooth & lump-free batter, was extended across markets during the year and received excellent consumer feedback. The Organic portfolio was also augmented with the launch of 'Organic Rajma' and 'Organic Kabuli Chana'. With a focused approach towards product development, purposeful marketing inputs, consumer activations and region-specific interventions supported by

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manufacturing excellence and sharply targeted media investments, especially across digital platforms, your Company is confident of further strengthening Aashirvaad's market leadership position, catering to all 'staple' needs of consumers in the future.

'Aashirvaad Salt' posted robust growth in focus markets during the year, supported by its distinctive positioning – 'Created by Sun and Sea - pure just like nature intended it to be'. The portfolio was further enriched with the launch of Aashirvaad Himalayan Pink Salt serving the needs of health-conscious consumers with the proposition of 'Purity which you can see and taste'.

In the Spices category, your Company continued to deliver strong growth with its endeavour to provide consumers unique and personalised experiences that meet their taste preferences and reflect the regional flavours of the state. During the year, the Business grew on the back of distribution expansion in focus states, sharp region-specific communication, and an enhanced portfolio with innovative new products. The 'Sunrise' brand strengthened its market leadership position in the core market of West Bengal and also made significant gains in newer launch markets of the Northeast region and Bihar. The brand continued to delight consumers by introducing unique and differentiated products catering to regional tastes and preferences, such as Sunrise 'Haah Salkumura' – a first-to-market product for duck curry, the 'Swaad Bihar ka' range of spices including 'Sunrise Chicken Masala', 'Sunrise Meat Masala', 'Sunrise Kitchen King Masala'

and 'Sunrise Rajshahi Garam Masala' in limited-edition packs featuring 'Madhubani' artwork, etc. 'Aashirvaad Spices' continues to enhance its presence in emerging channels and core markets to enable full portfolio play along with expansion of the blended portfolio. Together, the two brands are well positioned to leverage your Company's institutional strengths to progressively enhance their market standing in the Spices category.

- The Biscuits category witnessed resilient performance during the year on an elevated base. The Business continues to strengthen its core portfolio with investments behind powerful brand ideas, superior products, cultural marketing with local insights and unique innovations to drive higher growth. The 'Sunfeast Dark Fantasy' range of differentiated cookies sustained its leadership position in the premium segment. 'Mom's Magic' range of cookies also witnessed strong growth during the year. The recently re-launched 'Sunfeast Supermilk' biscuit harnessing the goodness of 'Naatu Maatu Paal' has received excellent consumer response and is being scaled up in target markets. The portfolio mix was further enriched with the launch of 'Bounce Day & Night', a delicious dark choco biscuit with soft vanilla cream and 'Sunfeast All Rounder Sweet and Salty' in the Differentiated Crackers category in select markets. Towards further deepening consumer engagement, the brand launched several innovative campaigns during the year. The highly innovative 'MyFantasyAdWithSRK' campaign, leveraging Gen AI technology, enabling consumers to live their #fantasy of starring in a personalised advertisement opposite the

With a focused approach towards product development, purposeful marketing inputs, consumer activations and region-specific interventions supported by manufacturing excellence and sharply targeted media investments, especially across digital platforms, your Company is confident of further strengthening Aashirvaad's market leadership position, catering to all 'staple' needs of consumers in the future.



iconic Shah Rukh Khan received overwhelming consumer response with more than 9 lakh engagements within a short span of time.

- The Snacks portfolio was augmented with an innovative first-of-its-kind millet-based offering, ‘Bingo! Tedhe Medhe Chatpata Twist’ in line with ITC’s Mission Millets, along with a slew of new launches including ‘Bingo! Nachos Chilli Limon’ and ‘Bingo! Tedhe Medhe Cream & Onion Style’ which have been well received by consumers and are being scaled up. The portfolio was further strengthened with the launch of ‘Bingo! 2X Hot and Spicy Korean-Style chips’ in three sizzling variants - Original, Hot & Spicy and Hashtag, blending the essence of fiery Korean spices with Bingo!’s classic crunch. Having forayed into traditional snacks in select markets through Bingo! Tedhe Medhe Namkeens last year, the Business continues to register robust growth in the segment. ‘Bingo!’ continued to be the market leader in the Bridges segment across the country, and in the potato chips segment in South India.
- ‘YiPPee!’ continues to strengthen its market standing leveraging a differentiated product portfolio and clutter-breaking marketing initiatives to generate consumer buzz. The product portfolio was augmented with the launch of millet-based noodles and a new line of ‘Wow Masala’ noodles, which is a ‘more masaledaar’ offering. During the year, the brand also entered into a collaborative arrangement with the Argentine Football Association to create excitement amongst consumers. In line with the purpose of creating ‘A better world’, the brand

continues to promote sustainability through plastic waste management and recycling. During the year, more than 30 lakh school children were educated on plastic waste recycling with an initiative to collect plastic equivalent to 2.83 crores YiPPee! Noodles wrappers across 6,000 schools. The Business also partnered with The Times of India in a unique plastic waste upcycling drive to deploy playground equipment in 16 parks across Delhi, Bengaluru, Mumbai and Kolkata.

- The Ready-to-Eat (RTE) category operates across domestic, export and institutional channels through a range of products in varied segments including gravies, instant meals & mixes, sauces & condiments etc. The exports business continued to remain focussed on key markets of USA, Canada and other select countries under the brand ‘Kitchens of India’. During the year, single serve Halwas (Moong Dal and Badam) were launched in Metro cities leveraging the e-Commerce and Modern Trade channels.
- The Frozen Foods Business operating under the ‘ITC Master Chef’ and ‘Farmland’ brands in Snacks, Prawns and Vegetables categories continued to grow at an accelerated pace, powered by a range of innovative and differentiated offerings in both veg and non-veg segments. A range of first-to-market products such as ‘ITC Master Chef Paneer Pakoda’ and ‘ITC Master Chef Crispy Onion Rings’ were launched in both Retail and Food Service channels. Over 60 high quality and differentiated products across both traditional and emerging channels are rapidly gaining consumer franchise. The portfolio offers a delectable range of Indian &

Towards further deepening consumer engagement, the Sunfeast brand launched several innovative campaigns during the year. The highly innovative ‘MyFantasyAdWithSRK’ campaign, leveraging Gen AI technology, enabling consumers to live their #fantasy of starring in a personalised advertisement opposite the iconic Shah Rukh Khan received overwhelming consumer response with more than 9 lakh engagements within a short span of time.

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Western snacks, Frozen Prawns and Frozen Vegetables. The Business strengthened its go-to-market strategy in both Food Service and Retail channels by implementing an industry-first sales force automation technology.

- ‘Aashirvaad Svasti’ fresh dairy portfolio continued its strong growth trajectory during the year, led by strengthening of its premium milk variant ‘Select’ and driving exponential growth in value-added products (curd, lassi and paneer) through superior and differentiated offerings and scaling up distribution. The fresh dairy portfolio, available across Bihar and West Bengal markets was also extended to the larger markets of Jharkhand during the year and gained strong consumer traction. Innovative offerings such as Paneer Slices, that received encouraging consumer response were extended to select e-Commerce and Modern Trade chains. The value-added portfolio continues to be enriched with launch of differentiated offerings such as ‘Shahi Lassi’ in East.
- The Beverages industry remained impacted by muted demand environment and irregular weather conditions across large parts of the country. Against a challenging operating environment, your Company’s Beverages portfolio demonstrated resilient performance. The Business continued to invest in the ‘Fruit and Fibre’ proposition of ‘B Natural’ to deepen consumer connect and increase brand affinity. Recent launches such as ‘B Natural Tender Coconut Water’ and ‘B Natural Masala Range’ have performed well and continue to be scaled up in target markets. The Dairy Beverages portfolio leveraged the strong equity of ‘Sunfeast’ and ‘Dark Fantasy’ to

provide differentiated offerings - with ‘smoothies’ containing fruit, milk and seeds. The Business also strengthened its presence in alternate trade channels including Canteen Stores Department, Travel (Hotels, Railways, Airlines & Airports) & Quick Service Restaurants leveraging several strategic partnerships and collaborations.

- The Confectionery Business continued to nurture its range of premium portfolio by leveraging ‘Fantastik Chocostick’, ‘Jelimals’ and ‘Candyman Fruitee Fun 3 in 1 chews’. The Business augmented its portfolio with the launch of ‘Candyman Paan’ candy and has received encouraging consumer feedback. Leveraging the buzz around the International Year of Millets, the range of ‘Fantastik Chocostick’ was fortified with the goodness of millets. ‘Fabelle’ chocolates continue to receive excellent response from discerning consumers, setting new benchmarks in the luxury and premium chocolate segments. The category continued to tap into e-Commerce platforms, food delivery aggregators and premium travel retail outlets to improve the availability of Fabelle range of chocolates beyond the luxury boutiques at ITC Hotels. During the year, the portfolio was further augmented with the launch of ‘Sunfeast Fantastik’ range of chocolates in select markets in two variants, viz. Choco Almond and Fruit & Nut at convenient price points. These have received excellent consumer response and are being scaled up across additional markets.
- Exports remain a key focus area for the Branded Packaged Foods Businesses; during the year, exports witnessed rapid growth across several categories. Having built a robust distribution

The Branded Packaged Foods Businesses export to more than 70 countries. With a robust distribution network overseas, your Company is confident of scaling up exports at an accelerated pace in focus markets across a range of categories, leveraging the equity of its core brands such as Aashirvaad, Sunfeast, ITC Master Chef and Kitchens of India.

network overseas, your Company's brands now reach more than 70 countries. The Business is confident of scaling up exports at an accelerated pace in focus markets by leveraging the equity of its core brands such as Aashirvaad, Sunfeast, ITC Master chef and Kitchens of India.

Over the years, your Company has made significant investments in setting up state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) proximal to large demand centres. These facilities are at the heart of your Company's strategy to create structural advantage by enhancing product freshness, elevating market agility, minimising the cost of servicing proximal markets, enabling scalability besides setting new benchmarks in safety and superior product quality. Your Company continues to leverage the benefits of the state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLFs) at Pudukkottai and Kapurthala. These automated facilities are co-located with the ICMLs and provide several structural advantages including inventory optimisation, delayering operations and lowering cost of market servicing.

11 ICMLs are operational in locations proximal to large demand centres enabling delivery of fresher products, reduction in distance to market and delayering of operations. The capacity utilisation at ICMLs continues to be ramped up. With every successive ICML coming on-stream, the representation of diversity and inclusions in the workforce has progressively increased.

With its relentless focus on quality and manufacturing excellence, your Company became the first Indian company to win the prestigious Global Kaizen Award at the 5th Edition of Global KAIZEN™ Awards held in

November 2023 at Lisbon, Portugal. During the year, your Company received over 100 prestigious external awards & accolades in the areas of Safety, Sustainability, Quality & Food Safety, Manufacturing Excellence, Cost competitiveness, Manufacturing & Supply Chain and HR from prestigious institutions such as the Confederation of Indian Industry (CII), Integrated Manufacturing Excellence Initiative (IMexI) etc. The Ranjangaon ICML became the second food processing facility of your Company to have been awarded a Platinum level Certification under the Alliance for Water Stewardship Standards (AWS). These accolades are testament to your Company's unwavering commitment to providing products with the highest levels of quality while reducing the environmental impact of the same.

The Business has implemented several strategic cost management initiatives in areas such as supply chain optimisation, smart procurement and productivity improvement through automation leveraging new-age technologies such as Industry 4.0, Artificial Intelligence/Machine Learning, advanced visual analytics and smart utilities. These measures are instrumental in countering the significant input cost volatility witnessed during the year, as well as offsetting the gestation costs of new initiatives and strategic brand development investments in emerging categories.

With the growing importance of processed food products in the consumer basket, the food processing industry has significant potential to transform the agriculture sector through increased market linkages, improvement in the efficiency of resource use, enhancement in farmer incomes, expansion of exports and generation of employment opportunities.

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Development of the food processing sector will aid in addressing issues of food security and inflation, improved nutrition availability and prevention of wastage, amongst others.

Recognising this potential and headroom for growth in the Indian market, your Company has made significant investments in food processing and remains focused on establishing itself as the leading player in the branded packaged foods industry. The Government's Production Linked Incentives (PLI) Scheme for the food processing industry will incentivise fresh investments, enable building Indian brands for the global market, promote exports and boost farmer incomes. Your Company has been included under the PLI Scheme towards sales-based incentives in the Ready to Eat, Fruits & Vegetables and Marine categories respectively as well as for incentives towards expenditure incurred for branding and marketing in export markets. In line with the Government's initiatives towards promoting millets, a PLI scheme for millet-based products has also been introduced during the year. Your Company has been included under the PLI Scheme for millet-based products as well.

Your Company's strong farm linkages, procurement efficiencies, world-class brands and deep & wide multi-channel distribution network, with growing presence in emerging channels such as e-Commerce, Modern Trade, On-the-go and Institutional sales, continues to deliver competitive advantage through superior product availability, visibility and freshness. Recent investments in establishing a world-class distributed manufacturing footprint have created a solid foundation to secure structural advantage over time. Cutting-edge R&D platforms of your Company's

LSTC are driving agile innovation and faster turnaround times for introduction of differentiated & first-to-market products catering to constantly evolving consumer needs. Investments in leading-edge digital technologies and platforms continue to be stepped up across the value chain to drive competitive advantage.

### Personal Care Products

The Personal Care industry remained under pressure during the year with consumer demand remaining muted across both urban and rural centres of consumption. Input prices, which had witnessed significant surge in the previous year, moderated in course of the year. Industry players stepped up marketing investments and also passed on the benefit of input cost moderation in a bid to spur demand. Your Company's Personal Care Products Business continued to strengthen its core strategic levers of building brands with purpose, introducing first-in-category innovations, focusing on categories of the future and rapidly scaling up presence in emerging channels. The Business continues to focus on identifying emerging trends and reinforcing its strategic pillars of distinctive brand positioning, innovative offerings, expansion into emerging channels and amplification of the premium portfolio. During the year, the Business witnessed acceleration in its premium portfolio, which grew significantly ahead of the overall portfolio.

The Business continued to leverage your Company's state-of-the-art LSTC facility to develop innovative and differentiated products backed by robust science-based claims, to meet emerging consumer needs.

In the Personal Wash segment, premiumisation continues to remain a key vector of growth.

Your Company's Personal Care Products Business continued to strengthen its core strategic levers of building brands with purpose, introducing first-in-category innovations, focusing on categories of the future and accelerating presence in emerging channels.

During the year, 'Fiama' registered strong growth and remained ahead of Industry largely fuelled by investments in brand building, wider distribution and channel-tailored assortments. Fiama gel bars range registered significant gains during the year, driven by innovative and differentiated offerings appealing to evolving consumer preferences; the range was further augmented with the launch of 'Fiama Golden Sandalwood Oil & Patchouli' and 'Fiama Men's Charcoal'. The brand partnered with Filmfare for a first-in-industry 'Best Portrayal of Mental Health in Cinema' at the Filmfare OTT Awards 2023 and also released a Mental Wellbeing Survey in association with MINDS Foundation, re-enforcing its commitment to the brand purpose of promoting mental wellness while improving access to mental health experts.

The 'Vivel' range of soaps and bodywash continued to build momentum and posted healthy growth during the year with strategic focus on alternate channels, superior formulation and competitive pricing. The core of Vivel's product portfolio remains rooted in its strong association with Aloe Vera and other natural ingredients, aligning with increasing consumer preference for naturals. The brand continued to strengthen its association with Women Empowerment with its collaboration with Azad Foundation, through 'Parvaz', a year-long leadership training programme that fosters women's empowerment and enables young women leaders to be catalysts of change in their communities.

The Fragrance category under the 'Engage' brand exhibited resilient performance in the face of heightened competitive intensity, especially at the value end. The premium perfume segment

witnessed strong growth fuelled by launch of disruptive gifting options and small pack variants reinforcing the brand vision of meeting a variety of consumer needs. The Business launched a premium EDP range with best-in-class fragrances for occasion-based use including a differentiated 'gender neutral' variant 'One Soul'. In the popular segment, Deo sprays were also launched in the mini-can format. Strong performance in Modern Trade and e-Commerce channels, along with new initiatives in the gifting space, reflects the Business' innovative approach to market expansion and consumer engagement. Leveraging robust R&D capabilities and in-house manufacturing capabilities, the Business will continue to deliver high-quality fragrances that resonate with discerning consumers.

The value proposition of 'Savlon' brand on the 'Skin Friendly germ protection' proposition in line with evolving needs of consumers, helped the brand's core categories of soaps and handwash scale-up during the year. Savlon powder handwash, in a convenient low unit pack format, witnessed strong traction amongst target consumers.

The Business continued to expand its presence in the Home Care segment by leveraging the 'Nimyle' brand's proposition of "Naturally safe floors and happy homes". Strong growth in Modern Trade and e-Commerce channels, refreshed & premium packaging along with improved penetration led to double digit revenue growth. The brand collaborated with 'Pet Fed', a convention for pets and pet lovers, to engage with pet parents to educate and raise awareness on eco-friendly floor cleaners which are safe for pets. Further, Nimyle maintained its leadership position in its core markets despite resurgence of regional brands and private labels.

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In the Skincare portfolio, 'Dermafique' continues to leverage AI powered smart skin advisor introduced last year to provide personalised skin health analysis, empowering individuals to know their skin better and adopt solutions suited to unique skin needs of Indian consumers. The brand also strengthened its equity through relevant product benefit communications, leveraging influencers to drive buzz and engagement, running digital campaigns etc., leading to strong conversions and repeat rates on digital platforms.

During the year, D2C platforms for Dermafique, Fiama and Engage continued to gain traction while deepening consumer engagement based on sharp consumer insights. A combination of Creatives, Performance Marketing and Data Analytics is being leveraged to scale-up these platforms with a wide range of innovative products.

Modern Trade and e-Commerce channels demonstrated robust performance led by strategic partnerships and right assortments tailored to consumer needs. Quick-Commerce emerged as a fast-growing platform demonstrating significant traction across categories and now accounts for a significant share of e-Commerce sales.

In order to meet the growing requirements in East markets and create capacities for the future, a state-of-the-art manufacturing unit in Uluberia, West Bengal is set to be operational shortly. The establishment of the facility is also in line with the strategic objective of reducing distance to market, enhancing supply chain agility and responsiveness, as well as optimising costs.

Fiama, Vivel and Savlon have been frontrunners in adopting sustainable packaging for the soap portfolio. PET bottles of Fiama Showergel and Handwash

contain 50% recycled plastic; Vivel and Fiama Soaps packaging is 100% recyclable; Engage perfume sprays are now made with 50% Post-Consumer Recycled (PCR) material. Further, plastic free cartons are being used for Engage Cologne and sustainable materials are being used for point-of-sale promotions across several brands.

In recognition of its clutter-breaking marketing and communication initiatives, the Business received several accolades in the field of Digital and Marketing excellence. Leveraging the power of PR and digital storytelling, Fiama's 'Talking Memes' campaign achieved significant traction and was awarded a Gold at the London International Advertising Awards, a Silver at Fulcrum Awards for 'Best use of Digital', eight trophies at the Kyoorius Creative Awards 2023 and was also shortlisted in Cannes Lions 2023. Savlon was recognised as the 'Top Resurgent Brand of the Year' by Exchange4Media's Pitch Top 50 Brands 2023 and Savlon's Swasth India Mission - Hand Ambassador campaign won seven trophies at the Kyoorius Creative Awards 2023.

Your Company's strategic focus continues to be on expanding the core categories of Personal Wash, Fragrance and Homecare through innovative, differentiated and consumer centric products, highest levels of product quality and impactful communication. Your Company's Personal Care Products Business, with its future-ready portfolio and purpose-led brands, is well positioned to seize growth opportunities and emerge as a significant player in this space.

### Education and Stationery Products

The Education and Stationery Products industry witnessed strong growth during the year driven by increased household penetration on the back of

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higher enrolment ratios and growing literacy. The year also witnessed heightened competitive intensity with a resurgence of regional players on the back of moderation in input prices.

During the year, the Business further strengthened its market leadership position in the industry, delivering a robust performance by fortifying its core categories and scaling up adjacencies through portfolio premiumisation, innovative product launches, and judicious pricing actions. The Business continued to leverage your Company's institutional strengths comprising paper manufacturing expertise, brand building capabilities and multi-channel distribution infrastructure. The Business also continued to leverage the capabilities of your Company's Life Sciences and Technology Centre to craft differentiated products of superior quality.

Premiumisation and product innovation continue to be key growth drivers for the Business. The 'Classmate Interaktiv' Notebook portfolio continued to witness strong consumer traction driven by a wide range of differentiated offerings. These included products that enable 'Do It Yourself' activities with a view to 'Enjoy Learning', immersive technologies such as augmented reality and interchangeable covers. The Business also accelerated the adoption of 'Classmate Pulse' spiral format through targeted activations and driving franchise of new customer segments such as high school students, in addition to college goers and the youth segment. The 'Paperkraft' portfolio was also strengthened with the launch of a new range of notebooks with differentiated design themes catering to both personal and professional usage. The Writing Instruments portfolio delivered a strong performance on the back of recent launches

with differentiated forms and features which received encouraging consumer response.

'Classmate All Rounder', an inter school initiative which was launched last year to promote holistic learning in line with the National Education Policy 2020, provides students with a platform to nurture and showcase their varied skills. The initiative continued to gain strong momentum in its second edition, with participation of over 4.5 lakh students from 2700+ schools.

The multi-channel capability of your Company's strong distribution network was leveraged to enhance availability and drive sales. The Business sustained its leadership position on e-Commerce platforms through consistent availability of a wide assortment of products, backed by focused interventions to enhance consumer traction. Consumer engagement was augmented through Classmateshop.com, a D2C platform, which provides consumers the opportunity to 'Personalise & Capture' memories on Classmate notebooks. Digital adoption through industry-first propositions such as personalised videos and AI (Artificial Intelligence) generated cover designs further enhanced consumer engagement. During the year, the Business re-launched myClassmate app, a gamified app focused on developing co-curricular skills, to make learning engaging and enjoyable; the app has garnered over two million downloads.

During the year, the Business enhanced its manufacturing capacity of spiral notebooks at its dedicated manufacturing facility at Vijayawada. Equipped with state-of-the-art technology, the facility enables the Business to develop differentiated notebook formats, drive cost reduction and address opportunities in overseas markets. During the year,

Your Company's Education and Stationery Products Business, with its strong brands – Classmate & Paperkraft, robust product portfolio, collaborative linkages with small & medium enterprises and superior distribution network, is well poised to sustain its leadership position in the industry.

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the Business expanded its footprint to newer geographies and introduced new product variants leveraging the aforesaid facility.

The Classmate and Paperkraft range of notebooks leverage your Company's world-class fibre line at Bhadrachalam - India's first ozone treated elemental chlorine free facility - and embody the environmental capital built by your Company in its paper business. The Business continued to scale-up the Paperkraft range of notebooks using Forest Stewardship Council (FSC) certified paper, made at your Company's paper mill.

With over 250 million school going students, India has one of the largest education systems in the world. The Indian Education and Stationery Products industry holds immense potential driven by growing literacy, increasing enrolment ratios, the Government's continued thrust on the education sector and a favourable demographic profile of the country's population. Your Company's Education and Stationery Products Business, with its strong brands, robust product portfolio, collaborative linkages with small & medium enterprises and superior distribution network, is well poised to sustain its leadership position in the industry.

### **Incense Sticks (Agarbattis) and Safety Matches**

The Incense Sticks (Agarbattis) category continued to witness robust growth during the year. Your Company's flagship brand 'Mangaldeep' effectively leveraged market opportunities and continued to enhance its standing in the category. With its presence across multiple formats viz. Agarbattis, Dhoop and Sambrani, Mangaldeep provides discerning consumers a differentiated and superior

product experience with a strong devotional connect. The Business continued to drive brand salience through sharply focused marketing interventions. Product mix enrichment, cost optimisation initiatives and stability in prices of key ingredients enabled the Business to further improve operating margins during the year.

Based on superior consumer insighting, a number of new product offerings were launched by the Business during the year including, inter alia, a new sub-brand 'Scent' in the Popular segment. Built on the unique proposition 'Inspired by Fine Fragrances', Mangaldeep Scent offers three unique, modern and long lasting fragrances with superior sensorials. The brand also refreshed its core portfolio of Floral and Sandal fragrances with improved product experience and pack semiotics.

In the Dhoop segment, staying in tune with today's consumer's need for convenience and variety, the Business introduced multiple fragrances in the same pack through 'Dhoop 3in1' in North and East markets. A 'bamboo less' incense format was also launched for e-Commerce and Modern Trade channels in line with emergent consumer needs in these channels.

Mangaldeep aims to be an enabler of devotion and wellbeing through its fragrances. Over the last two years the brand has built a range of products on a differentiated consumer proposition of long lasting fragrances. The Business has co-created these superior fragrances with the help of 150 visually impaired fragrance evaluators as part of its 'Mangaldeep Sixth Sense' panel. It supports them with livelihood opportunities and empowers them with dignity and pride.

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Over the years, the Business has implemented several measures to enhance the competitiveness of the agarbatti value chain in India. These include import substitution and backward integration of sourcing raw materials and manufacturing raw battis using indigenous inputs. The Business has been a pioneer in developing domestic manufacturing capabilities for raw battis and is also working closely with manufacturers and nodal agencies of respective State Governments for sourcing Indian Bamboo sticks and for cultivating Bamboo plantations in the country.

The proactive measures implemented by your Company, as highlighted above, sub-serve the national priorities of employment generation and provide a source of competitive advantage to the Business while contributing towards enhancing income in the agarbatti stick and raw batti manufacturing value chain.

In the Safety Matches industry, the Business strengthened its market leadership position by leveraging the brand ‘Homelites’ – built on differentiated positioning of stronger, longer and karbonised sticks. The Business continues to focus on scaling up the share of value-added products in its portfolio and enhancing supply chain efficiency by sourcing products manufactured closer to markets. In order to build higher degree of interest in this category, the brand is also progressing on limited edition launches and matchbox collectibles, especially targeted at modern consumers.

### TRADE MARKETING & DISTRIBUTION

Your Company’s Trade Marketing & Distribution (TM&D) vertical continued to leverage emerging market trends such as premiumisation, growth of

Modern Trade & e-Commerce channels and rapid urbanisation ensuring effective market servicing and product availability addressing a wide range of consumer and trade needs. TM&D adopted a comprehensive approach encompassing the realignment of distribution infrastructure, deployment of innovative delivery models, forging strategic partnerships and leveraging digital technologies to accelerate growth across channels.

The dynamic interplay of varied and evolving consumer preferences, multiplicity of channels including rapid acceleration in new channels, diverse demographic profiles & socio-economic factors, and a vast geographical landscape pose a high degree of complexity for distribution of FMCG products in India. Recognising the multifaceted nature of these challenges, TM&D continues to sharpen channel-specific strategies to efficiently service consumer demand across the country. Valuable insights into consumer behaviour and channel/region specific trends gained over the years continue to be leveraged to deliver superior performance in terms of product availability, visibility and freshness.

The rapid growth of Modern Trade and e-Commerce channels, coupled with the emergence of several new players, has necessitated the deployment of tailored market/outlet specific strategies to seize the emerging opportunities. The Modern Trade channel continued to witness strong growth, driven by store expansions primarily in Tier 2 & Tier 3 cities. Omni-channel presence in urban markets enabled accelerated growth while shopper marketing insights and agile supply chain capabilities were leveraged to enhance operational and execution efficiencies.

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The surge in internet usage particularly through smartphones, widespread adoption of digital payments, wide assortment of products and faster deliveries continue to drive the rising salience of e-Commerce channel. Your Company's collaborations with leading e-Commerce platforms on all aspects of operations viz. category development, supply chain, consumer offerings and customer acquisition has enabled it to significantly scale-up sales in this channel. This was augmented by development of exclusive pack assortments, channel-specific business plans and 'Digital First' brands. Joint Business Plans executed in coordination with e-Commerce platforms coupled with agile supply chain initiatives have further fortified your Company's market standing in this channel. Growth in the premium portfolio was accelerated through increased visibility, focus on target cohorts and jointly curated campaigning, including collaborating on topical events across accounts. Digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now account for 31% of your Company's FMCG<sup>4</sup> portfolio (Vs. 17% in FY 2019-20).

Your Company's multi-channel distribution network, which facilitates availability of its products in nearly seven million retail outlets of which more than one-third are serviced directly, was further strengthened during the year with the addition of new markets and outlets to its direct servicing base. Market coverage was stepped up to appx. 2x of pre-pandemic levels.

During the year, urban markets witnessed heightened competitive intensity from regional/local players and accelerated channel shift with the increasing salience

<sup>4</sup> Excluding Education and Stationery Products

of Modern Trade and e-Commerce. Automation, data-led insighting and machine-learning enabled solutions continue to be increasingly leveraged to drive field-force productivity and performance across urban markets. Further, emerging technologies like Generative AI are being leveraged to automate operations and increase efficiency. Customised servicing based on outlet potential and retail engagement programmes have been deployed to stimulate demand for your Company's products with enhanced focus on premium grocery outlets. Specific interventions were undertaken to drive premiumisation in General Trade outlets with store level missions led by sharper data analytics.

In rural markets, your Company continued to deploy market-specific interventions to enhance direct coverage on the basis of socio-economic indicators and market potential. This has been supported through a hub and spoke distribution model with the continued expansion of rural stockists network to 1.3x over the last two years. Leveraging the synergies arising out of the deep rural connect of your Company's Agri Business, extensive consumer activations continued to be undertaken in high potential rural areas during the year through concerted market development activities and further enhancements to the digital ecosystem for the stockist channel. These initiatives have substantially enhanced distribution reach of your Company's range of products in rural markets leading to sales growth significantly ahead of industry.

The Food Service and Institutional channels continued to witness robust growth during the year leveraging existing partnerships and your Company's wide product range. Strategic partnerships unlocked new

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routes-to-market, catering to specialised segments including ‘on-the-go’ consumption, direct marketing and QSRs. Customised product portfolios were deployed for identified high potential segments of railways, airports and airlines to strengthen presence in this channel.

The Quick Commerce platform, offering ultrafast delivery, aligns seamlessly with the needs of convenience-seeking consumers and is rapidly gaining prominence within the overall e-Commerce channel. Your Company, leveraging its strategic partnerships, continues to scale-up its presence in the rapidly growing emerging channels and has further expanded availability of its products with existing and new trade partners on Quick Commerce and Social Commerce platforms.

TM&D continues to remain at the forefront of leveraging cutting-edge digital technologies and building a digital ecosystem to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. Technology enablement in the form of customised mobility and routing solutions, machine learning algorithms, data science models, data analytics comprising insightful visualisation tools and predictive analysis are being increasingly leveraged to enable speedy and accurate data capture, enable real-time informed decisions and aid in optimisation of trade & marketing inputs to enhance sales. During the year, the machine learning models were augmented with several inputs including demographics, socio-economic indicators etc. to sharpen outlet level SKU recommendations. Use cases for self-service analytics tools have increased to analyse data and

present insights which are digitally integrated into business decisions, resulting in intelligent digitalisation of business processes.

The digitally powered eB2B platform of your Company, UNNATI, has been rapidly scaled up during the year, covering nearly seven lakh outlets with a large number of retailers placing orders directly on the platform. UNNATI facilitates sharp and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, and deeper brand engagement.

Your Company’s strategic collaboration with banks and Fintech partners caters to the digital payments and financing needs of customers and retailers. These solutions have been seamlessly integrated with the UNNATI platform to digitally empower and unlock business growth for your Company’s trade partners.

In line with your Company’s credo of ‘Nation First: Sab Saath Badhein’, TM&D has partnered with Open Network for Digital Commerce (ONDC) to facilitate the digital transformation of small retailers. As a part of this industry-first initiative, your Company continues to assist traditional retailers to on-board the ONDC network enabling them to have an omni-channel presence. This intervention is expected to enhance ecosystem competitiveness in the growing digital marketplace as also enable such retailers to effectively cater to evolving consumer buying behaviour.

Your Company’s Trade Marketing & Distribution highway has transformed into a smart omni-channel network. ‘ITC e-Store’, your Company’s exclusive D2C platform, continues to receive excellent

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consumer response. Powered by state-of-the-art digital technology and robust fulfilment infrastructure, the platform offers consumers on-demand access to a wide range of your Company's FMCG products across 45+ categories and over 800 products. Category specific D2C platforms such as Classmateshop.com, Dermafique.com, Aashirvaadchakki.com, Fiama.in etc. enable obtaining valuable consumer insights and augmenting franchise for your Company's products.

The scale and diversity of your Company's distribution network remains pivotal in enhancing market presence, gaining valuable insights into consumer & trade behaviour and facilitating the execution of product launches across geographies. In order to effectively leverage new routes-to-markets and meet the assortment needs of emerging channels, your Company executed over 100 new product launches across target markets besides extending distribution reach of several existing products in the portfolio.

Several interventions were undertaken by TM&D during the year to further improve operational effectiveness and productivity to strengthen competitive advantage in a structural manner. These include supply chain & network optimisation, smart buying including efficient freight procurement and layering of operations through direct shipments to customers. During the year, your Company continued to leverage the integrated planning and supply chain tool, powered by best-in-class algorithms for inventory optimisation and productivity enhancement to significantly improve supply chain agility and market servicing through enhanced forecast accuracy. The supply chain network was redesigned to enhance the premium portfolio availability both in existing and target markets across urban and rural landscapes.

An IoT based solution, which monitors stock movements on a real time basis, was leveraged to further improve vehicle turnaround time and enhance customer service through data analytics.

In line with your Company's commitment to the 'Triple Bottom Line', TM&D continued to focus its efforts for adoption of renewable sources in its operations. As part of your Company's Sustainability 2.0 agenda, TM&D is rapidly expanding its Green Logistics efforts for mid mile and last mile deliveries in key cities across the country. Collaborations with multiple Original Equipment Manufacturers (OEMs) and fleet aggregators facilitated adoption of Electrical Vehicles (EV) in TM&D operations. The number of EV trips increased by 2.7x over the previous year.

TM&D's distribution highway is a source of sustainable competitive advantage for your Company's FMCG Businesses and is well-positioned to support the rapid scale-up of operations in the ensuing years leveraging its best-in-class systems and processes, an agile and responsive supply chain, and a synergistic relationship with its channel partners.

### HOTELS

The global Travel & Tourism industry, which had been severely impacted during the pandemic, has witnessed strong rebound in the last two years. According to estimates of the World Travel and Tourism Council (WTTC), the Travel & Tourism sector is expected to contribute US\$ 9.9 trillion to the global economy in 2023 (about 96% of pre-pandemic levels). The Indian Travel & Tourism sector also witnessed robust growth during the year, with domestic air travel exceeding 2019 (pre-pandemic) levels by 5%. The year also witnessed renewed focus on promoting

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in-bound travel with the Ministry of Tourism declaring 2023 as 'Visit India Year', hosting of the G20 Presidency and celebrations of 'India@75 Azadi ka Amrit Mahotsav'. Foreign tourist arrivals improved over the previous year, while remaining below pre-pandemic levels (about 85% of 2019 levels), indicating significant headroom for growth.

The Travel & Tourism sector plays a vital role in the Indian economy and holds immense potential for growth. The extensive tourism value chain spanning hotels, travel agents, airlines, tour operators, restaurants, tourist transporters and guides, etc. results in a huge economic multiplier impact, ranking it amongst the highest across industries on this count. With growing per capita income, rapid urbanisation, increasing societal aspirations and low room supply penetration levels, the sector is poised to witness a long runway of growth. The Government's thrust on infrastructure and tourism including, inter alia, development of airports, upgradation of urban infrastructure, promotion of integrated tourist destinations, world-class convention facilities etc. is also providing support to the sector's accelerated growth trajectory.

The Hotels Business delivered stellar performance driven by strong growth in RevPAR across customer segments (Retail, Contracted, MICE, etc.) as well as leveraging marquee events hosted in the country. The Business continued to focus on its strategy of offering a host of curated propositions across accommodation, dining and banqueting services to augment revenues across properties. This included introduction of special packages offering distinct value propositions and flexibility, targeting short getaways/staycations, revamped packages for the MICE & wedding

segments and extension of exclusive privileges to members of the Club ITC Loyalty programme. Timely renovations and refurbishments aided in leveraging high season opportunities across multiple locations and properties.

The financial performance of the Business touched record highs - Segment Revenue for the year stood at ₹ 2989.50 crores while Segment EBITDA at ₹ 1049.88 crores exceeded the ₹ 1000 crore mark for the first time. Segment PBIT for the year stood at ₹ 753.77 crores, witnessing growth of appx. 39% over the previous year.

Your Company's Hotels Business continues to leverage its 'asset-right' strategy to be amongst the fastest growing hospitality chains in the country with over 130 properties and 12,000 rooms under distinctive brands – 'ITC Hotels' in the Luxury segment, 'Mementos' in the Luxury Lifestyle segment, 'Welcomhotel' in the Upscale segment, 'Storii' in the Boutique Premium segment, 'Fortune' in the Mid-market to Upscale segment and 'WelcomHeritage' in the Leisure & Heritage segment.

Over the years, your Company has expanded its footprint in the Luxury, Upper Upscale and Mid-market to Upscale segments of the Indian hospitality industry. Your Company's 'asset-right' strategy envisages a substantial part of incremental room additions, going forward, to accrue through management contracts. In the last 24 months, 25 hotels have been opened under the brand portfolio, out of which 24 are managed properties. All of these hotels have received excellent response from guests within a short span of time.

Continuing with the pursuit of its 'asset-right' strategy, the Business had recently launched

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two new brands - 'Mementos' in the Luxury Lifestyle segment and 'Storii' in the Boutique Premium segment.

- 'Storii by ITC Hotels' is positioned as a collection of handpicked properties offering unique bespoke experience-led stays and co-exists in harmony with the environment and the local community.
- 'Mementos by ITC Hotels' brings together a collection of unique hotels across varied destinations ranging from modern marvels, hidden retreats to historic treasures, leaving guests with experiences & memories which become prized mementos long after their visit.

Currently, the Business manages seven hotels under these brands.

The Welcomhotel brand now consists of 25 hotels and over 2,700 keys and is well positioned to scale-up rapidly on the back of a strong pipeline of management contracts.

The 'Fortune' brand continues to maintain its pre-eminent position in the Mid-market to Upscale segment, with a positioning of 'First-class, full-service hotels – an affordable alternative', comprising 51 operating properties and over 3,800 rooms.

The 'WelcomHeritage' brand continues to create best-in-class authentic experiences with an operational inventory of 38 hotels comprising over 1,000 rooms.

The Business is witnessing growing interest amongst property owners to partner with its iconic brands resulting in healthy generation of leads and pipeline of management contracts. The Business is confident of rapidly scaling up revenues through this route going forward.

Your Company's first international property ITC Ratnadipa, opened in April 2024 in Colombo, Sri Lanka. A jewel in the Colombo skyline that promises to enrich the tourism and hospitality landscape of Sri Lanka, the luxury hotel is poised to create the ultimate luxury hospitality experience for discerning business and leisure travellers. The hotel is meticulously designed to showcase the beauty and rich culture of Sri Lanka, seamlessly blending contemporary elegance with timeless charm. With 352 luxurious guest rooms, suites and service apartments, each adorned with private balconies with breath taking ocean views, this landmark property has already become an iconic feature of the Colombo skyline. Complementing its exquisite accommodations, the hotel also offers nine signature dining destinations that offer a repertoire of local, national and global cuisine, including marquee offerings from your Company's award-winning culinary brands.

Further, your Company's first hotel, Welcomhotel Chennai, was re-opened during the year after an extensive renovation in a whole new avatar. The iconic legacy hotel, with 90 well-appointed rooms, grander banquets and signature dining experiences is an embodiment of contemporary design and smart facilities. The property is certified as a LEED Platinum<sup>®</sup> and LEED<sup>®</sup> Zero Carbon hotel.

The Business has the highest number of hotels in the world to have been awarded the LEED Platinum<sup>®</sup> Certification by USGBC, with 23 of its hotels achieving this feat. Furthering your Company's Responsible Luxury ethos, 12 of its iconic hotels have received LEED<sup>®</sup> Zero Carbon Certification, the first in the world to achieve this feat. ITC Rajputana and ITC Maurya became the third and fourth hotels respectively to be

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awarded the LEED® Zero Water Certification by the USGBC, following ITC Mughal and ITC Sonar, which were the first and second hotel respectively to be awarded the certification globally.

The Business continues to evaluate avenues to further enhance the share of renewable energy in its portfolio, increase the number of LEED® Zero Carbon Certifications and reduce carbon emission levels.

ITC Hotels was recognised as the best Luxury Hotel Chain for the 5th consecutive year at ‘Travel + Leisure India’s Best Awards 2023’.

Leveraging its expertise and experience in the domain of sleep, the Business had launched its signature ‘Sleep’ Boutiques across the country, offering a wide range of premium home bedding products with both online and offline retail options. These boutiques, present across seven ITC Hotels, have received encouraging response and plans are on the anvil to scale-up operations going forward.

The world-class ambience of your Company’s luxury hotels continues to be leveraged for gourmet luxury chocolates under the ‘Fabelle’ brand with exclusive boutiques across nine ITC Hotels and kiosks at four Welcomhotels.

Digital investments continue to be leveraged towards enhancing guest experience, facilitating guest acquisition, augmenting revenue generation and driving operational efficiency. During the year, the Business continued to promote its full stack ITC Hotels App for Food Delivery, Room & Table Reservations, Room automation and entertainment control module, Loyalty Benefits, exclusive offers and achieved a milestone of 5 lakh downloads. Bookings on the brand website of the Business,

itchotels.com, witnessed significant traction during the year. The Business has fully digitised its loyalty programmes, ‘Club ITC’ and ‘Club ITC Culinaire’ – across enrolment, redemption and other key program essentials to ensure a seamless guest experience.

ITC Hotels is recognised for its award-winning culinary excellence, with illustrious brands, dishes and concepts revolving around indigenous ingredients and signature dining experiences. From bringing alive local flavours, cultures and age-old traditions to gourmet contemporary cuisine, the Business has been at the forefront of presenting gastronomical delights to food connoisseurs for decades. Sourcing local ingredients and using time-honoured techniques, the Business continues to remain ahead of peers in creating delectable dishes from humble ingredients and ensuring every meal is a celebration par excellence.

ITC Hotels was honoured to have exclusively curated and served from the best of India’s culinary heritage at the prestigious G20 summit held in New Delhi. ITC Maurya also had the honour of hosting the President of the United States of America and the entire US delegation to the Summit.

The Business continues to enhance its award-winning repertoire of culinary brands. In alignment with the Government’s initiative of promoting millets and in keeping with its ethos of producing sustainable cuisine, the Business has also created a range of millet-based gourmet cuisine across its signature restaurants. Further, it is also promoting easy-to-try recipes with millets depicted through short videos to encourage individuals to experiment with the taste and texture of millets.

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## Report of the Board of Directors

As you are aware, the Board of Directors of your Company at the meeting held on 14th August, 2023, subject to necessary regulatory approvals, has approved a Scheme of Arrangement amongst your Company and ITC Hotels Limited and their respective shareholders and creditors ('the Scheme') under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 for demerger of the Hotels Business of your Company into ITC Hotels Limited. The Scheme has since been approved by the Stock Exchanges. Further, the National Company Law Tribunal, Kolkata Bench, vide Order dated 22nd April, 2024, has convened a Meeting of the Ordinary Shareholders of your Company on 6th June, 2024 for the purpose of seeking your approval to the Scheme.

### PAPERBOARDS, PAPER AND PACKAGING

#### Paperboards & Specialty Papers

After achieving record highs in the previous year, global pulp prices witnessed steep decline in the first half of the year on account of subdued Chinese demand, recessionary conditions in Europe and progressive normalisation in global supply chain operations. Weakness in demand conditions in the Chinese economy also led to glut of low-priced Chinese supplies in global markets. Domestic demand for paperboard, which is largely derived from end-user demand for consumer goods, pharma, Quick Service Restaurants etc., remained subdued during the year leading to lower customer offtakes. The domestic market also witnessed excess supply due to higher net imports into the country including from China, leading to subdued realisations. The year also witnessed unprecedented surge in domestic

wood costs due to increased demand from competing wood-based industries.

The cumulative impact of subdued realisations, excess supply in domestic markets and sharp surge in wood costs exerted pressure on margins during the year, which was partially mitigated by leveraging structural advantages of the integrated business model, strong end-user engagements and Digital interventions.

Despite the headwinds as aforesaid, the Business further strengthened its leadership position in the Value-Added Paperboard (VAP) segment through focused innovations, development of customised solutions for end-use industries and superior end-user engagements. The Business also consolidated its leadership position in the eco-labelled products and premium recycled paperboards segments.

During the year, the Business delivered robust performance in the Specialty Papers segment. The Business successfully completed its capacity augmentation project, increasing Décor paper production capacity by 20000 tonnes per annum. Market standing in the segment continues to be driven by product mix enrichment and diversification of the customer base. The domestic industry remained under pressure due to cheap supplies from China. The recent introduction of Anti-dumping duty on Décor paper has partially provided a level playing field for domestic industry; which is critical towards fostering domestic value chains and enabling import substitution.

The paperboards and packaging industry is poised for transformative change in the medium term. Customers are increasingly seeking solutions that are bio-degradable, substitute single use plastic

The Paperboards & Specialty Papers Business further strengthened its leadership position in the Value-Added Paperboard (VAP) segment through focused innovations, development of customised solutions for end-use industries and superior end-user engagements.

and meet stakeholder and regulatory expectations across industries including food serving & delivery, pharmaceutical, beauty and electronics. The Business has adopted a multi-tiered strategy to build solutions that will replace single use plastics and meet emergent consumer needs.

Within the sustainable products portfolio, Platform 1 comprises a range of recyclable, compostable and barrier coated boards. This range includes the 'Filo' series - 'FiloBev' (for cups), 'FiloServe' (for QSR, bakeries, food retail) & 'FiloPack' (packaging for sweets and deep freeze applications) and is witnessing strong growth momentum in both domestic and international markets. The Filo series has been certified compostable by the Central Institute of Petrochemicals Engineering & Technology (CIPET) and the manufacturing unit at Bollaram has been registered with the Central Pollution Control Board (CPCB). During the year, Flustix (Less Plastic) certification also has been received for FiloPack. The Business is stepping up investments, including setting up a state-of-the-art coater, in this fast-evolving space which holds immense growth potential, supported by the R&D capabilities of your Company's Life Sciences & Technology Centre, and through external collaborations with global specialists.

Platform 2 comprises a range of first-to-market Fusion boards that are fully recyclable and replace plastic 'foam' board. End-use applications include indoor display solutions involving replacement of plastic signboards and shelves.

Platform 3 offers futuristic packaging solutions comprising premium Moulded Fibre Products (MFP) made from renewable natural fibres such as wood, bamboo, bagasse, waste paper etc. In order to cater

to this rapidly growing segment, your Company's wholly-owned subsidiary, ITC Fibre Innovations Limited (IFIL), forayed into the fast-growing MFP space with the commissioning of a state-of-the-art MFP manufacturing facility in Badiyakhedi, Madhya Pradesh in March 2024. IFIL will leverage the expertise of the Business in fibre value chain, manufacturing excellence and strong sustainability credentials to rapidly scale-up business going forward.

Over the years, the Business has continued to lay thrust on structural interventions to provide sustainable competitive advantage across the value chain and to enhance the margin profile of its portfolio. Such interventions include developing high yielding and disease-resistant clonal saplings, augmenting value-added paperboard and in-house chemical & mechanical pulp manufacturing capacities, enhancing energy efficiency, continuous improvement through product & process innovation, digital interventions including Industry 4.0, etc. These interventions have led to significant structural cost savings and enhanced productivity across all key operating nodes of the Business.

During the year, production of Bleached Chemical Thermo Mechanical Pulp (BCTMP) was ramped up subsequent to the recently concluded pulp capacity augmentation project. Further, record high production of in-house chemical pulp was achieved leveraging recent capacity expansion and Industry 4.0 initiatives.

The Business continues to procure wood, a key raw material, from sustainable sources. Research on clonal development has resulted in introduction

Your Company's wholly-owned subsidiary, ITC Fibre Innovations Limited (IFIL), forayed into the fast-growing Moulded Fibre Products (MFP) space with the commissioning of a state-of-the-art MFP manufacturing facility in Badiyakhedi, Madhya Pradesh.

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of high-yielding and disease-resistant clones that are adaptable to a wide variety of agro-climatic conditions. This has not only aided in increasing farmer incomes but has also enabled greater consistency in farmer earnings. In this context, your Company's Life Sciences & Technology Centre is engaged in developing higher yielding second generation clones with enhanced pest and disease resistant attributes. The Business continues to focus on scaling up wood sourcing from core areas. In addition, initiatives such as bund plantations and scaling up plantations in new catchment areas in Odisha and Chhattisgarh have enabled procurement of more than 1.73 lakh MT of wood from such new areas, with further potential for increasing cost-effective access to fibre in the future.

Your Company has the distinction of being the first in India to have obtained the Forest Stewardship Council-Forest Management (FSC<sup>®</sup>-FM) certification, which confirms compliance with the highest international benchmarks of plantation management across the dimensions of environmental responsibility, social benefit and economic viability. Till date, your Company has received FSC<sup>®</sup>-FM certification for over 1.49 lakh acres of plantations involving over 25000 farmers. During the year, nearly 4.85 lakh tonnes of FSC<sup>®</sup>-certified wood was procured from these certified plantations. Your Company sustained its position as the leading supplier of FSC<sup>®</sup>-certified paper and paperboards in India.

Your Company's Paperboards & Specialty Papers Business is a pioneer in the adoption of Digital technologies. In recent years, the Business has embarked upon a comprehensive Digital

Transformation Programme across the vectors of manufacturing, supply chain and support services to achieve operational excellence, enable decarbonisation of operations, drive improvement in profitability and improve safety across the value chain. The multi-dimensional digital interventions encompass Industrial IoT for Smart Operations, Integrated Data Platform, AI/ML algorithms for optimisation in the manufacturing process, AI/ML based image analytics and IoT based crop monitoring & advisory, and computer vision-based solutions to improve workforce safety. The Business continues to collaborate with partners from the start-up ecosystem, as well as established solution providers, in building scalable solutions that are custom-fit to business requirements.

The Business has been practising the principles of Total Productive Maintenance (TPM), Lean and Six Sigma for over a decade and continues to reap substantial benefits through its Business Excellence initiatives.

All manufacturing units of the Business continue to recycle nearly 100% of the solid waste generated during operations by converting the same into lime, fly ash bricks, cement, grey boards, egg trays etc. In addition, the Business recycled around 1.1 lakh tonnes of waste paper during the year, thereby sustaining positive solid waste recycling footprint of the Business.

In line with the objective of enhancing the share of renewable energy in its operations, the Business has implemented several initiatives including investments in a green boiler, high efficiency circulating fluidised bed boiler, solar & wind energy and increased usage

Your Company's Paperboards & Specialty Papers Business is a pioneer in the adoption of Digital technologies in the industry. The multi-dimensional digital interventions encompass Industrial IoT for Smart Operations, Integrated Data Platform, AI/ML algorithms for optimisation in the manufacturing process, AI/ML based image analytics and IoT based crop monitoring & advisory, and computer vision-based solutions to improve workforce safety.



of bio-fuel. The recently commissioned state-of-the-art and future-ready High Pressure Recovery Boiler at the Bhadrachalam mill is progressively enhancing energy efficiency and reducing the carbon footprint of the unit's operations by significantly lowering coal consumption by appx. 25%. These investments are a testament to your Company's commitment towards embedding sustainability in its operations and supporting the 'Make in India' initiative. With these initiatives, renewable sources presently account for more than 50% of total energy consumed at the four manufacturing units of the Business.

The Business continues to strengthen its safety management processes, adopt globally recognised best practices and ensure that facilities are designed, constructed, operated and maintained in an inherently safe manner. Business continues to deploy various measures including the use of Data Analytics Tools to identify risk prone areas for proactive mitigation of incidents, video analytics etc.

The manufacturing facilities at Bhadrachalam, Kovai, Tribeni and Bollaram continue to receive industry recognition for their green credentials and safety standards in line with the focus on sustainable business practices. The Bhadrachalam unit is the first pulp & paper plant and the second in the country overall, to be rated 'GreenCo Platinum+' by CII, as part of the Green Company rating system. The Kovai unit has also been rated GreenCo Platinum+ by CII. The unit is the first site in India and the first paper mill in the world to achieve the highest platinum rating under the 'Alliance for Water Stewardship Standards'. The Business was also recognised as

the Asia-Pacific winner of the Special Award for Sustainability at the IDC Future Enterprise Awards 2023 for exemplary digital business models.

With structural drivers of demand in the Indian economy remaining strong over the medium term, paperboards demand is expected to remain firm in spite of near-term industry headwinds. Going forward, end-user segments such as Pharmaceuticals, Apparels, QSR, FMCG, consumer durables and e-Commerce are projected to register strong growth. Writing & Printing paper demand is also expected to remain firm on the back of demand from the publishing and notebooks industries driven by the Government's thrust on primary and secondary education. While cheap imports from China as well as from ASEAN countries remain a potential threat in the short run, the Business remains confident of leveraging its competitive strengths to mitigate the impact thereof. Representations continue to be made at appropriate forums for suitable measures to safeguard domestic industry.

The integrated nature of your Company's business model - comprising access to high-quality, cost competitive and renewable fibre supply chain, in-house pulp manufacturing capability, imported pulp substitution, world-class product quality, state-of-the-art manufacturing facilities, increasing usage of data analytics and Industry 4.0 technologies along with robust forward linkages with the Education and Stationery Products Business and the Packaging and Printing Business - is a key source of competitive advantage for your Company's Paperboards & Specialty Papers Business.

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## Report of the Board of Directors

Your Company is confident of further consolidating its leadership position in the Indian Paper and Paperboards industry leveraging recent investments in innovation platforms anchored on the development of sustainable products and cutting-edge digital technologies to set new benchmarks in customer satisfaction, operational excellence and sustainability.

### Packaging and Printing

Your Company's Packaging and Printing Business is a leading provider of superior, differentiated and innovative packaging solutions catering to a variety of functional and aesthetic requirements. The Business derives competitive advantage by leveraging world-class manufacturing infrastructure, including in-house cylinder making and blown film manufacturing lines, and a comprehensive capability-set spanning multiple technology platforms for high-end applications both for cartons and flexibles packaging. The recent capacity addition at Nadiad, Gujarat, with state-of-the-art equipment to cater to markets in Western region, has further augmented the Business' capabilities in Cartons packaging. Capacity utilisation at the facility was progressively ramped up during the year.

The Business caters to the packaging requirements of leading players across several industry segments viz. Food & Beverage, Personal Care, Home Care, Footwear, Consumer Electronics & Electricals, QSR, Pharma, Liquor and Tobacco. The Business also provides strategic support to your Company's FMCG Businesses and Cigarettes Business by facilitating faster turnaround for new launches, innovative packaging solutions, design changes, ensuring

security of supplies and delivering benchmarked international quality at competitive cost.

During the year under review, the packaging and printing industry witnessed several headwinds. Subdued demand in certain key end user industry segments, progressive de-cartonisation in the liquor industry and volatility in input costs rendered the operating environment extremely challenging. The Business continued to aggressively pursue new business development opportunities across segments and acquired several key accounts during the year which have significant potential to scale-up going forward.

Recognising the growing need for sustainable packaging, the Business continued to craft innovative packaging solutions leveraging its deep understanding of end-user needs and the capabilities of your Company's Life Sciences and Technology Centre. During the year, the flagship 'InnovPack' campaign was further scaled up. Collaborations with several end-use customers aided accelerated adoption of sustainable packaging and plastic substitution solutions. A pipeline of products developed through proprietary solutions such as 'Bioseal' (compostable coating to replace plastics), 'Oxyblock' (recyclable coating solution to enhance barrier properties in packaging) and 'Germ free coating' (solution for microbial free packaging surface addressing the consumer consciousness towards hygiene and safety) have been introduced, with increasing adoption levels across end use segments. The Business continues to focus on developing/scaling up several innovative solutions towards 'Reducing, Reusing and Recycling' of plastics; these are under various stages of commercialisation.

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The Business continues to be acknowledged as a ‘first choice packaging partner’ by several reputed FMCG companies in the country for providing superior and cost-effective packaging solutions incorporating superior structural design, print embellishments, enhanced security features and design-for-recyclability.

The Business augmented cigarette packaging capacity by adding a gravure line in Nadiad. The Business has also invested in a custom-built line which will help expand offerings for sustainable packaging structures using barrier coatings.

The Business continues to deploy several operational excellence tools along with focused interventions in the areas of efficiency improvement, waste reduction, quality improvement and employee skill building.

All four units of the Business are certified as per the Integrated Management System, consisting of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Cartons Packaging lines at Tiruvottiyur and Haridwar units received the ‘Grade A’ and the Nadiad unit received Grade AA - Brand Reputation Compliance Global Standards (BRCGS) certification, for achieving global standards in packaging materials - a key enabler for supplies to the packaged foods industry.

During the year, the Business won the prestigious WorldStar awards in several categories of pack premiumisation, structural innovation & sustainability. The Business also won several national level awards such as the IFCA Star awards and SIES SOP Star Awards for excellence in Packaging. The Business was also awarded the Innovative Printer of the year 2023 & Packaging Converter of the Year 2023 (Foods & Beverages) awards by PrintWeek.

Notwithstanding the recent headwinds in the sector, the Indian packaging industry is poised for significant growth considering the low per capita packaging consumption of appx. 10 kgs per annum as against per capita consumption of 60 to 100 kgs per annum in Advanced Economies. Demand for consumer linked packaging in India is expected to be further benefited by rising affluence, favourable demographics and growing share of Modern Trade and e-Commerce. Additionally, increasing consumer awareness coupled with higher regulatory focus on plastic packaging is set to catalyse growth in sustainable packaging encompassing recyclable and circular solutions.

With world-class technology across a diverse range of platforms, leadership in sustainable packaging solutions and best-in-class quality management systems, the Packaging and Printing Business has established itself as a one-stop packaging solutions provider to several industry segments viz. Food & Beverage, Personal Care, Home Care, QSR, Footwear, Consumer Electronics, Pharma and Tobacco. With focused investments in skill development and a distributed manufacturing footprint, the Business is well positioned to grow its marquee customer base while continuing to service the requirements of your Company’s FMCG Businesses.

## AGRI BUSINESS

### Leaf Tobacco

Global demand for leaf tobacco surpassed supply during the year, in view of international manufacturers rebuilding inventory levels which had reduced due to crop shortages in previous years due to

The Indian packaging industry is poised for significant growth considering the low per capita packaging consumption of appx. 10 kgs per annum as against per capita consumption of 60 to 100 kgs per annum in Advanced Economies. Demand for consumer linked packaging in India is expected to be further benefited by rising affluence, favourable demographics and growing share of Modern Trade and e-Commerce. Additionally, increasing consumer awareness coupled with higher regulatory focus on plastic packaging is set to catalyse growth in sustainable packaging encompassing recyclable and circular solutions.



## Report of the Board of Directors

pandemic-led disruptions and adverse weather events. Despite growth in Indian Flue Cured Virginia (FCV) tobacco crop production during the year, the surge in global demand caused heightened competitive intensity amongst leaf exporters resulting in sharp rise in FCV procurement prices for the second consecutive year.

The Business continued to leverage its crop development expertise, superior product quality, world-class processing facilities and strong sustainability credentials to strengthen its position as a reliable supply chain partner for global customers. During the year, the Business also increased its share of business with international buyers of Indian Burley tobacco by growing the crop size through geographic expansion leveraging its sustainable tobacco programme. Deeper farmer & customer engagement, operational agility and supply chain efficiency enabled the Business to deliver enhanced value to its customers and consolidate its pre-eminent position as the largest Indian exporter of unmanufactured tobacco.

The Business continues to make focused investments across the tobacco value chain anchored on the key vectors of Quality, Consistency, Compliance, Climate risk mitigation and Sustainability. Crop and region-specific agronomic practices continue to be deployed to cater to emerging customer requirements.

The Business continues to set benchmarks in leaf threshing operations through focused initiatives and innovative technological & digital solutions. Investments continue to be made in your Company's Green Leaf Threshing plants (GLT) at Anaparti, Chirala and Mysuru towards delivering world-class quality and upgrading processing technology.

Strategic cost management across the value chain continues to be a key focus area for the Business. Utilisation of the AI/ML powered real-time price discovery system continues to be scaled up facilitating efficient leaf tobacco buying across auction platforms. Several initiatives implemented across the value chain in recent years have led to improved operating efficiencies in areas of leaf procurement, capacity utilisation and supply chain.

Synergistic R&D initiatives with focus on varietal development, climate smart farming techniques, farm level digital interventions and usage of water efficient technologies are being scaled up towards enhancing productivity & product quality, reducing cultivation costs and strengthening resilience of the value chain in order to increase crop security and enhance farmer incomes.

The Business enabled farmers to successfully implement integrated energy management initiatives spanning energy conservation, increasing alternative fuel usage and energy plantations, towards achieving fuel self-sufficiency in the curing process of FCV tobacco. During the year, the Business also developed a comprehensive decarbonisation strategy covering Farms, GLTs & Supply Chain operations. The electrical energy needs of all three GLTs are substantially met from renewable sources in line with your Company's philosophy of adopting a low-carbon growth path. In addition to these initiatives, your Company is taking up integrated watershed management programmes to ensure availability of water for irrigation during critical phases of the crop cycle.

The Leaf Tobacco Business continued to leverage its crop development expertise, superior product quality, world-class processing facilities and strong sustainability credentials to strengthen its position as a reliable supply chain partner for global customers.

In recognition of its relentless commitment to the highest standards of Sustainability, EHS (Environment, Health, Safety) & Quality, the Business received several awards during the year including the award for 'Most Innovative Best Practices' from Confederation of Indian Industry (CII), 'AWS' Certification of its Mysuru GLT with Platinum rating from Alliance for Water Stewardship, various awards at events organised by the Quality Circle Forum of India and CII for operational excellence, etc.

During the year, Indian leaf tobacco crop witnessed growth in export demand, driven by post-pandemic consumption recovery, supply chain disruptions coupled with pipeline build-up by international manufacturers and lower global inventories due to extreme weather events in prior years. Domestic demand also increased during the year, with the recent stability in taxes on cigarettes, which enabled the legal cigarette industry in India to combat illicit trade, leading to higher domestic demand for Indian tobacco crop.

It is imperative to address certain structural factors to facilitate sustained growth and competitiveness of leaf tobacco exports from India. Punitive taxes on the legal cigarette industry in earlier years have resulted in elevated levels of illicit cigarette trade – impacting demand for Indian leaf tobacco as illicit products do not use significant levels of leaf tobacco grown in India. Lower export incentives in India and high import duty levied in several markets, including the USA and Europe, also continue to weigh on the competitiveness of Indian leaf tobacco exports.

As stated in earlier years, a more balanced regulatory and taxation regime that cognises for the unique tobacco consumption pattern prevalent in India and the economic realities of the country is the need of the

hour to support the Indian tobacco farmer and the 46 million livelihoods dependent on tobacco.

It is also imperative that the Indian leaf tobacco sector receives necessary policy support, including restoring export incentives to earlier levels, to enhance the competitiveness of unmanufactured tobacco exports from India and contribute to increase in farmer incomes. Your Company continues to engage with policy makers on these matters.

The Business will continue to provide strategic sourcing support to your Company's Cigarettes Business and consolidate its leadership position as a major exporter of quality Indian tobacco thereby catalysing the multiplier impact of increased farmer incomes on the rural economy. With its strong R&D capability, sustainability leadership, digital expertise, unique crop development & extension expertise, state-of-the-art processing facilities and deep understanding of customer & farmer needs, your Company is well positioned to meet the current and emerging requirements of global customers and sustain its position as a world-class leaf tobacco organisation.

### Other Agri Commodities

Geopolitical tensions and climate emergencies have led to significant concerns over food security and food inflation globally as well as in India. To ensure India remains food secure, the Government has had to impose trade restrictions on agri commodities; consequently limiting business opportunities for your Company's Agri Business during the year.

As reported in earlier years, the scope and scale of operations of your Company's Agri Business have grown manifold over the years and currently

It is imperative to address certain structural factors to facilitate sustained growth and competitiveness of leaf tobacco exports from India. Punitive taxes on the legal cigarette industry in earlier years have resulted in elevated levels of illicit cigarette trade – impacting demand for Indian leaf tobacco as illicit products do not use significant levels of leaf tobacco grown in India.

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encompasses nearly 3 million tonnes of annual volume throughput in 22 states and over 20 agri-value chains. The strategic focus of the Business in recent years has been to accelerate growth by rapidly developing and scaling up Value-Added Agri Products (VAAP), straddling multiple value chains comprising Spices, Coffee, Frozen Marine Products and Processed Fruits amongst others. Amidst the extremely challenging operating environment as aforesaid, your Company leveraged its strong farm linkages, extensive sourcing expertise enabling traceable, attribute based and identity-preserved sourcing of agri-commodities, multi-modal logistics capability, agile supply chain operations, deep customer relationships and focus on scale-up of the VAAP portfolio to sustain business operations during the year.

- Your Company is a leading player in spices such as Chilli, Turmeric, Coriander and Cumin. In line with its strategy of enhancing value addition and ‘producing the buy’, the Business has, in recent years, scaled up its presence in ‘food safe’ markets viz. USA, EU and Japan, leveraging its key strengths such as identity-preserved sourcing expertise, strong backward integration, custody of supply chain and customer focused strategies. During the year, the Business consolidated its position as a preferred supplier in ‘food safe’ markets (private labels, steam sterilised, organic products etc.) leveraging deep customer relationships, portfolio augmentation and agile execution. The Business scaled up its Organic and Integrated Crop Management (ICM) programmes, thereby enhancing its ability to produce ‘food safe’ spices in a sustainable

manner. The Business continues to partner with various State Governments for production of ‘food safe’ spices and has maintained an unblemished track record over the years in terms of compliance with stringent food safety parameters. The Business continues to pursue sustainable farm management practices anchored on Rainforest Alliance and Global GAP accreditation.

Capacity utilisation of the state-of-the-art Spices processing facility in Andhra Pradesh has been ramped up to enable your Company to expand its customer base in food safe export markets, besides promoting inclusive spices value chains benefiting thousands of Indian farmers.

- During the year, Coffee prices witnessed sharp increase in the international markets primarily due to lower crop output in Vietnam. The tightness in supply, in anticipation of further price increases, resulted in lower export volumes of Indian Coffee. Notwithstanding these challenges, the Business registered strong growth in exports leveraging its strategic presence in key coffee producing regions of India, deep understanding of estate and region-specific varieties and focus on premium grades of Arabica, Certified Coffees, Specialty and Monsooned Coffee.
- Your Company is one of the leading exporters of value-added frozen marine products from India with expertise in processing individually quick-frozen (IQF), raw and cooked products, adhering to the highest standards of safety and hygiene prevalent in developed markets such as the US, EU and Japan. During the year, your

The scope and scale of operations of your Company’s Agri Business have grown manifold over the years and currently encompasses nearly 3 million tonnes of annual volume throughput in 22 states and over 20 agri-value chains.



Company has emerged as one of the top 3 exporters of frozen shrimps from India to the EU market by expanding its footprint in sustainably sourced shrimps leveraging the Aquaculture Stewardship Council (ASC) programme. The Business also provides sourcing support to the 'ITC Master Chef' range of 'Super Safe' frozen prawns in the domestic market and supplies high-quality shrimps to your Company's Hotels Business.

- In the Processed Fruits & Vegetables segment, the Business continues to expand its footprint in the fruit pulp and tomato paste categories through a robust network comprising a large number of small and marginal farmers in four states.
- The Business continues to focus on its strategy of moving up the value chain by scaling up its customised crop development and cultivation programme in Madhya Pradesh to further enhance its expertise in Medicinal and Aromatic Plant Extracts (MAPE). Collaborations with farmers are being strengthened with the Business providing necessary inputs, advisory, on-field support and enabling farmers to 'produce the buy'.

The Business remains focused on expanding its scope of operations across identified agri-commodities, including both fresh and processed products.

The Business is also scaling up end-to-end presence across the value chain, supported by the R&D capabilities of your Company's Life Sciences and Technology Centre, ITCMAARS network and external collaborations.

Towards enhancing the competitiveness of domestic agri-value chains, strengthening market linkages and building traceable & climate smart value chains,

your Company has successfully scaled up ITCMAARS – a crop-agnostic full stack AgriTech digital platform, together with a physical ecosystem, across ten states. The ITCMAARS 'Phygital' platform now spans more than 1,650 Farmer Producer Organisations (FPOs) encompassing more than 1.5 million connected farmers and several industry partners including agri input manufacturers, banks, financial institutions and agri-tech startups. By synergistically integrating NextGen agri technologies, ITCMAARS is developing a robust ecosystem to seamlessly deliver hyperlocal and personalised solutions to the Indian farming community leveraging world-class digital tools (including IoT) to develop new and scalable revenue streams, strengthen sourcing efficiencies and power your Company's world-class Indian brands.

The ITCMAARS platform provides hyperlocal e-market services for agri inputs and farm outputs, enables access to credit and provides a wide range of predictive and prescriptive advisory services covering weather forecasts, agronomy, best practices for improved productivity, quality assurance, etc.

The integration of these package of practices enables the agri ecosystem to make a transformational shift towards superior value creation for all stakeholders.

The ecosystem also provides access to sustainable Agri-inputs such as biologicals and nano-nutrients to farmers. New age functionalities such as 'KrishiMitra' – the world's first Gen AI based voice chatbot for farmers, enables innovative user-interface in vernacular languages deploying voice to text technology, thereby easing the adoption of digital technology by farming communities.

Your Company leveraged its strong farm linkages, extensive sourcing expertise enabling traceable, attribute based and identity-preserved sourcing of agri commodities, multi-modal logistics capability, agile supply chain operations, deep customer relationships and focus on scale-up of the Value-Added Agri Products (VAAP) portfolio to sustain business operations during the year.

## Report of the Board of Directors

Over the years, your Company has invested significantly in building competitively superior agri-commodity sourcing expertise comprising multiple business models, wide geographical spread and customised infrastructure. Your Company is rapidly building expertise in data-science led decision support systems to deepen its sourcing capability. These include development of AI/ML models that dynamically respond to evolving conditions across multiple sourcing dimensions and aid in optimal sourcing decisions. These capabilities and infrastructure have created structural advantages by facilitating competitive sourcing of agri commodities for your Company's Branded Packaged Foods Businesses

- The Business continues to leverage its strong farm linkages and wide sourcing network across geographies to secure supplies of critical grades of wheat of benchmark quality towards meeting the growing requirements of 'Aashirvaad' atta. During the year, the Business further scaled up its strategic sourcing and supply chain interventions. These include focused crop development towards securing the right varieties for 'Aashirvaad' atta to provide consumers best-in-class product quality and experience, use of multi-modal transportation, cost optimisation through geographical and varietal arbitrage as also enabling supply of attribute based/identity preserved grades.
- Similarly, such capabilities are also being leveraged to source high-quality fruit pulp and frozen vegetables for your Company's 'B Natural' and 'Farmland' brands.
- Milk procurement network in Bihar and West Bengal was strengthened towards meeting the growing requirements of your Company's Fresh Dairy portfolio under the 'Aashirvaad Svasti' brand, and in Punjab for 'Sunfeast' Dairy Beverages. The network was expanded during the year to support the launch of the fresh dairy portfolio in Jharkhand. The Business continues to empower farmers by providing infrastructure such as automated milk collection units, milk chillers

and imparting best animal husbandry practices to improve operational efficiency, maintain high quality of milk, while ensuring traceability.

- The Business continues to scale-up sourcing of spices to meet the growing requirements of Sunrise and Aashirvaad brands.

In recognition of the various initiatives undertaken by the Business to enable an agile, resilient and responsive sourcing and supply chain, your Company was recognised for its excellence under the Food, Perishables, Beverages & FMCG category at the CII SCALE Awards, 2023. Your Company also secured first position in FICCI Sustainable Agriculture Awards 2023 for its programmes in Natural Resource Management and Climate Resilient Agriculture.

The Business continues to collaborate with reputed research organisations such as the Indian Agricultural Research Institute, Indian Institute of Wheat & Barley Research, Indian Institute of Rice Research, Indian Institute of Soybean Research, Indian Institute of Vegetable Research, Punjab Agricultural University and Agharkar Research Institute towards building an efficient and cost competitive agri-value chain. During the year, the Business further scaled up its crop development programmes and introduced location-specific, new and superior seed varieties along with appropriate package of practices in Rajasthan, Uttar Pradesh, Bihar, West Bengal, Punjab, Madhya Pradesh and Maharashtra. Sharp focus on deepening capabilities in proprietary crop intelligence, scaling up the sourcing & delivery network and developing customised blends will support your Company's Branded Packaged Foods Businesses in the years to come.

Your Company remains committed to supporting the Government's efforts to promote millets given their immense benefits in terms of nutritional properties and attributes as a planet friendly and climate resilient crop. Your Company has extended the ITCMAARS ecosystem to promote FPOs engaged in millets farming and has also partnered with the Indian Institute of Millets Research (IIMR), Hyderabad to

promote high yielding varieties and advanced package of practices among millet farmers.

Recognising that the agriculture sector faces colossal challenges of ensuring food security, addressing climate change and enhancing productivity & farm incomes, your Company has pioneered several interventions to strengthen the competitiveness and build resilience of agri value chains. A comprehensive Climate Smart Agriculture programme has been launched across 19 states to enable a transformation journey from Low Yield Low Resilient areas to High Yield and High Resilient villages through a package of agronomy practices, climate resilient varieties, precision farming, water management and appropriate mechanisation. Powering NextGen Agriculture, your Company has accelerated digital adoption in agriculture enabling farmers to benefit from its advanced solutions. Regenerative agri-practices, farm mechanisation and adoption of climate smart agriculture is bolstered by the efficient aggregation of farmers to future-ready FPOs.

Your Company's focus on exports has led to strategic investments in world-class facilities that help link farmers to global markets. The wide range of interventions of your Company in empowering farmers through climate resilient agriculture, natural resource augmentation, development of competitive agri-value chains, focus on VAAP, leveraging advanced digital technology and strong market linkages reflect your Company's commitment to catalyse a transformational shift of the agri eco system from the conventional production-centric to demand-responsive value chains, while also serving national priorities.

## NOTES ON SUBSIDIARIES

The following may be read in conjunction with the Consolidated Financial Statements of your Company prepared in accordance with Indian Accounting Standard 110. Shareholders desirous of obtaining the Report and Accounts of your Company's subsidiaries may obtain the same upon request. Further, the Report and Accounts of the subsidiary companies is also available under the 'Investor Relations' section

of your Company's website, [www.itcportal.com](http://www.itcportal.com), in a downloadable format. Your Company's Policy for determination of a material subsidiary, as adopted by your Board, in conformity with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, can be accessed on your Company's corporate website at <https://www.itcportal.com/material-subsiary-policy>. Presently, your Company does not have any material subsidiary.

## Surya Nepal Private Limited

The Nepalese economy witnessed a slowdown in GDP growth to 1.9% during the fiscal year ended July 2023 as against the 5.6% growth in the previous year. The operating environment remained challenging with high inflation, low credit growth and high interest rates leading to subdued economic activity reflecting in muted performance across sectors.

The Central Bank's intervention through the new Monetary Policy, aimed at fostering economic growth, aided in progressive moderation of interest rates during the current fiscal year. Consumer price inflation eased to 4.8% in mid-March 2024 Vs. 7.4% in mid-July 2023, largely on account of moderation in commodity prices. Remittance inflows continue to be robust, growing at 18.8% during the period from July, 2023 to March, 2024 over the previous year. The tourism sector also continues to strengthen with tourist arrivals recovering to pre-COVID levels.

While the economy is on the path of gradual recovery from the macroeconomic stress witnessed since 2022, overall economic activity remains subdued and domestic demand, especially in the FMCG sector, remains weak. Private investment remained muted as evidenced by lower imports of capital and intermediate goods. Public consumption and investments also contracted, on the back of lower revenue collections. Measures towards encouraging domestic and foreign investments, incentivising the manufacturing sector to enable import substitution and job creation, supporting the hospitality sector with its large economic multiplier effect, on-ground implementation of reforms and



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promulgation of industry-friendly policies remain the key imperatives for sustained revival of the economy.

The legal cigarette industry provides livelihoods to over five lakh individuals involved in tobacco cultivation, manufacturing & trade and makes a significant contribution to the revenue collection of the Government of Nepal. Despite its far-reaching economic impact, the legal cigarette industry continues to face significant challenges from an increasingly punitive and discriminatory taxation and regulatory regime. The company continues to engage with policy makers for equitable, non-discriminatory, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives.

Amidst a challenging economic environment as aforesaid, the company reinforced its market standing in the Cigarettes business by leveraging its robust portfolio, superior product quality and wide distribution network. Differentiated and innovative offerings under 'Striker' and 'Surya' brands were launched during the year, further fortifying the portfolio.

The company's manufacturing systems continue to set new benchmarks in responsiveness, quality and productivity. Various initiatives such as installation of state-of-the-art technologies and process automation were implemented during the year, which further strengthened the manufacturing capability of the company. Relentless focus on developing world-class products anchored on innovation and benchmarked against international quality standards remains a key source of sustainable competitive advantage for the company.

During the year, the company continued to strengthen its market standing in the Agarbatti business, leveraging its differentiated product portfolio, sharply focused marketing investments and best-in-class product availability across target markets. New 'Marigold' offering introduced during the year, strengthened its presence in the premium segment.

During the year, the company forayed into the Biscuits category with the launch of premium biscuits under the trademark 'Sunfeast Dark Fantasy Choco Fills' licensed from your Company. A state-of-the-art biscuits manufacturing line has been commissioned at the company's facility near Biratnagar in eastern Nepal with commercial production commencing in August 2023. The brand has received encouraging consumer response.

In the Confectionery business, the company further augmented its portfolio through new launches such as 'Toffichoo Eclairs' and 'Toffichoo Cola Fun' and continues to make focused investments towards strengthening its market standing.

During the year, Surya Nepal Ventures Private Limited, a wholly-owned subsidiary of the company was incorporated to carry out manufacturing and distribution of FMCG products, commencing with Agarbattis. The company commenced operations in March 2024.

The company continues to make multi-dimensional contributions towards building the societal and economic capital of Nepal. In line with the applicable regulations and CSR policy, the company carried out initiatives under four distinct CSR Platforms, namely, Surya Nepal *Asha*, Surya Nepal *Prakriti*, Surya Nepal *Adharshila* and Surya Nepal *Gatha* during the year. Key interventions include:

- providing assistance to farmers in areas proximal to the company's operations,
- creation of agri-infrastructure such as vermicompost pits, harvesting sheds etc.,
- providing training to improve productivity and enhance income generation for farmers through animal husbandry,
- improvement in the quality of education in public schools in the vicinity of the company's operating locations,
- development of public infrastructure in the catchment areas of operating locations,
- assistance in various environment preservation measures like urban plantation and preservation of biodiversity,

- support in organising the largest Nepali literature festival and assistance in promotion and revival of the local Nepali folk musical instrument – ‘Sarangi’ through various training programs and workshops,
- supported the Nepal Army in its ‘Safa Himal Abhiyan’ initiative aimed at minimising the impact of environmental pollution by collecting degradable and non-degradable wastes strewn in the Himalayas.

During the year, the company recorded Revenue from Operations of NRs. 4979 crores (previous year NRs. 4953 crores) and Net Profit of NRs. 1118 crores (previous year NRs. 1088 crores).

The company declared a dividend of NRs. 563 per equity share of NRs. 100 each for the year ended 16th July, 2023 (31st Asadh, 2080), amounting to NRs. 1135 crores (previous year NRs. 516 per equity share amounting to NRs. 1040 crores).

The company continues to be the largest contributor to the exchequer in Nepal and is well-positioned to consolidate its leadership position by leveraging its robust portfolio of products, deep & wide distribution network, best-in-class manufacturing facilities and execution excellence. The company continues to explore opportunities to rapidly scale-up the newer FMCG businesses and evaluate emerging opportunities in this space.

### **ITC Infotech India Limited and its subsidiaries**

The global technology industry witnessed a slowdown in growth in FY 2023-24 on the back of macro-economic and geo-political uncertainties. According to NASSCOM, the Indian IT Services Industry grew at only 2% in FY 2023-24, compared to 8.3% in the previous year. With companies rationalising their discretionary IT spend, cost-optimisation strategies continue to drive global technology spending.

In the backdrop of muted growth in the IT Services Industry, the company recorded robust revenue growth during the year driven by an expanded global footprint and capability-led partnerships across key clients. The business strategy remains centred around sustaining the organisational growth momentum

leveraging the core pillars of ‘Customer Centricity’, ‘Employee Centricity’ and ‘Operational Excellence’, augmented by inorganic growth levers aligning to strategic priorities of the Business. The company stayed relevant to the evolving business needs of its clients and co-invested in the growth and transformation agendas of key customers. With technology clients increasingly looking for strategic partners to streamline distributed portfolio of services and drive efficiencies, the company leveraged an integrated global service delivery structure and strengthened operational efficiencies through a structured delivery excellence framework.

The company continued to invest in institutionalising best-in-class delivery excellence and building focused capabilities to drive client relevance, scale and differentiation. The company’s portfolio of client and industry-focused capabilities include Data & Analytics, Direct to Consumer (D2C), Open Hospitality (Hotels-in-a-Box), PLM-led Digital Thread Solutions, Digital Manufacturing, SAP S/4 HANA, and Cloud amongst others. The company’s focus on large deals enabled it to strengthen its portfolio of capabilities, bolster its mid-term revenue growth prospects and expand globally. The company started a new Service Line – ‘DxP Services’ – pursuant to the Strategic Partner Agreement with PTC Inc. in FY 2022-23. The company has also won two multi-year, large strategic deals in FY 2023-24 from existing marquee clients.

Attracting, training and retaining high-quality talent, particularly in niche and future-focused technologies remains a top priority to succeed in the global technology landscape and support Business’ growth imperative. The company continues to foster an employee-centric, high-performance work culture, driving holistic well-being and growth as part of its comprehensive employee value proposition. The company continues to strengthen leadership through curated leadership development programs and employee competencies through domain & technology-led training and career development programs.

During the year, the company’s consolidated Total Income stood at ₹ 3784.17 crores (previous year

## Report of the Board of Directors

₹ 3363.06 crores), clocking a resilient growth of 12.5% driven by its expanded global presence and the increasing traction in the company's strategic accounts. Profit Before Tax stood at ₹ 628.61 crores (previous year ₹ 529.66 crores) and Net Profit stood at ₹ 463.13 crores (previous year ₹ 405.25 crores). The aforesaid financial metrics are after considering certain costs associated with the Strategic Partner Agreement with PTC Inc., resource augmentation and accelerated investments in capability building in strategic focus areas and infrastructure.

For the year under review:

- a. ITC Infotech India Limited recorded Revenue from Operations of ₹ 2869.29 crores (previous year ₹ 2632.30 crores) and Net Profit of ₹ 382.21 crores (previous year ₹ 353.38 crores). The company paid a total dividend of ₹ 55.50 per Equity Share of ₹ 10/- each aggregating ₹ 488.40 crores (previous year ₹ 17.00 per Equity Share of ₹ 10/- each aggregating ₹ 149.60 crores).
- b. ITC Infotech Limited, UK, a wholly-owned subsidiary of the company, recorded Revenue of GBP 34.11 million (previous year GBP 30.30 million) and Net Profit of GBP 1.49 million (previous year GBP 1.45 million).
- c. ITC Infotech (USA), Inc., a wholly-owned subsidiary of the company, together with its wholly-owned subsidiary Indivate Inc., recorded Revenue of US\$ 158.58 million (previous year US\$ 149.28 million) and Net Profit of US\$ 6.69 million (previous year US\$ 4.68 million).
- d. ITC Infotech Do Brasil LTDA., a wholly-owned subsidiary of the company incorporated in October 2022, recorded Revenue of BRL 7.59 million (previous year BRL 1.37 million) and Net Profit of BRL 0.60 million (previous year BRL 0.12 million).
- e. ITC Infotech de México, S.A. de C.V., a wholly-owned subsidiary of the company incorporated in April 2023, recorded Revenue of MXN 5.90 million and Net Profit of MXN 0.75 million.
- f. ITC Infotech France SAS, a wholly-owned subsidiary of the company incorporated in February 2023, recorded Revenue of EUR 6.05 million and Net Profit of EUR 0.43 million.
- g. ITC Infotech GmbH, a wholly-owned subsidiary of the company incorporated in March 2023, recorded Revenue of EUR 14.25 million and Net Profit of EUR 2.80 million.
- h. ITC Infotech Malaysia SDN. BHD., a wholly-owned subsidiary of the company incorporated in February 2023, recorded Revenue of MYR 7.95 million and Net Profit of MYR 0.37 million.
- i. ITC Infotech Arabia Limited, a wholly-owned subsidiary of the company incorporated in December 2023 is expected to be fully operational in FY 2024-25.

The company's investments in building technology-led solutions and offerings in future-focused capabilities were acknowledged in global benchmarking reports across analyst firms. In FY 2023-24, the company was recognised as 'Disruptor' across several Avasant RadarView™ service provider benchmarking reports, including 'Digital CX Services', 'Data Management and Advanced Analytics', 'Manufacturing Smart Industry', 'Internet of Things', 'End-user Computing', 'Digital Workplace', and 'Intelligent Automation'. The company was recognised as 'Disruptor' by HFS in 'Horizons: Retail and CPG Service Providers, 2023'. The company received two ISG 'Star of Excellence™' Awards in the categories of 'Universal ISV/Cloud Vendor Ecosystem' and 'Industry Award for CPG + Retail'.

In April 2024, the company signed a definitive agreement to acquire 100% shareholding of Blazeclan Technologies Private Limited – a born-in-the-cloud consulting company providing Cloud services on AWS, Azure and GCP. The acquisition reiterates the company's commitment to help clients steer their digital transformation journey and deliver business outcomes built on the foundation of strong Cloud capabilities.

Going forward, the company will continue to invest in strengthening key client relationships to accelerate



their journey of growth and differentiation. The company will also expand its portfolio of technology-focused capabilities across select industry verticals and sharpen its alliance ecosystem with future-ready Software Vendors in identified capability areas such as Digital, Data & Analytics, Cloud, and Infrastructure Services amongst others. Investments in hiring and training the right talent would also be sustained, with a focus on strengthening the company's employee-centric, high-performance culture, driven by continuous learning. The company is poised to fulfil its vision of being a leading technology provider to global enterprises for building business friendly solutions.

### Technico Agri Sciences Limited

During the year under review, potato production in India stood at 60.1 million MT, which was higher by 7% compared to the previous year. Availability of seed potatoes with farmers was also higher due to favourable weather conditions during the crop year 2022-23, leading to surplus stocks in cold stores and lower potato prices.

Leveraging its institutional strengths, the company continued to take proactive measures to consolidate its relationship with farmers, enter new potato growing markets and expand distribution in existing markets to achieve record high levels of seed sales during the year.

The company's leadership in production of early generation seed potatoes and strength in agronomy continue to support the 'Bingo!' range of potato chips of your Company and in servicing the seed potato requirements of the farmer base of your Company's Agri Business.

The company's Revenue from Operations stood at ₹ 323.95 crores (previous year ₹ 257.77 crores) with Net Profit of ₹ 37.81 crores (previous year ₹ 41.38 crores). Total Comprehensive Income for the year stood at ₹ 37.82 crores (previous year ₹ 41.42 crores).

The company continues to build on a strong foundation for the future and remains confident of effectively leveraging its deep domain expertise to fortify its market standing in the seed potato industry.

### Technico Pty Limited and its subsidiaries

The company continues to focus on upgradation and commercialisation of its TECHNITUBER® Seed Technology and customising the agronomy practices for deployment across various geographies. Further, the company is also engaged in the marketing of TECHNITUBER® seed produced at the facilities of its subsidiary in China and Technico Agri Sciences Limited, India, a wholly-owned subsidiary of your Company, to global customers. For the year under review:

- Technico Pty Limited, Australia registered a turnover of Australian Dollars (A\$) 1.69 million (previous year A\$ 1.83 million) and a Net Profit of A\$ 0.81 million (previous year A\$ 1.04 million).
- Technico Technologies Inc., Canada has wound down its Seed Potato business operations and sold the assets related to the business during the year.
- Technico Asia Holdings Pty Limited, Australia, and Technico Horticultural (Kunming) Co. Limited, China – there were no significant events to report with respect to the above companies.

### WelcomHotels Lanka (Private) Limited

WelcomHotels Lanka (Private) Limited (WLPL), a wholly-owned subsidiary of your Company, was incorporated in Sri Lanka in April 2012 with the objective of developing and operating a mixed-use development project ('Project') comprising a luxury hotel and a super-premium residential apartment complex situated on 5.86 acres of prime sea-facing land in Colombo.

The Project has been accorded the status of a 'Strategic Development Project' entitling the company to various fiscal benefits in Sri Lanka. Further, the Project is also exempt from Sri Lankan foreign exchange regulations.

Consequent to the IMF bailout programme and the various measures undertaken by the Government of Sri Lanka including restructuring and divestment of state-owned enterprises, tax reforms to boost government revenues etc., the Sri Lankan economy

## Report of the Board of Directors

continues to be on the recovery path with tourist arrivals, worker remittances and forex reserves showing healthy growth with stability in the currency exchange rate and moderation in inflation. Discussions on restructuring of foreign debt are currently underway and the Government of Sri Lanka expects the same to be concluded shortly.

The company's hotel at Colombo, 'ITC Ratnadipa', situated along the shores of the Indian Ocean on one side and Beira Lake on the other, was inaugurated on 25th April, 2024 by the President of Sri Lanka in the presence of other dignitaries including the Prime Minister of Sri Lanka and the Indian High Commissioner to Sri Lanka. The hotel, a magnificent icon of responsible luxury with guest rooms, suites and service apartments each offering breathtaking views of the Indian ocean from private balconies, elegantly portrays Sri Lankan architecture and draws inspiration from the national flower of Sri Lanka, the floating water lily. Complementing its exquisite accommodations, ITC Ratnadipa shall also present nine signature dining destinations that offer a repertoire of local, national and global cuisine. The hotel is being operationalised in a phased manner.

Construction of the residential apartment complex is in the final stages and is expected to be completed in the first half of FY 2024-25. While the recent increase in tax rates on real estate has impacted the sales velocity of 'The Sapphire Residences' luxury apartments, the company expects the same to gain momentum given its unique positioning in the market and superior value proposition coupled with improved stability in the macro-economic environment and the launch of ITC Ratnadipa, in line with the trend in other mixed-use projects in Colombo.

Your Company's investment in WLPL stood at ₹ 3480 crores as at 31st March, 2024.

### Landbase India Limited

The company owns and operates the Classic Golf & Country Club, a 27-hole Jack Nicklaus Signature Golf Course – which continues to enjoy strong brand equity with its members, guests and the golfing fraternity.

During the year, the Club reaffirmed its position as one of the leading golf courses in Asia and hosted various prestigious tournaments & events ranging from Junior, Professional and Corporate tournaments. The Club continues to be a member of the 'Asian Tour Destinations', which is an exclusive network of world-class golf venues with direct ties to the Asian Tour. The Club also hosted the European Challenge Tour Event, drawing participation from over 100 international players.

The Club registered robust increase in footfalls driving revenue growth during the year, with several initiatives to widen the membership base. These include initiatives to promote Junior Golf for young golfers as well as measures for promotion of the sport amongst corporates and communities in Delhi and NCR.

The company also owns 'ITC Grand Bharat', a 104-key all-suite luxury retreat at Gurugram, which has been licensed to your Company. The retreat, an oasis of unhurried luxury, is co-located with the Classic Golf & Country Club. During the year, 'ITC Grand Bharat' strengthened its position as one of the leading luxury wedding destinations in the country and was also the destination of choice for several milestone celebrations among leading corporates. The retreat was also chosen for the G20 Sherpa meet and proudly hosted diplomats from all G20 nations, an acknowledgement of the exceptional quality of hospitality offered by the hotel.

During the year ended 31st March, 2024, the company recorded Total Income of ₹ 44.01 crores (previous year ₹ 37.21 crores) and Net Profit of ₹ 10.00 crores (Previous year ₹ 9.68 crores). Total Comprehensive Income for the year stood at ₹ 10.00 crores (Previous Year ₹ 9.60 crores).

### Srinivasa Resorts Limited

The company owns 'ITC Kakatiya' – a 188-key luxury hotel located in Hyderabad, which is operated and marketed by your Company. ITC Kakatiya is a USGBC LEED Platinum® Certified Hotel and is one of the finest luxury hotel and F&B destination in the

city. 'Dakshin' was adjudged the 'Best South Indian Premium Dining Restaurant' at the Times Food Guide Nightlife Awards 2024 for the 14th consecutive year.

The travel and tourism industry continues to remain buoyant on the back of rising demand and robust economic growth. The company is well-positioned to capitalise on the expected growth momentum leveraging its iconic cuisine brands and best-in-class service levels.

During the year, the company experienced a strong resurgence in demand, which led to consistent increase in average room rates and occupancy levels. The company invested in enhancing guest experience by upgrading its rooms to best-in class luxury levels.

During the year ended 31st March, 2024, the company recorded Total Income of ₹ 74.72 crores (previous year ₹ 72.46 crores) with Net Profit of ₹ 8.10 crores (previous year ₹ 7.55 crores). Total Comprehensive Income for the year stood at ₹ 8.15 crores (previous year ₹ 7.51 crores).

#### Fortune Park Hotels Limited

The company, which caters to the 'Mid-market to Upscale' segment through a chain of hotels under the brand 'Fortune', continues to forge new alliances and expand its footprint. During the year, eight new hotels with 500+ rooms commenced operations across the country and cater to both the business and leisure segments. The company has also signed up 12 new properties during the year, taking the total property count to 66 hotels with over 5,000 rooms across 55 cities in India. Of these, 51 hotels (with over 3,800 rooms) are in operation while the remaining 15 hotels (over 1,200 rooms) are in various stages of development, and are slated to be commissioned in the near term.

The company has been awarded multiple recognitions during the year including SATTE Award 2024 for 'Hotel chain of the year - Mid-market segment', Today's Traveller Awards 2023 for 'Premier Upscale Hotel chain' and India Travel Awards North 2023 for 'Best Upscale Hotel chain in India'.

During the year ended 31st March, 2024, the company recorded Total Income of ₹ 54.92 crores (previous year: ₹ 44.35 crores) and Net Profit of ₹ 11.22 crores (previous year: ₹ 5.34 crores). Total Comprehensive Income for the year stood at ₹ 11.09 crores (previous year ₹ 5.20 crores).

The Board of Directors of the company has recommended a dividend of ₹ 15.00 per Equity Share of ₹ 10 each for the year ended 31st March, 2024 (previous year ₹ 12.50 per Equity Share).

#### Bay Islands Hotels Limited

The company's hotel in Port Blair, licensed to your Company, continues to offer a unique gateway to the Andamans with its strategic location, excellent architectural design and superior product & service quality.

Tourism in the Andamans received impetus from completion of airport renovation and launch of a new terminal during the year. Increase in tourist footfalls has led to improvement in occupancy and increase in average room rates during the year.

During the year ended 31st March, 2024, the company recorded Total Income of ₹ 3.79 crores (previous year ₹ 2.75 crores) and Net Profit and Total Comprehensive Income of ₹ 2.70 crores (previous year ₹ 1.92 crores).

The Board of Directors of the company has recommended a dividend of ₹ 100.00 per Equity Share of ₹ 100 each for the year ended 31st March, 2024 (previous year ₹ 80.00 per Equity Share).

#### ITC Hotels Limited

ITC Hotels Limited was incorporated as a wholly-owned subsidiary of your Company in July, 2023 with its main object being hotels and hospitality business. The company has been incorporated to carry on the Hotels Business of your Company post its demerger, pursuant to a Scheme of Arrangement amongst your Company and ITC Hotels Limited and their respective shareholders and creditors under Sections 230 to 232 read with other applicable provisions of the



## Report of the Board of Directors

Companies Act, 2013 ('the Scheme'). The Scheme was approved by the Board of Directors of your Company and ITC Hotels Limited at their respective meetings held on 14th August, 2023, subject to necessary approvals. As stated above, pursuant to Order of the Honourable National Company Law Tribunal, Kolkata Bench, a meeting of the Ordinary Shareholders of your Company has been convened on 6th June, 2024 for the purpose of considering, and if thought fit, approving the Scheme.

### Wimco Limited

The company's business activities comprise fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling including conveyor solutions and engineering services for the FMCG and Pharmaceutical industries.

During the year, the company's order book remained muted amidst a challenging operating environment. The company's Revenue from Operations for the year stood at ₹ 3.47 crores (previous year ₹ 11.46 crores) with a Net Loss of ₹ 1.88 crores (previous year Net Profit of ₹ 0.16 crore). Total Comprehensive Income for the year stood at (-) ₹ 1.93 crores (previous year ₹ 0.21 crore).

### North East Nutrients Private Limited

Your Company holds 76% equity stake in North East Nutrients Private Limited, which has set up a food processing facility in Mangaldoi, Assam, to cater to the biscuits market in Assam and other north-eastern states.

The company continues to focus on consistently improving operational efficiency and productivity. In recognition of its high standards of quality, the company received three Gold Awards at the 'Convention on Quality Concepts', 2023 organised by the Quality Circle Forum of India, Kolkata Chapter.

The company's Revenue from Operations for the year stood at ₹ 154.07 crores (previous year ₹ 160.69 crores), while Net Profit for the year was ₹ 14.90 crores (previous year ₹ 15.98 crores). Total Comprehensive Income for the year stood at ₹ 14.89 crores (previous year ₹ 16.14 crores).

For FY 2023-24, the Board of Directors of the company has recommended a final dividend of ₹ 2 per equity share of ₹ 10 each, aggregating ₹ 14.60 crores (previous year final dividend of ₹ 1.31 per equity share of ₹ 10 each, aggregating ₹ 9.56 crores).

### ITC IndiVision Limited

ITC IndiVision Limited (IIVL) was incorporated as a wholly-owned subsidiary of your Company on 9th July, 2020. Construction of the company's facility situated near Mysuru, Karnataka, was completed during the year and the plant was commissioned in March 2024. The facility, set up primarily for manufacture and export of nicotine and nicotine derivative products, has the capability to produce purest nicotine derivatives conforming to US and EU pharmacopoeia standards. Customer trials and approval of product samples are currently underway.

During the year, the company recorded Total Income of ₹ 1.19 crores (previous year ₹ 0.01 crore) and Net Loss of ₹ 31.12 crores (previous year ₹ 1.68 crores), primarily on account of pre-operating revenue expenditure.

Your Company's investment in IIVL stood at ₹ 340 crores as at 31st March, 2024.

### ITC Fibre Innovations Limited

The company was incorporated as a wholly-owned subsidiary of your Company in March 2023 with the objective of foraying into the Moulded Fibre Products space. Moulded Fibre Products, made from renewable natural fibres such as wood, bamboo, bagasse and waste paper, offer sustainable packaging solutions across industries including food service & delivery, pharmaceutical, beauty and electronics.

The company has set up a state-of-the-art manufacturing facility at Badiyakhedi, Madhya Pradesh, to pursue opportunities in this rapidly evolving space. The facility commenced commercial production in March 2024. For the period ended 31st March 2024, the company recorded Total Income of ₹ 1.26 crores with Net Loss of ₹ 3.56 crores. Your Company's investment in IFIL stood at ₹ 200 crores as at 31st March, 2024.

### Russell Credit Limited

The company recorded Total Income of ₹ 60.91 crores (previous year ₹ 48.61 crores) and Net Profit of ₹ 39.39 crores (previous year ₹ 38.30 crores). Growth in Total Income was driven by increase in yield of the company's investments due to higher market interest rates during the year.

Total Comprehensive Income for the year stood at ₹ 442.67 crores (previous year ₹ 55.24 crores), reflecting higher mark-to-market gains from long-term strategic investments vis-a-vis the previous year. The company continues to closely monitor its investments in line with market interest rate movements and explore opportunities to make strategic investments for the ITC Group.

Temporary surplus liquidity of the company is mainly deployed in bonds, government securities, debt mutual funds, bank fixed deposits, certificate of deposits, etc. For FY 2023-24, the company declared final dividend of ₹ 0.30 per Equity Share of ₹ 10 each, aggregating ₹ 19.39 crores (previous year final dividend of ₹ 0.29 per Equity Share of ₹ 10 each, aggregating ₹ 18.75 crores).

### Gold Flake Corporation Limited

The company holds 50% equity stake in ITC Filtrona Limited (Formerly known as ITC Essentra Limited).

During the year, the company recorded Total Income of ₹ 24.82 crores (previous year ₹ 19.97 crores) and Net Profit of ₹ 23.12 crores (previous year ₹ 18.42 crores). The company declared interim dividend of ₹ 14.10 per Equity Share of ₹ 10 each, aggregating ₹ 22.56 crores (previous year ₹ 11.30 per Equity Share of ₹ 10 each, aggregating ₹ 18.08 crores).

### Greenacre Holdings Limited

The company provides maintenance services for commercial office buildings, engineering, procurement and construction management services, and project management consultancy services.

During the year, the company recorded Total Income of ₹ 11.61 crores (previous year ₹ 8.30 crores) and Net Profit of ₹ 2.82 crores (previous year ₹ 1.99 crores).

### ITC Integrated Business Services Limited (formerly known as ITC Investments & Holdings Limited)

The company is in the business of providing support to the Business Shared Services operations of your Company.

During the year, the company recorded Total Income of ₹ 12.78 crores (previous year ₹ 0.65 crore) and Net Profit of ₹ 0.60 crore (previous year ₹ 0.04 crore).

### MRR Trading & Investment Company Limited

The company, a wholly-owned subsidiary of ITC Integrated Business Services Limited, holds tenancy rights in a commercial building located in Mumbai and also provides estate maintenance services. During the year, the company recorded Total Income of ₹ 7.38 lakh (previous year ₹ 7.25 lakh) and Net Profit of ₹ 0.66 lakh (previous year ₹ 0.28 lakh).

### Pavan Poplar Limited

The operations of the company continue to be adversely impacted pursuant to the Order of the Honourable High Court of Uttarakhand at Nainital in February 2014 dismissing the Writ Petition filed by the company against the Order of the District Magistrate authorising the State authorities to take possession of the land leased to the company. The appeal filed by the company against the aforesaid Order was admitted in April 2014 and the matter is pending before the Honourable High Court. During the year, the company recorded Total Income of ₹ 0.14 crore (previous year ₹ 0.12 crore) and Net loss of ₹ 0.03 crore (previous year loss of ₹ 0.03 crore).

### Prag Agro Farm Limited

The operations of the company continue to be adversely impacted pursuant to the Order of the Honourable High Court of Uttarakhand at Nainital in February 2014 dismissing the writ petition filed by the company against the Order of the District Magistrate authorising the State authorities to take possession

## Report of the Board of Directors

of the land leased to the company. The appeal filed by the company against the aforesaid Order was admitted in April 2014 and the matter is pending before the Honourable High Court. During the year, the company recorded Total Income of ₹ 0.10 crore (previous year ₹ 0.11 crore) and Net loss of ₹ 0.02 crore (previous year net loss of ₹ 0.05 crore).

### NOTES ON JOINT VENTURES

#### **ITC Filtrona Limited (formerly known as ITC Essentra Limited) – a joint venture of Gold Flake Corporation Limited**

The company registered strong growth during the year aided by agility in execution and effective customer service, despite significant volatility in the supply chain for certain input materials.

The company retained its leadership position in the industry and remain the preferred supply chain partner for several well-known national brands. The company continues to leverage its core strengths of focused innovation, best-in-class quality, consistent delivery and strong customer relationships.

The company continues to partner with its customers and invest in technology upgradation and capability building towards sustaining its position as the 'innovation and quality benchmark' in the Indian cigarette filter industry. The company expanded its specialty filters manufacturing capacity during the year in line with its strategy of offering a wide range of innovative products to its customers.

During the year ended 31st March, 2024, the company's Revenue from Operations stood at ₹ 743.45 crores (previous year ₹ 545.66 crores). Net Profit during the year stood at ₹ 80.80 crores (previous year ₹ 64.77 crores).

The Board of Directors of the company has recommended a dividend of ₹ 100 per equity share of ₹ 10 each for the year ended 31st March, 2024 (previous year ₹ 100 per equity share).

#### **Maharaja Heritage Resorts Limited**

Maharaja Heritage Resorts Limited (MHRL), a joint venture of your Company with Jodhana Heritage Resorts Private Limited, currently operates 38 properties across 14 States/Union Territories in India under the 'WelcomHeritage' brand. During the year, the company has added three new hotels.

The company's portfolio consists of palaces, forts and resorts in popular historical, nature and wildlife destinations, providing guests with distinct and differentiated experiences.

During the year, your Company purchased the entire investment in MHRL held by Russell Credit Limited, a wholly-owned subsidiary, consequent to which your Company's shareholding in MHRL aggregated 50% of its paid-up share capital.

During the year ended 31st March, 2024, the company recorded Total Income of ₹ 8.12 crores (previous year ₹ 7.20 crores) and Net Profit of ₹ 0.93 crores (previous year ₹ 0.51 crores).

Total Comprehensive Income for the year stood at ₹ 0.90 crores (previous year ₹ 0.49 crores).

#### **Espirit Hotels Private Limited**

Espirit Hotels Private Limited (EHPL) was set up as a joint venture between your Company and the Ambience Group, Hyderabad, for developing a luxury hotel complex at Begumpet, Hyderabad. Your Company held 26% equity stake in EHPL with a total investment of ₹ 46.51 crores as at 31st March, 2023.

As reported in prior years, the JV partner had been citing concerns about the viability of the project and expressed inability to make further financial commitments, pursuant to which, your Company had been exploring options regarding its investment in the Joint Venture.

On 7th April, 2023, your Company divested its entire shareholding i.e. 26% of the paid-up share capital, held in EHPL, consequent to which EHPL ceased to be a joint venture of your Company with effect from the said date.



### Logix Developers Private Limited

Logix Developers Private Limited (LDPL) is a joint venture between your Company and Logix Estates Private Limited for developing a luxury hotel-cum-service apartment complex at the company's leasehold site located at Sector 105 in New Okhla Industrial Development Authority (NOIDA). Your Company presently holds 27.9% equity stake in LDPL.

As reported in prior years, your Company reiterated its position with the JV partner that it was committed to developing a luxury hotel-cum-service apartment complex as envisaged under the JV Agreement and that it was not interested in progressing with any alternative project plans proposed by the JV partner.

However, the JV partner refused to progress the project and instead expressed its intent to exit from the JV by selling its stake to your Company. Subsequently, the JV partner proposed that both parties should find a third party to sell the entire shareholding in LDPL. In view of these developments, your Company had filed a petition before the erstwhile Company Law Board submitting that the affairs of the JV entity were being conducted in a manner that was prejudicial to the interest of your Company and the JV entity. The matter is currently before the National Company Law Tribunal (NCLT). The JV partner had also filed a petition before the Honourable Delhi High Court for winding up the JV company, which was transferred to the NCLT by the Honourable Delhi High Court. The matter was heard before the NCLT on several occasions in the past but could not be concluded. On 21st January, 2020, the matter was assigned to a new bench, post which hearings on the matter are being held.

In July 2022, LDPL received a communication from NOIDA authorities intimating cancellation of the sub-lease for the land on which the project was to be constructed on account of non-payment of lease

instalments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. The company is evaluating all options to pursue its rights in the matter. Consequently, as a matter of prudence, the company had derecognised the leasehold land/assets as well as adjusted/reversed the lease liabilities towards NOIDA in accordance with the terms of the sub-lease deed, in its financial statements for the year ended 31st March 2022.

During the year ended 31st March, 2024, the company recorded a Net Profit of ₹ 0.21 crore (previous year ₹ 0.16 crore). The Net Worth of the company stood at ₹ 5.31 crores as at 31st March, 2024 (previous year ₹ 5.10 crores).

Your Company's total investment in LDPL was ₹ 41.95 crores. Your Company had made provision of the entire investment amount as diminution in the carrying value of investment in the previous years and consequently the carrying value of your Company's investment in LDPL as at 31st March, 2024, is Nil.

The financial statements of LDPL for the year ended 31st March, 2024, are yet to be approved by its Board of Directors. In the absence of audited financial statements of LDPL, the Consolidated Financial Statements of your Company for the year ended 31st March, 2024, have been prepared based on the financial statements prepared by the management of LDPL.

### NOTES ON ASSOCIATES

#### ATC Limited (an associate of Gold Flake Corporation Limited)

The company is a contract manufacturer of cigarettes. The company has continued to maintain high levels of operational efficiency and benchmark quality in its manufacturing operations to service its customers. During the year, the company received 'FICCI Gold Award for Excellence in Safety Systems', 'Star Award of Occupational Health, Safety and Environment Excellence from National Safety Council', Tamil Nadu

## Report of the Board of Directors

and 'IGBC Green Factory Building – Platinum' Recertification.

### International Travel House Limited (ITHL)

The company provides complete business travel management solutions including air ticketing, car rental services, hotel arrangements, meetings & events as well as leisure travel and foreign exchange. The sector witnessed robust growth during the year with domestic air travel exceeding pre-pandemic levels. The company's revenue also surpassed pre-COVID levels driven by higher business volumes and improved yields. Further, focused interventions in recent years to optimise the cost structure have enabled improvement in margins. The company continues to provide mobility services with exemplary standards of safety and hygiene and is expanding its fleet of electric vehicles in line with its initiatives towards embedding sustainability in operations. Multiple digitalisation projects were implemented across mobility & travel related services to enhance productivity, efficiency and improve customer experience.

During the year, your Company purchased the entire investment in ITHL held by Russell Credit Limited, a wholly-owned subsidiary, consequent to which your Company's shareholding in ITHL aggregated 48.96% of its paid-up share capital.

The Board of Directors of the company has recommended a dividend of ₹ 5.00 per Equity Share of ₹ 10 each for the year ended 31st March, 2024 (previous year ₹ 3.50 per equity Share).

### Gujarat Hotels Limited

The company's hotel, 'Welcomhotel Vadodara', is operated by your Company under an Operating License Agreement.

The Board of Directors of the company has recommended a dividend of ₹ 2.50 per Equity Share of ₹ 10/- each for the year ended 31st March, 2024 (previous year ₹ 2.00 per Equity Share).

### Delectable Technologies Private Limited

Delectable Technologies Private Limited (Delectable) is, inter alia, engaged in the sale of FMCG products leveraging app-based technology through vending machines, primarily installed across office locations. During the year, your Company invested ₹ 3.50 crores in the Equity capital of Delectable. Consequently, your Company's shareholding in Delectable increased to 39.32% (previous year 33.42%) on a fully diluted basis. The company continues to expand its footprint through installation of new vending machines.

### Sproutlife Foods Private Limited

Your Company fortified its presence in the fast growing, nutrition-led health food space with a strategic investment in Sproutlife Foods Private Limited (Sproutlife), which owns the 'Yogabar' brand. During the year, investment in Sproutlife was made in two tranches aggregating ₹ 225 crores taking the overall stake of your Company in Sproutlife to 44.74% on a fully diluted basis.

The brand continues to garner robust traction across its target markets and customer segments. Apart from growing its core categories of Muesli and Bars, the company also expanded its healthy snacking portfolio with launch of several differentiated offerings including an oats range, corn flakes, dry fruits and 'no-maida' choco cereal. Additionally, the company also launched Yoga Baby - a range crafted to meet the nutritional needs of children with recipes inspired by the traditional knowledge and wisdom of grandmothers.

### Mother Sparsh Baby Care Private Limited

Mother Sparsh Baby Care Private Limited (Mother Sparsh), is a premium ayurvedic and natural personal care brand in the D2C space offering a wide range of personal care products inspired by a blend of traditional values, practices and products with focus on baby and mother care segments.

During the year, your Company invested ₹ 11.54 crores in Mother Sparsh; consequently your Company's stake

now stands at 26.5% (previous year 22%) on a fully diluted basis. Cumulative investment in Mother Sparsh stood at ₹ 45 crores as at 31st March, 2024.

### Associates of Russell Credit Limited

#### Russell Investments Limited, Divya Management Limited and Antrang Finance Limited

The above companies are associates of Russell Credit Limited. These companies are Non-Banking Financial Companies (NBFCs) registered with the Reserve Bank of India and continue to explore opportunities for strategic investments.

For further details on performance of the above-mentioned associate companies, please refer to Form AOC-1 (Statement containing salient features of the financial statements of Subsidiaries / Associate companies / Joint Ventures), forming part of the Report and Accounts.

### INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policy guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its three-tiered governance structure and key functionaries involved in governance. The ITC Code of Conduct commits management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the ITC Code of Conduct stand widely communicated across the enterprise at all times and together with the Strategy of Organisation, Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company's Financial Statements.

Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance

and Significant Accounting Policies uniformly across your Company. The Accounting Policies are reviewed and updated from time to time. These, in turn, are supported by a set of Divisional policies and Standard Operating Procedures (SOPs) that have been established for individual Businesses.

Your Company uses Enterprise Resource Planning (ERP) systems as a business enabler and also to maintain its books of accounts. The SOPs, in tandem with transactional controls built into the ERP systems, ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by Divisional management and audited by Internal Audit, whose findings and recommendations are reviewed by the Audit Committee and tracked through till implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information; complying with applicable statutes; safeguarding assets from unauthorised use; ensuring that transactions are carried out with adequate authorisation and complying with Corporate Policies and Processes. Such controls have been assessed during the year, after taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed. Nonetheless, your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.



## Report of the Board of Directors

### RISK MANAGEMENT

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class businesses that best match organisational capability with opportunities in domestic and international markets, developing capabilities and competencies for the future in order to enhance competitiveness and win in the markets of tomorrow. Accordingly, management of risk has always been an integral part of your Company's 'Strategy of Organisation' and straddles its planning, execution and reporting processes & systems. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

- The Corporate Governance Policy, approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting by Internal Audit.
- The Risk Management Committee, constituted by the Board, monitors and reviews the strategic risk management plans of your Company as a whole and provides necessary directions on the same.
- The Corporate Risk Management Cell, through focused interactions with Businesses, facilitates the identification and prioritisation of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks.
- A combination of centrally issued policies and Divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique/relatively high risk profiles.
- Foreign currency exposures continue to be managed within the framework of the Forex Manual.
- A strong and independent Internal Audit function at the Corporate level carries out risk focused audits across all Businesses, enabling identification of areas where risk management processes may need to be strengthened. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Compliance Review Committee closely monitors the internal control environment within your Company including implementation of the action plans emerging out of internal audit findings.
- At the Business level, Divisional Auditors continuously verify compliance with laid down policies and procedures and help plug control gaps by assisting operating management in the formulation of control procedures.
- A robust and comprehensive framework of strategic planning and performance management ensures realisation of business objectives based on effective strategy implementation. The annual planning exercise requires all Businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountabilities. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation plans have been implemented.

Your Company endeavours to continuously sharpen its Risk Management systems and processes in line with a rapidly changing business environment. In this regard, it is pertinent to note that some of the

key Businesses of your Company have adopted the ISO 31000 Risk Management Standard and accordingly, the Risk Management systems and processes prevalent in these Businesses have been independently assessed to be compliant with the said global Standard. During the year, the large categories within the Branded Packaged Foods Businesses were assessed for compliance with ISO 31000 Risk Management Standard. With this, most Businesses of your Company have been assessed for such compliance. The centrally anchored initiative of conducting independent external reviews of key business processes with high 'value at risk' continued during the year. These interventions continue to provide further assurance on the robustness of risk management practices prevalent in your Company.

Recognising Digital as a megatrend shaping the future, your Company remains focused on building a dynamic 'Future-Tech' enterprise powered by state-of-the-art digital technologies and infrastructure across the value chain adding significant impetus to digital marketing, digital commerce and digital operations. Your Company has made several interventions straddling strategic impact areas such as Intelligent new-age insights that reimagine Consumer Experience, Business Model Transformation, Smart Operations and Employee Experience, which continue to be scaled up across your Company. Cutting-edge digital technologies such as Internet of Things (IoT), Cloud, Data Analytics, Artificial Intelligence, Machine Learning, Augmented/Virtual Reality, Robotic Process Automation, mobile applications etc., are being embraced by your Company's Businesses. Cumulatively, these are resulting in changes in the risk profile of your Company in a heightened cyber threat environment. The ever-evolving nature of cyber threats and the increasing sophistication of attackers make cyber security risk management a critical focus area for the organisation.

A Cyber Security Committee, chaired by the Chief Information Officer, is in place to provide specific focus on cyber security related risks, with the primary

responsibility of tracking emerging practices & technologies and providing suitable recommendations for enhancing security of the IT systems and infrastructure.

A multi-tier cyber defence architecture comprising firewalls, anti-virus and anti-malware systems is in place to detect, protect and respond to cyber incidents at various access and data processing points across the organisation. The security policies and practices of the organisation are built on industry standard frameworks such as NIST Cyber Security Framework and ISO 27001. The robustness of the security posture is also premised on end user awareness of safe and secure practices.

In the previous year, a maturity assessment of your Company's cyber security architecture was undertaken by a global network and security solutions provider. The study found that your Company's cyber security systems and processes are on par with global leaders and outperformed local peers.

Further interventions are underway to enhance surveillance and response capabilities with augmentation of cutting-edge technologies and skills of a NextGen Cyber Security Operations Centre (SOC). With progressive transitioning of mission-critical data and transaction processing workloads to the Cloud, the network infrastructure of the organisation is also being transformed using contemporary network and security technologies into a Digital-Ready, Cloud-Secure wide area network, to provide all authorised users fast, reliable and safe connections from anywhere through any device and at any time.

Information Technology-Operational Technology (IT-OT) integration for Industrial Control Systems has been identified as a focus area as the convergence and integration between IT and OT is increasing exponentially. Related guidelines have been formulated towards ensuring that your Company's systems & processes remain contemporary and have best-in-class capabilities. In this regard, a Continuous Threat Detection and Response (CTDR) platform is in the process of being progressively rolled out across

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your Company that will provide real-time monitoring and analysis of network traffic, system logs and other data sources to detect and respond to cyber threats.

The use of Artificial Intelligence (AI) is becoming increasingly prevalent in various business domains. As the technology and its applications continue to evolve, guidelines for AI security governance are being implemented to ensure that its usage is secure and adheres to emerging safety, privacy and regulatory standards.

India ranks amongst the most vulnerable countries in the world in terms of climate change impact. Accordingly, to mitigate the impact of climate change on the operations of your Company, as part of its Sustainability 2.0 vision, your Company is pursuing a multi-pronged climate strategy that entails extensive decarbonisation and building resilience against climate risk across the value chain. Your Company's low carbon growth approach focuses on increasing the share of renewable energy, improving energy productivity, construction of green buildings, greening logistics, optimising 'distance-to-market' and promoting regenerative agriculture practices in agri-value chains, thus enabling transition to a net zero economy. At the same time, your Company is actively working towards climate proofing its operations and agri-value chains by using latest climate risk modelling techniques, and developing site-specific adaptation strategies.

Water stress – a critical fallout of climate change – is being systematically managed by your Company's integrated water stewardship approach. This approach addresses water risk at the catchment level by focusing on demand side management (i.e. improving water use efficiency in operations and promoting water-efficient agronomical practices) as well as supply side measures (including managed aquifer recharge and soil & moisture conservation measures). Interventions in this regard have been implemented across your Company's Units in water stressed areas and key agri catchments.

Your Company sources several commodities for use as inputs in its Businesses and engages in

agri-commodity trading as part of its Agri Business. In respect of commodities sourced for use as inputs in its Businesses, your Company has well laid out policies to manage risks arising out of the inherent price volatility associated with such commodities. This includes robust mechanisms for monitoring market dynamics towards making informed sourcing decisions, well defined inventory holding norms based on considerations such as seasonality and the strategic nature of the commodity concerned, long-term contracts with suppliers and continuous diversification of the supplier base to secure supply of critical items at competitive costs. Multiple sourcing models, wide geographical spread, extensive sourcing and supply chain network and associated infrastructure in key growing areas coupled with deep-rooted farmer linkages and use of digital technologies ensure sourcing of high quality agri-commodities at competitive costs.

In respect of Agri-commodity trading, your Company has a well defined policy to manage risks associated with sourcing of such commodities. This includes:

- segregation of duties and robust internal controls through a system of checks and balances embedded in the organisation and governance structure;
- clearly defined limits for trading positions (long and short) and net cash loss for specific commodities/commodity groups;
- mitigation of price, liquidity and counter party risks through hedging on commodity exchanges (mainly NCDEX) for certain commodities, as applicable. Correlation between prices prevailing in the physical market and those on the commodity exchange is analysed regularly to ensure effectiveness of hedging;
- robust monitoring and review mechanisms of net open positions and 'value at risk';
- ECGC cover for exports (covering commercial & political risks) and credit insurance for large domestic customers.

The combination of policies and processes as outlined above adequately addresses the various risks associated with sourcing of commodities for your Company's Businesses.



Your Company's strategy of backward integration in sourcing of agri-commodities such as wheat, potato, fruit pulp, spices, milk and leaf tobacco; in-house manufacturing of paperboards, paper and packaging (including pulp production and print cylinder making facilities); wood procurement from the economic vicinity of the Bhadrachalam unit, facilitates access to critical inputs at benchmark quality and competitive cost besides ensuring security of supplies. Further, each of your Company's Businesses continuously focuses on product mix enrichment and yield improvement towards protecting margins and insulating operations from spikes in input prices.

The Risk Management Committee met thrice during the year and was updated on the status and effectiveness of the risk management plans. The Audit Committee was also updated on the effectiveness of your Company's Risk Management systems and policies.

The risk management practices of your Company, as reviewed through the Risk Management Cell and Internal Audit processes, have been found to be relevant and commensurate with the size and complexity of its operations.

## AUDIT AND SYSTEMS

Your Company believes that strong internal control systems that are commensurate with the scale, scope and complexity of its operations are concomitant to the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances.

Your Company remains committed to ensuring a mature and effective internal control environment that, inter alia, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and Management Information Systems, timely preparation of reliable financial information, adherence with relevant statutes and compliance with related party transactions.

Your Company's internal control systems include documented policies and procedures, segregation of duties and careful selection and development of employees.

Your Company's independent and robust Internal Audit processes, both at the Business and Corporate level, provide assurance on the adequacy and effectiveness of internal controls, compliance with operating systems, internal policies and regulatory requirements. The role of Internal Audit is to enhance and protect organisational value by providing risk-based assurance, advice and insight while enabling continuous improvement of your Company's control systems.

The Internal Audit function, consisting of professionally qualified accountants, engineers and Information Technology (IT) specialists, is adequately skilled and resourced to deliver audit assurances at highest levels. Targeted Learning and Development programmes on contemporary topics are periodically organised to enhance knowledge and skill sets.

In the context of your Company's IT environment, systems and policies relating to Information Management are periodically reviewed and benchmarked for contemporariness. Compliance with the Information Management policies receives focused attention of the Internal Audit function.

With the increased importance of information security, cyber security and adoption of emerging technologies, focused reviews are carried out for IT applications and processes across Businesses. These primarily focus on assessment of controls pertaining to confidentiality, integrity and availability of business information and systems covering General IT Controls and security of your Company's IT Infrastructure. All critical Business-led Information Technology systems undergo pre-implementation audit before being deployed in the operating environment, thereby delivering assurance with respect to the rigour of implementation and operational readiness of the proposed systems.

The scope and coverage of Internal Audit remains contemporary and cognises, inter alia, for the rapid digitalisation of your Company's business operations. In recent years, Internal Audit has enhanced focus on systems and controls pertaining to your Company's digital assets including brand websites, social media

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handles, mobile and cloud applications, IT-OT integration, and protection of sensitive personal data and information.

Qualified engineers in the Internal Audit function review the quality of design, planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate and yield 'value for money'. Internal Audit continues to use state-of-the-art tools and technology for conducting project audits.

In line with your Company's 'Digital First' Strategy, the Internal Audit function has evolved into an agile, multi-skilled and technology enabled function to provide assurance at the highest levels along with valuable insights towards strengthening systems and controls. Processes in the Internal Audit function continue to be strengthened for enhanced effectiveness and productivity by leveraging best-in-class tools for audit analytics, intelligent automation and AI-enabled BOTs. A Digital Audit Management System was implemented during the year for end-to-end digitalisation of audit life cycle management, thereby enhancing the efficiency and productivity of the function.

Your Company's Internal Audit processes are certified as complying with ISO 9001:2015 Quality Standards. Further, systems and processes are in accordance with the Standards on Internal Audit (SIA) issued by The Institute of Chartered Accountants of India.

The Audit Committee of your Board met eight times during the year. The Terms of Reference of the Audit Committee, inter alia, include reviewing the effectiveness of the internal control environment, evaluation of your Company's internal financial controls and risk management systems, monitoring implementation of the action plans emerging out of review of significant Internal Audit findings including those relating to strengthening of your Company's risk management systems and discharging of statutory mandates. Material observations (as defined in Terms of Reference) are reviewed at the highest level by the Audit Compliance and Review Committee (ACRC) and the Audit Committee.

## HUMAN RESOURCE DEVELOPMENT

The talent management strategy of your Company is to attract, retain and develop human capital that enables your Company to sustain its position as one of India's most valuable corporations, remaining customer-centric, nimble and performance driven whilst continuing with its mission of building a responsible 'Future-Tech' enterprise. Your Company's thought, strategy and action are inspired by a larger purpose of being an exemplary Indian enterprise that not only delivers superior competitive performance, but also embeds sustainability and inclusiveness at the core of its Businesses. This approach enables your Company to delight consumers and customers with a vibrant portfolio of industry leading products and services while generating enduring value for the Indian economy and the larger community of stakeholders. Your Company's employees relentlessly strive to deliver world-class performance, collaborating with each other and discharging their role as 'trustees' of all stakeholders. Your Company is committed to perpetuating this vitality – its growth as a value generating engine and also as an exemplary institution – so that it continues to succeed in its relentless pursuit of creating enduring value.

Your Company's Human Resources development approach spans four key organisational dimensions of Agility, Alignment, Ability and Architecture which are supported through strategies crafted in areas of impact such as talent acquisition, engagement, diversity & inclusion, capability building, employee relations, performance & rewards and employee well-being. The initiatives and processes of your Company strive to deliver the unique talent promise of 'Building Winning Businesses, Building Business Leaders and Creating Value for India'. The talent development practices help create, foster and strengthen the capability of human capital to deliver critical outcomes on the vectors of strategic impact, operational efficiency and capital productivity while reimagining consumer experience, driving business model transformation and enhancing employee experience.

Your Company's 'Strategy of Organisation' is designed to promote agility through a culture and

practice of distributed leadership enabled by a three-tier governance structure. This is manifested in market and consumer facing Businesses, which are driven by empowered, cluster-based teams and supported by shared assets and capabilities, enabling strategic relevance, speed, responsiveness, and operational excellence. This approach allows Businesses, through their Management Committees, to focus, develop and execute Business Plans relevant to their product-market spaces while leveraging the institutional strengths of your Company and harvesting internal synergies.

The year under review witnessed a significant shift towards a more agile, tech-savvy and people-centric approach to talent management. Key talent trends include a continued focus on hybrid work arrangements, an increased emphasis on Diversity, Equity & Inclusion initiatives, the adoption and integration of digitisation and automation tools to enhance productivity and application of AI tools across workstreams including talent acquisition, employee sentiment analysis and employee query resolution. Companies are also prioritising employee well-being & mental health support, and designing an inclusive & flexible work environment to attract and retain top talent. Industry attrition levels decreased during the year and are expected to continue to be low in most sectors.

Your Company's unique employer equity as an exemplary Indian enterprise creating world-class brands, building business leaders and generating economic, social and environmental capital for the Indian economy, continues to play a pivotal role in the attraction and retention of high-quality talent. The management trainee programme, augmented with recruitment of experienced talent from the market, is an integral part of building a deep pipeline. Your Company continues to draw the finest management, technical and commercial talent from premier institutions in the country and is ranked amongst the leading companies in these institutions. Intensive engagement with the country's premier academic institutions over the years to communicate your Company's talent proposition through

case-study competitions, knowledge-sharing programmes by senior managers, on-ground exposure and factory visits for students and the annual internship programmes have all contributed to creating a compelling proposition for the best candidates to aspire for a career with your Company. Your Company continues to enthuse talent with high-impact roles, competitive and performance driven remuneration with an emphasis on long-term incentives, a wealth of learning opportunities, a commitment to enhancing diversity, equity & inclusion, an employee-centric climate, well-being focused infrastructure and support that promotes fellowship and commitment amongst employees.

Your Company's talent development approach is founded on the belief that learning initiatives must remain synergistic and aligned to business outcomes. Towards this end, your Company has built a culture of application-focused continuous learning, innovation and collaboration. Your Company provides managers with contemporary and relevant learning and development support through a combination of self-paced e-learning modules, classroom programmes and application projects with emphasis on experiential learning, on-the-job assignments and exposure to nationally and globally renowned faculty. Deep functional expertise is fostered early in one's career through immersion in complex problem-solving assignments requiring the application of domain expertise. Managers are assessed on your Company's behavioural competency framework and provided with learning and development support to address areas identified for improvement. Key talent is provided critical experiences in high-impact roles and mentored by senior managers, promoting the development of a steady pool of high-quality talent.

Your Company has identified three capability vectors for making Businesses future-ready – Business Critical Functional Competencies, Leadership Development and Organisation Identity & Pride. Globally benchmarked curriculum is made available in domains of digitalisation, data science and analytics, contemporary and best-in-class marketing



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practices, manufacturing strategy with a focus on the emerging digital landscape, business strategy and commercial acumen. All of these interventions are delivered through subject matter experts, domestic and international, and supplemented with business-critical application projects. As a part of leadership development initiatives, the Reflections 360 programme provides leaders with feedback from team members, peers and managers, enabling self-driven personal development. This is supplemented by immersive workshops and personalised one-on-one coaching being made available for senior managers. This approach, ensures relevance and impact, thereby enhancing the capability index of your Company's human capital. Periodic induction programmes, anchored by senior leaders, enable new entrants to appreciate your Company's Vision, Mission, Culture, Values and Strategies while fostering pride in affiliation with your Company.

Your Company continues to strengthen its performance management system and its culture of accountability through the widespread adoption of the system of Management-by-Objectives. Performance planning through clearly defined goals, outcome-based assessment, and alignment of rewards for achievement of results have all contributed to a robust culture of ownership and accountability. 'Career Conversations' and succession planning processes have contributed to helping employees realise their potential, craft their careers while recognising their strengths and areas of development and ensuring a sound workforce planning system.

In the spirit of continuous improvement, your Company maintains a practice of periodically assessing employee engagement through a Company-wide survey. The recent survey in 2024 affirms high levels of employee engagement and reflects significant consolidation of gains achieved over recent years. The employee engagement, managerial effectiveness and performance enablement indices have all improved, ranging from 10 to 16 percentage points since the survey's inception in 2016. Employees have expressed overwhelming appreciation on several dimensions

with over 96% of employees reporting a deep sense of pride and association with your Company, 94% of employees reporting a belief in your Company's overarching goals & leadership and 94% of employees reporting optimism for the future. These sentiments are reflected in your Company's superior standing in terms of voluntary attrition across Businesses. During the year, a range of engagement programmes were undertaken including initiatives such as leadership outreach through extensive communication, recognition programmes acknowledging exceptional contributions of employees and teams, career conversations and development planning for robust positioning and progression decisions and investments in employee wellbeing. The year witnessed the Cigarettes Business winning the Economic Times - Human Capital Award (Gold) for 'Excellence in Communication Strategy' and the Hotels Business winning the 'Skill India Industry Partner Award – 2024' and 'Golden Peacock National Training Award – 2024'.

Your Company's efforts to enhance Diversity, Equity and Inclusion are founded on the conviction that a diverse workforce contributes to rich discourse, promotes holistic perspectives, fosters creative solutions and is integral to serving customers better while creating value for all stakeholders. Your Company's policy on Diversity, Equity and Inclusion articulates and institutionalises this conviction. Your Company is committed to enhancing gender diversity and participation of the differently abled in the workforce. Such concerted actions span three vectors, i.e. Representation, Inclusion & Enablement and Commitment & Assurance

Measures to enhance diversity include ensuring sufficient representation of women in selection pools and deployment of the differently abled across suitable opportunities in the value chain. Through progressive policies offering flexible work arrangements, extended child-care leave, travel support for infants and care-givers, secure transport, paternity leave, same gender partner medical benefits, infrastructure support coupled with various sensitisation programmes, Employee Resource Groups, development interventions tailored for

women talent, and the commitment and sponsorship of leaders; your Company provides an enabling environment to further its Diversity, Equity and Inclusion goals. To ensure a safe and progressive work environment, Internal Committees have been institutionalised as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The focused efforts across these dimensions have resulted in a 25% increase of women managers in your Company since FY 2021-22.

Your Company continued its practice of active leadership outreach to employees. Periodic communication with the ITC community through ‘StudioOne Townhalls’ led by the Chairman, provided employees avenues to hear from and engage with leaders about your Company’s vision, strategy and milestones. This was supplemented by a more personalised engagement through the ‘StudioOne Xchange’ initiative. The Chairman and other members of the Corporate Management Committee interacted with managers across Businesses in small groups, sharing your Company’s vision and strategies while also inviting suggestions and feedback. Your Company believes that alignment of all employees to a shared vision and purpose is vital for winning in the marketplace. It also recognises the mutuality of interests with key stakeholders and is committed to continue building harmonious employee relations. Your Company remains dedicated to an Employee Relations climate of partnership and mutuality while ensuring operations are competitive, flexible and responsive. The Employee Relations philosophy of your Company, anchored in the tenets of Scientific Management, Industrial Democracy, Human Relations and Employee well-being, has contributed towards building a robust platform which has aided the conclusion of collective bargaining agreements at several of its manufacturing units and hotel properties, ensuring smooth commencement of operations at greenfield locations and the execution of productivity improvement practices.

In its relentless pursuit of excellence and value creation, your Company offers an abundance of

opportunities for employees to grow and thrive in an environment of trust, empowerment and continuous learning. The access to best-in-class resources, technology and infrastructure, the prospect of building businesses rooted in value chains in India, the deployment of deep consumer insights to create and shape Indian brands are the defining hallmarks of ‘The ITC Way’. This unique blend of a high-performance culture coupled with care and respect for people remain vital to realizing your Company’s vision of sustaining its position as one of India’s most valuable and admired corporations.

### WHISTLEBLOWER POLICY

Your Company’s Whistleblower Policy encourages Directors and employees to bring to your Company’s attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of your Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact your Company’s operations, business performance and/or reputation. The Policy requires your Company to investigate such incidents, when reported, in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. Anonymous complaints are also entertained if the same is backed by specific allegations & verifiable facts and is accompanied with supporting evidence. It is your Company’s Policy to ensure that no complainant is victimised or harassed for bringing such incidents to the attention of your Company, and to keep the information disclosed during the course of the investigation as confidential. The practice of the Whistleblower Policy is overseen by the Audit Committee and no employee was denied access to the Committee during the year. The Whistleblower Policy is available on your Company’s corporate website at <https://www.itcportal.com/whistleblower-policy>.

During the year, your Company received five complaints in terms of the Whistleblower Policy, out of which four complaints were investigated and

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appropriate action(s) were taken. Investigation is underway for the remaining complaint.

### SUSTAINABILITY 2.0

Your Company believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. This paradigm is called '*Responsible Competitiveness*' - an abiding strategy that focuses on extreme competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

Your Company's innovative business models synergise the building of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making your Company a global exemplar in 'Triple Bottom Line' performance. Your Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 22 years), 'carbon positive' (for 19 years), and 'solid waste recycling positive' (for 17 years). This approach has enabled your Company and its businesses to support sustainable livelihoods for more than six million people.

Your Company is actively working towards *Sustainability 2.0*, an agenda which reimagines sustainability under the pressing challenges of climate change and social inequity. Sustainability 2.0 calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy for post-consumer packaging waste. It also entails protecting and restoring biodiversity and ecosystem services through adoption of nature-based solutions. Your Company believes that agility in thought and action, meaningful public-private-people partnerships

and Responsible Competitiveness will act as core enablers of this new agenda. Your Company has the potential to make a large-scale impact not only from an economic standpoint, but also from the perspective of supporting livelihoods and social enablement because of its presence across several critical sectors of the economy. With its bold Sustainability 2.0 agenda, your Company is setting the bar higher and remains committed to making meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar. The Sustainability 2.0 ambitions include:

#### Climate Change

- Enhancing the share of renewable energy usage to 50% of total energy consumption by 2030.
- Meeting 100% of purchased grid electricity requirements from renewable sources by 2030.
- Reducing specific energy consumption by 30% and specific Greenhouse Gases (GHG) emissions by 50% by 2030 as compared to the FY 2018-19 baseline.
- Sustain and enhance carbon sequestration by expanding forestry projects through your Company's Social and Farm Forestry programme and other such initiatives covering over 1.5 million acres by 2030.

#### Water Stewardship

- Achieving 40% reduction in specific water consumption by 2030 as compared to the FY 2018-19 baseline.
- Creation of rainwater harvesting potential equivalent to over five times the net water consumption by 2030.
- Certification of all sites in high water stressed areas as per the international water stewardship standard by Alliance for Water Stewardship (AWS) by 2035.
- Improve crop water-use efficiency in agri-value chains through demand side management interventions and enable savings of 2,000 million kl of water by 2030.



### Plastic Waste and Circular Economy

- 100% of your Company’s Packaging to be Reusable, Recyclable or Compostable/ Biodegradable by 2028.
- Sustain plastic neutrality (attained in FY 2021-22) by enabling sustainable management of waste in excess of the amount of packaging utilised.

### Sustainable Agriculture

- Promote climate smart village approach in core Agri Business catchments covering over 3 million acres by 2030 to build climate resilience across agri value chains.

### Biodiversity Conservation

- Revive & sustain ecosystem services and products provided by nature, through adoption of nature-based solutions and biodiversity conservation covering over one million acres by 2030.

### Sustainable Livelihoods

- Supporting sustainable livelihoods for 10 million people by 2030.

Your Company’s Businesses are actively working towards achieving your Company’s Sustainability 2.0 vision. During the year, over 50% of your Company’s total energy requirements were met from renewable sources. With this, your Company has already met its 2030 commitment of achieving 50% renewable energy share in FY 2023-24 itself i.e., seven years in advance. Commendable progress has been made in line with 2030 targets relating to specific energy, specific GHG emissions and specific water consumption across Businesses as well. In line with its commitment, your Company continued to remain plastic neutral during FY 2023-24 by sustainably managing more plastic packaging waste than the amount of plastic packaging utilised. During the year, your Company’s large-scale programmes on Sustainable Agriculture were augmented to cover 2.7 million acres. A detailed performance dashboard against 2030 commitments is available in your Company’s Sustainability Report, 2024.

To achieve its Sustainability 2.0 vision, your Company continues to strengthen its management approach which is guided by a comprehensive set of sustainability policies and is being implemented across the organisation. Your Company has put in place robust mechanisms for engaging with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. Your Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.

Your Company’s 20th Sustainability Report published during the year detailed the progress made across all dimensions of the ‘Triple Bottom Line’ for FY 2022-23. This report was prepared in conformance with ‘In Accordance – Comprehensive’ criteria of the Global Reporting Initiative (GRI) standards and is third-party assured to ‘Reasonable Level’ as per International Standard on Assurance Engagements (ISAE) 3000. The report continues to be aligned to the requirements of the Integrated Reporting Framework as well.

Your Company’s Sustainability Report for FY 2023-24 is being prepared and will be made available on your Company’s corporate website in due course. In addition, the Business Responsibility & Sustainability Report (BRSR), as mandated by the Securities and Exchange Board of India (SEBI) for the year under review is annexed to the Report and Accounts. The BRSR maps the sustainability performance of your Company against the nine principles forming part of the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs, Government of India.

During the year, your Company sustained its ‘AA’ rating by MSCI-ESG for the sixth consecutive year, the highest rating among global tobacco majors, and has also been included in the Dow Jones Sustainability Emerging Markets Index for the fourth year in a row. Additionally, your Company entered the prestigious ‘A List’ for CDP Water by achieving the highest ‘A’ rating (Leadership Level),

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which is higher than the Asia and Global average of 'C'. For CDP Climate, your Company retained its 'A -' (Leadership Level) rating, which is higher than the Asia and Global average of 'C'.

### Contribution to the United Nations Sustainable Development Goals (UN SDGs)

Your Company's Sustainability strategies and Social Investment Programmes & interventions, in addition to their alignment with national priorities, are also well positioned to contribute to the achievement of India's commitment under the UN SDGs. Your Company's multi-dimensional environmental and social interventions which have been scaled up over the years contribute favourably to all 17 UN SDGs. For instance, your Company's programme on Climate Smart Agriculture is aligned to the Government's National Mission for Sustainable Agriculture, and also contributes to the achievement of multiple SDGs, including SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 1 (No Poverty), SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production). A comprehensive statement linking your Company's interventions to the SDGs including corresponding targets will be available in your Company's Sustainability Report for FY 2023-24.

### Building Climate Resilience

Your Company recognises the urgent need to combat climate change for building a more secure future and the role it can play in enabling a net-zero economy. To address the risks of climate change, your Company's climate strategy places equal emphasis on transitioning to a low carbon economy and adapting to the worst impacts of climate change.

Your Company is pursuing a low carbon growth strategy through extensive decarbonisation programmes across its value chain. These include increasing the share of renewable energy, continuous reduction of specific energy, construction of green buildings, greening logistics & optimising distance-to-market, and promoting regenerative agriculture practices in agri-value chains. Your Company is also conducting life-cycle analysis (LCA) studies for developing a portfolio of innovative and

sustainable products in line with growing consumer preference for climate friendly products.

Additionally, in order to address short-medium term as well as long-term physical risks of climate change, your Company is working with climate experts to conduct comprehensive climate risk and vulnerability assessments using climate models across its key agri value chains and operating locations (factories, hotels and warehouses). These assessments utilise latest AI-enabled climate modelling tools for projecting the extent of risk from climate hazards related to changes in temperature, precipitation, sea level rise, flooding and other extreme weather events over decadal time frames covering the period till 2100 under various Shared Socioeconomic Pathways (SSPs) scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5). Detailed farm-level studies have been conducted to understand the potential adverse impacts of climate change on your Company's key agri-value chains. These risk assessments help further calibrate the climate resilience measures that are being implemented across your Company's value chains. For major crops like wheat, pulpwood and leaf tobacco among others, there is significant and sustained work being done by your Company on the development of climate-tolerant varieties as well as dissemination of climate-resilient and regenerative agronomic practices in the growing areas. Over 140 locations of your Company, encompassing both owned as well as key value chain facilities have been assessed for climate risk. Based on the findings of these assessments, detailed site-specific studies are undertaken for developing contextual location-specific adaptation plans and strategies.

### Energy Conservation and Renewable Energy

As a responsible corporate citizen, your Company has made a commitment to reduce dependence on energy from fossil fuels. Accordingly, all factories incorporate appropriate green features and premium luxury hotels, and office complexes continue to be certified at the highest level by either the US Green Building Council (USGBC) or Indian Green Building Council (IGBC). During the year, despite significant increase in scale

of operations, over 50% (previous year: 43%) of your Company's total energy requirements were met from renewable sources such as biomass, wind and solar. In line with your Company's continuous thrust on expanding renewable footprint across both thermal and electrical energy, this achievement was driven by the commissioning of state-of-the-art and future-ready High Pressure Recovery Boiler at the Bhadrachalam mill of your Company's Paperboards & Specialty Papers Business in the previous year which replaced conventional soda recovery boilers thereby reducing carbon footprint through lower coal consumption. In addition to this, your Company has installed and commissioned 205 MW of solar and wind power capacity across the country to meet its electrical energy requirements.

Your Company continues its efforts towards meeting 100% of purchased grid electricity requirements from renewable sources by 2030 and sustaining 50% renewable energy share in its total energy consumption based on a mix of energy conservation and renewable energy investments, despite significant enhancement in its scale of operations going forward.

### **GHG and Carbon Sequestration**

The GHG inventory of your Company for FY 2023-24 compiled according to the ISO 14064 Standard has been assured, as in the earlier years, at the 'Reasonable Level' by an independent third party. The GHG inventory covers emissions from your Company's operations and GHG removals from your Company's large-scale forestry programmes. Your Company's Social and Farm Forestry initiatives, besides sequestering carbon from the atmosphere, help towards greening of degraded wasteland, prevent soil erosion, enhance organic matter content in soil and increase ground water recharge.

### **Towards Water Security for All**

With water scarcity increasingly becoming an area of global and national concern, your Company continues to focus on an integrated water management approach that includes water conservation and

harvesting initiatives at its units – while at the same time working towards meeting the water security needs of all stakeholders at the local watershed level. Several interventions have been rolled out to improve water-use efficiencies such as adopting latest technologies and increasing reuse and recycling practices within the fence while also working with farmers and other community members towards improving water-use efficiencies.

Demand side management is a critical component of your Company's Water Stewardship programme. Recognising the critical imperative of reducing water use, especially in agriculture, your Company continues to work with farmers to achieve 'more crop per drop' and improve farmer incomes. Over 15 lakh acres have been covered during the year across 12 states through micro irrigation technologies and crop-specific agronomical practices. Basis parameters established earlier, there has been potential water savings to the tune of 1,090 million kl during the year. These interventions are spread across 15 crops including four key agri value chains – wheat, tobacco, pulpwood and spices, and result in water savings in the range of 15-50% as compared to conventional practices.

The water-use efficient practices promoted also help in reducing GHG emissions as compared to the conventional practices followed.

The demand side measures are implemented along with augmenting supply at the sub-catchment level through various interventions focused on harvesting rainwater based on the recommendations of hydro-geological studies. The supply side interventions include enhancing capture and storage of rainwater (within soil surface and storage structures) and recharging aquifers. In the process, traditional water bodies are restored, and wetland eco-systems are conserved. To have a long-lasting impact and balance out the competing demands on water resources, your Company has also extended work to river basin level as per requirements. During the year, work has been done in four river basins viz. Maharashtra (Ghod basin), Madhya Pradesh (Kolans basin),



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Tamil Nadu (Upper Bhawani basin) and Telangana (Murreru basin) and recently work has been initiated in Karnataka (South Pennar basin).

Considering the increasing water stress in urban catchments, your Company is implementing water security programmes in Bengaluru and Chennai catchments. These programmes focus on restoring urban water bodies, roof water harvesting, groundwater recharge and piloting technologies like 'Bore Charger systems' to recharge shallow aquifers and are aimed at addressing major water related challenges such as groundwater depletion and flooding during heavy rains.

Your Company also conducts efficacy studies to assess the impact of the watershed work carried out, and to ensure that maximum benefits accrue in the long-term. As on 31st March, 2024, your Company's integrated watershed development projects covering over 1.6 million acres of land have created a total rainwater harvesting potential (RWH) of over 54 million kl. In total, nearly 55 million kl of rainwater has been harvested, including within the fence, which is over four times the net water consumed by your Company's operations in FY 2023-24.

In addition, your Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard which is a credible, globally-applicable and recognised framework for ensuring sustainable water management within the wider water catchment context.

During the year, five units of your Company i.e. Branded Packaged Foods unit at Ranjangaon; Cigarette units at Ranjangaon, Bengaluru and Saharanpur and Green Leaf Threshing unit at Mysuru, received the AWS Platinum level certification, the highest recognition for water stewardship awarded by AWS. Till date, seven units of your Company have achieved Platinum level certification under the AWS Standard. Your Company is in the process of implementing the AWS Standards at other units in high water stress areas and will progressively obtain AWS certification for these sites.

In addition to AWS certification, four ITC Hotels – ITC Mughal, ITC Sonar, ITC Rajputana and ITC Maurya have the distinction of being the first four LEED<sup>®</sup> Zero Water certified hotels in the world.

### Pioneering the Green Building Movement in India

In order to continuously reduce your Company's energy footprint, green features are being integrated in all new and old constructions including hotels, manufacturing units, warehouses and office complexes. Your Company is a pioneer in the green building movement, with 40 buildings having received Platinum certification by USGBC/IGBC.

Several of your Company's factories and office complexes have received the Green Building certification from IGBC and the Leadership in Energy & Environmental Design (LEED<sup>®</sup>) certification from USGBC. In 2004, the ITC Green Centre at Gurugram received LEED Platinum<sup>®</sup> certification by USGBC, making it the largest Platinum rated building in the world at that point in time. The data centre at Bengaluru, ITC Sankhya, is the first data centre in the world to receive the LEED Platinum<sup>®</sup> certification by USGBC. Large infrastructure investments such as the ITC Green Centre at Guntur and the ITC Green Centre at Bengaluru (both LEED Platinum<sup>®</sup> certified) continue to demonstrate your Company's commitment to green buildings. Virginia House, Kolkata and ITC Centre, Kolkata – the headquarters of your Company, are also certified at the highest 'LEED Platinum<sup>®</sup>' rated Green Building by USGBC.

Reaffirming your Company's commitment to the ethos of 'Responsible Luxury', 23 of its hotels have been awarded the LEED Platinum<sup>®</sup> Certification by USGBC, the highest number of hotels in the world to have achieved this feat, making your Company a trailblazer in green hoteliering globally. ITC Grand Chola, the 600-key super-premium luxury hotel complex in Chennai, is amongst the world's largest LEED Platinum<sup>®</sup> certified green hotels.

Furthering your Company's Responsible Luxury ethos, 12 of its iconic hotels have received LEED<sup>®</sup> Zero Carbon Certification, the first in the world to

achieve this feat. Further, your Company's Sankhya data centre in Bengaluru became the first data centre in the world to be awarded the LEED® Zero Carbon certification.

### Enabling a Circular Economy

Your Company continues to make significant progress in improving the circularity of waste generated in operations. The focus is on reducing waste through constant monitoring, improvement of efficiencies in material utilisation and adequate waste segregation thereby improving recycling rates. During the year, your Company achieved over 99% recycling of waste generated in course of its operations. This has prevented waste from reaching landfills, with the associated problems of soil & groundwater contamination and GHG emissions, all of which can adversely impact public health. In addition, your Company's Paperboards & Specialty Papers Business recycled nearly 89,000 tonnes of externally sourced post-consumer waste paper, thereby creating yet another positive environmental footprint.

Your Company aims to go beyond the requirements of Plastic Waste Management Rules, 2022 to ensure that over the next decade, 100% of packaging is reusable, recyclable or compostable/biodegradable. Your Company is working towards optimising packaging in a way that reduces the environmental impact arising out of post-consumer packaging waste without affecting product integrity. This is being addressed in a comprehensive manner by optimising packaging design, introducing recycled content in packaging, identifying alternative packaging material with lower environmental impact and supporting development of suitable end-of-life solutions for packaging waste.

Your Company has successfully implemented multiple large-scale models of solid waste management across the country. These models, based on principles of circular economy, are scalable, replicable and sustainable, and have enabled your Company to sustain its plastic neutral status since FY 2021-22. The approach is centred around treating waste as a resource and ensuring that minimal waste goes to landfill, which can be achieved only when waste

is segregated at source. The initiatives focus on educating citizens on segregating waste at source into dry & wet streams and ensuring that value is derived from these resources and in the process support sustainable livelihood for waste collectors. These models operate on a public-private partnership basis with active involvement of urban local bodies, civil society and the informal sector of waste collectors.

Your Company has exceeded its commitment on plastic neutrality for the third consecutive year by collecting and sustainably managing around 70,000 tonnes of plastic waste, which is more than the plastic packaging utilised by your Company. Your Company has also obtained independent third-party assurance for its plastic neutrality status since FY 2022-23.

Your Company's waste recycling programme, 'WOW – Well Being Out of Waste', enables the creation of a clean & green environment and promotes sustainable livelihoods for waste collectors. During the year, the programme continued to be executed in Bengaluru, Mysuru, Hyderabad, Coimbatore, Chennai, Delhi, major towns of Telangana and several districts of Andhra Pradesh. The quantum of dry waste collected during the year was about 63,700 MT from over 1,500 wards. The programme has covered over 2.5 crore citizens in over 64 lakh households, 67 lakh school children and around 2,200 corporates since its inception. It has promoted sustainable livelihood for over 17,800 waste collectors by facilitating an effective collection system in collaboration with Municipal Corporations. The intervention has also created over 150 social entrepreneurs who are involved in optimising value capture from the collected dry waste.

Your Company's 'YiPPee! Better World programme' is aimed at creating awareness about plastic waste and ways to reduce, recycle and reuse it among students. During the year, more than 30 lakh school children were educated on plastic waste recycling with an initiative to collect plastic equivalent to 2.83 crores YiPPee! Noodles wrappers across 6,000 schools. This programme along with Company's Social Investments Programme has provided schools with over 3,950 benches and tables made from recycled plastic.

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In addition to WOW, a separate community-driven programme on decentralised Solid Waste Management (SWM), including closed loop Green Temple programme in collaboration with Swachh Bharat Mission, is operational in 33 districts across 10 states covering over 25 lakh additional households, taking the cumulative coverage to over 50 lakh households. This programme deals with both wet and dry waste and focuses on minimising waste to landfill by managing waste at source. Under the programme, more than 4 lakh MT of waste was collected during FY 2023-24, out of which around 2.5 lakh MT of wet waste was composted, and 90,000 MT of dry waste recycled, and thus 87% of the total waste was avoided from being sent to landfills. Further, home composting was practiced by over 6.4 lakh households cumulatively.

In Uttar Pradesh, your Company entered into the second phase of partnership with the Urban Development Department for 85 Urban Local Bodies (ULBs) including 25 new ULBs, after successfully completing first phase by training over 3,300 Government officials from 62 municipalities on decentralised SWM, thus enabling the extension of coverage of decentralised waste management to over 28.54 lakh households. Your Company had also signed an MoU with Lohiya Swachh Bihar Abhiyan (LSBA), Rural Development Department, Government of Bihar to train officials on implementation of decentralised SWM in 456 villages of Ganga region ('Ganga Gram') across 12 districts of Bihar. During the year, refresher training and handholding support was provided to 1,881 Panchayat officials of 456 Ganga Gram villages through a cascade approach, who then initiated focused waste management activities in their villages and covered over 4.6 lakh households.

Your Company had also collaborated with Department of Drinking Water and Sanitation (DDWS), Government of India, and India Sanitation Coalition (ISC), FICCI, to develop 36 Gram Panchayats (GPs) across 10 states as Lighthouses, demonstrating best practices in sanitation and waste management, which will be adopted by other GPs gradually. The partnership is part of the DDWS's plan of creating

75 Lighthouse Gram Panchayats across India. During the year, of the 36 GPs, 22 GPs were declared Model by Government, with the balance 14 GPs on track to become Model in the coming months.

Your Company's approach of involving SHGs as service provider for GPs for SWM and the use of Swachhata Mitra App for monitoring waste management in partnership with Bihar Government has got high appreciation as best practices.

### Biodiversity Management

Given the linkages between agriculture and the essential ecosystem services that nature provides, your Company recognises that the preservation and nurturing of biodiversity is crucial for long-term sustainability of its business and is committed to conducting its operations in a manner that protects, conserves and enriches biodiversity in line with the Board-approved Policies on Biodiversity Conservation and Deforestation.

For both greenfield and brownfield operations, processes are in place for assessing any actual or potential biodiversity related risk or impact including conducting environmental impact assessments wherever required by environmental regulations. Moreover, location-specific exposure including proximity to Key Biodiversity Areas is assessed periodically. Basis these assessments, key nature-related risks that are material to your Company's businesses/locations are identified, and mitigation plans are developed and implemented. Location specific risks covered in these assessments include water stress, climate risks including extreme weather events like droughts and floods, land-use changes, soil quality and productivity, among others. Your Company also recognises the potential of nature-based solutions for carbon sequestration and building climate resilience, and prioritises actions to minimise impacts across ecosystems and manage dependencies in a sustainable manner. Your Company also has large scale programmes in place for ensuring deforestation-free leaf tobacco and wood value chains. For more information, refer to the Corporate Social Responsibility section.



## Sustainable Supply Chain and Responsible Sourcing

Your Company, with its diverse and expanding portfolio of businesses, is working towards scaling up its sustainable supply chain initiatives as part of its Sustainability 2.0 Vision. Your Company has a Board-approved Policy on ‘Sustainable Supply Chain and Responsible Sourcing’ and a ‘Code of Conduct for Suppliers and Service Providers’ that together lay down the foundation for your Company’s engagement with its suppliers. In line with this policy, your Company engages with its supply chain members for building their capacity, assessing sustainability risks, and supporting them in building resilience against such risks. The policy also encourages suppliers to work towards resource-use efficiency, including sustainable natural resource management, GHG emission reduction and sustainable waste management. For focused engagement with key suppliers, your Company has created a framework for identifying its critical suppliers based on multiple criteria like value of the business with these suppliers, ESG risk exposure and substitutability of the supplier, among others. Till FY 2023-24, 100% of your Company’s Critical Tier-I suppliers have been trained on ESG related aspects and 40% have undergone an ESG assessment by a third party.

For key agri value chains, your Company has implemented large scale sustainable and Climate Smart Agriculture programmes. Till date, 27.94 lakh acres and over 10.5 lakh farmers including 1.95 lakh women farmers have been covered under your Company’s Climate Smart Agriculture programme. Your Company also supports farmers with adoption of sustainable farm certifications like Rainforest alliance (RFA), Forest Stewardship Council® (FSC®), Global Agricultural Practices (G.A.P) for identifying and addressing environmental risks and human rights related issues. For more information, refer to the Corporate Social Responsibility section.

## Nutrition

Your Company’s Branded Packaged Foods Businesses have developed a 4-pillar model that uniquely combines the strategic commitments to

deliver on its nutrition strategy – ‘Help India Eat Better’. The strategy has been developed to create an ecosystem and guide the organisation towards supporting the dream of a healthier nation via value-added products, sustainable food system initiatives, empowered people and healthy communities. This also includes focus on diet diversity, food fortification, leveraging traditional systems of knowledge and use of millets. The strategy is also in line with Government of India initiatives such as Mission Poshan 2.0, Anemia Mukh Bharat, Kuposhan Mukh Bharat, Surakshit Matritva Abhiyan and the Aspirational Districts Programme. Robust science-based nutrition targets have also been developed and are continuously tracked and communicated to your Company’s stakeholders. Your Company also achieved the first rank in ATNI India Index 2023 amongst 20 of the largest Indian food & beverage manufacturers as assessed by the globally recognised Access to Nutrition Initiative (ATNI). The index is published every 2-3 years and evaluates companies on their governance and management, production and distribution of healthy products, influence on consumer choices, and policies and actions targeting priority populations at high risk of malnutrition.

## Promoting Thought Leadership in Sustainability

To ensure wider adoption of the ‘Triple Bottom Line’ philosophy across the Industry, your Company established the ‘CII – ITC Centre of Excellence for Sustainable Development’ (CESD) in 2006 in collaboration with the Confederation of Indian Industry (CII). The Centre continues to focus on its endeavour to promote sustainable business practices amongst Indian enterprises. The major highlights during the year include the following:

### Climate Change

- The CII Climate Action Charter (CCAC) provides a platform for Indian businesses to map Climate Change as a material risk across value chains and develop long-term actions to build resilience. Currently, the Charter has more than 300 signatories across industry sectors.

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- The Centre launched the ‘Industry’s Priorities for COP28, Dubai: Indian Industry Perspective Report’ during the Round Table on ‘Decentralised Renewable Energy (DRE) for SDG7: Powering livelihoods with clean energy’ in December 2023, organised by the Centre, Ministry of New and Renewable Energy (MNRE) and International Solar Alliance (ISA).
- In collaboration with Ministry of Environment, Forest and Climate Change of India (MoEFCC), the Centre actively contributed to the formulation of the National Inventory of Greenhouse Gases related to the Industrial Processes and Product Use (IPPU) sector. This collaborative effort was part of India’s Third National Communications (NATCOM) to the United Nations Framework Convention on Climate Change (UNFCCC).
- The Centre led efforts to frame a policy paper under the B20 Taskforce on Energy, Climate Change, and Resource Efficiency. The paper was finalised through consultations and shared with the G20 representatives for consideration. 160+ members shared their suggestions for the policy paper. The Taskforce also developed a policy brief on Decarbonisation of Emerging G20 Countries.
- During the B20 Summit 2023, two sessions on Environment, Social and Governance (ESG) were organised by the Centre including a session on ‘Sustainability & Development Imperatives and the Role of Standards’. The session highlighted the need for sustainability reporting for companies with a simple, clearly defined sustainability standard, ensuring that standards, KPIs, thresholds and ratings consider applicability, relevance, and prioritisation of the Global South. The Centre also released the Policy Paper under B20 India Action Council on ESG in Business emphasising the imperative for convergence on ESG standards and underscoring the role of private sector in driving these transformations.

### Circular Economy

- The **India Plastics Pact (IPP)**, launched in September 2021, is uniting businesses, NGOs,

and citizens behind four ambitious time-bound targets to help realise a vision of a world where plastic is valued and doesn’t pollute the environment. The Pact is the first in Asia and joins a global network of 13 Plastics Pacts. 53 organisations are signatories to the Pact. The first Annual Report providing a baseline to measure the actions of the Pact was launched in June 2023.

- The Pact’s Second Annual Conference was held on the side-lines of the 18th Sustainability Summit. 60 participants from across the plastics value chain attended the Conference.
- 138 sites of 18 organisations were certified with Single-use Plastic (SuP) Free Certification.
- Five facilities were verified to ensure that the waste generated by the facility is being diverted from landfill disposal. Zero Waste to Landfill Certification was awarded to three organisations.

### Biodiversity

- The Convention on Biological Diversity’s Global Biodiversity Framework (GBF) has been integrated into the development of India Business & Biodiversity Initiative (IBBI) members’ roadmap for addressing biodiversity risk. 20 business members have developed a biodiversity-based GBF and set measurable targets for addressing nature-related risks by 2030.
- In 2023, a National Consultation Group on the Taskforce on Nature-related Financial Disclosure (TNFD) Framework was established in India to provide inputs for the global TNFD Framework development. 50 business members contributed by providing inputs, and seven companies have piloted the TNFD Framework.
- About 100 Business representatives have been trained on GBF to mainstream biodiversity in business planning.

### Air Pollution

- ‘India CEO Forum for Clean Air’ is a dedicated platform aiming to galvanise Indian businesses to take forward clean air agenda in India and promote

focused actions through collective leadership of Industry sub-sectors. The Forum started in 2019 with 17 founding members and is now 105 members strong with signed 'Clean Air Declaration' by top leaders of member companies.

- In 2023-24 cropping season, the Crop Residue Management (CRM) Programme scaled to 432 villages in Punjab and Haryana covering appx. 4,83,196 acres, engaging with 86,000 farmers to promote sustainable crop residue management practices.

### Excellence in Sustainability

- The 18th Sustainability Summit, with the theme of Strengthening Global Partnerships for Sustainable, Equitable and Inclusive Development was organised with the support of 25 partner organisations.
- The Summit witnessed over 150 eminent national and international speakers who shared their perspectives, representing diverse sectors from across the globe. It was attended by around 400 participants and over 160 B2B meetings took place during the Summit.
- During the 18th Sustainability Summit, the CCI Climate Action Charter (CCAC) Insights Report with key findings from the seven clusters was also released.

### ESG Intelligence & Analytics

- The Centre has helped companies understand their status in the ESG space, identify key ESG gaps and areas for improvement. Leveraging the Centre's in-house SaaS-based tools, 10 organisations across industry sectors have undertaken ESG gap assessments.
- The Eco Edge initiative of the Centre aims at integrating sustainability in the value chains of companies. The focus areas include Decarbonisation, Circularity, Health & Safety, and Human Rights. The programme evaluates the performance of sourcing companies and their value chain partners. The programme was piloted with two automobile companies.

- The Centre conducted over 35 ESG awareness sessions with value chain partners.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's overarching commitment towards creating significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. Your Company has a comprehensive CSR Policy outlining programmes, projects and activities that your Company undertakes to create a significant positive impact on identified stakeholders. All these programmes fall within the purview of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The key elements of your Company's CSR interventions are to:

- deepen engagement in identified core operational geographies to promote holistic development and design interventions in order to respond to the most significant development challenges of your Company's stakeholder groups.
- strengthen capabilities of Non-Government Organisations (NGOs)/Community Based Organisations (CBOs) in all project catchments for participatory planning, ownership and sustenance of interventions.
- drive the development agenda in a manner that is inclusive and empowers women and the poor & marginalised communities in the vicinity of your Company's factories and agri-catchments, thereby significantly improving Human Development Indices (HDI).
- ensure behavioural change through focus on demand generation for all interventions, thereby enabling participation, contribution and asset creation for the community.
- strive for scale with impact by leveraging Government partnerships & collaboratives and also accessing the most contemporary knowledge/technical know-how.



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Your Company's stakeholders are confronted with multi-dimensional and inter-related concerns, at the core of which is the challenge of securing sustainable livelihoods. Your Company undertakes periodic stakeholder engagements in the form of community need assessments, impact assessments and other evaluations. During the year, your Company undertook 42 community engagements across 13 states where your Company's Social Investments Programme is being implemented, for the purpose of understanding grievances if any, of the community members. Further, over 6,000 household surveys were also conducted during the year. Accordingly, interventions under your Company's Social Investments Programme have been appropriately designed to build capacities and promote sustainable livelihoods.

Your Company's Social Investments Programme follows the Two Horizon approach that focuses on inclusive growth and holistic development of households; with women and poor & vulnerable communities at the core. In addition to being beneficiaries of several programmes, women are also influencers and active participants in grassroots institutions. Several progressive women beneficiaries also act as change makers in the society.

The Two Horizon approach provides an integrated and affirmative response to development with Horizon-I focusing on strengthening and sustaining livelihoods of communities (primarily agriculture and allied sector livelihoods) and Horizon-II focusing on building capabilities and capacities to empower beneficiaries for a better life for the future.

The footprint of your Company's CSR projects is spread across 26 States/Union Territories covering over 300 districts.

Your Company's CSR interventions were conferred with two prestigious awards and recognitions during FY 2023-24:

- Winner of 1st UNDP-Mahatma Biodiversity Award for 'Human Centric Approaches to Biodiversity'
- 'Winner' under 'Empowerment (large corporate) category' for its Targeting Hardcore Poor (THP) Programme in the Second edition of Social

Leadership Awards organised by Bengal Chamber of Commerce & Industry.

### Natural Resources Management - Water Stewardship Programme

The Water Stewardship programme aims to facilitate water security for all dependents in the factory catchments and to drought-proof the agri-catchments to minimise risks to agricultural livelihoods arising from drought and moisture stress. The programme promotes the development and management of local water resources in moisture-stressed areas by facilitating community participation in planning and implementing such measures, as well as building, reviving and maintaining water-harvesting structures and thus conserving the wetland ecosystems.

In addition to rural and agri focus, two urban water programmes are also being implemented in Bengaluru and Chennai aimed at addressing the challenges associated with urban water. These programmes facilitate revival of urban water bodies, roof water harvesting and target recharge of shallow aquifers.

To address the magnitude of water stress, your Company has also extended water stewardship work to river basin level interventions so that the competing demands from neighbouring areas of our catchments are addressed and a more holistic and sustainable impact created. Work has been done in four river basins till date in Maharashtra (Ghod basin), Madhya Pradesh (Kolans basin), Tamil Nadu (Upper Bhawani basin) and Telangana (Murreru basin) and work initiated in the fifth basin in Karnataka (South Pennar basin).

The coverage of water stewardship programme currently extends to 55 districts of 17 states. During the year, the area under watershed increased by over 1.68 lakh acres, taking the cumulative coverage area to over 16.38 lakh acres. Over 4,100 water-harvesting structures including ground water recharge structures were built during the year, creating nearly 5.5 million kl of rainwater harvesting potential. The total number of water-harvesting structures reached to over 32,400 and the net water storage to over 54 million kl. In addition, as part of demand management intervention, your Company

continues to work with farmers to achieve ‘more crop per drop’ by promoting agronomic practices and micro irrigation techniques targeted towards saving water in cultivation and improving farmer incomes. Over 15 lakh acres across 15 crops have been covered across 12 states during the year as part of demand management. Studies had been conducted by Indian Institute of Rice Research, Tamil Nadu Agricultural University and Vasantdada Sugar Institute to estimate water savings in rice, sugarcane, coconut and banana in your Company’s programme locations. Basis these studies and other research documents, it is estimated that the demand management practices promoted by your Company have led to potential water savings to the tune of nearly 1,090 million cubic metres during the year.

Additionally, your Company is continuing partnerships with multiple State Government departments for Water Stewardship. Under the partnership with Watershed Development Department, Government of Karnataka, the Government is now implementing drought proofing plans using your Company’s Water Stewardship approach for which capacities were created. The Government has initiated work on 142 watersheds covering three lakh acres and has already constructed 1,050 water harvesting and ground water recharge structures based on the training provided by your Company.

Driven by your Company’s Water Stewardship programme, three Cigarette units at Pune, Bengaluru and Saharanpur, two Branded Packaged Foods units at Mysuru and Pune, Paperboards unit at Kovai and GLT unit at Mysuru have received AWS certifications in Platinum category till date.

### **Natural Resources Management - Biodiversity**

The focus of the programme is on reviving ecosystem services provided to agriculture such as natural regulation of pests, pollination, nutrient cycling, soil health retention and genetic diversity, which have witnessed considerable erosion over the past few decades. Biodiversity conservation is done through restoration of degraded village commons and native species tree planting in the catchments. During the

year, your Company’s biodiversity conservation initiative covered over 1.8 lakh acres in over 38 districts across 10 states, taking the cumulative area under biodiversity conservation to over 4.7 lakh acres. While the conservation work is being carried out in village commons, this intervention significantly benefits agricultural activity in the vicinity of these plots through soil moisture retention, carbon sequestration and by acting as hosts to insects and birds beneficial to agriculture. Two technical studies done earlier by ‘The Energy and Resources Institute’ (TERI) & ‘IORA Ecological Solutions’ have recorded improvement in carbon stocks, i.e., carbon sequestered by trees, as well as floral and faunal biodiversity compared to control areas. A project has also been taken up for mangroves conservation as they are important biodiversity reservoirs in coastal areas.

To increase the coverage for pastureland development and biodiversity conservation, during the year, your Company partnered with AP Panchayat Raj and Rural Development Department to improve livelihoods and conserve village commons in 9 districts.

In this context, your Company had earlier partnered with Wasteland & Pastureland Development Board (WPDB), Rajasthan targeting coverage of 2.5 lakh acres across 8 districts. Till date, 1.32 lakh acres have been covered across 5,800 villages leveraging Government resources. In the partnership with Forest Department of Maharashtra, efforts towards soil and moisture conservation in the forest and fringe areas of Pune district was progressed with Department staff trained by your Company implementing the work. Post training, Forest Department took up soil and moisture conservation works and tree plantation, covering over 9,000 acres.

### **Climate Smart Agriculture**

The Climate Smart Agriculture programme attempts to de-risk farmers from erratic weather events through the promotion and adaptation of climate-smart agriculture premised on dissemination of relevant package of practices, adoption of appropriate

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mechanisation and provision of institutional services. Currently, 27.94 lakh acres spread over 85 districts across 19 states and 10.5 lakh farmers including 1.95 lakh women farmers are covered under the programme. In pursuit of your Company's long-term sustainability objective of increasing Soil Organic Carbon (SOC), more than 6,400 compost units were constructed during the year, taking the total number till date to over 61,000 units. In addition to promotion of Climate Smart Agri practices at scale, in core agricultural catchments, your Company also has a Climate Smart Village (CSV) programme, wherein support is provided to majority of village population to enable adaptation to climate risks, mitigating the same through knowledge, livelihood diversification, natural resources management and institutional support. 6,755 CSVs covering major crop value chains are currently part of the programme. To provide additional support to farmers in dealing with climate risks, 15.24 lakh linkages were facilitated for farmers with six major Government schemes.

Details of Climate Smart Agriculture interventions are also provided in the section on 'Socio-Economic Environment'.

During the year, your Company has signed two new partnerships, one with Rajiv Gandhi Mission for Watershed Management covering 35 districts of Madhya Pradesh for Climate Smart Watersheds and the other with Farmer Welfare and Agriculture Development, Department of Madhya Pradesh covering six districts for Climate Smart Villages in a phased manner.

During the year, knowledge was disseminated through more than 13,500 Farmer Field Schools and over 11,750 Choupal Pradarshan Khets (CPKs). Over 1,150 Agri Business Centres (ABC) including 349 exclusive women ABCs delivered extension services, arranged agri-credit linkages, established collective input procurement and provided agricultural equipment for hire.

Your Company, with its presence across multiple commodities and geographies including e-Choupal network and agri extension programmes network, undertook an initiative to facilitate formation of new

FPOs and/or strengthening existing FPOs, thus enhancing farm incomes, rural livelihood and partnering in other relevant rural development initiatives. During the year, your Company supported additional 510 FPOs taking the cumulative number to 1,660 FPOs.

The 'Adarsh Gram Programme' pioneered by your Company's Agri Business presently covers 361 model villages in the states of Andhra Pradesh and Karnataka. Under this initiative, your Company supports villages to become economically, ecologically and socially sustainable. Your Company is also addressing the human rights and farm safety challenges in these villages by educating the farmers, labour & community, providing access to Personal Protective Equipment (PPE) kits and adopting smart technologies like drones for spraying activities on the farms.

The 'Baareh Mahine Hariyali' programme in select districts of Uttar Pradesh (Chandauli, Ghazipur, Prayagraj and Varanasi) is a pioneering initiative to facilitate farmers to enhance their incomes. This programme is founded on a 360-degree, multipronged approach with interventions such as increased cropping intensity with a third crop during summer, enhancement of productivity through context-specific agronomic practices demonstrated through Choupal Pradarshan Khets (on-farm demonstrations) and provision of market linkages with transparency in assessment of quality, price and weightment. In some regions, taking a holistic approach to income diversification as an adjacency, livestock development, women empowerment and agro-forestry are also included. Over 50,000 farmers have direct linkages and another 5,00,000 farmers have benefited from the interventions under this programme. Farmers have reported increase in their incomes and also resilience to weather vagaries.

### Off-farm Livelihood Diversification - Livestock Development

The purpose of the programme was to improve income and de-risk livelihoods of rural households by strengthening animal dependant livelihood options. Capability building on improved package of



practices, breed improvement, provision of extension services and creation of rural entrepreneurs to provide doorstep services are the key components. The programme covered livelihoods linked to large ruminants (cow & buffalo), small ruminants (goat & sheep), piggery, fishery, poultry and apiary in 14 states and 53 districts. During the year, appx. 1.2 lakh artificial inseminations (AIs) were carried out which led to the birth of 0.45 lakh high yielding progeny and indigenous breeds. Cumulatively, the figures for AIs and calving stand over 29.6 lakh and 10.4 lakh respectively. Under the programme, over 1,040 women trained as 'Pashu Sakhis' have provided extension services to animal owners of the villages. As per field studies, the average monthly income of goat owners improved from a baseline of ₹ 6,000/- to ₹ 13,000/-. The services provided by Pashu Sakhis helped in reduction in mortality, increase in animal weight and increase in herd size, thereby resulting in significant increase in income for goat owners, mostly women.

Your Company is also working with dairy farmers in Bihar, Jharkhand and West Bengal to improve productivity of animals through several extension services and to facilitate higher milk production. Qualified teams comprising veterinarians and para-veterinarians have been deployed to facilitate animal nutrition, animal health services, training and capacity building towards improving productivity, clean milk production and promoting commercial dairy farming among farmers. During the year, about 66,495 cattle of over 43,212 dairy farmers across 483 villages in nine districts of Bihar, three districts of West Bengal and one district in Jharkhand were supported through cattle feed distribution, training programmes on clean milk production, mastitis control and animal husbandry services like deworming, ectoparasite control, etc.

### **On-farm Livelihood Diversification – Tree plantations**

Your Company's pioneering afforestation initiative through the Social Forestry programme greened over 33,900 acres during the year. It is currently spread across 16 districts in 6 states covering

over 4.9 lakh acres in 7,400 villages, impacting over 1.87 lakh poor households. Together with your Company's Farm Forestry programme, this initiative has greened over 11.66 lakh acres till date and generated about 212 million-person days of employment for rural households, including women, poor tribal and marginal farmers. Further, fast growing, high yielding and disease resistant hybrid clones and saplings of eucalyptus pulpwood developed by your Company deliver significantly higher productivity vis-a-vis earlier clones. The clones have been developed to grow under varying ecological conditions, thereby building resilience and contributing towards increasing income for the farming community. Integral to the Social Forestry programme are the Agro-Forestry and bund plantation models that help small and marginal farmers to cultivate field crops and trees together in the same field and realise both benefits. These two models cumulatively extend to over 2.36 lakh acres and enable food, fodder and wood security. To create an additional income source and improve resilience towards climate change, fruit and other commercial species tree plantations have also been initiated with farmers, which has covered over 16,200 acres till date.

Besides enhancing farm level employment, generating incomes and increasing green cover, these large-scale initiatives also contribute meaningfully to the nation's endeavour to create additional carbon sinks for tackling climate change.

In addition to the above, the Social and Farm Forestry initiative of your Company, through a multiplier effect, has led to improvement in pulpwood and fuelwood availability in Andhra Pradesh, Telangana, Karnataka and Odisha.

### **Women Empowerment**

During the year, this initiative provided a range of gainful livelihood opportunities to appx. 71,000 poor women, taking the cumulative coverage to over 1.92 lakh. Of the beneficiaries till date, about 36,900 ultra-poor women in your Company's core catchments were provided with assets and supported to initiate enterprises of their choice as part of a

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two-year intervention, and who now have access to sustainable sources of income through various livelihood opportunities. Studies have shown that the income of these ultra-poor women beneficiaries has increased by more than five-fold, aided by the programme. Currently, the programme is operational in five districts in four states.

The financial literacy and inclusion project, in partnership with Madhya Pradesh State Rural Livelihood Mission (MPSRLM) and CRISIL Foundation continued in its second phase of partnership covering all 52 districts of Madhya Pradesh. 2,013 Master Trainers were trained directly; the training was thereafter cascaded to over 63,000 Self-Help-Groups (SHGs) covering more than 6.2 lakh women during the year. Basis the learnings in MP, the programme was expanded to other states covering over 16,600 existing SHGs with 1.8 lakh members. The Financial Literacy programme has cumulatively covered over 2.90 lakh SHGs benefiting over 28.50 lakh women spread across 71 districts in 15 states. Over 24 lakh trained women have also been facilitated with access to bank accounts and Government social security schemes till date.

Your Company's 'Aashirvaad Raho 4 Kadam Aage' programme is encouraging women empowerment by providing skills related to food processing sector. Spread across seven states, the programme has covered over 70,000 women beneficiaries.

### Education

The Primary Education programme aims to provide children from weaker sections of society access to education with focus on learning outcomes and retention. Operational in 34 districts of 15 states, the programme covered over 4.1 lakh children during the year, taking the cumulative coverage to over 15.31 lakh children. Under the Read India Programme, the proportion of primary level children who were able to perform basic mathematical computations increased from 20% to 90%. Considering importance of Early Childhood Care and Education (ECCE) as per National Education Policy 2020, building capabilities of Anganwadi Sevikas on ECCE has also been one of the focus areas. Your Company

has successfully completed the first phase of partnership on ECCE with Women Development and Child Welfare Department in Andhra Pradesh, covering over 25,700 Anganwadis and 4.03 lakh children in 13 districts by building the capacities of Integrated Child Development Services supervisors who further train Anganwadi Sevikas. Your Company has entered into the second phase of partnership during the year to expand the programme to the entire state across 26 districts. Additionally, your Company has also signed an MoU with the Child Development Services and Nutrition Department, Saharanpur, Uttar Pradesh, for improving ECCE (*Poshan Bhi, Padhai Bhi*) of children by combining nutrition and education interventions and will cover all the Anganwadi Centres of Saharanpur district.

Over 590 Government primary schools and Anganwadis were provided infrastructure support comprising boundary walls, additional classrooms including operationalising smart classrooms, solarisation, sanitation units and furniture, taking the total number of Government primary schools and Anganwadis covered till date to over 3,900. Infrastructure support to Government schools has helped in increasing enrolment, particularly of girls, in schools. To ensure sustainable operations and maintenance of infrastructure provided, more than 970 School Management Committees and more than 920 Child Cabinets and Water and Sanitation (WATSAN) Committees were operational in various schools during the year with active involvement of students and teachers. Further, 125 Supplementary Learning Centres (SLCs) were operational during the year, mainstreaming more than 2,500 out-of-school children into the formal education system taking the cumulative number to over 12,800.

Your Company's Bounce of Joy programme is aimed to create a positive impact on children's lives through sports. Execution of the programme is done by collaborating with schools for training of Physical Education (PE) teachers to help them foster holistic development amongst students through sports like football. Through the trained teachers, the programme has reached out to over 3 lakh students across 300 schools.

### Skilling & Vocational Training

This programme provides training in market linked skills to youth from marginalised sections including differently abled, to enable them to engage in decent livelihoods. 12,500 youth across 33 districts in 16 states were trained under different courses during the year, of which 49% were female. This includes, about 1,300 youth who were trained through Government and other centres. Cumulatively, over 1.12 lakh youth have been trained under the skilling programme. Further, the pilot programme for skilling differently abled youth that was initiated in Bengaluru was also expanded in Kolkata and Howrah during the year training more than 200 such youth till date.

### Sanitation

Your Company continues to adopt a multi-pronged approach towards improving public health and hygiene across 34 districts and 13 states. The programme focused on sustaining Open Defecation Free Status (ODF) by ensuring access to toilets to residual households through construction of individual toilets and community toilets for households with space constraints; and retrofitting for twin pits in households where single pit toilet was constructed earlier with Swachh Bharat Mission (SBM) support. In addition, during the year, 62 community toilets were constructed/renovated for households without land, taking the cumulative to 219. 4,200 Individual Household Toilets (IHHTs) were constructed with the support of State Government/District sanitation departments, taking the total to over 43,800 IHHTs constructed so far in your Company's catchment areas. Cumulatively, IHHTs and community toilets are estimated to be benefiting over 1.22 lakh community members. Tracking of Operations & Maintenance of existing community toilets was also done, along with behaviour change communication to ensure that catchment areas remain open defecation free.

Water, Sanitation and Hygiene (WASH) programme was implemented in schools that included construction of sanitation units in schools, separate for girls and boys, and also focused on driving behaviour change among over 98,400 school students through 2,145 WASH campaigns.

### Health & Nutrition

Your Company's 'Swasth India Mission' programme has been a front runner in driving behavioural change in hand hygiene through innovative experiential training in primary schools. The Swasth India Mission drove a range of initiatives to aid and enable the country in its fight against preventable infections that create huge economic burden on the country.

- Swasth India mission believes in 'Swasth Bacche, Mazboot Desh' – healthier children are the pillars for building a strong nation. The programme deploys story-telling and jingles to teach children about where germs are, what do they do, how can we stay protected, eight steps of handwashing ending with a small quiz about the learnings of the session. The school programme covered ~12,500 schools reaching out to appx. 26 lakh students in FY 2023-24.
- The school programme created positive impact as measured in a pre-post study. There is high recall for the message and the compliance to handwashing with soap increased post the activity from 4.8 occasions to 6.8 occasions on an average.
- Additionally, the programme addressed specific seasonal issues that required awareness creation for example Leptospirosis and Nipah virus. Awareness generation was done through media tools utilising print media and digital media.
- The programme also had presence of admired public figures like Sachin Tendulkar to urge people to follow hand hygiene as a preventive health practice. The messaging on the same was deployed across various media platforms.

Around 14.61 lakh beneficiaries spread across 22 districts in eight states were covered under your Company's Mother and Child Health and Nutrition initiative aimed at improving the health-nutrition status of women, adolescents and children in the catchments of a few of your Company's factories with high maternal and infant mortality indices. Recognising the problem of Anaemia among women and children, focused intervention was initiated and over 36,000 women, adolescents and children screened in collaboration



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with Anaemia Mukht Bharat Abhiyan. After screening, awareness creation on localised nutrition and linkages with Government programmes for supplements was initiated. Your Company has collaborated with Directorate of Social Welfare, Government of Assam to help address challenges of malnutrition in eight districts including seven Aspirational Districts in the state. In this partnership, 541 Integrated Child Development Services (ICDS) supervisors were trained during the year which in turn have cascaded it to 15,883 Anganwadis. Trained Anganwadi Sevikas created awareness among 9.5 lakh pregnant women, mothers, adolescents in the area of antenatal check-ups, preventive vaccinations, timely breast feeding, nutrition management through locally available five food groups including millets. Additionally, your Company has entered into a partnership with Child Development Services and Nutrition Department in Saharanpur, Uttar Pradesh for building capability of Anganwadi Sevikas in promoting Maternal and Child Health and creating awareness on nutrition by focusing on the first 1,000 days of life.

Project Samposhan was undertaken during the year to address the issue of anaemia amongst 1.7 lakh adolescent girls, pregnant & lactating women and trained 2,500 staff from various Government departments (Community Health Officers, Accredited Social Health Activists (ASHA) facilitators, Anganwadi workers) in the districts of Chikkaballapur and Raichur in Karnataka and Gorakhpur in Uttar Pradesh. Similarly, Project Balposhan was undertaken in Valsad district of Gujarat to create awareness on child nutrition.

To bridge the gaps in primary and secondary healthcare delivery and to address the challenges of awareness, availability, accessibility and affordability, your Company has undertaken several Rural Healthcare interventions that are being implemented in a phased manner. After starting with the Mother and Child Health initiative in FY 2016-17, your Company is now adopting a holistic approach focusing on two major components - preventive health care and curative services. The objective of the initiative is to improve health and nutrition by strengthening institutional capacity, supplementing

existing infrastructure, promoting greater convergence with existing Government schemes, leveraging technology and increasing access to basic primary and secondary healthcare services. As part of this project, 'ITC Swaasth Kiran' initiative was launched during FY 2021-22 in Saharanpur and Munger districts. Under the initiative, during FY 2023-24, five new Mobile Medical Units (MMU) were added (three in Saharanpur & two in Munger) thus taking the total to 13 MMUs as on date. These MMUs provided free medical consultation and medicines to the rural community at their doorstep. During the year, more than 1.74 lakh individual engagements were made with community members across 800 villages, 58% of which were with women. Further, 22,500 diagnostic tests were conducted, and 5,200 referrals were made during the year. Upgradation of Public Healthcare Centres was also initiated with the involvement of the local community under the initiative.

Understanding the need of high-quality doorstep eye care for the community, your Company also initiated an innovative intervention for eye-care under which two Mobile Vision Units (MVU) were pressed into service in rural Saharanpur. These MVUs equipped with high end ophthalmic equipment can screen and diagnose eye ailments such as Cataract, Diabetic Retinopathy, Glaucoma and other diseases. During the year, more than 91,000 community members were screened, 2,685 were advised prescription eyeglasses, more than 1,500 cataracts detected and nearly 500 cataract surgeries done. The intervention also diagnosed 362 cases of Diabetic Retinopathy and 158 cases of Glaucoma, which were referred to hospitals for further management.

Your Company continued to enhance awareness on various health related issues through a network of 365 women Village Health Champions (VHCs) who covered nearly 1.54 lakh women and adolescent girls during the year. The programme is operational in six districts of Uttar Pradesh and two districts of Madhya Pradesh. The VHCs conducted door-to-door visits in the villages focusing on aspects like sanitation, menstrual and personal hygiene, family planning, diarrhoea prevention and nutrition.

To make potable water available to local communities in Andhra Pradesh, Reverse Osmosis (RO) water purification plants were set up in villages where the water quality was poor. Nine new RO plants were established in FY 2023-24 taking the total operational RO plants to 169 thus providing safe drinking water to over 2.18 lakh rural people.

### Waste Management

Your Company's initiatives focus on creating replicable, scalable and sustainable models of municipal and rural waste management that can be implemented across the country to ensure that minimal waste goes to landfills. Details of these models are provided in the section on 'Building a Circular Economy for Post-Consumer Packaging' above.

### ITC Sangeet Research Academy

The ITC Sangeet Research Academy (SRA), established in 1977, is an embodiment of your Company's sustained commitment to a priceless national heritage. Your Company's pledge towards ensuring enduring excellence in Classical music education continues to drive ITC SRA in furthering its objective of preserving and propagating Hindustani Classical music based on the age-old principle of 'Guru-Shishya Parampara'.

The Academy is modelled as a professionally run institution that epitomises the teaching of Hindustani Raga music. Through its eminent Gurus, it imparts intensive training and quality education in Hindustani Classical music to its scholars. The present Gurus of the Academy are Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Pandit Uday Bhawalkar, Vidushi Subhra Guha, Shri Omkar Dadarkar, Shri Abir Hossain and Shri Brajeswar Mukherjee. The Academy's focus continues to be on nurturing exceptionally gifted students selected from across the country through a system of multi-level auditions. Several scholars of the Academy have performed at various music festivals and have also been recipients of prestigious awards and accolades. Creation of the next generation of masters of Hindustani Classical music for the

propagation of a precious legacy continues to be the Academy's objective.

### Forging Multi-Stakeholder Partnerships

Your Company's Social Investments Programme lays continuous emphasis on building partnerships of value for driving innovation & gaining contemporary knowledge while effectively amplifying and executing programmes.

Your Company has over the years formed Knowledge Partnerships with several national & international organisations/agencies to maintain contemporariness and leverage latest knowledge/technical know-how to continuously improve the quality of programmes.

Public-Private Partnerships (PPP), aimed at pooling resources, and partnership with Governments are effectively leveraged to scale-up and amplify programmes implemented in your Company's catchment areas. During the year, six new PPPs were signed.

The meaningful contribution made by your Company's Social Investments Programme to address some of the country's key development challenges, has been possible in significant measure, due to your Company's partnerships with renowned NGOs such as AFARM, AFPRO, BAIF, Bandhan Konnagar, Cheshire Disability Trust, DHAN Foundation, DSC, FES, FINISH, MAMTA, MYRADA, NCHSE, Pratham, SEARCH, SMGVS, SEWA Bharat, Umang, WASH Institute, Water for People and Youth Invest amongst others. These partnerships, which bring together the best-in-class management practices of your Company and the development experience and mobilisation skills of NGOs, will continue to provide innovative grassroot solutions to some of India's most challenging problems of development in the years to come.

### CSR Expenditure

The annual report on Corporate Social Responsibility activities, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided in the Annexure forming part of this Report.

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### Environment, Health & Safety

Your Company's Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across all your Company's units by optimising natural resource usage and providing a safe and healthy workplace. Systemic efforts continue to be made towards natural resource conservation by continuously improving resource-use efficiencies.

Your Company believes that a safe and healthy work environment is a pre-requisite for ensuring employee well-being and adopting best practices in occupational health & safety bears a direct impact on overall performance. With an aim to percolate safety deeper into your Company's operational practices and achieve the 'Zero Accident' goal, your Company has adopted a comprehensive EHS strategy founded on two pillars: 'Safety by Design' and 'Safety by Culture'.

#### Safety

Your Company sustained focus on 'Safety by Design' by continuously striving to improve safety performance and incorporating best-in-class engineering standards for all investments in the built environment. Designs for all new greenfield & brownfield project investments are scrutinised to ensure compliance with relevant standards and codes on safety. Periodic Environment, Health & Safety audits continue to be carried out in operational units to verify compliance with relevant standards.

To drive a culture of safety, your Company, in addition to comprehensive focus on training, continues to hold structured conversations with workers on 'Safe and Unsafe' Acts. These are supplemented by adoption of keystone behaviours that inculcates individual ownership for safe behaviour. Your Company has also made use of Design Thinking principles for seamless integration of safety in business operations. These initiatives are bringing in positive behavioural changes.

Several national awards and certifications received by various units reaffirm your Company's commitment to provide safe and healthy workplace to all.

### R&D, QUALITY AND PRODUCT DEVELOPMENT

Your Company's state-of-the-art Life Sciences and Technology Centre (LSTC) in Bengaluru is at the core of driving science-led product innovation to build and support your Company's portfolio of world-class products and brands. Over the years, LSTC has emerged as a robust innovation engine that is a key enabler of the 'ITC Next' growth strategy. Reinforced with world-class infrastructure, resourced with a diverse team of over 400 highly qualified scientists, LSTC continues to drive various initiatives to provide differentiation and competitive edge to your Company's brands and products. During the year, LSTC celebrated its Golden Jubilee - completing five decades of scaling new frontiers in Research & Development and innovation. Eminent scientists from India and across the world attended the celebrations, sharing rich insights on topical areas including Disruptive Innovation led Exponential Growth, Future Foods – Role of AI & Data Science, Sustainable Materials for Packaging, Adaptation to Sustainability, etc.

Driving purposeful innovations that fulfil the needs of the Indian consumer through superior offerings remains the key objective of LSTC. Centres of Excellence across domains viz. Biosciences, Agri-sciences & Materials sciences enabled building capabilities over the years to cater to the constantly evolving needs of consumers. Focused research across identified domains viz. Health & Wellness, Formulation Design, Sustainable Materials & Packaging, Agro-forestry and Crop Science has enabled the teams to harness contemporary advances in relevant core areas to translate 'proofs of concept' to novel product opportunities. Bearing testimony to LSTC's innovation capabilities while building the intellectual assets for your Company, over 800 patent applications have been filed till date. Robust risk management practices are in place to ensure that your Company's intellectual properties remain adequately protected and to ensure mitigation of information and infrastructure risk.

Research programmes and projects are structured through close alignment with the various Businesses



of your Company resulting in a robust innovation pipeline. Additionally, in line with your Company's relentless focus on operational excellence and quality, each Business is mandated to continuously innovate on materials, processes and systems to enhance their competitiveness.

Your Company has been a forerunner in introducing first-to-market innovative products for Indian consumers. In today's operating scenario of unprecedented volatility and hyper-inflationary pressures, LSTC scientists and product development teams continue to enable the Branded Packaged Foods, Personal and Home Care, Stationery and Agarbatti Businesses to deliver a range of differentiated, superior quality products at competitive costs. Innovative science-based Platform projects continue to be leveraged to drive creation of healthier foods through systematic reduction in salt, sugar and fat without compromising on sensory attributes. Leading edge technology platforms in Personal Health & Hygiene, Health & Wellness continue to power innovation and develop next generation product offerings to serve emerging consumer needs. LSTC's unique competencies in Sustainable Materials and Packaging have enabled development of packaging options with high degree of recycled plastics content and novel barrier coating solutions to create next generation environmentally friendly packaging solutions.

In Agro-Forestry and Crop Science, your Company's scientists have established different cutting-edge tools & technology platforms for improving tree & crop species of your Company's interests (like yield, quality, abiotic & biotic stress) for securing the raw material. Ongoing research has major emphasis on developing climate resilient crops and pulp wood species in order to address the security of raw material supplies across your Company's value chains and also ensuring enhanced farmer profitability. Research on wheat and potato varietal securitisation are at advanced stages of deployment to achieve flexibility in sourcing of raw material, create region-specific blends and ensure robust agro-climatic

adaptability for growing and sourcing raw materials closer to the factories at competitive costs, in addition to reducing the carbon footprint. Future ready, alternate value chains that mitigate risks arising out of disruptions to existing sourcing models continue to be explored. LSTC has deployed various digital transformation tools at farm level to bring in predictive capability with agility. LSTC, in collaboration with the Agri and Branded Packaged Foods Businesses, endeavours to ensure that science-based ideas are fully integrated across the value chain from farm to fork.

Infrastructure and capabilities are strengthened continuously keeping in pace with the global developments in science and technology. Expanding capabilities include spreading the acreage of new tree clones with superior properties, developing modern instrumentation for testing very low levels of actives or contaminants, measuring barrier properties (air and water permeability) of coated paper substrate, development and scale-up of novel materials etc.

Rigorous systems, processes and industry best practices are continuously upgraded to secure quality certifications of the highest levels – a key enabler in delivering products that follow the highest standards in quality, safety and efficacy to the Indian consumer. All branded packaged foods manufacturing units of your Company not only have ISO quality certification but also follow the highest standards under the integrated food quality management system-FSSC 22000; these systems ensure adherence to internationally accepted quality standards in producing safe and high-quality food. All manufacturing units of the Branded Packaged Foods Businesses (including contract manufacturing units) and Hotels operate in compliance with stringent food safety and quality standards. Your Company's food quality assurance laboratories are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) under ISO 17025, a global standard for testing and calibrating labs, which guarantees quality. Additionally, the quality of all FMCG products of your Company is monitored through best-in-class customer-centric

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'Quality Control and Quality Assurance Processes' and 'Product Quality Ratings Systems' (PQRS) enhancing competitive superiority of your Company's product offerings.

In its quest to continuously enhance efficiency and be future-ready, LSTC is developing and deploying cutting-edge digital tools for quality performance analytics, benchmarking and strengthen quality management systems. Satellite imaging-based tree plantation area mapping has been accomplished with greater than 90% accuracy for species of your Company's interest (Eucalyptus, Subabul, casuarina, Corymbia) that will enable assessment of pulp wood availability. Going forward, LSTC will continue to identify growth opportunities leveraging your Company's diverse core competencies and R&D insights emerging from close consumer interactions and contemporary science & technology.

### PROCEEDINGS INITIATED BY THE ENFORCEMENT DIRECTORATE

In the proceedings initiated by the Enforcement Directorate in 1997, the appropriate authority after hearing arguments on behalf of your Company has passed orders in favour of your Company and dropped some of the show cause notices issued by the Directorate. In respect of some of the remaining notices, your Company filed writ petitions challenging their validity. The Honourable Calcutta High Court, by its orders, allowed these writ petitions, and the proceedings in respect of these notices were quashed. The remaining notices are pending.

Meanwhile, some of the prosecutions launched by the Enforcement Directorate have been quashed by the Honourable Calcutta High Court while others are pending.

### TREASURY OPERATIONS

Your Company's treasury operations continued to focus on deployment of surplus liquidity and management of foreign exchange exposures within a well-defined risk management framework.

Market interest rates remained volatile during the year largely driven by global factors such as US economy's resilience which delayed the start of monetary easing

by the US Fed and caused interest rates in the US to trend higher. In the backdrop of global volatility, RBI towards end of September'23 took steps to tighten liquidity conditions in the Banking system which reversed the trajectory of domestic interest rates. However, interest rates at the longer end declined on back of robust demand from Foreign Portfolio Investors following the announcement of Indian G-Secs inclusion in JP Morgan's Emerging Markets Bond Index and lower fiscal deficit target for FY 2024-25.

Investment decisions relating to deployment of surplus liquidity continued to be guided by the tenets of Safety, Liquidity and Return. Treasury operations focused on proactive rebalancing of portfolio duration and mix in line with the evolving interest rate environment. Further, continuous review and monitoring of credit worthiness, including engagement with market participants, ensured that the investment portfolio was not exposed to undue credit risks.

As in earlier years, commensurate with the size of the temporary surplus liquidity under management, treasury operations continue to be supported by appropriate internal control systems, and independent check of 100% of transactions by your Company's Internal Audit Department.

In the currency market, Indian Rupee (INR) witnessed significantly lower volatility compared to the previous financial year. The Dollar Index (DXY), a key indicator of US Dollar (USD) strength registered modest gains for the financial year but witnessed large two-way movements. INR strength was aided by large surplus expected in Balance of Payments for the year vis-a-vis deficit in previous year. Periods of INR weakness was attributed mostly to global factors such as escalation of conflict in the Middle East and US Federal Reserve adopting a 'higher for longer' monetary policy stance to meet its mandate of lowering inflation. RBI's strategic intervention in the forex markets which gained prominence from September'23, enabled reduction in market volatility.

To effectively navigate the volatility in currency markets, your Company adopted a proactive risk management strategy and actively managed foreign

currency exposures through appropriate hedging strategies and market instruments to protect business margins.

## DEPOSITS

Your Company's erstwhile Public Deposit Scheme closed in the year 2000. As at 31st March, 2024, there were no deposits due for repayment except in respect of two deposit holders aggregating ₹ 20000 which have been withheld on the basis of directives received from the government agencies.

There was no failure to make repayments of Fixed Deposits on maturity and the interest due thereon in terms of the conditions of your Company's erstwhile Schemes.

Your Company has not accepted any deposit from the public/members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

## DIRECTORS

### Changes in Directors

During the year, with your approval, Ms. Alka Marezban Bharucha and Ms. Pushpa Subrahmanyam were appointed as Independent Directors of your Company for a period of five years with effect from 12th August, 2023 and 2nd April, 2024, respectively. Further, Messrs. Anand Nayak and Ajit Kumar Seth were re-appointed, with your approval, as Independent Directors of your Company for a period of five years with effect from 13th July, 2024. In the opinion of the Board, Ms. Bharucha, Ms. Subrahmanyam, Mr. Nayak and Mr. Seth possess the required integrity, expertise and experience for appointment as Independent Directors of your Company.

With your approval, Mr. Rahul Jain, representing the Specified Undertaking of the Unit Trust of India ('SUUTI'), and Mr. Atul Singh, representing Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British America Tobacco p.l.c., were appointed as Non-Executive Directors of your Company for a period of three years with effect from 1st January, 2024 and

2nd April, 2024, respectively. Mr. Jain has since tendered his resignation with effect from 31st May, 2024.

Further, Mr. Sanjiv Puri was re-appointed, with your approval, as the Managing Director & Chairman of your Company for a period of five years with effect from 22nd July, 2024, and Mr. Hemant Malik was appointed as a Wholetime Director for a period of three years with effect from 12th August, 2023.

The Board of Directors of your Company ('the Board'), on the recommendation of the Nomination & Compensation Committee ('the Committee'), has recommended for the approval of the Members, the appointment of Dr. Alok Pande, representing SUUTI, as a Non-Executive Director of your Company for a period of three years with effect from 27th July, 2024.

Mr. Sunil Panray, representing TMI, will complete his present term as a Non-Executive Director of your Company on 19th December, 2024. The Board, on the recommendation of the Committee, has recommended for the approval of the Members, the re-appointment of Mr. Panray as a Non-Executive Director of your Company for a period of five years with effect from 20th December, 2024.

Further, Messrs. Sumant Bhargavan and Supratim Dutta will complete their present terms as Wholetime Directors of your Company on 11th July, 2025 and 21st July, 2025, respectively. On the recommendation of the Committee, the Board has recommended for the approval of the Members, the re-appointment of Messrs. Sumant and Dutta as Wholetime Directors of your Company for a period of two years with effect from 12th July, 2025 and three years with effect from 22nd July, 2025, respectively.

Appropriate resolutions seeking your approval to the above are appearing in the Notice convening the 113th Annual General Meeting ('AGM') of your Company.

Mr. Peter Rajatilakan Chittaranjan, representing the General Insurers' (Public Sector) Association of India, and Mr. David Robert Simpson, representing TMI, stepped down from the Board with effect from



## Report of the Board of Directors

1st September, 2023 and 30th January, 2024, respectively. Mr. Nakul Anand completed his term as a Wholetime Director of your Company with effect from 3rd January, 2024 after being associated with the ITC Group for over 44 years, including 18 years with your Company. Your Directors place on record their appreciation for the contribution made by Messrs. Chittaranjan, Simpson and Anand during their tenure with your Company.

### Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 94 and 95 of the Articles of Association of your Company, Messrs. Sunil Panray and Supratim Dutta will retire by rotation at the ensuing AGM and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

### Number of Board Meetings

Six meetings of the Board were held during the year ended 31st March, 2024.

### Attributes, Qualifications & Independence of Directors and their Appointment

The Corporate Governance Policy of your Company, inter alia, requires that the Non-Executive Directors be drawn from amongst eminent professionals, with experience in business/finance/law/public administration and enterprises. The Nomination & Compensation Committee has laid down the criteria for determining qualifications, positive attributes and independence of Directors (including Independent Directors). In case of appointment of Independent Directors, the Nomination & Compensation Committee evaluates the balance of skills, knowledge and experience on the Board, and also the role and capabilities required for appointment as an Independent Director of your Company.

Further, the Board is required to have balance of skills, competencies, experience and diversity of perspectives appropriate to your Company in terms of the Policy on Board Diversity. Diversity for this purpose is considered from a number of aspects

including, but not limited to, educational & cultural background, nature of professional, administrative & industry experience, skills, knowledge, and gender representation. The skills, expertise and competencies of the Directors as identified by the Board, along with those available in the present mix of the Directors of your Company, are provided in the 'Report on Corporate Governance' forming part of the Report and Accounts.

In terms of the applicable regulatory requirements read with the Articles of Association of your Company, the strength of the Board shall not be fewer than six nor more than eighteen. Directors are appointed/re-appointed with the approval of the Members for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

The Independent Directors of your Company have confirmed that (a) they meet the criteria of independence prescribed under Section 149 of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (b) they are independent from the management of your Company, and (c) they are not aware of any circumstance or situation which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Act and the Listing Regulations, and are independent of the management of your Company.

### Remuneration Policy

Details of your Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees are provided in the 'Report on Corporate Governance' forming part of the Report and Accounts.

### Evaluation of Board, Board Committees and individual Directors

Your Company has a structured process for performance evaluation of the Board, Board Committees and individual Directors. The Nomination & Compensation Committee, as reported in earlier years, has formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation, and also specified that such evaluation will be done by the Board.

In keeping with ITC's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed, inter alia, against the roles and responsibilities of the Board as provided in the Act, the Listing Regulations and your Company's Governance Policy. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of your Company; such parameters include securing alignment of your Company's goals with the nation's economic, ecological and social priorities, ensuring that your Company has a clearly defined strategic direction for realisation of its vision, and supporting your Company's management to meet challenges arising from the operating & policy environment in the country. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairmen with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of your Company in pursuit of its purpose and goals. The peer group ratings of the individual Directors are collated by the Chairman of the Nomination & Compensation Committee and made available to the Chairman of your Company.

While the Board evaluated its performance against the parameters laid down by the Nomination & Compensation Committee, the evaluation of individual Directors was carried out against the laid down parameters in order to ensure objectivity. The parameters for performance evaluation of individual Directors, inter alia, include ability to provide thought leadership across the role spectrum, and contribution to Board cohesion, governance & organisational processes. Reports on the functioning and performance of Committees during the year were placed before the Board. The Independent Directors Committee of the Board also reviewed the performance of the Chairman, other non-Independent Directors and the Board, pursuant to Schedule IV to the Act and Regulation 25 of the Listing Regulations.

### KEY MANAGERIAL PERSONNEL

As stated earlier, Mr. Nakul Anand ceased to be a Wholetime Director of your Company upon completion of term, and Mr. Hemant Malik was appointed as a Wholetime Director of your Company with effect from 12th August, 2023. There were no other changes in the Key Managerial Personnel of your Company during the year.

### AUDIT COMMITTEE & AUDITORS

The composition of the Audit Committee is provided under the section 'Board of Directors and Committees' in the Report and Accounts.

#### Statutory Auditors

Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), were appointed with your approval as the Auditors of your Company for a period of five years till the conclusion of the ensuing AGM.

The Board, on the recommendation of the Audit Committee, has recommended for the approval of the Members, the re-appointment of SRBC as the Auditors of your Company for a period of five years from the conclusion of the ensuing 113th AGM till the conclusion of the 118th AGM. On the recommendation of the Audit Committee, the Board has also recommended for the approval of the Members, the

## Report of the Board of Directors

remuneration of SRBC for the financial year 2024-25. Appropriate resolution seeking your approval for the appointment and remuneration of SRBC as the Statutory Auditors is appearing in the Notice convening the 113th AGM of your Company.

### Cost Auditors

Your Board, as recommended by the Audit Committee, appointed the following Cost Auditors for the financial year 2024-25:

- (i) Messrs. ABK & Associates, Cost Accountants, for audit of Cost Records maintained by your Company in respect of 'Wood Pulp' and 'Paper and Paperboard' products.
- (ii) Messrs. S. Mahadevan & Co., Cost Accountants, for audit of Cost Records maintained in respect of all applicable products of your Company, other than 'Wood Pulp' and 'Paper and Paperboard' products.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolutions seeking your ratification to the remuneration of the aforesaid Cost Auditors are appearing in the Notice convening the 113th AGM of your Company.

Your Company maintains necessary cost records as specified by the Central Government under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

### Secretarial Auditors

Messrs. S. N. Ananthasubramanian & Co., Company Secretaries, were appointed by the Board as the Secretarial Auditors of your Company for the financial year ended 31st March, 2024. The Secretarial Auditors have confirmed that your Company has complied with the applicable laws and that there are adequate systems and processes in your Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Report of the Secretarial Auditors, pursuant to Section 204 of the Act, is provided in the Annexure forming part of this Report.

### CHANGES IN SHARE CAPITAL

During the year, 5,67,03,730 Ordinary Shares of ₹ 1/- each, fully paid-up, were issued and allotted upon exercise of 56,70,373 Options under your Company's Employee Stock Option Schemes. Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2024, stands increased to ₹ 1248,47,21,471/- divided into 1248,47,21,471 Ordinary Shares of ₹ 1/- each. The Ordinary Shares issued during the year rank pari passu with the existing Ordinary Shares of your Company.

### EMPLOYEE STOCK OPTION SCHEMES

Disclosures with respect to Stock Options, as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('the Regulations'), are available in the Notes to the Financial Statements of the Company. The said disclosures forming part of the Financial Statements can also be accessed on your Company's corporate website <http://www.itcportal.com> under the section 'Investor Relations'. During the year, there has been no change in your Company's Employee Stock Option Schemes.

Your Company's Secretarial Auditors have certified that the Employee Stock Option Schemes of your Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.

### INVESTOR SERVICE CENTRE

The Investor Service Centre of your Company ('ISC'), accredited with ISO 9001:2015 certification, is registered with the Securities and Exchange Board of India as a Category II Share Transfer Agent. ISC remains committed to maintaining the highest standards of investor servicing, consistently ensuring best-in-class services for shareholders and investors, while adhering to the applicable statutory requirements. ISC continues to invest in upgradation of its infrastructure, systems and technology in order to keep them contemporary. The 'Investor Relations' section on your Company's corporate website



<http://www.itcportal.com> serves as a user-friendly reference providing up-to-date information and guidance on share-related matters.

### RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by your Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. All such contracts or arrangements were approved by the Audit Committee. No material contracts or arrangements with related parties within the purview of Section 188(1) of the Act were entered into during the year under review. Further, the prescribed details of related party transactions of your Company in Form No. AOC – 2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are given in the Annexure to this Report.

### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Companies Act, 2013, your Directors confirm having:

- a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;
- b) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) prepared the Annual Accounts on a going concern basis;
- e) laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and were operating effectively; and

- f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### CONSOLIDATED FINANCIAL STATEMENTS

Your Company's Board of Directors is responsible for the preparation of the consolidated financial statements of your Company and its Subsidiaries ('the Group'), Associates and Joint Venture entities, in terms of the requirements of the Companies Act, 2013 (the Act) and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Boards of Directors of the companies included in the Group and of its associates and joint venture entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Such financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of your Company, as aforesaid.

### OTHER INFORMATION

#### Compliance with the conditions of Corporate Governance

The certificate from your Company's Statutory Auditors, Messrs. S R B C & CO LLP, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed.

## Report of the Board of Directors

### Going Concern status

There was no significant or material order passed during the year by any regulator, court or tribunal impacting the going concern status of your Company or its future operations.

### Annual Return

The Annual Return of your Company is available on its corporate website at <https://www.itcportal.com/investor/disclosures-under-SEBI.aspx> .

### Particulars of loans, guarantees or investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 4, 5, and 9 to the Financial Statements. No guarantees were outstanding as at the year end.

### Particulars relating to Conservation of Energy and Technology Absorption

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption are also provided in the Annexure to this Report.

### Compliance with Secretarial Standards

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

### Employees

The total number of employees as on 31st March, 2024, stood at 24,567.

There were 350 employees, who were employed throughout the year and were in receipt of remuneration aggregating ₹ 102 lakh or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 8.5 lakh per month or more during the financial year ended 31st March, 2024. The information required under Section 197(12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report.

### Dividend Distribution Policy

The Dividend Distribution Policy of your Company may be accessed on its corporate website at <https://www.itcportal.com/about-itc/policies/dividend-distribution-policy.pdf> .

### Key Financial Ratios

Key Financial Ratios for the financial year ended 31st March, 2024, are provided in the Annexure forming part of this Report.

### FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to your Company and/or its Businesses are intended to identify such forward-looking statements. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

### CONCLUSION

Your Company's 'Triple Bottom Line' philosophy has over the years spurred the creation of innovative business models that synergise the building of economic, environmental and social capital. It is now universally evident that enterprises of the future will not only have to be agile, consumer-centric, innovative and digital-first but also purpose-driven and responsibly competitive. Your Company's superordinate goal of serving larger national priorities and creating value for all stakeholders has evolved into a new paradigm - 'Responsible Competitiveness' - that focuses on extreme competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

The strategic Vision of creating multiple drivers of growth through the pursuit of market opportunities that best match institutional strengths, has resulted in the development of strong Businesses of the future anchored on a portfolio of purpose-led brands, future-ready products and world-class quality. Today, your Company is the leading FMCG marketer in India, a pre-eminent hotel chain and a globally acclaimed icon in green hoteliering, the clear market leader in the Indian Paperboards and Packaging industry, a pioneering trailblazer in farmer and rural empowerment through its Agri Business and a global exemplar in sustainable business practices. Since the turn of the millennium, your Company's non-cigarettes businesses have grown over 31-fold and presently constitute about two-thirds of Net Segment Revenue. At the heart of this transformation lies the power of synergy, with seamless access for your Company's new Businesses/initiatives to the deep and varied capabilities resident across different parts of the enterprise, and its world-class talent pool.

An extensive strategy reset has been undertaken in recent years to architect the structural drivers that will power the ITC Next strategy of building a Future-Ready, Consumer-Centric, Climate Positive and Inclusive organisation anchored on the Responsible Competitiveness paradigm.

In recent years, the FMCG Businesses have delivered strong revenue growth along with significant margin expansion and are well poised to be rapidly scaled up. Multi-dimensional interventions have been made to strengthen the FMCG Businesses for sustained profitable growth. The product portfolio of your Company has been further strengthened in alignment with new opportunities and enterprise strengths with sharper focus on fortifying the core businesses, addressing adjacent opportunities leveraging Mother Brands and building emerging businesses for the future. To accentuate consumer-centricity, agility and enable sharper focus in the context of the growing scale and complexity of operations, the Branded Packaged Foods Businesses have been reorganised into product market centric clusters with integrated and empowered teams. Focused interventions

made in the recent past have also augmented your Company's multi-channel go-to-market capability, resulting in manifold expansion in the reach and availability of its products. Over the last five years, market and outlet coverage have grown 2.5x and 1.4x respectively while the network of stockists has expanded to 8x during the same period. Sharp-focused investments have augmented capability in emerging channels such as e-Commerce and Modern Trade, resulting in strong growth in sales and enhanced market standing. In addition, investments towards accelerating agile and purposeful innovation, optimising supply chain efficiencies, accelerated digital adoption, and strategic partnerships have significantly enhanced competitiveness. The impact of these multi-dimensional interventions is evident in the substantial margin expansion of 560 bps in Segment EBITDA over the last five years even in the face of severe inflationary headwinds.

The FMCG Businesses will continue to leverage your Company's institutional strengths as a key source of sustainable competitive advantage viz. strong backward linkages with the Agri Business, a deep & wide multi-channel distribution network, cuisine knowledge resident in the Hotels Business, packaging knowhow and the robust R&D platforms nurtured by LSTC. Structural advantages arising out of distributed manufacturing footprint, anchored on state-of-the-art ICMLs strategically located proximal to large demand centres, will be increasingly leveraged to drive rapid growth of the FMCG Businesses. With enhanced scale and margin expansion, the FMCG Businesses are expected to make increasingly higher contributions to your Company's profit pool, thereby setting the stage for further value enhancement opportunities.

The Agri Business has been a strong backbone and a key source of competitive advantage for your Company's FMCG and Cigarettes Businesses. The scope and scale of operations have grown manifold over the years and currently encompass nearly 3 million tonnes of annual volume throughput in 22 states and over 20 agri-value chains. In recent



## Report of the Board of Directors

years, the Business has pivoted its strategic focus towards rapidly scaling up its Value-Added Agri Products portfolio to accelerate growth and margins. With policy enablers in place, your Company is developing NextGen agriculture value chains that are digitally enabled and climate smart, and re-structuring the back end into a robust network of Farmer Producer Organisations. This will further strengthen the sourcing network and facilitate the development of customised supply chains for traceable and identity-preserved sourcing of agri-commodities and in augmenting the product portfolio with the addition of value-added products such as staples for the Food Service segment, fresh and frozen fruits & vegetables, medicinal and aromatic plant extracts etc. Towards enhancing the competitiveness of domestic agri-value chains, fostering new business models and augmenting value creation opportunities, your Company has successfully scaled up ITCMAARS – a crop-agnostic ‘phygital’ full stack AgriTech platform integrating NextGen agri-technologies and solutions – to seamlessly deliver hyperlocal and personalised solutions to the farming community whilst creating new and scalable revenue streams and strengthening sourcing efficiencies.

The Paperboards, Paper and Packaging Businesses have made significant progress in recent years in terms of enhanced scale and profitability improvement. Strategic investments have been stepped up in areas such as pulp import substitution, proactive capacity augmentation in Value-Added Paperboards segment, decarbonisation of operations, deployment of Industry 4.0 technologies and towards nurturing robust innovation platforms. The focus going forward is to fortify market leadership in the fast-growing Value-Added Paperboards segment by augmenting scale, driving cutting-edge innovation to rapidly scale-up single use plastic substitutes as a new vector of growth, building structural advantage through product mix enrichment and scaling up the use of emergent technologies such as Industry 4.0 to enhance operational efficiency, reduce wastage and costs.

The Hotels Business has over the years established a strong footprint of iconic properties and F&B brands on the back of an investment-led growth strategy. In recent years, the strategy has been reset to pursue an ‘asset-right’ growth path and augment revenue streams while simultaneously leveraging your Company’s world-class properties and iconic cuisine brands to drive growth. Investments have been stepped up to harness the power of Digital to enhance guest experience, efficiency and productivity across all nodes of the value chain. As stated in earlier years, your Company had been evaluating alternate structures for the Hotels Business to enable the next horizon of growth and value creation. In furtherance of this strategy, during the year, the Board of Directors of your Company, approved a Scheme of Arrangement amongst your Company and ITC Hotels Limited providing, inter alia, for demerger of the Hotels Business of your Company into ITC Hotels Limited. While the Stock Exchanges have given their respective No-Objections, the Scheme is subject to other requisite approvals including approval of the National Company Law Tribunal, Kolkata Bench.

Your Company continues to build a dynamic ‘Future-Tech’ enterprise powered by state-of-the-art digital technologies and infrastructure (‘Mission DigiArc’) across the value chain adding significant impetus to digital marketing, digital commerce, digital products and digital operations. Your Company today, is a pioneer in adoption of cutting-edge digital technologies across strategic impact areas spanning Consumer Experience, Business Model Transformation, Smart Operations and Employee Experience. Foundational initiatives such as ‘DigiNext’ and ‘Young Digital Innovator’s Lab’ are accelerating your Company’s digital journey and inculcating a data driven and ‘digital first’ culture across the organisation.

Sustainability continues to be a critical focus area. Your Company is actively pursuing its bold Sustainability 2.0 agenda comprising multi-dimensional interventions in decarbonisation, building green infrastructure, scaling up carbon sequestration, promoting climate-smart and regenerative agriculture,

restoring biodiversity through nature-based solutions, enhancing water stewardship, creating an effective circular economy and sustainable packaging solutions, building climate resilience & adaptive capacity of value chains and developing inclusive value chains that can support 10 million livelihoods by 2030.

Disruptive business models and value propositions anchored at the intersection of future frontiers of Digitalisation and Sustainability form an integral part of your Company's strategic roadmap going forward. NextGen business models such as ITCMAARS in the agri-ecosystem, tech-enabled cloud kitchens in the food service space, sustainable paperboards and packaging solutions customised for end-use with focus on single use plastic substitutes, are being piloted/progressed to actualise these opportunities. Value-accretive acquisitions, joint venture and collaborations continue to be proactively pursued towards accelerating growth and value creation.

The global operating environment has become increasingly complex, uncertain and volatile. In the wake of several upheavals witnessed over the last few years, there is now a spectre of 'permacrisis' i.e. an extended period of crisis from a series of extremely disruptive events, viz. pandemic, extreme weather events caused by climate change, geopolitical tensions, severe inflationary pressures. This is exacerbated by the phenomenon of 'polycrisis', signifying simultaneous occurrence of several crises.

India remains one of the few bright spots in an increasingly volatile and unpredictable world. With structural drivers of growth firmly in place, India is firmly positioned to play a larger role on the global

stage going forward. Your Company, with its robust and dynamic strategy pillars as aforesaid, is well poised to rapidly scale-up and enhance its market standing across operating segments.

The resilience, agility and adaptive capacity demonstrated by your Company is a testament to the talent, determination and untiring efforts of its pool of dedicated professionals, associates and partners. Your Company's diverse talent pool of professional entrepreneurs, 'proneurs', have the unique opportunity to nurture categories, products and brands from ideation to execution. This talent pool is being harnessed not only to create winning products and services for today, but also to seize larger opportunities as they emerge from the expanding horizons of your Company's Businesses.

Your Company's Board and employees are inspired by the Vision of sustaining your Company's position as one of India's most admired and valuable companies, creating enduring value for all stakeholders, including the shareholders and the Indian society. The vision of enlarging your Company's contribution to the Indian economy is driven by its 'Nation First: Sab Saath Badhein' credo anchored on the core values of Trusteeship, Transparency, Empowerment, Accountability and Ethical Citizenship, which are the cornerstones of your Company's Corporate Governance philosophy.

Inspired by this Vision, driven by Values and powered by internal Vitality, your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

On behalf of the Board

S. PURI *Chairman & Managing Director*  
(DIN : 00280529)

S. DUTTA *Director & Chief Financial Officer*  
(DIN : 01804345)

Kolkata  
23rd May, 2024

# Annexure to the Report of the Board of Directors For the Financial Year Ended 31st March, 2024

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

### 1. CSR Policy - Brief outline and Overview

#### a. Brief outline of the CSR Policy:

It is ITC's Policy to direct its CSR Programmes, inter alia, towards achieving one or more of the following – poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; enabling climate resilience; undertaking rural development projects; creating livelihoods for people, especially those from disadvantaged sections of society; protecting national heritage, art and culture; preserving and promoting music and sports; and providing relief and assistance to victims of disasters and calamities.

In pursuit of the above, ITC has identified the following focus areas for its CSR Programmes based on comprehensive need assessment surveys of its stakeholders:

- (i) Create **sustainable livelihoods and alleviate poverty** through water stewardship and management of other natural resources, sustainable agriculture and climate smart practices, on-farm livelihoods like afforestation, off-farm livelihoods like livestock development and women empowerment;
- (ii) Build **capabilities for tomorrow** through interventions in education, skilling, micro-enterprises, and **healthy habitations** through sanitation, school WASH (Water, Sanitation & Hygiene) and waste management;
- (iii) **Promote healthcare, including preventive healthcare**, and improve critical nutritional & health status of at-risk population through interventions to strengthen mother & child health, nutrition, and affordable access to basic healthcare services;
- (iv) Protect **national heritage, art & culture**, and preserve & promote music and sports; and
- (v) Provide relief and assistance to victims of **disasters and calamities**.

The CSR Policy of the Company may be accessed on its corporate website at <https://www.itcportal.com/about-itc/policies/corporate-social-responsibility-policy.aspx>

#### b. Role of the CSR and Sustainability Committee:

The role of the CSR and Sustainability Committee is inter alia, to review, monitor and provide strategic direction to the Company's CSR and sustainability practices towards fulfilling its triple bottom line objectives. The Committee seeks to guide the Company in crafting unique models to transform lives and landscapes by supporting creation of sustainable livelihoods together with environmental regeneration. Formulation and monitoring of the CSR Policy, annual CSR Action Plan and the Sustainability Policies, including making recommendation to the Board as necessary, form part of the role of the Committee.

#### c. CSR Programmes / Projects:

The two most important stakeholders for ITC's CSR programmes / projects are:

- Rural communities, primarily in the Company's Agri Business areas.
- Communities residing in close proximity to the Company's production units.

The Company's stakeholder profile is varied, calling for an integrated approach to development comprising several layers of interventions which are summarised below, in line with Schedule VII to the Companies Act, 2013:

#### i. Promoting Preventive Healthcare, Sanitation & Poverty Alleviation (Schedule VII – i):

- **Health and Nutrition:** Focus on preventive aspects through emphasis on maternal and child care (MCH) & nutrition through awareness and counselling by leveraging institutions like Anganwadis, Asha workers and network of women Village Health Champions (VHC). Also, strengthen healthcare related services by supplementing primary & secondary infrastructure, upgrading Primary Health Centres (PHC), and providing access to healthcare through mobile services & other interventions.
- **Waste Management:** Create a clean and healthy environment through awareness & behaviour change for inculcating individual & community responsibility, facilitate source segregation & recycling of dry & wet waste, management of liquid waste and enable sustainable livelihoods for rag pickers & waste collectors.



- **Sanitation:** Promote a hygienic environment through prevention of open defecation and reduce incidence of waterborne diseases. The focus of the interventions is on enhancing awareness and impacting behaviour change on Water, Sanitation & Hygiene (WASH). Also, facilitate health impacting social and civic infrastructure initiatives like improved sanitation and hygiene in the neighbourhood of the Company's catchments.
  - **Poverty Alleviation:** Support the needy and poor through interventions that enable income generation, and also provide access to basic needs like clothing, food, etc., as needed.
- ii. **Promoting Education, Vocational Skills and Livelihood Enhancement (Schedule VII – ii):**
- **Education:** Provide children with access to education including Early Child Care Education with focus on enrolment, learning retention and improved pedagogy. Also, work with government to enhance capacities of institutions like Anganwadis.
  - **Skills:** Build and upgrade skills of youth with the emerging needs of the job market across sectors as also entrepreneurial opportunities.
  - **On-farm and Off-farm livelihoods:** Enhance incomes of farmers and their families by widening income generation opportunities through social and agro-forestry, fruit plantations and livestock development covering both large and small ruminants including poultry and fisheries. Also, facilitate capability building through comprehensive package of extension services.
- iii. **Economic Empowerment of Women (Schedule VII – iii):**
- Provide a range of gainful employment and individual & group entrepreneurial opportunities to women by empowerment and capacity building programmes, strengthening financial literacy and also providing access to loans, grants, insurance & social security.
- iv. **Ensuring Environmental Sustainability (Schedule VII – iv):**
- **Water Stewardship:** Promote local management of water resources by facilitating community-based participation in planning & executing watershed projects and soil & moisture conservation, river-basin level interventions, and also identifying & enabling extensive use of water efficient agri practices and use of treated water.
  - **Social Forestry:** Provide food, fuel & fodder security to farmers through social and agro-forestry interventions.
  - **Biodiversity:** Strengthen eco-system services provided by nature including provisioning and regulatory services focussed on restoring commons.
  - **CII-ITC Centre of Excellence for Sustainable Development:** Enable other businesses / organisations in India to create enduring value on a sustainable basis by embedding the imperatives of sustainable development in their strategies & processes.
- v. **Protection of National Heritage, Art & Culture (Schedule VII – v):**
- Revive and restore vanishing musical sub-genres by enlisting the goodwill of some of the finest musicians through institutions like the ITC Sangeet Research Academy (ITC SRA), which was established in 1977 as an embodiment of the Company's sustained commitment to a priceless national heritage.
- vi. **Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports (Schedule VII – vii):**
- Promote sports for the holistic development of children by working closely with schools.
- vii. **Research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (Schedule VII – ix-b):**
- Leverage the technical expertise of premier institutions through partnerships and support R&D activities in the areas of science, technology, engineering, environment, agriculture and health aimed at promoting Sustainable Development Goals (SDGs).
- viii. **Rural Development (Schedule VII – x):**
- **Sustainable and Climate Smart Agriculture:** Introduce advanced knowledge & technologies through package of practices, increase awareness of farmers on optimum use of natural resources in order to increase farm incomes, minimise cost of cultivation, and make agriculture resilient to increasing climate challenges.

- **Knowledge Empowerment:** Enable farmers and farmer collectives to make informed choices by providing relevant and real-time information on local weather reports, customised knowledge & best practices on scientific farming and farm management, commodity prices and risk management.
- **Agri-extension / services:** Encourage sustainable agricultural practices through various extension platforms to enable access to relevant farm mechanisation technologies & implements, as also institutional support mechanisms and linkages to government schemes, especially for small farm holdings, in order to enhance farm productivity and farm-based incomes.

ix. **Disaster Assistance (Schedule VII – xii):**

Provide relief especially to the poor and vulnerable sections of society who face severe disruption to their livelihoods in the event of disasters and calamities, directly or through government bodies.

2. **Composition of the CSR and Sustainability Committee as on 31st March, 2024:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR and Sustainability Committee held during the year	Number of meetings of CSR and Sustainability Committee attended during the year
1.	S. Puri (Chairman of the Committee)	Chairman & Managing Director	3	3
2.	M. Gupta	Non-Executive Director		3
3.	R. Jain <sup>1</sup>	Non-Executive Director		N.A.
4.	S. Panray	Non-Executive Director		3
5.	N. Rao	Independent Director		3
6.	A. K. Seth	Independent Director		3
7.	M. Shankar	Independent Director		3

<sup>1</sup> Appointed Member w.e.f. 1st January, 2024.

3. Provide the web-link(s) where composition of the CSR and Sustainability Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://www.itcportal.com/sustainability/corporate-social-responsibility.aspx>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

**Executive Summary – Impact Assessment of ITC’s CSR Programmes for the financial year 2023-24**

<b>Brief Description</b>	ITC implements its CSR Programmes across the country under a Two Horizon approach aimed at holistic development of communities.
<b>Thematic Areas / Programmes</b>	<p>The specific themes covered under the Two Horizon approach include:</p> <p><b>Horizon – I: Strengthening today’s livelihoods</b></p> <ul style="list-style-type: none"> <li>• Climate Smart Agriculture</li> <li>• Water Stewardship Programme</li> <li>• Biodiversity</li> <li>• Social Forestry</li> </ul> <p><b>Horizon – II: Building Capabilities for Tomorrow</b></p> <ul style="list-style-type: none"> <li>• Public Health: Sanitation and Waste Management</li> <li>• Public Health: Mother and Child Health and Nutrition</li> <li>• Support to Education: Infrastructure support, School WASH and Learning levels</li> <li>• Skilling of Youth</li> <li>• Women Empowerment - Financial Literacy and SHGs</li> </ul>

<b>Projects Covered</b>	49 projects having budget of more than ₹ 1 crore each during the financial year 2021-22 were taken up for impact assessment.  The purpose of these impact assessment studies was to assess the impact of the CSR projects and also learn from the findings to make course corrections, where required, and to feed into future programme designing.
<b>Projects Duration</b>	FY 2021-22
<b>States</b>	The assessment covered interventions in the States of Andhra Pradesh, Assam, Bihar, Delhi, Jammu and Kashmir, Karnataka, Punjab, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal. The studies also covered aspirational districts programme done in partnership with NITI Aayog and with Madhya Pradesh State Rural Livelihood Mission (MPSRLM).
<b>Impact Assessment Agencies</b>	These impact assessments were done by the following seven external agencies selected through competitive bidding process, and assigned specific projects / geographies for assessment: <ul style="list-style-type: none"> <li>• BIRD Innovative Research and Development Private Limited, Delhi</li> <li>• Blue Sky Sustainable Business, Bengaluru</li> <li>• CRISIL Private Limited, Mumbai</li> <li>• Renalysis Consultants Private Limited, Ahmedabad</li> <li>• Sambodhi Research and Communications Private Limited, Noida</li> <li>• SoStakes Services Private Limited, Bengaluru</li> <li>• Surge Impact Foundation, Hyderabad</li> </ul>
<b>Period of Study</b>	FY 2023-24
<b>Methodology</b>	The agencies took up studies through mixed method approach covering quantitative and qualitative data collection. A statistically significant sample size was covered under each project.

The **major impacts** recorded by the impact studies are as follows –

**Horizon – I**

- Overall, the projects assessed under Horizon - I were found to be relevant, effective, efficient and sustainable. They have not only contributed to higher incomes for farmers, but also enabled climate adaptation and conservation of natural resources.

**Climate Smart Agriculture:**

- Under Climate Smart Agriculture, the study was done in Assam, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamil Nadu where post intervention, improvement was observed in average yields of major crops like wheat, paddy and soyabean. Compared to control, yield improvement in wheat, paddy and soya was 20%, 10% & 104% respectively. In soyabean, higher difference against control was because of programme plots withstanding high rainfall damage due to the practices promoted.
- As compared to control group, cost of cultivation reduced by around 9% and 15% for wheat and paddy respectively. Cost was 6% higher in programme for soyabean because of promoting broad bed furrow method of sowing (a climate smart practice), more than offset by the significantly higher yield.
- As compared to control group, net income for farmers was higher by 89%, 57% and 41% in wheat, paddy and soyabean respectively.
- Tray seedlings showed uniform ripening, leading to a uniform harvest. As a result of the tray seedlings, 87% of surveyed farmers witnessed a 10-15% yield improvement. 86% of farmers witnessed 40% reduction in water usage due to Drip irrigation systems and Drip laterals which also ensured improved efficiency in water delivery to plants.



### **Water Stewardship:**

- The studies done in Assam, Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Tamil Nadu showed 94% of the respondents confirming increase in water availability as a result of the watershed initiatives. 90% of the project group responded that year-round cultivation was possible due to increased water availability, as compared to only 22% of the control group respondents. In the process, they also could practice crop rotation for efficient water usage and better soil health.

### **Biodiversity:**

- Charagah Vikas Samitis (CVS) are community institutions promoted in the programme for biodiversity conservation work in Rajasthan undertaken in village commons. 86% of the beneficiaries who rear animal husbandry could avail fodder from biodiversity plots and 32% got Non-Timber Forest Produce (NTFP) which they either sold or made value added products.

### **Social Forestry:**

- The tree plantation done under Social Forestry programme has resulted in improving household income. 84% of programme farmers have reported income improvement, of which 41% households reported more than 50% additional income from plantations. At the same time, only 14% control group farmers reported getting more than 50% additional income.

### **Horizon – II**

Projects evaluated under Horizon - II were found to be of high relevance and positively impacting lives of children, youth, women and communities residing in factory catchments.

### **Women Empowerment:**

- In Women Empowerment programme, study done in Rajasthan and Tamil Nadu revealed 89% of the women from project group developing savings habit as compared to 55% in control group; 64% of the women from project group have taken loans compared to only 17% from control groups; enrolment in Government schemes shows significant improvement (from almost none to about 60% women availing Pradhan Mantri Suraksha Bima Yojana in case of project group as compared to only 14% in control group).
- In the financial literacy programme for women SHGs in Madhya Pradesh, savings habits went up from 34% to 79% within the project group, with slight decline in control. Over 75% of the project members opted to enrol in Government's social security schemes. 80% of the women received information from Yojana Sakhis, and 62% women sought assistance for services. 48% of the Yojana Sakhis also helped women in settlement of insurance claims. The study also revealed that already 17% of the women have commenced microenterprise activity after training as against only 4% in control group.
- In the Targeted Hardcore Poor programme (THP) for ultra-poor women, there is a notable shift towards entrepreneurial activities, covering both agri-business (37.9% as compared to 5.8% in the control group) and non-agri-business (39.2% as compared to 9% in the control group) leading to additional income. Over 75% of the women from the programme have reported net income increase in the range of ₹ 5,000/- to ₹ 20,000/- per month after the intervention. 83% of the women from project group were covered under health insurance schemes as compared to only 19% in the control group.

### **Support to Education:**

- The Read India Programme evaluated in Tamil Nadu had over 70% children in the project group stating significant improvement in learning levels in both Language and Mathematics compared to 30% in the control group.
- Water, Sanitation and Hygiene (WASH) interventions in schools was evaluated in Andhra Pradesh, Bihar and Telangana. Findings revealed that 90% project schools now have separate toilet facilities for boys and girls as compared to only 25% in the control group.

- In another study conducted in Assam, Punjab and Tamil Nadu, it is seen that almost 100% project schools have handwashing facilities with water availability, while it is only 35% in control schools. 73% of the girls from project schools confirmed availability of sanitary napkins in schools as compared to only 17% in the control group. 76% of the students in project schools confirmed WASH facilities in schools has led to reduction in the incidence of drop out of girl children from schools.

#### **Waste Management:**

- In the Solid Waste Management (SWM) programme, the study done in Punjab and Tamil Nadu indicated that almost 100% of sampled households in intervention areas practice source segregation of waste as against only 41% in control. Improvement in overall hygiene was felt by most of the respondents and 40% beneficiaries also felt that their medical expenses had reduced.
- Under the Well-being Out of Waste programme, the initiative in Delhi was studied where 89% of households surveyed mentioned practicing source segregation, which is a significant improvement from 6% before intervention. The motivating factors for source segregation are mainly awareness of SWM, availability of separate bins for waste disposal at households, and awareness campaigns.

#### **Health:**

- In the programme on Mother and Child Health and Nutrition (MCHN), the study done in West Bengal revealed that higher proportion of pregnant women (82.4%) were registered for Antenatal Care (ANC) compared to control (75%). 100% of the women registered for ANC adhered to health monitoring procedures. 97% of adolescent girls in the project group have had BMI checked, as compared to 83% in the control group. Due to health awareness and higher antenatal check-ups, there was lesser incidence of high blood pressure during pregnancy, which is one of the critical issues faced by women.

#### **Skilling of Youth:**

- The study done for vocational training programme in Assam and Tamil Nadu revealed that the programme has helped youth to develop certain job skills and communication skills to a great extent.
- 85% of the youth got successfully placed after completion of training within a period of 1-3 months with 72% of the youth getting a job in the field of their training.
- Another study conducted in Andhra Pradesh for Guntur region shows that the healthcare and hospitality sectors achieved 100% placements, followed by automotive, which was 97%.
- In a study conducted in West Bengal and Jammu & Kashmir, 99% of the youth covered through the programme reported increase in monthly household income after the intervention because of the salaries they earned post placement.

Complete Impact Assessment Reports are available on the Company's website at  
<https://www.itcportal.com/sustainability/impact-studies.aspx>

5. (a) Average net profits of the Company as per Section 135(5)	: ₹ 20,173.67 crores
(b) Two percent of the average net profits of the Company as per Section 135(5)	: ₹ 403.47 crores
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: Nil
(d) Amount required to be set off for the financial year, if any	: Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	: ₹ 403.47 crores

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 380.44 crores  
 (b) Amount spent in Administrative Overheads : ₹ 20.20 crores  
 (c) Amount spent on Impact Assessment, if applicable : ₹ 3.41 crores  
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 404.05 crores  
 (e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 404.05 crores	Not Applicable	Not Applicable	Not Applicable		

- (f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profits of the Company as per Section 135(5)	₹ 403.47 crores
(ii)	Total amount spent for the Financial Year	₹ 404.05 crores
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 0.58 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 1.93 crores *

\* Includes excess amounts of ₹ 0.76 crore and ₹ 0.59 crore spent during the financial years 2021-22 and 2022-23, respectively, and carried forward.

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2022-23	₹ 23.10 crores	₹ 17.39 crores	₹ 5.71 crores	NIL		₹ 17.39 crores	NIL
2	2021-22	₹ 3.90 crores	Nil	Nil	Not Applicable			



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes
  No

If Yes, enter the number of Capital assets created / acquired

Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	6		
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5):  
**Not Applicable**

On behalf of the Board

S. PURI *Chairman – CSR and Sustainability Committee*  
 (DIN : 00280529)

S. DUTTA *Director & Chief Financial Officer*  
 (DIN : 01804345)

Kolkata, India  
 23rd May, 2024

# Annexure to the Report of the Board of Directors

## FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
**The Members,**  
**ITC Limited**  
CIN: L16005WB1910PLC001985  
Virginia House, 37 Jawaharlal Nehru Road,  
Kolkata - 700 071

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **ITC Limited** (hereinafter called 'the Company') for the **Financial Year ended 31st March, 2024**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended 31st March, 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **Financial Year ended 31st March, 2024** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - The Company's in-house Investor Service Centre is registered with the SEBI as Category II Share Transfer Agent;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review**; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:
  - (a) The Tobacco Board Act, 1975 and the Rules and Regulations made thereunder;
  - (b) The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 and the Rules made thereunder, and other laws relating to manufacture and sale of Tobacco;
  - (c) The Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder;
  - (d) The Drugs and Cosmetics Act, 1940 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- (ii) Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited ('the Stock Exchanges').

**We report that** during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

#### **We further report that:**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women Independent Directors. Changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;
- (ii) Adequate notice is given to all Directors to convene the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;
- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority.

**We further report that** based on review of the compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which are commensurate with its size and operations, to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

**We further report that** during the financial year under review, no event has occurred having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

- I. The Board of Directors of the Company on 14th August, 2023, subject to necessary approvals, considered and approved the Scheme of Arrangement amongst ITC Limited and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Act ('Scheme') for demerger of the Company's Hotels Business into ITCHL. The Stock Exchanges have given their no-objection to the Scheme. Further, the National Company Law Tribunal, Kolkata Bench, vide Order dated 22nd April, 2024, has directed to convene a Meeting of the Ordinary Shareholders of the Company on Thursday, 6th June, 2024 for the purpose of considering, and if thought fit, approving the Scheme.
- II. Acquisition of 36,26,633 Equity Shares of ₹ 10/- each of International Travel House Limited ('ITHL'), and 90,000 Equity Shares of ₹ 100/- each of Maharaja Heritage Resorts Limited ('MHRL'), at aggregate book value of ₹ 21,21,58,031/- and ₹ 90,00,000/-, respectively, on 22nd March, 2024 from Russell Credit Limited, a wholly owned subsidiary. Consequently, the Company's shareholding in ITHL and MHRL aggregated 48.96% and 50% of their respective paid-up share capital.
- III. Issue and allotment of 5,67,03,730 Ordinary Shares of ₹ 1/- each, fully paid-up, upon exercise of Stock Options under the Employee Stock Option Schemes of the Company, from time to time.
- IV. Divestment of the Company's entire shareholding i.e., 26% of paid-up share capital, in Espirit Hotels Private Limited ('Espirit') on 7th April, 2023. Consequently, Espirit ceased to be Joint venture of the Company with effect from the said date.
- V. Acquisition of 2,443 Equity Shares of ₹ 10/- each and 9,571 Compulsorily Convertible Preference Shares of ₹ 10/- each, in the aggregate, of Sproutlife Foods Private Limited ('Sproutlife'), consequent to which the Company's shareholding in Sproutlife aggregated 44.74% of its share capital on a fully diluted basis.
- VI. Acquisition of 857 Compulsorily Convertible Preference Shares of ₹ 10/- each of Mother Sparsh Baby Care Private Limited ('Mother Sparsh'), an associate company, consequent to which the Company's shareholding in Mother Sparsh aggregated 26.50% of its share capital on a fully diluted basis.
- VII. Acquisition of 2,286 Equity Shares of ₹ 10/- each of Delectable Technologies Private Limited ('Delectable'), an associate company, consequent to which the Company's shareholding in Delectable aggregated 39.32% of its share capital on a fully diluted basis.

This Report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this Report.

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
**ICSI Unique Code: P1991MH040400**  
**Peer Review Cert. No.: 5218/2023**

**S. N. Ananthasubramanian**  
**Founding Partner**  
**FCS: 4206 | COP No.: 1774**  
**ICSI UDIN: F004206F000327771**

8th May, 2024  
 Thane

## Annexure - A

To,  
**The Members,**  
**ITC Limited**  
 CIN: L16005WB1910PLC001985  
 Virginia House, 37 Jawaharlal Nehru Road,  
 Kolkata - 700 071

### Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations, and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance as to whether the statements prepared, documents or records in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

### Disclaimer

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For S. N. ANANTHASUBRAMANIAN & Co.**  
**Company Secretaries**  
**ICSI Unique Code: P1991MH040400**  
**Peer Review Cert. No.: 5218/2023**

**S. N. Ananthasubramanian**  
**Founding Partner**  
**FCS: 4206 | COP No.: 1774**  
**ICSI UDIN: F004206F000327771**

8th May, 2024  
 Thane



# Annexure to the Report of the Board of Directors For the Financial Year Ended 31st March, 2024

## Form No. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

### 1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	Russell Credit Limited (RCL), a wholly owned subsidiary	
(b) Nature of contracts / arrangements / transactions	Inter-se transfer of Equity Shares of International Travel House Limited (ITHL), an associate company	Inter-se transfer of Equity Shares of Maharaja Heritage Resorts Limited (MHRL), a joint venture company
(c) Duration of the contracts / arrangements / transactions	Not Applicable	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of 36,26,633 Equity Shares of ITHL of ₹ 10/- each from RCL at book value of ₹ 21.22 crores.	Purchase of 90,000 Equity Shares of MHRL of ₹ 100/- each from RCL at book value of ₹ 0.90 crore.
(e) Justification for entering into such contracts or arrangements or transactions	The aforesaid shares have been acquired from RCL to streamline the investments. As the transaction is between the Holding Company and its wholly owned subsidiary, there is no potential conflict with the interests of the Company and its shareholders arising from the said transactions.	
(f) Date of approval by the Board	14th August, 2023	
(g) Amount paid as advances, if any	Nil	
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable	

### 2. Details of material contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	NONE
(b) Nature of contracts / arrangements / transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any	

On behalf of the Board

S. PURI  
(DIN : 00280529)

*Chairman & Managing Director*

S. DUTTA  
(DIN : 01804345)

*Director & Chief Financial Officer*

Place: Kolkata  
Date: May 23, 2024

# Annexure to the Report of the Board of Directors

INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS

## CONSERVATION OF ENERGY:

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy in line with ITC's 2030 Goals. These goals include reduction in specific energy by 30% and specific GHG by 50% along with increasing renewable energy share to 50% and sourcing 100% of purchased electricity from renewables. The Company regularly tracks its performance against these key performance indicators. The Company invests in energy conservation and renewable energy projects along with exploring innovative technologies to bring alignment with the goals. These investments are done in phases by taking into account future expansion plans, evolving regulatory frameworks, techno-commercial feasibility and socio-political aspects.

### a) Steps taken or impact on conservation of energy:

Some of the energy conservation measures adopted across the Company are outlined below:

- I. Installation of static electricity discharge nets in Air Handling Units (AHUs) to eliminate electrostatic disturbance thereby improving heat transfer efficiency in Hotels and Foods Businesses.
- II. Installation of Automatic Tube Cleaning System (ATCS) to reduce scaling thereby improving chiller efficiency in Foods, Hotels and Packaging Businesses.
- III. Installation of energy efficient sludge dewatering system and multi-disc screw press in Foods Business.
- IV. Installation of desuperheater to efficiently reduce steam pressure for process requirements during low electricity demand in Paper Business.
- V. Installation of catalyst system to improve fuel combustion efficiency and reduce air emissions in Foods Business.
- VI. Compartmentation in potato cold room to optimise cooling requirement in Foods Business.
- VII. Installation of Pressure Reduction Station (PRS) in lamina re-drier to optimise steam consumption in Agri Business.
- VIII. Installation of Variable Frequency Drives (VFDs) for various pumps, conveyors, dryers, fans, motors and chillers across Businesses.
- IX. Replacement of burners, LPG vaporisers, air diffusers, air conditioners, chiller, heater, cooling tower, UPS, boiler, motors, fans and pumps with higher efficiency ones across Businesses.
- X. Improvement in energy usage efficiency in lighting systems by changing over to efficient lighting solutions such as Light Emitting Diodes (LEDs) across Businesses.

These investments have resulted in energy savings of about 500 TJ during the year.

### b) Steps taken for utilising alternate sources of energy:

Some of the renewable energy initiatives undertaken during the year are as follows:

- I. Commissioning of 28MWp offsite solar photovoltaic power plants in Uttar Pradesh and Karnataka
- II. Continued use of renewable electricity from existing wind/ solar power plants to reduce dependency on grid electricity across Businesses.
- III. Continued use of biomass-based fuels in existing biomass boilers for thermal energy generation to reduce dependency on fossil fuels across Businesses.

Over the years, ITC has installed 205 MW of solar and wind power plants. These investments in renewable energy along with investments in renewable thermal energy have helped ITC achieving 50% renewable energy share in 2023-24 itself i.e., seven years ahead of the 2030 target.

### c) Capital investment on energy conservation equipment:

₹ 3371.74 lakhs

## TECHNOLOGY ABSORPTION:

### a) Efforts made towards technology absorption:

- I. As a part of Industry 4.0 initiative, various technological innovations are being implemented in large Businesses such as Paper and Foods. Key highlights are presented below:
  - a. Implemented IIoT (Industrial Internet of Things) sensors to monitor equipment condition and plan for predictive maintenance and reduce downtime.
  - b. Installed utility energy management system to capture real-time process data to develop insights using dashboards.
  - c. Advanced computer vision system to detect product defects, empty wrappers etc. in Biscuit manufacturing line.
  - d. Using advanced analytics (including weather conditions input) to optimise process parameters for reducing moisture variations in the Atta manufacturing line.
  - e. Using large pool of historical operational data and machine learning to develop advanced predictive analysis for reducing the paper breakage and uptime of paper machines, improving steam utilisation efficiency, and reducing chemical consumption, among others in Paper Business.
- II. Development on new paperboard products aimed at increasing utilisation of recycled fibre, substituting imported products, and substituting plastics with paper-based products.
- III. Development of paper-based alternatives with barrier coating of compostable, emulsion and in-house developed 'Bioseal' to replace single use plastics products like cups, tubs and lids.
- IV. Integrated substrate coating and lamination for manufacturing of barrier coated paper as well as plastic films to offer sustainable packaging solutions to customers.
- V. Induction of contemporary technologies and continuous improvement, towards reducing process variability, cycle time and wastages while enhancing manufacturing flexibility, productivity and capability across Businesses.

### b) Benefits derived:

- I. Cycle time reduction and productivity enhancement
- II. World-class quality and differentiated products
- III. Addressing market specific end-use applications
- IV. Conservation of resources and improved efficiencies

### c) The expenditure incurred on Research and Development:

	For the year ended 31st March, 2024
<b>Expenditure on R&amp;D:</b>	<b>(₹ in Lakhs)</b>
i) Capital	1,415.54
ii) Revenue	17,037.41
<b>Total</b>	<b>18,452.95</b>
<b>Total R&amp;D Expenditure (as a % of Gross Revenue)</b>	<b>0.27%</b>

On behalf of the Board

S. PURI *Chairman & Managing Director*  
(DIN : 00280529)

Kolkata, India S. DUTTA *Director & Chief Financial Officer*  
23rd May, 2024 (DIN : 01804345)

# Annexure to the Report of the Board of Directors For the Financial Year Ended 31st March, 2024

## A. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	Increase in Remuneration over Last Year (%)
S Puri	Chairman & Managing Director	401 : 1	50
S Dutta	Executive Director & Chief Financial Officer	116 : 1	60
B Sumant	Executive Director	191 : 1	52
H Malik <sup>1</sup>	Executive Director	43 : 1	–
S Banerjee	Independent Director	16 : 1	10
H Bhargava	Independent Director	16 : 1	57
A M Bharucha <sup>2</sup>	Independent Director	0 : 1	–
A Duggal	Independent Director	16 : 1	11
M Gupta	Non-Executive Director	15 : 1	135
R Jain <sup>3</sup>	Non-Executive Director	0 : 1	–
S Mukherjee	Independent Director	16 : 1	65
A Nayak	Independent Director	16 : 1	10
S Panray	Non-Executive Director	15 : 1	66
N Rao	Independent Director	15 : 1	10
A K Seth	Independent Director	15 : 1	11
M Shankar	Independent Director	15 : 1	12
N Anand <sup>4</sup>	Executive Director	192 : 1	62*
P R Chittaranjan <sup>5</sup>	Non-Executive Director	3 : 1	5029**
D R Simpson <sup>6</sup>	Non-Executive Director	15 : 1	10
R K Singhi	Executive Vice President & Company Secretary	48 : 1	29

\* Includes retirement benefits and hence not comparable.

\*\* Not comparable since the concerned Director was there only for part of the financial year 2022-23.

<sup>1</sup> Appointed Executive Director w.e.f. 12.08.2023

<sup>2</sup> Appointed Independent Director w.e.f. 12.08.2023

<sup>3</sup> Appointed Non-Executive Director w.e.f. 01.01.2024

<sup>4</sup> Ceased to be Executive Director w.e.f. 03.01.2024 upon completion of term.

<sup>5</sup> Stepped down as Non-Executive Director w.e.f. 01.09.2023

<sup>6</sup> Stepped down as Non-Executive Director w.e.f. 30.01.2024

### Notes

- 1) The number of permanent employees as on 31st March, 2024 was 24,567.
- 2) Compared to the financial year 2022-23, the figures for the financial year 2023-24 reflect that:
  - (i) Median remuneration of employees - Increased by 5%
  - (ii) Average remuneration of employees - Increased by 10%
  - (iii) Average remuneration of employees excluding Key Managerial Personnel (KMPs) - Increased by 9%
  - (iv) Remuneration of KMPs - Increased by 59% due to payment of long term incentives during the year and also due to increase in the number of Executive Directors for an interim period
- 3) Remuneration of Directors, KMPs and other employees is in accordance with the Company's Remuneration Policy



**B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
<b>Top ten employees in terms of remuneration drawn</b>								
Puri S	61	Chairman & Managing Director	28,62,99,916	13,11,54,509	B.Tech.	39	20.01.1986	TELCO Ltd., Trainee
Sumant B	60	Executive Director	13,60,27,009	6,12,49,833	B.E.	38	20.01.1986	Nil
Dutta S	57	Executive Director & Chief Financial Officer	8,25,79,405	3,51,95,447	B.Com. (Hons.), C.W.A., A.C.A.	33	01.11.1990	Nil
Rajput A K	68	President - Corporate Affairs	7,33,03,331	3,55,20,504	B.Com., M.B.A.	47	10.04.1976	Nil
Malik H	57	Executive Director	7,12,47,759	3,07,25,610	B.A., M.B.A.	34	01.06.1989	Nil
Sivakumar S	63	Group Head - Agri Business, IT, Sustainability, CSR & EHS	6,22,40,654	3,27,69,688	B.Sc., P.G. Dip. in Rural Mgmt.	41	18.09.1989	Gujarat Co-op Oil Seeds Growers' Fed. Ltd., Mgr. Mktg.
Kaul S	57	Group Head - ITD, MAB, Start-up Ventures, LSTC & Quality	6,12,91,998	2,78,59,135	B.E., P.G.D.M.	33	01.06.1990	Nil
Arif N	62	Executive V.P. & Head - Corporate Communications	6,06,52,540	2,76,04,549	B.A. (Hons.), M.A.	38	01.09.2006	Indian Chamber of Commerce, Secretary General
Lahiri D	51	Divisional Chief Executive (ITD)	5,40,54,866	2,50,65,388	B.Com. (Hons.), M.B.A.	27	10.12.2020	VST Industries Ltd., M.D.
Satpathy S	51	Divisional Chief Executive (PCPBD)	5,38,81,624	2,49,58,942	B.Com., P.G.D.M.	28	01.12.2015	Marico Ltd., Chief Marketing Officer
<b>Other employees employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per annum</b>								
Abdullah F	38	General Manager - HR (LSTC)	1,12,62,135	57,13,351	B.Tech., P.G.D.M.	14	11.06.2012	Indian Oil Corporation Ltd., Sales Officer
Agarwal P	36	General Manager - HR (TM & D)	1,12,03,189	59,50,480	B.B.S., M.A.	14	11.06.2012	McKinsey, Research Analyst
Agarwal S	38	Senior Finance Manager - Head Office (TM & D)	1,11,45,982	70,88,879	B.Com. (Hons.), A.C.A.	14	03.05.2010	BSR & Co., Executive
Agarwal U	44	General Manager - Finance (HD)	1,20,24,416	66,72,807	B.Com. (Hons.), A.C.A., C.S. (Inter)	21	06.06.2005	Usha Martin Ltd., Assistant Manager - Management Audit
Aggarwal A	43	V.P. - Corporate HR	1,96,91,967	1,22,61,627	B.Tech., P.G.Dip. in P.M. & I.R.	20	15.03.2017	HCL Healthcare, G.M. - HR
Aggarwal G	40	General Manager - Finance - Dairy (FBD)	1,23,82,596	62,97,200	B.Com., C.S., A.C.A.	17	01.04.2008	Nil
Aiyer K	50	V.P. - Finance (Operations) (ITD)	2,37,91,218	1,28,79,587	B.Com. (Hons.), A.C.A.	26	01.09.1998	Modi Telstra Pvt. Ltd., Mgmt. Trainee
Amancharla V G	42	General Manager - Trade Marketing & Distribution (TM & D)	1,67,38,126	85,73,766	B.E., M.B.A.	20	07.06.2007	ABB Ltd., Marketing Engineer
Anand R	47	General Manager - E-Commerce (TM & D)	1,26,38,144	54,71,507	B.Sc., M.B.A.	25	15.09.2000	Northern India Credit Factors Ltd., Agency Manager
Anandan M	53	V.P. - Sales & Category Development - Cigarettes (TM & D)	3,21,92,094	1,52,92,682	P.G.D.M.	31	01.02.1994	Threads India Ltd., Sales Representative
Arora B	50	Executive V.P. - Shared Services	2,65,62,429	1,31,42,514	B.Com. (Hons.), A.C.A.	30	06.09.1999	Maruti Udyog Ltd., Finance Executive
Arora V	34	General Manager (PPB - SBU)	1,03,12,934	59,04,874	B.Tech.	13	14.10.2019	Rivigo Services Pvt. Ltd., Asset Head
Arun K R	45	General Manager - Sales (Alternate Trade) (ESP - SBU)	1,30,95,937	63,48,757	B.Sc., M.B.A.	25	15.04.2002	Sanofi Synthelabo, Scientific Services Officer
Ashok D	60	Executive V.P. & Head - Corporate Taxation	3,88,32,857	1,78,45,176	B.Com., A.C.S., F.C.M.A.	39	01.08.1992	UB Petro Products Ltd., Dy. Manager, Accounts
Awasthi J	57	V.P. - Special Projects	2,31,64,665	1,07,95,473	B.E. (Hons.), P.G.D.M.	35	01.03.1993	Network Ltd., Field Manager
Bagla M K	45	V.P. - Trade Marketing & Distribution (TM & D)	1,85,09,412	87,68,535	B.Com. (Hons.), M.B.A.	25	11.02.2008	Bunge India Pvt. Ltd., Brands Manager
Baheti V	40	General Manager (PSPD)	1,25,09,945	65,78,687	B.Com. (Hons.), A.C.A., C.S.	18	01.12.2005	Nil
Baid H	36	Senior Finance Manager (TM & D)	1,03,21,078	64,37,537	B.Com. (Hons.), A.C.A.	13	01.11.2010	Nil
Bajaj K	51	Executive V.P. - Marketing (ITD)	3,98,63,583	1,85,82,370	B.A. (Hons.), M.B.A.	29	16.03.2011	Bharti Retail Ltd., Head - Brands
Balaji L N	62	Executive V.P. - Finance	2,77,02,397	1,41,53,686	B.Com., F.C.A.	39	17.06.1985	Nil
Balaji P	58	Administrator - Salaries & Retirement Funds	1,53,87,995	95,43,790	B.Com. (Hons.), A.C.A.	36	01.06.1987	Nil
Balakrishnan S	57	V.P. - Integrated Supply Chain (PCPBD)	2,82,71,192	1,30,94,553	B.E.	36	01.09.1987	Nil
Balar S	49	V.P. - Marketing (PCPBD)	3,36,99,638	1,54,54,988	B.Tech., P.G.D.M.	23	01.06.2000	Nil
Bandyopadhyay B (Dr.)	54	Principal Scientist - Personal Care (LSTC)	1,17,74,016	60,90,394	B.Sc. (Hons.), M.Sc. (Human Physiology), Ph.D. - Hemato-Oncology (Physiology), M.Sc. (Medical Physiology)	24	01.10.2012	Reliance Life Sciences Pvt. Ltd., Senior Principal Scientist
Bandyopadhyay S S	54	Executive V.P. - HR & CSR (PSPD)	3,09,39,357	1,69,80,327	B.Com., P.G.D.P.M., I.R. & L.W., M.B.A., Dip. in T&D	28	12.12.2006	Pepsico India Holdings Pvt. Ltd., Asst. Manager - HR
Banerjee Shuvadip	47	Chief Digital Marketing Officer (FBD)	3,33,87,682	1,90,35,645	B.E., M.B.A.	24	01.06.2009	IMRB International, Insights Director
Banerjee Somnath	51	General Manager - Finance - Production Operation (ITD)	1,45,28,625	89,45,521	B.Com. (Hons.), A.C.A.	26	01.09.1998	EIH Ltd., Accounts Manager
Bansal A	40	General Manager & Head of Marketing - Confectionery, Chocolates & Coffee (FBD)	1,74,18,101	89,44,012	B.Tech., M.B.A.	17	10.06.2008	Tata Consultancy Services, Systems Consultant
Bansal R	46	V.P. Finance (FBD)	2,07,28,341	1,17,39,763	B.Com., A.C.A., C.S.	25	22.01.2007	Bharat Oman Refineries Ltd., Asst. Mgr. Finance
Bansal R K	51	Executive V.P. - Finance (TM & D)	3,48,31,060	1,65,90,841	B.Com. (Hons.), C.W.A., A.C.A.	28	01.11.1995	Nil

**B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Expe-rience (Years)	Date of Commence-ment of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Barhanpurkar M P	59	Executive V.P. - Manufacturing & Projects (PSPD)	2,27,90,145	1,23,91,279	B.E.	30	01.01.2004	Abhishek Industries Ltd., Manager Engineering
Barve M M	53	V.P. & Head of Product Development, Chocolates & Confectionery (FBD)	2,30,87,550	1,26,89,897	B.Sc., M.Sc. (Food Tech.), E.M.B.A.	28	27.07.2015	Pepsico India Holdings Pvt. Ltd., Associate Director
Basu N	54	V.P. - Corporate Communications	2,49,78,697	1,37,37,758	B.A., M.A.	31	01.01.2008	United Credit Belani Group, V.P.
Bhalla A	56	V.P. Operations (HD)	1,88,11,562	86,94,956	B.A., Dip. in Hotel Mgmt., Catering & Nutrition	33	09.02.1998	Holiday Inn, Restaurant Manager
Bhalla R	40	V.P. & Business Head - New Business Development	2,73,57,562	1,31,35,156	B.Tech., M.Tech.	18	08.06.2006	Nil
Bhasin M	57	Corporate Executive Chef (HD)	1,27,01,838	64,69,504	Diploma in Hotel Mgmt. & Catering Technology	35	01.07.1989	@
Bhaskar James P (Dr.)	57	Senior Principal Scientist (PCPBD)	1,56,21,492	77,25,269	M.Sc., Ph.D.	29	27.08.2008	Hindustan Unilever Ltd., Senior Research Scientist
Bhatt S	55	V.P. & Head of Exports (FBD)	2,02,87,954	96,37,019	B.Sc., P.G. Dip. in Marketing	35	01.10.1997	Pertech Computers Ltd., Regional Sales Mgr.
Bhattacharjee P	55	General Manager & ICML Head (FBD)	1,38,10,675	71,36,454	B.Tech. (Mechanical), Energy Management	33	01.09.2005	Asian Paints Ltd., Sr. Manager - Plant Engineering
Bhattacharya A	41	Senior Manager - Category Development - Foods, Alternate Channels (TM & D)	1,12,14,320	67,37,987	B.Com. (Hons.), P.G.D.	19	20.02.2012	Metro Cash & Carry, Deputy Manager
Bhattacharyya S	42	General Manager - Consumer Insights (FBD)	1,02,79,254	66,10,083	B.A., M.B.A.	19	26.07.2017	Sab Miller India, Associate Director
Bhaumick D	44	General Manager - Marketing (PCPBD)	1,63,10,672	85,77,583	B.Sc., P.G.D.	21	22.06.2009	Parle Agro Pvt. Ltd., Group Product Manager
Bisht S	47	V.P. - VAAP - Agri SBU (ABD)	2,17,78,011	1,14,74,211	B.Sc. (Agriculture), P.G. Prog. in Agr. Business Mgmt.	23	01.06.2001	Nil
Bose S	55	Executive V.P. - HR & Learning & Development (HD)	3,81,27,958	2,01,54,751	B.A., P.G. Dip. in P.M.	29	28.09.2017	Indian Hotels Co. Ltd., V.P. HR Operations
Bose S K	58	General Manager - Finance - Business Systems (ITD)	1,36,82,610	69,26,796	B.Com. (Hons.), I.C.W.A., M.B.A.	32	01.09.1991	Nil
Bothra A	39	General Manager - Finance (PPB - SBU)	1,10,77,226	58,07,236	B.Com. (Hons.), A.C.A.	15	03.11.2008	Nil
Bothra S	39	General Manager - Trade Marketing & Distribution (TM & D)	1,62,52,527	92,09,851	B.B.A., P.G.D.M.	16	10.06.2008	Nil
Calcuttawala Y T	51	General Manager (PSPD)	1,27,44,384	73,17,482	B.Com., I.C.W.A., M.Com., Dip. in Software Tech. & Syst., P.G.D.B.M.	27	02.06.1997	Citi Bank, Marketing Executive
Chadha A	54	Chief Executive (HD)	3,55,24,871	1,81,91,686	Dip. in Hotel Mgmt., Catering & Nutrition	34	01.05.2001	@
Chakrabarty B	48	General Manager - Packaging Development (FBD)	1,77,54,627	1,08,39,839	B.Sc., P.G. Dip.	24	12.07.2005	Bharat Shell Ltd., Executive - Packaging
Chakraborty S	51	General Manager & Head of Central Quality (FBD)	1,28,28,269	79,98,468	B.Sc., B.Tech., M.Tech.	27	04.05.2005	Perfetti Van Melle India, Executive
Chakravorty A	54	General Manager Marketing - NGP (ITD)	1,50,56,951	74,36,923	B.Sc., M.B.M.	30	27.12.2001	Duncans Industries Ltd., Group Product Manager
Chand S	40	V.P. & Head of Marketing - Snacks, Noodles & Pasta (FBD)	2,21,31,050	1,10,61,843	B.E., M.B.A.	18	21.04.2008	Marico Ltd., Area Sales Manager
Chandak A	47	Head - Divisional Audit (HD)	1,49,75,142	81,10,264	B.Com., C.W.A., A.C.A., C.S.	23	01.01.2003	Pepsico Inc., Asst. Mgr. - Financial Planning
Chatterjee D	40	General Manager - Sales & Marketing (PPB - SBU)	1,14,65,057	60,18,475	B.Tech.	17	04.07.2018	Zomato Media Pvt. Ltd., Business Head/ Associate V.P.
Chatterjee S	55	Executive V.P. & Head of Procurement (FBD)	3,47,67,574	1,90,64,671	B.A.	36	05.06.2006	Nestle India Ltd., Purchase Manager
Chaturvedi K	46	Chief Operating Officer - Snacks, Noodles and Pasta (FBD)	3,78,35,864	1,73,79,544	B.A. (Hons.), P.G. Dip. in Communication	23	19.05.2003	Mindshare Fulcrum, Planning Executive
Chaudhuri A	40	General Manager - Marketing (ESPB)	1,24,01,149	76,62,069	B.Com., P.G.D.B.M.	16	11.04.2016	Dabur India Ltd., Brand Manager
Chervuvathur N	52	General Manager - Supply Chain (PCPBD)	1,39,30,547	71,30,840	B.Sc. (Technology)	28	18.06.2007	Marico Ltd., Operations Manager
Chhaproo J T	50	General Manager & Head Media and PR (PCPBD)	1,93,56,835	91,28,012	B.Tech., P.G.D.M.	15	08.08.2016	Snapdeal, Head - Media
Chopra M	55	General Manager - Operations, RTE and Processed Foods (FBD)	1,06,55,304	60,59,188	B.E., Masters in International Business	31	17.06.2002	Ruttunsha In. Rectifier Ltd., G.M. Marketing
Choudhary G	40	General Manager - Finance (FBD)	1,23,44,266	64,61,213	B.Com. (Hons.), A.C.A.	18	11.12.2006	Pricewaterhouse Coopers Pvt. Ltd., Associate
Choudhury S	48	V.P. - Finance - Agri SBU (ABD)	2,08,79,000	1,05,40,237	B.Com. (Hons.), A.C.A.	25	27.09.1999	Nil
Damani N	39	General Manager - Employee Relations (ITD)	1,57,08,109	99,21,736	B.Tech., M.B.A.	15	10.06.2008	Nil
Das A	40	General Manager - Human Resources (HD)	1,27,52,383	73,48,190	B.A., M.B.A.	16	10.06.2008	Nil
Das C	46	Senior Engineering Manager (ITD)	1,03,93,499	64,49,531	B.E., Diploma (Business Management)	16	11.06.2012	United Breweries Ltd., Sr. Manager - Asset Care
Das S	52	General Manager - Quality (PCPBD)	1,32,34,987	62,76,746	B.E., P.G.D.B.M.	19	01.12.2005	Leaders Healthcare Pvt. Ltd., Plant Manager
Das S K (Dr.)	57	Senior Principal Scientist (PCPBD)	1,60,78,822	89,04,947	M.Sc., Ph.D.	25	20.11.2008	Hindustan Unilever Ltd., Senior Research Scientist

**B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Datta S	58	Chief Risk Officer	1,45,09,535	66,70,795	B.Com. (Hons.), A.C.A., C.W.A.	32	01.04.1992	Nil
David M I	59	V.P. - Exports - Tobacco SBU (ABD)	2,44,54,105	1,25,61,882	B.Sc. (Agriculture), M.Sc. (Agriculture)	35	16.12.1988	Nil
Deb A	39	General Manager - Special Projects (ITD)	1,06,00,357	64,04,077	Integrated M.Tech.	16	05.02.2018	Pepsico India Holdings Ltd., Sr. Manager
Desai H K	37	General Manager (ITD)	1,33,04,516	76,08,901	Integrated M.Tech.	14	16.05.2012	Galaxy Surfactants Ltd., Senior Associate
Dhanuka P	47	General Manager - Business Systems (HD)	1,41,01,363	75,60,489	B.Com. (Hons.), Dip. in Business Finance, A.C.A.	21	01.07.2009	DLF Hotel Holdings Ltd., Deputy G.M. - Financial Planning & Analysis
Dixit A	36	General Manager (ITD)	1,17,07,687	61,57,541	M.Sc., B.E.	13	01.06.2011	Nil
Dixit A K (Dr.)	53	Principal Scientist - Chemistry & Measurement (LSTC)	1,14,33,971	67,56,148	B.Sc., M.Sc. (Chemistry), Ph.D - Organic Chemistry	27	18.12.2008	University of Rhode Island, Post Doctoral Fellow
Dixit P K	63	Executive V.P. - T & RA (ITD)	3,82,70,307	1,77,61,251	B.Sc. (Hons.)	40	17.10.1983	Nil
Dogra M	49	V.P. - Strategic Planning	2,41,67,939	1,43,62,888	B.Com., A.C.A., M.B.A.	24	01.11.2004	Export Import Bank of India, Management Trainee
Dogra R	49	Chief Operating Officer - Confectionery, Chocolates & Coffee (FBD)	3,49,55,396	1,66,53,681	B.Tech., M.I.B.	24	01.06.2001	J.C.T. Electronics Ltd., Engg. Executive
Dubey H	40	General Manager - Operations - Plant Protein (FBD)	1,32,72,278	70,14,029	B.Tech., M.Tech.	18	01.07.2022	Shenzhen Next Vape Technologies Co. Ltd., CEO
Dugar P K	46	General Manager - Finance (TM & D)	1,40,84,367	76,04,183	C.W.A., A.C.A.	22	28.08.2007	Tata Teleservices Ltd., Assistant Manager
Gabriel C	43	General Manager & Head of Product Development - Coffee (FBD)	1,13,99,733	57,49,196	B.Sc., B.Tech.	18	20.03.2015	Coca Cola India Pvt. Ltd., Assistant Manager - Project Development
Ganesan M	61	Executive V.P. & Head - Corporate Internal Audit	5,36,33,559	2,47,43,729	B.Com., A.C.A., A.C.S.	38	01.03.1986	Nil
Ganesh Kumar S	56	Chief Operating Officer - Agri SBU (ABD)	4,99,31,445	2,36,52,420	B.E. (Mechanical)	33	14.12.1991	Mather and Platt (I) Ltd., Engg. Trainee
Ganga S	42	General Manager - Audit & Systems (ABD)	1,09,64,353	60,92,249	B.Com., C.A.	17	11.12.2006	Nil
Garg A S	55	V.P. - Finance & MIS (PPB - SBU)	2,18,14,492	1,04,21,048	B.Com., C.W.A., A.C.A., Fellowship in Management	32	01.06.1992	Larsen & Toubro, Chartered Accountant
Ghosal N	49	V.P. - Operations (ITD)	2,77,56,198	1,32,30,325	B.Tech., P.G.D.M.	25	01.06.1999	Nil
Ghosal T K	51	Deputy Company Secretary	1,03,33,113	55,77,106	B.Com., C.S.	26	01.08.2018	Russell Credit Ltd., Manager & Company Secretary
Ghosh A	46	General Manager & Head - Digital (Marketing and Performance) (FBD)	1,61,60,107	99,35,829	B.Sc., M.B.A.	19	26.07.2017	PHD Media, Digital Strategic Lead
Ghosh Sarathi	49	General Manager - FMCG Infrastructure (TM & D)	1,49,47,315	77,81,683	Graduate in Electrical Engineering, Certified Energy Manager	28	15.03.2000	Tata Steel, Senior Associate
Ghosh Subhasish	56	General Manager - Business Systems (FBD)	1,37,20,432	71,50,900	B.Com. (Hons.), C.W.A.	28	01.10.1996	Nil
Gohil M	44	V.P. - Supply Chain & Operations (ESPB - SBU)	2,45,39,450	1,19,48,922	B.Tech., P.G.D.I.E.	20	08.06.2006	Reliance Industries Ltd., Asst. Manager
Gopal G (Dr.)	58	Principal Scientist - Health & Wellness (LSTC)	1,09,03,677	66,65,324	B.Sc., M.Sc. (Botany), M.Phil. (Applied Botany), Ph.D - Botany	29	02.05.2007	Academia Sinica, Taiwan - Visiting Scientist
Gouraha R	43	V.P. - ITC MAARS, Agri SBU (ABD)	2,85,94,296	1,59,40,300	B.Tech. (Mechanical)	20	04.06.2004	Nil
Gupta A	36	General Manager - Corporate Sustainability	1,23,81,604	64,64,210	B.A., M.A.	14	08.08.2018	Ekinetics Consulting Services Pvt. Ltd., Engagement Manager
Gupta J	41	V.P. & Head of Manufacturing - Staples and Adjacencies (FBD)	2,63,64,004	1,26,21,428	B.Tech.	19	01.09.2016	Hindustan Unilever Ltd., Factory Manager
Gupta Sudhir	55	Head Procurement (HD)	1,40,60,096	80,18,847	B.Tech. (Textiles), P.G. Diploma in Marketing Management	33	05.08.2002	Kikomo Ltd., Head - Sourcing & QA (Asia Pacific & Africa)
Gupta Sumit	33	Senior Finance Manager - BMG, MIS & NGP (ITD)	1,02,06,498	59,29,332	B.Com., A.C.A.	12	10.10.2011	Nil
Gupta V	59	SBU Chief Executive (ESPB - SBU)	4,45,12,304	2,01,36,870	B.E., P.G.D.M.	33	09.01.2017	Cello (Writing) Group of Companies, C.E.O.
Gurumurthy D S (Dr.)	54	Principal Scientist - Agro Forestry (LSTC)	1,31,53,535	79,28,016	B.Sc. (Forestry), M.Sc. (Agri), Crop Physiology, Ph.D. - Molecular Biology	24	01.03.2007	Gangagen Biotechnologies - Head, Phage Engineering
Halder R	44	V.P. - Brands (ITD)	1,86,45,852	1,11,38,136	B.Sc., P.G.D.B.M.	19	08.06.2005	Nil
Handa M	45	V.P. - Marketing (PCPBD)	2,29,99,029	1,22,62,131	B.E., P.G.D.	19	22.07.2019	Marico Ltd., Head of Marketing
Jain A	35	General Manager - Operations (ITD)	1,02,49,698	60,28,846	B.Tech.	13	27.07.2013	NTC Industries Ltd., Project Engg. & Production Coordinator
Jain N	36	General Manager - Noodles, Value Added Noodles And Pasta (FBD)	1,07,58,992	56,78,716	B.Com., M.B.A.	13	16.11.2015	Bharati Airtel Ltd., Assistant Manager Sales
Janardanan Anand P	58	Executive V.P. - HR (FBD)	3,55,59,865	1,64,47,377	B.Com. (Hons.), P.G. Dip. in P.M. & I.R.	34	01.06.1990	Nil
Jasper N K	54	Executive V.P. - Finance & IT (FBD)	3,81,33,426	1,78,72,236	B.Com. (Hons.), A.C.M.A., A.C.A.	32	25.06.1993	A.F. Ferguson, Asst. Consultant
Jauhri A	43	General Manager (PSPD)	1,10,27,070	62,94,055	B.Com., A.C.A., P.G.D.M.	17	07.05.2007	Akshay Kumar & Associates, Senior Auditor
Jayaprakash D (Dr.)	54	Principal Scientist (PCPBD)	1,17,56,011	71,73,898	B.Sc. (Hons.), M.Sc., Ph.D.	16	01.07.2008	ISIR, Osaka University, Asst. Professor



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Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Jha R K	39	General Manager - Divisional Accounting (HD)	1,10,64,462	63,10,798	B.Com. (Hons.), A.C.A.	18	11.12.2006	Nil
Jhingran R	46	V.P. - HR (PCPBD)	2,44,92,554	1,38,27,047	B.Pharm., P.G.D.M.	20	04.06.2004	Nil
John B F	52	Regional Sales Manager Convenience (TM & D)	1,08,55,466	56,83,615	B.E., M.B.A.	26	21.09.1998	Sukurta Engineering Co., Management Trainee
John R	55	Executive V.P. - Technical (ITD)	3,63,73,777	1,72,33,641	B.Tech.	32	03.03.2006	Wings Corporation (Indonesia), Operations Director - Nigerian Operations
Jojo M	42	General Manager - Salt (FBD)	1,24,78,645	66,69,291	B.Tech., M.B.A.	17	01.10.2014	Kansai Nerolac Paints Ltd., Sr. Manager Marketing
Joshi K K	53	Head - Regulatory Affairs (FBD)	1,88,99,871	96,72,592	B.Sc., M.Sc.	29	25.05.2012	Nestle India Ltd., Food Regulatory Affairs Mgr.
Kalsi G (Dr.)	59	Senior Principal Scientist - Health & Wellness (LSTC)	1,41,63,748	86,55,105	B.Sc. (Botany), M.Sc. (Botany), Ph.D. - Botany	30	03.03.2008	University of California, Resch. Associate & Lab. Mgr.
Kaniseti V K	47	General Manager - Finance (ABD)	1,76,59,275	93,46,338	B.Com., A.C.A.	25	23.05.2005	Tata Coffee Ltd., Asst. Manager
Kar B	59	General Manager - Corporate Audit	1,71,95,373	95,70,536	B.E. (Civil)	34	05.02.2007	PD Hinduja National Hospital, Asst. Director (Project & Engg.)
Kar S	51	Head of Operations - Finance (PSPD)	2,33,91,118	1,20,24,533	B.Com., C.W.A., A.C.A., A.C.S.	28	06.09.1999	Deloitte Haskins & Sells, Asst. Mgr.
Karthik B	51	Executive V.P. & Head - Corporate Finance	3,09,38,150	1,44,48,736	B.Com. (Hons.), C.W.A., Advanced Dip. in Systems Mgmt., A.C.S., A.C.A., C.P.A.	28	07.05.2007	Tionale Pte Ltd., G.M. - Business Development
Kastha A	47	Principal Technologist - Pkg., Structures & Substrates (ITD)	1,11,57,624	67,53,013	B.Tech., M.B.A., M.Des.	20	08.06.2006	Hawkins Cookers Ltd., Manager - Dealer Related Advertising
Kataria G	48	V.P. Digital (Manufacturing) & Chief Digital Information Officer (PSPD)	1,72,51,371	95,45,963	B.E. (C.S.E.), M.S. (S.E.)	25	06.03.2023	Sai Life Sciences Ltd., Chief Digital & Information Officer
Kathuria S	38	General Manager & Head of Marketing - Biscuits & Cakes (FBD)	1,64,29,071	78,35,524	B.Com., M.B.A.	16	10.06.2008	Nil
Kaushik N	41	V.P. - Marketing Development (ITD)	1,79,47,758	92,19,203	B.Tech., M.B.A.	18	07.01.2008	Satyam Computer Services Ltd., Software Engineer
Khan K H	42	V.P. - Bulk Commodities - Agri SBU (ABD)	2,19,99,566	1,15,35,146	B.Tech. (Hons.), M.B.A.	18	08.06.2006	Nil
Khanna R	40	General Manager - Organisational Development (ITD)	1,42,32,787	86,34,710	B.Tech., M.A.	14	01.09.2017	GE India, H.R. Manager
Khosla V	57	V.P. - Trade Marketing & Distribution (TM & D)	2,92,87,219	1,40,92,242	B.A. (Hons.), M.B.A.	33	01.07.2001	Indian Army, Captain
Khyani R K	41	Management Accountant (HD)	1,04,66,328	59,08,541	B.Com., A.C.A.	18	01.11.2007	Nil
Kidwai A R	49	Area Manager (Luxury Hotels) & G.M., ITC Maurya (HD)	1,31,32,928	65,94,003	Diploma in Hotel Management	26	01.08.1998	@
Kini N	45	General Manager - Key Accounts (TM & D)	1,39,51,251	78,93,306	B.Com.	23	14.11.2018	Kottaram Agro Foods (P) Ltd., National Sales Manager
Kishore A	49	V.P. - Digital & Analytics (TM & D)	2,79,08,622	1,33,62,351	B.Tech., P.G.D.M.	28	15.05.2006	Gillete India Ltd., Regional Value Chain Manager
Kookkal V	42	V.P. & Head of Marketing - Staples & Adjacencies (FBD)	2,39,94,020	1,39,51,281	B.Tech., P.G. Dip. in Marketing	18	08.06.2006	Nil
Krishnan S R	55	General Manager - Engineering (ITD)	1,25,95,950	61,92,246	B.Tech., M.B.A.	32	01.09.2000	NTPC, Senior Engineer
Kulkarni V	49	Divisional Chief Executive (PSPD)	4,61,83,298	2,48,08,743	B.Tech.	27	23.07.2001	Agrotech Foods Ltd., Unit In-charge
Kumar Amit	45	General Manager - Supply Chain Excellence (TM & D)	1,50,93,527	77,63,876	B.Tech., P.G.D.M.	19	04.03.2020	Pepsico India, Associate Director
Kumar Ashit	58	Executive V.P. - Finance & MIS (ABD)	3,43,14,371	1,78,88,908	B.Com., A.C.A.	35	01.12.1988	Nil
Kumar Ashwani	60	Chief Technologist - Packaging & Graphics Design (ITD)	2,85,50,350	1,34,79,250	B.Sc., M.B.A.	38	01.07.1990	Uptron India Ltd., Planning & Advertising Manager
Kumar Asish	59	General Manager - Leaf (ITD)	1,53,18,078	74,04,887	B.Sc., M.Sc.	34	02.07.1990	Nil
Kumar Avinash	48	General Manager - Operations - Spices (FBD)	1,28,69,942	62,05,361	B.Tech.	25	06.12.2011	Hindalco Industries Ltd., Sr. Manager - Projects
Kumar Challapalli N K	39	General Manager - Spices - Agri SBU (ABD)	1,06,49,066	60,94,806	M.Tech. (Mechanical)	16	03.10.2012	Carbon Recycling Company, Manager - Engineering & Products
Kumar G K	58	V.P. - Leaf Operations, Tobacco SBU (ABD)	3,22,02,159	1,61,37,398	B.Sc. (Agriculture)	36	01.08.1987	Nil
Kumar K	52	Senior Principal Technologist (PCPBD)	2,10,44,545	97,92,011	B.Com., A.C.A.	27	22.10.2008	Ruchi Soya Industries Ltd., Deputy G.M., Commercial
Kumar M K A	49	General Manager - Sales (General Trade) (ESPB - SBU)	1,15,97,590	58,78,162	B.Com.	29	06.06.2007	Bharti Airtel, Head - Distribution
Kumar N	39	General Manager - Procurement (ITD)	1,53,50,802	80,40,709	B.Tech.	17	07.06.2007	Nil
Kumar S S	48	V.P. - Corporate Treasury	2,70,88,808	1,27,91,490	B.Com. (Hons.), C.W.A., A.C.A.	23	20.11.2000	Nil
Kumar T S	53	Executive V.P. - Sales & Category Development - Foods (TM & D)	3,34,92,272	1,59,80,836	B.Sc.	31	01.04.1995	E.I.D. Parry (India) Ltd., Sales Representative
Kumar U	42	General Manager - HR (PPB - SBU)	1,25,43,257	64,70,818	B.Sc., P.G.D. in P.M. & I.R.	19	15.07.2006	Jindal Stainless Steel Ltd., Management Trainee

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1	2	3	4	5	6	7	8	9
Kumar V G	45	General Manager - Sales & Category Development - PCP (TM & D)	1,29,60,358	61,10,138	B.Sc., P.G.D.B.M.	23	29.07.2002	Music World Entertainment Ltd., Assistant Manager
Kunchey J K	49	Executive V.P. - Supply Chain & Logistics (TM & D)	3,99,30,739	1,82,39,333	B.Tech., P.G. Dip. in I.E.	26	24.08.2007	Reliance Retail Co., Head - Planning & Logistics
Madhavan S	44	General Manager - Product Development - Biscuits & Cakes (FBD)	1,17,03,638	73,45,037	B.Sc., M.Sc., M.Phil.	23	24.07.2019	Britannia Industries Ltd., Manager R&D
Madhu Sudana Rao A	59	General Manager - Projects - Central Projects Organisation	1,14,12,524	62,21,773	Mech. Engg., M.B.A.	39	20.06.2007	TTK LIG Ltd., Deputy General Manager
Madia K S	54	Deputy Company Secretary	1,11,28,223	65,89,540	B.Com., P.G.D.F.M., F.C.S., M.B.A.	36	01.10.1997	M/s. Shantil Nyalchand, Proprietor
Maheshwari A	37	General Manager - EHS & Sustainability (FBD)	1,02,52,200	56,33,645	B.Tech., PGD in Industrial Safety & Environmental Management	14	01.06.2011	Lallu Mal Shiv Sharan Dass Pharmaceuticals, Sales Executive
Makhal S (Dr.)	48	General Manager & Head of Product Development - Dairy (FBD)	1,53,86,073	78,34,075	B.Tech., M.Tech., P.G.D., Ph.D.	19	10.12.2012	Cavincare Pvt. Ltd., Principal Scientist
Manian V	42	General Managers - Accounts - Central Projects Organisation	1,39,36,311	71,96,687	B.Com. (Hons.), F.C.A.	20	11.12.2006	B.S.R. & Co., Executive
Manimaran G U	47	V.P. & Head of Product Development - Biscuits & Cakes (FBD)	1,83,77,610	1,06,25,424	B.Tech.	25	26.09.2005	Perfetti Van Melle India Pvt. Ltd., QA Executive
Mathew K J	57	V.P. - Finance, Tobacco SBU (ABD)	1,92,08,222	99,30,648	B.Sc., A.C.A., A.C.S.	28	14.12.1995	Nil
Mathew T	49	V.P. - Talent Development, Corporate HR	2,35,74,318	1,10,79,539	Dip. in H.M.C.T. & A.N., B.B.A., M.A.	26	25.06.2001	Marico Ltd., Mgmt. Trainee
Mathur A	42	V.P. & Head of Manufacturing - Biscuits and Cakes (FBD)	2,22,73,124	1,06,83,429	B.Tech.	19	08.06.2005	Nil
Mazumdar A	36	General Manager - Brands (ITD)	1,17,86,284	70,44,155	B.A. (Hons.), M.B.A.	13	01.06.2011	Nil
Mehrotra A	44	V.P. & Head of Marketing - Dairy & Beverages (FBD)	2,10,09,388	99,25,664	B.Tech., M.B.A.	19	08.06.2006	Seaarland Management Services (I) Pvt. Ltd., Junior Engineer
Mehta V A	44	General Manager - Finance, Audit (ITD)	1,23,04,786	68,61,754	LL.B., A.C.A.	19	11.12.2006	Tata Chemicals Ltd., C.A. Trainee
Menon V P	58	V.P. - Projects (HD)	2,47,24,095	1,27,23,108	B.Tech. (Civil)	35	10.01.1993	@
Mishra P	42	Business Head - Spices (FBD)	2,36,75,133	1,34,72,089	M.B.A.	19	08.06.2005	Pepsico India, Customer Executive
Misra S S	42	General Manager - Corporate HR	1,13,05,170	72,47,815	B.Tech., M.A.	17	17.10.2011	PriceWaterhouse Coopers Ltd., Consultant
Mondal S P	41	General Manager - Trade Marketing Information (TM & D)	1,09,28,118	68,14,496	B.E., P.G.D.M.	17	09.06.2009	Infosys Technologies Ltd., Software Engineer
Moorthy A	37	General Manager - Marketing - Staples & Adjacencies (FBD)	1,14,66,454	66,72,636	B.E., M.B.A.	13	01.06.2011	Nil
Moza N	43	General Manager - OD (FBD)	1,71,41,855	83,74,124	B.Com., Dip. in I.H.M., M.A. in P.M. & I.R.	19	06.08.2013	Peel Works Outsourcing Pvt. Ltd., GM - Accounts & Delivery
Mozumdar T K	58	General Manager - Projects - Central Projects Organisation	1,12,53,642	62,40,589	B.Tech., Diploma	35	01.09.2008	Mani Square, V.P. Operations
Mukherjee K	42	General Manager - Financial Accounts (FBD)	1,37,79,639	80,65,278	B.Com., A.C.A.	20	10.12.2003	Nil
Mukherjee S (Dr.)	58	Chief Scientist and Head of R&D (ITD)	3,51,79,465	1,99,69,660	B.Sc., M.Sc., Ph.D., Post Doctorate	28	16.03.1998	ICI India Ltd., Manager Q.A.
Mukherji A	51	Executive V.P. & Head - Corporate Human Resources	5,30,88,568	2,50,42,285	B.A., P.G. Dip. in P.M. & I.R., M.I.L.R.	28	01.08.1995	ANZ Grindlays Bank, Mgmt. Trainee
Mundra S	37	On deputation	1,11,79,473	58,08,459	B.Com. (Hons.), A.C.A., C.S.	14	03.05.2010	Tata Steel Processing and Distribution Ltd., Manager
Murali D	47	Senior Lead Scientist (PCPBD)	1,16,40,798	69,99,319	B.Sc., M.Sc., Ph.D.	18	07.06.2010	The Rockefeller University, Postdoctoral Associate
Muralidhar M	51	Head of Operations, Matches & Agarbatti SBU	1,26,19,524	64,68,847	S.S.C., Intermediate, B.Tech. (Instrumentation), M.B.A. (Manufacturing Management)	24	18.09.2000	Nil
Muralidharan M	54	General Manager - Operations (PPB - SBU)	1,43,32,425	73,68,181	B.E.	31	07.03.1997	Contemporary Packaging Technologies Ltd., Engineering Executive
Murthy K S	56	Senior Principal Scientist - AATC, Tobacco SBU (ABD)	1,15,85,880	60,50,594	B.Sc., M.Sc., Ph.D.	22	04.05.2007	VIMTA Labs Ltd., Manager- Analytical
Naik P V (Dr.)	49	Principal Scientist - Ingredients & Submission (ITD)	1,70,55,133	86,79,019	B.Sc., M.Sc., Doctorate	23	22.12.2010	E.I.D. Parry (India) Ltd., Chief Research Officer
Nair J P	52	General Manager - Engineering (ITD)	1,78,87,927	84,47,009	B.Tech., M.S.	31	14.11.2005	Cadbury India Ltd., Factory Asset Manager & EHS Manager
Narayanan R R	58	V.P. - Sales & Marketing (ESPB - SBU)	3,03,87,343	1,43,91,861	B.A., P.G.D.M.	37	01.01.1990	Godrej & Boyce Mfg. Co. Ltd., Sales Representative
Ohri R	57	Executive V.P. - Corporate Affairs	3,23,65,397	1,52,44,769	B.Com. (Hons.), A.C.A.	33	01.09.1991	Nil
Padmanabhan V	51	Principal Scientist (PCPBD)	1,26,68,472	74,76,713	B.Sc., M.Sc.	27	18.07.2005	Hindustan Unilever Ltd., Research Associate
Palamwar S R	53	General Manager & ICML Head (FBD)	1,28,77,848	69,15,970	B.E.	32	27.03.2017	Hindustan Unilever Ltd., Factory Manager

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Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Expe-rience (Years)	Date of Commence-ment of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Panda S	57	Executive V.P.- HR (ITD)	3,62,04,142	2,07,06,141	B.Sc. (Hons.), M.A.	34	01.09.2003	J K Papers Ltd., Mgmt. Trainee
Pandey P	38	General Manager - Marketing - Staples and Adjacencies (FBD)	1,32,14,389	67,13,832	B.E., M.B.A.	14	14.06.2010	Nil
Pandey S K	57	Divisional Head - Plantations & Raw Materials (PSPD)	2,17,88,687	1,20,59,227	B.Tech., M.Tech., I.F.S. Diploma in Bamboo Tech.	33	20.02.2014	Ballarpur Industries Ltd., V. P.
Panganamala S K	36	General Manager (PSPD)	1,05,29,808	61,45,469	B.Tech., P.G.D. (I.R. & P.M.)	12	11.06.2012	Nil
Paradkar M M	53	Senior Principal Scientist (FBD)	1,29,83,796	80,46,368	B.Sc., M.Sc., Ph.D.	24	01.02.2006	GE India Technology Centre Pvt. Ltd., Research Scientist
Parija S	42	General Manager - Trade Marketing & Business Transformation (TM & D)	1,14,76,364	63,62,566	B.A., M.A., M.B.A.	18	01.04.2016	Vodafone Spaceltd., Head-Acquisition, Postpaid & Roaming
Patel A M	54	Chief Commercial Officer (HD)	2,68,92,433	1,48,47,545	B.Sc.	32	01.08.2022	Hyatt Hotels Corporation, V.P. - Sales & Marketing, India & South Asia
Patel H Y	39	General Manager - Finance	1,11,16,192	61,33,663	B.Com., M.Com., A.C.A.	15	16.03.2009	TCS Ltd., Assistant Systems Analyst Trainee
Patni V	40	General Manager - Procurement (PCPBD)	1,89,32,111	1,00,68,432	B.Tech., P.G.D.I.E.	18	19.05.2008	Glenmark Pharmaceuticals Ltd., Asst. Manager - Supply Chain
Patra A K	50	General Manager & Head of Product Development - Beverages (FBD)	1,48,82,627	78,44,748	B.Sc., B.Tech., M.Sc.	25	02.01.2014	Dabur India Ltd., Principal Scientist
Patra P K	56	V.P. - ER (PSPD)	1,53,38,059	81,53,972	B.Sc., P.G. Diploma, LL.B., M.B.A.	33	02.05.2006	JK Paper, Asst. Manager - Personnel
Paul A E	59	V.P. - Corporate Affairs	1,69,76,238	80,92,187	B.Com.	38	01.08.1986	Nil
Phakey A	54	V.P. - Frozen Snacks, RTE, Fresh F & V (FBD)	2,51,36,755	1,39,63,345	B.Com., M.B.A.	31	25.03.2019	H.T. Media Ltd., C.O.O.
Poddar R	54	Deputy Company Secretary	1,16,32,274	72,12,002	B.Com., A.C.S., A.C.A., M.I.I.A.	36	01.06.2021	Nil
Ponnuru R K	40	Chief Operating Officer (PPB - SBU)	2,87,17,412	1,36,37,696	B.Tech.	20	04.06.2004	Nil
Prabhakar L	58	Executive V.P. & Head - Social Investments	3,67,89,774	1,73,01,296	B.E. (Mech.), P.G. Dip. in P.M. & I.R.	36	01.05.2006	ITC Infotech India Ltd., G.M.- HR
Prakash P	37	Head of Product, ITC MAARS, Agri SBU (ABD)	1,06,93,363	67,07,988	B.Tech. (EEE)	16	05.09.2022	Green Agrevolution Pvt. Ltd., A.V.P.
Pujar A	42	Head of Marketing, Matches & Agarbatti SBU	1,55,65,562	75,64,754	B.E. (I.T.), M.B.A., P.G.D.M. (Marketing)	16	10.06.2008	Nil
Pundlik G A	41	General Manager - Sales & Category Development - Cigarettes (TM & D)	1,15,58,996	71,93,656	B.E., M.B.A.	17	10.06.2008	Impetus Infotech India Pvt. Ltd., Software Engineer
Puri Sudhir	47	V.P. - New Generation Products (ITD)	3,23,41,705	1,52,90,236	B.Tech.	25	01.06.1998	Nil
Qing L X	62	Exec. Chinese Chef - ITC Maratha (HD)	1,11,65,321	56,42,921	Chinese Cooking, Cooking School of Beijing Tourism	44	15.05.1999	The Great Wall Sheraton Hotel, Executive Chef
Radhakrishnan Y (Dr.)	52	Principal Scientist - Food Science & Technology (LSTC)	1,23,72,708	76,45,847	B.Sc. (Zoology), M.Sc. (Zoology), Ph.D. - Genetics	21	15.11.2010	University of North Carolina - Research Associate
Rae S	53	Senior Principal Technologist - Packaging & Graphics Design (ITD)	1,48,26,235	71,48,132	B.Com. (Hons.)	29	24.01.1995	Nil
Rai R K	61	Divisional Chief Executive (ABD) & SBU Chief Executive (Agri SBU)	4,92,52,384	2,58,94,655	B.A. (Economics), P.G.D. in Exports & Imports	41	16.08.1990	Britannia Industries Ltd., Commercial Officer
Raja Sekhar G	50	Dy. General Manager (PSPD)	1,31,06,823	74,36,626	B.Com., I.C.W.A.I., M.Com., M.B.A.	28	19.02.2002	Hygrade Pellets Ltd., Dy. Manager
Rajasekhar R	55	General Manager - Exports, Tobacco SBU (ABD)	1,54,30,110	78,01,332	B.Sc. (Agriculture)	32	03.03.1992	Nil
Rajesh V	40	General Manager - Product Development (PPB - SBU)	1,15,45,029	69,37,298	M.M.S.	18	03.07.2006	Nil
Ralhan R	44	V.P. - Alternate Channels (TM & D)	2,80,47,605	1,48,10,665	B.E., M.M.S.	21	04.06.2004	Kirloskar Oil Engines Ltd., Graduate Engr. Trainee
Rama Prasad H N	58	SBU Chief Executive - Tobacco SBU (ABD)	3,89,38,694	1,95,14,588	B.Sc. (Agriculture), M.Sc. (Agriculture)	35	26.09.1988	Nil
Ramachandran R	48	Head of Finance, ITC Grand Chola (HD)	1,02,61,639	46,49,405	B.Com. (Hons.), A.C.A.	21	08.08.2005	The Imperial, Manager Accounts
Ramamoorthy N	58	V.P. & Head Corporate EHS	1,42,53,196	68,53,979	B.Tech., Diploma in Industrial Safety	35	01.10.1989	Nil
Ramamurthi S (Dr.)	59	Chief Scientist & Head of Corporate R&D (LSTC)	2,86,15,350	1,64,39,497	B.Sc. (Tech.), M.Sc. (Tech.), Ph.D - Applied Microbiology & Food Science	30	27.08.2007	Hindustan Unilever Ltd., Sr. Research Scientist
Ramaswami K K	34	General Manager - Marketing - Snacks, Noodles & Pasta (FBD)	1,03,50,030	66,34,892	B.E., M.B.A.	12	11.06.2012	Nil
Ramesh V	58	General Manager & Head of Manufacturing - Biscuits & Cakes (FBD)	1,52,87,361	95,67,223	B.Sc., M.Sc.	36	11.09.2017	Britannia Industries Ltd., Regional Manufacturing Head
Ramkumar P	53	V.P. - Finance, IT & Procurement (ESPB - SBU)	2,57,79,607	1,24,70,732	B.Com., C.W.A., A.C.A.	30	06.09.1999	Zuari Industries Ltd., Dy. Mgr. - Finance
Rana H S	48	General Manager - Instore Marketing (TM & D)	1,18,80,306	66,27,259	B.Sc., M.B.A.	24	20.06.2000	Nil
Ranganathan S	49	V.P. - Finance (TM & D)	2,38,68,532	1,15,64,316	B.Com. (Hons.), A.C.A.	26	01.09.1998	Phillips India Ltd., Accounts Officer
Rao A	40	Associate General Counsel	1,06,56,085	60,21,721	B.S.L., LL.B.	18	02.01.2008	Bajaj Allianz Gen. Insurance Co. Ltd., Senior Executive
Rao J P	55	General Manager - T & RA (TM & D)	1,24,49,566	62,45,981	B.Com. (Hons.), Diploma	32	26.04.1994	Procter Gamble India Ltd., Territory Sales In-Charge



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Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Rao K N	57	V.P. - Processing & Technology, Supply Chain, Tobacco SBU (ABD)	2,15,19,917	1,08,21,721	B.Tech (EEE)	35	24.10.1988	Nil
Rao Renati V	54	General Manager - Exports & SO&P (ITD)	1,88,18,252	1,06,86,690	B.Sc. (Hons.), P.G.D.M.	30	01.04.1995	Wipro Ltd., Marketing Asst.
Rasquinha P C	59	Executive V.P. - Finance & MIS (PSPD)	2,95,84,499	1,52,37,713	B.Com. (Hons.), A.C.A., C.W.A.	36	15.07.1991	A.F. Ferguson & Co., Asst. Consultant
Rathi N	43	General Manager - ITC MAARS - Agri SBU (ABD)	1,27,39,324	70,23,876	B.E., P.G. Dip. in Rural Mgmt.	20	08.06.2005	Nil
Ravindranath V	60	General Manager - Corporate EHS	1,69,17,579	81,95,023	B.E., Certificate in Fire Protection	37	30.12.2009	Poet Consultants Pvt. Ltd., Additional Chief Engineer
Ravish H G	53	General Manager - Leaf Operations (NFCV), Tobacco SBU (ABD)	1,55,29,644	73,04,252	B.Sc. (Agriculture)	32	26.02.1992	Nil
Ray Chaudhuri B	44	V.P. - Corporate Planning	2,77,76,896	1,28,52,506	B.Com. (Hons.), A.C.A.	23	01.03.2002	ABB Ltd., Asst. Financial Controller
Ray M	45	V.P. - Sales & Category Development - Personal Care, Matches & Agarbatti (TM & D)	2,13,69,059	1,25,44,600	B.Tech.	23	01.06.2001	Nil
Ray P	49	General Manager - Supply Chain Foods (TM & D)	1,73,01,506	94,04,740	B.Com., M.Com., P.G.D.M.	24	16.02.2001	Hindustan Unilever Ltd., T.S.I.
Reddy K V	58	Executive V.P. - Product Development - Staples, Spices, Noodles & Pasta (FBD)	3,02,22,753	1,64,32,756	B.Tech.	35	01.08.2001	Cargill India Pvt. Ltd., Production Manager
Reddy M S	58	General Manager - Mysore Leaf Operations, Tobacco SBU (ABD)	1,09,47,375	63,13,054	B.Sc., M.Sc.	32	16.12.1991	Nil
Reddy V K	49	General Manager - Projects, Maintenance & Engineering, Chocolates, Coffee & Confectionery (FBD)	1,08,77,343	68,26,449	B.Sc.	27	17.01.2005	Perfetti Van Melle India, Senior Executive
Roria S S	55	General Manager & Complex Head (FBD)	1,07,26,034	58,80,089	B.Tech., M.Tech.	29	04.03.2002	Britannia Industries Ltd., Production Officer
Roy Abhijit	58	Executive V.P. - Internal Audit	3,66,83,352	1,65,67,294	B.Com. (Hons.), A.C.A.	35	04.06.1990	E.L.M. (I) Ltd., Accounts Officer
Roy Agnidev	37	General Manager - Brands (ITD)	1,51,44,972	73,39,135	B.Sc. (Hons.), M.B.A.	14	11.06.2012	Bates 141, Brand Manager - Strategic Planning
Rungta A	41	General Manager - Corporate Audit	1,11,45,251	68,78,705	B.Com. (Hons.), A.C.A.	18	01.12.2005	Nil
Rustagi A K	49	Chief Operating Officer - Staples & Adjacencies (FBD)	4,30,69,768	2,01,22,483	B.Tech., P.G.P.M.	27	01.10.2017	Unilever Inc. (London), Global Brand Director
Sahay S	53	Executive V.P. - Sales Operations & Development (TM & D)	3,74,81,713	1,79,32,442	B.A., P.G.D.B.A.	29	05.09.2002	Luxor Writing Instruments Ltd., Brand Manager
Saiprasad G V S (Dr.)	51	Senior Principal Scientist - Crop Sciences (LSTC)	1,66,75,834	97,41,274	B.Sc. (Agri), M.Sc. (Agri), Ph.D. - Plant Physiology	26	03.12.2007	Indian Institute of Horticultural Research - Scientist
Sandeep C	53	Executive V.P. & Head - Central Projects Organisation	2,91,57,250	1,71,05,174	B.E.	32	24.05.1999	Kar Mobiles Ltd., Production Engineer
Sanganeria G	47	V.P. - Corporate Accounts	2,49,33,237	1,40,06,302	B.Com. (Hons.), A.C.S., A.C.A.	23	11.12.2000	Nil
Sangli D K A	49	Senior Principal Technologist - Tobacco Flavours (ITD)	1,85,62,573	1,08,73,857	B.Sc., M.Sc.	28	06.08.1996	Nil
Saravanan N	51	General Manager - Operations (FBD)	1,22,35,884	71,79,675	B.E.	30	11.02.2015	Asian Paints Ltd., Senior Manager - Production
Sarda S	50	General Manager - Finance & Planning (ITD)	1,71,08,279	91,37,481	B.Com., A.C.A.	24	01.03.2007	Videcon Industries Ltd., Manager
Sawant S J	52	General Manager - Business Development - Frozen Snacks (FBD)	1,52,10,996	90,75,349	B.Com., P.G.D.M.	24	01.10.2018	OSI Vista Foods Ltd., Director Commercial
Sehgal K	39	General Manager - Sales & Category Development - Cigarettes (TM & D)	1,15,81,967	59,86,149	B.Sc., M.B.A.	15	14.06.2010	GroupM Mindshare Interaction, Consultant
Seksaria S	51	Group Manager - Taxation	1,79,46,440	1,05,03,379	Dip. In Business Finance, A.C.S., C.W.A., A.C.A.	26	01.09.1998	CESC Ltd., Mgmt. Trainee
Sen P	53	General Manager - Design & Quality Assurance - Central Projects Organisation	1,27,25,888	64,65,884	B.E., M.C.E.	28	01.12.2010	Elbit India Healthcare Pvt. Ltd., Chief Engineering Officer
Sengupta A	52	General Manager - Brands (ITD)	1,34,48,006	81,23,006	B.E., P.G.D.M.	27	19.12.2011	AC Nielsen Org. Marg Pvt. Ltd., Director - CR
Sengupta S	59	General Manager - Finance - Central Projects Organisation	1,25,65,238	64,37,404	B.Com., M.Com.	35	01.08.1989	Nil
Senthil Kumar S J	49	General Manager - Finance - Biscuits and Cakes (FBD)	1,97,09,366	93,98,313	B.Com. (Hons.), C.W.A., A.C.A.	25	09.07.1999	L.M.W. Ltd., Audit Officer
Sequeira S	50	V.P. - Finance and IT (PCPBD)	2,36,66,931	1,12,97,645	B.Com. (Hons.), A.C.A., C.W.A.	26	01.09.1998	Berger Paints, Asst. Manager
Sethi N	40	General Manager - Brands (ITD)	1,36,77,073	79,34,465	B.Tech., M.B.A.	16	14.06.2010	Defence Research Dev. Org., Scientist
Shah M B	57	General Manager - Coffee & Processed Fruits - Agri SBU (ABD)	1,05,39,064	58,30,845	B.Sc. (Agriculture)	35	01.03.1990	NCAER, Field Supervisor
Shankar K	43	V.P. - Brands (ITD)	1,77,42,152	1,05,13,465	B.Tech., P.G.D.M.	19	25.09.2018	Godfrey Philips India Ltd., Group Brand Manager
Sharma Aneesh	38	Senior Assistant General Counsel	1,04,79,479	55,80,300	B.A., LL.B.	14	14.06.2010	Nil
Sharma Ashwin	43	General Manager - Strategic Planning	1,15,76,661	67,36,976	B.Com. (Hons.), A.C.A.	20	01.12.2005	PriceWaterhouse Coopers, ABAS Senior - Audit

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1	2	3	4	5	6	7	8	9
Sharma Benita	59	V.P. - New Revenue Streams (HD)	1,66,63,904	77,71,519	B.A. (Economics)	35	01.12.1988	@
Sharma Bhavna	41	Head of Nutrition Science (FBD)	1,13,75,432	72,91,095	B.Sc., M.Sc., Ph.D.	18	01.04.2019	GlaxoSmithKline Consumer Healthcare Ltd., Senior Scientist Innovation
Sharma M	54	Chief Sustainability Officer	1,64,36,770	88,62,311	B.Sc., Executive Diploma in Gen. Mgmt.	31	01.12.2021	Tata Steel Ltd., Chief - Corporate Sustainability
Sharma Richa	52	Head - PR & Corporate Communication (HD)	1,06,28,171	58,10,997	M.A. Mass Communication, Bachelor of Journalism, PG Diploma in Advertising & PR	33	16.09.2003	@
Sharma Sachin	46	V.P. - Channel & Dairy, Agri SBU (ABD)	2,02,40,111	1,06,15,329	M.Sc., P.G. Prog. in Agr. Business Mgmt.	21	09.06.2003	Nil
Sharma Sandeep	52	General Manager (ITD)	1,16,65,357	63,64,010	B.E.	28	04.06.2012	GSK Ltd., Manager - Process Engineering
Shenoy T S M	56	Executive V.P. & Head - Corporate Accounts	3,57,30,506	1,69,67,146	B.Com. (Hons.), A.C.A.	36	03.08.1992	A.F. Ferguson & Co., Mgmt. Consultant
Shere A H	47	Chief Operating Officer - Biscuits & Cakes (FBD)	3,58,60,927	2,06,04,814	B.A., M.B.A.	26	21.08.2019	Britannia Industries Ltd., Director Marketing
Shukla A	44	General Manager - Market Research (ITD)	1,21,17,135	71,82,757	B.Com., M.B.A.	19	07.09.2018	Procter & Gamble, Sr. Manager
Shukla M	52	General Manager (ITD)	1,59,58,959	76,43,957	B.Tech.	32	01.08.2000	Pepsico Holdings Ltd., Shift Engineer
Sidhartha M	57	Divisional Head (PSPD)	1,05,76,031	52,66,402	B.Sc. (Hons.), University Diploma (Pulp & Paper Tech.)	34	05.10.1989	Star Paper Mills, Shift In-charge
Singal S	53	Chief Operating Officer - Dairy & Beverages (FBD)	3,63,44,523	1,71,45,803	B.Sc., P.G.D.M.	29	01.07.2016	Dabur India Ltd., Head of Marketing
Singh A B	59	General Manager - Milling Operations (FBD)	1,20,07,637	74,96,921	Diploma, M.A.	32	02.12.2015	Cargill India Pvt. Ltd., EM - Lead
Singh G	42	General Manager - Operations - Juices (FBD)	1,17,12,214	61,15,113	B.Tech., P.G.C.B.M.	19	28.12.2016	Tilda Hain India Pvt. Ltd., Head of Production Planning
Singh J	58	Corporate Financial Controller	4,43,30,047	2,02,86,036	B.Com. (Hons.), A.C.A.	36	01.04.1990	Lovelock & Lewes, Jr. Asst.
Singh T	51	Head F&B and Operations Support (HD)	1,15,35,738	53,84,591	B.A.	28	25.06.2012	Jet Airways India Ltd., General Manager - Service Delivery
Singh V P	43	V.P. - Employee Relations (FBD)	1,72,84,853	83,69,689	B.A. (Hons.), P.G.D.M.	20	18.07.2007	Tata Motors Ltd., HR Manager
Singhi R K	59	Executive V.P. & Company Secretary	3,45,41,944	1,81,49,988	B.Com. (Hons.), LL.B., F.C.S.	39	01.08.1988	Chemcrown (I) Ltd., Asst. Secretary
Sipani S K	57	Head of Finance, Matches & Agarbatti SBU	1,83,26,340	86,28,219	B.Com., A.C.A., A.C.S., P.G.D.B.M.	35	01.10.1997	All India Tobacco Co. Ltd., Company Secretary
Siva K K N	49	General Manager - Leaf Operations (Traditional Tobacco SBU (ABD)	1,05,64,738	57,23,398	B.Sc. (Agriculture), M.Sc. (Agriculture)	26	19.01.1998	Nil
Somani S	50	General Manager - Corporate Audit	1,52,91,042	67,63,463	B.Com., C.W.A., C.S., A.C.A.	27	11.12.2000	Indian Rayon & Industries Ltd., Assistant Manager
Songadwala Z S	55	V.P. Operations (HD)	1,77,00,626	80,21,698	Bachelors in Hotel Management	33	01.02.1991	@
Sood A	40	General Manager & Head of Manufacturing - Confectionery, Chocolates & Coffee (FBD)	1,45,87,146	77,30,658	B.Tech.	18	17.06.2013	Asian Paints Ltd., Manager - Production
Sri D K	39	General Manager & Head of Manufacturing - Snacks, Noodles & Pasta (FBD)	1,30,58,715	69,15,855	B.Tech., M.Tech.	16	10.06.2008	Nil
Srinivas K	59	Chief Technologist - Blending & Cigarette Design (ITD)	3,09,94,657	1,43,67,721	B.Sc., M.Sc.	36	22.08.1988	Nil
Srinivas P	59	Head - R&D - Tobacco SBU (ABD)	1,11,00,648	61,34,143	B.Sc. (Agriculture), M.Sc. (Agriculture), Ph.D.	37	17.08.1987	Nil
Srinivas S	50	V.P. - Marketing (PCPBD)	2,59,53,860	1,18,67,593	B.E., P.G.D.M.	26	01.06.2000	Computational Structural Mechanics Pvt. Ltd., Marketing Executive
Srinivasan V	55	General Manager - Media (FBD)	1,09,56,261	67,27,256	B.Sc.	30	16.07.2015	Britannia Industries Ltd., Media Co-ordinator
Srinivasan V P	51	Senior Principal Technologist - PMD Process Development (ITD)	2,01,14,617	1,15,91,312	Diploma in Mech. Engg., B.S. (Engg. Technology)	31	23.02.1999	Union Carbide, Officer
Sriram S	49	Principal Technologist - New Sciences & Technology (ITD)	1,17,10,217	72,22,002	B.E., M.B.A.	28	17.02.2000	M/s. Greaves Ltd., Junior Manager
Srivastava S	45	General Manager - Supply Chain PCP & MAB (TM & D)	1,21,32,458	68,49,055	B.E., P.G.D.M.	17	13.08.2012	ABB Ltd., SCM Manager
Stephanos K G	59	Executive V.P. - Finance, MIS & T&RA (ITD)	3,60,37,940	1,69,52,034	B.Com. (Hons.), A.C.A.	36	01.07.1988	PricewaterhouseCoopers Pvt. Ltd., Jr. Officer
Subramanian V	52	General Manager - Manufacturing, Projects & EHS (PCPBD)	1,48,38,791	68,49,410	B.E.	30	06.10.2006	Asian Paints Ltd., Manager
Sule S	58	Divisional Chief Executive (TM & D)	5,29,27,043	2,42,09,588	B.Com., M.I.B.	34	16.07.1990	Bayer India Ltd., Management Trainee
Sundar S S S	54	General Manager - Factory Operations, Tobacco SBU (ABD)	1,06,16,935	57,25,594	D.M.E., B.E., M.E., M.B.A.	28	28.12.2011	Hindustan Zinc Ltd., Senior Manager - Business Excellence

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1	2	3	4	5	6	7	8	9
Sundaram A S (Dr.)	57	General Counsel and Head of Corporate Legal	5,09,40,611	2,40,08,276	B.L., M.L., Ph.D.	35	20.10.1997	Maxworth Home Ltd., Manager, Legal
Suryavanshi R	46	V.P. - Competency Development & HR (TM & D)	2,35,45,775	1,14,39,280	B.M.S., P.G.D.M.	22	16.07.2003	Gabriel India Ltd., Mgmt. Trainee
Tandan S	64	On deputation	3,54,21,226	1,59,02,209	B.A. (Hons.), A.C.A.	38	01.10.1985	Nil
Tantray P R	47	General Manager - Manufacturing - Staples and Adjacencies (FBD)	1,06,82,373	67,27,609	B.E.	26	19.05.2003	Hindustan Unilever Ltd., Production Officer
Tayal G	43	SBU Chief Executive - Matches & Agarbatti SBU	3,31,31,286	1,52,59,175	B.Tech.	21	09.06.2003	Nil
Thakar A	57	Executive V. P. - Finance, IT & Procurement (HD)	3,24,76,261	1,73,01,568	B.Com. (Hons.), A.C.A., M.B.A.	31	30.06.1992	Nil
Tripathy P K	53	General Manager - Sales and Manufacturing - Fresh Dairy (FBD)	1,25,34,390	79,19,151	B.Sc., P.G.B.M.	28	06.06.2018	Metro Dairy Ltd., CEO
Tunuguntla M R	43	General Manager - Finance - Staples and Adjacencies (FBD)	1,95,60,207	90,73,829	B.Com., M.Com., A.C.A., D.I.R.M.	22	04.05.2005	Chemplast Sanmar Ltd., Asst. Executive Manager
Tyagi K K (Dr.)	48	Principal Scientist - Analytical Standard (ITD)	1,27,05,180	78,88,513	B.Sc., M.Sc., Doctorate	27	01.07.2003	Forest Research Institute, Research Fellow
Vaidya T	38	General Manager & ICML Head (FBD)	1,28,83,407	70,61,079	B.Tech., M.Tech.	13	01.06.2011	Nil
Vashist K	40	General Manager - HR (FBD)	1,15,31,801	60,59,573	B.Com., P.G.D.H.R.M.	16	01.07.2022	Titan Co., Group Manager - HR
Vashistha S	38	General Manager - Sales & Category Development - Foods (TM & D)	1,44,12,926	75,45,022	B.Tech., P.G.D.	16	10.06.2008	Nil
Vasireddy V V	50	Operations Manager	1,20,04,290	70,82,642	B.Sc. (Hons.), M.Sc. (Agriculture)	26	01.08.2007	APWELL Project, Agricultural Production Trainee
Ved U K	42	Head - Consumer Insights (PCPBD)	1,09,50,463	54,99,095	B.Com., M.M.S.	19	06.12.2021	Aditya Birla Management Corporation Pvt. Ltd., Asst. V.P.
Veeraswamy P	51	Vice President - HR (ABD)	2,11,50,504	1,10,47,225	B.Com., M.A. (P.M. & I.R.)	26	19.12.2013	Creamline Dairy Products Ltd., General Manager - HR
Veerubhotla V P	44	V.P. & Head of Consumer Insights & Analytics (FBD)	2,11,92,810	1,05,34,052	B.Sc., M.Sc. (Statistics)	21	31.05.2012	Nielsen Bases, Manager
Venkata R K	38	General Manager Marketing - Value Added Atta, Salt & Adjacencies (FBD)	1,10,89,109	67,74,071	B.E., P.G.D.M.	15	01.06.2011	Wabco TVS India Ltd., Software Engineer
Venkataram Reddy P	57	General Manager - Exports, Tobacco SBU (ABD)	1,08,91,047	61,20,492	B.Sc., P.G.D.M.	33	23.11.1990	Apollo Hospital, Marketing Executive
Venkataraman S N	60	Chief Executive (PPB - SBU)	3,44,17,282	1,59,53,679	B.Sc., M.B.A.	39	29.06.1985	Nil
Veneti S P Rao	57	Executive V.P. - Marketing & Commercial (PSPD)	2,52,24,446	1,37,98,517	B.E., P.G.D.	25	20.06.2011	Century Pulp & Paper, President
Verma A	41	General Manager - Operations (FBD)	1,70,38,239	97,20,712	B.Tech.	19	23.08.2010	Nestle India Ltd., Project Manager
Vijaykrishnan V (Dr.)	57	Chief Scientist & Head - Product Development and R&D (PCPBD)	3,11,57,499	1,36,90,331	B.Sc., M.Sc., Ph.D.	28	02.05.2017	Unilever Inc., Global R & D - Design Director
Vikram R	53	Senior Associate General Counsel	1,65,89,161	98,75,577	B.A., LL.B.	29	18.07.2005	M/s. Janardana & Janardana, Partner
Vinayaka H C	60	V.P. - Technical Services, Sustainability & EHS (HD)	2,31,36,032	1,11,72,330	B.E. (Mech.)	36	23.05.2001	@
Vishwanath N D	53	General Manager & ICML Head (FBD)	1,13,42,128	70,13,255	B.Tech.	32	01.10.1997	McNally Bharat Engg. Co. Ltd., Assistant Manager
Vodela P K	54	Senior Principal Technologist - Blending & Cigarette Design (ITD)	1,64,64,144	77,11,454	B.Com., M.B.A.	29	01.07.1996	The Professional Couriers Pvt. Ltd., Assistant Branch Manager
Wali P	54	Executive V.P. - Strategic Projects (FBD)	3,21,01,648	1,51,34,366	B.Tech., Sloan Fellowship in Management (London School of Business)	33	16.08.1991	Nil
Wariah D S	57	V.P. & Head of Product Development - Snacks (FBD)	2,46,14,926	1,32,65,845	B.E.	34	05.04.2005	Pepsico India Holdings Pvt. Ltd., G.M.
Yadav A	59	General Manager - T&RA (TM & D)	1,20,42,298	68,76,649	B.A., Certificate Course in Business Management	37	15.11.2007	Indian Army, Lieutenant Colonel
Yadav S M	54	Executive V.P. - Technology & Manufacturing (FBD)	3,56,49,400	1,66,56,155	B.E., Dip. in International Business	34	24.08.2016	Mondelez International, Associate Director - Asia Pacific (Engineering)
Yarram Reddy S R	52	Senior Associate General Counsel	1,56,10,339	78,67,273	B.A., LL.B.	27	16.06.2021	Pernod Ricard India Pvt. Ltd., GM - Legal
<b>Other employees employed for a part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- or more per month</b>								
Abraham C (Dr.)	60	Chief Executive - Healthcare	2,45,57,697	1,39,44,452	M.B.B.S., Adv. Dip. in Healthcare Administration	30	02.05.2018	Health City Cayman Islands, CEO & Head of Medical Services
Aggarwal M	48	V.P.- Finance (HD)	2,26,78,026	1,17,66,249	B.Com. (Hons.), A.C.A.	27	20.11.2000	%
Anand N	67	Executive Director	13,71,16,719	7,21,86,724	B.A. (Hons.)	44	01.12.1979	@
Batra J K	53	On deputation	93,36,153	50,94,840	B.Com., M.Com., A.C.A.	28	17.06.1996	#
Bhattacharjee A	60	V.P. - Information Systems (HD)	1,96,24,320	1,00,00,953	B.E. (Industrial & Production)	35	09.07.2001	@
Chatterjee K	63	V.P. & Head of Packaging Development (FBD)	2,00,95,466	1,05,67,536	Dip. in Mech. Engg.	38	15.10.2001	Agrotech Foods Ltd., Manager - Packaging & Development



**B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Name	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment and Position Held
1	2	3	4	5	6	7	8	9
Gopal R	45	Chief Information & Digital Officer & V.P. Digital Tech. (FBD)	28,93,574	17,95,726	B.E., M.S.	22	01.04.2022	L'Oreal, Cluster CIO
Kumar Atul	60	V.P. - Finance (HD)	1,28,01,204	77,17,775	B.Com. (Hons.), A.C.A.	35	01.06.1988	@
Lamba M	43	V.P. & Head of Marketing - Confectionery, Chocolates & Coffee (FBD)	1,74,56,745	89,64,366	B.Com., P.G.P.C.M.	20	15.03.2017	Perfetti Van Melle India, Associate Category Director
Liu R S C	46	V.P. - Corporate Finance	75,09,812	51,95,882	B.Com. (Hons.), A.C.A.	22	05.03.2024	JM Financials, Consumer Analyst & Head of Research - Institutional Equities
Saha G K	60	General Manager - Contracts & Purchase - Central Projects Organisation	94,95,972	47,13,441	B.E. (Mechanical)	35	15.10.2008	CESC Ltd., Manager - Material Purchase
Saraf A	42	On deputation	1,29,17,971	79,28,622	B.Com. (Hons.), A.C.A.	20	01.06.2005	S.R. Batliboi & Co., Executive
Sengupta P	47	Chief Digital & Information Officer	52,93,419	33,71,429	B.Tech. (Electronics), M.B.A. (Marketing)	26	05.02.2024	Ernst & Young, Partner Tech Consulting
Sharma Rahul	51	Chief Digital Information Officer (FBD)	1,32,31,511	72,18,983	B.E., M.A., P.M.P.	28	21.08.2023	Reckitt Benckiser India, Regional IT & Digital Director
Singh A P	41	On deputation	17,12,083	9,70,751	B.Tech., P.G.D.M.	18	05.05.2008	Dabur India Ltd., Area Sales Manager
Thakur N N	60	Executive V.P. - Sales & Category Development - Cigarettes (TM & D)	2,43,06,066	1,15,52,424	B.Sc., P.G.D.M.	37	01.09.1987	Nil
Varghese M (Dr.)	60	Senior Principal Scientist - Agro Forestry (LSTC)	92,26,609	59,26,405	B.Sc. (Agri), M.Sc. (Forestry), Ph.D. - Botany	33	14.02.2007	Indian Council of Forestry Research & Education - Scientist - Gr. E

**Abbreviations denote :**

ITD	: India Tobacco Division	ESPB	: Education & Stationery Products Business
PSPD	: Paperboards & Specialty Papers Division	PPB	: Packaging & Printing Business
ABD	: Agri Business Division	LSTC	: Life Sciences & Technology Centre
HD	: Hotels Division	TM & D	: Trade Marketing & Distribution
FBD	: Foods Business Division	SBU	: Strategic Business Unit
PCPBD	: Personal Care Products Business Division		

@ Previously employed with erstwhile ITC Hotels Ltd. which was merged with the Company on March 23, 2005.

# Previously employed with erstwhile ITC Bhadrachalam Paperboards Ltd. which was merged with the Company on March 13, 2002.

% Was on deputation to an Associate Company and reverted on April 21, 2023.

**Notes :**

- Remuneration includes salary, performance bonus, long term incentives, allowances, contribution to the approved Provident Fund & Pension Funds & other benefits/applicable perquisites borne by the Company, except the contribution to approved Gratuity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- The Company grants Stock Options to the Directors, Key Managerial Personnel and other employees under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since such Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly the said grant has not been considered as remuneration.
- Net remuneration comprises cash income less:
  - income tax, surcharge (as applicable) & education cess deducted at source
  - employees' own contribution to Provident Fund.
- All appointments are/were contractual in accordance with terms and conditions as per Company rules.
- None of the above employees is a relative of any Director of the Company.
- The above list does not include employees who are on deputation and whose cost is not borne by the Company.

On behalf of the Board

S. PURI *Chairman & Managing Director*  
(DIN : 00280529)

S. DUTTA *Director & Chief Financial Officer*  
(DIN : 01804345)

Kolkata  
23rd May, 2024

# Annexure to the Report of the Board of Directors

## For the Financial Year Ended 31st March, 2024

### KEY FINANCIAL RATIOS

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

#### Key Financial Ratios for the Company:

		FY24	FY23
(i)	Operating Profit Margin (%)	38.0	35.6
(ii)	Net Profit Margin (%) <sup>1</sup>	29.4	26.9
(iii)	Debtors Turnover	24.7	32.5
(iv)	Inventory Turnover	6.0	6.7
(v)	Current Ratio	2.9	2.8
(vi)	Return on Net Worth (%) <sup>1</sup>	29.2	29.0

#### Notes:

- Net Profit Margin** and **Return on Net Worth** ratios have been computed based on Profit After Tax (before exceptional items).
- Interest Coverage Ratio** and **Debt-Equity ratio** are not relevant for the Company as it has negligible debt.

On behalf of the Board

S. PURI *Chairman & Managing Director*  
(DIN : 00280529)

S. DUTTA *Director & Chief Financial Officer*  
(DIN : 01804345)

Kolkata  
23rd May, 2024

# Annexure to the Report of the Board of Directors

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### The Members of ITC Limited

1. The Corporate Governance Report prepared by ITC Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2024, and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2023 to March 31, 2024:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Risk Management Committee
  - v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year-end.
  - viii. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
  - ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

### Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Place of Signature: Kolkata  
Date: May 23, 2024

For **S R B C & CO LLP**  
Chartered Accountants  
**ICAI Firm Registration Number: 324982E/E300003**  
**per Arvind Sethi**  
Partner  
Membership Number: 89802  
UDIN: 24089802BKEJFG7178



## CEO and CFO Compliance Certificate

We, S. Puri, Chairman & Managing Director and S. Dutta, Director & Chief Financial Officer certify that :

- a) We have reviewed the Financial Statements including the Cash Flow Statement for the year ended 31st March, 2024 and to the best of our knowledge and belief :
  - i) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2024 are fraudulent, illegal or violative of the ITC Code of Conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in the internal controls over financial reporting during the year under reference;
  - ii) There has not been any significant change in the accounting policies during the year requiring disclosure in the notes to the Financial Statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

Kolkata, India  
May 20, 2024

S. DUTTA      *Director & Chief Financial Officer*  
(DIN : 01804345)

S. PURI      *Chairman & Managing Director*  
(DIN : 00280529)

# Standalone Balance Sheet as at 31st March, 2024

	Note	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3A	22015.50		20491.32	
(b) Capital work-in-progress	3B	1077.97		1681.47	
(c) Investment Property	3C	373.09		352.26	
(d) Goodwill	3D	577.20		577.20	
(e) Other Intangible assets	3E	2055.74		2037.42	
(f) Intangible assets under development	3F	9.07		15.13	
(g) Right-of-use assets	3G	721.69		715.91	
(h) Financial Assets					
(i) Investments	4	22821.94		16363.55	
(ii) Loans	5	2.63		4.07	
(iii) Others	6	372.88	23197.45	3608.23	19975.85
(i) Other non-current assets	7	1229.22	51256.93	1211.74	47058.30
<b>Current assets</b>					
(a) Inventories	8	12631.51		10593.90	
(b) Financial Assets					
(i) Investments	9	11916.88		16357.07	
(ii) Trade receivables	10	3311.45		2321.33	
(iii) Cash and cash equivalents	11	197.63		206.88	
(iv) Other Bank Balances	12	6020.06		3624.38	
(v) Loans	5	9.10		5.95	
(vi) Others	6	849.86	22304.98	705.84	23221.45
(c) Other current assets	7	1134.18	36070.67	1388.09	35203.44
<b>TOTAL ASSETS</b>		<b>87327.60</b>		<b>82261.74</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	13	1248.47		1242.80	
(b) Other Equity		70984.83	72233.30	66351.00	67593.80
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	14	1.76		3.28	
(ii) Lease liabilities	15	261.95		273.59	
(iii) Other financial liabilities	16	109.87	373.58	152.49	429.36
(b) Provisions	17	221.45		201.83	
(c) Deferred tax liabilities (Net)	18	2083.66	2678.69	1621.13	2252.32
<b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	14	1.52		1.26	
(ii) Lease liabilities	15	46.74		46.54	
(iii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		206.85		137.50	
Total outstanding dues of creditors other than micro enterprises and small enterprises		4282.70		4213.76	
(iv) Other financial liabilities	16	1659.33	6197.14	1730.68	6129.74
(b) Other current liabilities	19	5389.75		5446.16	
(c) Provisions	17	68.72		63.59	
(d) Current Tax Liabilities (Net)	20	760.00	12415.61	776.13	12415.62
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>87327.60</b>		<b>82261.74</b>	

The accompanying notes 1 to 31 are an integral part of the Standalone Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

Chairman & Managing Director  
Director & Chief Financial Officer  
Company Secretary

## Standalone Statement of Profit and Loss for the year ended 31st March, 2024

	Note	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
I Revenue From Operations	21A, 21B	70105.29	70251.28
II Other Income	22	3538.28	2437.61
<b>III Total Income (I+II)</b>		<b>73643.57</b>	<b>72688.89</b>
<b>IV EXPENSES</b>			
Cost of materials consumed		21309.84	19809.83
Purchases of Stock-in-Trade		6042.97	9109.85
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates	23	(370.71)	(39.50)
Excise duty		4664.48	4208.01
Employee benefits expense	24	3732.23	3569.46
Finance costs	25	45.73	41.81
Depreciation and amortization expense		1647.82	1662.73
Other expenses	26	10247.87	9649.16
<b>Total expenses (IV)</b>		<b>47320.23</b>	<b>48011.35</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>26323.34</b>	<b>24677.54</b>
VI Exceptional Items	28(i)	(7.57)	72.87
<b>VII Profit before tax (V+VI)</b>		<b>26315.77</b>	<b>24750.41</b>
<b>VIII Tax expense:</b>			
Current Tax	27	5661.21	6025.32
Deferred Tax	27	232.59	(28.22)
<b>IX Profit for the year (VII-VIII)</b>		<b>20421.97</b>	<b>18753.31</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss:			
– Remeasurements of the defined benefit plans	28(vi)	(22.97)	(21.81)
– Equity instruments through other comprehensive income		2515.06	91.90
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(10.46)	21.22
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	(228.72)	(0.34)
B (i) Items that will be reclassified to profit or loss:			
– Debt instruments through other comprehensive income		17.91	(35.01)
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		19.71	(47.45)
(ii) Income tax relating to items that will be reclassified to profit or loss	27	(9.47)	20.75
<b>X Other Comprehensive Income [A (i+ii) + B (i+ii)]</b>		<b>2281.06</b>	<b>29.26</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>22703.03</b>	<b>18782.57</b>
XII Earnings per equity share (Face Value ₹ 1.00 each):	28(ii)		
(1) Basic (in ₹)		16.39	15.15
(2) Diluted (in ₹)		16.35	15.11

The accompanying notes 1 to 31 are an integral part of the Standalone Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

Chairman & Managing Director  
Director & Chief Financial Officer  
Company Secretary



# Standalone Statement of Changes in Equity for the year ended 31st March, 2024

(₹ in Crores)

## A. Equity Share Capital

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	1242.80	5.67	1248.47
For the year ended 31st March, 2023	1232.33	10.48	1242.80

## B. Other Equity

(₹ in Crores)

	Reserves and Surplus						Items of Other Comprehensive Income				Total	
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges		Foreign Currency Translation Reserve
<b>Balance as at 1st April, 2023</b>	2.48	13065.62	741.45	0.30	363.05	17585.31	33687.70	(23.42)	885.48	2.48	40.55	66351.00
Profit for the year	-	-	-	-	-	-	20421.97	-	-	-	-	20421.97
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(17.18)	13.40	2277.92	6.92	-	2281.06
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	<b>20404.79</b>	<b>13.40</b>	<b>2277.92</b>	<b>6.92</b>	-	<b>22703.03</b>
Issue of equity shares under ITC Employee Stock Option Schemes	-	1437.16	-	-	-	-	-	-	-	-	-	1437.16
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
- Final Dividend (2022-23 - ₹ 6.75 per share)	-	-	-	-	-	-	(8388.91)	-	-	-	-	(8388.91)
- Special Dividend (2022-23 - ₹ 2.75 per share)	-	-	-	-	-	-	(3417.70)	-	-	-	-	(3417.70)
- Interim Dividend (2023-24 - ₹ 6.25 per share)	-	-	-	-	-	-	(7799.45)	-	-	-	-	(7799.45)
Dividend distribution tax refund received	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Options Outstanding Account on exercise and lapse	-	340.00	(342.50)	-	-	-	1.67	-	-	-	-	(0.83)
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	(8.11)	-	(8.11)
Recognition of share based payment	-	-	108.64	-	-	-	-	-	-	-	-	108.64
<b>Balance as at 31st March, 2024</b>	<b>2.48</b>	<b>14842.78</b>	<b>507.59</b>	<b>0.30</b>	<b>363.05</b>	<b>17585.31</b>	<b>34488.10</b>	<b>(10.02)</b>	<b>3163.40</b>	<b>1.29</b>	<b>40.55</b>	<b>70984.83</b>
<b>Balance as at 1st April, 2022</b>	<b>2.48</b>	<b>9988.14</b>	<b>1316.33</b>	<b>0.30</b>	<b>363.05</b>	<b>17585.31</b>	<b>30060.39</b>	<b>2.78</b>	<b>793.58</b>	<b>14.33</b>	<b>40.55</b>	<b>60167.24</b>
Profit for the year	-	-	-	-	-	-	18753.31	-	-	-	-	18753.31
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(16.81)	(26.20)	91.90	(19.63)	-	29.26
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	<b>18736.50</b>	<b>(26.20)</b>	<b>91.90</b>	<b>(19.63)</b>	-	<b>18782.57</b>
Issue of equity shares under ITC Employee Stock Option Schemes	-	2466.92	-	-	-	-	-	-	-	-	-	2466.92

# Standalone Statement of Changes in Equity for the year ended 31st March, 2024

## B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus					Items of Other Comprehensive Income				Total	
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income		Effective portion of Cash Flow Hedges
Dividends											
- Final Dividend (2021-22 - ₹ 6.25 per share)	-	-	-	-	-	(7702.03)	-	-	-	-	(7702.03)
- Interim Dividend (2022-23 - ₹ 6.00 per share)	-	-	-	-	-	(7448.41)	-	-	-	-	(7448.41)
Dividend distribution tax refund received	-	-	-	-	-	20.43	-	-	-	-	20.43
Transfer from Share Options Outstanding Account on exercise and lapse	-	610.56	(635.99)	-	-	20.82	-	-	-	-	(4.61)
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	7.78	7.78
Recognition of share based payment	-	-	61.11	-	-	-	-	-	-	-	61.11
<b>Balance as at 31st March, 2023</b>	<b>2.48</b>	<b>13065.62</b>	<b>741.45</b>	<b>0.30</b>	<b>363.05</b>	<b>17585.31</b>	<b>(23.42)</b>	<b>885.48</b>	<b>2.48</b>	<b>40.55</b>	<b>66351.00</b>

The Board of Directors of the Company have recommended Final Dividend of ₹ 7.50 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2024 (previous year: Final Dividend ₹ 6.75 per Ordinary Share and Special Dividend of ₹ 2.75 per Ordinary Share) to be paid on fully paid Equity Shares amounting to ₹ 3963.54 Crores. The said Final Dividend is subject to the approval of the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Together with the Interim Dividend of ₹ 6.25 per Ordinary Share (previous year: ₹ 6.00 per Ordinary Share) paid on 27th February, 2024, the total Equity Dividend for the financial year ended 31st March, 2024 is ₹ 13.75 per Ordinary Share (previous year: ₹ 12.75 per Ordinary Share and Special Dividend of ₹ 2.75 per Ordinary Share).

**Capital Reserve:** This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

**Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Share Options Outstanding Account:** This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

**Capital Redemption Reserve:** This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Contingency Reserve:** This Reserve has been created out of Retained Earnings, as a matter of prudence, to take care of any unforeseen adverse developments in pending legal disputes.

**General Reserve:** This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Debt Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Debt Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss when those instruments are disposed of.

**Equity Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss when those instruments are disposed of.

**Effective portion of Cash Flow Hedges:** This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Company's accounting policy.

**Foreign Currency Translation Reserve:** This Reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation whose functional currency is other than Indian Rupee. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 31 are an integral part of the Standalone Financial Statements.

On behalf of the Board

In terms of our report attached

For S R B C & CO LLP

Chartered Accountants

Firm Registration Number: 324982E/E3000003

Arvind Sethi

Partner

(Membership No.: 89802)

Kolkata, May 23, 2024

S. PURI

(DIN : 00280529)

S. DUTTA

(DIN : 01804345)

R. K. SINGHI

(Membership No.: FCS 3770)

Chairman & Managing Director

Director & Chief Financial Officer

Company Secretary



## Standalone Statement of Cash Flows for the year ended 31st March, 2024

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	26315.77	24750.41
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1647.82	1662.73
Share based payments to employees	103.10	58.50
Finance costs	45.73	41.81
Interest Income	(1592.41)	(1434.53)
Dividend Income	(990.35)	(556.90)
(Gain)/Loss on sale of property, plant and equipment, lease termination - Net	(54.07)	4.53
Inventory write-offs/write-downs (net of reversals)	149.62	155.46
Doubtful and bad debts	9.23	(0.93)
Doubtful and bad advances, loans and deposits	25.03	1.16
Impairment of investment in joint venture	-	8.50
Gain recognised on divestment of shares held in joint venture	(9.49)	-
Net gain arising on financial instruments measured at amortised cost/mandatorily measured at fair value through profit or loss	(784.82)	(416.74)
Foreign currency translations and transactions - Net	(6.28) (1456.89)	37.89 (438.52)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	24858.88	24311.89
ADJUSTMENTS FOR:		
Trade receivables, advances and other assets	(887.87)	(603.25)
Inventories	(2187.23)	(751.59)
Trade payables, other liabilities and provisions	17.30 (3057.80)	755.24 (599.60)
CASH GENERATED FROM OPERATIONS	21801.08	23712.29
Income tax paid (net of refunds)	(5682.85)	(5800.59)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>16118.23</b>	<b>17911.70</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, intangibles, ROU asset etc.	(2647.23)	(1858.32)
Sale of property, plant and equipment	100.85	48.86
Purchase of current investments	(64931.45)	(72925.91)
Sale/redemption of current investments	67992.14	67720.51
Payment towards contingent purchase consideration	-	(63.75)
Investment in subsidiaries	(1050.35)	(1184.14)
Investment in associates*	(86.26)	(1.88)
Investment in joint venture	(0.90)	-
Purchase of non-current investments*	(2745.51)	(2349.41)
Sale/redemption of non-current investments	2622.86	4057.60
Redemption of investment in subsidiary	-	18.00
Advance received towards divestment of shares held in joint venture [Refer Note 28 (x)]	-	56.00
Dividend received	990.35	556.90
Interest received	1016.53	1216.27
Investment in bank deposits (original maturity more than 3 months)	(3578.11)	(7427.20)
Redemption/maturity of bank deposits (original maturity more than 3 months)	4446.34	5476.33
Investment in deposit with housing finance company	-	(3500.00)
Redemption/maturity of deposit with housing finance company	-	5000.00
Loans given	(12.22)	(8.21)
Loans realised	10.51	8.98
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>2127.55</b>	<b>(5159.37)</b>

## Standalone Statement of Cash Flows for the year ended 31st March, 2024

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	1442.83	2477.39
Repayment of non-current borrowings	(1.26)	(0.74)
Principal payment of lease liabilities	(56.64)	(51.97)
Interest paid	(46.02)	(40.04)
Net increase in statutory restricted accounts balances	12.12	14.94
Dividend paid	(19606.06)	(15150.44)
Dividend distribution tax refund received	—	20.43
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(18255.03)</b>	<b>(12730.43)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(9.25)</b>	<b>21.90</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>206.88</b>	<b>184.98</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>197.63</b>	<b>206.88</b>

\* Also refer Note 28(ix)

Notes:

1. The above Statement of Cash Flows has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Statement of Cash Flows”

2. CASH AND CASH EQUIVALENTS:	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents as above	197.63	206.88
Unrealised gain/(loss) on foreign currency cash and cash equivalents	...	...
Cash and cash equivalents (Note 11)	<u>197.63</u>	<u>206.88</u>

3. Net Cash Flow from Operating Activities includes an amount of ₹ 436.16 Crores (2023 - ₹ 328.80 Crores) spent towards Corporate Social Responsibility.

4. Disclosure of change arising from financing activities in respect of lease liabilities - Refer Note 15

The accompanying notes 1 to 31 are an integral part of the Standalone Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

*Chairman & Managing Director*  
*Director & Chief Financial Officer*  
*Company Secretary*



# Notes to the Standalone Financial Statements

## Company Information

ITC Limited (the 'Company') [CIN: L16005WB1910PLC001985] is a public limited company domiciled in India with its registered office located at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071. The Company's shares are listed on the National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited.

The Company is a diversified conglomerate with businesses spanning Fast-Moving Consumer Goods (Cigarettes & Cigars, Foods, Personal Care Products, Education & Stationery Products, Safety Matches and Agarbattis), Hotels, Paperboards, Paper and Packaging, and Agri Business.

## 1. Material Accounting Policies

### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and amendments thereto. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

### Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period

of the revision and future periods if the revision affects both current and future periods.

### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use, which is generally on commissioning. Items of PP&E are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

The estimated useful lives of PP&E of the Company are as follows:

Buildings	30-60 Years
Leasehold Improvements	Shorter of lease period or estimated useful lives
Plant and Equipment	3-25 Years
Furniture and Fixtures	8-10 Years
Vehicles	8-10 Years
Office Equipment	5 Years

PP&E's residual values, useful lives and method of depreciation are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### Goodwill and Other Intangible Assets

#### Goodwill

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses.

Goodwill is annually tested for impairment. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

On disposal of the CGU or group of CGUs, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

#### Other Intangible Assets

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination, at fair value on the date of acquisition.
- for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

After initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Trademarks/ Know How, Business and Commercial Rights	10 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	5 Years
Customer Relationships	8 Years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

#### Investment Property

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight line method so as to amortise the cost of investment properties over their useful lives as specified in

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

Transfers to, or from, investment properties are made at the carrying amount when and only when there is a change in use.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceeds their recoverable amount.

Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date.

Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are recognised in other comprehensive income and accumulated in Foreign Currency Translation Reserve.

### Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the resulting gain/loss is recognised as per the hedge accounting principles stated below.

The Company complies with the principles of hedge accounting where derivative contracts and / or non-derivative financial assets/liabilities that are permitted under applicable accounting standards are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

#### (i) Fair value hedges

Changes in fair value of the designated portion of hedging instruments that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Such fair value changes are recognised in the line item relating to the hedged item in Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of hedging instruments that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gains/losses relating to the ineffective portion are recognised immediately in the Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non – financial asset, such gains/losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non–financial asset.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains/losses accumulated in equity are recognised immediately in the Statement of Profit and Loss.

### Investment in Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

### Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

### Financial Assets

**Recognition:** Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

### Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised in 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and Cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised



# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**Derecognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

**Income Recognition:** Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods includes Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes

taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

### Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised in the Statement of Profit and Loss as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

### Dividend Distribution

Dividends paid (including income tax thereon, if any) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

### Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts. Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

are members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. In respect of other employees, provident funds are deposited with the Government and recognised as expense.

The Company makes contribution to defined contribution pension plan. The contribution payable is recognised as an expense, when an employee renders the related service.

The Company also makes contribution to defined benefit pension and gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

### Employee Share Based Compensation

#### Stock Options

Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ("ITC ESOS"), as may be decided by the Nomination & Compensation Committee/Board. Eligible employees for this purpose include employees of the Company including Directors and those on deputation and employees of the Company's subsidiary companies including Managing Director / Wholetime Director of a subsidiary.

Under Ind AS, the cost of ITC Stock Options (Stock Options) is recognised based on the fair value of Stock Options as on the grant date.

The fair value of Stock Options granted is recognised in the Statement of Profit and Loss over the period in which the performance and/or service conditions are fulfilled for employees of the Company (other than those out on deputation). The value of Stock Options, net of reimbursements, granted to employees on deputation and to employees of the wholly owned and other subsidiary companies is considered as capital contribution/investment.

The Company generally seeks reimbursement of the value of Stock Options from such companies, as applicable. It may, if so recommended by the Corporate Management

Committee and approved by the Audit Committee, decide not to seek such reimbursements from:

- (a) wholly owned subsidiaries who need to conserve financial capacity to sustain their business and growth plans and to address contingencies that may arise, taking into account the economic and market conditions then prevailing and opportunities and threats in the competitive context.
- (b) other companies not covered under (a) above, who need to conserve financial capacity to sustain their business and growth plans and where the quantum of reimbursement is not material - the materiality threshold being ₹ 5 Crores for each entity for a financial year.

### Cash Settled Stock Appreciation Linked Reward (SAR) Plan

Cash Settled SAR units are granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan ("ITC ESARP"). The eligible employees for this purpose are such present and future permanent employees of the Company, including a Director of the Company, as may be decided by the CMC/Nomination & Compensation Committee/Board.

For cash settled SAR units granted to eligible employees, a liability is initially measured at fair value at the grant date and is subsequently remeasured at each reporting period, until settled. The fair value of ESAR units granted is recognised in the Statement of Profit and Loss over the period in which the performance and/or service conditions are fulfilled for employees of the Company. In case of employees on deputation to group companies, the Company generally seeks reimbursements from the concerned group company. The value of such payments, net of reimbursements, is considered as capital contribution/investment.

### Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude is ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

### Taxes on Income

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

### Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

### Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on businesses which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole.

### Financial and Management Information Systems

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

# Notes to the Standalone Financial Statements

## 2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note B below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortised over their useful economic life. Refer notes to the financial statements.

### B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 1. Useful lives of property, plant and equipment, investment property and intangible assets:

As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment, investment property and intangible assets at the end of each reporting

period and the impact of changes in the estimated useful life is considered in the period in which the estimate is revised.

#### 2. Fair value measurements and valuation processes:

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

#### 3. Actuarial Valuation:

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

#### 4. Claims, Provisions and Contingent Liabilities:

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.



# Notes to the Standalone Financial Statements

(₹ in Crores)

Particulars	Gross Block						
	As at 31st March, 2022	Additions	Withdrawals and adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments <sup>#</sup>	As at 31st March, 2024
<b>3A. Property, Plant and Equipment<sup>1</sup></b>							
Land <sup>2</sup>	2016.73	7.17	5.80	2018.10	4.13	17.57	2004.66
Buildings	8428.65	686.84	10.08	9105.41	929.54	42.04	9992.91
Leasehold Improvements	13.28	0.10	0.77	12.61	9.13	-	21.74
Plant and Equipment	16256.41	1712.10	163.45	17805.06	2101.72	157.53	19749.25
Furniture and Fixtures	884.78	103.54	7.64	980.68	65.05	7.02	1038.71
Vehicles	155.61	23.32	22.67	156.26	24.12	22.04	158.34
Office Equipment	28.57	3.21	1.16	30.62	6.53	0.88	36.27
Railway Sidings	1.73	-	-	1.73	-	-	1.73
<b>Total</b>	<b>27785.76</b>	<b>2536.28</b>	<b>211.57</b>	<b>30110.47</b>	<b>3140.22</b>	<b>247.08</b>	<b>33003.61</b>
<b>3B. Capital work-in-progress</b>	<b>2442.34</b>	<b>1732.59</b>	<b>2493.46</b>	<b>1681.47</b>	<b>2471.14</b>	<b>3074.64</b>	<b>1077.97</b>
<b>3C. Investment Property<sup>3</sup></b>	<b>410.11</b>	<b>-</b>	<b>(0.52)</b>	<b>410.63</b>	<b>-</b>	<b>(41.40)</b>	<b>452.03</b>
<b>3D. Goodwill</b>	<b>577.20</b>	<b>-</b>	<b>-</b>	<b>577.20</b>	<b>-</b>	<b>-</b>	<b>577.20</b>
<b>3E. Other Intangible assets (acquired)</b>							
Assets with indefinite life <sup>4</sup>							
Trademarks	1889.78	-	-	1889.78	-	-	1889.78
Assets with finite life							
Trademarks	30.57	-	-	30.57	-	-	30.57
Computer Software	237.40	66.30	3.37	300.33	49.69	1.84	348.18
Know How, Business and Commercial Rights	43.38	0.51	-	43.89	12.51	-	56.40
Customer Relationships	35.21	-	-	35.21	-	-	35.21
<b>Total</b>	<b>2236.34</b>	<b>66.81</b>	<b>3.37</b>	<b>2299.78</b>	<b>62.20</b>	<b>1.84</b>	<b>2360.14</b>
<b>3F. Intangible assets under development</b>	<b>23.84</b>	<b>53.98</b>	<b>62.69</b>	<b>15.13</b>	<b>52.40</b>	<b>58.46</b>	<b>9.07</b>
<b>3G. Right-of-use assets<sup>A</sup></b>							
Land	516.63	-	-	516.63	9.09	0.19	525.53
Buildings	297.05	71.39	70.85	297.59	85.40	39.54	343.45
Plant and Equipment	48.63	-	-	48.63	-	6.80	41.83
<b>TOTAL</b>	<b>862.31</b>	<b>71.39</b>	<b>70.85</b>	<b>862.85</b>	<b>94.49</b>	<b>46.53</b>	<b>910.81</b>

<sup>#</sup> Includes amounts transferred to Investment Property on its recognition

<sup>A</sup> Also refer Note 28(vii)

## Notes:

1. a) The above includes following assets given on operating lease:

Particulars	As at 31st March, 2023				2023	As at 31st March, 2024			2024
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year		Gross Block	Accumulated Depreciation	Net Block	
Land	1.48	-	1.48	-	1.48	-	1.48	-	
Buildings	4.11	1.22	2.89	0.08	3.59	1.15	2.44	0.06	
Plant and Equipment	247.10	166.96	80.14	17.75	267.22	183.41	83.81	14.24	
<b>TOTAL</b>	<b>252.69</b>	<b>168.18</b>	<b>84.51</b>	<b>17.83</b>	<b>272.29</b>	<b>184.56</b>	<b>87.73</b>	<b>14.30</b>	

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 129.01 Crores (2023 - ₹ 90.50 Crores).

2. Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2023 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

# Notes to the Standalone Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization						Net Book Value		
	Upto 31st March, 2022	For the year	On Withdrawals and adjustments	Upto 31st March, 2023	For the year	On Withdrawals and adjustments <sup>#</sup>	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
<b>3A. Property, Plant and Equipment<sup>1</sup></b>									
Land <sup>2</sup>	–	–	–	–	–	–	–	2004.66	2018.10
Buildings	1129.24	239.88	4.17	1364.95	234.28	9.96	1589.27	8403.64	7740.46
Leasehold Improvements	7.37	1.76	0.40	8.73	0.33	–	9.06	12.68	3.88
Plant and Equipment	6527.82	1210.12	133.07	7604.87	1188.01	124.26	8668.62	11080.63	10200.19
Furniture and Fixtures	467.54	79.43	6.15	540.82	82.82	6.00	617.64	421.07	439.86
Vehicles	74.59	16.85	14.49	76.95	16.31	14.84	78.42	79.92	79.31
Office Equipment	19.14	4.72	2.07	21.79	2.96	0.82	23.93	12.34	8.83
Railway Sidings	0.91	0.13	–	1.04	0.13	–	1.17	0.56	0.69
<b>Total</b>	<b>8226.61</b>	<b>1552.89</b>	<b>160.35</b>	<b>9619.15</b>	<b>1524.84</b>	<b>155.88</b>	<b>10988.11</b>	<b>22015.50</b>	<b>20491.32</b>
<b>3B. Capital work-in-progress</b>	–	–	–	–	–	–	–	<b>1077.97</b>	<b>1681.47</b>
<b>3C. Investment Property<sup>3</sup></b>	<b>45.91</b>	<b>12.38</b>	<b>(0.08)</b>	<b>58.37</b>	<b>13.53</b>	<b>(7.04)</b>	<b>78.94</b>	<b>373.09</b>	<b>352.26</b>
<b>3D. Goodwill</b>	–	–	–	–	–	–	–	<b>577.20</b>	<b>577.20</b>
<b>3E. Other Intangible assets (acquired)</b>									
Assets with indefinite life <sup>4</sup>									
Trademarks	–	–	–	–	–	–	–	1889.78	1889.78
Assets with finite life									
Trademarks	20.44	3.14	–	23.58	3.14	–	26.72	3.85	6.99
Computer Software	179.04	21.16	0.41	199.79	32.34	1.84	230.29	117.89	100.54
Know How, Business and Commercial Rights	22.25	4.95	–	27.20	4.00	–	31.20	25.20	16.69
Customer Relationships	7.39	4.40	–	11.79	4.40	–	16.19	19.02	23.42
<b>Total</b>	<b>229.12</b>	<b>33.65</b>	<b>0.41</b>	<b>262.36</b>	<b>43.88</b>	<b>1.84</b>	<b>304.40</b>	<b>2055.74</b>	<b>2037.42</b>
<b>3F. Intangible assets under development</b>	–	–	–	–	–	–	–	<b>9.07</b>	<b>15.13</b>
<b>3G. Right-of-use assets<sup>^</sup></b>									
Land	21.40	7.83	–	29.23	8.02	–	37.25	488.28	487.40
Buildings	111.51	50.59	66.46	95.64	52.26	16.59	131.31	212.14	201.95
Plant and Equipment	16.56	5.51	–	22.07	5.29	6.80	20.56	21.27	26.56
<b>TOTAL</b>	<b>149.47</b>	<b>63.93</b>	<b>66.46</b>	<b>146.94</b>	<b>65.57</b>	<b>23.39</b>	<b>189.12</b>	<b>721.69</b>	<b>715.91</b>

3. The fair value of the investment property is ₹ 1166.02 Crores (2023 - ₹ 903.04 Crores). The fair value has been determined on the basis of valuation carried out at the reporting date by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 and the same has been categorised as Level 2 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research & trends, contracted rentals, terminal yields, discount rates and comparable values, as appropriate.

Amounts recognised in the Statement of Profit and Loss in respect of the investment property is as under:

(₹ in Crores)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rental Income etc. from investment property	138.90	124.05
Direct Operating Expenses arising from investment property that generated rental income during the year <sup>5</sup>	14.75	11.42
Direct Operating Expenses arising from investment property that did not generate rental income during the year	–	–

<sup>5</sup>As per the contractual arrangements, the Company is responsible for the maintenance of common area at its own cost. The expenses arising out of such arrangements are not material.

4. Assets with indefinite life pertain to the 'FMCG - Others' Segment and are related to the Branded Packaged Foods and Personal Care Products businesses of the Company. Impairment testing for goodwill and intangible assets with indefinite useful lives has been carried out considering their recoverable amounts which, inter-alia, includes estimation of their value-in-use based on management projections. These projections have been made for a period of five years, or longer, as applicable and consider various factors, such as market scenario, growth trends, growth and margin projections, and terminal growth rates specific to the business. For such projections, discount rate of 10% (2023 - 10%) and long-term growth rates ranging between 5% to 6% (2023 - 5% to 6%) have been considered. Discount rate has been determined considering the Weighted Average Cost of Capital (WACC) of market benchmarks. Based on the above assessment, no impairment has been recognised during the year. Further, the Company has also performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the aforesaid assets to exceed their recoverable values.

## Notes to the Standalone Financial Statements

### Capital work-in-progress (CWIP) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2024				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	655.86	345.20	140.10	540.31	1681.47	870.57	149.72	25.69	31.99	1077.97
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
<b>TOTAL</b>	<b>655.86</b>	<b>345.20</b>	<b>140.10</b>	<b>540.31</b>	<b>1681.47</b>	<b>870.57</b>	<b>149.72</b>	<b>25.69</b>	<b>31.99</b>	<b>1077.97</b>

### Completion schedule for Projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan

(₹ in Crores)

Particulars	As at 31st March, 2023				As at 31st March, 2024			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
MXD - KOL	633.54	–	–	–	–	–	–	–

### Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2024				
	Amount in IAUD for a period of					Amount in IAUD for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	15.13	–	–	–	15.13	7.62	1.45	–	–	9.07
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
<b>TOTAL</b>	<b>15.13</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15.13</b>	<b>7.62</b>	<b>1.45</b>	<b>–</b>	<b>–</b>	<b>9.07</b>

Note: There are no projects in IAUD, which are overdue or has exceeded its cost compared to its original plan as at 31st March, 2024 and 31st March, 2023.

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments</b>					
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>					
<b>In Subsidiaries (at cost unless stated otherwise)</b>					
<b>Unquoted</b>					
Gold Flake Corporation Limited	10	1,59,98,385	16.00	1,59,98,385	16.00
Russell Credit Limited					
Fully paid	10	59,74,54,177	619.29	59,74,54,177	619.29
₹ 6.50 per share paid	10	7,54,22,400	39.22	7,54,22,400	39.22
ITC Infotech India Limited	10	8,80,00,000	616.18	8,80,00,000	617.01
Landbase India Limited	10	31,70,00,000	325.57	31,70,00,000	325.57
Surya Nepal Private Limited (Ordinary Shares)	Nepalese Rupee (NRS) 50 (2023 - NRS 100)	2,37,88,800	10.15	1,18,94,400	10.15
Srinivasa Resorts Limited	10	1,63,20,477	18.53	1,63,20,477	18.53
Fortune Park Hotels Limited	10	4,50,008	0.45	4,50,008	0.45
Bay Islands Hotels Limited	100	11,875	0.12	11,875	0.12
WelcomHotels Lanka (Private) Limited	No par value	66,58,32,260	1952.35	40,08,47,960	1247.99
Wimco Limited	1	18,50,81,193	3.50	18,50,81,193	3.50
Technico Pty Limited (Ordinary Shares) (₹ 16.29 Crores impaired)	No par value	1,00,15,502	31.88	1,00,15,502	31.88
Technico Agri Sciences Limited	10	3,79,62,800	121.00	3,79,62,800	121.00
ITC Integrated Business Services Limited	10	75,00,000	7.50	45,00,000	4.50
ITC IndiVision Limited	10	12,00,00,000	120.00	12,00,00,000	120.00
North East Nutrients Private Limited	10	5,54,80,000	55.48	5,54,80,000	55.48
Pavan Poplar Limited (cost ₹ 5.99 Crores, fully impaired)	10	55,10,004	–	55,10,004	–
Prag Agro Farm Limited (cost ₹ 12.82 Crores, fully impaired)	1	1,28,00,020	–	1,28,00,020	–
ITC Fibre Innovations Limited	10	20,00,00,000	200.00	10,000	0.01
ITC Hotels Limited	1	83,00,00,000	83.00	–	–
<b>In Associates (at cost unless stated otherwise)</b>					
<b>Quoted</b>					
International Travel House Limited	10	39,14,233	21.87	2,87,600	0.65
Gujarat Hotels Limited	10	17,33,907	1.94	17,33,907	1.94
<b>Unquoted</b>					
Delectable Technologies Private Limited	10	2,386	3.60	100	0.10
Mother Sparsh Baby Care Private Limited	10	100	0.96	100	0.96
Sproutlife Foods Private Limited [Refer Note 28(ix)]	10	2,443	40.33	–	–
Carried over			4288.92		3234.35



## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			4288.92		3234.35
<b>INVESTMENT IN EQUITY INSTRUMENTS (Contd.)</b>					
<b>In Joint Ventures (at cost unless stated otherwise)</b>					
<b>Unquoted</b>					
Espirit Hotels Private Limited [Refer Note 28(x)]	10	–	–	4,65,09,200	46.51
Maharaja Heritage Resorts Limited	100	1,80,000	1.80	90,000	0.90
Logix Developers Private Limited [Refer Note 28(viii)] [cost ₹ 41.95 Crores, fully impaired]	10	77,66,913	–	77,66,913	–
<b>In Others (at fair value through other comprehensive income unless stated otherwise)</b>					
<b>Quoted</b>					
EIH Limited	2	8,56,21,473	3848.69	8,56,21,473	1418.32
HLV Limited	2	4,99,53,055	130.13	4,99,53,055	45.71
Tourism Finance Corporation of India Limited	10	25,000	0.43	25,000	0.18
VST Industries Limited	10	476	0.17	476	0.15
<b>Unquoted</b>					
Andhra Pradesh Gas Power Corporation Limited	10	8,04,000	–	8,04,000	–
Bihar Hotels Limited	2	8,00,000	0.04	8,00,000	0.04
Woodlands Multispeciality Hospital Limited	10	13,605	0.01	13,605	0.01
Mirage Advertising and Marketing Limited	10	12,488	–	12,488	–
Blupin Technologies Private Limited (at fair value through profit or loss)	10	400	3.82	400	3.82
<b>INVESTMENT IN PREFERENCE SHARES</b>					
<b>In Subsidiaries (at amortised cost unless stated otherwise)</b>					
<b>Unquoted</b>					
WelcomHotels Lanka (Private) Limited (at cost) (Cumulative Non-Convertible Redeemable Preference Shares)	No par value	38,33,73,340	1527.42	38,33,73,340	1527.42
Wimco Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	–	–	5,00,000	5.00
ITC IndiVision Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	2,20,00,000	220.00	1,60,00,000	160.00
Carried over			10021.43		6442.41

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			10021.43		6442.41
<b>INVESTMENT IN PREFERENCE SHARES (Contd.)</b>					
<b>In Associates (at cost)</b>					
<b>Unquoted</b>					
Delectable Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	10	7,759	7.40	7,759	7.40
Mother Sparsh Baby Care Private Limited (Compulsorily Convertible Cumulative Preference Shares)	10	3,837	44.04	2,980	32.50
Sproutlife Foods Private Limited [Refer Note 28(ix)] (Compulsorily Convertible Preference Shares)	10	9,571	184.67	–	–
<b>In Others (at fair value through profit or loss)</b>					
<b>Unquoted</b>					
Blupin Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	100	2,980	35.52	2,980	35.52
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Government of India Zero Coupon Government Stock</b>					
Zero Coupon Government Stock - 22-Feb-2025	100	–	–	34,00,000	30.62
Zero Coupon Government Stock - 15-Jun-2025	100	10,20,000	9.51	10,20,000	8.97
Zero Coupon Government Stock - 22-Aug-2025	100	25,35,000	23.31	25,35,000	21.94
Zero Coupon Government Stock - 15-Dec-2025	100	36,34,800	32.83	36,34,800	30.93
Zero Coupon Government Stock - 17-Dec-2025	100	6,02,300	5.42	6,02,300	5.10
Zero Coupon Government Stock - 22-Feb-2026	100	25,35,000	22.52	25,35,000	21.17
Zero Coupon Government Stock - 15-Jun-2026	100	10,20,000	8.89	10,20,000	8.35
Zero Coupon Government Stock - 22-Aug-2026	100	63,54,400	54.55	63,54,400	51.19
Zero Coupon Government Stock - 15-Dec-2026	100	10,20,000	8.58	10,20,000	8.05
Zero Coupon Government Stock - 22-Feb-2027	100	40,11,000	33.20	40,11,000	31.10
Zero Coupon Government Stock - 15-Jun-2027	100	31,17,000	25.32	31,17,000	23.73
Zero Coupon Government Stock - 22-Aug-2027	100	48,54,400	38.70	48,54,400	36.20
<b>Unquoted</b>					
Government Securities - cost ₹ 70000.00		–	0.01	–	0.01
National Savings Certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)			...		...
Carried over			10555.90		6795.19

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			10555.90		6795.19
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>Housing and Urban Development Corporation Limited</b>					
7.07% - Series B - 01-Oct-2025	10,00,000	4,300	432.13	4,300	433.65
7.19% - Series A - 31-Jul-2025	10,00,000	150	15.18	150	15.31
7.39% - Series 2A - 08-Feb-2031	1,000	7,00,696	70.07	7,00,696	70.07
8.20% - Series 2 - 05-Mar-2027	1,000	5,00,000	52.62	5,00,000	53.42
<b>India Infrastructure Finance Company Limited</b>					
7.36% - Series II - 22-Jan-2028	1,000	3,00,000	31.38	3,00,000	31.69
8.26% - Series V B - 23-Aug-2028	10,00,000	1,175	121.96	1,175	122.82
8.46% - Series VI B - 30-Aug-2028	10,00,000	1,300	137.27	1,300	138.65
8.48% - Series VII B - 05-Sep-2028	10,00,000	1,780	185.83	1,780	187.31
<b>Indian Railway Finance Corporation Limited</b>					
7.07% - Series 102 - 21-Dec-2025	1,000	70,498	7.13	70,498	7.18
7.15% - Series 100 - 21-Aug-2025	10,00,000	250	25.28	250	25.46
7.19% - Series 99 - 31-Jul-2025	10,00,000	2,250	225.26	2,250	225.38
7.34% - Series 86A - 19-Feb-2028	1,000	1,00,000	10.51	1,00,000	10.63
8.48% - Series 89A - 21-Nov-2028	10,00,000	1,250	130.20	1,250	131.09
8.55% - Series 94A - 12-Feb-2029	10,00,000	130	13.60	130	13.69
<b>National Bank for Agriculture and Rural Development</b>					
7.07% - Series 1A - 25-Feb-2026	10,00,000	2,000	203.14	2,000	204.71
<b>National Highways Authority of India</b>					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	2,600	260.23	2,600	260.25
7.14% - Series I A - 11-Jan-2026	1,000	8,06,381	81.19	8,06,381	81.45
7.28% - Series NHAI - II B - 18-Sep-2030	10,00,000	2,500	250.00	2,500	250.00
7.35% - Series II A - 11-Jan-2031	1,000	17,49,943	181.40	17,49,943	182.10
8.50% - Series II A - 05-Feb-2029	1,000	5,00,000	54.74	5,00,000	55.55
8.75% - Series II B - 05-Feb-2029	1,000	2,50,000	27.77	2,50,000	28.25
Carried over			13072.79		9323.85

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			13072.79		9323.85
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>National Housing Bank</b>					
8.46% - Series V - 30-Aug-2028	10,00,000	800	83.07	800	83.65
<b>Power Finance Corporation Limited</b>					
7.16% - Series 136 - 17-Jul-2025	10,00,000	600	60.63	600	61.11
8.46% - Series 107B - 30-Aug-2028	10,00,000	500	51.92	500	52.28
8.54% - Series 2A - 16-Nov-2028	1,000	3,50,000	38.73	3,50,000	39.42
<b>REC Limited</b>					
7.17% - Series 5A - 23-Jul-2025	10,00,000	850	85.88	850	86.51
8.46% - Series 3B - 29-Aug-2028	10,00,000	1,190	125.96	1,190	127.30
8.46% - Series 2A - 24-Sep-2028	1,000	3,50,000	38.52	3,50,000	39.20
8.54% - Series 4B - 11-Oct-2028	10,00,000	50	5.21	50	5.25
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>National Bank for Agriculture and Rural Development</b>					
5.70% - Series 22 D - 31-Jul-2025	10,00,000	–	–	1,000	99.45
7.62% - Series 24 H - 10-May-2029	1,00,000	20,000	200.00	–	–
7.62% - Series 23 I - 31-Jan-2028	1,00,000	19,000	188.72	–	–
7.49% - Series 24 B - 15-Oct-2026	1,00,000	10,000	99.06	–	–
7.69% - Series 20 C - 29-May-2024	10,00,000	–	–	4,300	441.85
8.22% - Series PMAYG-PB-2 - 13-Dec-2028	10,00,000	1,550	158.48	–	–
<b>Power Finance Corporation Limited</b>					
8.20% - Series 128 - 10-Mar-2025	10,00,000	–	–	450	46.75
8.39% - Series 130 C - 19-Apr-2025	10,00,000	–	–	200	20.89
<b>Small Industries Development Bank of India</b>					
7.43% - Series I - 31-Aug-2026	1,00,000	5,000	49.50	–	–
7.44% - Series II - 04-Sep-2026	1,00,000	5,000	49.52	–	–
7.68% - Series IX - 10-Aug-2027	1,00,000	30,000	299.99	–	–
7.79% - Series IV - 19-Apr-2027	1,00,000	30,000	299.90	–	–
7.79% - Series VI - 14-May-2027	1,00,000	25,000	249.86	–	–
7.83% - Series V - 24-Nov-2028	1,00,000	40,500	404.91	–	–
Carried over			15562.65		10427.51



## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			15562.65		10427.51
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>Perpetual Bonds - Unsecured, Subordinated &amp; Non-Convertible#</b>					
<b>State Bank of India</b>					
7.72% - Series I (with first Call option on 03-Sep-2026)	1,00,00,000	313	313.00	313	313.00
7.72% - Series II (with first Call option on 18-Oct-2026)	1,00,00,000	400	400.00	400	400.00
<b>Zero Coupon Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>LIC Housing Finance Limited</b>					
Tranche 416 - 25-Apr-2025	10,00,000	10,000	1144.67	10,000	1081.21
<b>INVESTMENT IN DEBT MUTUAL FUNDS</b>					
<b>Quoted</b>					
<b>Fixed Maturity Plans (at amortised cost)*</b>					
Aditya Birla Sun Life Mutual Fund	10	2,19,98,900	24.84	2,19,98,900	23.40
DSP Mutual Fund	10	4,99,97,500	55.04	4,99,97,500	51.36
Nippon India Mutual Fund	10	1,49,99,250	17.09	1,49,99,250	16.06
SBI Mutual Fund	10	23,69,88,151	269.91	23,69,88,151	255.23
<b>Exchange Traded Funds (at fair value through other comprehensive income) **</b>					
Axis Mutual Fund	1	13,25,00,000	154.00	5,50,00,000	59.60
Edelweiss Mutual Fund	1,000	33,03,209	395.25	-	-
Nippon India Mutual Fund	10	6,50,00,000	778.38	6,50,00,000	726.12
<b>Unquoted</b>					
<b>Target Maturity Index Funds (at fair value through other comprehensive income) **</b>					
Aditya Birla Sun Life Mutual Fund	10	84,29,49,728	945.75	84,29,49,728	882.34
Axis Mutual Fund	10	16,74,27,323	185.66	14,37,69,946	148.73
DSP Mutual Fund	10	4,76,41,228	53.08	2,49,40,887	26.04
ICICI Prudential Mutual Fund	10	54,91,10,334	615.29	54,91,10,334	574.27
Kotak Mahindra Mutual Fund	10	59,85,34,837	669.83	42,26,69,978	438.22
Nippon India Mutual Fund	10	24,38,33,990	269.43	24,38,33,990	251.24
SBI Mutual Fund	10	75,82,85,035	846.11	54,75,53,778	569.97
Carried over			22699.98		16244.30

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			22699.98		16244.30
<b>INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (at fair value through profit or loss)</b>					
<b>Unquoted</b>					
Chiratae Ventures India Fund IV	1,00,000	1,279	18.74	1,125	17.33
Fireside Ventures Investments Fund I	1,00,000	1,289	42.29	1,335	58.06
Fireside Ventures Investments Fund II	1,000	1,79,000	28.37	1,40,000	17.47
Fireside Ventures Investments Fund III	1,00,000	560	4.42	300	3.00
India Foundation Fund Series I	100	4,73,457	4.80	3,46,463	3.85
Roots Ventures I	100	9,63,113	23.34	9,13,113	19.54
<b>Aggregate amount of quoted investments</b>			<b>12824.99</b>		<b>8302.60</b>
<b>Aggregate amount of unquoted investments</b>			<b>9996.95</b>		<b>8060.95</b>
<b>TOTAL</b>			<b>22821.94</b>		<b>16363.55</b>

Aggregate market value of quoted investments ₹ 12915.49 Crores (2023 - ₹ 8340.39 Crores).

Aggregate amount of impairment in value of investments ₹ 77.05 Crores (2023 - ₹ 77.05 Crores).

- \* Investments in Fixed Maturity Plans (FMPs) that are intended to be held by the Company till maturity are classified as amortised cost. The underlying instruments in the portfolio of these FMPs have minimal churn and are held to receive contractual cashflows.
- \*\* Exchange Traded/Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cashflows except for meeting redemption and rebalancing requirements. Investment in such funds are classified as FVTOCI as cash flows from these investments are realised on maturity or upon sale.
- # Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Company based on the substantive characteristics of the contract.

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>5. Loans</b>				
Other Loans - Employees				
– Unsecured, considered good	9.10	2.63	5.95	4.07
<b>TOTAL</b>	<b>9.10</b>	<b>2.63</b>	<b>5.95</b>	<b>4.07</b>
<b>6. Other Financial assets</b>				
Bank deposits with more than 12 months maturity	–	300.00	–	2034.40
Other financial assets				
Security Deposits *	28.49	72.59	25.50	73.27
Deposits other than Security Deposits	8.16	0.29	2.75	1500.56
Interest accrued on Loans, Deposits, Investments etc.	403.25	–	393.83	–
Other Receivables**	409.96	–	283.76	–
<b>TOTAL</b>	<b>849.86</b>	<b>372.88</b>	<b>705.84</b>	<b>3608.23</b>

\* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2023 - ₹ 0.06 Crore) (Refer Note 30).

\*\* Comprise receivables on account of government grants, claims, rentals, derivatives designated as hedging instrument etc.

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>7. Other Assets</b>				
Capital Advances	–	194.32	–	168.45
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	0.71	790.91	0.35	789.38
– Others	0.97	162.10	0.79	149.86
Advances to related parties (Refer Note 30)	21.30	–	–	–
Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.)	965.13	81.89	1197.50	104.05
Other Receivables*	146.07	–	189.45	–
<b>TOTAL</b>	<b>1134.18</b>	<b>1229.22</b>	<b>1388.09</b>	<b>1211.74</b>

\* Comprise receivables on account of government grants, withholding taxes etc.

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
	<b>8. Inventories*</b>	
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	8494.87	6937.54
Work-in-progress	322.10	263.47
Finished goods (manufactured)	2115.45	2063.30
Stock-in-trade (goods purchased for resale)	979.40	700.11
Stores and spares	623.96	514.39
Intermediates - Tissue paper and Paperboards	95.73	115.09
<b>TOTAL</b>	<b>12631.51</b>	<b>10593.90</b>

The above includes goods in transit as under:

Raw materials (including packing materials)	159.15	229.89
Stock-in-trade (goods purchased for resale)	2.89	2.37
Stores and spares	2.05	4.37
<b>TOTAL</b>	<b>164.09</b>	<b>236.63</b>

The cost of inventories recognised as an expense includes ₹ 151.49 Crores (2023 - ₹ 156.27 Crores) in respect of write-offs/write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 1.87 Crores (2023 - ₹ 0.81 Crore) have been made owing to subsequent increase in net realisable value.

Inventories of ₹ 670.06 Crores (2023 - ₹ 337.08 Crores) are expected to be recovered after more than twelve months.

\* Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future. The quarterly returns/statements filed by the Company with the bank(s) in respect of such facilities are in agreement with the books of accounts.



## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise)</b>					
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>Indian Railway Finance Corporation Limited</b>					
8.23% - Series 91 - 18-Feb-2024	1,000	–	–	20,00,000	201.79
<b>Power Finance Corporation Limited</b>					
8.01% - Series 107 A - 30-Aug-2023	10,00,000	–	–	1,000	100.26
8.18% - Series 1 A - 16-Nov-2023	1,000	–	–	12,95,560	130.24
<b>REC Limited</b>					
8.01% - Series 3 A - 29-Aug-2023	10,00,000	–	–	1,000	100.25
<b>INVESTMENT IN CERTIFICATES OF DEPOSIT</b>					
<b>Unquoted</b>					
Axis Bank Limited - 19-Jul-2023	5,00,000	–	–	42,000	2045.45
Axis Bank Limited - 18-Jul-2024	5,00,000	42,000	2039.00	–	–
Export Import Bank of India - 17-Aug-2023	5,00,000	–	–	1,000	48.37
Export Import Bank of India - 29-Aug-2023	5,00,000	–	–	1,000	48.23
HDFC Bank Limited - 17-Jul-2023	5,00,000	–	–	9,500	462.88
HDFC Bank Limited - 11-Aug-2023	5,00,000	–	–	1,600	77.50
HDFC Bank Limited - 14-Aug-2023	5,00,000	–	–	8,500	411.43
HDFC Bank Limited - 12-Sep-2023	5,00,000	–	–	12,000	576.92
HDFC Bank Limited - 18-Jul-2024	5,00,000	10,000	485.47	–	–
ICICI Bank Limited - 19-Jul-2023	5,00,000	–	–	5,000	243.51
ICICI Bank Limited - 07-Aug-2023	5,00,000	–	–	1,000	48.48
ICICI Bank Limited - 12-Dec-2023	5,00,000	–	–	5,000	235.39
Kotak Mahindra Bank Limited - 19-Jul-2023	5,00,000	–	–	6,000	292.21
Kotak Mahindra Bank Limited - 27-Jul-2023	5,00,000	–	–	1,000	48.61
Kotak Mahindra Bank Limited - 17-Aug-2023	5,00,000	–	–	500	24.18
Carried over			2524.47		5095.70

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			2524.47		5095.70
<b>INVESTMENT IN CERTIFICATES OF DEPOSIT (Contd.)</b>					
National Bank for Agriculture and Rural Development - 23-Jan-2024	5,00,000	–	–	1,500	69.95
Small Industries Development Bank of India - 07-Jun-2023	5,00,000	–	–	2,000	98.38
Small Industries Development Bank of India - 29-Aug-2023	5,00,000	–	–	1,000	48.23
Small Industries Development Bank of India - 12-Sep-2023	5,00,000	–	–	1,000	48.08
<b>INVESTMENT IN DEBT MUTUAL FUNDS</b>					
<b>Quoted</b>					
<b>Exchange Traded Funds</b>					
Edelweiss Mutual Fund	1,000	–	–	30,00,000	368.71
Nippon India Mutual Fund	10	58,69,560	70.52	58,69,560	65.73
<b>Unquoted</b>					
<b>Liquid/Overnight Funds</b>					
LIC Mutual Fund	1,000	2,31,584	100.18	–	–
Nippon India Mutual Fund	100	–	–	66,75,451	80.01
<b>Ultra Short Term Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	1,86,63,673	940.65	1,86,63,673	874.86
Kotak Mahindra Mutual Fund	10	23,75,47,122	963.52	23,75,47,122	897.90
SBI Mutual Fund	1,000	2,47,159	136.90	2,47,159	127.50
<b>Low Duration Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	87,701	5.78	87,701	5.36
Axis Mutual Fund	1,000	14,17,525	416.27	14,17,525	387.03
Bandhan Mutual Fund	10	7,34,11,386	263.71	7,34,11,386	245.79
DSP Mutual Fund	10	17,22,63,805	311.47	17,22,63,805	290.89
ICICI Prudential Mutual Fund	100	1,40,07,103	699.32	1,40,07,103	647.96
SBI Mutual Fund	1,000	19,73,814	650.49	19,73,814	604.99
Carried over			7083.28		9957.07

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			7083.28		9957.07
<b>INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)</b>					
<b>Money Market Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	40,95,539	139.49	40,95,539	129.50
Axis Mutual Fund	1,000	20,57,053	269.73	20,57,053	250.47
Bandhan Mutual Fund	10	4,22,87,680	167.70	4,22,87,680	155.87
HDFC Mutual Fund	1,000	7,47,666	396.04	7,47,666	367.98
Kotak Mahindra Mutual Fund	1,000	6,53,754	269.36	6,53,754	250.28
Nippon India Mutual Fund	1,000	6,60,345	252.20	6,60,345	234.26
SBI Mutual Fund	10	6,33,58,708	256.09	6,33,58,708	238.05
<b>Floating Rate Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	1,94,01,569	627.15	1,94,01,569	581.25
HDFC Mutual Fund	10	10,07,90,662	461.93	10,07,90,662	427.05
Nippon India Mutual Fund	10	6,22,64,756	265.83	6,22,64,756	246.04
<b>Short Duration Funds</b>					
DSP Mutual Fund	10	2,31,36,440	105.31	–	–
Kotak Mahindra Mutual Fund	10	1,02,55,708	52.81	–	–
Nippon India Mutual Fund	10	1,02,78,225	52.81	–	–
SBI Mutual Fund	10	5,40,50,081	165.74	5,40,50,081	154.07
<b>Banking &amp; PSU Debt Funds</b>					
Axis Mutual Fund	1,000	31,86,227	770.87	31,86,227	720.37
Bandhan Mutual Fund	10	14,17,61,931	316.53	14,17,61,931	296.13
<b>Corporate Bond Funds</b>					
ICICI Prudential Mutual Fund	10	4,30,40,789	121.08	2,42,40,779	63.09
Kotak Mahindra Mutual Fund	1,000	2,98,810	105.58	–	–
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>National Bank for Agriculture and Rural Development</b>					
6.40% - Series 20K - 31-Jul-2023	10,00,000	–	–	2,700	268.84
Carried over			11879.53		14340.32

## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			11879.53		14340.32
<b>Current Portion of Non-current investments</b>					
<b>INVESTMENT IN PREFERENCE SHARES</b>					
<b>In Subsidiaries (at amortised cost)</b>					
<b>Unquoted</b>					
Wimco Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	5,00,000	5.00	–	–
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Government of India Zero Coupon Government Stock</b>					
Zero Coupon Government Stock - 22-Feb-2025	100	34,00,000	32.35	–	–
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>India Infrastructure Finance Company Limited</b>					
8.01% - Series 1A - 12-Nov-2023	1,000	–	–	50,000	5.05
<b>Indian Railway Finance Corporation Limited</b>					
8.23% - Series 91 - 18-Feb-2024	1,000	–	–	8,00,000	81.36
8.35% - Series 89 - 21-Nov-2023	10,00,000	–	–	100	10.13
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>Export Import Bank of India</b>					
5.20% - Series X 01 - 04-Mar-2025 (with Put and Call option on 04-Mar-2024)	10,00,000	–	–	2,000	200.00
<b>Power Finance Corporation Limited</b>					
5.47% - Series 206 - 19-Aug-2023	10,00,000	–	–	100	10.01
6.72% - Series 203 A - 09-Jun-2023	10,00,000	–	–	900	90.25
6.75% - Series 202 A - 22-May-2023	10,00,000	–	–	1,200	120.25
Carried over			11916.88		14857.37



## Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			11916.88		14857.37
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>Perpetual Bonds - Unsecured, Subordinated &amp; Non-Convertible<sup>#</sup></b>					
<b>ICICI Bank Limited</b>					
9.15% - Series DMR 18AT (with first Call option on 20-Jun-2023)	10,00,000	–	–	2,647	264.70
9.90% - Series DDE 18AT (with first Call option on 28-Dec-2023)	10,00,000	–	–	3,000	300.00
<b>State Bank of India</b>					
9.37% - Series II (with first Call option on 21-Dec-2023)	10,00,000	–	–	2,350	235.00
9.56% - Series I (with first Call option on 04-Dec-2023)	10,00,000	–	–	7,000	700.00
<b>Aggregate amount of quoted investments</b>			<b>102.87</b>		<b>3252.57</b>
<b>Aggregate amount of unquoted investments</b>			<b>11814.01</b>		<b>13104.50</b>
<b>TOTAL</b>			<b>11916.88</b>		<b>16357.07</b>

Aggregate market value of quoted investments ₹ 102.50 Crores (2023 - ₹ 3253.03 Crores).

<sup>#</sup> Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Company based on the substantive characteristics of the contract.

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>10. Trade receivables (Current)</b>		
Considered good – Secured	51.44	55.96
Considered good – Unsecured	3260.01	2265.37
Which have significant increase in Credit Risk	–	–
Credit impaired	161.19	167.87
Less: Allowance for credit impairment	161.19	167.87
<b>TOTAL</b>	<b>3311.45</b>	<b>2321.33</b>

### Trade receivables ageing schedule

(₹ in Crores)

Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1405.64	1862.76	37.83	5.22	–	3311.45
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	0.13	5.24	1.29	1.28	43.80
Disputed Trade Receivables – considered good	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	1.03	3.27	2.98	109.46	117.39
<b>SUB-TOTAL</b>	<b>1405.64</b>	<b>1863.92</b>	<b>46.34</b>	<b>9.49</b>	<b>145.32</b>	<b>3472.64</b>
Less: Allowance for credit impairment						161.19
<b>TOTAL</b>						<b>3311.45</b>

(₹ in Crores)

Not Due	Outstanding for following periods from due date of payment as at 31st March, 2023					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1566.84	731.95	17.39	0.63	4.52	2321.33
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	0.02	7.85	6.74	22.00	57.56
Disputed Trade Receivables – considered good	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	0.21	0.55	1.75	110.31
<b>SUB-TOTAL</b>	<b>1566.84</b>	<b>731.97</b>	<b>25.45</b>	<b>7.92</b>	<b>28.27</b>	<b>2489.20</b>
Less: Allowance for credit impairment						167.87
<b>TOTAL</b>						<b>2321.33</b>

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>11. Cash and cash equivalents<sup>@</sup></b>		
Balances with Banks		
Current accounts	192.48	203.19
Cheques, drafts on hand	1.85	1.37
Cash on hand	3.30	2.32
<b>TOTAL</b>	<b>197.63</b>	<b>206.88</b>

<sup>@</sup> Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

The Company does not have any cash and cash equivalents that are not available for use.

<b>12. Other bank balances</b>		
Earmarked balances*	268.81	239.30
In deposit accounts**	5751.25	3385.08
<b>TOTAL</b>	<b>6020.06</b>	<b>3624.38</b>

\* Includes balances towards unpaid dividend, unspent corporate social responsibility.

\*\* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in Crores)
<b>13. Equity Share capital</b>				
<b>Authorised</b>				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
<b>Issued and Subscribed</b>				
Ordinary Shares of ₹ 1.00 each, fully paid	12,48,47,21,471	1248.47	12,42,80,17,741	1242.80
<b>A) Reconciliation of number of Ordinary Shares outstanding</b>				
As at beginning of the year	12,42,80,17,741	1242.80	12,32,32,55,931	1232.33
Add: Issue of Shares on exercise of Options	5,67,03,730	5.67	10,47,61,810	10.48
As at end of the year	<b>12,48,47,21,471</b>	<b>1248.47</b>	<b>12,42,80,17,741</b>	<b>1242.80</b>
<b>B) Shareholders holding more than 5% of the Ordinary Shares in the Company</b>				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (%)
Tobacco Manufacturers (India) Limited	2,54,14,95,863	20.36	2,97,83,47,320	23.96
Life Insurance Corporation of India	1,89,68,61,285	15.19	1,89,68,61,285	15.26
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.81	97,45,31,427	7.84
<b>C) Shareholding of Promoters: Nil</b>				
<b>D) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash or as fully paid up Bonus Shares during the period of five years immediately preceding 31st March: Nil</b>				
<b>E) Rights, preferences and restrictions attached to the Ordinary Shares</b>				
The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
<b>F) Shares reserved for issue under Options</b>				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2023 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	8,99,46,120	13,20,94,790		

### Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of vesting in respect of Options.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options : 30% vests

On completion of 24 months from the date of grant of the Options : 30% vests

On completion of 36 months from the date of grant of the Options : 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further details of ITC Employee Stock Option Schemes are provided in Note 28(xii).



## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>14. Borrowings</b>				
<b>Unsecured</b>				
Deferred payment liabilities				
Sales tax deferment loans*	1.52	1.76	1.26	3.28
<b>TOTAL</b>	<b>1.52</b>	<b>1.76</b>	<b>1.26</b>	<b>3.28</b>

\*Interest free deferral period of 14 years and repayable by 2025-26.

The repayment schedule is summarised as under:

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
In the first year	1.52	1.26
In the second year	1.76	1.52
In the third to fifth year	–	1.76
<b>TOTAL</b>	<b>3.28</b>	<b>4.54</b>

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>15. Lease Liabilities*</b>				
Lease Liabilities	46.74	261.95	46.54	273.59
<b>TOTAL</b>	<b>46.74</b>	<b>261.95</b>	<b>46.54</b>	<b>273.59</b>

\* Refer Note 28(vii)

### Movement of Lease Liabilities during the year

Particulars	31st March, 2024	31st March, 2023
Opening Lease Liabilities	320.13	305.88
New Leases recognised	69.45	70.96
Remeasurements and withdrawals	(24.25)	(4.74)
Interest expense on Lease Liabilities	25.84	25.54
Payment of Lease Liabilities (including interest)	(82.48)	(77.51)
<b>Closing Lease Liabilities</b>	<b>308.69</b>	<b>320.13</b>

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>16. Other financial liabilities</b>		
<b>Non-current</b>		
Others (Includes payable towards employee benefits, retention money payable towards property, plant and equipment etc.)	109.87	152.49
<b>TOTAL</b>	<b>109.87</b>	<b>152.49</b>
<b>Current</b>		
Interest accrued	2.01	1.69
Unpaid dividend*	251.19	239.07
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.30	0.30
Others (Includes payable towards employee benefits, property, plant and equipment, derivatives designated as hedging instruments, contingent consideration on business combination etc.)	1405.83	1489.62
<b>TOTAL</b>	<b>1659.33</b>	<b>1730.68</b>

\* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

\*\* Represents amounts which are subject matter of a pending legal dispute with a bank for which the Company has filed a suit.

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>17. Provisions</b>				
Provision for employee benefits [Refer Note 28(vi)]				
Retirement benefits	60.70	148.79	55.43	139.45
Other benefits	8.02	72.66	8.16	62.38
<b>TOTAL</b>	<b>68.72</b>	<b>221.45</b>	<b>63.59</b>	<b>201.83</b>

# Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>18. Deferred tax liabilities (Net)*</b>		
Deferred tax liabilities	2618.85	2146.97
Less: Deferred tax assets	535.19	525.84
<b>TOTAL</b>	<b>2083.66</b>	<b>1621.13</b>

\*Refer Note 28(xi)

(₹ in Crores)

Movement in deferred tax liabilities/assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Closing Balance
<b>2023-24</b>						
<b>Deferred tax liabilities/assets in relation to:</b>						
On fiscal allowances on property, plant and equipment, investment property etc.	1721.61	122.13	–	–	–	1843.74
On Excise Duty/National Calamity Contingent Duty on closing stock	117.93	(17.32)	–	–	–	100.61
On cash flow hedges	0.84	–	(2.49)	(2.74)	4.82	0.43
Other timing differences	306.59	125.83	241.65	–	–	674.07
<b>Total deferred tax liabilities</b>	<b>2146.97</b>	<b>230.64</b>	<b>239.16</b>	<b>(2.74)</b>	<b>4.82</b>	<b>2618.85</b>
On employees' separation and retirement etc.	132.63	(22.40)	11.30	–	–	121.53
On provision for doubtful debts/advances	52.48	4.62	–	–	–	57.10
On State and Central taxes etc.	70.07	3.18	–	–	–	73.25
Other timing differences	270.66	12.65	–	–	–	283.31
<b>Total deferred tax assets</b>	<b>525.84</b>	<b>(1.95)</b>	<b>11.30</b>	<b>–</b>	<b>–</b>	<b>535.19</b>
<b>Deferred tax liabilities (Net)</b>	<b>1621.13</b>	<b>232.59</b>	<b>227.86</b>	<b>(2.74)</b>	<b>4.82</b>	<b>2083.66</b>
<b>2022-23</b>						
<b>Deferred tax liabilities/assets in relation to:</b>						
On fiscal allowances on property, plant and equipment, investment property etc.	1642.06	79.55	–	–	–	1721.61
On Excise Duty/National Calamity Contingent Duty on closing stock	79.21	38.72	–	–	–	117.93
On cash flow hedges	4.82	–	(34.32)	2.62	27.72	0.84
Other timing differences	348.22	(32.82)	(8.81)	–	–	306.59
<b>Total deferred tax liabilities</b>	<b>2074.31</b>	<b>85.45</b>	<b>(43.13)</b>	<b>2.62</b>	<b>27.72</b>	<b>2146.97</b>
On employees' separation and retirement etc.	62.59	65.04	5.00	–	–	132.63
On provision for doubtful debts/advances	53.11	(0.63)	–	–	–	52.48
On State and Central taxes etc.	69.62	0.45	–	–	–	70.07
Other timing differences	221.85	48.81	–	–	–	270.66
<b>Total deferred tax assets</b>	<b>407.17</b>	<b>113.67</b>	<b>5.00</b>	<b>–</b>	<b>–</b>	<b>525.84</b>
<b>Deferred tax liabilities (Net)</b>	<b>1667.14</b>	<b>(28.22)</b>	<b>(48.13)</b>	<b>2.62</b>	<b>27.72</b>	<b>1621.13</b>

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>19. Other liabilities (Current)</b>		
Statutory Liabilities	4398.88	4039.86
Advances received from customers	828.69	1275.96
Others (includes deferred revenue, accruals etc.)	162.18	130.34
<b>TOTAL</b>	<b>5389.75</b>	<b>5446.16</b>

## Notes to the Standalone Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>20. Current Tax Liabilities (Net)</b>		
Current taxation (net of advance payment)	760.00	776.13
<b>TOTAL</b>	<b>760.00</b>	<b>776.13</b>

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>21A. Revenue from operations</b>		
Sale of Products	66466.10	66903.80
Sale of Services	2980.10	2577.09
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty of ₹ 4733.29 Crores (2023 - ₹ 4054.16 Crores)]	69446.20	69480.89
Other Operating Revenues <sup>#</sup>	659.09	770.39
<b>TOTAL</b>	<b>70105.29</b>	<b>70251.28</b>

\* Net of sales returns, damaged stocks and estimates of variable consideration such as discounts to customers.

<sup>#</sup> Includes Government grants of ₹ 237.47 Crores (2023 - ₹ 300.58 Crores) on account of Fiscal and Export Incentives etc.

<b>21B. Gross Revenue from sale of products and services*</b>		
<b>FMCG</b>		
– Cigarettes etc.	30596.59	28206.83
– Branded Packaged Food Products	17194.50	15762.46
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	3727.97	3319.02
<b>Hotels</b>		
– Income from Sale of Services	2973.74	2573.22
<b>Agri Business</b>		
– Unmanufactured Tobacco	2612.06	2677.69
– Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya etc.)	5805.38	9637.17
<b>Paperboards, Paper and Packaging</b>		
– Paperboards and Paper	5871.71	6570.82
– Packaging and Printed Materials	664.25	733.68
<b>TOTAL</b>	<b>69446.20</b>	<b>69480.89</b>

\* Net of sales returns, damaged stocks and estimates of variable consideration such as discounts to customers.



## Notes to the Standalone Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>22. Other income</b>		
Interest income	1592.41	1434.53
Dividend income	990.35	556.90
Other non-operating income	955.52	446.18
<b>TOTAL</b>	<b>3538.28</b>	<b>2437.61</b>
Interest income:		
a) Deposits with banks etc. - carried at amortised cost	537.66	382.73
b) Financial assets:		
– mandatorily measured at FVTPL	211.95	206.61
– measured at amortised cost	555.02	719.79
– measured at FVTOCI	287.72	121.02
c) Others (from statutory authorities etc.)	0.06	4.38
<b>TOTAL</b>	<b>1592.41</b>	<b>1434.53</b>
Dividend income:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	9.43	0.01
b) Other investments	980.92	556.89
<b>TOTAL</b>	<b>990.35</b>	<b>556.90</b>
Other non-operating income:		
Net foreign exchange gain/(loss)	(3.96)	13.74
Net gain/(loss) arising on financial instruments measured at amortised cost/mandatorily measured at FVTPL (Refer Note 31)*	781.06	283.17
Gain recognised on divestment of shares held in joint venture [Refer Note 28(x)]	9.49	–
Impairment of investment in joint venture	–	(8.50)
Others (including income from leases etc.)	168.93	157.77
<b>TOTAL</b>	<b>955.52</b>	<b>446.18</b>

\* Includes ₹ 149.37 Crores (2023 - ₹ 92.24 Crores) being net gain/(loss) on sale of investments.

## Notes to the Standalone Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>23. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates</b>		
Opening inventories		
Finished goods (manufactured)	2063.30	1638.93
Work-in-progress	263.47	232.70
Stock-in-Trade (goods purchased for resale)	700.11	1150.95
Intermediates - Tissue paper and Paperboards	115.09	79.89
Less: Closing inventories		
Finished goods (manufactured)	2115.45	2063.30
Work-in-progress	322.10	263.47
Stock-in-Trade (goods purchased for resale)	979.40	700.11
Intermediates - Tissue paper and Paperboards	95.73	115.09
<b>TOTAL</b>	<b>(370.71)</b>	<b>(39.50)</b>
<b>24. Employee benefits expense</b>		
Salaries and wages	3181.37	2905.05
Contribution to Provident and other funds	178.95	171.87
Share based payments to employees [Includes cash-settled share based payments ₹ 32.06 Crores (2023 - ₹ 208.62 Crores)]*	135.16	267.12
Staff welfare expenses	305.31	280.91
	<u>3800.79</u>	<u>3624.95</u>
Less: Recoveries made/reimbursements received	68.56	55.49
<b>TOTAL</b>	<b>3732.23</b>	<b>3569.46</b>
* Refer Note 28(xii) and 28(xiii)		
<b>25. Finance costs</b>		
Interest expense:		
– On Lease liabilities	25.84	25.45
– On financial liabilities measured at amortised cost	8.40	4.00
– Others (to statutory authorities etc.)	11.49	12.36
<b>TOTAL</b>	<b>45.73</b>	<b>41.81</b>

## Notes to the Standalone Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>26. Other Expenses</b>		
Power and fuel	1083.65	1199.84
Consumption of stores and spare parts	442.94	446.03
Contract processing charges	1046.72	941.72
Rent	277.10	239.68
Rates and taxes	243.20	153.02
Insurance	129.41	132.43
Repairs		
– Buildings	116.59	104.80
– Machinery	339.45	325.43
– Others	93.28	81.43
Maintenance and upkeep	349.74	312.93
Outward freight and handling charges	1582.34	1648.69
Warehousing charges	244.35	233.72
Advertising/Sales promotion	1420.31	1155.71
Market research	193.97	153.38
Design and product development	45.09	48.08
Hotel reservation/Marketing expenses	68.03	56.76
Retail accessories	224.19	224.54
Brokerage and discount - sales	14.78	17.82
Commission to selling agents	19.85	18.92
Doubtful and bad debts	9.23	(0.93)
Doubtful and bad advances, loans and deposits	25.03	1.16
Bank and credit card charges	30.21	31.77
Information technology services	366.82	311.31
Travelling and conveyance	310.16	266.31
Training and development	24.44	18.55
Legal expenses	34.55	37.07
Consultancy/Professional fees	207.66	175.52
Postage, telephone etc.	18.25	19.48
Printing and stationery	17.97	16.66
(Gain)/Loss on sale of property, plant and equipment - Net	(52.94)	4.88
Loss on sale of stores and spare parts - Net	2.09	1.45
Miscellaneous expenses	1319.41	1271.00
<b>TOTAL</b>	<b>10247.87</b>	<b>9649.16</b>
<b>Miscellaneous expenses include:</b>		
(1) Auditors' remuneration and expenses*		
Audit fees	3.85	3.40
Tax audit fees	0.85	0.70
Fees for limited review	1.62	1.40
Fees for other services <sup>1</sup>	0.43	0.44
Reimbursement of expenses	0.19	0.22
(2) Cost auditors' fees	0.12	0.11

\* Excluding taxes.

1. (a) Auditors' remuneration excludes remuneration for services amounting to ₹ 1.90 Crores (2023 - ₹ 2.44 Crores) rendered by network firm/entity which is a part of the network of which auditor is a member firm.
- (b) In addition to the above, ₹ 0.25 Crore (2023 - Nil) has been paid to the Statutory Auditors in respect of certification fees relating to the proposed demerger which are disclosed under exceptional items [Refer Note 28(i)].

## Notes to the Standalone Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>27. Income tax expenses</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Income tax for the year	6138.25	6019.69
Adjustments/(credits) related to previous years - Net	(477.04)	5.63
<b>Total current tax</b>	<b>5661.21</b>	<b>6025.32</b>
<b>Deferred tax</b>		
Deferred tax for the year	223.99	(22.59)
Adjustments/(credits) related to previous years - Net	8.60	(5.63)
<b>Total deferred tax</b>	<b>232.59</b>	<b>(28.22)</b>
<b>TOTAL</b>	<b>5893.80</b>	<b>5997.10</b>
<b>B. Amount recognised in other comprehensive income</b>		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
On items that will not be reclassified to profit or loss		
Remeasurements gains/(losses) on defined benefit plans	5.79	5.00
Equity instruments through other comprehensive income	(237.14)	-
Related to designated portion of hedging instruments in cash flow hedges	2.63	(5.34)
	<b>(228.72)</b>	<b>(0.34)</b>
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	(4.96)	11.94
Debt instruments through other comprehensive income	(4.51)	8.81
<b>TOTAL</b>	<b>(238.19)</b>	<b>20.41</b>
<b>C. Amount recognised directly in equity</b>		
The income tax (charged)/credited directly to equity during the year is as follows:		
<b>Deferred tax</b>		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	(2.74)	2.62
<b>TOTAL</b>	<b>(2.74)</b>	<b>2.62</b>
<b>D. Reconciliation of effective tax rate</b>		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	26315.77	24750.41
Income tax expense calculated @ 25.168% (2023 - 25.168%)	6623.15	6229.18
Effect of tax relating to uncertain tax positions	34.90	25.29
Effect of different tax rate on certain items	(115.87)	(162.27)
Effect of Income not taxable	(64.91)	(76.60)
Other differences	(115.03)	(18.50)
<b>Total</b>	<b>6362.24</b>	<b>5997.10</b>
Adjustments recognised in the current year in relation to the current tax of prior years*	(468.44)	-
<b>Income tax recognised in profit or loss</b>	<b>5893.80</b>	<b>5997.10</b>

The tax rate of 25.168% (22% + surcharge @10% and cess @4%) used for the year 2023-24 and 2022-23 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

\* The Company has reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Hon'ble Supreme Court received during the year. This has resulted in a credit of ₹ 468.44 Crores in the Current Tax expense for the year ended 31st March, 2024.



# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements

- (i) The Board of Directors of the Company at its meeting held on August 14, 2023 has, subject to necessary approvals, approved a Scheme of Arrangement amongst ITC Limited ('Demerged Company') and ITC Hotels Limited ('Resulting Company') and their respective shareholders and creditors under Section 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('Scheme'). The Scheme, inter alia, provides for demerger of the Demerged Undertaking (as defined in the Scheme) comprising the Hotels Business of the Demerged Company into the Resulting Company on a going concern basis and the consequent issuance of Equity Shares by the Resulting Company to all the shareholders of the Demerged Company as per the Share Entitlement Ratio i.e., for every 10 Ordinary Shares of face and paid-up value of ₹ 1/- each held in the Demerged Company, 1 Equity Share of face and paid-up value of ₹ 1/- each of the Resulting Company, and in accordance with Section 2(19AA) read with other relevant provisions of the Income-tax Act, 1961. The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.

The Scheme is subject to requisite approvals, including approval of the National Company Law Tribunal, Kolkata Bench. Accordingly, no accounting effect in respect of the Scheme has been given in these Financial Statements. Further, expenses aggregating ₹ 7.57 Crores incurred during the year in relation to the said demerger have been disclosed under 'Exceptional Items'.

- (ii) Earnings per share:

	2024	2023
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	20421.97	18753.31
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,46,10,58,425	12,38,15,12,709
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	2,80,92,231	3,28,14,400
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,48,91,50,656	12,41,43,27,109
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	16.39	15.15
– Diluted [(a)/(d)]	16.35	15.11

- (iii) Amount required to be spent by the Company during the year as per Section 135 read with Section 198 of the Companies Act, 2013 - ₹ 403.47 Crores (2023 - ₹ 364.91 Crores) being 2% of the average Net Profit of the Company.

Expenditure incurred during the year is ₹ 404.05 Crores (2023 - ₹ 365.50 Crores) comprising employee benefits expense of ₹ 15.52 Crores (2023 - ₹ 14.33 Crores) and other expenses of ₹ 388.53 Crores (2023 - ₹ 351.17 Crores), of which ₹ 30.60 Crores (2023 - ₹ 62.71 Crores) is accrued for payment as on 31st March, 2024. Such CSR expenditure does not include any spends on construction/acquisition of assets. Amount available for set off in succeeding financial years is ₹ 1.93 Crores (2023 - ₹ 1.35 Crores).

Such CSR expenditure of ₹ 404.05 Crores (2023 - ₹ 365.50 Crores) excludes ₹ 10.89 Crores (2023 - ₹ 9.43 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit of 5% of total CSR expenditure laid down under Rule 7(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for such expenses.

CSR activities undertaken during the year pertain to: poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; promoting gender equality and women empowerment; enabling climate resilience; rural development projects; creating livelihoods for people (especially those from disadvantaged sections of society); protection of national heritage, art and culture; preserving and promoting music; promoting sports; conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) and providing relief and assistance to victims of disasters and calamities.

- (iv) Research and Development expenses for the year amount to ₹ 170.37 Crores (2023 - ₹ 161.31 Crores).

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

(v) Contingent liabilities and commitments:

(a) Contingent liabilities

Claims against the Company not acknowledged as debts ₹ 963.29 Crores (2023 - ₹ 875.28 Crores), including interest on claims, where applicable, estimated to be ₹ 314.23 Crores (2023 - ₹ 283.62 Crores). These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 645.81 Crores (2023 - ₹ 585.19 Crores), including interest on claims, where applicable, estimated to be ₹ 288.56 Crores (2023 - ₹ 261.96 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 264.79 Crores (2023 - ₹ 239.94 Crores), including interest on claims, where applicable, estimated to be ₹ 18.72 Crores (2023 - ₹ 15.09 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 41.27 Crores (2023 - ₹ 31.79 Crores), including interest on claims, where applicable, estimated to be ₹ 0.29 Crore (2023 - ₹ 0.17 Crore).
- Other matters ₹ 11.42 Crores (2023 - ₹ 18.36 Crores), including interest on other matters, where applicable, estimated to be ₹ 6.66 Crores (2023 - ₹ 6.40 Crores).

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 896.78 Crores (2023 - ₹ 1403.04 Crores).
- Uncalled liability on partly paid-up shares and other investments is ₹ 50.86 Crores (2023 - ₹ 60.71 Crores).

(vi) **Employee Benefit Plans**

**Description of Plans**

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund, Pension and Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Pension Plans are based on employees' pensionable remuneration and length of service. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

**(a) Defined Benefit Plans:**

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Defined Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

**Risk Management**

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risk:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plan liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

		For the year ended 31st March, 2024 (₹ in Crores)			For the year ended 31st March, 2023 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
<b>I</b>	<b>Components of Employer Expense</b>						
-	<b>Recognised in the Statement of Profit and Loss</b>						
1	Current Service Cost	37.63	33.48	12.87	41.32	32.14	12.23
2	Past Service Cost	-	-	-	-	-	-
3	Net Interest Cost	(3.65)	(1.95)	11.06	(1.59)	(1.41)	9.18
4	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>33.98</b>	<b>31.53</b>	<b>23.93</b>	<b>39.73</b>	<b>30.73</b>	<b>21.41</b>
-	<b>Remeasurements recognised in Other Comprehensive Income</b>						
5	Return on plan assets (excluding amounts included in Net interest cost)	(21.85)	(3.45)	-	13.71	1.15	-
6	Effect of changes in demographic assumptions	1.65	0.74	0.42	-	-	-
7	Effect of changes in financial assumptions	25.08	17.30	6.00	(10.44)	(13.10)	(2.80)
8	Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
9	Effect of experience adjustments	(26.79)	23.27	0.60	(1.31)	26.27	8.33
10	<b>Total remeasurements included in Other Comprehensive Income</b>	<b>(21.91)</b>	<b>37.86</b>	<b>7.02</b>	<b>1.96</b>	<b>14.32</b>	<b>5.53</b>
11	<b>Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)</b>	<b>12.07</b>	<b>69.39</b>	<b>30.95</b>	<b>41.69</b>	<b>45.05</b>	<b>26.94</b>
<p>The current service cost, past service cost and net interest cost for the year, as applicable, pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 24. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.</p>							
(₹ in Crores)							
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>II</b>	<b>Actual Returns</b>	88.39	36.53	-	44.92	26.71	-
<b>III</b>	<b>Net Asset/(Liability) recognised in Balance Sheet</b>						
1	Present Value of Defined Benefit Obligation	898.65	496.77	171.48	878.89	439.40	154.53
2	Fair Value of Plan Assets	919.95	458.76	-	854.51	423.43	-
3	Status [Surplus/(Deficit)]	21.30	(38.01)	(171.48)	(24.38)	(15.97)	(154.53)
4	Restrictions on Asset Recognised	-	-	-	-	-	-

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

(₹ in Crores)

5	Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2024		As at 31st March, 2023	
		Current	Non-current	Current	Non-current
	– Pension	21.30	–	(24.38)	–
	– Gratuity	(38.01)	–	(15.97)	–
	– Leave Encashment	(22.69)	(148.79)	(15.08)	(139.45)

IV	Change in Defined Benefit Obligation (DBO)	For the year ended 31st March, 2024 (₹ in Crores)			For the year ended 31st March, 2023 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of DBO at the beginning of the year	878.89	439.40	154.53	897.75	416.05	144.48
2	Current Service Cost	37.63	33.48	12.87	41.32	32.14	12.23
3	Past Service Cost	–	–	–	–	–	–
4	Interest Cost	62.89	31.13	11.06	57.04	26.45	9.18
5	Remeasurement gains/(losses)						
a.	Effect of changes in demographic assumptions	1.65	0.74	0.42	–	–	–
b.	Effect of changes in financial assumptions	25.08	17.30	6.00	(10.44)	(13.10)	(2.80)
c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
d.	Effect of experience adjustments	(26.79)	23.27	0.60	(1.31)	26.27	8.33
6	Curtailment Cost/(Credits)	–	–	–	–	–	–
7	Settlement Cost/(Credits)	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–	–	–
9	Effects of transfer In/(Out)	(0.07)	–	–	(0.06)	–	–
10	Benefits Paid	(80.63)	(48.55)	(14.00)	(105.41)	(48.41)	(16.89)
11	<b>Present Value of DBO at the end of the year</b>	<b>898.65</b>	<b>496.77</b>	<b>171.48</b>	<b>878.89</b>	<b>439.40</b>	<b>154.53</b>

(₹ in Crores)

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2024	As at 31st March, 2023
	– Pension	41.28	86.28
	– Gratuity	96.95	67.09



# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

		For the year ended 31st March, 2024 (₹ in Crores)			For the year ended 31st March, 2023 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>VI</b>	<b>Change in Fair Value of Assets</b>						
1	Plan Assets at the beginning of the year	854.51	423.43	–	882.68	401.92	–
2	Asset acquired in Business Combination	–	–	–	–	–	–
3	Interest Income	66.54	33.08	–	58.63	27.86	–
4	Remeasurement Gains/(Losses) on plan assets	21.85	3.45	–	(13.71)	(1.15)	–
5	Actual Company Contributions	57.75	47.35	–	32.38	43.21	–
6	Benefits Paid	(80.63)	(48.55)	–	(105.41)	(48.41)	–
7	Effects of transfer In/(Out)	(0.07)	–	–	(0.06)	–	–
8	<b>Plan Assets at the end of the year</b>	<b>919.95</b>	<b>458.76</b>	<b>–</b>	<b>854.51</b>	<b>423.43</b>	<b>–</b>
<b>VII</b>	<b>Actuarial Assumptions</b>	<b>As at 31st March, 2024</b>			<b>As at 31st March, 2023</b>		
		<b>Discount Rate (%)</b>			<b>Discount Rate (%)</b>		
1	Pension	7.00			7.50		
2	Gratuity	7.00			7.50		
3	Leave Encashment	7.00			7.50		
The estimates of future salary increases, generally between 4% to 6%, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.							
<b>VIII</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets</b>	<b>As at 31st March, 2024</b>			<b>As at 31st March, 2023</b>		
1	Government Securities/Special Deposit with RBI	15.32%			16.12%		
2	High Quality Corporate Bonds	11.62%			11.06%		
3	Insurer Managed Funds*	61.69%			63.00%		
4	Mutual Funds	6.83%			5.09%		
5	Cash and Cash Equivalents	4.54%			4.73%		
6	Term Deposits	–			–		

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The fair value of Government securities, corporate bonds and mutual funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

<b>IX</b>	<b>Basis used to determine the Expected Rate of Return on Plan Assets</b>
	The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

		For the year ended 31st March, 2024 (₹ in Crores)			For the year ended 31st March, 2023 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>X</b>	<b>Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)</b>						
	1 Present Value of Defined Benefit Obligation	898.65	496.77	171.48	878.89	439.40	154.53
	2 Fair Value of Plan Assets	919.95	458.76	–	854.51	423.43	–
	3 Status [Surplus/(Deficit)]	21.30	(38.01)	(171.48)	(24.38)	(15.97)	(154.53)
	4 Experience Adjustment of Plan Assets [Gain/(Loss)]	21.85	3.45	–	(13.71)	(1.15)	–
	5 Experience Adjustment of obligation [(Gain)/Loss]	(26.79)	23.27	0.60	(1.31)	26.27	8.33

<b>XI</b>	<b>Sensitivity Analysis</b>
	The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may partially offset this impact. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

(₹ in Crores)

		DBO as at 31st March, 2024	DBO as at 31st March, 2023
	1 Discount Rate + 100 basis points	1479.71	1392.74
	2 Discount Rate - 100 basis points	1664.94	1563.32
	3 Salary Increase Rate + 1%	1658.44	1557.24
	4 Salary Increase Rate – 1%	1483.91	1395.05

(₹ in Crores)

	Maturity Analysis of the Benefit Payments	As at 31st March, 2024	As at 31st March, 2023
	1 Year 1	203.80	216.14
	2 Year 2	266.30	214.54
	3 Year 3	206.05	197.58
	4 Year 4	131.17	182.67
	5 Year 5	108.20	115.26
	6 Next 5 Years	570.92	499.51

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 24: ₹ 113.44 Crores (2023 - ₹ 101.41 Crores).

(vii) Leases:

As a Lessee

The Company’s significant leasing arrangements are in respect of operating leases for land, buildings (comprising licensed properties, residential premises, office premises, stores, warehouses etc.) and plant & equipment. These arrangements generally range between 2 years and 10 years, except for certain land and building leases where the lease term ranges up to 99 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option are considered.

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 15 respectively. The total cash outflow for leases for the year is ₹ 414.06 Crores (2023 - ₹ 412.57 Crores) [including payments of ₹ 324.74 Crores (2023 - ₹ 329.16 Crores) in respect of short-term/low-value leases and variable lease payments of ₹ 6.84 Crores (2023 - ₹ 5.90 Crores)].

The sensitivity of variable lease payments and effect of extension/termination options not included in measurement of lease liabilities is not material.

The undiscounted maturities of lease liabilities over the remaining lease term is as follows:

(₹ in Crores)

Term	As at 31st March, 2024	As at 31st March, 2023
Not later than three years	166.40	172.10
Later than three years and not later than ten years	159.66	167.52
Later than ten years and not later than twenty-five years	211.92	216.82
Later than twenty-five years and not later than fifty years	201.71	205.12
Later than fifty years	184.74	192.86

As a Lessor

The Company has leased out its investment properties etc. under operating lease for periods ranging upto 30 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments. The details of income from such leases are disclosed under Note 3C and Note 22. The Company does not have any risk relating to recovery of residual value of investment property at the end of leases considering the business requirements and other alternatives.

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in Crores)

Term	As at 31st March, 2024	As at 31st March, 2023
1st year	18.53	1.43
2nd year	18.39	0.89
3rd year	8.33	0.75
4th year	0.84	0.61
5th year	0.88	0.64
Beyond 5 years	26.62	26.31

(viii) Under the terms of the Joint Venture Agreement (JVA), Logix Developers Private Limited (LDPL) (CIN: U70101DL2010PTC207640) was to develop a luxury hotel-cum-service apartment complex. However, Logix Estates Private Limited, Noida, the JV partner communicated its intention to explore alternative development plans to which the Company reiterated that it was committed only to the project as envisaged in the JVA. The JV partner refused to progress the project and instead expressed its intent to exit the JV by selling its stake to the Company and subsequently proposed that both parties should find a third party to sell the entire shareholding in LDPL. The resultant deadlock has stalled the project. The Company’s petition that the affairs of the JV are being conducted in a manner that is prejudicial to the interest of the Company and the JV entity, as also a petition for winding up of LDPL filed by Logix Estates, are currently before the Hon’ble National Company Law Tribunal.

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

New Okhla Industrial Development Authority (NOIDA), vide letter dated 6th July, 2022, cancelled the sub-lease for the land on which the project was to be constructed on account of non-payment of lease installments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. Upon cancellation of the sub-lease, LDPL is evaluating all options to pursue its rights.

The financial statements of LDPL for the year ended 31st March, 2024 are yet to be approved by its Board of Directors.

- (ix) During the year, the Company acquired, in aggregate, 2,443 Equity Shares of Rs. 10/- each and 9,571 Compulsorily Convertible Preference Shares of Rs. 10/- each of Sproutlife Foods Private Limited ('Sproutlife') for an aggregate consideration of ₹ 225.00 crores (Refer Note 4), consequent to which the Company's shareholding in Sproutlife aggregated 44.74% of its share capital, on a fully diluted basis, as on 31st March, 2024. Sproutlife became an associate of the Company with effect from 4th May, 2023.

The Company has agreed to acquire 100% of the share capital (on a fully diluted basis) of Sproutlife over a time period of about three to four years from the execution of the transaction documents. Further infusion of ₹ 30 crores will be made through a primary subscription by 31st March, 2025 or such other later date as may be mutually agreed upon, based on pre-agreed pre-money valuation, taking the Company's shareholding in Sproutlife to 47.5%, on a fully diluted basis.

The consideration for acquisition of the balance stake of 52.5% will be determined based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions.

- (x) During the year, the Company has divested its entire shareholding, i.e., 26.00% of the paid-up share capital, held in Espirit Hotels Private Limited (Espirit), consequent to which Espirit ceased to be a joint venture of the Company.
- (xi) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1st April, 2023:
- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Company has disclosed material accounting policies. There is no impact on the standalone financial statements.
  - Ind AS 12 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.

The Company previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Company has grossed-up the deferred tax assets (DTA) and deferred tax liabilities (DTL) recognised in relation to leases by ₹ 70.05 Crores each w.e.f. 1st April, 2022. However, the said gross-up has no impact on the net deferred tax liabilities/expense presented in the standalone financial statements.

- (xii) Information in respect of Options granted under the Company's Employee Stock Option Schemes ('Schemes'):

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders' approval	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes (Adjusted for Bonus Shares issued in terms of Shareholders' approval)	Options equivalent to 37,89,18,503 Ordinary Shares of ₹1.00 each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹1.00 each
3.	Vesting Schedule	The vesting period for conversion of Options is as follows: <ul style="list-style-type: none"> <li>● On completion of 12 months from the date of grant of the Options : 30% vests</li> <li>● On completion of 24 months from the date of grant of the Options : 30% vests</li> <li>● On completion of 36 months from the date of grant of the Options : 40% vests</li> </ul>	
4.	Pricing Formula	The Pricing Formula, as approved by the Shareholders of the Company, is such price, as determined by the Nomination & Compensation Committee, which is no lower than the closing price of the Company's Share on National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'market price' as defined from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Options have been granted at 'market price' as defined under the aforesaid Regulations.	
5.	Maximum term of Options granted	Five years - the exercise period commences from the date of vesting of the Options granted and expires at the end of five years from the date of vesting.	
6.	Source of Shares	Primary	
7.	Variation in terms of Options	None	



# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
8.	Method used for accounting of share-based payment plans and effect of employee share based plans on the entity's profit or loss for the period and on its financial position	: The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per fair value method for the financial year 2023-24 is ₹ 103.10 Crores (2023 - ₹ 58.50 Crores); for the group entities, such compensation cost is ₹ 5.54 Crores (2023 - ₹ 2.61 Crores) [Refer Note 24].	
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	: In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹1.00 each upon payment of the exercise price during the exercise period.	
10.	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	: Weighted average exercise price per Option : ₹ 4530.73 Weighted average fair value per Option : ₹ 1064.83	
11.	Option movements during the year	<b>ITC Employee Stock Option Scheme - 2006</b>	<b>ITC Employee Stock Option Scheme - 2010</b>
	a) Options outstanding at the beginning of the year	2,85,808	1,29,23,671
	b) Options granted during the year	–	15,16,450
	c) Options cancelled and lapsed during the year	955	59,989
	d) Options vested and exercisable during the year (net of Options lapsed and exercised)	43,950	8,36,370
	e) Options exercised during the year	87,039	55,83,334
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	8,70,390	5,58,33,340
	g) Options outstanding at the end of the year (a+b-c-e)	1,97,814	87,96,798
	h) Options exercisable at the end of the year	1,71,284	58,80,098
	i) Money realised by exercise of the Options during the year (₹ in Crores)	20.74	1422.09

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

12.	Summary of the status of Options:					
Particulars	As at 31 <sup>st</sup> March, 2024		As at 31 <sup>st</sup> March, 2023			
	No. of Options	Weighted Average Exercise Prices (₹)	No. of Options	Weighted Average Exercise Prices (₹)		
Outstanding at the beginning of the year	1,32,09,479	2655.20	2,27,68,731	2469.30		
Add: Granted during the year	15,16,450	4530.73	13,76,300	3460.70		
Less: Lapsed during the year	60,944	2739.44	4,59,371	2477.37		
Less: Exercised during the year	56,70,373	2544.51	1,04,76,181	2364.79		
Outstanding at the end of the year	89,94,612	3040.61	1,32,09,479	2655.20		
Options exercisable at the end of the year	60,51,382	2657.61	1,07,05,124	2603.17		
13.	Weighted average share price of Shares arising upon exercise of Options	: The weighted average share price of Shares, arising upon exercise of Options during the year ended 31st March, 2024 was ₹ 455.45 (2023 - ₹ 315.92). This was based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee).				
14.	Summary of Options outstanding, scheme-wise:					
Particulars	As at 31 <sup>st</sup> March, 2024			As at 31 <sup>st</sup> March, 2023		
	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life
ITC Employee Stock Option Scheme - 2006	1,97,814	1698.00 – 3463.50	3.19	2,85,808	1698.00 – 3463.50	3.44
ITC Employee Stock Option Scheme - 2010	87,96,798	1698.00 – 4534.50	3.37	1,29,23,671	1698.00 – 3463.50	2.50
15.	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 4530.73 Weighted average fair value per Option : ₹ 1064.83				
	The significant assumptions used to ascertain the above	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:				
		(i) Risk-free interest rate			7.28%	
		(ii) Expected life			4.61 years	
		(iii) Expected volatility			23.69%	
		(iv) Expected dividends			3.41%	
		(v) The price of the underlying shares in market at the time of Option grant (One Option = Ten Ordinary Shares)			₹ 4530.73	

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

16.	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.		
17.	Options granted to	:	As provided below:-		
	(a) Directors and Senior managerial personnel		<b>Name</b>	<b>Designation</b>	<b>No. of Options granted during the financial year 2023-24</b>
			1	S. Puri Chairman & Managing Director	1,34,500
			2	S. Dutta Executive Director & Chief Financial Officer	67,250
			3	H. Malik Executive Director	18,750
			4	B. Sumant Executive Director	67,250
			5	S. Kaul Group Head - ITD, MAB, Start-up Ventures, LSTC & Quality	18,750
			6	A. K. Rajput President - Corporate Affairs	18,750
			7	S. Sivakumar Group Head - Agri Business, IT, Sustainability, CSR & EHS	18,750
			8	R. K. Singhi Executive Vice President & Company Secretary	11,050
	<i>The aforesaid Options were granted at the exercise price of ₹ 4534.50 per Option, being the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</i>				
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:	None		
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	None		

(xiii) Information in respect of Stock Appreciation Linked Reward Plan:

Sl. No.	Particulars	:	Details
1	Nature and extent of Stock Appreciation Linked Reward Plan that existed during the year along with general terms and conditions	:	ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan).  Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting of SAR units subject to the terms and conditions specified in the Plan.
2	Settlement Method	:	Cash – Settled
3	Vesting period and maximum term of SAR granted	:	Over a period of five years from the date of grant in accordance with the Plan.

# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

Sl. No.	Particulars	Details
4	Method used to estimate the fair value of SAR granted	: Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market price etc. The number of SAR units outstanding as at 31st March, 2024 is 9,31,606 (2023 - 25,00,251) and the weighted average fair value at measurement date is ₹ 1103.96 (2023 - ₹ 980.89) per SAR unit.
5	Total cost recognised in the profit or loss	: The cost has been calculated using the fair value method of accounting for SAR units issued under the ITC ESAR Plan. The employee benefits expense as per fair value method for the financial year 2023-24 is ₹ 32.06 Crores (2023 - ₹ 208.62 Crores) and ₹ 1.43 Crores (2023 - ₹ 7.51 Crores) for group entities (Refer Note 24). The amount carried in the Balance Sheet as a non-current financial liability is ₹ 13.76 Crores (2023 - ₹ 69.38 Crores) and as a current financial liability is ₹ 71.14 Crores (2023 - ₹ 118.80 Crores) (Refer Note 16).

(xiv) Trade Payables ageing schedule:

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	31.86	–	–	–	–	31.86
Others	639.77	26.35	1.69	–	–	667.81
Disputed Dues – MSME	–	–	–	–	–	–
Disputed Dues – Others	–	–	–	–	0.28	0.28
<b>SUB-TOTAL</b>	<b>671.63</b>	<b>26.35</b>	<b>1.69</b>	<b>–</b>	<b>0.28</b>	<b>699.95</b>
Accrued Payables (not due)						
– MSME						174.99
– Others						3614.61
<b>TOTAL</b>						<b>4489.55</b>

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	44.01	–	–	–	–	44.01
Others	582.85	20.12	–	–	–	602.97
Disputed Dues – MSME	–	–	–	–	–	–
Disputed Dues – Others	–	–	–	–	0.28	0.28
<b>SUB-TOTAL</b>	<b>626.86</b>	<b>20.12</b>	<b>–</b>	<b>–</b>	<b>0.28</b>	<b>647.26</b>
Accrued Payables (not due)						
– MSME						93.49
– Others						3610.51
<b>TOTAL</b>						<b>4351.26</b>



# Notes to the Standalone Financial Statements

## 28. Additional Notes to the Financial Statements (Contd.)

(xv) Micro, Small and Medium scale business entities:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Crores)

		31st March, 2024	31st March, 2023
(a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year		
	– On account of trade payables	206.85	137.50
	– On account of liabilities other than trade payables	36.41	33.70
	<b>– Total</b>	<b>243.26</b>	<b>171.20</b>
(b)	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	–	–
(c)	Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	–	–
(d)	Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act, 2006)	–	–
(e)	Amount of interest accrued and remaining unpaid at the end of accounting year	–	–
(f)	Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise	–	–

(xvi) Financial Ratios:

Ratio	Numerator	Denominator	31st March, 2024	31st March, 2023
Current Ratio (in times)	Current Assets	Current Liabilities	2.91	2.84
Return on Equity Ratio (in %)	Profit for the year (before exceptional items)	Average Shareholder's Equity	29.22	28.99
Inventory Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventory	5.98	6.75
Trade Receivables Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Trade Receivables	24.66	32.51
Trade Payables Turnover Ratio (in times)	COGS + Other Expenses – Non Cash Expenditure	Average Trade Payables	8.39	8.99
Net Capital Turnover Ratio (in times)	Gross Revenue from sale of products and services	Working Capital (Current Assets – Current Liabilities)	2.94	3.05
Net Profit Ratio (in %)	Profit for the year (before exceptional items)	Gross Revenue from sale of products and services	29.42	26.91
Return on Capital Employed (in %)	Profit before exceptional items, interest and taxes	Average Capital Employed	37.97	38.72
Return on Investment (in %)*	Income from investment	Time weighted average Investment	8.91	6.79

Debt-Equity Ratio and Debt Service Coverage Ratio are not relevant for the Company as it has negligible debt.

\* Improvement mainly on account of higher portfolio yields and dividend received during the year.

(xvii) Figures presented as “...” are below the rounding off norm adopted by the Company.

(xviii) Figures for the previous year are re-arranged, wherever necessary, to conform to the figures of the current period. The same does not have any material impact on the standalone financial statements.

(xix) The standalone financial statements were approved for issue by the Board of Directors on 23rd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

# Notes to the Standalone Financial Statements

## 29. Segment Reporting

(₹ in Crores)

	2024			2023		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>1. Segment Revenue - Gross</b>						
FMCG - Cigarettes	30596.59	–	30596.59	28206.83	–	28206.83
FMCG - Others	20922.47	44.36	20966.83	19081.48	41.02	19122.50
<b>FMCG - Total</b>	<b>51519.06</b>	<b>44.36</b>	<b>51563.42</b>	<b>47288.31</b>	<b>41.02</b>	<b>47329.33</b>
Hotels	2973.74	15.76	2989.50	2573.22	11.81	2585.03
Agri Business	8417.44	7374.39	15791.83	12314.86	5857.48	18172.34
Paperboards, Paper and Packaging	6535.96	1808.44	8344.40	7304.50	1776.85	9081.35
<b>Segment Total</b>	<b>69446.20</b>	<b>9242.95</b>	<b>78689.15</b>	<b>69480.89</b>	<b>7687.16</b>	<b>77168.05</b>
Eliminations			(9242.95)			(7687.16)
<b>Gross Revenue from sale of products and services</b>			<b>69446.20</b>			<b>69480.89</b>
<b>2. Segment Results</b>						
FMCG - Cigarettes			19089.17			17927.06
FMCG - Others			1778.55			1374.18
<b>FMCG - Total</b>			<b>20867.72</b>			<b>19301.24</b>
Hotels			753.77			541.90
Agri Business			1254.43			1327.74
Paperboards, Paper and Packaging			1377.60			2293.99
<b>Segment Total</b>			<b>24253.52</b>			<b>23464.87</b>
Eliminations			(196.05)			22.19
<b>Total</b>			<b>24057.47</b>			<b>23487.06</b>
Unallocated corporate expenses net of unallocated income			(1067.88)			(1167.72)
<b>Profit before interest etc. and taxation</b>			<b>22989.59</b>			<b>22319.34</b>
Finance Costs			(45.73)			(41.81)
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			3379.48			2400.01
Exceptional items [Refer Note 28(i)]			(7.57)			72.87
<b>Profit before tax</b>			<b>26315.77</b>			<b>24750.41</b>
Tax expense			(5893.80)			(5997.10)
<b>Profit for the year</b>			<b>20421.97</b>			<b>18753.31</b>
<b>3. Other Information</b>						
		<b>2024</b>		<b>2023</b>		
	<b>Segment Assets</b>		<b>Segment Liabilities</b>	<b>Segment Assets</b>		<b>Segment Liabilities</b>
FMCG - Cigarettes	9160.85		5248.89	7290.67		5056.90
FMCG - Others	12500.83		2501.71	11966.57		2351.99
<b>FMCG - Total</b>	<b>21661.68</b>		<b>7750.60</b>	<b>19257.24</b>		<b>7408.89</b>
Hotels	6683.65		1157.29	6514.91		940.88
Agri Business	5024.81		1380.10	4114.31		1649.76
Paperboards, Paper and Packaging	9413.71		1257.39	9201.17		1315.17
<b>Segment Total</b>	<b>42783.85</b>		<b>11545.38</b>	<b>39087.63</b>		<b>11314.70</b>
Unallocated Corporate Assets/Liabilities	44543.75		3548.92	43174.11		3353.24
<b>Total</b>	<b>87327.60</b>		<b>15094.30</b>	<b>82261.74</b>		<b>14667.94</b>

# Notes to the Standalone Financial Statements

## 29. Segment Reporting (Contd.)

(₹ in Crores)

	2024		2023	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	537.90	257.28	173.60	268.60
FMCG - Others	670.77	559.95	418.79	579.79
<b>FMCG - Total</b>	<b>1208.67</b>	<b>817.23</b>	<b>592.39</b>	<b>848.39</b>
Hotels	321.38	296.11	195.28	289.72
Agri Business	60.92	70.61	119.86	66.48
Paperboards, Paper and Packaging	726.15	359.65	744.48	347.99
<b>Segment Total</b>	<b>2317.12</b>	<b>1543.60</b>	<b>1652.01</b>	<b>1552.58</b>
Unallocated	300.78	104.22	181.90	110.15
<b>Total</b>	<b>2617.90</b>	<b>1647.82</b>	<b>1833.91</b>	<b>1662.73</b>
	Non Cash expenditure other than depreciation		Non Cash expenditure other than depreciation	
FMCG - Cigarettes		4.68		7.72
FMCG - Others		110.19		84.68
<b>FMCG - Total</b>		<b>114.87</b>		<b>92.40</b>
Hotels		6.11		7.31
Agri Business		52.81		27.68
Paperboards, Paper and Packaging		34.66		49.42
<b>Segment Total</b>		<b>208.45</b>		<b>176.81</b>

### GEOGRAPHICAL INFORMATION

	2024	2023
<b>1. Revenue from external customers</b>		
– Within India	63121.70	59074.73
– Outside India	6324.50	10406.16
<b>Total</b>	<b>69446.20</b>	<b>69480.89</b>
<b>2. Non-current assets</b>		
– Within India	28059.48	27082.45
– Outside India	–	–
<b>Total</b>	<b>28059.48</b>	<b>27082.45</b>

### NOTES :

- 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 and 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.
- The business groups comprise the following :
  - FMCG : Cigarettes – Cigarettes, Cigars, etc.
  - : Others – Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
  - Hotels – Hoteliering.
  - Paperboards, Paper and Packaging – Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
  - Agri Business – Agri commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.
- The geographical information considered for disclosure are:
  - Revenue within India.
  - Revenue outside India.
- Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- As stock options and stock appreciation linked reward units are granted under the ITC ESOS and ITC ESARP respectively to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.
- The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

# Notes to the Standalone Financial Statements

## 30. Related Party Disclosures

### 1. ENTERPRISES WHERE CONTROL EXISTS:

#### Subsidiaries:

- a) Srinivasa Resorts Limited
- b) Fortune Park Hotels Limited
- c) Bay Islands Hotels Limited
- d) WelcomHotels Lanka (Private) Limited, Sri Lanka
- e) Landbase India Limited
- f) Russell Credit Limited and its subsidiary  
Greenacre Holdings Limited
- g) Technico Pty Limited, Australia and its subsidiaries  
Technico Technologies Inc., Canada  
Technico Asia Holdings Pty Limited, Australia and its subsidiary  
Technico Horticultural (Kunming) Co. Limited, China
- h) Technico Agri Sciences Limited
- i) Wimco Limited
- j) Pavan Poplar Limited
- k) Prag Agro Farm Limited
- l) ITC Infotech India Limited and its subsidiaries  
ITC Infotech Limited, UK  
ITC Infotech (USA), Inc. and its subsidiary  
Indivate Inc.  
ITC Infotech Do Brasil LTDA., Brazil  
ITC Infotech Malaysia SDN. BHD.  
ITC Infotech France SAS  
ITC Infotech GmbH, Germany  
ITC Infotech de México, S.A. de C.V. (w.e.f. 17.04.2023)  
ITC Infotech Arabia Limited (w.e.f. 17.12.2023)
- m) Gold Flake Corporation Limited
- n) ITC Integrated Business Services Limited and its subsidiary  
MRR Trading & Investment Company Limited
- o) Surya Nepal Private Limited and its subsidiary  
Surya Nepal Ventures Private Limited (w.e.f. 03.07.2023)
- p) North East Nutrients Private Limited
- q) ITC IndiVision Limited
- r) ITC Fibre Innovations Limited
- s) ITC Hotels Limited (w.e.f. 28.07.2023)

### 2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

#### i) Associates & Joint Ventures:

##### Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
- c) Delectable Technologies Private Limited
- d) Mother Sparsh Baby Care Private Limited
- e) Sproutlife Foods Private Limited (w.e.f. 04.05.2023)  
– being associates of the Company, and
- f) Tobacco Manufacturers (India) Limited (of which the Company is an associate)  
and the subsidiaries of its ultimate parent company (British American Tobacco p.l.c.)

##### Associate of the Company's subsidiary

- ATC Limited  
– being associate of Gold Flake Corporation Limited

##### Joint Venture

- Maharaja Heritage Resorts Limited

##### Joint Venture of the Company's subsidiary

- ITC Filtrona Limited (formerly known as ITC Essentra Limited)  
– being joint venture of Gold Flake Corporation Limited



# Notes to the Standalone Financial Statements

## 30. Related Party Disclosures (Contd.)

### ii) a) Key Management Personnel (KMP):

S. Puri	Chairman & Managing Director
S. Dutta	Executive Director & Chief Financial Officer
H. Malik	Executive Director (w.e.f. 12.08.2023)
B. Sumant	Executive Director
S. Banerjee#	Non-Executive Director
H. Bhargava#	Non-Executive Director
A. M. Bharucha#	Non-Executive Director (w.e.f. 12.08.2023)
A. Duggal#	Non-Executive Director
M. Gupta	Non-Executive Director
R. Jain	Non-Executive Director (w.e.f. 01.01.2024)
S. Mukherjee#	Non-Executive Director
A. Nayak#	Non-Executive Director
S. Panray	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
M. Shankar#	Non-Executive Director
N. Anand	Executive Director (up to 02.01.2024)
P. R. Chittaranjan	Non-Executive Director (up to 31.08.2023)
D. R. Simpson	Non-Executive Director (up to 29.01.2024)

# Independent Directors

Company Secretary

R. K. Singhi

Members - Corporate Management Committee

S. Puri

S. Dutta

S. Kaul

H. Malik

A. Rajput

S. Sivakumar

B. Sumant

N. Anand (up to 02.01.2024)

### b) Related Parties of KMP:

#### I) Close Members of KMP:

N. Singhi (wife of R. K. Singhi)

Y. Singhi (son of R. K. Singhi)

T. Anand (wife of N. Anand) (up to 02.01.2024)

#### II) Entities in which KMP/close member of KMP is interested:

Décor & Design

Bharucha & Partners

### iii) Employee Trusts:

- IATC Provident Fund
- ITC Defined Contribution Pension Fund
- ITC Management Staff Gratuity Fund
- ITC Employees Gratuity Fund
- ITC Gratuity Fund 'C'
- ITC Pension Fund
- ILTD Seasonal Employees Pension Fund
- ITC Platinum Jubilee Pension Fund
- ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- ITC Hotels Limited Employees Superannuation Scheme
- Sunrise Spices Limited Employees Gratuity Fund

# Notes to the Standalone Financial Statements

## 30. Related Party Disclosures (Contd.)

### 3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2024

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists		Associates		Joint Ventures		Key Management Personnel (KMP)		Related Parties of KMP <sup>a</sup>		Employee Trusts		Total	
	Subsidiaries		2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	2024	2023												
1. Sale of Goods/Services	360.26	356.99	1410.78	1849.19	100.55	93.84							1871.59	2300.02
2. Purchase of Goods/Services	472.27	429.41	169.79	116.79	639.27	438.27			0.76	0.05			1282.09	984.52
3. Acquisition cost of Property, Plant and Equipment	32.94	15.64											32.94	15.64
4. Sale of Property, Plant and Equipment	0.40	–						0.21					0.61	0.44
5. Investment Purchased from Subsidiary <sup>1</sup>	22.12	–											22.12	–
6. Investment in Subsidiaries/Associate	1050.35	1184.14	65.04	1.88									1115.39	1186.02
7. Redemption of Preference Shares	–	18.00											–	18.00
8. Value of Share Based Payment	(0.83)	(4.09)											(0.83)	(4.09)
8A. Capital Contribution for Share Based Payments	5.87	7.40	0.96	1.83	0.14	0.37							6.97	9.60
8B. Reimbursement for Share Based Payments	27.94	24.73	0.73	0.72									28.67	25.45
9. Rent Received	13.26	11.58	4.06	4.32				0.87	1.02	0.32			18.46	17.24
10. Rent Paid*	2.44	2.45	6.45	7.06									8.89	9.51
11. Remuneration of Managers on Deputation reimbursed	52.71	40.68	9.37	7.95	1.71	1.76					154.28	115.04	63.79	50.39
12. Remuneration of Managers on Deputation recovered													154.28	115.04
13. Contribution to Employees' Benefit Plans	980.45	556.54	0.45	0.35				9.28	6.25				980.90	556.89
14. Dividend Income	18.19	10.36	5700.89	4434.03									5710.17	4440.28
15. Dividend Payments	21.50	13.88	6.84	29.10	0.27	0.30							18.19	10.36
16. Interest Income	6.33	3.18	0.27	0.25	0.01	–		0.03	0.02				28.61	43.28
17. Expenses Recovered	–	0.03											6.64	3.45
18. Expenses Reimbursed	–	0.03											–	0.03
19. Advances Given during the year	–	0.03											–	0.03
20. Adjustment/Receipt towards Refund of Advances	89.33	0.12	981.64	1813.30									1070.97	1813.42
21. Advances Received during the year	27.73	120.99	1333.30	1786.29									1361.03	1907.28
22. Adjustment/Payment towards Refund of Advances								0.05	0.02	–			0.10	0.02
23. Adjustment/Receipt towards Refund of Deposit														
24. Remuneration to KMP														
24A. – Short term benefits														
24B. – Other long-term incentives								60.59	59.82				60.59	59.82
24C. – Post employment benefits <sup>2</sup>								40.34	28.95				40.34	28.95
24D. – Share Based Payments <sup>3</sup>														
25. Outstanding Balances <sup>a</sup>														
i) Receivables	82.30	38.61	29.56	46.56	6.24	16.04							118.10	101.21
ii) Advances Given	0.60	0.60						0.01	0.06	0.07	21.30	–	21.30	–
iii) Deposits Given	88.56	26.96	367.76	719.42									0.64	0.73
iv) Advances Taken			0.04	0.04									456.32	746.38
v) Deposits Taken	11.77	6.25	5.77	6.25	9.65	20.60							0.04	0.04
vi) Payables	0.38	0.65											65.20	73.45
26. Commitments													0.38	0.66

<sup>a</sup> Includes transactions with close member of KMP & entities in which KMP/close member of KMP is interested.

<sup>\*</sup> Includes rent pertaining to leases classified as Right-of-use assets.

<sup>#</sup> The amounts outstanding are unsecured and will be settled in cash.

<sup>1</sup> denotes inter-se transfer of investments by a subsidiary to the Company at book value;

<sup>2</sup> Post employment benefits are actuarially determined on overall basis and hence not separately provided. Payments made on settlement of leave liability upon retirement - ₹ 1.50 Crores (2023 - ₹ 2.69 Crores) has not been included in the above.

<sup>3</sup> During the year, the Company granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. The Company has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons in the previous years under the 'IITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Since such Stock Options and ESAR Units are not tradeable, no prerequisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ESAR Units, and accordingly, the said grants have not been considered as 'remuneration'. However, in accordance with Ind AS -102, the Company has recorded employee benefits expense by way of share based payments to employees at ₹ 135.16 Crores for the year ended 31st March, 2024 (2023 - ₹ 267.12 Crores), of which ₹ 30.85 Crores (2023 - ₹ 35.43 Crores) is attributable to Executive Directors and KMPs.

# Notes to the Standalone Financial Statements

## 30. Related Party Disclosures (Contd.)

### 4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES (Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY		2024	2023	RELATED PARTY TRANSACTIONS SUMMARY		2024	2023
1.	<b>Sale of Goods/Services</b>			11.	<b>Remuneration of Managers on Deputation recovered</b>		
	British American Tobacco (GLP) Limited	1070.96	1352.17		ITC Infotech India Limited	15.51	10.66
	Surya Nepal Private Limited	322.94	328.58		Fortune Park Hotels Limited	7.82	6.35
	JSC 'British American Tobacco-SPB'	298.82	446.96		Srinivasa Resorts Limited	6.95	5.86
2.	<b>Purchase of Goods/Services</b>			12.	<b>Contribution to Employees' Benefit Plans</b>		
	ITC Filtrona Limited	639.27	438.11		ITC Pension Fund	56.40	21.02
	ITC Infotech India Limited	209.95	183.00		IATC Provident Fund	43.07	39.47
	North East Nutrients Private Limited	168.16	176.19		ITC Management Staff Gratuity Fund	21.10	21.04
3.	<b>Acquisition cost of Property, Plant and Equipment</b>			13.	<b>Dividend Income</b>		
	ITC Infotech India Limited	32.47	14.38		ITC Infotech India Limited	488.40	149.60
4.	<b>Sale of Property, Plant and Equipment</b>				Surya Nepal Private Limited	418.14	383.24
	ITC Indivision Limited	0.40	-	14.	<b>Dividend Payments</b>		
	S. Dutta	0.12	-		Tobacco Manufacturers (India) Limited	4690.90	3648.48
	B. Sumant	0.09	-	15.	<b>Interest Income</b>		
5.	<b>Investment Purchased from Subsidiary</b>				ITC Indivision Limited	17.74	9.81
	Russell Credit Limited	22.12	-	16.	<b>Expenses Recovered</b>		
6.	<b>Investment in Subsidiaries/Associate</b>				British American Tobacco (GLP) Limited	4.86	21.97
	WelcomHotels Lanka (Private) Limited	704.37	606.14		ITC Infotech India Limited	4.32	3.74
	ITC Fibre Innovations Limited	199.99	0.01	17.	<b>Expenses Reimbursed</b>		
7.	<b>Value of Share Based Payment</b>				Fortune Park Hotels Limited	3.97	3.32
7A.	<i>Capital Contribution for Share Based Payments</i>				Wimco Limited	3.26	1.84
	ITC Infotech India Limited	(0.83)	(4.09)		Indiviate Inc.	1.34	0.57
7B.	<i>Reimbursement for Share Based Payments</i>				Landbase India Limited	0.96	0.01
	ITC Infotech India Limited	1.43	2.36	18.	<b>Advances Received during the year</b>		
	Surya Nepal Private Limited	1.33	0.61		British American Tobacco (GLP) Limited	881.77	1152.95
	Fortune Park Hotels Limited	1.11	2.23	19.	<b>Adjustment/Payment towards Refund of Advances</b>		
8.	<b>Rent Received</b>				British American Tobacco (GLP) Limited	1034.64	1324.76
	ITC Infotech India Limited	22.95	20.20	20.	<b>Adjustment/Receipt towards Refund of Deposit</b>		
	Surya Nepal Private Limited	3.45	3.08		N. Anand	0.05	-
9.	<b>Rent Paid</b>				T. Anand	0.05	-
	Landbase India Limited	7.59	6.87	21.	<b>Remuneration to KMP#</b>		
	Gujarat Hotels Limited	4.06	4.32	21A.	<i>Short term benefits</i>		
	Bay Islands Hotels Limited	3.37	2.48		S. Puri	13.06	12.09
10.	<b>Remuneration of Managers on Deputation reimbursed</b>				B. Sumant	5.74	5.35
	Gujarat Hotels Limited	6.45	7.06		S. Dutta	5.08	4.31
	Bay Islands Hotels Limited	1.96	1.76		N. Anand	4.81	5.96

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		2024	2023
21B.	<i>Other long-term incentives</i>		
	S. Puri	13.37	10.08
	N. Anand	7.41	4.47
	B. Sumant	6.69	5.04
	S. Dutta	4.15	2.51
22.	<b>Outstanding Balances</b>		
(i)	<i>Receivables</i>		
	Surya Nepal Private Limited	65.87	24.48
	British American Tobacco (GLP) Limited	23.70	36.35
(ii)	<i>Advance given</i>		
	Employee Trust - Pension Funds	21.30	-
(iii)	<i>Deposits Given</i>		
	Russell Credit Limited <sup>1</sup>	0.36	0.36
	Greenacre Holdings Limited <sup>2</sup>	0.24	0.24
(iv)	<i>Advances Taken</i>		
	British American Tobacco (GLP) Limited	367.65	520.52
	Surya Nepal Private Limited	88.56	26.96
(v)	<i>Deposits Taken</i>		
	International Travel House Limited	0.04	0.04
(vi)	<i>Payables</i>		
	Employee Trust - Gratuity Funds	38.01	15.97
	Employee Trust - Pension Funds	-	24.38
	ITC Filtrona Limited	9.65	20.60
	North East Nutrients Private Limited	6.34	3.83
23.	<b>Commitments</b>		
	ITC Infotech India Limited	0.38	0.66

# In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of share based payments [refer Note 30.3], of which ₹ 30.85 Crores (2023 - ₹ 35.43 Crores) is attributable to Executive Directors & KMPs:

S. Puri ₹ 10.90 Crores (2023 - ₹ 9.96 Crores), N. Anand (related party upto 02.01.2024) ₹ 3.95 Crores (2023 - ₹ 5.07 Crores), B. Sumant ₹ 5.52 Crores (2023 - ₹ 4.58 Crores), S. Dutta ₹ 3.08 Crores (2023 - ₹ 2.51 Crores), H. Malik ₹ 1.81 Crores (2023 - ₹ 2.74 Crores) and R. K. Singhi ₹ 0.87 Crore (2023 - ₹ 0.72 Crore).

<sup>1</sup> The maximum indebtedness during the year was ₹ 0.36 Crore (2023 - ₹ 0.36 Crore).

<sup>2</sup> The maximum indebtedness during the year was ₹ 0.24 Crore (2023 - ₹ 0.24 Crore)

# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures

### 1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

During the year, the Company issued 5,67,03,730 Ordinary Shares (2023 - 10,47,61,810 Ordinary Shares) of ₹ 1.00 each amounting to ₹ 5.67 Crores (2023 - ₹ 10.48 Crores) towards its employee stock options. The securities premium stood at ₹ 14842.78 Crores as at 31st March, 2024 (2023 - ₹ 13065.62 Crores).

### 2. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	11	197.63	197.63	206.88	206.88
ii) Other Bank Balances	12	6020.06	6020.06	3624.38	3624.38
iii) Investment in Bonds/ Debentures, Preference Shares & Government or Trust Securities	4, 9	7384.61	7238.15	8154.48	8174.92
iv) Investment in Mutual Funds	4	366.88	362.91	346.05	337.99
v) Loans	5	11.73	11.24	10.02	9.35
vi) Trade receivables	10	3311.45	3311.45	2321.33	2321.33
vii) Other financial assets	6	1220.16	1173.66	4282.01	4234.05
<b>Sub-total</b>		<b>18512.52</b>	<b>18315.10</b>	<b>18945.15</b>	<b>18908.90</b>
<b>b) Measured at Fair value through OCI</b>					
i) Investment in Equity shares	4	3979.47	3979.47	1464.41	1464.41
ii) Investment in Mutual Funds	4	4912.78	4912.78	3676.53	3676.53
<b>Sub-total</b>		<b>8892.25</b>	<b>8892.25</b>	<b>5140.94</b>	<b>5140.94</b>
<b>c) Measured at Fair value through Profit or Loss</b>					
i) Investment in Mutual Funds	9	9355.06	9355.06	8711.14	8711.14
ii) Investment in Bonds/Debentures, Certificates of Deposit	9	2524.47	2524.47	5360.34	5360.34
iii) Investment in Venture Capital Funds	4	121.96	121.96	119.25	119.25
iv) Investment in Equity & Preference Shares	4	39.34	39.34	39.34	39.34
<b>Sub-total</b>		<b>12040.83</b>	<b>12040.83</b>	<b>14230.07</b>	<b>14230.07</b>
<b>d) Derivatives measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	6	2.05	2.05	2.68	2.68
ii) Derivative instruments designated as hedging instruments	6	0.53	0.53	29.38	29.38
<b>Sub-total</b>		<b>2.58</b>	<b>2.58</b>	<b>32.06</b>	<b>32.06</b>
<b>Total financial assets</b>		<b>39448.18</b>	<b>39250.76</b>	<b>38348.22</b>	<b>38311.97</b>



# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Sales tax deferment loans	14	3.28	2.90	4.54	3.66
ii) Trade payables		4489.55	4489.55	4351.26	4351.26
iii) Lease Liabilities	15	308.69	308.69	320.13	320.13
iv) Other financial liabilities	16	1750.52	1730.19	1863.50	1834.49
<b>Sub-total</b>		<b>6552.04</b>	<b>6531.33</b>	<b>6539.43</b>	<b>6509.54</b>
<b>b) Measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	16	1.43	1.43	2.68	2.68
ii) Derivative instruments designated as hedging instruments	16	4.60	4.60	4.34	4.34
iii) Contingent Consideration	16	12.65	12.65	12.65	12.65
<b>Sub-total</b>		<b>18.68</b>	<b>18.68</b>	<b>19.67</b>	<b>19.67</b>
<b>Total financial liabilities</b>		<b>6570.72</b>	<b>6550.01</b>	<b>6559.10</b>	<b>6529.21</b>

### 3. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with the applicable regulations. It also seeks to drive accountability in this regard.

#### Liquidity Risk

The Company's Current assets aggregate ₹ 36070.67 Crores (2023 - ₹ 35203.44 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 18134.57 Crores (2023 - ₹ 20188.33 Crores) against an aggregate Current liability of ₹ 12415.61 Crores (2023 - ₹ 12415.62 Crores). As part of its surplus liquidity management operations, the Company may sell instruments that are held at amortised cost. Such sales may be infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). During the year, the net loss arising on such sale amounted to ₹ 16.37 Crores (2023 - ₹ 49.13 Crores) (Refer Note 22).

Other Non-current liabilities (other than lease liabilities) due between one year to three years amounted to ₹ 110.07 Crores (2023 - ₹ 154.16 Crores) and Other Non-current liabilities due after three years amounted to ₹ 1.56 Crores (2023 - ₹ 1.61 Crores) on the reporting date. The maturity analysis of undiscounted lease liabilities are disclosed under Note 28(vii).

Further, while the Company's total equity stands at ₹ 70984.83 Crores (2023 - ₹ 67593.80 Crores), it has non-current borrowings of ₹ 1.76 Crores (2023 - ₹ 3.28 Crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

#### Market Risk

##### A. Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Pound Sterling, Euro and Japanese Yen) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows: (₹ in Crores)

As at 31st March, 2024	USD	Euro	GBP	JPY	Others	Total
Financial Assets	608.02	74.58	27.00	–	1.66	711.26
Financial Liabilities	77.59	22.61	1.18	2.02	0.98	104.38

As at 31st March, 2023	USD	Euro	GBP	JPY	Others	Total
Financial Assets	694.77	87.30	18.42	0.27	14.88	815.64
Financial Liabilities	99.88	22.16	2.42	8.24	3.46	136.16

The Company uses foreign exchange forward, futures and options contracts to hedge its exposures in foreign currency arising from firm commitments and highly probable forecast transactions.

a. Forward exchange contracts that were outstanding on respective reporting dates:

(In Million)

Designated under Hedge Accounting		As at 31st March, 2024		As at 31st March, 2023	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	13.59	98.15	47.55	125.68
Euro	US Dollar	11.15	–	41.94	–
CHF	US Dollar	0.15	–	–	–
GBP	US Dollar	0.02	–	–	–
JPY	US Dollar	36.03	–	123.81	–

The aforesaid hedges have a maturity of less than 1 year from the year end.

(In Million)

Not designated under Hedge Accounting		As at 31st March, 2024		As at 31st March, 2023	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	45.35	30.52	78.33
Euro	US Dollar	1.24	9.94	–	7.25
CAD	US Dollar	–	0.22	–	2.49
CHF	US Dollar	0.14	3.56	0.66	0.20
GBP	US Dollar	–	2.98	0.08	2.74
KWD	US Dollar	0.06	–	–	–
JPY	US Dollar	203.75	–	232.72	–
SEK	US Dollar	0.52	–	–	–

b. Currency options that were outstanding on respective reporting dates (Designated under Hedge Accounting):

(In Million)

		As at 31st March, 2024		As at 31st March, 2023	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	–	–	8.00

### Hedges of foreign currency risk and derivative financial instruments

The Company has established risk management policies to hedge the volatility in cashflows arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward, futures and options contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks or recognised exchange(s), the risk of their non-performance is considered to be insignificant.

The Company uses derivatives to hedge its exposure to foreign exchange rate fluctuations. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

The Company may also designate certain hedges as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecasted cash transactions. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

The movement in the cash flow hedging reserve in respect of designated cash flow hedges is summarised below:

(₹ in Crores)

Particulars	2024	2023
<b>At the beginning of the year</b>	2.48	14.33
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(6.43)	(154.16)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(3.45)	17.81
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(17.73)	(81.93)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(1.40)	(28.19)
Less: Amounts transferred to initial cost of non-financial assets	10.85	(10.40)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on Ineffectiveness	–	–
(Less)/Add: Deferred tax	0.41	3.98
<b>At the end of the year</b>	<b>1.29</b>	<b>2.48</b>
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	2.19	(11.20)

Once the hedged transaction materialises, the amount accumulated in the cash flow hedging reserve will be included in the initial cost of the non-financial hedged item on its initial recognition or reclassified to profit or loss, as applicable, in the anticipated timeframes given below:

(₹ in Crores)

Outstanding balance in Cash Flow Hedge Reserve to be subsequently recycled from OCI	As at 31st March, 2024	As at 31st March, 2023
Within one year	1.31	2.47
Between one and three years	(0.02)	0.01
<b>Total</b>	<b>1.29</b>	<b>2.48</b>

### Foreign Currency Sensitivity

For every percentage point increase/decrease in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2024 would decrease/increase by ₹ 1.71 Crores (2023 - ₹ 2.85 Crores) and other equity as at 31st March, 2024 would decrease/increase by ₹ 4.91 Crores (2023 - ₹ 2.68 Crores) on a pre-tax basis.

### B. Interest Rate Risk

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in bonds/debentures, fixed deposits, certificates of deposit and debt mutual funds. Mark to market movements in respect of the Company's investments in bonds/debentures that are held at amortised cost

# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

are temporary and get recouped through coupon accruals. Other investments in bonds/debentures, certificates of deposit are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

The Company also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Company has invested, such price risk is not significant.

### C. Other Price Risk

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2024 is ₹ 3979.47 Crores (2023 - ₹ 1464.41 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. Such activities are managed by the business team within an approved policy framework. The carrying value of inventories is adjusted to the extent of fair value movement of the risk being hedged. Such hedges are generally for short time horizons and recognised in profit or loss within the crop cycle. Accordingly, the Company's net exposure to commodity price risk is considered to be insignificant.

### Credit Risk

Company's deployment in debt instruments are primarily in Government securities, fixed deposits with highly rated banks and companies, bonds issued by Government institutions, public sector undertakings, mutual fund schemes of leading fund houses and certificates of deposit issued by highly rated banks and financial institutions. Of this, investments that are held at amortised cost stood at ₹ 13802.74 Crores (2023 - ₹ 15420.01 Crores). With respect to the Company's investing activities, debt mutual fund schemes and counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Central/State Government, Government institutions/public sector undertakings with investment grade/sovereign credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Company's payment terms generally ranges from advance (generally settled within the operating cycle) to a credit period of up to 180 days, depending upon specific circumstances and industry practices. Credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. There is no significant financing component and/or remaining performance obligation in respect of its transaction with the customers for sale of goods and services. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 3311.45 Crores (2023 - ₹ 2321.33 Crores).

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The movement of the expected loss provision (allowance for bad and doubtful loans, advances and receivables etc.) made by the Company are as under:

(₹ in Crores)

Particulars	Expected Loss Provision	
	31st March, 2024	31st March, 2023
Opening Balance	210.44	214.05
Add: Provisions made (net)	9.68	(0.25)
Less: Utilisation for impairment/de-recognition	16.36	3.36
Closing Balance	<b>203.76</b>	<b>210.44</b>



# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

### 4. Fair value measurement

The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
<b>A. Financial assets</b>			
<b>a) Measured at amortised cost</b>			
i) Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities	2	7238.15	8174.92
ii) Investment in Mutual Funds	1	362.91	337.99
iii) Loans*	3	2.14	3.40
iv) Other Financial assets*	3	326.38	3560.27
<b>Sub-total</b>		<b>7929.58</b>	<b>12076.58</b>
<b>b) Measured at Fair value through OCI</b>			
i) Investment in Equity shares – Quoted	1	3979.42	1464.36
ii) Investment in Equity shares – Unquoted	3	0.05	0.05
iii) Investment in Mutual Funds	1	4912.78	3676.53
<b>Sub-total</b>		<b>8892.25</b>	<b>5140.94</b>
<b>c) Measured at Fair value through Profit or Loss</b>			
i) Investment in Mutual Funds	1	9355.06	8711.14
ii) Investment in Bonds/Debentures, Certificates of Deposit	2	2524.47	5360.34
iii) Investment in Venture Capital Funds	2	121.96	119.25
iv) Investment in Equity & Preference Shares	3	39.34	39.34
<b>Sub-total</b>		<b>12040.83</b>	<b>14230.07</b>
<b>d) Derivatives measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	2.05	2.68
ii) Derivative instruments designated as hedging instruments	2	0.53	29.38
<b>Sub-total</b>		<b>2.58</b>	<b>32.06</b>
<b>Total financial assets</b>		<b>28865.24</b>	<b>31479.65</b>
<b>B. Financial liabilities</b>			
<b>a) Measured at amortised cost</b>			
i) Sales tax deferment loans*	3	1.38	2.40
ii) Lease liabilities*	3	261.95	273.59
iii) Other Financial liabilities*	3	89.54	123.48
<b>Sub-total</b>		<b>352.87</b>	<b>399.47</b>
<b>b) Measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	1.43	2.68
ii) Derivative instruments designated as hedging instruments	2	4.60	4.34
iii) Contingent Consideration	3	12.65	12.65
<b>Sub-total</b>		<b>18.68</b>	<b>19.67</b>
<b>Total financial liabilities</b>		<b>371.55</b>	<b>419.14</b>

\* Represents fair value of non-current financial instruments.

# Notes to the Standalone Financial Statements

## 31. Financial Instruments and Related Disclosures (Contd.)

Reconciliation of fair value movement of financial assets and liabilities measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy is as under:

(₹ in Crores)

	31st March, 2024			31st March, 2023		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL
Opening Balance	39.34	0.05	12.65	20.00	2.37	76.40
Additions during the year	–	–	–	39.34	–	–
Sale/Transfer/Settlement during the year	–	–	–	20.00	–	63.75
Gain/(Loss) during the year recognised in Other Income	–	–	–	–	–	–
Gain/(Loss) during the year recognised in Other Comprehensive Income	–	–	–	–	(2.32)	–
Closing Balance	<b>39.34</b>	<b>0.05</b>	<b>12.65</b>	<b>39.34</b>	<b>0.05</b>	<b>12.65</b>

### Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. The fair value of investment in Bonds/Debentures, Certificates of Deposit, Venture Capital funds etc. and financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003

Arvind Sethi  
Partner  
(Membership No.: 89802)

Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529) *Chairman & Managing Director*

S. DUTTA  
(DIN : 01804345) *Director & Chief Financial Officer*

R. K. SINGHI  
(Membership No.: FCS 3770) *Company Secretary*

# INDEPENDENT AUDITOR'S REPORT

## To the Members of ITC Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of ITC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the

Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.</li> <li>Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Standalone Ind AS Financial Statements - Material Accounting Policies and Note 21A/21B.</p>	<ul style="list-style-type: none"> <li>● Tested the effectiveness of such controls over revenue cut off at year-end.</li> <li>● On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.</li> <li>● Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>● Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>● Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> </ul>
<p><b>Impairment assessment of investment in WelcomHotels Lanka (Private) Limited ('WLPL'), a wholly owned subsidiary</b></p>	
<p>WLPL is developing a mixed-use project in Colombo, Sri Lanka which includes a hotel and a residential apartment complex. At March 31, 2024, the carrying value of Company's investment in WLPL is INR 3,479.77 crores. The Company's investments in subsidiaries are assessed annually by management for potential indicators of impairment.</p> <p>The Company has assessed the carrying value of investments basis evaluation of the recoverable value of the capital work in progress of the hotel (PPE) and inventory of the residential apartments being developed by WLPL considering slowdown in the Sri Lankan economy in past few years which is gradually stabilizing. The said determination is based on assumptions, that by their nature imply the use of the management's judgement, in particular with reference to forecast of future cash flows, selling price, balance cost to complete the project, selling costs, terminal value, long-term growth rates and discount rates applied to such forecasted cash flows. Considering the judgement required for estimating the cash flows and the assumptions used, this is considered as a key audit matter.</p> <p>Refer Note 1 – Material Accounting Policies and Note 2 – Use of estimates and judgements to the Standalone Ind AS Financial Statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Evaluated the key judgements/assumptions underlying management's assessment of potential indicators of impairment.</li> <li>● Obtained and read the projections/estimated selling price/future cashflows along with sensitivity analysis thereof of the underlying PPE and inventory at WLPL.</li> <li>● Discussed and obtained from component auditor of WLPL their assessment of potential indicators of impairment of PPE and recoverable value of inventory.</li> <li>● Evaluated management's methodology, assumptions and estimates used in these calculations.</li> <li>● Compared projections shared by the management in previous year with the actuals for the year ended March 31, 2024.</li> <li>● Performed sensitivity analysis around impact on future cash flows due to changes in key assumptions considered by management.</li> <li>● Verified the arithmetical accuracy of the future cash flow model including comparison with approved budgets.</li> <li>● Assessed the recoverability of investment with regard to underlying value in use of PPE and net realisable value of inventory in WLPL.</li> </ul>



## Independent Auditor's Report

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 28(v)(a) to the standalone Ind AS financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

## Independent Auditor's Report

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and

appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in Note B of Statement of changes in equity to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For S R B C & CO LLP  
*Chartered Accountants*  
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
*Partner*

Membership Number: 89802

UDIN: 24089802BKEJFD2551

Place of Signature: Kolkata

Date: May 23, 2024

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other legal and Regulatory Requirements” of our report of even date

### Re: ITC Limited (the “Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have substantially been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (including inventories lying with third parties) were noticed.
- (b) As disclosed in note 8 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks during the year on the basis of security of inventories of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/ statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the investments made by the Company is not prejudicial to the Company’s interest. The Company has not provided guarantees or security and has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public nor accepted any amounts which are deemed to be deposits during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the



manufacture of specified products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

- (vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) The dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Crores)*	Period to which the amount relates (Financial Year)	Forums where the dispute is pending
Sales Tax and Value Added Tax Laws	Sales Tax and VAT	35.71	1987-2020	Appellate Authority – upto commissioners' / Revisional Authorities Level
		35.65	2005-2018	Appellate Authority – Tribunal Level
		243.98	1994-2017	High Court
Customs Act, 1962	Customs Duty	1.34	2012-2020	Appellate Authority – upto commissioners' / Revisional Authorities Level
		15.13	2015-2021	Appellate Authority – Tribunal Level
		5.22	2006-2009	High Court
Central Excise Act, 1944	Excise Duty	0.34	1996-2015	Appellate Authority – upto commissioners' / Revisional Authorities Level
		55.72	1986-2017	Appellate Authority – Tribunal Level
		4.57	2004-2012	High Court
Finance Act, 1994	Service Tax	3.21	2007-2017	Appellate Authority – upto commissioners' / Revisional Authorities Level
		90.61	2003-2017	Appellate Authority – Tribunal Level
		5.64	2005-2017	High Court
Entry Tax Laws	Entry Tax	0.16	2010-2017	Appellate Authority – upto commissioners' / Revisional Authorities Level
		18.41	2011-2018	Appellate Authority – Tribunal Level
		81.74	1999-2018	High Court

Name of the statute	Nature of the dues	Amount (₹ in Crores)*	Period to which the amount relates (Financial Year)	Forums where the dispute is pending
Luxury Tax Laws	Luxury Tax	54.95	1999-2004	Supreme Court
Goods and Services Tax	Goods and Services Tax	16.03	2017-2019	Appellate Authority – upto commissioners’/ Revisional Authorities Level
		2.85	2017-2019	Appellate Authority – Tribunal Level
		5.50	2017-2020	High Court
Mandi Laws	Mandi Fees & Cess	0.85	2021-2022	Mandi Board
		1.34	2001-2022	High Court
Municipal, Local Bodies and Property Tax Laws	Municipal, Local Bodies and Property Taxes & Charges	32.19	2014-2021	Appellate Authority – upto commissioners’/ Revisional Authorities Level/Municipal Council
		2.40	2004	Appellate Authority – Tribunal Level
		32.89	2001-2018	High Court
Stamp Duty Laws	Stamp Duty	4.22	2004-2016	Registrar / Appellate Authority
		0.61	1987-2008	High Court
The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.51	2012-2020	Appellate Authority – Tribunal Level
		1.30	1982-1990	High Court
Employees’ State Insurance Act, 1948	Employees’ State Insurance	0.08	2007-2014	Principal Labour Court
		0.06	1995-1996	High Court

Out of the total disputed dues aggregating ₹ 753.21 Crores as above, ₹ 615.39 Crores pertain to matters which have been stayed for recovery by the relevant authorities.

\*Net of amount paid under protest.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
  - (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
  - (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Hence, the requirement to report on clause (ix)(e) of the Order is not applicable to the Company.
  - (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 28 (xvi) to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28 (iii) to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013. This matter has been disclosed in note 28 (iii) to the financial statements.

For S R B C & CO LLP  
*Chartered Accountants*  
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
*Partner*

Membership Number: 89802

UDIN: 24089802BKEJFD2551

Place of Signature: Kolkata

Date: May 23, 2024



## Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of ITC Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of ITC Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records

that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP  
*Chartered Accountants*  
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
*Partner*

Membership Number: 89802

UDIN: 24089802BKEJFD2551

Place of Signature: Kolkata

Date: May 23, 2024

# Guide to Subsidiaries/Joint Ventures/Associates

## Subsidiaries of ITC Limited

### Surya Nepal Private Limited, Nepal

#### Shareholding

59% held by ITC Limited.

#### Nature of Business

Manufacture and sale of cigarettes & branded packaged food products.

#### Subsidiary

Surya Nepal Ventures Private Limited, a wholly owned subsidiary, is engaged in the business of manufacture and sale of agarbatti.

### North East Nutrients Private Limited

#### Shareholding

76% held by ITC Limited.

#### Nature of Business

The company is in the business of manufacture and sale of packaged food products from its food processing facility based in Assam.

### ITC Infotech India Limited (I3L)

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Information technology services and solutions.

#### Subsidiaries

I3L owns 100% of the shareholding of :

ITC Infotech (USA), Inc. (I2A)

ITC Infotech Limited, UK (I2B)

ITC Infotech Do Brasil LTDA., Brazil (I2B2)

ITC Infotech France SAS (I2F)

ITC Infotech GmbH, Germany (I2G)

ITC Infotech Malaysia SDN. BHD. (I2M)

ITC Infotech de México, S.A. de C.V. (I2MX)\* and

ITC Infotech Arabia Limited (I2AR)

\*Ownership includes shareholding by I2A.

I2A owns 100% of the shareholding of Indivate Inc. incorporated as a New Jersey Corporation.

I2A, I2B, I2B2, I2F, I2G, I2M and I2MX are engaged in the information technology services business. I2AR has been incorporated for engaging in information technology services business and is yet to commence commercial operations. Indivate Inc. is principally engaged in providing business consulting services and opportunity based trading of FMCG products.

### Russell Credit Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Investment company. Its activities are primarily confined to making long-term investments in strategic thrust areas for ITC, namely FMCG, Hotels & Tourism, Paper, Paperboards & Packaging, Agri Business and Information Technology.

#### Subsidiary

Greenacre Holdings Limited, a wholly owned subsidiary, is engaged in property infrastructure maintenance, and providing engineering, procurement, construction management and project management consultancy services.

### Gold Flake Corporation Limited (GFCL)

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

General trading.

#### Joint Venture

ITC Filtrona Limited (formerly known as ITC Essentra Limited), India, is a 50% joint venture of GFCL with Filtrona Products International Limited, UK.

#### Nature of Business

Manufacture and sale of cigarette filter rods.

### ITC Integrated Business Services Limited (IIBSL)

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

The company is engaged in the business of providing support to the Business Shared Services operations of ITC Limited.

#### Subsidiary

IIBSL owns 100% shareholding in MRR Trading & Investment Company Limited, which provides estate maintenance services.

### Technico Pty Limited, Australia (Technico)

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

An agri-biotechnology company primarily engaged in commercialisation of seed potatoes with TECHNITUBER® technology.

## Subsidiaries

Technico has two wholly owned subsidiaries, namely Technico Technologies Inc., Canada and Technico Asia Holdings Pty Limited, Australia.

Technico Asia Holdings Pty Limited has a wholly owned subsidiary, Technico Horticultural (Kunming) Company Limited, China.

These companies support Technico in the production and commercialisation of seed potatoes in different geographies.

### Technico Agri Sciences Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

An agri-biotechnology company primarily engaged in rapid multiplication and commercialisation of seed potatoes with TECHNITUBER<sup>®</sup> technology & sourcing/supply of fruits and vegetables.

### ITC IndiVision Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

The company is in the business of manufacturing and sale of nicotine and nicotine derivative products from its facility in Karnataka. The company has commenced operations during the year.

### WelcomHotels Lanka (Private) Limited, Sri Lanka

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

The company owns and operates the hotel "ITC Ratnadipa", a luxury hotel in Colombo, Sri Lanka, which was commissioned on 25th April, 2024. The company is also developing a super-premium residential apartment complex as part of the mixed-use project.

### Srinivasa Resorts Limited

#### Shareholding

68% held by ITC Limited.

#### Nature of Business

The company owns the hotel "ITC Kakatiya" at Hyderabad, for which operating services are rendered by ITC Limited.

### Fortune Park Hotels Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

The company is in the business of providing operating services in the mid-market to upscale segment under its hospitality brands. It currently operates 51 properties.

### Bay Islands Hotels Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

The company owns the hotel "Welcomhotel Bay Island" at Port Blair, which is licensed to ITC Limited.

### Landbase India Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Hospitality, management and operation of golf course and real estate development.

The company owns the Classic Golf & Country Club, a 27-hole Jack Nicklaus Signature Golf Course. It also owns a 104 key all suite luxury retreat "ITC Grand Bharat" which is licensed to and operated by ITC Limited.

### Wimco Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Wimco Limited is engaged in fabrication & assembly of machinery for tube filling, cartoning, wrapping, conveyor solutions and engineering services.

### Pavan Poplar Limited & Prag Agro Farm Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Agro-forestry and other related activities.

### ITC Fibre Innovations Limited

#### Shareholding

100% held by ITC Limited.

#### Nature of Business

Manufacture and sale of moulded fibre products from its facility in Madhya Pradesh. The company has commenced operations during the year.



## ITC Hotels Limited (ITCHL)

### Shareholding

100% held by ITC Limited.

### Nature of Business

ITCHL was incorporated on 28th July, 2023 and its main object is 'hotels and hospitality' business. A Scheme of Arrangement amongst ITC Limited and ITCHL and their respective shareholders and creditors under Sections 230-232 and other applicable provisions of the Companies Act, 2013 (the 'Scheme'), for demerger of ITC Limited's Hotels Business into ITCHL was approved by their respective Boards on 14th August 2023, subject to necessary approvals. ITCHL will undertake the hotels and hospitality business upon the Scheme becoming effective.

### Joint Venture of ITC Limited

#### Maharaja Heritage Resorts Limited

Maharaja Heritage Resorts Limited, where ITC Limited holds 50%, is a joint venture with Jodhana Heritage Resorts Private Limited.

### Nature of Business

The joint venture company currently provides Franchise & Marketing Services to 38 operational hotel properties spread across 14 States/Union Territories with its WelcomHeritage brand portfolio comprising "Legend Hotels", "Heritage Hotels" and "Nature Resorts", which provide uniquely differentiated offerings to guests in the cultural, heritage and adventure tourism segments respectively.

### Major Associates of the Group

#### International Travel House Limited (ITHL)

ITC Limited holds 48.96% in ITHL.

### Nature of Business

Air ticketing, car rentals, tourism, domestic holidays, conferences, events & exhibition management and foreign exchange services for travellers.

#### Gujarat Hotels Limited

ITC Limited holds 45.78% in Gujarat Hotels Limited.

### Nature of Business

The company owns the "Welcomhotel Vadodara" in Vadodara which is operated by ITC Limited under an Operating Licence Agreement.

Note: The full list of the Group's Associates appears on page 300.

### Principles of Consolidation

The Group's interests in its subsidiaries, associates and joint ventures are reflected in the Consolidated Financial Statements (CFS) in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

### Subsidiaries (Ind AS 110)

Line by line consolidation of the Statement of Profit and Loss and Balance Sheet is done by aggregating like items of assets, liabilities, income and expenses.

The excess/deficit of the cost to ITC Limited of its investments in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill/capital reserve in the CFS. The goodwill is disclosed as an asset and capital reserve as a reserve in the Consolidated Balance Sheet.

Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interest; likewise the non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented separately within Equity in the Consolidated Balance Sheet.

Inter-Company transactions within the Group (both Balance Sheet and Profit or Loss items) are eliminated for arriving at the Group CFS.

CFS is prepared applying uniform accounting policies of ITC Limited to the Group companies.

### Associates and Joint Ventures (Ind AS 28)

An investment in associate and joint venture is initially recognised at cost on the date of the investment, and is inclusive of any goodwill/capital reserve embedded in the cost.

Only share of net profits/losses of associates/joint ventures is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in associates/joint ventures is adjusted by the share of net profits/losses in the Consolidated Balance Sheet.

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

#### Part A: Subsidiaries

Name of the Subsidiary	(₹ in Crores)													
	ITC Infotech India Limited	ITC Infotech (USA), Inc.	ITC Infotech Limited	Indivate Inc.	ITC Infotech Do Brasil LTDA.	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech Malaysia SDN. BHD.	ITC Infotech de México, S.A. de C.V.	Surya Nepal Private Limited	Surya Nepal Private Limited	Surya Nepal Ventures Private Limited		
1. The date since when subsidiary was acquired	21-Aug-2000	17-Jun-1993	26-Jan-1993	18-Nov-2016	10-Oct-2022	08-Feb-2023	10-Mar-2023	03-Feb-2023	17-Apr-2023	20-Aug-2002	13-Mar-2024	03-Jul-2023		
2. Financial Year ending on	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	13-Mar-2024	13-Mar-2024	13-Mar-2024		
Reporting Currency	Indian Rupee	US Dollar	British Pound	US Dollar	Brazilian Real	Euro	Euro	Malaysian Ringgit	Mexican Peso	Nepalese Rupee	Nepalese Rupee	Nepalese Rupee		
3. Exchange Rate on the last day of the financial year	-	83.4050	105.0325	83.4050	16.7044	89.8775	89.8775	17.6225	5.0324	0.6250	0.6250	0.6250		
4. Share Capital	88.00	151.80	7.20	0.83	4.34	26.96	25.62	14.10	18.37	126.00	126.00	2.56		
5. Reserves & Surplus	1231.89	101.22	101.03	37.25	1.20	3.53	25.20	0.65	0.38	658.58	658.58	(0.28)		
6. Total Assets	2355.91	400.31	171.71	56.09	7.34	73.41	109.78	20.40	19.34	1161.37	1161.37	7.23		
7. Total Liabilities (excluding Total Equity)	1036.02	147.29	63.48	18.01	1.80	42.92	58.96	5.65	0.59	376.79	376.79	4.95		
8. Investments (excluding Investments made in subsidiaries)	464.50	-	-	-	-	-	-	-	-	-	-	-		
9. Turnover	2941.96	1210.91	360.97	113.89	12.70	54.64	128.25	14.40	3.05	3172.75	3172.75	0.09		
10. Profit/(Loss) before tax	543.22	43.47	17.58	30.32	1.46	5.20	7.96	0.94	0.28	1007.61	1007.61	(0.35)		
11. Provision for tax	(161.02)	(17.97)	(1.91)	-	(0.46)	(1.30)	17.24	(0.28)	0.10	(308.76)	(308.76)	0.07		
12. Profit/(Loss) after tax	382.20	25.50	15.67	30.32	1.00	3.90	25.20	0.66	0.38	698.85	698.85	(0.28)		
13. Proposed Dividend <sup>@</sup>	488.40	21.25	-	-	-	-	-	-	-	709.38	709.38	-		
14. % of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	59.00	59.00	59.00		

<sup>@</sup> includes dividend paid during the year

Notes:

- i) Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.
- ii) ITC Infotech Arabia Limited, a subsidiary of ITC Infotech India Limited, was incorporated during the year on 17th December, 2023 and is yet to commence commercial operations. There have been no transactions in the company during the period ended 31st March, 2024 and hence the financial statements have not been prepared by the said subsidiary.

**Part A: Subsidiaries (Contd.)**

(₹ in Crores)

Name of the Subsidiary	Technico Pty Limited	Technico Agri Sciences Limited	Technico Technologies Inc.	Technico Asia Holdings Pty Limited	Technico Horticultural (Kunming) Co. Limited	Srinivasa Resorts Limited	Fortune Park Hotels Limited	Landbase India Limited	Bay Islands Hotels Limited	WelcomHotels Lanka (Private) Limited	Russell Credit Limited
1. The date since when subsidiary was acquired	17-Aug-2007	17-Aug-2007	17-Aug-2007	17-Aug-2007	17-Aug-2007	06-Feb-1995	06-Mar-1996	09-Sep-2000	08-Mar-1999	04-May-2012	26-Sep-1997
2. Financial Year ending on	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024
3. Reporting Currency	Australian Dollar	Indian Rupee	Canadian Dollar	Australian Dollar	Chinese Yuan Renminbi	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Sri Lankan Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	54.1125	-	61.2675	54.1125	11.5372	-	-	-	-	0.2776	-
4. Share Capital	105.46	37.96	6.67	19.94	21.94	24.00	0.45	317.00	0.12	2910.98	646.48
5. Reserves & Surplus	(32.00)	119.14	0.02	(12.05)	2.39	79.90	34.52	(53.94)	24.29	8.99	803.33
6. Total Assets	78.58	356.06	7.14	7.89	24.72	132.52	53.73	312.65	25.12	3081.40	1502.45
7. Total Liabilities (excluding Total Equity)	5.12	198.96	0.45	-	0.39	28.62	18.76	49.59	0.71	161.43	52.64
8. Investments (excluding Investments made in subsidiaries)	-	70.89	-	-	-	45.45	23.58	27.82	3.87	-	1359.88
9. Turnover	11.67	331.96	5.58	2.66	5.60	74.72	54.92	44.01	3.79	8.12	60.91
10. Profit/(Loss) before tax	6.67	50.13	4.66	2.66	1.91	11.73	13.46	10.00	3.61	1.65	48.78
11. Provision for tax	(2.27)	(12.32)	-	-	-	(3.63)	(2.24)	-	(0.91)	-	(9.39)
12. Profit/(Loss) after tax	4.40	37.81	4.66	2.66	1.91	8.10	11.22	10.00	2.70	1.65	39.39
13. Proposed Dividend <sup>@</sup>	-	24.68	-	-	2.72	-	0.68	-	0.12	-	19.39
14. % of shareholding	100.00	100.00	100.00	100.00	100.00	68.00	100.00	100.00	100.00	100.00	100.00

<sup>@</sup> includes dividend paid during the year

Notes:

- Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.
- WelcomHotels Lanka (Private) Limited is yet to commence commercial operations.

**Part A: Subsidiaries (Contd.)**

(₹ in Crores)

Name of the Subsidiary	Greenacre Holdings Limited	Wimco Limited	Gold Flake Corporation Limited	ITC Integrated Business Services Limited	MRR Trading & Investment Company Limited	North East Nutrients Private Limited	Prag Agro Farm Limited	Pavan Poplar Limited	ITC IndiVision Limited	ITC Fibre Innovations Limited	ITC Hotels Limited
1. The date since when subsidiary was acquired	09-Nov-1994	01-Jul-2005	29-Jan-1982	17-May-2012	23-Dec-1998	06-Feb-2014	01-Jul-2005	01-Jul-2005	29-Jul-2020	03-Mar-2023	28-Jul-2023
2. Financial Year ending on	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024
Reporting Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
3. Exchange Rate on the last day of the financial year	-	-	-	-	-	-	-	-	-	-	-
4. Share Capital	42.06	18.51	16.00	7.50	0.05	73.00	1.28	5.51	120.00	200.00	83.00
5. Reserves & Surplus	15.43	(23.56)	15.09	1.62	(0.02)	44.36	(0.37)	(5.24)	(35.36)	(3.56)	1.11
6. Total Assets	75.02	2.41	33.65	11.75	0.05	124.92	0.95	0.31	409.91	229.19	86.38
7. Total Liabilities (excluding Total Equity)	17.53	7.46	2.56	2.63	0.02	7.56	0.04	0.04	325.27	32.75	2.27
8. Investments (excluding Investments made in subsidiaries)	38.73	0.50	11.83	4.37	-	26.65	-	-	12.28	35.96	-
9. Turnover	11.61	3.58	24.82	12.78	0.07	155.80	0.10	0.14	1.19	1.26	4.17
10. Profit/(Loss) before tax	3.64	(1.88)	23.31	0.95	0.01	15.40	(0.01)	(0.03)	(32.04)	(3.83)	1.48
11. Provision for tax	(0.82)	-	(0.19)	(0.35)	...	(0.50)	(0.01)	-	0.92	0.31	(0.37)
12. Profit/(Loss) after tax	2.82	(1.88)	23.12	0.60	0.01	14.90	(0.02)	(0.03)	(31.12)	(3.52)	1.11
13. Proposed Dividend <sup>@</sup>	-	-	22.56	-	-	14.60	-	-	-	-	-
14. % of shareholding	100.00	100.00	100.00	100.00	100.00	76.00	100.00	100.00	100.00	100.00	100.00

@ includes dividend paid during the year

Notes:

i) ITC Hotels Limited is yet to commence commercial operations.

ii) No subsidiary was liquidated or sold during the year.

iii) Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.



**Part B : Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures**

Name of Associates/ Joint Ventures	Logix Developers Private Limited#	ITC Filtrona Limited**	Maharaja Heritage Resorts Limited	International Travel House Limited	Russell Investments Limited	Gujarat Hotels Limited	Divya Management Limited	ATC Limited	Antrang Finance Limited	Delectable Technologies Private Limited	Mother Sparsh Baby Care Private Limited	Sproutlife Foods Private Limited
<b>1. Latest audited Balance Sheet Date</b>	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024	31-Mar-2024
<b>2. Date on which the Associate or Joint Venture was associated or acquired</b>	27-Sep-2011	30-Jun-1994	02-Jul-1997	21-Mar-1982	14-May-1988	12-Sep-1986	23-Nov-2007	18-Jan-1995	21-Jan-2008	17-Sep-2020	27-Oct-2022	04-May-2023
<b>3. Shares of Associate/Joint Venture held by the Company on the year end</b>												
Number	77,66,913	22,50,000	1,80,000	39,14,233	42,75,435	17,33,907	41,82,915	1,94,775*	43,24,634	10,145^	3,937~	12,014&
Amount of Investment in Associate/ Joint Venture@ (₹ in Crores)	-	126.94	-	82.33	47.81	21.37	7.89	7.98	5.20	8.88	40.20	201.13
Extent of Holding %	27.90	50.00	50.00	48.96	25.43	45.78	33.33	47.50	33.33	39.32@	26.50@	44.74@
<b>4. Description of how there is significant influence</b>	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate
<b>5. Reason why the Associate/ Joint Venture is not consolidated</b>	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
<b>6. Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crores)</b>	1.48	126.53	\$.	69.75	48.41	20.21	6.82	7.77	5.11	1.25	0.02	24.16
<b>7. Profit/(Loss) for the year (₹ in Crores)</b>	0.21	80.80	0.93	22.50	4.68	4.72	0.55	1.00	0.46	(3.00)	(11.49)	(60.53)
i. Considered in Consolidation (₹ in Crores)	0.06	40.40	\$.	11.02	1.19	2.17	0.18	0.47	0.15	(1.11)	(3.06)	(23.86)
ii. Not considered in Consolidation (₹ in Crores)	0.15	40.40	0.93	11.48	3.49	2.55	0.37	0.53	0.31	(1.89)	(8.43)	(36.67)

\*\* Formerly known as ITC Essentra Limited

\$ Net worth attributable to Shareholding and Share of profit / (loss) has been considered to the extent permitted under Ind AS 28 - Investments in Associates and Joint Ventures.

# Financial Statements are as certified by the management of Logix Developers Private Limited (Logix). The Group has impaired the carrying value of investment in Logix. [Refer Note 29(ix) to the Consolidated Financial Statements (CFS)].

\* Comprises 55,650 Equity Shares fully paid up and 1,39,125 Equity Shares partly paid up [Refer Note 4 to the CFS].

^ Comprises 2,386 Equity Shares fully paid up (investment ₹ 3.42 Crores) and 7,759 Compulsorily Convertible Cumulative Preference Shares (CCPS) fully paid up (investment ₹ 5.46 Crores) [Refer Note 4 to the CFS].

~ Comprises 100 Equity Shares fully paid up (investment ₹ 0.82 Crore) and 3,837 CCPS fully paid up (investment ₹ 39.38 Crores) [Refer Note 4 to the CFS]. Net worth attributable to the Company's shareholding includes proportionate share of CCPS classified as Borrowings in terms of the Ind AS requirements in the financial statements of the investee company.

& Comprises 2,443 Equity Shares fully paid up (investment ₹ 34.29 Crores) and 9,571 CCPS fully paid up (investment ₹ 166.84 Crores) [Refer Note 4 to the CFS].

@ on a fully diluted basis.

@@ Represent investment value as per CFS.

Notes:

i) Logix Developers Private Limited is yet to commence commercial operations.

ii) During the year, the Company has divested its entire shareholding, i.e., 26.00% of the paid-up share capital, in Esprit Hotels Private Limited (Esprit), consequent to which Esprit ceased to be a joint venture of the Company. No other associate or joint venture was liquidated or sold during the year.

On behalf of the Board

R. K. SINGHI

Company Secretary

(Membership No. : FCS3770)

S. DUTTA

Director & Chief Financial Officer

(DIN : 01804345)

S. PURI

Chairman & Managing Director

(DIN : 00280529)

Kolkata, May 23, 2024



## Consolidated Financial Statements

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# Consolidated Balance Sheet as at 31st March, 2024

	Note	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3A	23082.33		21117.08	
(b) Capital work-in-progress	3B	2851.14		2984.71	
(c) Investment Property	3C	340.93		352.26	
(d) Goodwill	3D	779.73		779.73	
(e) Other Intangible assets	3E	2678.11		2727.32	
(f) Intangible assets under development	3F	9.64		18.59	
(g) Right-of-use assets	3G	939.12		874.88	
(h) Investment accounted for using the equity method	4	549.73		337.59	
(i) Financial Assets					
(i) Investments	4	17619.87		11844.57	
(ii) Loans	5	4.05		5.48	
(iii) Others	6	408.99	18032.91	3739.75	15589.80
(j) Deferred tax assets (Net)	7	72.19		52.02	
(k) Income Tax Assets (Net)	21A	44.93		66.16	
(l) Other non-current assets	8	1379.86	50760.62	1311.95	46212.09
<b>Current assets</b>					
(a) Inventories	9	14152.88		11771.16	
(b) Biological assets other than bearer plants	10	150.00		142.97	
(c) Financial Assets					
(i) Investments	11	12944.42		17232.86	
(ii) Trade receivables	12	4025.82		2956.17	
(iii) Cash and cash equivalents	13	625.89		463.35	
(iv) Other Bank Balances	14	6591.79		4416.84	
(v) Loans	5	9.81		7.12	
(vi) Others	6	1181.74	25379.47	1118.67	26195.01
(d) Other current assets	8	1383.19	41065.54	1561.75	39670.89
<b>TOTAL ASSETS</b>			<b>91826.16</b>		<b>85882.98</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	15	1248.47		1242.80	
(b) Other Equity		73258.53		67912.46	
<b>Attributable to owners of the parent</b>		74507.00		69155.26	
<b>Non-controlling interests</b>		382.97	74889.97	383.53	69538.79
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	16	1.76		3.49	
(ii) Lease liabilities	17A	230.61		213.37	
(iii) Other financial liabilities	17B	433.96	666.33	416.87	633.73
(b) Provisions	18	288.30		259.21	
(c) Deferred tax liabilities (Net)	7	2141.44		1629.00	
(d) Other non-current liabilities	19	149.72	3245.79	82.84	2604.78
<b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	20	9.52		35.32	
(ii) Lease liabilities	17A	61.54		53.86	
(iii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		207.23		137.88	
Total outstanding dues of creditors other than micro enterprises and small enterprises		4590.60	4797.83	4521.11	4658.99
(iv) Other financial liabilities	17B	2179.00		2407.71	
(b) Other current liabilities	19	5594.72		5571.35	
(c) Provisions	18	106.91		100.56	
(d) Current Tax Liabilities (Net)	21B	940.88	13690.40	911.62	13739.41
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>91826.16</b>		<b>85882.98</b>

The accompanying notes 1 to 32 are an integral part of the Consolidated Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

Chairman & Managing Director  
Director & Chief Financial Officer  
Company Secretary

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2024

	Note	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
I Revenue From Operations	22A,22B	76840.49	76518.21
II Other Income	23	2727.84	1980.49
III <b>Total Income (I+II)</b>		<b>79568.33</b>	<b>78498.70</b>
IV <b>EXPENSES</b>			
Cost of materials consumed		21772.58	20275.99
Purchases of Stock-in-Trade and Biological Assets		6063.32	9088.37
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets	24	(588.69)	(358.59)
Excise duty		5959.49	5581.36
Employee benefits expense	25	6134.35	5736.22
Finance costs	26	45.96	43.20
Depreciation and amortization expense		1816.39	1809.01
Other expenses	27	11245.09	10529.93
<b>Total expenses (IV)</b>		<b>52448.49</b>	<b>52705.49</b>
V Share of profit/(loss) of Associates and Joint Ventures		27.61	49.04
VI <b>Profit before exceptional items and tax (III-IV+V)</b>		<b>27147.45</b>	<b>25842.25</b>
VII Exceptional Items	29(i)	(7.57)	72.87
VIII <b>Profit before tax (VI+VII)</b>		<b>27139.88</b>	<b>25915.12</b>
IX <b>Tax expense:</b>			
Current Tax	28	6165.27	6450.90
Deferred Tax	28	223.25	(12.50)
X <b>Profit for the year (VIII-IX)</b>		<b>20751.36</b>	<b>19476.72</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss:			
– Remeasurements of the defined benefit plans	29(vi)	(20.74)	(24.06)
– Equity instruments through other comprehensive income		2957.51	108.65
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(10.46)	21.22
– Share of other comprehensive income in Associates and Joint Ventures		15.21	3.94
(ii) Income tax relating to items that will not be reclassified to profit or loss	28	(268.53)	0.38
B (i) Items that will be reclassified to profit or loss:			
– Exchange differences in translating the financial statements of foreign operations		256.53	46.12
– Debt instruments through other comprehensive income		18.00	(34.76)
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		16.93	(52.41)
(ii) Income tax relating to items that will be reclassified to profit or loss	28	(8.79)	21.94
XI <b>Other Comprehensive Income [A (i+ii)+B (i+ii)]</b>		<b>2955.66</b>	<b>91.02</b>
XII <b>Total Comprehensive Income for the year (X+XI)</b>		<b>23707.02</b>	<b>19567.74</b>
<b>Profit for the year</b>			
Attributable to:			
Owners of the parent		20458.78	19191.66
Non-controlling interests		292.58	285.06
<b>Other Comprehensive Income</b>			
Attributable to:			
Owners of the parent		2955.66	91.76
Non-controlling interests		...	(0.74)
<b>Total Comprehensive Income for the year</b>			
Attributable to:			
Owners of the parent		23414.44	19283.42
Non-controlling interests		292.58	284.32
XIII Earnings per equity share (Face Value ₹ 1.00 each):	29(ii)		
(1) Basic (in ₹)		16.42	15.50
(2) Diluted (in ₹)		16.38	15.46

The accompanying notes 1 to 32 are an integral part of the Consolidated Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

Chairman & Managing Director  
Director & Chief Financial Officer  
Company Secretary



# Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

## A. Equity Share Capital

(₹ in Crores)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2024	1242.80	5.67	1248.47
For the year ended 31st March, 2023	1232.33	10.48	1242.80

## B. Other Equity

(₹ in Crores)

	Reserves and Surplus										Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total		
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45-IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidiary Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income				Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations
<b>Balance as at 1st April, 2023</b>	5.46	13036.79	72.67	167.84	81.45	0.23	741.45	13.90	363.05	17672.57	35340.23	(23.23)	1004.46	(1.23)	(563.18)	67912.46	383.53	68295.99
Profit for the year	-	-	-	-	-	-	-	-	-	20458.78	-	-	-	-	-	20458.78	292.58	20751.36
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	(15.95)	13.47	2696.77	2696.77	4.84	256.53	2955.66	-	2955.66
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	-	20442.83	13.47	2696.77	2696.77	4.84	256.53	23414.44	292.58	23707.02
Issue of equity shares under ITC Employee Stock Option Schemes	-	1437.16	-	-	-	-	-	-	-	-	-	-	-	-	-	1437.16	-	1437.16
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Final Dividend (2022-23 - ₹ 6.75 per share)	-	-	-	-	-	-	-	-	-	(8388.91)	-	-	-	-	-	(8388.91)	(283.14)	(8682.05)
- Special Dividend (2022-23 - ₹ 2.75 per share)	-	-	-	-	-	-	-	-	-	(3417.70)	-	-	-	-	-	(3417.70)	-	(3417.70)
- Interim Dividend (2023-24 - ₹ 6.25 per share)	-	-	-	-	-	-	-	-	-	(7799.45)	-	-	-	-	-	(7799.45)	-	(7799.45)
Dividend distribution tax refund received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Employee Housing Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	7.88	-	-	-	-	-	(7.88)	-	-	-	-	-	-	-	-
Transfer from Equity Instruments through Other Comprehensive Income reserve on sale of equity shares	-	-	-	-	-	-	-	-	-	0.87	-	(0.87)	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Option Outstanding Account on exercise and lapse	-	340.00	-	-	-	-	(342.50)	-	-	-	2.50	-	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.11)	-	(8.11)	-	(8.11)
<b>Balance as at 31st March, 2024</b>	5.46	14813.95	72.67	175.72	81.45	0.23	507.59	13.90	363.05	17672.57	36172.49	(9.76)	3700.36	(4.50)	(306.65)	73258.53	382.97	73641.50
<b>Balance as at 1st April, 2022</b>	5.46	9959.31	72.67	160.18	81.66	0.23	1316.33	0.22	363.05	17672.57	31292.03	2.78	891.72	14.33	(609.30)	61223.24	366.30	61589.54
Profit for the year	-	-	-	-	-	-	-	-	-	-	19191.66	-	-	-	-	19191.66	285.06	19476.72
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	(17.75)	(26.01)	112.74	112.74	(23.34)	46.12	91.76	(0.74)	91.02
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	-	-	-	19173.91	(26.01)	112.74	112.74	(23.34)	46.12	19283.42	284.32	19567.74

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

## B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus							Items of other comprehensive income				Attributable to owners of the parent	Non-controlling interests	Total			
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45-IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidiary Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings				Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges
Issue of equity shares under ITC Employee Stock Option Schemes	-	2466.92	-	-	-	-	-	-	-	-	-	-	-	-	2466.92	-	2466.92
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Final Dividend (2021-22 - ₹ 6.25 per share)	-	-	-	-	-	-	-	-	-	7702.03	-	-	-	-	7702.03	(267.09)	(7969.12)
- Interim Dividend (2022-23 - ₹ 6.00 per share)	-	-	-	-	-	-	-	-	-	7448.41	-	-	-	-	7448.41	-	(7448.41)
Dividend distribution tax refund received	-	-	-	-	-	-	-	-	-	20.43	-	-	-	-	20.43	-	20.43
Transfer from Employee Housing Reserve	-	-	-	-	(0.21)	-	-	-	-	0.21	-	-	-	-	-	-	-
Transfer from retained earnings	-	-	-	7.66	-	-	-	-	13.68	(21.34)	-	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61.11	-	61.11
Transfer from Share Option Outstanding Account on exercise and lapse	-	610.56	-	-	-	-	-	-	-	25.43	-	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>5.46</b>	<b>13006.79</b>	<b>72.67</b>	<b>167.84</b>	<b>81.45</b>	<b>0.23</b>	<b>741.45</b>	<b>13.90</b>	<b>363.05</b>	<b>17672.57</b>	<b>35340.23</b>	<b>(23.23)</b>	<b>1004.46</b>	<b>(1.23)</b>	<b>67912.46</b>	<b>383.53</b>	<b>68295.99</b>

The Board of Directors of the Company have recommended Final Dividend of ₹ 7.50 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2024 (previous year: Final Dividend ₹ 6.75 per Ordinary Share and Special Dividend of ₹ 2.75 per Ordinary Share) to be paid on fully paid Equity Shares amounting to ₹ 9363.54 Crores. The said Final Dividend is subject to the approval of the shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Together with the Interim Dividend of ₹ 6.25 per Ordinary Share (previous year: ₹ 6.00 per Ordinary Share) paid on 27th February, 2024, the total Equity Dividend for the financial year ended 31st March, 2024 is ₹ 13.75 per Ordinary Share (previous year: ₹ 12.75 per Ordinary Share and Special Dividend of ₹ 2.75 per Ordinary Share).

**Capital Reserve and Capital Reserve on Consolidation:** These Reserves represent the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

**Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Special Reserve under Section 45-IC of the RBI Act, 1934:** This Reserve represents profits transferred before declaration of dividend by a Company which is registered as NBFC (Non-Banking Financial Company) with the Reserve Bank of India (RBI).

**Employees Housing Reserve under Nepal labour laws:** This Reserve represents the amounts set aside for providing employees' housing as per the provisions of the erstwhile Labour Act, 2048 of Nepal, which has since been replaced by the Labour Act, 2074.

**Subsidiary Reserve:** This Reserve represents subsidiaries received from government authorities for capital investment and amounts taken over by the Group consequent to business combinations.

**Share Options Outstanding Account:** This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

**Capital Redemption Reserve:** This Reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Contingency Reserve:** This Reserve has been created out of Retained Earnings, as a matter of prudence, to take care of any unforeseen adverse developments in pending legal disputes.

**General Reserve:** This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized, in accordance with the provisions of the Companies Act, 2013.

**Retained Earnings:** This Reserve represents the cumulative profits of the Group and effects of re-measurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Debt Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Debt Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss when those instruments are disposed of.

**Equity Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

**Effective portion of Cash Flow Hedges:** This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Group's accounting policy.

**Exchange differences on translating the financial statements of foreign operations:** This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 32 are an integral part of the Consolidated Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529)  
S. DUTTA  
(DIN : 01804345)  
R. K. SINGHI  
(Membership No.: FCS 3770)

Chairman & Managing Director  
Director & Chief Financial Officer  
Company Secretary



## Consolidated Statement of Cash Flows for the year ended 31st March, 2024

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	27139.88	25915.12
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1816.39	1809.01
Share based payments to employees	107.30	60.41
Finance costs	45.96	43.20
Interest Income	(1710.51)	(1534.00)
Dividend Income	(11.13)	(0.02)
(Gain)/Loss on sale of property, plant and equipment, lease termination - Net	(57.04)	4.40
Inventory write-offs/write-downs (net of reversals)	156.12	157.33
Doubtful and bad debts	14.81	5.96
Doubtful and bad advances, loans and deposits	24.61	0.75
Impairment of investment in joint venture	0.06	1.42
Gain recognised on divestment of shares held in joint venture	(9.84)	–
Share of (profit)/loss of associates and joint ventures	(27.61)	(49.04)
Net gain arising on financial instruments measured at amortised cost/ mandatorily measured at fair value through profit or loss	(840.17)	(393.97)
Foreign currency translations and transactions - Net	(13.38)	31.37
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	26635.45	26051.94
ADJUSTMENTS FOR:		
Trade receivables, advances and other assets	(933.64)	(884.21)
Inventories and biological assets other than bearer plants	(2544.87)	(1097.87)
Trade payables, other liabilities and provisions	141.48	1057.93
CASH GENERATED FROM OPERATIONS	23298.42	25127.79
Income tax paid (net of refunds)	(6119.56)	(6250.24)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>17178.86</b>	<b>18877.55</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, intangibles, ROU asset, etc.	(3562.53)	(2742.99)
Sale of property, plant and equipment	107.48	49.17
Purchase of current investments	(72237.17)	(78483.49)
Sale/redemption of current investments	75201.73	73172.80
Payment towards contingent purchase consideration	–	(63.75)
Investment in associates*	(65.04)	(1.88)
Purchase of non-current investments*	(2870.12)	(2448.96)
Sale/redemption of non-current investments	2627.78	4057.60
Advance received towards divestment of shares held in joint venture [Refer Note 29(viii)]	–	56.00
Dividend received from associates and joint venture	24.52	18.56
Dividend received from others	11.13	0.02
Interest received	1138.35	1323.74
Investment in bank deposits (original maturity more than 3 months)	(4612.10)	(8904.33)
Redemption/maturity of bank deposits (original maturity more than 3 months)	5800.00	6754.44
Investment in deposit with housing finance company	–	(3520.00)
Redemption/maturity of deposit with housing finance company	–	5000.00
Loans given	(12.55)	(8.56)
Loans realised	11.29	9.34
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>1562.77</b>	<b>(5732.29)</b>

## Consolidated Statement of Cash Flows for the year ended 31st March, 2024

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	1442.83	2477.39
Proceeds from current borrowings	8.00	-
Repayment of non-current borrowings	(1.57)	(0.73)
Principal payment of lease liabilities	(66.89)	(59.11)
Interest paid	(46.25)	(41.42)
Net increase in statutory restricted accounts balances	12.12	14.94
Dividend paid	(19899.20)	(15417.53)
Dividend distribution tax refund received	-	20.43
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(18550.96)</b>	<b>(13006.03)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>190.67</b>	<b>139.23</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>405.91</b>	<b>266.68</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>596.58</b>	<b>405.91</b>

\* Also refer Note 29(x)

Notes:

1. The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".

**2. CASH AND CASH EQUIVALENTS:**

	As at 31st March, 2024	As at 31st March, 2023
Cash and cash equivalents as above	596.58	405.91
Unrealised gain/(loss) on foreign currency cash and cash equivalents	29.31	23.48
Cash credit facilities (Note 20)	-	33.96
Cash and cash equivalents (Note 13)	<u>625.89</u>	<u>463.35</u>

3. Net Cash Flow from Operating Activities includes an amount of ₹ 450.50 Crores (2023 - ₹ 341.23 Crores) spent towards Corporate Social Responsibility.

4. Disclosure of change arising from financing activities in respect of lease liabilities - Refer Note 17A.

The accompanying notes 1 to 32 are an integral part of the Consolidated Financial Statements.

In terms of our report attached  
For S R B C & CO LLP  
Chartered Accountants  
Firm Registration Number: 324982E/E300003  
Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI (DIN : 00280529)	Chairman & Managing Director
S. DUTTA (DIN : 01804345)	Director & Chief Financial Officer
R. K. SINGHI (Membership No.: FCS 3770)	Company Secretary



# Notes to the Consolidated Financial Statements

## Group Information

ITC Limited (the 'Holding Company') [CIN: L16005WB1910PLC001985] is a public limited company domiciled in India with its registered office located at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700071. The Holding Company's shares are listed on the National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited. The Holding Company and its

subsidiaries (together referred to as the 'Group') has presence in multiple businesses spanning Fast-Moving Consumer Goods (Cigarettes & Cigars, Foods, Personal Care Products, Education & Stationery Products, Safety Matches and Agarbattis), Hotels, Paperboards, Paper and Packaging, Agri Business and Information Technology.

## 1. Material Accounting Policies

### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and amendments thereto. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1st April, 2016.

### Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised

in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint ventures and associates.

Subsidiaries are entities controlled by the Group. Associates are entities over which the Group exercise significant influence but does not control. Joint Ventures ("JV") are entities in which the Group has the ability to exercise control jointly with one or more uncontrolled entities and the parties have proportionate interests in the assets and liabilities of the JV entity.

Control, significant influence and joint control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS.

# Notes to the Consolidated Financial Statements

## 1. Material Accounting Policies (Contd.)

An investment in an associate or a JV is initially recognised at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits/losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. While preparing CFS, appropriate adjustments are made to subsidiaries/associates/JVs financial statements to ensure conformity with the Group's accounting policies.

### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

### Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use, which is generally on

commissioning. Items of PP&E are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of PP&E of the Group are as follows:

Buildings	30-60 Years
Leasehold Improvement	Shorter of lease period or estimated useful lives
Plant and Equipment	3-25 Years
Furniture and Fixtures	8-10 Years
Vehicles	8-10 Years
Office Equipment	5 Years

PP&E's residual values, useful lives and method of depreciation are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

### Goodwill and Other Intangible Assets

#### Goodwill

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses. The Group also presents the excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired as goodwill arising on consolidation.

Goodwill is annually tested for impairment. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

On disposal of the CGU or group of CGUs, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

#### Other Intangible Assets

Other Intangible Assets that the Group controls and from which it expects future economic benefits, are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination, at fair value on the date of acquisition.

# Notes to the Consolidated Financial Statements

## 1. Material Accounting Policies (Contd.)

b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

After initial recognition, an intangible asset is carried at its cost less accumulated amortization and/or impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Group with finite lives are as follows:

Trademarks / Know How, Business and Commercial Rights	10 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	5 Years
Customer Relationships	8 Years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

### Investment Property

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight line method so as to amortize the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

Transfers to, or from, investment properties are made at the carrying amount when and only when there is a change in use.

An item of investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceeds their recoverable amount.

Recoverable amount is higher of an asset's fair value less costs of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortization or depreciation) had no impairment loss been recognised in previous years.

# Notes to the Consolidated Financial Statements

## 1. Material Accounting Policies (Contd.)

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

### Foreign Currency Transactions

The presentation currency of the Group is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are recognised in other comprehensive income and accumulated in foreign currency translation reserve.

For the preparation of the consolidated financial statements:

- (a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end;
- (b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are recognised in other comprehensive income and accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss.

### Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the resulting gain/loss is recognised as per the hedge accounting principles stated below.

The Group complies with the principles of hedge accounting where derivative contracts and/or non-derivative financial assets/liabilities that are permitted under applicable accounting standards are designated as hedging instruments. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

#### (i) Fair value hedges

Changes in fair value of the designated portion of hedging instruments that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Such fair value changes are recognised in the line item relating to the hedged item in Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gains/losses relating to the ineffective portion are recognised immediately in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains/losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.



# Notes to the Consolidated Financial Statements

## 1. Material Accounting Policies (Contd.)

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains/losses accumulated in equity are recognised immediately in the Statement of Profit and Loss.

### Investment in Associates and Joint Ventures

Investment in associates and joint ventures are accounted for using the 'equity method' less accumulated impairment, if any.

### Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Group commits to purchase or sell the asset.

### Financial Assets

**Recognition:** Financial assets include Investments, Trade receivables, Advances, Security deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as Investments, Trade receivables, Advances and Security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

# Notes to the Consolidated Financial Statements

## 1. Material Accounting Policies (Contd.)

**Derecognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

**Income Recognition:** Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

### Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

### Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods includes Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the Group performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

### Government Grant

Group entities may receive government grants that require compliance with certain conditions related to the entity's operating activities or are provided to the entity by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Group entity complying with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised in the Statement of Profit and Loss as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

### Dividend Distribution

Dividends paid (including income tax thereon, if any) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

### Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Group makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts. Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are

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## 1. Material Accounting Policies (Contd.)

members of constituted and approved trusts, the Group recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. In respect of other employees, provident funds are deposited with the Government and recognised as expense.

The Group makes contribution to defined contribution pension plan. The contribution payable is recognised as an expense, when an employee renders the related service.

The Group also makes contribution to defined benefit pension and gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Group are entitled to compensated leave for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

### Employee Share Based Compensation

#### Stock Options

Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ("ITC ESOS"), as may be decided by the Nomination & Compensation Committee/Board. Eligible employees for this purpose include employees of the Group entities, their Directors and those on deputation to joint ventures and associates.

Under Ind AS, the cost of ITC Stock Options (Stock Options) is recognised based on the fair value of Stock Options as on the grant date.

The fair values of Stock Options granted is recognised in the Statement of Profit and Loss over the period in which the performance and/or service conditions are fulfilled for employees of the Group (other than those out on deputation). The value of Stock Options, net of reimbursements, granted to employees on deputation is considered as capital contribution/investment.

The Group generally seeks reimbursement of the value of Stock Options from such companies, as applicable. It may, if so recommended by the Corporate Management Committee and approved by the Audit Committee, decide not to seek such reimbursements in respect of value of

Stock Options from such companies, who need to conserve financial capacity to sustain their business and growth plans and where the quantum of reimbursement is not material - the materiality threshold being ₹ 5 Crores for each entity for a financial year.

#### Cash Settled Stock Appreciation Linked Reward (SAR) Plan

Cash Settled SAR units are granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan ("ITC ESARP"). The eligible employees for this purpose are such present and future permanent employees of the Company, including a Director of the Company, as may be decided by the CMC/Nomination & Compensation Committee/Board.

For cash settled SAR units granted to eligible employees, a liability is initially measured at fair value at the grant date and is subsequently remeasured at each reporting period, until settled. The fair value of ESAR units granted is recognised in the Statement of Profit and Loss over the period in which the performance and/or service conditions are fulfilled for employees of the Group. In case of employees on deputation to group companies, the Company generally seeks reimbursements from the concerned group company. The value of such payments, net of reimbursements, is considered as capital contribution/investment.

#### Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### Group as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight-line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in

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## 1. Material Accounting Policies (Contd.)

order of magnitude is ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

The Group recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

### Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Taxes on Income

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the

same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

### Claims

Claims against the Group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

### Provisions

Provisions are recognised when, as a result of a past event, the Group has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

### Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on businesses which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

“Unallocated Corporate Expenses” include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole.

### Financial and Management Information Systems

The Group's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.



# Notes to the Consolidated Financial Statements

## 2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### A. Judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see note B below), that the Group have made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the consolidated financial statements:

#### 1. Control:

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power/rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

The Company is a settlor for certain trusts, i.e., ITC Sangeet Research Academy, ITC Education and Health Care Trust and ITC Rural Development Trust. The Group while considering the nature and insignificant variability of its return has concluded that it does not 'control' these trusts.

#### 2. Significant influence:

The Group assessed whether or not it has significant influence on its investees based on its practical ability to

participate in the financial and operating policy decisions of the investee, though it is not in control or in joint control of these policies. Based on such assessment, the Group determined that the entities listed in the notes to the financial statements are the only entities over which the Group has significant influence, and accordingly recognised as associates.

#### 3. Joint Control:

(i) The Group holds 50% of the equity share capital of Maharaja Heritage Resorts Limited, a company involved in operation of hotel properties. The Group do not consider that it is able to exercise control over the company as the decisions about relevant activities of the company are made jointly between the Group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

(ii) The Group holds 27.90% of the equity share capital of Logix Developers Private Limited, a company intended for the purpose of developing a luxury hotel-cum-service apartment complex. The Group has concluded that the key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 72.10% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

(iii) The Group holds 50% of the equity share capital of ITC Filtrona Limited (formerly known as ITC Essentra Limited), a company involved in manufacture and sale of filter rods. The Group has concluded that the key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

#### 4. Useful life of Intangible Assets:

The Group is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortised over their useful economic life. Refer notes to the financial statements.

# Notes to the Consolidated Financial Statements

## 2. Use of estimates and judgements (Contd.)

### B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### 1. Useful lives of property, plant and equipment, investment property and intangible assets:

As described in the material accounting policies, the Group reviews the estimated useful lives of property, plant and equipment, investment property and intangible assets at the end of each reporting period and the impact of changes in the estimated useful life is considered in the period in which the estimate is revised.

#### 2. Fair value measurements and valuation processes:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

#### 3. Actuarial Valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

#### 4. Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

# Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Gross Block								
	As at 31st March, 2022	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2023	Additions	Withdrawals and adjustments <sup>#</sup>	Foreign Currency Translation Reserve adjustments	As at 31st March, 2024
<b>3A. Property, Plant and Equipment<sup>1</sup></b>									
Land <sup>2</sup>	2107.16	7.17	3.32	–	2111.01	20.18	17.85	–	2113.34
Buildings	8821.57	693.69	10.55	–	9504.71	1068.85	11.62	–	10561.94
Leasehold Improvements	23.11	0.41	6.36	0.05	17.21	17.15	3.05	0.03	31.34
Plant and Equipment	16863.03	1750.62	182.14	0.24	18431.75	2410.68	166.09	0.17	20676.51
Furniture and Fixtures	907.34	104.25	11.87	0.05	999.77	78.15	9.88	0.04	1068.08
Vehicles	179.38	29.79	23.44	(0.02)	185.71	29.03	25.69	0.14	189.19
Office Equipment	43.70	3.84	3.88	0.02	43.68	12.32	2.92	0.01	53.09
Railway Sidings	1.73	–	–	–	1.73	–	–	–	1.73
<b>TOTAL</b>	<b>28947.02</b>	<b>2589.77</b>	<b>241.56</b>	<b>0.34</b>	<b>31295.57</b>	<b>3636.36</b>	<b>237.10</b>	<b>0.39</b>	<b>34695.22</b>
<b>3B. Capital work-in-progress</b>	<b>3198.45</b>	<b>2316.23</b>	<b>2517.67</b>	<b>(12.30)</b>	<b>2984.71</b>	<b>3252.02</b>	<b>3528.66</b>	<b>143.07</b>	<b>2851.14</b>
<b>3C. Investment Property<sup>3</sup></b>	<b>410.11</b>	<b>–</b>	<b>(0.52)</b>	<b>–</b>	<b>410.63</b>	<b>–</b>	<b>(0.95)</b>	<b>–</b>	<b>411.58</b>
<b>3D. Goodwill<sup>4</sup></b>									
Goodwill on Consolidation	202.53	–	–	–	202.53	–	–	–	202.53
Goodwill acquired through business combinations	577.20	–	–	–	577.20	–	–	–	577.20
<b>TOTAL</b>	<b>779.73</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>779.73</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>779.73</b>
<b>3E. Other Intangible assets (acquired)</b>									
Assets with indefinite life <sup>4</sup>									
Trademarks	1889.78	–	–	–	1889.78	–	–	–	1889.78
Assets with finite life									
Trademarks	30.83	–	–	(0.01)	30.82	–	–	–	30.82
Computer Software	273.64	69.58	3.36	–	339.86	56.47	1.84	–	394.49
Know How, Business and Commercial Rights	43.35	745.88	–	–	789.23	15.57	–	–	804.80
Customer Relationships	35.21	–	–	–	35.21	–	–	–	35.21
<b>TOTAL</b>	<b>2272.81</b>	<b>815.46</b>	<b>3.36</b>	<b>(0.01)</b>	<b>3084.90</b>	<b>72.04</b>	<b>1.84</b>	<b>–</b>	<b>3155.10</b>
<b>3F. Intangible assets under development</b>	<b>27.09</b>	<b>54.43</b>	<b>62.93</b>	<b>–</b>	<b>18.59</b>	<b>57.84</b>	<b>66.79</b>	<b>–</b>	<b>9.64</b>
<b>3G. Right-of-use assets<sup>A</sup></b>									
Land	721.98	–	–	(3.48)	718.50	9.55	0.19	24.22	752.08
Buildings	255.07	84.82	72.74	0.38	267.53	132.51	49.90	0.09	350.23
Plant and Equipment	48.63	–	–	–	48.63	–	6.80	–	41.83
Vehicles	–	2.92	–	–	2.92	0.96	0.99	–	2.89
<b>TOTAL</b>	<b>1025.68</b>	<b>87.74</b>	<b>72.74</b>	<b>(3.10)</b>	<b>1037.58</b>	<b>143.02</b>	<b>57.88</b>	<b>24.31</b>	<b>1147.03</b>

<sup>#</sup> Includes amounts transferred to Investment Property on its recognition.

<sup>A</sup> Also refer Note 29(xi)

**Notes:**

1. a) The above includes following assets given on operating lease:

(₹ in Crores)

Particulars	As at 31st March, 2023				2023	As at 31st March, 2024			2024
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year		Gross Block	Accumulated Depreciation	Net Block	
Buildings	0.94	0.23	0.71	0.02	0.94	0.25	0.69	0.02	
Plant and Equipment	243.01	164.17	78.84	17.39	260.13	179.85	80.28	13.81	
<b>TOTAL</b>	<b>243.95</b>	<b>164.40</b>	<b>79.55</b>	<b>17.41</b>	<b>261.07</b>	<b>180.10</b>	<b>80.97</b>	<b>13.83</b>	

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 195.73 Crores (2023 - ₹ 90.68 Crores)

2. Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2023 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

# Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization								Net Book Value		
	Upto 31st March, 2022	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2023	For the year	On Withdrawals and adjustments <sup>#</sup>	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2024	As at 31st March, 2024	As at 31st March, 2023
<b>3A. Property, Plant and Equipment<sup>1</sup></b>											
Land <sup>2</sup>	–	–	–	–	–	–	–	–	–	2113.34	2111.01
Buildings	1214.41	249.84	4.23	–	1460.02	246.72	6.10	–	1700.64	8861.30	8044.69
Leasehold Improvements	15.64	1.94	6.00	0.02	11.60	0.54	2.21	0.01	9.94	21.40	5.61
Plant and Equipment	6908.33	1269.70	149.85	0.16	8028.34	1251.42	136.27	0.08	9143.57	11532.94	10403.41
Furniture and Fixtures	483.57	80.62	9.93	0.04	554.30	84.10	8.51	0.03	629.92	438.16	445.47
Vehicles	85.91	20.25	15.15	(0.01)	91.00	20.33	17.70	0.08	93.71	95.48	94.71
Office Equipment	30.82	5.95	4.59	0.01	32.19	4.24	2.49	–	33.94	19.15	11.49
Railway Sidings	0.91	0.13	–	–	1.04	0.13	–	–	1.17	0.56	0.69
<b>TOTAL</b>	<b>8739.59</b>	<b>1628.43</b>	<b>189.75</b>	<b>0.22</b>	<b>10178.49</b>	<b>1607.48</b>	<b>173.28</b>	<b>0.20</b>	<b>11612.89</b>	<b>23082.33</b>	<b>21117.08</b>
<b>3B. Capital work-in-progress</b>	–	–	–	–	–	–	–	–	–	<b>2851.14</b>	<b>2984.71</b>
<b>3C. Investment Property<sup>3</sup></b>	<b>45.91</b>	<b>12.38</b>	<b>(0.08)</b>	–	<b>58.37</b>	<b>12.11</b>	<b>(0.17)</b>	–	<b>70.65</b>	<b>340.93</b>	<b>352.26</b>
<b>3D. Goodwill<sup>4</sup></b>											
Goodwill on Consolidation	–	–	–	–	–	–	–	–	–	202.53	202.53
Goodwill acquired through business combinations	–	–	–	–	–	–	–	–	–	577.20	577.20
<b>TOTAL</b>	–	–	–	–	–	–	–	–	–	<b>779.73</b>	<b>779.73</b>
<b>3E. Other Intangible assets (acquired)</b>											
Assets with indefinite life <sup>4</sup>											
Trademarks	–	–	–	–	–	–	–	–	–	1889.78	1889.78
Assets with finite life											
Trademarks	20.59	3.16	–	–	23.75	3.16	–	–	26.91	3.91	7.07
Computer Software	209.48	23.66	0.41	–	232.73	35.00	1.84	–	265.89	128.60	107.13
Know How, Business and Commercial Rights	22.25	67.06	–	–	89.31	78.69	–	–	168.00	636.80	699.92
Customer Relationships	7.39	4.40	–	–	11.79	4.40	–	–	16.19	19.02	23.42
<b>TOTAL</b>	<b>259.71</b>	<b>98.28</b>	<b>0.41</b>	–	<b>357.58</b>	<b>121.25</b>	<b>1.84</b>	–	<b>476.99</b>	<b>2678.11</b>	<b>2727.32</b>
<b>3F. Intangible assets under development</b>	–	–	–	–	–	–	–	–	–	<b>9.64</b>	<b>18.59</b>
<b>3G. Right-of-use assets<sup>A</sup></b>											
Land	29.76	6.84	–	(0.31)	36.29	9.92	–	1.18	47.39	704.69	682.21
Buildings	112.23	58.98	68.27	0.30	103.24	61.55	26.31	0.08	138.56	211.67	164.29
Plant and Equipment	16.56	5.51	–	–	22.07	5.29	6.80	–	20.56	21.27	26.56
Vehicles	–	1.09	–	0.01	1.10	1.28	0.99	0.01	1.40	1.49	1.82
<b>TOTAL</b>	<b>158.55</b>	<b>72.42</b>	<b>68.27</b>	–	<b>162.70</b>	<b>78.04</b>	<b>34.10</b>	<b>1.27</b>	<b>207.91</b>	<b>939.12</b>	<b>874.88</b>

3. The fair value of the investment property is ₹ 1020.05 Crores (2023 - ₹ 903.04 Crores). The fair value has been determined on the basis of valuation carried out at the reporting date by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017 and the same has been categorised as Level 2 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research & trends, contracted rentals, terminal yields, discount rates and comparable values, as appropriate. Amounts recognised in the Statement of Profit and Loss in respect of the investment property is as under:

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Rental Income etc. from investment property	128.29	124.05
Direct Operating Expenses arising from investment property that generated rental income during the year <sup>5</sup>	13.32	11.42
Direct Operating Expenses arising from investment property that did not generate rental income during the year	–	–

<sup>5</sup>As per the contractual arrangements, the Company is responsible for the maintenance of common area at its own cost. The expenses arising out of such arrangements are not material.

4. Assets with indefinite life pertain to the 'FMCG - Others' Segment and are related to the Branded Packaged Foods and Personal Care Products businesses of the Company. Impairment testing for goodwill and intangible assets with indefinite useful lives has been carried out considering their recoverable amounts which, inter-alia, includes estimation of their value-in-use based on management projections. These projections have been made for a period of five years, or longer, as applicable and consider various factors, such as market scenario, growth trends, growth and margin projections, and terminal growth rates specific to the business. For such projections, discount rate of 10% (2023 - 10%) and long-term growth rates ranging between 5% to 6% (2023 - 5% to 6%) have been considered. Discount rate has been determined considering the Weighted Average Cost of Capital (WACC) of market benchmarks. Based on the above assessment, no impairment has been recognised during the year. Further, the Company has also performed sensitivity analysis around the base assumptions and has concluded that there are no reasonably possible changes to key assumptions that would cause the carrying amount of the aforesaid assets to exceed their recoverable values.



# Notes to the Consolidated Financial Statements

## Capital work-in-progress (CWIP) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2024				
	Amount in CWIP for a period of					Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	1190.55	646.01	302.56	845.59	2984.71	1500.46	584.89	241.36	524.43	2851.14
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1190.55</b>	<b>646.01</b>	<b>302.56</b>	<b>845.59</b>	<b>2984.71</b>	<b>1500.46</b>	<b>584.89</b>	<b>241.36</b>	<b>524.43</b>	<b>2851.14</b>

## Completion schedule for Projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan

(₹ in Crores)

Particulars	As at 31st March, 2023				As at 31st March, 2024			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
MXD - COL	1018.03	-	-	-	1710.78	-	-	-
MXD - KOL	633.54	-	-	-	-	-	-	-

## Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2023					As at 31st March, 2024				
	Amount in IAUD for a period of					Amount in IAUD for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in Progress	15.33	0.01	3.25	-	18.59	8.19	1.45	-	-	9.64
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15.33</b>	<b>0.01</b>	<b>3.25</b>	<b>-</b>	<b>18.59</b>	<b>8.19</b>	<b>1.45</b>	<b>-</b>	<b>-</b>	<b>9.64</b>

Note: There are no projects in IAUD, which are overdue or has exceeded its cost compared to its original plan as at 31st March, 2024 and 31st March, 2023.

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments</b>					
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>					
<b>In Associates (carrying amount determined using the equity method of accounting)</b>					
<b>Quoted</b>					
International Travel House Limited	10	39,14,233		39,14,233	
Cost of acquisition (including goodwill of ₹ 11.89 Crores)			21.87		21.87
Add/(Less) : Group Share of Profits/(Losses)			60.46 82.33		51.01 72.88
Gujarat Hotels Limited	10	17,33,907		17,33,907	
Cost of acquisition (including goodwill of ₹ 1.16 Crores)			1.94		1.94
Add/(Less) : Group Share of Profits/(Losses)			19.43 21.37		17.61 19.55
<b>Unquoted</b>					
Delectable Technologies Private Limited	10	2,386		100	
Cost of acquisition [including goodwill of ₹ 3.30 Crores (2023 - ₹ 0.09 Crores)]			3.60		0.10
Add/(Less) : Group Share of Profits/(Losses)			(0.18) 3.42		(0.01) 0.09
Mother Sparsh Baby Care Private Limited	10	100		100	
Cost of acquisition (including goodwill of ₹ 1.03 Crores)			0.96		0.96
Add/(Less) : Group Share of Profits/(Losses)			(0.14) 0.82		(0.06) 0.90
Sproutlife Foods Private Limited [Refer Note 29(x)]	10	2,443		–	
Cost of acquisition [including goodwill of ₹ 27.53 Crores (2023 - ₹ Nil)]			40.33		–
Add/(Less) : Group Share of Profits/(Losses)			(6.04) 34.29		– –
<b>ATC Limited</b>					
Fully paid	100	55,650		55,650	
Cost of acquisition (net of capital reserve of ₹ 0.16 Crore)			0.83		0.83
Add/(Less) : Group Share of Profits/(Losses)			1.92 2.75		1.83 2.66
₹ 70.00 per share paid	100	1,39,125		1,39,125	
Cost of acquisition (including goodwill of ₹ 0.30 Crore)			2.92		2.92
Add/(Less) : Group Share of Profits/(Losses)			2.31 5.23		2.15 5.07
Russell Investments Limited	10	42,75,435		42,75,435	
Cost of acquisition (net of capital reserve of ₹ 0.30 Crore)			4.27		4.27
Add/(Less) : Group Share of Profits/(Losses)			43.54 47.81		27.01 31.28
Divya Management Limited	10	41,82,915		41,82,915	
Cost of acquisition (including goodwill of ₹ 1.09 Crores)			6.93		6.93
Add/(Less) : Group Share of Profits/(Losses)			0.96 7.89		0.78 7.71
Antrang Finance Limited	10	43,24,634		43,24,634	
Cost of acquisition (including goodwill of ₹ 0.10 Crore)			4.40		4.40
Add/(Less) : Group Share of Profits/(Losses)			0.80 5.20		0.65 5.05
Carried over			211.11		145.19

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			211.11		145.19
<b>INVESTMENT IN EQUITY INSTRUMENTS (Contd.)</b>					
<b>In Joint Ventures (carrying amount determined using the equity method of accounting)</b>					
<b>Unquoted</b>					
Espirit Hotels Private Limited [Refer Note 29(viii)]	10	–		4,65,09,200	46.17
Cost of acquisition			–		...
Add/(Less) : Group Share of Profits/(Losses)			–		46.17
Maharaja Heritage Resorts Limited	100	1,80,000		1,80,000	
Cost of acquisition (including goodwill of ₹ 0.13 Crore)			–		–
Add/(Less) : Group Share of Profits/(Losses)			–		–
Logix Developers Private Limited [Refer Note 29(ix)]	10	77,66,913		77,66,913	
Cost of acquisition (including goodwill of ₹ 23.84 Crores)			42.07		42.07
Add/(Less) : Group Share of Profits/(Losses)			(40.59)		(40.65)
Add/(Less) : Provision for Impairment			(1.48)		(1.42)
ITC Filtrona Limited (formerly known as ITC Essentra Limited)	10	22,50,000		22,50,000	
Cost of acquisition			38.85		38.85
Add/(Less) : Group Share of Profits/(Losses)			88.09		70.16
			126.94		109.01
<b>In Others (at fair value through other comprehensive income unless stated otherwise)</b>					
<b>Quoted</b>					
VST Industries Limited	10	476	0.17	476	0.15
HLV Limited	2	5,36,97,884	139.88	5,49,80,620	50.31
EIH Limited	2	10,08,53,602	4533.38	10,08,53,602	1670.64
Tourism Finance Corporation of India Limited	10	25,000	0.43	25,000	0.18
<b>Unquoted</b>					
Adyar Property Holding Company Private Limited	100	311	0.03	311	0.03
Andhra Pradesh Gas Power Corporation Limited	10	8,04,000	–	8,04,000	–
Bihar Hotels Limited	2	8,00,000	0.04	8,00,000	0.04
Jupiter Township Limited	1	150	...	150	...
Lotus Court Limited (Class G Shares)	48,000	2	2.34	2	2.34
Mirage Advertising and Marketing Limited	10	12,488	–	12,488	–
Blupin Technologies Private Limited (at fair value through profit or loss)	10	400	3.82	400	3.82
Woodlands Multispeciality Hospital Limited	10	13,605	0.01	13,605	0.01
Carried over			5018.15		2027.89

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			5018.15		2027.89
<b>INVESTMENT IN PREFERENCE SHARES</b>					
<b>In Associates (carrying amount determined using the equity method of accounting)</b>					
<b>Unquoted</b>					
Delectable Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	10	7,759		7,759	
Cost of acquisition [including goodwill of ₹ 6.78 Crores]			7.40		7.40
Add/(Less) : Group Share of Profits/(Losses)			(1.94) 5.46		(1.00) 6.40
Mother Sparsh Baby Care Private Limited (Compulsorily Convertible Cumulative Preference Shares)	10	3,837		2,980	
Cost of acquisition [including goodwill of ₹ 41.61 Crores (2023 - ₹ 30.62 Crores)]			44.04		32.50
Add/(Less) : Group Share of Profits/(Losses)			(4.66) 39.38		(1.68) 30.82
Sproutlife Foods Private Limited [Refer Note 29(x)] (Compulsorily Convertible Cumulative Preference Shares)	10	9,571		–	
Cost of acquisition [including goodwill of ₹ 128.43 Crores (2023 - ₹ Nil)]			184.68		–
Add/(Less) : Group Share of Profits/(Losses)			(17.84) 166.84		– –
<b>In Others (at fair value through profit or loss)</b>					
<b>Unquoted</b>					
Blupin Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	100	2,980	35.52	2,980	35.52
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Government of India Zero Coupon Government Stock</b>					
Zero Coupon Government Stock - 22-Feb-2025	100	–	–	34,00,000	30.62
Zero Coupon Government Stock - 15-Jun-2025	100	10,20,000	9.51	10,20,000	8.97
Zero Coupon Government Stock - 22-Aug-2025	100	25,35,000	23.31	25,35,000	21.94
Zero Coupon Government Stock - 15-Dec-2025	100	36,34,800	32.83	36,34,800	30.93
Zero Coupon Government Stock - 17-Dec-2025	100	6,02,300	5.42	6,02,300	5.10
Zero Coupon Government Stock - 22-Feb-2026	100	25,35,000	22.52	25,35,000	21.17
Zero Coupon Government Stock - 15-Jun-2026	100	10,20,000	8.89	10,20,000	8.35
Carried over			5367.83		2227.71



## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			5367.83		2227.71
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (Contd.)</b>					
Zero Coupon Government Stock - 22-Aug-2026	100	63,54,400	54.55	63,54,400	51.19
Zero Coupon Government Stock - 15-Dec-2026	100	10,20,000	8.58	10,20,000	8.05
Zero Coupon Government Stock - 22-Feb-2027	100	40,11,000	33.20	40,11,000	31.10
Zero Coupon Government Stock - 15-Jun-2027	100	31,17,000	25.32	31,17,000	23.73
Zero Coupon Government Stock - 22-Aug-2027	100	48,54,400	38.70	48,54,400	36.20
<b>Unquoted</b>					
Government Securities - cost ₹ 70000.00			0.01		0.01
National Savings Certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)			...		...
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>Housing and Urban Development Corporation Limited</b>					
7.07% - Series B - 01-Oct-2025	10,00,000	4,300	432.13	4,300	433.65
7.19% - Series A - 31-Jul-2025	10,00,000	150	15.18	150	15.31
7.39% - Series 2A - 08-Feb-2031	1,000	7,00,696	70.07	7,00,696	70.07
8.20% - Series 2 - 05-Mar-2027	1,000	5,00,000	52.62	5,00,000	53.42
<b>India Infrastructure Finance Company Limited</b>					
7.36% - Series II - 22-Jan-2028	1,000	3,00,000	31.38	3,00,000	31.69
8.26% - Series V B - 23-Aug-2028	10,00,000	1,175	121.96	1,175	122.82
8.46% - Series VI B - 30-Aug-2028	10,00,000	1,300	137.27	1,300	138.65
8.48% - Series VII B - 05-Sep-2028	10,00,000	1,780	185.83	1,780	187.31
<b>Indian Railway Finance Corporation Limited</b>					
7.07% - Series 102 - 21-Dec-2025	1,000	70,498	7.13	70,498	7.18
7.15% - Series 100 - 21-Aug-2025	10,00,000	250	25.28	250	25.46
7.19% - Series 99 - 31-Jul-2025	10,00,000	2,250	225.26	2,250	225.38
7.34% - Series 86A - 19-Feb-2028	1,000	1,00,000	10.51	1,00,000	10.63
8.48% - Series 89A - 21-Nov-2028	10,00,000	1,250	130.20	1,250	131.09
8.55% - Series 94A - 12-Feb-2029	10,00,000	130	13.60	130	13.69
Carried over			6986.61		3844.34

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			6986.61		3844.34
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>National Bank for Agriculture and Rural Development</b>					
7.07% - Series 1A - 25-Feb-2026	10,00,000	2,000	203.14	2,000	204.71
<b>National Highways Authority of India</b>					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	2,600	260.23	2,600	260.25
7.14% - Series I A - 11-Jan-2026	1,000	8,06,381	81.19	8,06,381	81.45
7.28% - Series NHAI - II B - 18-Sep-2030	10,00,000	2,500	250.00	2,500	250.00
7.35% - Series II A - 11-Jan-2031	1,000	17,49,943	181.40	17,49,943	182.10
8.50% - Series II A - 05-Feb-2029	1,000	5,00,000	54.74	5,00,000	55.55
8.75% - Series II B - 05-Feb-2029	1,000	2,50,000	27.77	2,50,000	28.25
<b>National Housing Bank</b>					
8.46% - Series V - 30-Aug-2028	10,00,000	800	83.07	800	83.65
<b>Power Finance Corporation Limited</b>					
7.16% - Series 136 - 17-Jul-2025	10,00,000	600	60.63	600	61.11
8.46% - Series 107B - 30-Aug-2028	10,00,000	500	51.92	500	52.28
8.54% - Series 2A - 16-Nov-2028	1,000	3,50,000	38.73	3,50,000	39.42
<b>REC Limited</b>					
7.17% - Series 5A - 23-Jul-2025	10,00,000	850	85.88	850	86.51
8.46% - Series 3B - 29-Aug-2028	10,00,000	1,190	125.96	1,190	127.30
8.46% - Series 2A - 24-Sep-2028	1,000	3,50,000	38.52	3,50,000	39.20
8.54% - Series 4B - 11-Oct-2028	10,00,000	50	5.21	50	5.25
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>HDFC Bank Limited</b>					
7.80% - Series US005 - 02-Jun-2025	1,00,000	10,000	99.88	–	–
<b>National Bank for Agriculture and Rural Development</b>					
5.70% - Series 22 D - 31-Jul-2025	10,00,000	–	–	1,000	99.45
7.62% - Series 24 H - 10-May-2029	1,00,000	20,000	200.00	–	–
7.62% - Series 23 I - 31-Jan-2028	1,00,000	19,000	188.72	–	–
7.49% - Series 24 B - 15-Oct-2026	1,00,000	10,000	99.06	–	–
7.69% - Series 20 C - 29-May-2024	10,00,000	–	–	4,300	441.85
8.22% - Series PMAYG-PB-2 - 13-Dec-2028	10,00,000	1,550	158.48	–	–
Carried over			9281.14		5942.67

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			9281.14		5942.67
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>Power Finance Corporation Limited</b>					
8.20% - Series 128 - 10-Mar-2025	10,00,000	–	–	450	46.75
8.39% - Series 130 C - 19-Apr-2025	10,00,000	–	–	200	20.89
<b>Small Industries Development Bank of India</b>					
7.43% - Series I - 31-Aug-2026	1,00,000	7,000	69.32	–	–
7.44% - Series II - 04-Sep-2026	1,00,000	5,500	54.49	–	–
7.68% - Series IX - 10-Aug-2027	1,00,000	30,000	299.99	–	–
7.79% - Series IV - 19-Apr-2027	1,00,000	30,000	299.90	–	–
7.79% - Series VI - 14-May-2027	1,00,000	25,000	249.86	–	–
7.83% - Series V - 24-Nov-2028	1,00,000	40,500	404.91	–	–
<b>Perpetual Bonds - Unsecured, Subordinated &amp; Non-Convertible<sup>#</sup></b>					
<b>State Bank of India</b>					
7.72% - Series I (with first Call option on 03-Sep-2026)	1,00,00,000	313	313.00	313	313.00
7.72% - Series II (with first Call option on 18-Oct-2026)	1,00,00,000	400	400.00	400	400.00
<b>Zero Coupon Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>LIC Housing Finance Limited</b>					
Tranche 416 - 25-Apr-2025	10,00,000	11,250	1288.06	11,250	1216.93
<b>INVESTMENT IN DEBT MUTUAL FUNDS</b>					
<b>Quoted</b>					
<b>Fixed Maturity Plans (at amortised cost)*</b>					
Aditya Birla Sun Life Mutual Fund	10	2,19,98,900	24.84	2,19,98,900	23.40
DSP Mutual Fund	10	4,99,97,500	55.04	4,99,97,500	51.36
Nippon India Mutual Fund	10	1,49,99,250	17.09	1,49,99,250	16.06
SBI Mutual Fund	10	23,69,88,151	269.91	23,69,88,151	255.23
<b>Exchange Traded Funds (at fair value through other comprehensive income) **</b>					
Axis Mutual Fund	1	19,00,00,000	220.83	11,25,00,000	121.91
Edelweiss Mutual Fund	1,000	33,03,209	395.25	–	–
Nippon India Mutual Fund	10	6,60,00,000	790.36	6,60,00,000	737.30
Carried over			14433.99		9145.50

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>4. Non-current investments (Contd.)</b>					
Brought forward			14433.99		9145.50
<b>INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)</b>					
<b>Unquoted</b>					
<b>Target Maturity Index Funds (at fair value through other comprehensive income) **</b>					
Aditya Birla Sun Life Mutual Fund	10	85,75,27,978	961.88	85,75,27,978	897.40
Axis Mutual Fund	10	17,85,85,530	198.03	15,49,28,153	160.27
DSP Mutual Fund	10	4,76,41,228	53.08	2,49,40,887	26.04
ICICI Prudential Mutual Fund	10	54,91,10,334	615.29	54,91,10,334	574.27
Kotak Mahindra Mutual Fund	10	59,85,34,837	669.83	42,26,69,978	438.22
Nippon India Mutual Fund	10	24,38,33,990	269.43	24,38,33,990	251.24
SBI Mutual Fund	10	75,82,85,035	846.11	54,75,53,778	569.97
<b>INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (at fair value through profit or loss)</b>					
<b>Unquoted</b>					
Chiratae Ventures India Fund IV	1,00,000	1,279	18.74	1,125	17.33
Fireside Ventures Investments Fund I	1,00,000	1,289	42.29	1,335	58.06
Fireside Ventures Investments Fund II	1,000	1,79,000	28.37	1,40,000	17.47
Fireside Ventures Investments Fund III	1,00,000	560	4.42	300	3.00
India Foundation Fund Series I	100	4,73,457	4.80	3,46,463	3.85
Roots Ventures I	100	9,63,113	23.34	9,13,113	19.54
<b>Aggregate amount of quoted investments</b>			<b>13946.19</b>		<b>8858.57</b>
<b>Aggregate amount of unquoted investments</b>			<b>4223.41</b>		<b>3323.59</b>
<b>Total</b>			<b>18169.60</b>		<b>12182.16</b>

Aggregate market value of quoted investments ₹ 13953.49 Crores (2023 - ₹ 8853.13 Crores).

\* Investments in Fixed Maturity Plans (FMPs) that are intended to be held by the Company till maturity are classified as amortised cost. The underlying instruments in the portfolio of these FMPs have minimal churn and are held to receive contractual cashflows.

\*\* Exchange Traded / Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cashflows except for meeting redemption and rebalancing requirements. Investment in such funds are classified as FVTOCI as cash flows from these investments are realised on maturity or upon sale.

# Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Company based on the substantive characteristics of the contract.



## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>5. Loans</b>				
Others Loans - Employees				
– Unsecured, considered good	9.81	4.05	7.12	5.48
<b>TOTAL</b>	<b>9.81</b>	<b>4.05</b>	<b>7.12</b>	<b>5.48</b>

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>6. Other financial assets</b>				
Bank deposits with more than 12 months maturity	–	329.65	–	2144.07
Other financial assets				
Advances	3.58	–	4.93	–
Security Deposits*	32.25	79.03	28.39	74.34
Deposits other than Security Deposits	10.76	0.31	2.75	1520.62
Interest accrued on Loans, Deposits, Investments etc.	422.76	–	413.38	0.72
Other Receivables**	712.39	–	669.22	–
<b>TOTAL</b>	<b>1181.74</b>	<b>408.99</b>	<b>1118.67</b>	<b>3739.75</b>

\* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2023 - ₹ 0.06 Crore) (Refer Note 31).

\*\* Comprise receivables on account of government grants, claims, rentals, derivatives designated as hedging instruments, unbilled revenue etc.

# Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>7. Deferred tax*</b>		
Deferred tax liabilities (Net)	2141.44	1629.00
Less: Deferred tax assets (Net)	72.19	52.02
<b>TOTAL</b>	<b>2069.25</b>	<b>1576.98</b>

\* Refer Note 29(xvii).

## Movement in deferred tax liabilities/assets balances

(₹ in Crores)

2023-24	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Effect of foreign exchange	Closing Balance
<b>Deferred tax liabilities/assets in relation to:</b>							
On fiscal allowances on property, plant and equipment, investment property etc.	1740.53	146.09	-	-	-	-	1886.62
On Excise Duty/National Calamity Contingent Duty on closing stock	117.93	(17.32)	-	-	-	-	100.61
On cash flow hedges	(0.41)	-	(3.19)	(2.74)	4.82	-	(1.52)
Other timing differences	324.99	175.69	280.90	-	-	0.05	781.63
<b>Total deferred tax liabilities</b>	<b>2183.04</b>	<b>304.46</b>	<b>277.71</b>	<b>(2.74)</b>	<b>4.82</b>	<b>0.05</b>	<b>2767.34</b>
On fiscal allowances on property, plant and equipment etc.	7.22	(1.76)	-	-	-	-	5.46
On employees' separation and retirement etc.	158.23	(12.08)	10.72	-	-	0.06	156.93
On provision for doubtful debts/advances	60.57	3.93	-	-	-	0.02	64.52
On State and Central taxes etc.	70.07	3.18	-	-	-	-	73.25
On unabsorbed tax losses and depreciation	4.26	18.62	-	-	-	(0.10)	22.78
Other timing differences	295.20	66.98	-	-	-	0.12	362.30
<b>Total deferred tax assets before MAT credit entitlement</b>	<b>595.55</b>	<b>78.87</b>	<b>10.72</b>	<b>-</b>	<b>-</b>	<b>0.10</b>	<b>685.24</b>
<b>Total deferred tax liabilities before MAT credit entitlement (Net)</b>	<b>1587.49</b>	<b>225.59</b>	<b>266.99</b>	<b>(2.74)</b>	<b>4.82</b>	<b>(0.05)</b>	<b>2082.10</b>
Less: MAT credit entitlement	10.51	2.34	-	-	-	-	12.85
<b>Total deferred tax liabilities (Net)</b>	<b>1576.98</b>	<b>223.25</b>	<b>266.99</b>	<b>(2.74)</b>	<b>4.82</b>	<b>(0.05)</b>	<b>2069.25</b>

# Notes to the Consolidated Financial Statements

(₹ in Crores)

## 7. Deferred tax\* (Contd.)

2022-23	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Effect of foreign exchange	Closing Balance
<b>Deferred tax liabilities/assets in relation to:</b>							
On fiscal allowances on property, plant and equipment, investment property etc.	1639.75	100.78	-	-	-	-	1740.53
On Excise Duty/National Calamity Contingent Duty on closing stock	79.21	38.72	-	-	-	-	117.93
On cash flow hedges	4.82	-	(35.57)	2.62	27.72	-	(0.41)
Other timing differences	363.03	(29.35)	(8.75)	-	-	0.06	324.99
<b>Total deferred tax liabilities</b>	<b>2086.81</b>	<b>110.15</b>	<b>(44.32)</b>	<b>2.62</b>	<b>27.72</b>	<b>0.06</b>	<b>2183.04</b>
On fiscal allowances on property, plant and equipment etc.	8.70	(1.06)	-	-	-	(0.42)	7.22
On employees' separation and retirement etc.	86.28	65.91	5.72	-	-	0.32	158.23
On provision for doubtful debts/advances	60.32	0.16	-	-	-	0.09	60.57
On State and Central taxes etc.	69.62	0.45	-	-	-	-	70.07
On unabsorbed tax losses and depreciation	6.47	(2.21)	-	-	-	-	4.26
Other timing differences	237.59	56.78	-	-	-	0.83	295.20
<b>Total deferred tax assets before MAT credit entitlement</b>	<b>468.98</b>	<b>120.03</b>	<b>5.72</b>	<b>-</b>	<b>-</b>	<b>0.82</b>	<b>595.55</b>
<b>Total deferred tax liabilities before MAT credit entitlement (Net)</b>	<b>1617.83</b>	<b>(9.88)</b>	<b>(50.04)</b>	<b>2.62</b>	<b>27.72</b>	<b>(0.76)</b>	<b>1587.49</b>
Less: MAT credit entitlement	7.89	2.62	-	-	-	-	10.51
<b>Total deferred tax liabilities (Net)</b>	<b>1609.94</b>	<b>(12.50)</b>	<b>(50.04)</b>	<b>2.62</b>	<b>27.72</b>	<b>(0.76)</b>	<b>1576.98</b>

The Group has losses of ₹ 58.04 Crores (2023 - ₹ 149.68 Crores) for which no deferred tax assets have been recognised. A part of these losses will expire between financial year 2024-25 to 2041-42.

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>8. Other assets</b>				
Capital Advances	-	292.17	-	224.56
Advances other than capital advances				
Security Deposits				
- With Statutory Authorities	0.78	813.46	0.38	811.75
- Others	0.97	163.30	0.79	151.23
Advances to related parties (Refer Note 31)	21.30	9.54	5.76	-
Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.)	1130.65	99.06	1323.82	122.26
Other Receivables*	229.49	2.33	231.00	2.15
<b>TOTAL</b>	<b>1383.19</b>	<b>1379.86</b>	<b>1561.75</b>	<b>1311.95</b>

\* Comprise receivables on account of government grants, withholding taxes etc.

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>9. Inventories*</b>		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	8727.39	7129.99
Work-in-progress	1334.72	961.08
Finished goods (manufactured)	2297.12	2268.64
Stock-in-trade (goods purchased for resale)	1048.58	760.37
Stores and spares	649.34	535.99
Intermediates - Tissue paper and Paperboards	95.73	115.09
<b>TOTAL</b>	<b>14152.88</b>	<b>11771.16</b>

The above includes goods in transit as under:

Raw materials (including packing materials)	159.15	239.89
Stock-in-trade (goods purchased for resale)	2.89	2.37
Stores and spares	2.45	5.41
<b>TOTAL</b>	<b>164.49</b>	<b>247.67</b>

The cost of inventories recognised as an expense includes ₹ 157.99 Crores (2023 - ₹ 158.14 Crores) in respect of write offs/write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 1.87 Crores (2023 - ₹ 0.81 Crore) have been made owing to subsequent increase in net realisable value.

Inventories of ₹ 1551.68 Crores (2023 - ₹ 957.15 Crores) are expected to be recovered after more than twelve months.

\* Also refer Note 20.

<b>10. Biological assets other than bearer plants</b>		
Balance at the beginning of the year	142.97	109.44
Biological assets acquired during the year	1.55	1.70
Cost incurred during the year	178.30	153.21
Changes in fair value*	60.64	63.67
Transfer of Biological assets to Inventories	(12.54)	(12.38)
Biological assets sold during the year	(220.85)	(172.67)
Effect of foreign exchange translation	(0.07)	-
<b>Balance at the end of the year</b>	<b>150.00</b>	<b>142.97</b>

\* Represents aggregate gain/(loss) arising on account of change in fair value less costs to sell during the year.

The Group had 2,22,58,649 numbers of TECHNITUBER® seed potatoes (2023 - 1,73,51,206 numbers).

There were 102762 MT of field generated seed potatoes (2023 - 102486 MT). During the year, output of agricultural produce (potatoes) is 13390 MT (2023 - 14522 MT).

In October 2023 - 20827 MT (October 2022 - 20210 MT) of seed potatoes were planted and in February/March 2024 - 126806 MT (February/March 2023 - 121825 MT) of seed potatoes were harvested as a result of quantitative biological transformation.

Estimated amount of contracts remaining to be executed for acquisition/development of biological assets are Nil (2023 - ₹ 0.06 Crore).



## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>11. Current investments (at fair value through profit or loss, unless stated otherwise)</b>					
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>					
<b>In Others</b>					
<b>Quoted</b>					
Ultra Tech Cement Limited	10	3	...	3	...
<b>Unquoted</b>					
SKH Metals Limited	10	40,000	...	40,000	...
Patheja Brothers Forgings and Stampings Limited	10	50,000	...	50,000	...
Jind Textiles Limited	10	5,00,000	...	5,00,000	...
Taib Capital Corporation Limited	10	2,45,000	...	2,45,000	...
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>Indian Railway Finance Corporation Limited</b>					
8.23% - Series 91 - 18-Feb-2024	1,000	–	–	20,00,000	201.79
<b>National Highways Authority of India</b>					
8.50% - Series II A - 05-Feb-2029	1,000	1,04,000	10.95	1,04,000	11.05
<b>Power Finance Corporation Limited</b>					
8.01% - Series 107 A - 30-Aug-2023	10,00,000	–	–	1,000	100.26
8.18% - Series 1 A - 16-Nov-2023	1,000	–	–	12,95,560	130.24
<b>REC Limited</b>					
8.01% - Series 3 A - 29-Aug-2023	10,00,000	–	–	1,000	100.25
8.12% - Series 2 - 27-Mar-2027	1,000	60,000	6.16	60,000	6.20
<b>Perpetual Bonds - Unsecured, Subordinated &amp; Non-Convertible<sup>#</sup></b>					
<b>ICICI Bank Limited</b>					
9.15% - Series DMR 18AT - (with first Call option on 20-Jun-2023)	10,00,000	–	–	350	34.96
<b>INVESTMENT IN CERTIFICATES OF DEPOSIT</b>					
<b>Unquoted</b>					
Axis Bank Limited - 19-Jul-2023	5,00,000	–	–	42,000	2045.45
Axis Bank Limited - 18-Jul-2024	5,00,000	42,000	2039.00	–	–
Export Import Bank of India - 17-Aug-2023	5,00,000	–	–	1,000	48.37
Export Import Bank of India - 29-Aug-2023	5,00,000	–	–	1,000	48.23
HDFC Bank Limited - 17-Jul-2023	5,00,000	–	–	9,500	462.88
HDFC Bank Limited - 11-Aug-2023	5,00,000	–	–	1,600	77.50
Carried over			2056.11		3267.18

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			2056.11		3267.18
<b>INVESTMENT IN CERTIFICATE OF DEPOSITS (Contd.)</b>					
HDFC Bank Limited - 14-Aug-2023	5,00,000	–	–	8,500	411.43
HDFC Bank Limited - 12-Sep-2023	5,00,000	–	–	12,000	576.92
HDFC Bank Limited - 18-Jul-2024	5,00,000	10,000	485.47	–	–
ICICI Bank Limited - 19-Jul-2023	5,00,000	–	–	5,000	243.51
ICICI Bank Limited - 07-Aug-2023	5,00,000	–	–	1,000	48.48
ICICI Bank Limited - 12-Dec-2023	5,00,000	–	–	5,000	235.39
Kotak Mahindra Bank Limited - 07-Jun-2024	5,00,000	500	24.65	–	–
Kotak Mahindra Bank Limited - 19-Jul-2023	5,00,000	–	–	6,000	292.21
Kotak Mahindra Bank Limited - 27-Jul-2023	5,00,000	–	–	1,000	48.61
Kotak Mahindra Bank Limited - 17-Aug-2023	5,00,000	–	–	500	24.18
National Bank for Agriculture and Rural Development - 23-Jan-2024	5,00,000	–	–	1,500	69.95
Small Industries Development Bank of India - 27-Feb-2025	5,00,000	1,000	46.72	–	–
Small Industries Development Bank of India - 07-Jun-2023	5,00,000	–	–	2,000	98.38
Small Industries Development Bank of India - 29-Aug-2023	5,00,000	–	–	1,000	48.23
Small Industries Development Bank of India - 12-Sep-2023	5,00,000	–	–	1,000	48.08
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>					
<b>Unquoted</b>					
National Savings Certificates (pledged with Mandi Samiti) (cost ₹ 2000.00)			...		...
National Savings Certificate (cost ₹ 10000.00)			...		...
<b>INVESTMENT IN DEBT MUTUAL FUNDS</b>					
<b>Quoted</b>					
<b>Exchange Traded Funds</b>					
Edelweiss Mutual Fund	1,000	–	–	30,00,000	368.72
Nippon India Mutual Fund	10	58,69,560	70.52	58,69,560	65.73
<b>Unquoted</b>					
<b>Liquid/Overnight Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	–	–	15,43,944	72.61
Axis Mutual Fund	1,000	7,81,331	208.45	2,65,373	70.21
Bandhan Mutual Fund	1,000	–	–	784	0.21
Carried over			2891.92		5990.03

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			2891.92		5990.03
<b>INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)</b>					
DSP Mutual Fund	1,000	–	–	81,780	26.07
HDFC Mutual Fund	100	3,91,114	184.02	–	–
ICICI Prudential Mutual Fund	100	9,58,246	34.20	1,96,704	4.05
Kotak Mutual Fund	1,000	5,697	2.78	–	–
LIC Mutual Fund	1,000	2,31,584	100.18	–	–
Nippon India Mutual Fund	100	–	–	66,75,451	80.01
Nippon India Mutual Fund	1,000	3,41,195	199.82	2,95,476	161.04
SBI Mutual Fund	1,000	49,240	16.98	4,80,959	168.16
UTI Mutual Fund	1,000	34,046	13.41	31,444	11.52
<b>Ultra Short Term Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	2,05,33,961	1035.28	1,89,90,017	890.21
Axis Mutual Fund	10	12,41,530	1.76	15,77,979	2.08
Kotak Mahindra Mutual Fund	10	26,25,58,620	1065.78	26,25,58,620	993.11
SBI Mutual Fund	1,000	2,47,159	136.90	2,47,159	127.50
<b>Low Duration Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	87,701	5.78	87,701	5.36
Axis Mutual Fund	1,000	14,71,091	432.01	14,71,091	401.66
Bandhan Mutual Fund	10	7,34,11,386	263.71	7,34,11,386	245.79
DSP Mutual Fund	10	17,22,63,805	311.47	17,22,63,805	290.89
ICICI Prudential Mutual Fund	100	1,47,04,689	733.99	1,47,04,689	680.09
SBI Mutual Fund	1,000	19,81,985	653.18	20,14,609	617.49
<b>Money Market Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	40,95,539	139.49	40,95,539	129.50
Axis Mutual Fund	1,000	20,57,053	269.73	20,57,053	250.47
Bandhan Mutual Fund	10	4,22,87,680	167.70	4,22,87,680	155.87
HDFC Mutual Fund	1,000	7,64,367	404.89	7,64,367	376.20
Kotak Mahindra Mutual Fund	1,000	6,53,754	269.36	6,53,754	250.28
Nippon India Mutual Fund	1,000	6,60,345	252.20	6,60,345	234.26
SBI Mutual Fund	10	6,65,47,323	268.97	6,65,47,323	250.03
<b>Floating Rate Funds</b>					
Aditya Birla Sun Life Mutual Fund	100	1,95,98,885	633.54	1,95,98,885	587.17
HDFC Mutual Fund	10	10,07,90,662	461.93	10,07,90,662	427.05
Nippon India Mutual Fund	10	6,22,64,756	265.83	6,22,64,756	246.04
Carried over			11216.81		13601.93

## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			11216.81		13601.93
<b>INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)</b>					
<b>Short Duration Funds</b>					
DSP Mutual Fund	10	2,31,36,440	105.31	–	–
Kotak Mahindra Mutual Fund	10	1,02,55,708	52.81	–	–
Nippon India Mutual Fund	10	1,02,78,225	52.81	–	–
SBI Mutual Fund	10	5,43,84,698	166.77	5,40,50,081	154.07
<b>Banking &amp; PSU Debt Funds</b>					
Axis Mutual Fund	1,000	31,86,227	770.87	31,86,227	720.37
Bandhan Mutual Fund	10	14,17,61,931	316.53	14,17,61,931	296.13
<b>Corporate Bond Funds</b>					
ICICI Prudential Mutual Fund	10	4,37,28,847	123.02	2,49,28,836	64.88
Kotak Mahindra Mutual Fund	1,000	3,03,233	107.14	789	0.26
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>National Bank for Agriculture and Rural Development</b>					
6.40% - Series 20K - 31-Jul-2023	10,00,000	–	–	2,700	268.84
<b>Small Industries Development Bank of India</b>					
5.40% - Series IV - 17-Mar-2025 (with Put and Call option on 18-Mar-2024)	10,00,000	–	–	250	24.46
<b>Current Portion of Non-Current investments</b>					
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Government of India Zero Coupon Government Stock</b>					
Zero Coupon Government Stock - 22-Feb-2025	100	34,00,000	32.35	–	–
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)</b>					
<b>Quoted</b>					
<b>Tax Free Bonds - Secured, Redeemable &amp; Non-Convertible</b>					
<b>India Infrastructure Finance Company Limited</b>					
8.01% - Series 1A - 12-Nov-2023	1,000	–	–	50,000	5.05
Carried over			12944.42		15135.99



## Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2024		As at 31st March, 2023	
		Number	(₹ in Crores)	Number	(₹ in Crores)
<b>11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>					
Brought forward			12944.42		15135.99
<b>INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)</b>					
<b>Indian Railway Finance Corporation Limited</b>					
8.23% - Series 91 - 18-Feb-2024	1,000	–	–	8,00,000	81.36
8.35% - Series 89 - 21-Nov-2023	10,00,000	–	–	100	10.13
<b>Taxable Bonds - Unsecured, Redeemable &amp; Non-Convertible</b>					
<b>Export Import Bank of India</b>					
5.20% - Series X 01 - 04-Mar-2025 (with Put and Call option on 04-Mar-2024)	10,00,000	–	–	2,000	200.00
<b>Power Finance Corporation Limited</b>					
5.47% - Series 206 -19-Aug-2023	10,00,000	–	–	100	10.01
6.72% - Series 203 A - 09-Jun-2023	10,00,000	–	–	900	90.25
6.75% - Series 202 A - 22-May-2023	10,00,000	–	–	2,050	205.42
<b>Perpetual Bonds - Unsecured, Subordinated &amp; Non-Convertible<sup>#</sup></b>					
<b>State Bank of India</b>					
9.37% - Series II (with first Call option on 21-Dec-2023)	10,00,000	–	–	2,350	235.00
9.56% - Series I (with first Call option on 04-Dec-2023)	10,00,000	–	–	7,000	700.00
<b>ICICI Bank Limited</b>					
9.15% - Series DMR 18AT (with first Call option on 20-Jun-2023)	10,00,000	–	–	2,647	264.70
9.90% - Series DDE 18AT (with first Call option on 28-Dec-2023)	10,00,000	–	–	3,000	300.00
<b>Aggregate amount of quoted investments</b>			<b>119.98</b>		<b>3414.42</b>
<b>Aggregate amount of unquoted investments</b>			<b>12824.44</b>		<b>13818.44</b>
<b>Total</b>			<b>12944.42</b>		<b>17232.86</b>

Aggregate market value of quoted investments ₹ 119.60 Crores (2023 - ₹ 3414.51 Crores).

<sup>#</sup> Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Group based on the substantive characteristics of the contract.

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>12. Trade receivables (Current)</b>		
Considered good - Secured	55.06	56.56
Considered good - Unsecured	3970.76	2899.61
Which have significant increase in Credit Risk	–	–
Credit impaired	188.13	197.55
Less: Allowance for credit impairment	188.13	197.55
<b>TOTAL</b>	<b>4025.82</b>	<b>2956.17</b>

### Trade receivables ageing schedule

(₹ in Crores)

Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024					Total	
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade Receivables – considered good	1851.02	2109.43	59.95	5.33	0.02	0.07	4025.82
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	2.68	10.24	7.85	4.71	43.61	69.09
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	1.03	3.27	2.98	0.65	111.11	119.04
<b>SUB-TOTAL</b>	<b>1851.02</b>	<b>2113.14</b>	<b>73.46</b>	<b>16.16</b>	<b>5.38</b>	<b>154.79</b>	<b>4213.95</b>
Less: Allowance for credit impairment							188.13
<b>TOTAL</b>							<b>4025.82</b>

Not Due	Outstanding for following periods from due date of payment as at 31st March, 2023					Total	
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years		
Undisputed Trade Receivables – considered good	2003.32	926.55	21.07	0.66	4.52	0.05	2956.17
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	2.39	12.87	15.84	28.08	24.01	83.19
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	–	0.21	0.55	1.75	111.85	114.36
<b>SUB-TOTAL</b>	<b>2003.32</b>	<b>928.94</b>	<b>34.15</b>	<b>17.05</b>	<b>34.35</b>	<b>135.91</b>	<b>3153.72</b>
Less: Allowance for credit impairment							197.55
<b>TOTAL</b>							<b>2956.17</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>13. Cash and cash equivalents<sup>@</sup></b>		
Balances with Banks		
Current accounts	477.01	453.39
Deposit accounts	138.66	5.08
Cheques, drafts on hand	2.00	1.39
Cash on hand	8.22	3.49
<b>TOTAL</b>	<b>625.89</b>	<b>463.35</b>

<sup>@</sup> Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

The Group does not have any cash and cash equivalents that are not available for use.

<b>14. Other bank balances</b>		
Earmarked balances*	268.94	239.43
In deposit accounts**	6322.85	4177.41
<b>TOTAL</b>	<b>6591.79</b>	<b>4416.84</b>

\* includes balances towards unpaid dividend, unspent corporate social responsibility.

\*\* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (₹ in Crores)
<b>15. Equity Share capital</b>				
<b>Authorised</b>				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
<b>Issued and Subscribed</b>				
Ordinary Shares of ₹ 1.00 each, fully paid	12,48,47,21,471	1248.47	12,42,80,17,741	1242.80
<b>A) Reconciliation of number of Ordinary Shares outstanding</b>				
As at beginning of the year	12,42,80,17,741	1242.80	12,32,32,55,931	1232.33
Add: Issue of Shares on exercise of Options	5,67,03,730	5.67	10,47,61,810	10.48
As at end of the year	<b>12,48,47,21,471</b>	<b>1248.47</b>	<b>12,42,80,17,741</b>	<b>1242.80</b>
<b>B) Shareholders holding more than 5% of the Ordinary Shares in the Company</b>				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)	As at 31st March, 2023 (No. of Shares)	As at 31st March, 2023 (%)
Tobacco Manufacturers (India) Limited	2,54,14,95,863	20.36	2,97,83,47,320	23.96
Life Insurance Corporation of India	1,89,68,61,285	15.19	1,89,68,61,285	15.26
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.81	97,45,31,427	7.84
<b>C) Shareholding of Promoters : Nil</b>				
<b>D) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash or as fully paid up Bonus Shares during the period of five years immediately preceding 31st March : Nil</b>				
<b>E) Rights, preferences and restrictions attached to the Ordinary Shares</b>				
The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
<b>F) Shares reserved for issue under Options</b>				
	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2023 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	8,99,46,120	13,20,94,790		

### Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of vesting in respect of Options.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options : 30% vests

On completion of 24 months from the date of grant of the Options : 30% vests

On completion of 36 months from the date of grant of the Options : 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further details of ITC Employee Stock Option Schemes are provided in Note 29(xii).



## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>16. Non-current borrowings</b>		
<b>Unsecured</b>		
Term loans		
– From Others	–	0.21
Deferred payment liabilities		
– Sales tax deferment loans	1.76	3.28
<b>TOTAL</b>	<b>1.76</b>	<b>3.49</b>

**Terms of borrowings are as under:**

**Term Loans from Others:**

Interest free loan repayable on the basis of 33% (2023 - 33%) of the net profits earned by a subsidiary or the residual balance, whichever is less. During the year, the subsidiary has repaid the outstanding balance in accordance with the terms of the loan.

**Sales tax deferment loans:**

Interest free deferral period of 14 years and repayable by 2025-26.

The repayment schedule is summarised as under:

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
In the first year (Refer Note 20)	–	1.52	0.10	1.26
<b>Current maturities of long-term debt</b>	<b>–</b>	<b>1.52</b>	<b>0.10</b>	<b>1.26</b>
In the second year	–	1.76	0.21	1.52
In the third to fifth year	–	–	–	1.76
<b>Non-current borrowings</b>	<b>–</b>	<b>1.76</b>	<b>0.21</b>	<b>3.28</b>

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>17A. Lease liabilities*</b>				
Lease liabilities	61.54	230.61	53.86	213.37
<b>TOTAL</b>	<b>61.54</b>	<b>230.61</b>	<b>53.86</b>	<b>213.37</b>

\* Refer Note 29(xi)

**Movement of Lease Liabilities during the year**

Particulars	31st March, 2024	31st March, 2023
Opening Lease Liabilities	267.23	243.85
New Leases recognised	116.74	87.31
Remeasurements and withdrawals	(24.95)	(4.83)
Interest expense on Lease Liabilities	21.97	20.35
Payment of Lease Liabilities made (including interest)	(88.86)	(79.46)
Foreign Currency Translation Reserve adjustment	0.02	0.01
Closing Lease Liabilities	<b>292.15</b>	<b>267.23</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>17B. Other financial liabilities</b>		
<b>Non-current</b>		
Others (Includes payable towards employee benefits, retention money payable towards property, plant and equipment, deposits, contingent consideration on asset acquisition etc.)	433.96	416.87
<b>TOTAL</b>	<b>433.96</b>	<b>416.87</b>
<b>Current</b>		
Interest accrued	2.01	2.39
Unpaid dividend*	251.19	239.07
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.30	0.30
Others (Includes payable towards employee benefits, property, plant and equipment, derivatives designated as hedging instruments, contingent consideration on business combination/asset acquisition etc.)	1925.50	2165.95
<b>TOTAL</b>	<b>2179.00</b>	<b>2407.71</b>

\* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

\*\* Represents amounts which are subject matter of a pending legal dispute with a bank for which the Company has filed a suit.

	As at 31st March, 2024 (₹ in Crores)		As at 31st March, 2023 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>18. Provisions</b>				
Provision for employee benefits [Refer Note 29(vi)]				
Retirement benefits	79.85	199.28	74.97	180.02
Other benefits	27.06	88.73	25.59	78.90
Provision for standard assets	—	0.29	—	0.29
<b>TOTAL</b>	<b>106.91</b>	<b>288.30</b>	<b>100.56</b>	<b>259.21</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>19. Other liabilities</b>		
<b>Non-current</b>		
Advances received from customers*	149.72	82.84
<b>TOTAL</b>	<b>149.72</b>	<b>82.84</b>
<b>Current</b>		
Statutory liabilities	4542.71	4142.21
Advances received from customers*	886.17	1294.84
Others (includes deferred revenue, accruals etc.)	165.84	134.30
<b>TOTAL</b>	<b>5594.72</b>	<b>5571.35</b>

\* Includes revenue received in advance.

<b>20. Current borrowings</b>		
<b>Secured</b>		
Loans from Banks		
Cash credit facilities*	–	33.96
<b>Unsecured</b>		
Loans from Banks		
Working Capital Loan	8.00	–
Current maturities of long-term debt (Refer Note 16)	1.52	1.36
<b>TOTAL</b>	<b>9.52</b>	<b>35.32</b>

\* Cash credit facilities are secured by hypothecation of certain property, plant and equipment and current assets, both present and future.

<b>21A. Income Tax Assets (Net)</b>		
Income Tax Assets (net of provisions)	44.93	66.16
<b>TOTAL</b>	<b>44.93</b>	<b>66.16</b>

<b>21B. Current Tax Liabilities (Net)</b>		
Current taxation (net of advance payment)	940.88	911.62
<b>TOTAL</b>	<b>940.88</b>	<b>911.62</b>

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>22A. Revenue from operations</b>		
Sale of Products	69731.48	70017.08
Sale of Services	6543.50	5809.50
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty/Health Risk Tax of ₹ 6051.32 Crores (2023 - ₹ 5390.00 Crores)]	76274.98	75826.58
Other Operating Revenues <sup>#</sup>	565.51	691.63
<b>TOTAL</b>	<b>76840.49</b>	<b>76518.21</b>

\* Net of sales returns, damaged stocks and estimates of variable consideration such as discounts to customers.

<sup>#</sup> Includes Government grants of ₹ 248.93 Crores (2023 - ₹ 311.41 Crores) on account of Fiscal and Exports incentives etc.

<b>22B. Gross Revenue from sale of products and services*</b>		
<b>FMCG</b>		
– Cigarettes etc.	33667.97	31267.46
– Branded Packaged Food Products	17202.92	15768.10
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	3753.28	3341.23
<b>Hotels</b>		
– Income from Sale of Services	3085.49	2672.79
<b>Agri Business</b>		
– Unmanufactured Tobacco	2447.20	2510.93
– Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya etc.)	6071.45	9850.69
<b>Paperboards, Paper and Packaging</b>		
– Paperboards and Paper	5868.06	6562.04
– Packaging and Printed Materials	606.68	671.65
<b>Others</b>		
– Others (Information Technology services etc.)	3571.93	3181.69
<b>TOTAL</b>	<b>76274.98</b>	<b>75826.58</b>

\* Net of sales returns, damaged stocks and estimates of variable consideration such as discounts to customers.



## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>23. Other income</b>		
Interest income	1710.51	1534.00
Dividend income	11.13	0.02
Other non-operating income	1006.20	446.47
<b>TOTAL</b>	<b>2727.84</b>	<b>1980.49</b>
Interest income :		
a) Deposits with banks etc. - carried at amortised cost	629.39	462.79
b) Financial assets:		
– mandatorily measured at FVTPL	214.03	221.96
– measured at amortised cost	565.95	723.09
– measured at FVTOCI	294.85	121.29
c) Others (from statutory authorities etc.)	6.29	4.87
<b>TOTAL</b>	<b>1710.51</b>	<b>1534.00</b>
Dividend income :		
a) Equity instruments measured at FVTOCI held at the end of reporting period	11.11	0.01
b) Other investments	0.02	0.01
<b>TOTAL</b>	<b>11.13</b>	<b>0.02</b>
Other non-operating income:		
Net foreign exchange gain/(loss)	7.79	37.00
Net gain/(loss) arising on financial instruments measured at amortised cost/mandatorily measured at FVTPL (Refer Note 32)*	833.34	257.76
Gain recognised on divestment of shares held in joint venture [Refer Note 29(viii)]	9.84	–
Impairment of investment in joint venture [Refer Note 29(ix)]	(0.06)	(1.42)
Others (Including income from leases etc.)	155.29	153.13
<b>TOTAL</b>	<b>1006.20</b>	<b>446.47</b>

\* Includes ₹ 182.73 Crores (2023 - ₹ 108.16 Crores) being net gain/(loss) on sale of investments.

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>24. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets</b>		
Opening inventories and Biological Assets		
Finished goods (manufactured)	2268.64	1794.86
Work-in-progress	961.08	732.41
Stock-in-Trade (goods purchased for resale)	760.37	1181.11
Intermediates - Tissue paper and Paperboards	115.09	79.89
Biological Assets	142.97	109.44
Less: Closing Inventories and Biological Assets		
Finished goods (manufactured)	2297.12	2268.64
Work-in-progress	1334.72	961.08
Stock-in-Trade (goods purchased for resale)	1048.58	760.37
Intermediates - Tissue paper and Paperboards	95.73	115.09
Biological Assets	150.00	142.97
Less: Effects of foreign exchange fluctuation taken to foreign currency translation reserve	(89.31)	8.15
<b>TOTAL</b>	<b>(588.69)</b>	<b>(358.59)</b>
<b>25. Employee benefits expense</b>		
Salaries and wages	5352.94	4885.49
Contribution to Provident and other funds	334.15	291.46
Share based payments to employees [Includes cash-settled share based payments ₹ 33.08 Crores (2023 - ₹ 214.31 Crores)]*	140.38	274.72
Staff welfare expenses	328.21	302.60
	<b>6155.68</b>	<b>5754.27</b>
Less: Recoveries made/reimbursements received	21.33	18.05
<b>TOTAL</b>	<b>6134.35</b>	<b>5736.22</b>

\* Refer Note 29(xii) and 29(xiii)

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>26. Finance costs</b>		
Interest expense:		
– On Lease liabilities	21.97	20.26
– On financial liabilities measured at amortised cost	9.00	9.70
– Others (to statutory authorities etc.)	14.99	13.24
<b>TOTAL</b>	<b>45.96</b>	<b>43.20</b>
<b>27. Other expenses</b>		
Power and fuel	1120.25	1232.34
Consumption of stores and spare parts	453.10	454.75
Contract processing charges	1120.30	1013.39
Rent	305.29	266.46
Rates and taxes	259.81	165.55
Insurance	179.54	171.24
Repairs		
– Buildings	120.42	108.62
– Machinery	351.26	334.48
– Others	95.96	86.08
Maintenance and upkeep	370.54	329.03
Outward freight and handling charges	1617.89	1680.39
Warehousing charges	286.22	265.80
Advertising/Sales promotion	1439.45	1173.21
Market research	196.50	156.35
Design and product development	45.65	48.37
Hotel reservation/Marketing expenses	69.90	58.72
Retail accessories	224.97	226.15
Brokerage and discount - sales	14.78	17.82
Commission to selling agents	22.12	21.26
Doubtful and bad debts	14.81	5.96
Doubtful and bad advances, loans and deposits	24.61	0.75
Bank and credit card charges	34.10	34.57
Information technology services	268.31	233.26
Travelling and conveyance	434.29	370.72
Training and development	31.29	28.11
Legal expenses	37.42	41.14
Consultancy/Professional fees	694.67	629.89
Postage, telephone etc.	30.92	31.77
Printing and stationery	19.61	17.87
(Gain)/Loss on sale of property, plant and equipment - Net	(55.89)	4.76
Loss on sale of stores and spare parts - Net	2.09	1.45
Miscellaneous expenses	1414.91	1319.67
<b>TOTAL</b>	<b>11245.09</b>	<b>10529.93</b>

# Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2024 (₹ in Crores)	For the year ended 31st March, 2023 (₹ in Crores)
<b>28. Income tax expenses</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Income tax for the year	6627.49	6449.33
Adjustments/(credits) related to previous years - Net	(462.22)	1.57
<b>Total current tax</b>	<b>6165.27</b>	<b>6450.90</b>
<b>Deferred tax</b>		
Deferred tax for the year	233.83	1.78
Adjustments/(credits) related to previous years - Net	(8.24)	(11.66)
MAT credit entitlement	(2.34)	(2.62)
<b>Total deferred tax</b>	<b>223.25</b>	<b>(12.50)</b>
<b>TOTAL</b>	<b>6388.52</b>	<b>6438.40</b>
<b>B. Amount recognised in other comprehensive income</b>		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	5.21	5.72
Related to designated portion of hedging instruments in cash flow hedges	2.63	(5.34)
Equity instruments through other comprehensive income	(276.37)	-
	<b>(268.53)</b>	<b>0.38</b>
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	(4.26)	13.19
Debt instruments through other comprehensive income	(4.53)	8.75
	<b>(8.79)</b>	<b>21.94</b>
<b>TOTAL</b>	<b>(277.32)</b>	<b>22.32</b>
<b>C. Amount recognised directly in equity</b>		
The income tax (charged)/credited directly to equity during the year is as follows:		
<b>Deferred tax</b>		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	(2.74)	2.62
<b>TOTAL</b>	<b>(2.74)</b>	<b>2.62</b>
<b>D. Reconciliation of effective tax rate</b>		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	27139.88	25915.12
Income tax expense calculated @ 25.168% (2023: 25.168%)	6830.59	6522.31
Effect of tax relating to uncertain tax positions	39.39	26.72
Effect of different tax rate on certain items	(118.92)	(165.89)
Difference in tax rates of subsidiary companies	53.09	45.95
Effect of income not taxable	(73.46)	(85.04)
Other differences	125.79	98.34
<b>Total</b>	<b>6856.48</b>	<b>6442.39</b>
Adjustments recognised in the current year in relation to the current tax of prior years*	(467.96)	(3.99)
<b>Income tax recognised in profit or loss</b>	<b>6388.52</b>	<b>6438.40</b>

The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the year 2023-24 and 2022-23 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

\* The Group has reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Hon'ble Supreme Court received during the year. This has resulted in a credit of ₹ 468.44 Crores in the Current Tax expense for the year ended 31st March, 2024.



# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements

(i) The Board of Directors of the Company at its meeting held on August 14, 2023 has, subject to necessary approvals, approved a Scheme of Arrangement amongst ITC Limited ('Demerged Company') and ITC Hotels Limited ('Resulting Company') and their respective shareholders and creditors under Section 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('Scheme'). The Scheme, inter alia, provides for demerger of the Demerged Undertaking (as defined in the Scheme) comprising the Hotels Business of the Demerged Company into the Resulting Company on a going concern basis and the consequent issuance of Equity Shares by the Resulting Company to all the shareholders of the Demerged Company as per the Share Entitlement Ratio i.e., for every 10 Ordinary Shares of face and paid-up value of ₹ 1/- each held in the Demerged Company, 1 Equity Share of face and paid-up value of ₹ 1/- each of the Resulting Company, and in accordance with Section 2(19AA) read with other relevant provisions of the Income-tax Act, 1961. The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.

The Scheme is subject to requisite approvals, including approval of the National Company Law Tribunal, Kolkata Bench. Accordingly, no accounting effect in respect of the Scheme has been given in these Financial Statements. Further, expenses aggregating ₹ 7.57 Crores incurred during the year in relation to the said demerger have been disclosed under 'Exceptional Items'.

(ii) Earnings per share:

Earnings per share has been computed as under:

- (a) Profit for the year attributable to owners of the parent (₹ in Crores)
- (b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share
- (c) Effect of potential Ordinary shares on Employee Stock Options outstanding
- (d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]
- (e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)
- Basic [(a)/(b)]
- Diluted [(a)/(d)]

	2024	2023
(a)	20458.78	19191.66
(b)	12,46,10,58,425	12,38,15,12,709
(c)	2,80,92,231	3,28,14,400
(d)	12,48,91,50,656	12,41,43,27,109
(e) – Basic [(a)/(b)]	₹ 16.42	₹ 15.50
(e) – Diluted [(a)/(d)]	₹ 16.38	₹ 15.46

(iii) (a) The subsidiaries (which along with ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2024	Percentage of ownership interest as at 31st March, 2023
ITC Infotech India Limited	India	100	100
ITC Infotech Limited <sup>@</sup>	UK	100	100
ITC Infotech (USA), Inc. <sup>@</sup>	USA	100	100
Indivate Inc. (a subsidiary of ITC Infotech (USA), Inc.)	USA	100	100
ITC Infotech Do Brasil LTDA. <sup>@</sup>	Brazil	100	100
ITC Infotech Malaysia SDN. BHD. <sup>@</sup>	Malaysia	100	100
ITC Infotech France SAS <sup>@</sup>	France	100	100
ITC Infotech GmbH <sup>@</sup>	Germany	100	100
ITC Infotech de Mexico, S.A. de C.V. <sup>@</sup> (w.e.f. 17.04.2023) [including shareholding of ITC Infotech (USA), Inc.]	Mexico	100	–
ITC Infotech Arabia Limited <sup>@</sup> (w.e.f. 17.12.2023)	Saudi Arabia	100	–

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2024	Percentage of ownership interest as at 31st March, 2023
Surya Nepal Private Limited	Nepal	59	59
Surya Nepal Ventures Private Limited (a 100% subsidiary of Surya Nepal Private Limited w.e.f. 3rd July 2023)	Nepal	59	–
Technico Agri Sciences Limited	India	100	100
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a subsidiary of Technico Pty Limited)	Canada	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100
Landbase India Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
WelcomHotels Lanka (Private) Limited	Sri Lanka	100	100
Russell Credit Limited	India	100	100
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
ITC Integrated Business Services Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of ITC Integrated Business Services Limited)	India	100	100
North East Nutrients Private Limited	India	76	76
Prag Agro Farm Limited	India	100	100
Pavan Poplar Limited	India	100	100
ITC IndiVision Limited	India	100	100
ITC Fibre Innovations Limited	India	100	100
ITC Hotels Limited (w.e.f. 28.07.2023)	India	100	–

@ subsidiaries of ITC Infotech India Limited

The financial statements of all subsidiaries, considered in the Consolidated Financial Statements, are drawn upto 31st March other than for Surya Nepal Private Limited and Surya Nepal Ventures Private Limited where it is upto 13th March, based on the local laws of Nepal.

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

### (b) Interests in Joint Ventures:

The Group's interests in jointly controlled entities (incorporated Joint Ventures) are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2024	Percentage of ownership interest as at 31st March, 2023
Espirit Hotels Private Limited [Refer Note 29(viii)]	India	–	26
Logix Developers Private Limited [Refer Note 29(ix)]	India	27.90	27.90
ITC Filtrona Limited (Formerly known as ITC Essentra Limited) (a joint venture of Gold Flake Corporation Limited)	India	50	50
Maharaja Heritage Resorts Limited	India	50	50

The financial statements of all the Joint Ventures, considered in the Consolidated Financial Statements, are drawn upto 31st March.

### (c) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2024	Percentage of ownership interest as at 31st March, 2023
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited*	India	25.43	25.43
Divya Management Limited*	India	33.33	33.33
Antrang Finance Limited*	India	33.33	33.33
ATC Limited (an associate of Gold Flake Corporation Limited)	India	47.50	47.50
Delectable Technologies Private Limited	India	39.32 <sup>#</sup>	33.42 <sup>#</sup>
Mother Sparsh Baby Care Private Limited	India	26.50 <sup>#</sup>	22.00 <sup>#</sup>
Sproutlife Foods Private Limited (w.e.f. 04.05.2023) [Refer Note 29(x)]	India	44.74 <sup>#</sup>	–

\*associates of Russell Credit Limited

<sup>#</sup> on a fully diluted basis

The financial statements of all Associates, considered in the Consolidated Financial Statements, are drawn upto 31st March.

(d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of Indian Accounting Standard - 110 (Ind AS 110) on "Consolidated Financial Statements" and Indian Accounting Standard - 28 (Ind AS 28) on "Investments in Associates and Joint Ventures" by each of the included entities other than in respect of a joint venture Logix Developers Private Limited which has been considered on the basis of financial statements as certified by Logix Developers Private Limited's management and provided to the Company.

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

### (iv) Contingent liabilities and commitments:

#### (a) Contingent liabilities:

Claims against the Group not acknowledged as debts ₹ 1077.71 Crores (2023 - ₹ 945.12 Crores), including interest on claims, where applicable, estimated to be ₹ 324.08 Crores (2023 - ₹ 292.26 Crores), including share of associates ₹ 0.15 Crore (2023 - ₹ 0.15 Crore). These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 679.10 Crores (2023 - ₹ 604.63 Crores), including interest on claims, where applicable, estimated to be ₹ 294.54 Crores (2023 - ₹ 265.04 Crores), including share of associates ₹ 0.12 Crore (2023 - ₹ 0.12 Crore).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 266.56 Crores (2023 - ₹ 241.71 Crores), including interest on claims, where applicable, estimated to be ₹ 18.72 Crores (2023 - ₹ 15.09 Crores), including share of associates ₹ 0.03 Crore (2023 - ₹ 0.03 Crore).
- Third party claims arising from disputes relating to contracts aggregating ₹ 41.27 Crores (2023 - ₹ 31.79 Crores), including interest on claims, where applicable, estimated to be ₹ 0.29 Crore (2023 - ₹ 0.17 Crore).
- Other matters aggregating ₹ 90.78 Crores (2023 - ₹ 66.99 Crores), including interest on other matters, where applicable, estimated to be ₹ 10.53 Crores (2023 - ₹ 11.96 Crores).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income Tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. In all these proceedings, the authorities applied an input-output ratio allegedly submitted by SNPL in the year 1990-91 and arrived at a theoretical production and demanded tax/duty on the differential production/turnover. This, despite the fact that SNPL's cigarette factory was under 'physical control' of the Excise authorities and cigarettes produced were duly accounted for and certified as such by the Excise authorities.

The Revenue Authorities for the first time raised excise demands for the financial years 1993-94 and 1994-95, claiming that SNPL could have produced more cigarettes according to the input-output ratio submitted in the year 1990-91. SNPL challenged these excise demands before the Hon'ble Supreme Court of Nepal through a writ petition. A division bench of the Hon'ble Supreme Court of Nepal decided the matter in favour of SNPL (the "Division Bench Judgement") and rejected the above basis of theoretical production. The Ministry of Finance of Nepal filed a review petition before the Full Bench of Hon'ble Supreme Court of Nepal seeking review of the judgement of Division Bench. The Full Bench after hearing both the sides at length upheld the judgement of Division Bench by its order dated October 29, 2009.

Similar demands had been raised for other financial years viz., Excise Demands for FY 1998-99 to FY 2002-03 and Income Tax Demand for FY 2001-02, which were also challenged by SNPL before the Hon'ble Supreme Court of Nepal by way of writ petitions and the Court was pleased to allow all the writ petitions setting aside the demands.

Further, the Inland Revenue Department had decided administrative review petitions in favour of SNPL setting aside Value Added Tax demands for the financial years 2001-02 and 2007-08 and Income Tax demand for the FY 2005-06 following the aforesaid decisions of the Hon'ble Supreme Court of Nepal.

During the pendency of the aforementioned review petition before the Hon'ble Supreme Court of Nepal and thereafter, the Revenue Authorities raised demands and issued a SCN, in the same subject matter of theoretical production for different years (as listed below), which were also challenged by SNPL by way of writ petitions before Hon'ble Supreme Court of Nepal between the years 2007 to 2010:

1. Excise demand letters for ₹ 17.38 Crores [Nepalese Rupee (NRs.) 27.80 Crores] relating to the financial years 2003-04 to 2006-07.
2. Value Added Tax (VAT) demand letters for ₹ 10.93 Crores (NRs. 17.49 Crores) relating to financial years 2002-03 to 2006-07.
3. Income Tax demand letters for ₹ 13.45 Crores (NRs. 21.52 Crores) relating to financial years 2002-03 and 2003-04.

SNPL's writ petitions with regard to various tax demands and a SCN mentioned hereinabove were disposed of by the Hon'ble Supreme Court of Nepal on 15th April, 2021 holding that SNPL should avail the alternate remedy by way of appeal to the Inland Revenue Department (IRD). The Administrative Review Petitions relating to above demands are currently pending for disposal with the Inland Revenue Department.



# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

The Management considers that all the demands listed above have no legal or factual basis; accordingly, the Management is of the view that there is no liability that is likely to arise, particularly in light of the fact that the issue underlying these demands has already been settled by the Hon'ble Supreme Court of Nepal in favour of SNPL.

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

- (b) Uncalled liability on partly paid-up shares and other investments is ₹ 25.72 Crores (2023 - ₹ 35.56 Crores).
- (c) Commitments: Estimated amount of contracts remaining to be executed on capital accounts and not provided for are ₹ 1189.36 Crores (2023 - ₹ 2113.07 Crores) for the Group, which includes share of joint ventures ₹ 5.14 Crores (2023 - ₹ 8.52 Crores).
- (v) Research and Development expenses for the year amount to ₹ 170.47 Crores (2023 - ₹ 161.36 Crores).
- (vi) The Group has adopted Indian Accounting Standard-19 (Ind AS 19) on 'Employee Benefits'. These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

### Description of Plans

The Group makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund and Pension Benefits are funded, Gratuity Benefits are both funded as well unfunded; and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Pension Plans are based on employees' pensionable remuneration and length of service. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

### (a) Defined Benefit Plans:

As per Actuarial Valuations as on 31st March, 2024 and recognised in the financial statements in respect of Employee Benefit Schemes:

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method as at year end. The Group makes regular contributions to these Defined Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

### Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

**Investment Risk:** This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

**Interest Rate Risk:** The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.

**Salary Cost Inflation Risk:** The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various statutes.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

	For the year ended 31st March, 2024 (₹ in Crores)				For the year ended 31st March, 2023 (₹ in Crores)			
	Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
	Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
<b>I Components of Employer Expense</b>								
– <b>Recognised in the Statement of Profit and Loss</b>								
1 Current Service Cost	39.35	42.82	0.54	18.78	43.12	39.58	0.54	18.21
2 Past Service Cost	2.93	–	0.05	0.06	–	–	0.17	–
3 Net Interest Cost	(3.62)	(1.47)	0.49	12.55	(1.32)	(1.42)	0.41	10.33
<b>4 Total expense recognised in the Statement of Profit and Loss</b>	<b>38.66</b>	<b>41.35</b>	<b>1.08</b>	<b>31.39</b>	<b>41.80</b>	<b>38.16</b>	<b>1.12</b>	<b>28.54</b>
– <b>Remeasurements recognised in Other Comprehensive Income</b>								
5 Return on plan assets (excluding amounts included in net interest cost)	(23.16)	(3.61)	–	–	14.50	1.22	–	–
6 Effect of changes in demographic assumptions	1.65	0.94	0.34	0.49	–	–	–	(0.01)
7 Effect of changes in financial assumptions	25.89	18.64	0.14	6.37	(14.26)	(14.79)	(0.39)	(3.32)
8 Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
9 Effect of experience adjustments	(30.13)	22.27	0.09	0.82	(1.24)	32.63	0.22	9.50
<b>10 Total re-measurements included in Other Comprehensive Income</b>	<b>(25.75)</b>	<b>38.24</b>	<b>0.57</b>	<b>7.68</b>	<b>(1.00)</b>	<b>19.06</b>	<b>(0.17)</b>	<b>6.17</b>
<b>11 Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)</b>	<b>12.91</b>	<b>79.59</b>	<b>1.65</b>	<b>39.07</b>	<b>40.80</b>	<b>57.22</b>	<b>0.95</b>	<b>34.71</b>
The current service cost, past service cost and net interest cost for the year, as applicable, pertaining to Pension and Gratuity expenses have been recognised in “Contribution to Provident and other funds” and Leave Encashment in “Salaries and wages” under Note 25. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.								
<b>II Actual Returns</b>	92.17	41.22	–	–	46.39	30.36	–	–
<b>III Net Asset/(Liability) recognised in Balance Sheet</b>								
1 Present Value of Defined Benefit Obligation	947.48	576.05	7.70	197.25	925.28	509.40	6.96	176.54
2 Fair Value of Plan Assets	955.52	525.06	–	–	888.56	480.39	–	–
3 Status [Surplus/(Deficit)]	8.04	(50.99)	(7.70)	(197.25)	(36.72)	(29.01)	(6.96)	(176.54)
4 Restrictions on Asset Recognised	–	–	–	–	–	–	–	–
5 Net (Liability) recognised in Balance Sheet	<b>(22.80)</b>	<b>(51.38)</b>	<b>(7.70)</b>	<b>(197.25)</b>	<b>(42.48)</b>	<b>(29.01)</b>	<b>(6.96)</b>	<b>(176.54)</b>
a. Current	(1.23)	(47.14)	(1.15)	(30.33)	(25.57)	(25.06)	(0.90)	(23.44)
b. Non-Current	(21.57)	(4.24)	(6.55)	(166.92)	(16.91)	(3.95)	(6.06)	(153.10)
6 Net Asset recognised in Balance Sheet	<b>30.84</b>	<b>0.39</b>	–	–	<b>5.76</b>	–	–	–
a. Current	21.30	–	–	–	5.76	–	–	–
b. Non-Current	9.54	0.39	–	–	–	–	–	–

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

		For the year ended 31st March, 2024 (₹ in Crores)				For the year ended 31st March, 2023 (₹ in Crores)			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
<b>IV</b>	<b>Change in Defined Benefit Obligation (DBO)</b>								
1	Present Value of DBO at the beginning of the year	925.28	509.40	6.96	176.54	929.62	478.30	6.60	164.55
2	Current Service Cost	39.35	42.82	0.54	18.78	43.12	39.58	0.54	18.21
3	Past Service Cost	2.93	–	0.05	0.06	–	–	0.17	–
4	Interest Cost	65.39	36.14	0.49	12.55	59.57	30.16	0.41	10.33
5	Re-measurement Gains/(Losses):								
	a. Effect of changes in demographic assumptions	1.65	0.94	0.34	0.49	–	–	–	(0.01)
	b. Effect of changes in financial assumptions	25.89	18.64	0.14	6.37	(14.26)	(14.79)	(0.39)	(3.32)
	c. Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	d. Effect of experience adjustments	(30.13)	22.27	0.09	0.82	(1.24)	32.63	0.22	9.50
6	Curtailment Cost/(Credits)	–	–	–	–	–	–	–	–
7	Settlement Cost/(Credits)	–	–	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–	–	–	–	–
9	Effects of transfer In/(Out)	0.01	0.02	–	–	15.56	0.53	–	0.05
10	Benefits Paid	(82.89)	(54.18)	(0.91)	(18.36)	(107.09)	(57.01)	(0.59)	(22.77)
11	<b>Present Value of DBO at the end of the year</b>	<b>947.48</b>	<b>576.05</b>	<b>7.70</b>	<b>197.25</b>	<b>925.28</b>	<b>509.40</b>	<b>6.96</b>	<b>176.54</b>

		As at 31st March, 2024 (₹ in Crores)	As at 31st March, 2023 (₹ in Crores)
<b>V</b>	<b>Best Estimate of Employers' Expected Contribution for the next year</b>		
	– Pension	42.02	87.17
	– Gratuity	106.85	75.30

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

		For the year ended 31st March, 2024 (₹ in Crores)				For the year ended 31st March, 2023 (₹ in Crores)			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
<b>VI</b>	<b>Change in Fair Value of Assets</b>								
	1 Plan Assets at the beginning of the year	888.56	480.39	–	–	916.94	457.31	–	–
	2 Assets acquired in Business Combination	–	–	–	–	–	–	–	–
	3 Interest Income	69.01	37.61	–	–	60.89	31.58	–	–
	4 Re-measurement Gains/(Losses) on plan assets	23.16	3.61	–	–	(14.50)	(1.22)	–	–
	5 Actual Group Contributions	57.75	57.63	–	–	32.38	49.73	–	–
	6 Benefits Paid	(82.89)	(54.18)	–	–	(107.09)	(57.01)	–	–
	7 Effects of transfer In/(Out)	(0.07)	–	–	–	(0.06)	–	–	–
	8 <b>Plan Assets at the end of the year</b>	<b>955.52</b>	<b>525.06</b>	<b>–</b>	<b>–</b>	<b>888.56</b>	<b>480.39</b>	<b>–</b>	<b>–</b>

		As at 31st March, 2024	As at 31st March, 2023
		Discount Rate (%)	Discount Rate (%)
<b>VII</b>	<b>Actuarial Assumptions</b>		
	1 Pension	7.00	7.50
	2 Gratuity	7.00	7.50
	3 Leave Encashment	7.00	7.50
The estimates of future salary increases, generally between 4% to 6% for the Company (being the largest component of the Group), considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.			

		As at 31st March, 2024	As at 31st March, 2023
<b>VIII</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets</b>		
	1 Government Securities/Special Deposit with RBI	14.94%	14.86%
	2 High Quality Corporate Bonds	11.39%	10.25%
	3 Insurer/Citizen Investment Trust Managed Funds*	62.50%	66.71%
	4 Mutual Funds	6.73%	3.92%
	5 Cash and Cash Equivalents	4.44%	4.26%
	6 Term Deposits	–	–

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed. The fair value of Government Securities, Corporate Bonds and Mutual Funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the participating companies.



# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

### IX. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

	For the year ended 31st March, 2024 (₹ in Crores)				For the year ended 31st March, 2023 (₹ in Crores)				
	Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment	
	Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded	
<b>X</b>	<b>Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)</b>								
1	Present Value of Defined Benefit Obligation	947.48	576.05	7.70	197.25	925.28	509.40	6.96	176.54
2	Fair Value of Plan Assets	955.52	525.06	–	–	888.56	480.39	–	–
3	Status [Surplus/(Deficit)]	8.04	(50.99)	(7.70)	(197.25)	(36.72)	(29.01)	(6.96)	(176.54)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	23.16	3.61	–	–	(14.50)	(1.22)	–	–
5	Experience Adjustment of obligation [(Gain)/Loss]	(30.13)	22.27	0.09	0.82	(1.24)	32.63	0.22	9.50

### XI. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

(₹ in Crores)

	DBO as at 31st March, 2024	DBO as at 31st March, 2023	
1	Discount Rate + 100 basis points	1632.05	1530.08
2	Discount Rate - 100 basis points	1833.95	1715.52
3	Salary Increase Rate + 1%	1825.64	1708.10
4	Salary Increase Rate – 1%	1637.60	1533.68

### Maturity Analysis of the Benefit Payments

1	Year 1	231.15	244.36
2	Year 2	287.00	236.41
3	Year 3	227.42	219.34
4	Year 4	157.08	210.04
5	Year 5	123.94	145.67
6	Next 5 Years	637.88	595.80

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 25: - ₹ 254.14 Crores (2023 - ₹ 211.50 Crores).

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

(vii) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)	
<b>Parent</b>									
ITC Limited	88.22%	66070.83	93.70%	19443.05	77.16%	2280.53	91.64%	21723.58	
<b>Subsidiary</b>									
<b>Indian</b>									
1	Russell Credit Limited	1.81%	1357.28	0.18%	37.82	13.64%	403.28	1.86%	441.10
2	Greenacre Holdings Limited	0.09%	67.81	0.01%	2.82	...	(0.02)	0.01%	2.80
3	Wimco Limited	...	1.91	(0.01%)	(1.88)	...	(0.05)	(0.01%)	(1.93)
4	Prag Agro Farm Limited	...	0.91	...	(0.02)	—	—	...	(0.02)
5	Pavan Poplar Limited	...	0.27	...	(0.03)	—	—	...	(0.03)
6	Technico Agri Sciences Limited	0.22%	155.85	0.18%	37.81	...	0.01	0.16%	37.82
7	Srinivasa Resorts Limited	0.10%	71.82	0.03%	5.51	...	0.04	0.02%	5.55
8	Fortune Park Hotels Limited	0.05%	36.40	0.05%	11.22	...	(0.12)	0.05%	11.10
9	Bay Islands Hotels Limited	0.03%	23.32	0.01%	2.70	—	—	0.01%	2.70
10	ITC Infotech India Limited	1.54%	1153.44	1.77%	364.75	0.25%	7.44	1.57%	372.19
11	Gold Flake Corporation Limited	0.03%	25.11	...	0.62	—	—	...	0.62
12	ITC Integrated Business Services Limited	0.01%	8.68	...	0.60	—	—	...	0.60
13	MRR Trading & Investment Company Limited	...	0.03	...	0.01	—	—	...	0.01
14	Landbase India Limited	0.35%	261.72	0.05%	10.00	...	...	0.04%	10.00
15	North East Nutrients Private Limited	0.11%	82.86	0.05%	11.32	...	(0.01)	0.05%	11.31
16	ITC IndiVision Limited	0.50%	373.58	(0.15%)	(30.62)	—	—	(0.13%)	(30.62)

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)	
<b>Indian</b>									
17	ITC Fibre Innovations Limited	0.26%	197.59	(0.02%)	(3.68)	–	–	(0.02%)	(3.68)
18	ITC Hotels Limited	0.12%	86.15	0.01%	1.11	–	–	...	1.11
<b>Foreign</b>									
1	Technico Pty Limited	0.09%	68.22	0.08%	15.62	(0.07%)	(2.06)	0.06%	13.56
2	Technico Technologies Inc.	0.01%	6.69	0.03%	4.70	–	–	0.02%	4.70
3	Technico Asia Holdings Pty Limited	...	2.64	–	–	–	–	–	–
4	Technico Horticulture (Kunming) Co. Limited	0.03%	20.76	0.01%	1.86	–	–	0.01%	1.86
5	WelcomHotels Lanka (Private) Limited	3.90%	2922.39	0.01%	1.65	8.52%	251.82	1.07%	253.47
6	ITC Infotech Limited	0.14%	108.23	0.07%	15.52	–	–	0.07%	15.52
7	ITC Infotech (USA), Inc.	0.34%	252.18	0.12%	25.32	–	–	0.11%	25.32
8	Indivate Inc.	0.05%	38.08	0.15%	30.11	–	–	0.13%	30.11
9	ITC Infotech Do Brasil LTDA.	0.01%	5.55	...	1.03	–	–	...	1.03
10	ITC Infotech France SAS	0.04%	30.49	0.02%	3.90	(0.01%)	(0.39)	0.01%	3.51
11	ITC Infotech GmbH	0.07%	50.82	0.12%	25.18	–	–	0.11%	25.18
12	ITC Infotech Malaysia SDN. BHD.	0.02%	14.74	...	0.65	–	–	...	0.65
13	ITC Infotech de México, S.A. de C.V.	0.03%	18.74	...	0.36	–	–	...	0.36
14	Surya Nepal Private Limited	0.59%	439.90	1.99%	412.44	...	(0.02)	1.74%	412.42
15	Surya Nepal Ventures Private Limited	...	2.28	...	(0.28)	–	–	...	(0.28)
<b>Non-Controlling Interest in all subsidiaries</b>		<b>0.51%</b>	<b>382.97</b>	<b>1.41%</b>	<b>292.58</b>	<b>...</b>	<b>...</b>	<b>1.23%</b>	<b>292.58</b>

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)	
<b>Associates</b>									
<b>Indian</b>									
1	International Travel House Limited	0.11%	82.33	0.05%	11.02	(0.01%)	(0.21)	0.05%	10.81
2	Gujarat Hotels Limited	0.03%	21.37	0.01%	2.17	–	–	0.01%	2.17
3	Russell Investments Limited	0.06%	47.81	0.01%	1.19	0.53%	15.63	0.07%	16.82
4	Divya Management Limited	0.01%	7.89	...	0.18	...	...	...	0.18
5	Antrang Finance Limited	0.01%	5.20	...	0.15	...	...	...	0.15
6	ATC Limited	0.01%	7.98	...	0.47	(0.01%)	(0.22)	...	0.25
7	Delectable Technologies Private Limited	0.01%	8.88	(0.01%)	(1.11)	...	...	...	(1.11)
8	Mother Sparsh Baby Care Private Limited	0.05%	40.20	(0.01%)	(3.06)	...	...	(0.01%)	(3.06)
9	Sproutlife Foods Private Limited	0.27%	201.13	(0.11%)	(23.86)	...	(0.02)	(0.10%)	(23.88)
<b>Joint Ventures</b>									
<b>Indian</b>									
1	ITC Filtrona Limited (Formerly known as ITC Essentra Limited)	0.17%	126.94	0.19%	40.40	...	0.03	0.17%	40.43
2	Maharaja Heritage Resorts Limited	–	–	–	–	–	–	–	–
3	Logix Developers Private Limited	–	–	...	0.06	–	–	...	0.06
<b>Total</b>		<b>100.00%</b>	<b>74889.97</b>	<b>100.00%</b>	<b>20751.36</b>	<b>100.00%</b>	<b>2955.66</b>	<b>100.00%</b>	<b>23707.02</b>



# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

(viii) During the year, the Group has divested its entire shareholding, i.e., 26.00% of the paid-up share capital, in Espirit Hotels Private Limited (Espirit), consequent to which Espirit ceased to be a joint venture of the Group.

(ix) Under the terms of the Joint Venture Agreement (JVA), Logix Developers Private Limited (LDPL) (CIN: U70101DL2010PTC207640) was to develop a luxury hotel-cum-service apartment complex. However, Logix Estates Private Limited, Noida, the JV partner communicated its intention to explore alternative development plans to which the Company reiterated that it was committed only to the project as envisaged in the JVA. The JV partner refused to progress the project and instead expressed its intent to exit the JV by selling its stake to the Company and subsequently proposed that both parties should find a third party to sell the entire shareholding in LDPL. The resultant deadlock has stalled the project. The Company's petition that the affairs of the JV are being conducted in a manner that is prejudicial to the interest of the Company and the JV entity, as also a petition for winding up of LDPL filed by Logix Estates, are currently before the Hon'ble National Company Law Tribunal.

New Okhla Industrial Development Authority (NOIDA), vide letter dated 6th July, 2022, cancelled the sub-lease for the land on which the project was to be constructed on account of non-payment of lease instalments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. Upon cancellation of the sub-lease, LDPL is evaluating all options to pursue its rights.

The financial statements of LDPL for the year ended 31st March, 2024 are yet to be approved by its Board of Directors.

(x) During the year, the Group acquired, in the aggregate, 2,443 Equity Shares of ₹ 10/- each and 9,571 Compulsorily Convertible Preference Shares of ₹ 10/- each of Sproutlife Foods Private Limited ('Sproutlife'), for an aggregate consideration of ₹ 225.00 crores (Refer Note 4), consequent to which the Group's shareholding in Sproutlife aggregated 44.74% of its share capital on a fully diluted basis as on 31st March, 2024. Sproutlife became an associate of the Group with effect from 4th May, 2023.

The Group has agreed to acquire 100% of the share capital (on a fully diluted basis) of Sproutlife over a time period of about three to four years from the execution of the transaction documents. Further infusion of ₹ 30 crores will be made through a primary subscription by 31st March, 2025 or such other later date as may be mutually agreed upon, based on pre-agreed pre-money valuation, taking the Group's shareholding in Sproutlife to 47.5%, on a fully diluted basis.

The consideration for acquisition of the balance stake of 52.5% will be determined based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions.

(xi) Leases:

As a Lessee

The Group's significant leasing arrangements are in respect of operating leases for land, buildings (comprising licensed properties, residential premises, office premises, stores, warehouses etc.) and plant & equipment. These arrangements generally range between 2 years and 10 years, except for certain land and building leases where the lease term ranges up to 99 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option are considered.

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 17A respectively. The total cash outflow for leases for the year is ₹ 448.62 Crores (2023 - ₹ 441.30 Crores) [including payments of ₹ 357.50 Crores (2023 - ₹ 359.11 Crores) in respect of short-term/low-value leases and variable lease payments of ₹ 2.27 Crores (2023 - ₹ 2.73 Crores)].

The sensitivity of variable lease payments and effect of extension/termination options not included in measurement of lease liabilities is not material.

The undiscounted maturities of lease liabilities over the remaining lease term is as follows:

(₹ in Crores)

Term	As at 31st March, 2024	As at 31st March, 2023
Not later than three years	190.25	169.25
Later than three years and not later than ten years	137.99	125.63
Later than ten years and not later than twenty-five years	121.35	124.19
Later than twenty-five years and not later than fifty years	89.22	92.64
Later than fifty years	22.76	26.39

As a Lessor

The Group has leased out its investment properties etc. under operating lease for periods ranging upto 5 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments. The details of income from such leases are disclosed under Note 3C and Note 23. The Group does not have any risk relating to recovery of residual value of investment properties etc. at the end of leases considering the business requirements and other alternatives.

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in Crores)

Term	As at 31st March, 2024	As at 31st March, 2023
1 <sup>st</sup> year	1.32	0.90
2 <sup>nd</sup> year	1.15	0.33
3 <sup>rd</sup> year	0.66	0.17
4 <sup>th</sup> year	Nil	Nil
5 <sup>th</sup> year	Nil	Nil
Beyond Five Years	Nil	Nil

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

(xii) Information in respect of Options granted under the Company's Employee Stock Option Schemes ('Schemes'):

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders' approval	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes (Adjusted for Bonus Shares issued in terms of Shareholders' approval)	Options equivalent to 37,89,18,503 Ordinary Shares of ₹ 1.00 each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹ 1.00 each
3.	Vesting Schedule	<p>The vesting period for conversion of Options is as follows:</p> <ul style="list-style-type: none"> <li>On completion of 12 months from the date of grant of the Options : 30% vests</li> <li>On completion of 24 months from the date of grant of the Options : 30% vests</li> <li>On completion of 36 months from the date of grant of the Options : 40% vests</li> </ul>	
4.	Pricing Formula	<p>The Pricing Formula, as approved by the Shareholders of the Company, is such price, as determined by the Nomination &amp; Compensation Committee, which is no lower than the closing price of the Company's Share on National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'market price' as defined from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.</p> <p>The Options have been granted at 'market price' as defined under the aforesaid Regulations.</p>	
5.	Maximum term of Options granted	Five years - the exercise period commences from the date of vesting of the Options granted and expires at the end of five years from the date of vesting.	
6.	Source of Shares	Primary	
7.	Variation in terms of Options	None	
8.	Method used for accounting of share-based payment plans and effect of employee share based plans on the entity's profit or loss for the period and on its financial position	<p>The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per fair value method for the financial year 2023-24 is ₹ 108.64 Crores (2023 - ₹ 61.11 Crores), out of which ₹ 107.30 Crores (2023 - ₹ 60.41 Crores) relate to employee benefits expense (Refer Note 25), ₹ 0.60 Crore (2023 - ₹ 0.28 Crore) to property, plant and equipment and ₹ 0.74 Crore (2023 - ₹ 0.42 Crore) for group entities.</p>	
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	<p>In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period.</p>	
10.	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price per Option	: ₹ 4530.73
		Weighted average fair value per Option	: ₹ 1064.83

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010				
11.	Option movements during the year :						
	a) Options outstanding at the beginning of the year :	2,85,808	1,29,23,671				
	b) Options granted during the year :	–	15,16,450				
	c) Options cancelled and lapsed during the year :	955	59,989				
	d) Options vested and exercisable during the year (net of Options lapsed and exercised) :	43,950	8,36,370				
	e) Options exercised during the year :	87,039	55,83,334				
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year :	8,70,390	5,58,33,340				
	g) Options outstanding at the end of the year (a+b-c-e) :	1,97,814	87,96,798				
	h) Options exercisable at the end of the year :	1,71,284	58,80,098				
	i) Money realised by exercise of the Options during the year (₹ in Crores) :	20.74	1422.09				
12.	Summary of the status of Options:						
	<b>Particulars</b>	<b>As at 31st March, 2024</b>		<b>As at 31st March, 2023</b>			
		<b>No. of Options</b>	<b>Weighted Average Exercise Prices (₹)</b>	<b>No. of Options</b>	<b>Weighted Average Exercise Prices (₹)</b>		
	Outstanding at the beginning of the year :	1,32,09,479	2655.20	2,27,68,731	2469.30		
	Add: Granted during the year :	15,16,450	4530.73	13,76,300	3460.70		
	Less: Lapsed during the year :	60,944	2739.44	4,59,371	2477.37		
	Less: Exercised during the year :	56,70,373	2544.51	1,04,76,181	2364.79		
	Outstanding at the end of the year :	89,94,612	3040.61	1,32,09,479	2655.20		
	Options exercisable at the end of the year :	60,51,382	2657.61	1,07,05,124	2603.17		
13.	Weighted average share price of Shares arising upon exercise of Options :	The weighted average share price of Shares, arising upon exercise of Options during the year ended 31st March, 2024 was ₹ 455.45 (2023 - ₹ 315.92). This was based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee).					
14.	Summary of Options outstanding, scheme-wise:						
	<b>Particulars</b>	<b>As at 31st March, 2024</b>			<b>As at 31st March, 2023</b>		
		<b>No. of Options Outstanding</b>	<b>Range of Exercise Prices (₹)</b>	<b>Weighted average remaining contractual life</b>	<b>No. of Options Outstanding</b>	<b>Range of Exercise Prices (₹)</b>	<b>Weighted average remaining contractual life</b>
	ITC Employee Stock Option Scheme - 2006 :	1,97,814	1698.00 – 3463.50	3.19	2,85,808	1698.00 – 3463.50	3.44
	ITC Employee Stock Option Scheme - 2010 :	87,96,798	1698.00 – 4534.50	3.37	1,29,23,671	1698.00 – 3463.50	2.50



# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Sl. No.	ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
15.	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	: The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 4530.73 Weighted average fair value per Option : ₹ 1064.83
	The significant assumptions used to ascertain the above	: The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis: (i) Risk-free interest rate 7.28% (ii) Expected life 4.61 years (iii) Expected volatility 23.69% (iv) Expected dividends 3.41% (v) The price of the underlying shares in market at the time of Option grant ₹ 4530.73 (One Option = Ten Ordinary Shares)
16.	Methodology for determination of expected volatility	: The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.

(xiii) Information in respect of Stock Appreciation Linked Reward Plan:

Sl. No.	Particulars	Details
1	Nature and extent of Stock Appreciation Linked Reward Plan that existed during the year along with general terms and conditions	: ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan). Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting of SAR units subject to the terms and conditions specified in the Plan.
2	Settlement Method	: Cash – Settled
3	Vesting period and maximum term of SAR granted	: Over a period of five years from the date of grant in accordance with the Plan.
4	Method used to estimate the fair value of SAR granted	: Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market price etc. The number of SAR units outstanding as at 31 <sup>st</sup> March, 2024 is 9,31,606 (2023- 25,00,251) and the weighted average fair value at measurement date is ₹ 1103.96 (2023 - ₹ 980.89) per SAR unit.
5	Total cost recognised in the profit or loss	: The cost has been calculated using the fair value method of accounting for SAR units issued under the ITC ESAR Plan. The employee compensation cost as per fair value method for the financial year 2023-24 is ₹ 33.49 Crores (2023 - ₹ 216.12 Crores); out of which, ₹ 33.08 Crores (2023 - ₹ 214.31 Crores) relate to employee benefits expense (Refer Note 25), ₹ 0.05 Crore (2023 - ₹ 0.04 Crore) to property, plant and equipment and ₹ 0.36 Crore (2023 - ₹ 1.77 Crores) for group entities. The amount carried in the Balance Sheet as a non – current financial liability is ₹ 14.13 Crores (2023 - ₹ 71.35 Crores) and as current financial liability is ₹ 73.27 Crores (2023 - ₹ 122.30 Crores) (Refer Note 17B).

(xiv) Amount required to be spent by the Group during the year as per Section 135 read with Section 198 of the Companies Act, 2013 - ₹ 417.74 Crores (2023 - ₹ 377.32 Crores) being 2% of the average Net Profit of the respective companies.

Expenditure incurred during the year is ₹ 418.39 Crores (2023 - ₹ 377.93 Crores) comprising employee benefits expense of ₹ 15.52 Crores (2023 - ₹ 14.33 Crores) and other expenses of ₹ 402.87 Crores (2023 - ₹ 363.60 Crores), of which ₹ 30.60 Crores (2023 - ₹ 62.71 Crores) is accrued for payment as on 31<sup>st</sup> March, 2024. Such CSR expenditure does not include any spends on construction/acquisition of assets. Amount available for set off in succeeding financial years is ₹ 1.93 Crores (2023 - ₹ 1.35 Crores).

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

Such CSR expenditure of ₹ 418.39 Crores (2023 - ₹ 377.93 Crores) excludes ₹ 10.89 Crores (2023 - ₹ 9.43 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit of 5% of total CSR expenditure laid down under Rule 7(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable to individual entities.

CSR activities undertaken during the year pertain to: poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; enabling climate resilience; rural development projects; creating livelihoods for people (especially those from disadvantaged sections of society); protection of national heritage, art and culture; preserving and promoting music; promoting sports; conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) and providing relief and assistance to victims of disasters and calamities.

(xv) Trade Payables ageing schedule:

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	32.24	–	–	–	–	32.24
Others	662.21	77.78	1.72	0.01	–	741.72
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	0.28	0.28
<b>SUB-TOTAL</b>	<b>694.45</b>	<b>77.78</b>	<b>1.72</b>	<b>0.01</b>	<b>0.28</b>	<b>774.24</b>
Accrued Payables (not due)						
– MSME						174.99
– Others						3848.60
<b>TOTAL</b>						<b>4797.83</b>

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2023				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	44.39	–	–	–	–	44.39
Others	632.94	49.68	0.01	–	–	682.63
Disputed Dues - MSME	–	–	–	–	–	–
Disputed Dues - Others	–	–	–	–	0.28	0.28
<b>SUB-TOTAL</b>	<b>677.33</b>	<b>49.68</b>	<b>0.01</b>	<b>–</b>	<b>0.28</b>	<b>727.30</b>
Accrued Payables (not due)						
– MSME						93.49
– Others						3838.20
<b>TOTAL</b>						<b>4658.99</b>

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

(xvi) In FY 2022-23, ITC Infotech India Limited (I3L) had entered into an agreement with PTC Inc., a global technology company headquartered in Boston, USA, to acquire a part of PTC's PLM implementation services business and create a new service line focused on the adoption of PTC's industry-leading Windchill PLM software as a service (SaaS).

The consideration against the above agreement is payable to PTC over a period of time by way of cash consideration and also involves contingent consideration which is subject to achievement of revenue and business targets. The contingent consideration is recognised as a level 3 input as they are dependent on achievement of revenue and business targets. The movement of the PTC liability is as below:

(₹ in Crores)		
Particulars	2024	2023
Opening Balance	522.74	–
Net Consideration payable to PTC Inc. on the date of acquisition (1st June, 2022)	–	720.98
Settled		
Initial consideration paid on 1st June, 2022	–	(252.19)
Settlement of consideration by offset of trade receivables*	(29.00)	(1.64)
Referral Fees	(101.49)	–
Changes in fair value recognised in Other Income (Refer Note 23)	5.08	50.63
Change in fair value transferred to Hedge Reserve (Refer Note 32)	2.78	4.96
<b>Closing Balance**</b>	<b>400.11</b>	<b>522.74</b>

\*Represents settlement of consideration for Business and Commercial Rights through standardisation projects and service credits.

\*\*The amount carried in the Balance Sheet as a non – current financial liability is ₹ 281.54 Crores (2023 - ₹ 213.27 Crores) and as current financial liability is ₹ 118.57 Crores (2023 - ₹ 309.47 Crores) [Refer Note 17B].

(xvii) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2023 on 31st March, 2023 amending the following Ind AS, which are effective for annual periods beginning on or after 1st April, 2023:

- Ind AS 1, 'Presentation of Financial Statements' - This amendment requires companies to disclose their material accounting policies rather than their significant accounting policies. Consequently, the Group has disclosed material accounting policies. There is no impact on the consolidated financial statements.
- Ind AS 12, 'Income Taxes' - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments clarify how companies account for deferred tax on transactions such as leases.

The Group previously recognised for deferred tax on leases on a net basis. Pursuant to the aforementioned amendment, the Group has grossed-up the deferred tax assets (DTA) and deferred tax liabilities (DTL) recognised in relation to leases by ₹71.24 Crores each w.e.f. 1st April, 2022. However, the said gross-up has no impact on the net deferred tax liabilities / expense presented in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 29. Additional Notes to the Consolidated Financial Statements (Contd.)

(xviii) I3L on 18th April, 2024, entered into a Share Purchase Agreement for the acquisition of 100% Shares of Blazeclan Technologies Private Limited for total consideration up to ₹ 485.00 Crores, including contingent consideration which is subject to achievement of prescribed targets.

Blazeclan is an AWS Premier Partner, Snowflake Elite Partner and a leader in providing Cloud transformation solutions to customers globally. Blazeclan has strong expertise in Cloud Migration, Digital Services, Digital Cloud Consulting and Data Analytics & Insights.

(xix) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, a company using accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, that creates an edit log for each change made in the books of account along with the date when such changes were made and ensuring that such audit trail cannot be disabled.

The respective companies in the Group have laid down appropriate policies to govern their Information Technology (IT) environment, including the aspects of audit trails and have established controls in respect of user access and database administration. Further, in respect of usage of cloud – based accounting software, where applicable, appropriate contractual restrictions are in place regulating access management at both application and database levels. Consequently, the Group has ensured compliance with aforesaid requirements in respect of audit trails with the exception of the following associates, which are not material to the consolidated financial statements of the Group:

- An associate company of the Group uses a cloud-based Enterprise Resource Planning (ERP) solution for maintenance of its books of account along with an integrated customer invoicing software for which audit trail has been enabled at the application level. Direct access to database is provided only to the authorised personnel from application support team and service provider only for system administration purposes. The service provider is contractually bound not to carry out any direct changes/edits to financial transactions or its underlying database, which if carried out will be considered as a breach of contract. While the audit trail feature is not enabled at database level in the ERP and the invoicing software, any changes made directly in the database are documented through the structured process for system administration activities.
- During the year, another associate company of the Group upgraded its accounting software to comply with the aforesaid requirements in respect of audit trail on 25th May, 2023. While the upgraded software is compliant with the aforesaid requirements, the audit trail feature did not capture details of the user ID for transactions recorded at certain locations accounting for approximately 1% of the total value of transactions for the year of that associate company; the same has since been enabled.

(xx) Figures presented as “...” are below the rounding off norm adopted by the Group.

(xxi) Figures for the previous year have been re-arranged, wherever necessary, to conform to the figures of the current year. The same does not have any material impact on the consolidated financial statements.

(xxii) The consolidated financial statements were approved for issue by the Board of Directors on 23rd May, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.



# Notes to the Consolidated Financial Statements

## 30. Segment reporting

(₹ in Crores)

	2024			2023		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>1. Segment Revenue - Gross</b>						
FMCG - Cigarettes	33667.97	–	33667.97	31267.46	–	31267.46
FMCG - Others	20956.20	45.95	21002.15	19109.33	43.76	19153.09
<b>FMCG - Total</b>	<b>54624.17</b>	<b>45.95</b>	<b>54670.12</b>	<b>50376.79</b>	<b>43.76</b>	<b>50420.55</b>
Hotels	3085.49	17.90	3103.39	2672.79	16.33	2689.12
Agri Business	8518.65	7605.78	16124.43	12361.62	6081.77	18443.39
Paperboards, Paper and Packaging	6474.74	1869.67	8344.41	7233.69	1847.66	9081.35
Others	3571.93	79.21	3651.14	3181.69	81.04	3262.73
<b>Segment Total</b>	<b>76274.98</b>	<b>9618.51</b>	<b>85893.49</b>	<b>75826.58</b>	<b>8070.56</b>	<b>83897.14</b>
Eliminations			(9618.51)			(8070.56)
<b>Gross Revenue from sale of products and services</b>			<b>76274.98</b>			<b>75826.58</b>
<b>2. Segment Results</b>						
FMCG - Cigarettes			20071.04			18882.59
FMCG - Others			1789.91			1386.49
<b>FMCG - Total</b>			<b>21860.95</b>			<b>20269.08</b>
Hotels			764.94			557.31
Agri Business			1278.33			1380.21
Paperboards, Paper and Packaging			1372.34			2293.95
Others			600.14			534.62
<b>Segment Total</b>			<b>25876.70</b>			<b>25035.17</b>
Eliminations			(196.06)			22.19
<b>Total</b>			<b>25680.64</b>			<b>25057.36</b>
Unallocated corporate expenses net of unallocated income			(1108.04)			(1247.27)
<b>Profit before interest etc. and taxation</b>			<b>24572.60</b>			<b>23810.09</b>
Finance Costs			(45.96)			(43.20)
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			2593.20			2026.32
Share of profit/(loss) of Associates and Joint Ventures			27.61			49.04
Exceptional items [Refer Note 29(i)]			(7.57)			72.87
<b>Profit before tax</b>			<b>27139.88</b>			<b>25915.12</b>
Tax expense			(6388.52)			(6438.40)
<b>Profit for the year</b>			<b>20751.36</b>			<b>19476.72</b>
<b>3. Other Information</b>						
			<b>2024</b>			<b>2023</b>
			Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
FMCG - Cigarettes			9751.86	5442.84	7913.36	5239.34
FMCG - Others			12592.81	2491.34	12059.55	2338.08
<b>FMCG - Total</b>			<b>22344.67</b>	<b>7934.18</b>	<b>19972.91</b>	<b>7577.42</b>
Hotels			8765.18	1159.06	7896.45	920.30
Agri Business			5850.07	1467.72	4836.69	1750.62
Paperboards, Paper and Packaging			9596.76	1287.23	9195.24	1315.18
Others			3496.86	1252.50	3090.47	1210.08
<b>Segment Total</b>			<b>50053.54</b>	<b>13100.69</b>	<b>44991.76</b>	<b>12773.60</b>
Unallocated Corporate Assets/Liabilities			41772.62	3835.50	40891.22	3570.59
<b>Total</b>			<b>91826.16</b>	<b>16936.19</b>	<b>85882.98</b>	<b>16344.19</b>

# Notes to the Consolidated Financial Statements

## 30. Segment reporting (Contd.)

(₹ in Crores)

	2024		2023	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	544.32	291.59	185.07	303.74
FMCG - Others	675.67	567.89	418.77	588.03
<b>FMCG - Total</b>	<b>1219.99</b>	<b>859.48</b>	<b>603.84</b>	<b>891.77</b>
Hotels	882.47	300.84	588.70	294.67
Agri Business	143.61	81.47	258.41	69.60
Paperboards, Paper and Packaging	872.47	359.93	744.56	347.99
Others	41.77	106.53	809.52	91.69
<b>Segment Total</b>	<b>3160.31</b>	<b>1708.25</b>	<b>3005.03</b>	<b>1695.72</b>
Unallocated	286.83	108.14	191.04	113.29
<b>Total</b>	<b>3447.14</b>	<b>1816.39</b>	<b>3196.07</b>	<b>1809.01</b>

	Non Cash expenditure other than depreciation		Non Cash expenditure other than depreciation	
FMCG - Cigarettes		5.31		9.63
FMCG - Others		110.61		84.73
<b>FMCG - Total</b>		<b>115.92</b>		<b>94.36</b>
Hotels		7.19		7.75
Agri Business		58.60		27.68
Paperboards, Paper and Packaging		34.67		40.01
Others		7.00		16.97
<b>Segment Total</b>		<b>223.38</b>		<b>186.77</b>

## GEOGRAPHICAL INFORMATION

	2024	2023
<b>1. Revenue from external customers</b>		
– Within India	63955.33	59900.75
– Outside India	12319.65	15925.83
<b>Total</b>	<b>76274.98</b>	<b>75826.58</b>
<b>2. Non current assets</b>		
– Within India	29781.42	28661.84
– Outside India	2314.83	1570.84
<b>Total</b>	<b>32096.25</b>	<b>30232.68</b>

### NOTES :

- The Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Group'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.
- The business groups comprise the following :
  - FMCG : Cigarettes – Cigarettes, Cigars etc.
  - : Others – Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
  - Hotels – Hoteliering.
  - Paperboards, Paper and Packaging – Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
  - Agri Business – Agri commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.
  - Others – Information Technology services, Branded Residences etc.
- The Group companies have been included in segment classification as follows:
  - FMCG : Cigarettes – Surya Nepal Private Limited.
  - : Others – Surya Nepal Private Limited, Surya Nepal Ventures Private Limited and North East Nutrients Private Limited.
  - Hotels – Srinivasa Resorts Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited, WelcomHotels Lanka (Private) Limited, ITC Hotels Limited and Landbase India Limited.
  - Paperboards, Paper and Packaging – ITC Fibre Innovations Limited.
  - Agri Business – Technico Agri Sciences Limited, ITC Indivision Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited.
  - Others – ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc., ITC Infotech DO Brasil LTDA., ITC Infotech France SAS, ITC Infotech GmbH, ITC Infotech Malaysia SDN. BHD., ITC Infotech de Mexico, S.A. de C.V., and Indivate Inc., Russell Credit Limited and its subsidiary Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited, ITC Integrated Business Services Limited and its subsidiary MRR Trading & Investment Company Limited, Landbase India Limited, Gold Flake Corporation Limited and WelcomHotels Lanka (Private) Limited.
- The geographical information considered for disclosure are :
  - Revenue within India.
  - Revenue outside India.
- Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- As stock options and stock appreciation linked reward units are granted under ITC ESOS and ITC ESARP respectively to align the interests of employees with those of shareholders and also to attract and retain talent for the Group as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.
- The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

# Notes to the Consolidated Financial Statements

## 31. Related Party Disclosures

### 1. OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:

#### i) Associates & Joint Ventures:

##### Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
- c) ATC Limited
- d) Delectable Technologies Private Limited
- e) Mother Sparsh Baby Care Private Limited
- f) Sproutlife Foods Private Limited (w.e.f. 04.05.2023)  
– being associates of the Group, and
- g) Tobacco Manufacturers (India) Limited (of which the Company is an associate)  
and the subsidiaries of its ultimate parent company (British American Tobacco p.l.c.)

##### Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) ITC Filtrona Limited (formerly known as ITC Essentra Limited)

#### ii) a) Key Management Personnel (KMP):

S. Puri	Chairman & Managing Director
S. Dutta	Executive Director and Chief Financial Officer
H. Malik	Executive Director (w.e.f. 12.08.2023)
B. Sumant	Executive Director
S. Banerjee <sup>#</sup>	Non-Executive Director
H. Bhargava <sup>#</sup>	Non-Executive Director
A. M. Bharucha <sup>#</sup>	Non-Executive Director (w.e.f. 12.08.2023)
A. Duggal <sup>#</sup>	Non-Executive Director
M. Gupta	Non-Executive Director
R. Jain	Non-Executive Director (w.e.f. 01.01.2024)
S. Mukherjee <sup>#</sup>	Non-Executive Director
A. Nayak <sup>#</sup>	Non-Executive Director
S. Panray	Non-Executive Director
N. Rao <sup>#</sup>	Non-Executive Director
A. K. Seth <sup>#</sup>	Non-Executive Director
M. Shankar <sup>#</sup>	Non-Executive Director
N. Anand	Executive Director (up to 02.01.2024)
P. R. Chittaranjan	Non-Executive Director (up to 31.08.2023)
D. R. Simpson	Non-Executive Director (up to 29.01.2024)

<sup>#</sup> Independent Directors

Company Secretary

R. K. Singhi

Members - Corporate Management Committee

S. Puri

S. Dutta

S. Kaul

H. Malik

A. Rajput

S. Sivakumar

B. Sumant

N. Anand (up to 02.01.2024)

#### b) Related Parties of KMP:

##### I) Close Member of KMP:

N. Singhi (wife of R. K. Singhi)

Y. Singhi (son of R. K. Singhi)

T. Anand (wife of N. Anand) (up to 02.01.2024)

##### II) Entities in which KMP/close member of KMP is interested:

Décor & Design

Bharucha & Partners

#### iii) Employee Trusts:

- a) IATC Provident Fund
- b) ITC Defined Contribution Pension Fund
- c) ITC Management Staff Gratuity Fund
- d) ITC Employees Gratuity Fund
- e) ITC Gratuity Fund 'C'
- f) ITC Pension Fund
- g) ILTD Seasonal Employees Pension Fund
- h) ITC Platinum Jubilee Pension Fund
- i) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- j) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- k) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- l) ITC Hotels Limited Employees Superannuation Scheme
- m) Sunrise Spices Limited Employees Gratuity Fund
- n) Greenacre Holdings Limited Provident Fund
- o) Greenacre Holdings Limited Gratuity Fund

# Notes to the Consolidated Financial Statements

## 31. Related Party Disclosures (Contd.)

### 2. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2024

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel (KMP)		Related Parties of KMP <sup>^</sup>		Employee Trusts		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
1. Sale of Goods/Services	1829.61	2070.86	100.55	93.84	0.01	–	–	–	–	–	1930.17	2164.70
2. Purchase of Goods/Services	196.56	136.63	639.27	438.31	0.21	0.44	0.76	0.05	–	–	836.59	574.99
3. Sale of Property, Plant and Equipment	–	–	–	–	–	–	–	–	–	–	0.21	0.44
4. Investment in Associates	65.04	1.88	–	–	–	–	–	–	–	–	65.04	1.88
5. Reimbursement for Share Based Payments	0.96	1.83	0.14	0.37	–	–	–	–	–	–	1.10	2.20
6. Rent Received	0.89	0.88	–	–	–	–	–	–	–	–	0.89	0.88
7. Rent Paid*	4.06	4.32	–	–	0.87	1.02	0.27	0.32	–	–	5.20	5.66
8. Remuneration of Managers on Deputation reimbursed	6.45	7.06	–	–	–	–	–	–	–	–	6.45	7.06
9. Remuneration of Managers on Deputation recovered	9.37	7.95	1.71	1.76	–	–	–	–	–	–	11.08	9.71
10. Contribution to Employees' Benefit Plans	–	–	–	–	–	–	–	–	–	–	–	–
11. Dividend Income	2.02	0.56	22.50	18.00	–	–	–	–	–	–	24.52	18.56
12. Dividend Payments	5715.08	4447.03	–	–	9.28	6.25	–	–	–	–	5724.36	4453.28
13. Expenses Recovered	6.84	29.10	0.27	0.30	–	–	–	–	–	–	7.11	29.40
14. Expenses Reimbursed	0.27	0.25	0.01	–	0.03	0.02	–	–	–	–	0.31	0.27
15. Adjustment/Receipt towards Refund of Advances	–	–	–	–	–	–	–	–	–	–	–	–
16. Advances Received during the year	981.64	1813.30	–	–	–	–	–	–	–	–	981.64	1813.30
17. Adjustment/Payment towards Refund of Advances	1333.30	1786.29	–	–	–	–	–	–	–	–	1333.30	1786.29
18. Adjustment/Receipt towards Refund of Deposit	–	–	–	–	0.05	0.02	0.05	–	–	–	0.10	0.02
19. Remuneration to KMP	–	–	–	–	–	–	–	–	–	–	–	–
19A. – Short term benefits	–	–	–	–	–	–	–	–	–	–	–	–
19B. – Other long-term incentives	–	–	–	–	60.59	59.82	–	–	–	–	60.59	59.82
19C. – Post employment benefits <sup>1</sup>	–	–	–	–	40.34	28.95	–	–	–	–	40.34	28.95
19D. – Share Based Payments <sup>2</sup>	–	–	–	–	–	–	–	–	–	–	–	–
20. Outstanding Balances <sup>#</sup>	–	–	–	–	–	–	–	–	–	–	–	–
i) Receivables	222.57	105.86	6.24	16.04	–	–	–	–	–	–	228.81	121.90
ii) Advances Given	–	–	–	–	–	–	–	–	–	–	–	–
iii) Deposits Given	–	–	–	–	0.01	0.06	0.03	0.07	30.84	5.76	30.84	5.76
iv) Advances Taken	367.76	719.42	–	–	–	–	–	–	–	–	0.04	0.13
v) Deposits Taken	0.61	0.61	–	–	–	–	–	–	–	–	367.76	719.42
vi) Payables	5.86	6.35	9.65	20.60	–	–	–	–	45.77	49.15	0.61	0.61
											61.28	76.10

<sup>^</sup> Includes transactions with close member of KMP & entities in which KMP/close member of KMP is interested.

<sup>\*</sup> Includes rent pertaining to leases classified as Right-of-Use assets.

<sup>#</sup> The amounts outstanding are unsecured and will be settled in cash.

<sup>1</sup> Post employment benefits are actuarially determined on overall basis and hence not separately provided. Payments made on settlement of leave liability upon retirement - ₹ 1.50 Crores (2023 - ₹ 2.69 Crores) has not been included in the above;

<sup>2</sup> During the year, the Company granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes at 'market price' (within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021). The Company has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons in the previous years under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Since such Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ESAR Units, and accordingly the said grants have not been considered as 'remuneration'. However, in accordance with Ind AS-102, the Group has recorded employee benefits expense by way of share based payments to employees at ₹ 140.38 Crores for the year ended 31st March, 2024 (2023 - ₹ 274.72 Crores), of which ₹ 30.85 Crores (2023 - ₹ 35.43 Crores) is attributable to Executive Directors and KMPs.



# Notes to the Consolidated Financial Statements

## 31. Related Party Disclosures (Contd.)

### 3. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES (Generally in excess of 10% of the total transaction value of the same type)

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	2024	2023
<b>1. Sale of Goods / Services</b>		
British American Tobacco (GLP) Limited	1070.96	1352.17
JSC 'British American Tobacco-SPb'	298.82	446.96
British American Shared Services (GSD) Limited	392.48	218.55
<b>2. Purchase of Goods / Services</b>		
ITC Filtrona Limited	639.27	438.15
International Travel House Limited	121.57	87.05
<b>3. Sale of Property, Plant and Equipment</b>		
S. Dutta	0.12	-
B. Sumant	0.09	-
<b>4. Investment in Associates</b>		
Mother Sparsh Baby Care Private Limited	11.54	-
Sproutlife Foods Private Limited	50.01	-
<b>5. Reimbursement for Share Based Payments</b>		
International Travel House Limited	0.57	1.46
ATC Limited	0.14	0.35
Sproutlife Foods Private Limited	0.25	-
<b>6. Rent Received</b>		
International Travel House Limited	0.88	0.87
<b>7. Rent Paid</b>		
Gujarat Hotels Limited	4.06	4.32
<b>8. Remuneration of Managers on Deputation reimbursed</b>		
Gujarat Hotels Limited	6.45	7.06
<b>9. Remuneration of Managers on Deputation recovered</b>		
International Travel House Limited	3.54	4.06
ATC Limited	2.99	3.11
Sproutlife Foods Private Limited	1.97	-

RELATED PARTY TRANSACTIONS SUMMARY	2024	2023
<b>10. Contribution to Employees' Benefit Plans</b>		
ITC Pension Fund	56.40	21.02
IATC Provident Fund	43.07	39.47
ITC Management Staff Gratuity Fund	29.53	23.89
<b>11. Dividend Income</b>		
ITC Filtrona Limited	22.50	18.00
<b>12. Dividend Payments</b>		
Tobacco Manufacturers (India) Limited	4690.90	3648.48
Myddleton Investment Company Limited	765.94	595.73
<b>13. Expenses Recovered</b>		
British American Tobacco (GLP) Limited	4.86	21.97
British American Tobacco Exports Limited	1.31	-
<b>14. Expenses Reimbursed</b>		
Gujarat Hotels Limited	0.27	0.25
<b>15. Advances Received during the year</b>		
British American Tobacco (GLP) Limited	881.77	1152.95
JSC 'British American Tobacco-SPb'	99.76	650.55
<b>16. Adjustment / Payment towards Refund of Advances</b>		
British American Tobacco (GLP) Limited	1034.64	1324.76
JSC 'British American Tobacco-SPb'	298.56	451.75
<b>17. Adjustment / Receipt towards Refund of Deposit</b>		
N. Anand	0.05	-
T. Anand	0.05	-
<b>18. Remuneration to KMP#</b>		
<b>18A. Short term benefits</b>		
S. Puri	13.06	12.09
B. Sumant	5.74	5.35
S. Dutta	5.08	4.31
N. Anand	4.81	5.96

# In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of share based payments [refer Note 31.2], of which ₹ 30.85 Crores (2023 - ₹ 35.43 Crores) is attributable to Executive Directors & KMPs:

S. Puri ₹ 10.90 Crores (2023 - ₹ 9.96 Crores), N. Anand (related party upto 02.01.2024) ₹ 3.95 Crores (2023 - ₹ 5.07 Crores), B. Sumant ₹ 5.52 Crores (2023 - ₹ 4.58 Crores), S. Dutta ₹ 3.08 Crores (2023 - ₹ 2.51 Crores), H. Malik ₹ 1.81 Crores (2023 - ₹ 2.74 Crores) and R. K. Singhi ₹ 0.87 Crores (2023 - ₹ 0.72 Crores).

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures

### A. Capital Management

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

During the year, the Company issued 5,67,03,730 Ordinary Shares (2023 - 10,47,61,810 Ordinary Shares) of ₹ 1.00 each amounting to ₹ 5.67 Crores (2023 - ₹ 10.48 Crores) towards its employee stock options. The securities premium stood at ₹ 14813.95 Crores as at 31st March, 2024 (2023 - ₹ 13036.79 Crores).

### B. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	13	625.89	625.89	463.35	463.35
ii) Other Bank Balances	14	6591.79	6591.79	4416.84	4416.84
iii) Investment in Bonds/Debentures & Government or Trust Securities	4, 11	7427.67	7277.90	8234.83	8225.70
iv) Investment in Mutual Funds	4	366.88	362.91	346.05	337.99
v) Loans	5	13.86	12.72	12.60	11.31
vi) Trade receivables	12	4025.82	4025.82	2956.17	2956.17
vii) Other financial assets	6	1587.83	1540.34	4824.27	4776.27
<b>Sub-total</b>		<b>20639.74</b>	<b>20437.37</b>	<b>21254.11</b>	<b>21187.63</b>
<b>b) Measured at Fair value through OCI</b>					
i) Investment in Equity shares	4	4676.28	4676.28	1723.70	1723.70
ii) Investment in Mutual Funds	4	5020.09	5020.09	3776.62	3776.62
<b>Sub-total</b>		<b>9696.37</b>	<b>9696.37</b>	<b>5500.32</b>	<b>5500.32</b>
<b>c) Measured at Fair value through Profit or Loss</b>					
i) Investment in Mutual Funds	11	10299.12	10299.12	9425.09	9425.09
ii) Investment in Bonds/Debentures, Certificates of Deposit	11	2612.95	2612.95	5412.55	5412.55
iii) Investment in Venture Capital Funds	4	121.96	121.96	119.25	119.25
iv) Investment in Equity & Preference Shares	4	39.34	39.34	39.34	39.34
<b>Sub-total</b>		<b>13073.37</b>	<b>13073.37</b>	<b>14996.23</b>	<b>14996.23</b>
<b>d) Derivatives measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	6	2.37	2.37	4.77	4.77
ii) Derivative instruments designated as hedging instruments	6	0.53	0.53	29.38	29.38
<b>Sub-total</b>		<b>2.90</b>	<b>2.90</b>	<b>34.15</b>	<b>34.15</b>
<b>Total financial assets</b>		<b>43412.38</b>	<b>43210.01</b>	<b>41784.81</b>	<b>41718.33</b>

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Note	As at 31st March, 2024		As at 31st March, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Cash credit facilities & loans	16, 20	8.00	8.00	34.27	34.27
ii) Sales tax deferment loans	16, 20	3.28	2.90	4.54	3.66
iii) Trade payables		4797.83	4797.83	4658.99	4658.99
iv) Lease Liabilities	17A	292.15	292.15	267.23	267.23
v) Other financial liabilities	17B	2192.79	2170.85	2280.58	2249.76
<b>Sub-total</b>		<b>7294.05</b>	<b>7271.73</b>	<b>7245.61</b>	<b>7213.91</b>
<b>b) Measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	17B	2.81	2.81	4.27	4.27
ii) Derivative instruments designated as hedging instruments	17B	4.60	4.60	4.34	4.34
iii) Contingent Consideration	17B	412.76	412.76	535.39	535.39
<b>Sub-total</b>		<b>420.17</b>	<b>420.17</b>	<b>544.00</b>	<b>544.00</b>
<b>Total financial liabilities</b>		<b>7714.22</b>	<b>7691.90</b>	<b>7789.61</b>	<b>7757.91</b>

### C. Financial risk management objectives

Entities comprising the Group have put in place risk management systems as applicable to the respective operations. The following explains the objectives and processes of the Company, being the largest component of the Group: The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

#### Liquidity Risk

The Group's Current assets aggregate ₹ 41065.54 Crores (2023 - ₹ 39670.89 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 20162.10 Crores (2023 - ₹ 22113.05 Crores) against an aggregate Current liabilities of ₹ 13690.40 Crores (2023 - ₹ 13739.41 Crores). As part of its surplus liquidity management operations, the Group may sell instruments that are held at amortised cost. Such sales may be infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). During the year, the net loss arising on such sale amounted to ₹ 16.37 Crores (2023 - ₹ 49.13 Crores) [Refer Note 23].

Other Non-current liabilities (other than lease liabilities) due between one year to three years amounted to ₹ 257.32 Crores (2023 - ₹ 304.94 Crores) and Other Non-current liabilities due after three years amounted to ₹ 178.40 Crores (2023 - ₹ 115.42 Crores) on the reporting date. The maturity analysis of undiscounted lease liabilities are disclosed under Note 29(xi).

Further, while the Group's total equity stands at ₹ 74889.97 Crores (2023 - ₹ 69538.79 Crores), it has non-current borrowings of ₹ 1.76 Crores (2023 - ₹ 3.49 Crores). In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

#### Market Risk

##### 1. Foreign Currency Risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Pound Sterling, Euro and Japanese Yen) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Group's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts (other than in functional currency), are as follows:

(₹ in Crores)

As at 31st March, 2024	USD	Euro	GBP	JPY	Others	Total
Financial Assets	904.81	207.41	202.69	–	121.16	1436.07
Financial Liabilities*	91.63	29.87	1.24	2.02	14.58	139.34

As at 31st March, 2023	USD	Euro	GBP	JPY	Others	Total
Financial Assets	1010.94	312.50	66.24	0.27	87.88	1477.83
Financial Liabilities*	129.94	32.56	2.44	8.24	7.17	180.35

\*The above does not include the consideration payable to PTC Inc. towards acquisition of business and commercial rights since the same is hedged through cash flow hedge [Refer Note 29(xvi)].

The Group uses foreign exchange forward, futures and options contracts to hedge its exposures in foreign currency arising from firm commitments and highly probable forecast transactions.

a. Forward exchange contracts that were outstanding on respective reporting dates:

(In Million)

Designated under Hedge Accounting		As at 31st March, 2024		As at 31st March, 2023	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	13.59	98.15	47.55	125.68
Euro	US Dollar	11.15	–	41.94	–
CHF	US Dollar	0.15	–	–	–
GBP	US Dollar	0.02	–	–	–
JPY	US Dollar	36.03	–	123.81	–

The aforesaid hedges have a maturity of less than 1 year from the year end.

(In Million)

Not Designated under Hedge Accounting		As at 31st March, 2024		As at 31st March, 2023	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	76.45	42.92	99.93
Euro	US Dollar	1.24	12.74	2.90	7.25
AUD	US Dollar	0.10	–	–	–
CAD	US Dollar	0.30	0.22	–	2.49
CHF	US Dollar	0.14	3.56	0.66	0.20
GBP	US Dollar	–	4.18	0.08	3.74
SEK	US Dollar	0.72	–	4.10	–
KWD	US Dollar	0.06	–	–	–
PLN	US Dollar	0.40	0.40	1.00	–
JPY	US Dollar	203.75	–	232.72	–
ZAR	US Dollar	–	33.10	–	11.20
US Dollar	Nepalese Rupee	2.79	–	4.75	–
Euro	Nepalese Rupee	0.01	–	0.31	–
GBP	Nepalese Rupee	–	–	0.07	–



# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

b. Currency options that were outstanding on respective reporting dates (Designated under Hedge Accounting):

(In Million)

Currency	Cross Currency	As at 31st March, 2024		As at 31st March, 2023	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	–	–	8.00

### Hedges of foreign currency risk and derivative financial instruments

Each entity comprising the Group manages its own currency risk. Within the Group, derivative instruments are largely entered into by the Company and a subsidiary. The Company and the aforesaid subsidiary has established risk management policies to hedge the volatility in cashflows arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward, futures, options contracts and certain non-derivative financial liabilities. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are primarily highly rated banks or recognised exchange(s), the risk of their non-performance is considered to be insignificant. Where derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

The Company and one of its subsidiaries have designated certain hedge instruments as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecasted cash transactions. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

The movement in the cash flow hedging reserve in respect of designated cash flow hedges is summarised below:

(₹ in Crores)

Particulars	2024	2023
<b>At the beginning of the year</b>	(1.23)	14.33
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(6.44)	(154.16)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(9.02)	12.15
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(20.53)	(82.63)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(1.40)	(28.19)
Less: Amounts transferred to initial cost of non-financial assets	10.85	(10.40)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	1.11	5.23
<b>At the end of the year</b>	<b>(4.50)</b>	<b>(1.23)</b>
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	<b>2.19</b>	<b>(11.20)</b>

Once the hedged transaction materialises, the amount accumulated in the cash flow hedging reserve will be included in the initial cost of the non-financial hedged item on its initial recognition or reclassified to profit or loss, as applicable, in the anticipated timeframes given below:

(₹ in Crores)

Outstanding balance in Cash Flow Hedge Reserve to be subsequently recycled from OCI	As at 31st March, 2024	As at 31st March, 2023
Within one year	0.10	0.98
Between one and three years	(2.50)	(1.51)
Beyond three years	(2.10)	(0.70)
<b>Total</b>	<b>(4.50)</b>	<b>(1.23)</b>

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

### Foreign Currency Sensitivity

For every percentage point increase/decrease in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2024 would decrease/increase by ₹ 4.30 Crores (2023 - ₹ 2.72 Crores) and other equity as at 31st March, 2024 would decrease/increase by ₹ 1.10 Crores (2023 - ₹ 2.89 Crores) on a pre-tax basis.

### 2. Interest Rate Risk

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible.

The Group's investments are predominantly held in bonds/debentures, fixed deposits, certificates of deposit and debt mutual funds. Mark to market movements in respect of the Group's investments in bonds/debentures that are held at amortised cost are temporary and get recouped through coupon accruals. Other investments in bonds/debentures, certificates of deposit are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

The Group also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Group has invested, such price risk is not significant.

### 3. Other Price Risk

The Group is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2024 is ₹ 4676.28 Crores (2023 - ₹ 1723.70 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. The carrying value of inventories is adjusted to the extent of fair value movement of the risk being hedged. Such hedges are generally for short time horizons and recognised in profit or loss within the crop cycle and are managed by the business within the approved policy framework. Accordingly, the Group's net exposure to commodity price risk is considered to be insignificant.

### Credit Risk

Each entity comprising the Group manages its own credit risk. The following explains the processes followed by the Company, being the largest component of the Group, to manage its credit risk: Company's deployment in debt instruments are primarily in Government securities, fixed deposits with highly rated banks and companies, bonds issued by government institutions, public sector undertakings, mutual fund schemes of leading fund houses and certificates of deposit issued by highly rated banks and financial institutions. As these counter parties are Central/State Government, Government institutions/public sector undertakings with investment grade/sovereign credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Group's investments that are held at amortised cost stood at ₹ 14447.05 Crores (2023 - ₹ 16422.36 Crores).

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Company's payment terms generally ranges from advance (generally settled within the operating cycle) to a credit period of up to 180 days, depending upon specific circumstances and industry practices. Credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. There is no significant financing component and/or remaining performance obligation in respect of its transaction with the customers for sale of goods and services.

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 4025.82 Crores (2023 - ₹ 2956.17 Crores).

The movement of the expected loss provision (allowance for bad and doubtful loans, advances and receivables etc.) made by the Group are as under:

(₹ in Crores)

Particulars	Expected Loss Provision	
	31st March, 2024	31st March, 2023
Opening Balance	240.86	240.91
Add: Provisions made (net)	14.81	6.19
Less: Utilisation for impairment/de-recognition	23.73	5.76
Effects of foreign exchange fluctuation	0.25	(0.48)
Closing Balance	<b>232.19</b>	<b>240.86</b>

### D. Fair value measurement

The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
<b>A Financial assets</b>			
<b>a) Measured at amortised cost</b>			
i) Investment in Bonds/Debentures & Government or Trust Securities	2	7277.90	8225.70
ii) Investment in Mutual Funds	1	362.91	337.99
iii) Loans*	3	2.91	4.19
iv) Other Financial assets*	3	361.50	3691.75
<b>Sub-total</b>		<b>8005.22</b>	<b>12259.63</b>
<b>b) Measured at Fair value through OCI</b>			
i) Investment in Equity shares – Quoted	1	4673.86	1721.28
ii) Investment in Equity shares – Unquoted	3	2.42	2.42
iii) Investment in Mutual Funds	1	5020.09	3776.62
<b>Sub-total</b>		<b>9696.37</b>	<b>5500.32</b>
<b>c) Measured at Fair value through Profit or Loss</b>			
i) Investment in Mutual Funds	1	10299.12	9425.09
ii) Investment in Bonds/Debentures, Certificates of Deposit	2	2612.95	5412.55
iii) Investment in Venture Capital Funds	2	121.96	119.25
(iv) Investment in Equity & Preference Shares	3	39.34	39.34
<b>Sub-total</b>		<b>13073.37</b>	<b>14996.23</b>
<b>d) Derivatives measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	2.37	4.77
ii) Derivative instruments designated as hedging instruments	2	0.53	29.38
<b>Sub-total</b>		<b>2.90</b>	<b>34.15</b>
<b>Total financial assets</b>		<b>30777.86</b>	<b>32790.33</b>

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

	Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2024	As at 31st March, 2023
<b>B.</b>	<b>Financial liabilities</b>			
<b>a)</b>	<b>Measured at amortised cost</b>			
	i) Sales tax deferment loans*	3	1.38	2.40
	ii) Other Financial liabilities*	3	130.48	172.78
	iii) Lease Liabilities*	3	230.61	213.37
	iv) Loans*	3	–	0.21
	<b>Sub-total</b>		<b>362.47</b>	<b>388.76</b>
<b>b)</b>	<b>Measured at fair value</b>			
	i) Derivative instruments not designated as hedging instruments	2	2.81	4.27
	ii) Derivative instruments designated as hedging instruments	2	4.60	4.34
	iii) Contingent Consideration	3	412.76	535.39
	<b>Sub-total</b>		<b>420.17</b>	<b>544.00</b>
	<b>Total financial liabilities</b>		<b>782.64</b>	<b>932.76</b>

\*Represents fair value of non-current financial instruments

Reconciliation of fair value movement of financial assets and liabilities measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy is as under:

(₹ in Crores)

	31st March, 2024			31st March, 2023		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL
Opening Balance	39.34	2.42	535.39	20.00	4.74	76.40
Additions during the year	–	–	–	39.34	–	720.98
Sale/Transfer/Settlement during the year	–	–	130.49	20.00	–	317.58
Gain/(Loss) during the year recognised in Other Income	–	–	(5.08)	–	–	(50.63)
Gain/(Loss) during the year recognised in Other Comprehensive Income	–	–	(2.78)	–	(2.32)	(4.96)
<b>Closing Balance</b>	<b>39.34</b>	<b>2.42</b>	<b>412.76</b>	<b>39.34</b>	<b>2.42</b>	<b>535.39</b>

### Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

# Notes to the Consolidated Financial Statements

## 32. Financial Instruments and Related Disclosures (Contd.)

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. The fair value of investment in Bonds/Debentures, Certificates of Deposit, Venture Capital funds etc. and financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

In terms of our report attached  
For S R B C & CO LLP  
*Chartered Accountants*  
Firm Registration Number: 324982E/E300003

Arvind Sethi  
Partner  
(Membership No.: 89802)  
Kolkata, May 23, 2024

On behalf of the Board

S. PURI  
(DIN : 00280529) *Chairman & Managing Director*  
S. DUTTA  
(DIN : 01804345) *Director & Chief Financial Officer*  
R. K. SINGHI  
(Membership No.: FCS 3770) *Company Secretary*



# INDEPENDENT AUDITOR'S REPORT

## To the Members of ITC Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of ITC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures comprising of the consolidated Balance Sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further

described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Revenue recognition</b>	
Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such revenue recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.</li> </ul>

## Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
<p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Consolidated Ind AS Financial Statements - Material Accounting Policies and Note 22A/22B.</p>	<ul style="list-style-type: none"> <li>● Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition.</li> <li>● Tested the effectiveness of such controls over revenue cut off at year-end.</li> <li>● On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.</li> <li>● Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>● Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>● Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> </ul>
<p><b>Impairment assessment of Capital Work in Progress (Hotel) and valuation of Inventories (Residential Apartments) of WelcomHotels Lanka (Private) Limited ('WLPL'), a wholly owned subsidiary</b></p>	
<p>WLPL is developing a mixed-use project in Colombo, Sri Lanka which includes a hotel and a residential apartment complex. At March 31, 2024, the carrying value of Capital Work in Progress ('CWIP') and inventories (excluding leasehold land value of ₹ 227.63 crores) is ₹ 1,710.78 crores and ₹ 1,003.22 crores respectively. The management of WLPL has performed impairment assessment for its capital work in progress of the Hotel (PPE) and net realisable value assessment for the inventory of the residential apartments considering slowdown in the Sri Lankan economy in past few years which is gradually stabilizing.</p> <p>The processes and methodologies for assessing and determining the recoverable value of the project are based on assumptions, that by their nature imply the use of the management's judgement, in particular with reference to forecast of future cash flows, selling price, balance cost to complete the project, selling costs, terminal value, long-term growth rates and discount rates applied to such forecasted cash flows. Considering the judgement required for estimating the cash flows and the assumptions used, this is considered as a key audit matter.</p> <p>Refer Note 1 – Material Accounting Policies and Note 2 – Use of estimates and judgements to the Consolidated Ind AS Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Obtained understanding of the Company's policy on assessment of impairment of PPE and determination of net realisable value for inventory and assumptions used by the management including design and implementation of controls.</li> <li>● Obtained and read the projections/estimated selling price/future cashflows along with sensitivity analysis thereof.</li> <li>● Discussed and obtained from component auditor of WLPL their assessment of potential indicators of impairment of PPE and recoverable value of inventory.</li> <li>● Evaluated management's methodology, assumptions and estimates used in the calculations.</li> <li>● Compared projections shared by the management in previous year with the actuals for the year ended March 31, 2024.</li> <li>● Performed sensitivity analysis around impact on future cash flows due to changes in key assumptions considered by management.</li> <li>● Verified the arithmetical accuracy of the future cash flow model including comparison with approved budgets.</li> <li>● Assessed the recoverability of PPE with regard to the value in use and net realisable value of inventory.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation

and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit

## Independent Auditor's Report

procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures of which we are the independent auditors and whose financial information we have audited, to

express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of twenty-four subsidiaries, whose financial statements include total assets of ₹ 8,009.91 crores as at March 31, 2024, and total revenues of ₹ 3,666.49 crores and net cash inflows of ₹ 43.60 crores for the year ended on that



date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 27.61 crores for the year ended March 31, 2024, as considered in the consolidated Ind AS financial statements, in respect of nine associates and three joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors. Insofar as the modification on maintaining an audit trail in the accounting software is concerned, refer paragraph (i) (vi) below;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



## Independent Auditor's Report

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification arising from the maintenance of the audit trail on the accounting software are as stated in the paragraph (i) (vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid/ provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 29(iv)(a) to the consolidated Ind AS financial statements;
  - ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2024.
  - iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited

under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The final dividend paid by the Holding Company, its subsidiaries, its associates and a joint venture incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company and its subsidiaries until the date of the respective audit report of such Holding Company is in accordance with section 123 of the Act.

As stated in Note B of Statement of Changes in Equity to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, its subsidiaries, its associates and a joint venture, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances disclosed in note 29 (xix) to the consolidated Ind AS financial statements, the Holding Company, subsidiaries, associates and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled.

For S R B C & CO LLP  
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
Partner

Place of Signature: Kolkata

Membership Number: 89802

Date: May 23, 2024

UDIN: 24089802BKEJFF5612

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other legal and Regulatory Requirements” of our report of even date

### Re: ITC Limited (the “Holding Company”)

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies, associates and joint ventures incorporated in India, we state that:

- (xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated Ind AS financial statements. As indicated in Note 29 (iii)(d) of the consolidated Ind AS financial statements, in respect of a joint venture, consolidated based on management accounts, the audit report under Companies (Auditors Report) Order, 2020 of the company has not been issued till the date of our auditor’s report.

For S R B C & CO LLP  
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
Partner

Membership Number: 89802

Place of Signature: Kolkata

Date: May 23, 2024

UDIN: 24089802BKEJFF5612

## Annexure 2 to the Independent Auditor’s Report of even date on the Consolidated Financial Statements of ITC Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of ITC Limited (hereinafter referred to as the “Holding Company”) as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), its associates and joint ventures, which are companies incorporated in India, as of that date.

#### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, its associates and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these ten subsidiaries, eight associates and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint ventures incorporated in India.

For S R B C & CO LLP  
Chartered Accountants  
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi  
Partner

Membership Number: 89802

UDIN: 24089802BKEJFF5612

Place of Signature: Kolkata

Date: May 23, 2024

# Ten Years at a Glance

## Standalone Operating Results FY15 - FY24

(₹ in Crores)

Year ended 31st March	FY15 <sup>§</sup>	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Gross Sales Value (net of rebates &amp; discounts) #</b>	57799	60196	64174	67082	75309	76097	74979	90104	106625	108425
Gross Revenue from sale of products & services #	49965	51582	55002	43957	45221	46324	48151	59101	69481	69446
Total Income #	51932	53714	57434	46460	48269	49821	51776	62336	72689	73644
<b>EBITDA</b>	13474	13715	14578	15541	17306	17904	15523	18934	23944	24479
<b>PBT</b>	13998	14434	15503	16439	18444	19299	17164	19830	24677	26323
Exceptional items				413		(132)			73	(7)
<b>PBT after Exceptional Items</b>	13998	14434	15503	16852	18444	19167	17164	19830	24750	26316
Tax	4390	5106	5302	5628	5980	4031	4133	4772	5997	5894
<b>PAT</b>	9608	9328	10201	11223	12464	15136	13032	15058	18753	20422
<b>Interim + Proposed Dividends *</b>	6030	8233	6945	7577	8498	12477	13230	14172	19255	17163
- Ordinary Dividend	6030	6296	6945	7577	8498	12477	13230	14172	15837	17163
- Special Dividend		1937							3418	
<b>Earnings Per Share</b>										
Actual (₹)	12.05	11.61	8.43	9.22	10.19	12.33	10.59	12.22	15.15	16.39
Adjusted (₹) @	8.03	7.74	8.43	9.22	10.19	12.33	10.59	12.22	15.15	16.39
<b>Dividend Per Share</b>										
Actual - Ordinary (₹)	6.25	6.50	4.75	5.15	5.75	10.15	10.75	11.50	12.75	13.75
Actual - Special (₹)		2.00							2.75	
Adjusted - Ordinary (₹) @	4.17	4.33	4.75	5.15	5.75	10.15	10.75	11.50	12.75	13.75
Adjusted - Special (₹) @		1.33							2.75	

<sup>§</sup> FY16 to FY24 as per Indian Accounting Standards (Ind AS); previous GAAP for FY15.

# Gross Sales Value (net of rebates & discounts) has been provided to facilitate comparison as the figures of Gross Revenue from sale of products & services and Total Income are not comparable consequent to the introduction of Goods & Services Tax with effect from 1st July 2017, which replaced Central Excise (other than National Calamity Contingent Duty on cigarettes), Value Added Tax etc.

\* Including Dividend Distribution Tax, where applicable.

@ To facilitate like-to-like comparison, adjusted for 1:2 Bonus Issue in FY17.

Note : Financials for FY21 & FY22 were impacted by unprecedented disruptions in certain operating segments of the Company due to the COVID-19 pandemic.

## Standalone Equity, Liabilities and Assets FY15 - FY24

(₹ in Crores)

As at 31st March	FY15 <sup>§</sup>	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24
<b>Equity †</b>										
Share capital	802	805	1215	1220	1226	1229	1231	1232	1243	1248
Other equity	29934	40851	44126	50180	56724	62800	57774	60168	66351	70985
Shareholders' funds (Net Worth)	30736	41656	45341	51400	57950	64029	59005	61400	67594	72233
<b>Non-current liabilities</b>										
Borrowings	39	26	18	11	8	6	5	5	3	2
Deferred tax liabilities (Net)	1632	1867	1872	1918	2044	1618	1728	1667	1621	2084
Non-current liabilities (others) ^	108	127	155	195	174	493	669	543	628	593
<b>Current liabilities</b>										
Borrowings &	14	16	8	7	3	2	...	1	1	2
Proposed dividend (including tax)	6030									
Current liabilities (others) ^	5637	6339	6822	8850	9619	9087	10173	11477	12415	12414
<b>Total Equity and Liabilities</b>	<b>44196</b>	<b>50031</b>	<b>54216</b>	<b>62381</b>	<b>69798</b>	<b>75235</b>	<b>71580</b>	<b>75093</b>	<b>82262</b>	<b>87328</b>
<b>Non-current assets</b>										
Property, plant and equipment, intangible assets (including capital work-in-progress, intangible assets under development), investment property and right-of-use assets ^	16293	16430	18417	20592	21888	23298	25521	25688	25871	26830
Non-current investments	2442	6853	8486	13494	14071	13456	12937	15657	16364	22822
Non-current assets (others)	1506	3515	2776	3792	4269	1974	1306	2806	4824	1605
<b>Current assets</b>										
Current investments	5964	6471	10100	9903	12507	17175	14047	11625	16357	11917
Cash and cash equivalents and Other bank balances	7589	5639	2747	2595	3769	6843	4002	3878	3831	6218
Current assets (others)	10402	11123	11690	12005	13294	12489	13767	15439	15015	17936
<b>Total Assets</b>	<b>44196</b>	<b>50031</b>	<b>54216</b>	<b>62381</b>	<b>69798</b>	<b>75235</b>	<b>71580</b>	<b>75093</b>	<b>82262</b>	<b>87328</b>
Net Worth Per Share (₹) §	25.56	34.51	37.33	42.12	47.27	52.09	47.94	49.82	54.39	57.86

<sup>§</sup> FY16 to FY24 as per Ind AS; previous GAAP for FY15.

† Equity includes impact of 1:2 Bonus Issue (₹ 403 Crores) in FY17.

^ Includes right-of-use assets and lease liabilities from FY20 upon transition to Ind AS-116, "Leases".

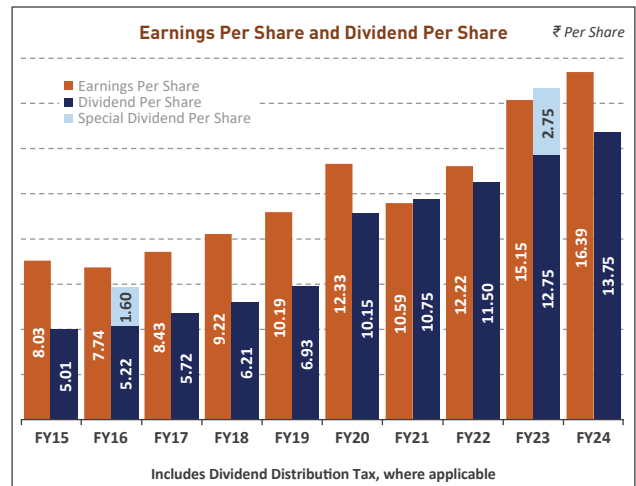
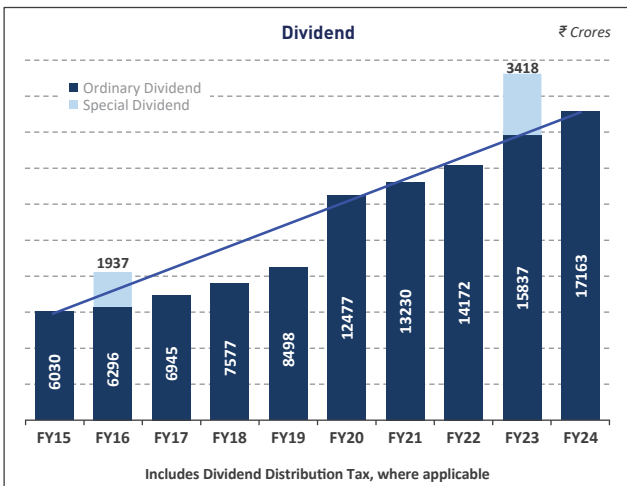
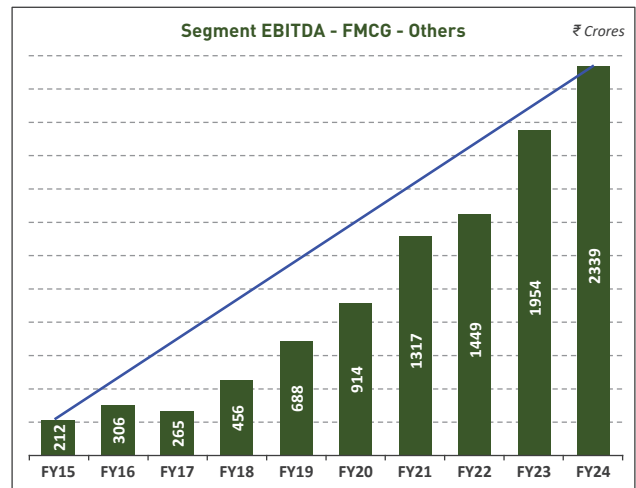
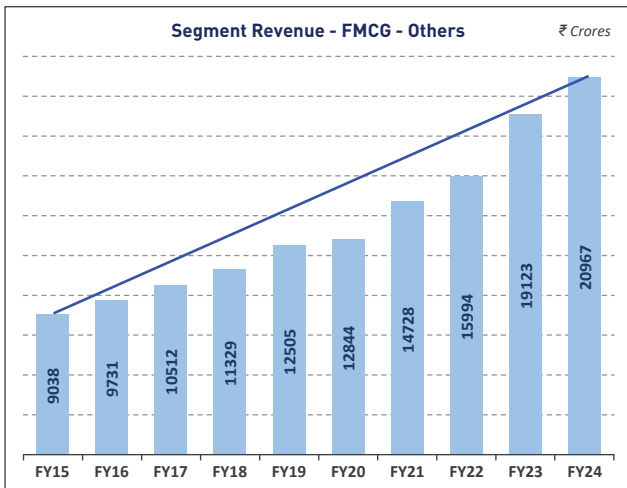
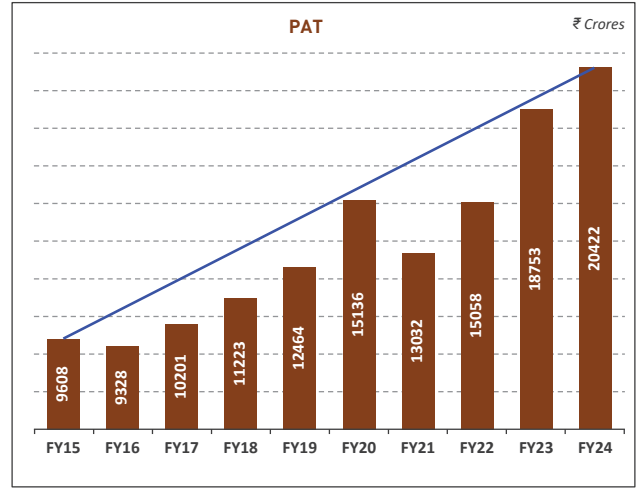
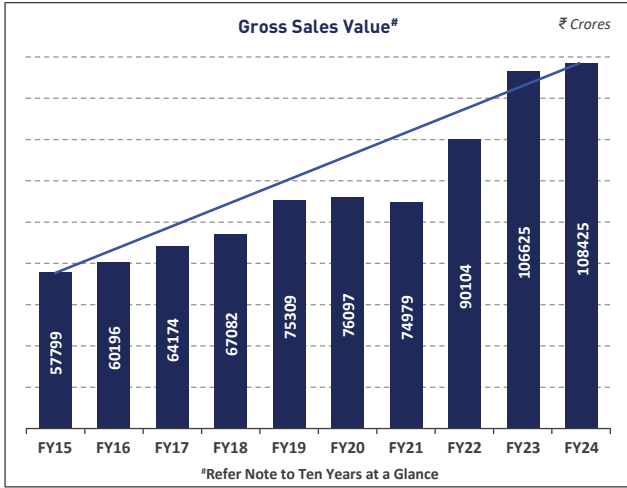
& To facilitate like-to-like comparison, figures for earlier years have been regrouped in line with amendments to Schedule III to the Companies Act, 2013.

§ To facilitate like-to-like comparison, adjusted for 1:2 Bonus Issue in FY17.





# Financial Highlights



These graphs depict the standalone financial position

**Notes:**

- Financials for FY21 & FY22 were impacted by unprecedented disruptions in certain operating segments of the Company due to the COVID-19 pandemic.
- EPS and DPS have been adjusted for impact of corporate action to facilitate like-to-like comparison.
- FY16 to FY24 as per Ind AS; previous GAAP for FY15.



# Business Responsibility and Sustainability Report 2024

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## Glossary

### ITC Divisions/ Businesses

ABD: Agri Business Division  
 ESPB: Education & Stationery Products Business  
 FBD: Foods Business Division  
 HD: Hotels Division  
 ITD: India Tobacco Division  
 MAB: Safety Matches and Agarbattis  
 PCPBD: Personal Care Products Business Division  
 PPB: Packaging & Printing Business  
 PSPD: Paperboards & Specialty Papers Division  
 TM&D: Trade Marketing & Distribution

### ITC Specific Terms

CAPP: Core Area Perspective Plan  
 CMC: Corporate Management Committee  
 CSAT: Customer Satisfaction  
 CIO: Chief Information Officer  
 CISO: Chief Information Security Officer  
 CSO: Chief Sustainability Officer  
 FTC: Fixed Term Contract  
 FTR: Fixed Term Retainer  
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 Ambitions Section  
 ISC: Investor Service Centre  
 ITCMAARS: Meta Market for Advanced Agriculture  
 and Rural Services  
 LSTC: Life Sciences & Technology Centre  
 MSK: Mission Sunehra Kal  
 SBU: Strategic Business Unit  
 SCRC: Sustainability Compliance and Review  
 Committee  
 SIP: Social Investments Programme  
 SPP: Service Provider Personnel  
 TPMs: Third-Party Manufacturers  
 WOW: Well Being Out of Waste

### General Terms

ATNI: Access to Nutrition Initiative  
 ASCI: Advertising Standards Council of India  
 AWS: Alliance for Water Stewardship  
 B2B, B2C, D2C: Business-to-Business,  
 Business-to-Consumer, Direct-to-Consumer

BIS: Bureau of Indian Standards  
 CSR: Corporate Social Responsibility  
 ECF: Elemental Chlorine Free  
 EHS: Environment, Health and Safety  
 ESG: Environment, Social and Governance  
 FPO: Farmers' Producer Organisation  
 FPI: Foreign Portfolio Investment  
 FII: Foreign Institutional Investor  
 FSC®: Forest Stewardship Council®  
 FSSAI: The Food Safety and Standards  
 Authority of India  
 GAP: Good Agricultural Practices  
 GP: Gram Panchayat  
 HACCP: Hazard Analysis and Critical  
 Control Points  
 ISAE: International Standard on Assurance  
 Engagements  
 LCA: Life-Cycle Assessment  
 LEED®: Leadership in Energy and  
 Environmental Design  
 MCH: Mother and Child Health  
 MMU: Mobile Medical Unit  
 MOU: Memorandum of Understanding  
 NA: Not Applicable  
 NGRBC: National Guidelines on Responsible  
 Business Conduct  
 NOP: National Organic Programme  
 NPOP: National Programme for Organic  
 Production  
 OHSAS: Occupational Health and Safety  
 Assessment Series.  
 PAT: Perform, Achieve and Trade  
 PPP: Public-Private Partnership  
 RFA: Rainforest Alliance  
 SEBI: Securities and Exchange Board of India  
 SEDEX: Supplier Ethical Data Exchange  
 SC: Scheduled Caste  
 ST: Scheduled Tribe  
 SHG: Self Help Group  
 SOP: Standard Operating Procedure  
 STP: Sustainable Tobacco Programme  
 UoM: Unit of Measurement

## Section A: General Disclosures

### I. Details of the Listed Entity:

1.	Corporate Identity Number (CIN) of the Company	L16005WB1910PLC001985
2.	Name of the Company	ITC Limited
3.	Year of Incorporation	1910
4.	Registered office address	Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071
5.	Corporate office address	
6.	E-mail id	enduringvalue@itc.in
7.	Telephone	+91 33 2288 9371
8.	Website	www.itcportal.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and The Calcutta Stock Exchange Limited ('CSE')
11.	Paid-up capital	₹1248.47 Crores (As on 31.03.2024)
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Madhulika Sharma CSO Madhulika.sharma@itc.in +91 33 2288 9371
13.	Reporting boundary	The disclosures are on a standalone basis. <i>This report is prepared on a standalone basis. The reporting boundary for the current year has been revised as compared to the previous year i.e. from consolidated basis to standalone basis for the environmental indicators presented in Principle 6 of the report. The change is not material.</i>
14.	Name of assurance provider	Messrs. KPMG Assurance and Consulting Services LLP
15.	Type of assurance obtained	Reasonable Assurance for BRSR Core indicators

### II. Products/Services

#### 16. Details of business activities: (accounting for 90% of the entity's Turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1.	FMCG	Cigarettes etc.	44.06%
		Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Personal Care Products; Education and Stationery Products; Safety Matches and Agarbattis.	30.13%
2.	Hotels	Hoteliering.	4.28%
3.	Agri-Business	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	12.12%
4.	Paperboards, Paper & Packaging	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	9.41%

**17. Products/Services sold by the entity: (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Cigarettes etc.	12003, 21002, 46307	44.06%
2	Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.	10202, 10304, 10308, 10501, 10504, 10509, 10611, 10613, 10616, 10712, 10732, 10733, 10739, 10740, 10750, 10792, 10795, 10798, 20231, 20233, 20234, 20236, 20237, 20239, 46411, 46491, 46496, 46497, 46909	30.13%
3	Hoteliering	55101, 56101, 56301, 74909, 47110, 47190, 68200, 77400, 79900, 96010, 96020, 96905, 94990, 49223	4.28%
4	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	12001, 10209, 10302, 10304, 10406, 10611, 10795, 46201, 46207, 46301, 46305, 46306, 47300, 47737, 71200	12.12%
5	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	17015, 17016, 17093, 17022, 17029, 22203	9.41%

**III. Operations**

The Company's Businesses and operations are spread across the country. Details of Plant Locations, including hotels owned / operated by the Company, are provided under the section 'Shareholder Information' in the Company's Report and Accounts 2024.

**18. Number of locations where plants and/or operations/offices of the entity are situated.**

Location	Number of Plants	Number of Offices	Total
National	107	52	159
International	0	1	1

**19. Markets served by the entity**

**a. Number of Locations**

Location	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	105 Countries

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

FY 2023-24	9.11%
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**c. A Brief on Types of Customers**

ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning FMCG, Hotels, Paperboards, Paper & Packaging, Agri Businesses and Information Technology, and operates across all the three sectors of the economy – Agri, Manufacturing and Services, covering B2C, B2B and D2C segments. The Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy in a relatively short period of time, represents an annual consumer spend of over ₹ 32,000 crores and reach over 250 million households in India.



**IV. Employees**

**20. Details as at the end of Financial Year:**

**a. Employees and Workers (including Differently Abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1	Permanent (D)	24,567	21,804	89%	2,763	11%
2	Other than Permanent (E)	30,679	25,729	84%	4,950	16%
3	<b>Total employees (D + E)</b>	<b>55,246</b>	<b>47,533</b>	<b>86%</b>	<b>7,713</b>	<b>14%</b>
<b>WORKERS</b>						
4	Permanent (F)	12,745	11,966	94%	779	6%
5	Other than Permanent (G)	30,386	25,518	84%	4,868	16%
6	<b>Total workers (F + G)</b>	<b>43,131</b>	<b>37,484</b>	<b>87%</b>	<b>5,647</b>	<b>13%</b>

Note: Definition of employee clustering is as under:

• Permanent employees include permanent workers, management and non-management staff. Workers is a subset of employees. • Other than Permanent Employees include Service Provider Personnel (SPP), Fixed Term Contract (FTC) and Fixed Term Retainer (FTR) (Management/Non-management and Workers) • Permanent Workers include only Workers who are on the rolls of the Company • Other than Permanent Workers include SPP and FTC (Worker) • Trainees and apprentices have not been included in the Workforce.

**b. Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1	Permanent (D)	44	37	84%	7	16%
2	Other than Permanent (E)	458	360	79%	98	21%
3	<b>Total differently abled employees (D + E)</b>	<b>502</b>	<b>397</b>	<b>79%</b>	<b>105</b>	<b>21%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4	Permanent (F)	40	33	83%	7	18%
5	Other than Permanent (G)	308	263	85%	45	15%
6	<b>Total differently abled workers (F + G)</b>	<b>348</b>	<b>296</b>	<b>85%</b>	<b>52</b>	<b>15%</b>

**21. Participation/Inclusion/Representation of Women**

	Total (A)	No. and Percentage of Females	
		No. (B)	% (B/A)
Board of Directors	16	3	18.75%
Key Managerial Personnel*	5	0	0

\* Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary

**22. Turnover rate for permanent employees and workers**

In FY 2023-24, the overall attrition (voluntary separation, retirement, termination and abandonment of services) across employees was 9%. Gender-wise attrition stood at 9% for male employees and 15% for female employees.

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9%	15%	9%	11%	18%	12%	9%	18%	10%
Permanent Workers	5%	15%	5%	7%	21%	7%	6%	25%	7%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures (As on 31.03.2024)

S. No.	Name of the Holding/Subsidiary/ Associate Companies/ Joint Ventures (A)	Indicate Whether Holding/Subsidiary/ Associate/ Joint Venture	% of Shares Held by Listed Entity*	Does the Entity Indicated at Column A, Participate in the Business Responsibility Initiatives of the Listed Entity? (Yes/No)
1	ITC Infotech India Limited	Subsidiary	100.00	No
2	ITC Infotech Limited	Subsidiary	100.00	No
3	ITC Infotech (USA), Inc.	Subsidiary	100.00	No
4	Indivate Inc.	Subsidiary	100.00	No
5	ITC Infotech Do Brasil LTDA.	Subsidiary	100.00	No
6	ITC Infotech Malaysia SDN. BHD.	Subsidiary	100.00	No
7	ITC Infotech France SAS	Subsidiary	100.00	No
8	ITC Infotech GmbH	Subsidiary	100.00	No
9	ITC Infotech de México, S.A. de C.V.	Subsidiary	100.00	No
10	ITC Infotech Arabia Limited	Subsidiary	100.00	No
11	Surya Nepal Private Limited	Subsidiary	59.00	No
12	Surya Nepal Ventures Private Limited	Subsidiary	59.00	No
13	Technico Agri Sciences Limited	Subsidiary	100.00	No
14	Technico Pty Limited	Subsidiary	100.00	No
15	Technico Technologies Inc.	Subsidiary	100.00	No
16	Technico Asia Holdings Pty Limited	Subsidiary	100.00	No
17	Technico Horticultural (Kunming) Co. Limited	Subsidiary	100.00	No
18	Srinivasa Resorts Limited	Subsidiary	68.00	No
19	Fortune Park Hotels Limited	Subsidiary	100.00	No
20	Landbase India Limited	Subsidiary	100.00	No
21	Bay Islands Hotels Limited	Subsidiary	100.00	No
22	WelcomHotels Lanka (Private) Limited	Subsidiary	100.00	No
23	Russell Credit Limited	Subsidiary	100.00	No
24	Greenacre Holdings Limited	Subsidiary	100.00	No
25	Wimco Limited	Subsidiary	100.00	No
26	Gold Flake Corporation Limited	Subsidiary	100.00	No
27	ITC Integrated Business Services Limited	Subsidiary	100.00	No
28	MRR Trading & Investment Company Limited	Subsidiary	100.00	No
29	North East Nutrients Private Limited	Subsidiary	76.00	No
30	Prag Agro Farm Limited	Subsidiary	100.00	No
31	Pavan Poplar Limited	Subsidiary	100.00	No
32	ITC IndiVision Limited	Subsidiary	100.00	No
33	ITC Fibre Innovations Limited	Subsidiary	100.00	No
34	ITC Hotels Limited	Subsidiary	100.00	No
35	Logix Developers Private Limited	Joint Venture	27.90	No
36	ITC Filtrona Limited (formerly known as ITC Essentra Limited)	Joint Venture	50.00	No
37	Maharaja Heritage Resorts Limited	Joint Venture	50.00	No
38	Gujarat Hotels Limited	Associate	45.78	No
39	International Travel House Limited	Associate	48.96	No
40	Russell Investments Limited	Associate	25.43	No
41	Divya Management Limited	Associate	33.33	No
42	Antrang Finance Limited	Associate	33.33	No
43	ATC Limited	Associate	47.50	No
44	Delectable Technologies Private Limited	Associate	39.32 <sup>#</sup>	No
45	Mother Sparsh Baby Care Private Limited	Associate	26.50 <sup>#</sup>	No
46	Sproutlife Foods Private Limited	Associate	44.74 <sup>#</sup>	No

\* held directly or through subsidiary companies.

<sup>#</sup> on a fully diluted basis.

Note: Refer Note 29(iii) of Consolidated Financial Statements forming part of Report and Accounts 2024, for further details on subsidiaries, associates and joint ventures.

**VI. CSR Details**

**24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No).** Yes

**(ii) Turnover of the Company for the year ended 31st March, 2024 - ₹ 69,446.20 crores**

**(iii) Net worth of the Company as at 31st March, 2024 - ₹ 69,035.30 crores (computed as per the Companies Act, 2013)**

**VII. Transparency and Disclosures Compliances**

**25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC).**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) *	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	6	6 <sup>#</sup>	-	-	-	-
Investors and Shareholders	Yes	0	0	-	1	0	-
Employees and Workers	Yes. It is available through the ITC Intranet	18	1 (resolved after March 2024)	-	144	8	-
Customers	Yes	21,995	2,011	-	18,846	1,648	-
Value Chain Partners	Yes	-	-	-	-	-	-

\*The details of grievance redressal mechanisms for each stakeholder group are provided in the table below.

<sup>#</sup> The process is undertaken annually in February / March, and resolution initiated in April, and hence they are still open as on 31st March.

Stakeholder Group from whom Complaint is Received	Grievance Redressal Mechanism in Place
Communities	<p>ITC's Social Investments Programme (SIP) team takes up Annual Community Engagement to capture the views, issues, complaints and grievances of community members pertaining to the projects implemented by SIP team, in addition to periodical need assessments and regular interactions with all stakeholders. The major stakeholders of SIP being communities for whom the programmes are implemented, this engagement focusses on primarily getting their feedback. This annual engagement happens typically during February/March every year, and their resolution tends to happen in the subsequent financial year.</p> <p>During 2023-24, 42 such community engagements were held across major states where SIP projects are implemented – Andhra Pradesh, Assam, Bihar, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh, Uttarakhand and West Bengal. These were conducted by ITC SIP team's state level Managers. Meetings were organised with community members in villages and urban catchments wherein the programme implementing NGOs were also present. All meetings were planned and reviewed by the SIP team at Head Office.</p> <p>6 cases of grievances (mainly as requests for further interventions and scope of improvement) were reported pertaining to the projects under SIP. The SIP state teams have taken cognisance of the relevant requests and expectations and appropriate actions have been incorporated in the plans for the upcoming year.</p>

<p><b>Investors and Shareholders</b></p>	<p>Yes, <a href="https://www.itcportal.com/investor/index.aspx">https://www.itcportal.com/investor/index.aspx</a></p> <p>The Company has an Investor Service Centre ('ISC') which is registered with the SEBI as Category II Share Transfer Agent for providing in-house share registration and related services to the shareholders and investors. ISC has effective systems and processes in place to ensure prompt redressal of investor grievances, as follows:</p> <ul style="list-style-type: none"> <li>(a) ISC has a 'Complaint Identification Policy' for identification of investor complaints. ISC attends to shareholder / investor complaints within three working days, except where constrained by disputes or legal impediments.</li> <li>(b) The Head of ISC is responsible for redressal of investor grievances.</li> <li>(c) The Company has a specific e-mail address earmarked for receiving investor complaints which is <a href="mailto:isc@itc.in">isc@itc.in</a>.</li> <li>(d) The 'Investor Charter' of the Company and the status of investor complaints received by the Company are available on its website at <a href="https://www.itcportal.com/about-itc/shareholder-value/investor-relations/investor-charter.aspx">https://www.itcportal.com/about-itc/shareholder-value/investor-relations/investor-charter.aspx</a> and <a href="https://www.itcportal.com/about-itc/shareholder-value/pdf/investor-complaint.pdf">https://www.itcportal.com/about-itc/shareholder-value/pdf/investor-complaint.pdf</a>, respectively.</li> <li>(e) A Board Level Committee viz., the Securityholders Relationship Committee has been mandated to oversee redressal of investor grievances, and review adherence to the service standards adopted by the Company in respect of its in-house share registration activities.</li> <li>(f) Details of investor complaints received by the Company are filed on a quarterly basis with the Stock Exchanges where the Company's shares are listed, and also with the SEBI on a half-yearly basis.</li> </ul>
<p><b>Employees and Workers</b></p>	<p>The Company, through its Grievance Redressal Policy, seeks to address employee concerns and complaints pertaining to human rights and labour practices. A Grievance Redressal Procedure with appropriate systems and mechanisms is available across ITC Units. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights. The implementation is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees of the Businesses.</p>
<p><b>Customers</b></p>	<p>Robust systems have been put in place across ITC Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner. A dedicated customer interactions team is in place to address any product related query/ complaint. Several communication channels like email, telephone number and feedback forms are provided to the consumers. In addition, the Company has an online reputation management team which interacts with consumers via social media channels, and responds to their queries in real time. A Customer Relationship Management (CRM) platform has been implemented for capturing customer complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process related changes, and system enhancements for improving the CSAT scores.</p> <ul style="list-style-type: none"> <li>• Customer can reach out to ITC via following email in ITC Portal: <ul style="list-style-type: none"> <li>○ <a href="mailto:webmaster@itc.in">webmaster@itc.in</a></li> <li>○ <a href="mailto:Contactus@itc.in">Contactus@itc.in</a></li> <li>○ <a href="mailto:itccares@itc.in">itccares@itc.in</a></li> </ul> </li> <li>• Customers can also raise their grievances via Brand-specific websites</li> </ul>
<p><b>Value Chain Partners</b></p>	<p>As per the Company's Code of Conduct for Suppliers and Service Providers, they are expected to bring to the notice of the manager concerned at ITC, any actual or suspected breach of the Code. Suppliers and Service Providers are encouraged to report any known or suspected improper behaviour of ITC employees. Such reports are treated in a confidential manner.</p>

**26. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1.	Climate Change	Risk	Climate related physical and transition risks may impact business operations, sourcing, supply chain and increase compliance costs.	<p>Risk Mitigation Strategy</p> <p><b>Physical Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Usage of contemporary climate risk modelling tools for identifying high-risk/vulnerable sites and agri value chains, and undertaking detailed assessments for developing locally contextual adaptation plans, risk mitigation strategies and undertaking measures for improving climate resilience;</li> <li>• Promotion of climate smart agriculture, and development of heat/drought tolerant and high yielding varieties to improve productivity by adopting micro region-specific agronomic practices: <ul style="list-style-type: none"> <li>- Developing region-specific package of practices and promoting climate smart farming techniques to mitigate impact of weather;</li> <li>- Enhancing climate resilience of farmers through capacity building programmes by leveraging ITCMAARS and the Farmers' Producer Organisation (FPO) ecosystem, supported by field demonstrations under Choupal Pradarshan Khets;</li> <li>- Comprehensive programmes on social forestry, soil and moisture conservation and biodiversity conservation;</li> </ul> </li> </ul>	<p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>• As average temperatures rise, extreme weather events are expected to grow in terms of severity and frequency which could have significant impact on the Company's operations, its physical assets and agri value chains. These may lead to complete or partial outage of operations. Further, these events may also adversely impact the availability and quality of agri raw materials and consequently, the production and sales of the Company's products;</li> <li>• Vagaries of weather caused by climate change may impact crop cycles, output and productivity resulting in disruption of operations/supply chain;</li> <li>• Availability of water for own operations as well as agri value chains may be adversely impacted by erratic precipitation patterns;</li> <li>• Besides physical risks, transition risks associated with climate change, may impact the Company's operations: <ul style="list-style-type: none"> <li>- Additional levies may be imposed by regulatory authorities for emission/water intensive industries to address climate change, resulting in higher cost of compliance, and potential regulatory penalties and reputational risk in case of non-compliance.</li> </ul> </li> </ul>



S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
1.				<p>- Adoption of water stewardship approach to achieve water security for all stakeholders within the defined catchment areas of units located in high water stress areas;</p> <ul style="list-style-type: none"> <li>• Supply chain diversification and contingency planning;</li> <li>• Map risks arising out of climate crisis, build adaptive capacity and invest in mitigative measures to strengthen resilience across the value chain.</li> </ul> <p><b>Transition Risk Management:</b></p> <ul style="list-style-type: none"> <li>• Continue to focus on energy conservation, improving energy productivity and enhancing the share of renewables in ITC's total energy requirement as part of ITC's Sustainability 2.0 targets;</li> <li>• Strengthen governance mechanisms for reviewing performance and progress against Sustainability 2.0 targets through the Sustainability Compliance and Review Committee (SCRC);</li> <li>• Adopt the Life-Cycle Assessment (LCA) approach to evaluate the potential environmental impacts of products during their entire lifecycle; leverage the same for designing sustainable products and offering the same to consumers anchored on scientific and robust claims</li> </ul>	

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
2.	Product and Plastic Packaging	Risk	Difficulty in complying with current or future regulation on plastic packaging and/or failure to meet commitments on packaging and the environment.	<p><b>Risk Mitigation Strategy</b></p> <ul style="list-style-type: none"> <li>• Going beyond compliance wherever possible:</li> <li>- Ensuring plastic neutrality ahead of regulatory targets through source segregation programmes, creating replicable, scalable and sustainable models of solid waste management, and developing viable recycling options for Multi-Layered Plastic (MLP) packaging. Additionally undertaking third party assurance of underlying data related to plastic waste generation and collection;</li> <li>- Ensuring a robust compliance management system supported by internal and external process review;</li> <li>• Partnering with upstream players and suppliers for ensuring supply of recycled plastic for meeting regulatory/ market demand for increasing recycled content in plastic packaging;</li> <li>• Harnessing the enterprise strengths of ITC (Life Sciences and Technology Centre, Paperboards &amp; Specialty Paper Division and Packaging and Printing Division) in driving cutting-edge innovation to offer sustainable alternatives to single use plastics. Pursue sustainable packaging initiatives like reduction in plastic packaging intensity and improving recyclability of plastic packaging.</li> </ul>	<p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>• Non-compliance with plastic waste management regulations could lead to imposition of environmental compensation, that may negatively impact Company's reputation. Additionally, stricter government laws around usage of plastics including bans may give rise to multiple challenges such as redesign of product packaging, shelf life- and product distribution related issues;</li> <li>• Disruptions in the supply chain for recycled plastic or plastic packaging substitutes as required by law, could impact the Company's ability to comply, produce and distribute products;</li> <li>• Inability to provide sustainable alternatives could have a negative impact on consumer sentiment.</li> </ul>

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
3.	Talent Management	Risk	Difficulty in attracting and retaining high quality talent in a highly competitive market	<p><b>Risk Mitigation Strategy</b></p> <ul style="list-style-type: none"> <li>• Strengthening and communicating ITC's talent proposition about 'Building Winning Businesses. Building Business Leaders. Creating Value for India';</li> <li>• Providing meaningful and challenging roles which enrich individual capability and act as a powerful incentive to stay, learn and grow;</li> <li>• Building a robust talent pipeline across responsibility levels through requisite quality in key roles, depth of bench and reliable succession plans;</li> <li>• Investments in capability building of managers through access to the best-in-class upskilling programmes and development interventions;</li> <li>• Recognising and nurturing specialism so that employees who wish to focus on niche, business critical skills can continue to grow in their area of expertise;</li> <li>• Benchmarking compensation to the relevant market periodically, ensuring strong alignment with short term and long-term performance, particularly at senior levels and ring-fencing top talent;</li> <li>• Ensuring the talent quotient in the Company remains healthy and vibrant through annual segmentation supported by differential rewards and progression opportunities for industry leading talent;</li> <li>• Energising and nurturing pride in membership through frequent leadership outreach to managers;</li> </ul>	<p><b>Potential impact</b></p> <ul style="list-style-type: none"> <li>• Lack of requisite quality of management personnel could adversely affect business operations and long-term growth prospects;</li> <li>• Talent attrition beyond acceptable levels may impact ability to effectively fulfil Organisational goals and Customer expectations.</li> </ul>

S. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk/ Opportunity	In case of Risk, Approach to Adapt or Mitigate	Financial Implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
3.				<ul style="list-style-type: none"> <li>• Engaging with the country's premier academic institutions to communicate the Company's talent proposition through case-study competitions, knowledge-sharing programmes by senior managers and the annual internship programmes creating a compelling proposition for the best candidates to aspire for a career with the Company;</li> <li>• Promotion of Diversity, Equity and Inclusion through supportive policies based on principles of equity;</li> <li>• Implement measures to ensure sufficient representation of women in selection pools and deployment of the differently-abled across suitable opportunities in the value chain towards meeting the diversity and inclusion goals of the organisation;</li> <li>• Agility in adjusting HR practices and providing contemporary and relevant work policies to employees such as flexible work arrangements.</li> </ul>	

## Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and Management Processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	<p>ITC has a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements.</p> <p>To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of Sustainability Policies that are being implemented across the organisation. The Company continues to strengthen the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. The Company will continue to update these systems and processes in line with the evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.</p> <p>The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional / Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee comprising senior members of management has the overall responsibility to monitor and evaluate compliance with these Policies. The responsibility for implementation of ITC's CSR Policy rests with the Corporate Social Investments Programme (SIP) Team.</p>								
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>c. Web Link of the Policies, if available</b>	<a href="https://www.itcportal.com/about-itc/policies/index.aspx">https://www.itcportal.com/about-itc/policies/index.aspx</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes / No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	Yes	Yes	Yes	Yes	Yes	Yes	Not Applicable	Yes	Yes
<b>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	-	Food Safety Management System (FSSC 22000/ISO 22000/HACCP) Responsible Supply Chain Certifications like Rainforest Alliance (RFA) and Forest Stewardship Council® (FSC®)	OHSAS 18001/ ISO 45001: Occupational Health and Safety Management Systems	ISAE 3000	SA 8000: Social Accountability, United Nations Guiding Principles on Business and Human Rights, Sustainable Tobacco Programme, RFA, FSC®	ISO 14001: Environment Management System, Alliance for Water Stewardship (AWS), LEED® Certification for Green Building, LEED® Zero Carbon, LEED® Zero Water	NGRBC	-	ATNI Framework, FSSAI, BRCGS and Packaging Materials Global Standard, HACCP, Sedex, NPOP, NOP, Halal and Kosher
	For more information on Environment, Social, Occupational Health and Safety, Food Safety Certifications and Sustainable Farming Certifications, refer to 'Certifications' section of ITC Sustainability Report 2024.								



<p><b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b></p>	<p>In line with its Sustainability 2.0 agenda, ITC has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and circular economy, sustainable agriculture, biodiversity conservation and sustainable livelihoods. In line with the above, ITC's Businesses have targets for Key Performance Indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation. In order to achieve these targets, all ITC Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap.</p> <p><i>For more information on annual performance against the Sustainability 2.0 targets, refer to 'Sustainability 2.0 Ambitions' section of ITC Sustainability Report 2024.</i></p>																																
<p><b>6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.</b></p>																																	
<p><b>Governance, Leadership and Oversight</b></p>																																	
<p><b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</b> <i>(listed entity has flexibility regarding the placement of this disclosure)</i> Please refer to the 'Chairman's Message' section in ITC Sustainability Report 2024.</p>																																	
<p><b>8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).</b></p>	<p>The CSR and Sustainability Committee of the Board, chaired by the Chairman &amp; Managing Director, reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis. In addition, the CSR and Sustainability Committee and the Board of Directors also review the progress of implementation of the Company's CSR Programmes on a half-yearly basis. The composition of the CSR and Sustainability Committee as on 31st March, 2024 is given below:</p> <table border="1" data-bbox="603 972 1430 1420"> <thead> <tr> <th>Sl. No.</th> <th>Name of the Director</th> <th>Designation/Nature of Directorship</th> <th>DIN of the Director</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>S. Puri (Chairman of the Committee)</td> <td>Chairman &amp; Managing Director</td> <td>00280529</td> </tr> <tr> <td>2.</td> <td>M. Gupta</td> <td>Non-Executive Director</td> <td>06638754</td> </tr> <tr> <td>3.</td> <td>R. Jain</td> <td>Non-Executive Director</td> <td>07442202</td> </tr> <tr> <td>4.</td> <td>S. Panray</td> <td>Non-Executive Director</td> <td>09251023</td> </tr> <tr> <td>5.</td> <td>N. Rao</td> <td>Independent Director</td> <td>06954879</td> </tr> <tr> <td>6.</td> <td>A. K. Seth</td> <td>Independent Director</td> <td>08504093</td> </tr> <tr> <td>7.</td> <td>M. Shankar</td> <td>Independent Director</td> <td>06374957</td> </tr> </tbody> </table> <p>At the highest level, the Board of Directors of the Company has the primary role of trusteeship to protect and enhance shareholder value through strategic supervision of ITC. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth, and also in line with its Sustainability agenda.</p> <p>The CMC of the Company is the management body responsible for compliance with the Sustainability Policies of the Company.</p> <p>The CMC has constituted the SCRC which monitors and evaluates compliance with these Policies and places a quarterly report thereon for review by the CMC.</p> <p>The Chief Executives of Divisions / SBUs, through members of the respective Management Committees, and Heads of Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division / SBU / Corporate Function, and communication of these Policies to the employees.</p> <p>In addition, the CSO of the Company is, inter alia, responsible for periodic review of material issues, scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating the Businesses &amp; Corporate Functions in implementing the sustainability initiatives. The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress report-backs on the Company's sustainability initiatives to the senior leadership of the Company.</p>	Sl. No.	Name of the Director	Designation/Nature of Directorship	DIN of the Director	1.	S. Puri (Chairman of the Committee)	Chairman & Managing Director	00280529	2.	M. Gupta	Non-Executive Director	06638754	3.	R. Jain	Non-Executive Director	07442202	4.	S. Panray	Non-Executive Director	09251023	5.	N. Rao	Independent Director	06954879	6.	A. K. Seth	Independent Director	08504093	7.	M. Shankar	Independent Director	06374957
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7.	M. Shankar	Independent Director	06374957																														

<p><b>9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.</b></p>	<p>Yes, as stated under (8) above, the CSR and Sustainability Committee of the Board reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation.</p> <p>The CSR and Sustainability Committee of the Board also reviews the Business Responsibility and Sustainability Report of the Company and recommends the same to the Board for adoption, and approves the Sustainability Report of the Company.</p>									
<p><b>10. Details of Review of NGRBCs by the Company:</b></p>										
<p><b>Subject for Review</b></p>	<p><b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b></p>					<p><b>Frequency (Annually/Half-yearly/ Quarterly/Any other – please specify)</b></p>				
	<p><b>P1</b></p>	<p><b>P2</b></p>	<p><b>P3</b></p>	<p><b>P4</b></p>	<p><b>P5</b></p>	<p><b>P6</b></p>	<p><b>P7</b></p>	<p><b>P8</b></p>	<p><b>P9</b></p>	
<p><b>Performance against above policies and follow up action</b></p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	
<p><b>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</b></p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	<p>Any other Committee  On a quarterly basis</p>	
	<p>The Company is in compliance with the applicable laws and regulations.</p>									
<p><b>11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.</b></p>	<ul style="list-style-type: none"> <li>• ITC has a robust review mechanism supported by both external and internal audits covering the implementation of key policies</li> <li>• ITC has been obtaining independent third-party assurance for its Sustainability Reports since 2004. In the reporting year, authenticity of the data and systems disclosed in the Sustainability Report 2024 has been assured by an independent third-party assurance provider; the assurance has been provided as per the International Standard for Assurance Engagements (ISAE) 3000 at the 'Reasonable Assurance' level</li> <li>• ITC has computed its Green House Gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2018; the GHG inventory of FY 2023-24 has been verified at the 'Reasonable Assurance' level by an independent third-party assurance provider</li> <li>• In addition to the above, relevant third-party assessments and certifications are conducted across Business Units periodically</li> </ul>									

## Section C: Principle-wise Performance Disclosure



### Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

#### Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total Number of Training and Awareness Programmes Held	Topics/Principles covered under the Training and its Impact	%age of Persons in Respective Category covered by the Awareness Programmes
Board of Directors	5	<p>The Directors are briefed on the sustainability initiatives of the Company from time to time. The Directors are also updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation &amp; economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.</p> <p>During the financial year 2023-24, the Directors and KMP of the Company were briefed/updated on the following:</p> <p>(a) Overview of the Company's businesses and ITC's globally acknowledged sustainability initiatives provided to newly appointed Directors.</p> <p>(b) Review by the CSR and Sustainability Committee of the implementation of the Sustainability Policies, including framework and approach relating thereto.</p> <p>(c) CSR initiatives including the Company's CSR Programmes and Sustainability 2.0 Vision &amp; roadmap.</p> <p>(d) Strategy of Corporate Communications covering external stakeholders like media.</p> <p>(e) Periodic review of the Company's businesses.</p>	100%
Key Managerial Personnel (other than Directors)			
Employees other than BoD and KMPs	11*	Health and Safety**, ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*
Workers	11*	Health and Safety**, ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes	100%*

\*11 Types of training programmes conducted, wherein all Employees/Workers were covered under at least one of the topics

\*\*Detailed training programmes on various health and safety sub-elements were also provided

2. Details of fines/penalties /punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary*					
	NGRBC Principle	Name of the Regulatory/ Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					

Non-Monetary*				
	NGRBC Principle	Name of the Regulatory/Enforcement Agencies/Judicial Institutions	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

\* The above disclosure has been made in accordance with the Company's Policy for determination of materiality of events and information for disclosure to the Stock Exchanges.

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the Regulatory/Enforcement Agencies/Judicial Institutions
	Not applicable

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

The Company's Code of Conduct covers aspects relating to anti-corruption and anti-bribery. In terms of the said Code, the Company believes in conducting its business in a transparent manner and does not indulge in bribery or corruption. The ITC Code of Conduct can be accessed on the Company's corporate website at <https://www.itcportal.com/about-itc/values/index.aspx#sectionb5>

Further, in terms of the Company's Code of Conduct for Suppliers and Service Providers:

(a) all Suppliers and Service Providers of the Company are required to avoid any actual or potential conflicts of interest in their business dealings with the Company that could create a perception of unfairness or lead to uncompetitive favours. If any such instance arises, the Suppliers and Service Providers are also required to disclose any such situation of conflict of interest, including involvement or interest of any employee of the Company or his / her immediate family members in their business.

(b) all Suppliers and Service Providers, in their dealings with the Company, are prohibited to indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision. The Company expects and seeks confirmation in its commercial and contractual terms that Suppliers and Service Providers have not offered or promised or provided any benefit, either in cash or in kind, to any employee or any relative / associate of any employee of the Company or of any of its associate companies, in order to facilitate their existing or future business with the Company.

The said Code of Conduct for Suppliers and Service Providers can be accessed on the Company's corporate website at <https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#coc-vendor>

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil	-	Nil	-

**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

**Not Applicable.**

**8. Number of days of accounts payables ((Accounts payable \*365)/Cost of goods/services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	43.50	40.60

**9. Open-ness of business**

**Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format**

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.29%	0.21%
	b. Number of trading houses where purchases are made from	57	56
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	82.94%	81.02%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	80.40%	74.99%
	b. Number of dealers/distributors to whom sales are made	6718	6198
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	7.41%	8.10%
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	3.17%	2.46%
	b. Sales (Sales to related parties/Total Sales)	2.70%	3.31%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.96%	-
	d. Investments (Investments in related parties/Total Investments made)	18.08%	15.32%

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
5	<ul style="list-style-type: none"> <li>Environment, Social, Governance (ESG) Landscape: Global &amp; Indian including National Guidelines on Responsible Business Conduct (NGRBC) Principles and SEBI's BRSR Core Value Chain Reporting Requirements</li> <li>Environmental Compliance</li> <li>Fair Business Practices</li> <li>Corporate Governance and Ethics</li> <li>Occupational Health and Safety</li> <li>Fair Labour Practices and Human Rights</li> </ul>	100% identified Critical Tier-1 value chain partners

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the ITC Code of Conduct requires the Directors, Senior Management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated



for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he/she has a close relationship, in relation to the Company's business. However, this is an area in which it is impossible to provide comprehensive guidance, but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

Further, the Directors of the Company are required to disclose to the Board whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. In addition, an annual confirmation is sought from the Directors in this connection. For the financial year 2023-24, all Directors of the Company have confirmed that they did not, either directly or indirectly or on behalf of third parties, have material interest in any transaction or matter, directly affecting the Company.



## Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

Details of investment in specific technologies to improve the environmental and social impacts of product and processes ("Specific R&D" and "Specific Capex") are as follows:

	FY 2023-24	FY 2022-23
Specific R&D to total R&D (Refer Note 1)	13.3%	14.0%
Specific Capex to total Capex (Refer Note 2)	30.0%	40.3%

#### Note 1: R&D

The Company's state-of-the-art ITC Life Sciences and Technology Centre (LSTC) in Bengaluru is at the core of driving science-led product innovation to support and build ITC's portfolio of world-class brands. ITC LSTC's research and development initiatives are equipped with world-class scientific platforms and centres of excellence that not only help deliver superior differentiated value to consumers but also improvements in environmental and social impacts, some of which are summarised below -

**Agroforestry and Crop Sciences:** Agroforestry, one of LSTC's key expertise, involves working on productivity improvement of trees by using contemporary research tools for Eucalyptus, Casuarina, Corymbia, and Subabul species. LSTC has released several new clones for all the four species, aimed at improving productivity and catering to the sourcing needs of ITC's paper business. Last year, 12.8 million new clones with improved productivity were distributed to farmers. Crop sciences team is involved in development of crops such as Tobacco, Wheat and Potato that would help in meeting

targets of climate resilience and farmer profitability with enhanced yield and quality.

**Sustainable Packaging & Material Sciences:** This vertical works on reducing the impact of single-use plastics and plastic packaging by focusing on suitable alternatives, improving recyclability of multi-layered plastic packaging, and increasing the use of recycled content, thereby reducing the carbon footprint of packaging. LSTC is deeply engaged in developing innovative packaging solutions by improving functional barrier properties of paper, paper board and flexibles.

**Health, Wellness and Nutrition:** Wellness platform focuses on multiple aspects of human health stratified across age, gender, specific health concerns as well as uniqueness of the Indian consumer. LSTC, over the last decade, has been instrumental in creating scientifically validated solutions catering to areas such as diabetes, cardiovascular health, weight management, gut health, immunity, brain health, women's health, kids' health, targeted nutrition as well as various concerns associated with ageing. Solutions range from delivering benefits in various product formats including nutraceuticals. Scientific due diligence as well as clinical efficacy has helped in generating health claims and in providing nutrition, nourishment, health and wellness to the Indian consumer.

Apart from the above, various businesses of the Company also engage in focussed interventions in the areas of crop development, plastic substitution, sustainable packaging etc.

#### Note 2: Capex investments

Specific Capex include investments in the areas of renewable energy, green buildings, energy efficient equipment, pollution control equipment, water management and treatment system (including rain water harvesting) etc.

*For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2024.*

**2.a. Does the entity have procedures in place for sustainable sourcing?**

Yes, there are procedures in place for sustainable sourcing. ITC has a Board approved Policy on ‘Sustainable Supply Chain and Responsible Sourcing’ and a ‘Code of Conduct for Suppliers and Service Providers’. The Code reflects ITC’s commitment to environmental conservation, business integrity and human rights across the supply chain. It upholds the spirit outlined in the International Labour Organisation Guidelines and United Nations Guiding Principles on Business and Human Rights. All suppliers are encouraged to fully comply with the Code. Additionally, ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, focus of ITC’s interventions in agri value chains has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening regional water security, and addressing the challenge of climate change and enhancing resilience. ITC’s key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic, USDA Organic and Bio-Suisse. These certifications specify environmental and social standards for agricultural practices, and help ensure sustainability, traceability and transparency across value chains.

*Note: For more details on ITC’s sustainable sourcing practices pertaining to key agri value chains and key value chain partners like third-party manufacturers, refer to ‘Sustainable and Climate Resilient Agriculture’ and ‘Sustainable Supply Chain and Responsible Sourcing’ sections of ITC Sustainability Report 2024.*

**b. If yes, what percentage of inputs were sourced sustainably?**

ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, farmers constitute a vital part of ITC’s supply chain, and the Company engages with farmers to ensure adoption of sustainable agriculture practices. ITC’s key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic, USDA Organic and Bio-Suisse.

*Note: For more details on ITC’s sustainable sourcing practices pertaining to key agri value chains and key value chain partners like third-party manufacturers, refer to ‘Sustainable and Climate Resilient Agriculture’ and ‘Sustainable Supply Chain and Responsible Sourcing’ sections of ITC Sustainability Report 2024.*

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

	Description of Processes
Plastics (including packaging)	ITC first achieved Plastic Neutrality in FY 2021-22 by implementing an integrated solid waste management programme that incorporates unique and multi-dimensional initiatives including the Company’s flagship waste management initiative ‘ITC WOW – Well Being Out of Waste’. In FY 2023-24, the Company collected and sustainably managed more than 70,000 tonnes of plastic waste across the Country. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to maintain the milestone of Plastic Neutrality. More than 99% of the solid waste generated in ITC’s operations including plastic waste is sent for recycling.
E-waste	Not applicable
Hazardous waste	Not applicable
Other waste	All ITC Units have established systems and procedures to ensure that waste is disposed through authorised agencies in line with applicable regulations.

*Note: For further details, refer to the ‘Towards Circularity’ section of ITC Sustainability Report 2024.*

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, ITC is in compliance with the requirements of Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016 (as amended).

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?**

In line with the overall strategy to embed principles of sustainability into the various stages of product or service life cycle, ITC initiated Life Cycle Assessments (LCA) of its products and services in 2010 with an objective to evaluate the impacts and identify areas for improvement in the value chain. LCA studies have been carried out for some of the

Company's key products from Paperboards and Specialty Papers Business, Personal Care Products Business, Branded Packaged Foods Business and Matches & Agarbattis Business for identifying additional opportunities to reduce environmental impact across the value chain. These assessments have enabled identification of concrete solutions towards more efficient packaging designs, and loading efficiencies in transportation. Studies conducted on the selected products also provided valuable insights which are duly considered for new product development and design.

Additionally, during the year, capacity building programmes were conducted for practitioners across ITC Businesses and LSTC in order to further strengthen the application of LCAs at product design stage itself including interventions related to using alternative raw materials/formulations, manufacturing processes, and packaging, and minimising use phase and end-of-life impacts.

Details of LCAs done in the last two years is given below:

NIC code	Name of Product/Service	% of total turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/No) If yes, Provide the web-link
46496	Classmate Notebook	-	Cradle-to-grave	Yes	No
20237	Savlon Powder Handwash	-	Cradle-to-grave	Yes	No
20237	Savlon Liquid Handwash	-	Cradle-to-grave	Yes	No
20239/46491	Nimyle Floor Cleaner	-	Cradle-to-gate	Yes	No
17016	CFKE Paperboard	-	Cradle-to-gate	Yes	No
17016	OmegaBev Vio Paperboard	-	Cradle-to-Gate with end-of life	Yes	No
20238/46491	Mangaldeep Sandal Agarbatti	-	Cradle-to-Grave	Yes	No

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

No significant social or environmental risks were identified from the LCA studies carried out.

**3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

During FY 2023-24, the Kovai Unit of ITC's Paperboards & Specialty Papers Business sourced nearly 89,000 tonnes of waste paper from external sources, which constituted over 71% of Unit's total input materials. Additionally, ITC continues to integrate recycled plastic content in packaging across its leading brands.

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23
Waste Paper used in Kovai Mill	Recycled Paper used: ~ 89,000 tonnes	Recycled Paper used: ~ 84,000 tonnes
Use of Recycled Plastic Content	Recycled plastic content used in packaging: ~ 170 tonnes <ul style="list-style-type: none"> <li>Mangaldeep Zip Lock Packs with 20% PCR (Post-consumer Recycled Plastic)</li> <li>Savlon Wet wipes with 70% PCR in PET Layer</li> <li>Engage EPS portfolio with 50% PCR PET Bottles</li> </ul>	Recycled Plastic content used in packaging: ~98 tonnes <ul style="list-style-type: none"> <li>Savlon Glycerine Soap Wrapper with 70% PCR in PET layer.</li> <li>Fiama Handwash Portfolio with 50% PCR PET Bottles.</li> </ul>

**4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.**

During FY 2023-24, the Company collected and sustainably managed more than 70,000 tonnes of plastic waste across the Country. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to sustain its plastic neutrality status for the third year in a row.

	FY 2023-24			FY 2022-23		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	~ 31,000 tonnes	~39,000 tonnes	-	~ 27,500 tonnes	~ 32,500 tonnes
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

NA: Not applicable

**5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Please refer responses to Questions 3 and 4 above.



**Principle 3**

Businesses should respect and promote the well-being of all employees, including those in their value chains

**Essential Indicators**

**1. a. Details of Measures for the Well-being of Employees:**

Category	Total (A)	% of Employees Covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	21,804	21,804	100%	21,804	100%	NA	NA	10,324	47%*	-	-
Female	2,763	2,763	100%	2,763	100%	2,763	100%	NA	NA	2,763	100%
<b>Total</b>	<b>24,567</b>	<b>24,567</b>	<b>100%</b>	<b>24,567</b>	<b>100%</b>	<b>2,763</b>	<b>100%</b>	<b>10,324</b>	<b>47%</b>	<b>2,763</b>	<b>100%</b>
<b>Other than Permanent Employees</b>											
Male	25,729	25,559	99%	25,560	99%	NA	NA	NA	NA	-	-
Female	4,950	4,876	99%	4,876	99%	4,950	100%	NA	NA	4,950	100%
<b>Total</b>	<b>30,679</b>	<b>30,435</b>	<b>99%</b>	<b>30,436</b>	<b>99%</b>	<b>4,950</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>4,950</b>	<b>100%</b>

\*The Company offers paternity leave to all eligible male employees in managerial cadre

**b. Details of Measures for the Well-being of Workers:**

Category	Total (A)	% of Workers Covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	11,966	11,966	100%	11,966	100%	NA	NA	486	4%	-	-
Female	779	779	100%	779	100%	779	100%	NA	NA	779	100%
<b>Total</b>	<b>12,745</b>	<b>12,745</b>	<b>100%</b>	<b>12,745</b>	<b>100%</b>	<b>779</b>	<b>100%</b>	<b>486</b>	<b>4%</b>	<b>779</b>	<b>100%</b>
<b>Other than Permanent Workers</b>											
Male	25,518	25,496	99.9%	25,468	99.8%	NA	NA	NA	NA	-	-
Female	4,868	4,847	99.6%	4,847	99.6%	4,868	100%	NA	NA	4,868	100%
<b>Total</b>	<b>30,386</b>	<b>30,343</b>	<b>99.9%</b>	<b>30,315</b>	<b>99.8%</b>	<b>4,868</b>	<b>100%</b>	<b>NA</b>	<b>NA</b>	<b>4,868</b>	<b>100%</b>

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-**

	FY 23-24	FY 22-23
<b>Cost incurred* on well-being measures as a % of total revenue of the company</b>	0.1%	0.1%

\*Includes cost of accident insurance, health insurance, maternity leave benefit, paternity leave benefit, day-care facility cost.  
Note: Reporting for permanent employees including permanent workers, management and non-management staff of the Company. The other than permanent employees and workers include those deployed through Service Providers and their wages including well-being measures are provided by the service providers.

**2. Details of Retirement Benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with the Authority (Y/N/N.A.)	No. of Employees Covered as a % of Total Employees	No. of Workers Covered as a % of Total Workers	Deducted and Deposited with the Authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	10%*	17%*	Y	12%*	20%*	Y
Others, please specify	NA	NA	NA	NA	NA	NA

\*Covers all eligible employees

**3. Accessibility of workplaces**

**Are the premises/offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

As part of its commitment to enhancing diversity, ITC places particular emphasis on representation and inclusion of differently-abled persons. Most of the divisional head-quarters have enabling infrastructure such as:

- Elevators enabled with Braille signages for persons with visual difficulty
- Ramps, tactile pavers and handrails to facilitate movement of persons with motor disability
- Accessible parking places
- Accessible washrooms

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the Company has a Policy on Diversity, Equity and Inclusion which clearly articulates its emphasis on Equal Opportunity. The said Policy clearly states ITC's commitment towards providing equal opportunity. It also emphasizes the Company's Zero Tolerance Policy on discrimination, inter alia, on the grounds of disability. The aforesaid Policy can be accessed at <https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#EqualOpportunity>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent Workers	
	Return to Work	Retention Rate	Return to Work	Retention Rate
Male	100%	87%	NA	NA
Female	100%	93%	100%	92%
<b>Total</b>	<b>100%</b>	<b>88%</b>	<b>100%</b>	<b>92%</b>



**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	<b>Yes/No (If Yes, then give details of the mechanism in brief)</b>
<b>Permanent Workers</b>	Yes, ITC's Grievance Redressal Procedure is available to employees and workers. The objective of the policy is to facilitate open and structured discussion on employees' work-related grievances with the intent of ensuring that the grievance is dealt with in a fair and just manner whilst being in compliance with the Company's policies. ITC's open-door practices encourage an amicable and fair resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority, and attempt to arrive at a resolution before invoking a formal grievance redressal mechanism. In Unionised Units, grievances of workmen are also taken up for discussion by Union Office Bearers and resolved through dialogue with human resources managers and other designated managers. Units also have Committees with joint representation of workers and managers, which address grievances raised by one or more workers. In addition, many Units have forums where workers interact with the unit leadership team in small groups and share any suggestions or grievances they may have, for resolution. The Company's Whistleblower Policy is also available for the permanent employees.
<b>Other than Permanent Workers</b>	The Whistleblower Policy of the Company encourages all employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or reputation. In terms of the said Policy, the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. This Policy can be accessed on the Company's corporate website at <a href="https://www.itcportal.com/whistleblower-policy">https://www.itcportal.com/whistleblower-policy</a>
<b>Permanent Employees</b>	Same as stated for Permanent Workers.
<b>Other than Permanent Employees</b>	Same as stated for Other than Permanent Workers.

**7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total Employees/Workers in Respective Category (A)	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (B)	% (B/A)	Total Employees/Workers in Respective Category (C)	No. of Employees/Workers in Respective Category, who are part of Association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	24,567	10,372	42%	23,725	10,222	43%
- Male	21,804	10,215	47%	21,337	10,113	47%
- Female	2,763	157	6%	2,388	109	5%
<b>Total Permanent Workers</b>	12,745	10,372	81%	12,602	10,222	81%
- Male	11,966	10,215	85%	11,948	10,113	85%
- Female	779	157	20%*	654	109	17%*

*\*A vast majority of women workers are based in manufacturing units which currently do not have union representation. These are units that were commissioned in the recent past. ITC believes that all employees are important stakeholders in the enterprise, and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation. It is ITC's policy:*

- To respect the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management
- To ensure that employees are not discriminated against for exercising this freedom in a lawful manner and consistent with ITC's core values

**8. Details of training given to Employees and Workers:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and Safety Measures		On Skill Upgradation		Total (D)	On Health and Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Male	21,804	12,174	56%	11,524	53%	21,337	9,914	46%	6,464	30%
Female	2,763	1,409	51%	1,673	61%	2,388	877	37%	832	35%
<b>Total</b>	<b>24,567</b>	<b>13,583</b>	<b>55%</b>	<b>13,197</b>	<b>54%</b>	<b>23,725</b>	<b>10,791</b>	<b>45%</b>	<b>7,296</b>	<b>31%</b>
<b>Workers</b>										
Male	11,966	9,007	75%	6,591	55%	11,948	6,832	57%	4,052	34%
Female	779	685	88%	592	76%	654	524	80%	150	23%
<b>Total</b>	<b>12,745</b>	<b>9,692</b>	<b>76%</b>	<b>7,183</b>	<b>56%</b>	<b>12,602</b>	<b>7,356</b>	<b>58%</b>	<b>4,202</b>	<b>33%</b>

Note: The above includes formal Induction training upon joining and refresher trainings (Once in 3 years). Other forms of EHS trainings on the job, like safety briefings, tool box talks, drills etc. which would have covered most of the employees and workers have not been included.

**9. Details of Performance and Career Development Reviews of Employees and Workers.**

Category	FY 2023-24			FY 2022-23		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	21,804	19,690	90%	21,337	17,560	82%
Female	2,763	2,712	98%	2,388	2,283	96%
<b>Total</b>	<b>24,567</b>	<b>22,402</b>	<b>91%</b>	<b>23,725</b>	<b>19,843</b>	<b>84%</b>
<b>Workers</b>						
Male	11,966	9,852	82%	11,948	8,171	68%
Female	779	728	93%	654	549	84%
<b>Total</b>	<b>12,745</b>	<b>10,580</b>	<b>83%</b>	<b>12,602</b>	<b>8,720</b>	<b>69%</b>

**10. Health and Safety Management System:**

**a. Whether an Occupational Health and Safety Management System has been implemented by the Entity? (Yes/No). If yes, the coverage of such system?**

Yes, ITC has implemented occupational health and safety management system in all its Factories, Hotels, Offices and Warehouses. ITC endeavours that Environment, Health & Safety (EHS) standards at all its units are ahead of applicable legislation and regulations, Standards and Codes, and are benchmarked against international best practices across sectors in which it operates. ITC's approach to occupational health & safety standards is articulated in the Board approved Environment, Health and Safety Policy. It is based on an EHS management system that emphasises on enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators.

Further, the Company promotes a culture of safety through behaviour change programmes and by providing appropriate training to employees as well as service

providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

EHS requirements are integrated at the design stage for all new investments. Compliance with EHS standards during the construction phase as well as in operation phase of ITC units, Hotels, Warehouses and Offices is ensured by implementing project EHS management systems and through established EHS management systems with designated roles and responsibilities for competent resources, respectively.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

ITC has identified the EHS Risk Management framework as one of the integral steps towards building a robust safety management system in all its factories, hotels, offices and warehouses. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its

facilities. Shop floor processes in this regard include hazard spotting tours, suggestion schemes, daily briefings and periodic EHS Committee meetings in which employees participate. In addition, all ITC Units undergo periodic Environment, Health & Safety audits at the Business as well as Corporate level which endeavours to identify additional latent risks besides verifying compliance with standards. Several national awards and certifications acknowledge ITC's commitment and efforts towards providing a safe and healthy workplace to all.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. A system is in place across ITC factories, hotels and offices for workers to spot and report work-related hazards, and offer suggestions for improvements.

Necessary training is given to all employees in recognising hazards and issues. Joint inspections by

management representatives and employees on the shop floor are also carried out at regular intervals, and respective corrective and preventive measures are undertaken to mitigate the identified risks. In order to create an open and transparent safety culture across ITC Units, employees are encouraged to participate and discuss safety related issues in forums like periodic EHS Committee meetings and Departmental Open Forums.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, permanent employees and their family members have access to the Company provided or Company supported medical benefits. Workers have access to medical benefits through Company provided group insurance policies, Company funded medical support and where applicable, statutory benefits under the Employees' State Insurance Act.

**11. Details of safety related incidents.**

Safety Incident/Number**	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.05	0.07
	Workers	0.09	0.12
Total recordable work-related injuries	Employees	3	4
	Workers	7	8
No. of fatalities	Employees	0	0
	Workers	0	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	1

\*Including the contract workforce  
\*\*Onsite accidents

Note: For Question 11, Employees include only permanent employees, permanent workers and other than permanent employees whereas workers include only SPPs (Service Providers Personnel. Trainees/Apprentices not included.

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

In line with the Company's Environment, Health and Safety Policy, safety as a value-led concept has been institutionalised by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture. ITC has put in place comprehensive health and safety protocols for the safety and well-being of its stakeholders. ITC endeavours that EHS standards at all its units are ahead of applicable legislations, regulations, and Standards and Codes, and are benchmarked against international best practices across the diverse sectors in which it operates.

ITC continues to strengthen its safety processes, adopting globally recognised best practices, and ensuring that facilities are designed, constructed, operated and maintained in an inherently safe manner. ITC will continue to undertake efforts for creating a safe working environment and a strong safety culture by:

- Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections and pre-commissioning audits, thereby strengthening the engineering control measures through 'design for safety' principles.
- Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively.
- Implementing behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances.
- Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline.

- Embracing and leveraging the digital landscape for safety management system.
- Identifying solutions for strengthening the safety culture aligned with the goal of 'Zero Accidents'.

**13. Number of Complaints on the following made by employees and workers.**

Employees are encouraged to report work area related safety issues through various programmes like hazard identification processes, suggestion schemes and EHS Committees.

	FY 2023-24			FY 2022-23		
	Filed during the Year	Pending Resolution at the end of Year	Remarks	Filed during the Year	Pending Resolution at the end of Year	Remarks
Working Conditions	12	1 (resolved after March 2024)		134	8 (resolved after March 2023)	
Health & Safety	0	0		7	0	

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

Internal audits of ITC units at Divisional as well as Corporate level are being conducted on a periodic basis. Corrective and preventive measures are taken based on the findings. Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence. Accident investigation findings with corrective and preventive measures form part of the report presented to the Corporate Management Committee (monthly) and the Board of Directors (quarterly). The learnings from all accidents are disseminated across the organisation at periodic intervals and a formal compliance obtained.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes. In the unfortunate event of the death of an employee including workers, the Company extends financial support to family members of the employee.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full through periodic audits and controls.

**3. Provide the number of employees/workers having suffered high consequence work-related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.**

	Total no. of affected Employees/Workers*		No. of Employees/Workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment*	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	0	0	0	0
Workers	0	2	0	1

\*Onsite Accidents

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

ITC continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities where sought. The Company has in place a programme called 'Making New Choices' for retiring staff. In addition, the Company provides pension benefits and post-retiral medical benefits for those members of staff who qualify. Workers are provided with pension benefits, as per requirements of the relevant statute.

**5. Details on assessment of value chain partners:**

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers /value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

Health and safety audits conducted at ITC's own manufacturing sites cover all contract workers within ITC's operational premises. Additionally, ITC conducts third-party desktop assessment of its Critical Tier - 1\* suppliers which includes key aspects on Occupational Health and Safety, amongst other assessment criteria.

*\*All ITC Businesses have identified Critical Tier-1 suppliers based on aspects like buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified critical suppliers.*

% of value chain partners (by value of business done with such partners) that were assessed	
	Critical Tier-1 Suppliers
Health and safety practices	40%
Working Conditions	

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

ITC's Sectoral EHS Guidelines are shared by Businesses with their value chain partners, and periodic training is given to their concerned personnel.

Periodic audits by ITC are conducted for some of its key value chain partners against the Sectoral EHS guidelines. Corrective and preventive measures are recommended based on the audit findings.



**Principle 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

In line with the Board approved Policy on Stakeholder Engagement, ITC has evolved a structured framework for identifying and engaging with its key stakeholders across the value chain. ITC's engagement approach is anchored on the principles of materiality, completeness and responsiveness.

The engagement approach takes into cognisance the fact that each stakeholder group is unique and has a distinctive set of priorities. Insights gathered from stakeholder engagements, help validate the Company's performance and shape new perspectives.

*Note: For details on ITC's Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of ITC Sustainability Report 2024.*



**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Providers of financial capital	No	For more details on consultation mechanisms and key issues discussed with the stakeholder groups, refer to 'Strengthening Relationships with All Stakeholders' section of ITC Sustainability Report 2024		
Government and regulatory authorities	No			
Customers	No			
Employees	No			
Farmers	Yes			
Value chain partners	No			
Media	No			
Civil Society	No			
Local communities	Yes			

**Leadership Indicators**

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

ITC believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. In this context, the Company has laid down a four layered mechanism to deal with the aspect of stakeholder engagement.

The Board, through the CSR and Sustainability Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CMC before the CSR and Sustainability Committee. The CMC in turn has constituted the Sustainability Compliance Review Committee (SCRC), comprising senior members of management, which evaluates and monitors compliance with the Policy formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

The Company has a practice of periodically assessing employee engagement through a Company-wide survey. Since 2016, the Company has made a concerted effort to assess and improve engagement. The impact is visible in the consistent improvement of engagement over the years.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, the Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, the Company anchors stakeholder engagement on the following principles:

**a) Materiality** – Prioritised consideration of the economic, environmental and social impacts identified to be important to the stakeholders as well as the organisation.

**b) Completeness** – Understanding key concerns of stakeholders and their expectations.

**c) Responsiveness** – Responding coherently and transparently to such issues and concerns. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across Businesses and Units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across Businesses, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships, which have stood the test of time. Select examples of how stakeholder inputs have been incorporated into ITC's policies and activities are presented below:

**1. Investors:** The Company engages extensively with the investor ecosystem i.e., analysts representing institutional equity investors, fund/portfolio managers in top FIIs, Domestic Mutual Funds, FPIs, Private Insurance Companies etc. The Company hosted its second 'Investor Day' event for the investor community to provide deeper insights into ITC's Corporate Strategy and operating segments including inter alia, the 'ITC Next Strategy' which incorporates Sustainability 2.0 as a significant strategic pillar of the organisation. The event was hosted in hybrid mode with over 100 physical attendees and 400+ overall attendees. The Company continues to communicate quarterly performance takeaways through press releases and detailed Investor presentations along with post-result calls with analysts. Key highlights of the performance are also being shared with the shareholders by e-mail. The Investors section of the Company's website is also being updated on an ongoing basis. The Company is well-recognised for its ESG credentials, and is acknowledged as one of the pioneers of adopting the Triple Bottom Line philosophy in India.

**2. Customers & Value Chain Partners:** Customers, Consumers and Value Chain Partners are some of ITC's core stakeholders. Various tech-enabled avenues have been deployed to constantly receive feedback and ideas from these stakeholders.

A specialised team, 'Team Synthesis', has progressively evolved from being a 'Customer Interactions' team to a 'Customer Experience' team to 'Stakeholder Experience Team', and now into a 'Stakeholder Experience Management Team'. In its current avatar, in addition to keeping customer centricity as the base, SOPs and policies are designed and implemented in such a manner that the experience of all stakeholders is taken into equitable consideration. This has not just helped in achieving better experience for customers as well as the employees, but has also made every stakeholder accountable for the team's and the organisation's

growth. Rapidly evolving consumer needs are constantly being monitored through social listening, in-depth immersions and are being carefully synthesised to transform into relevant solutions. A few key initiatives that demonstrate the above are:

- The entire customer experience process has been incentivised for the associates, team leaders as well as for the Quality Analysts (QAs) in such a manner that each month they accumulate certain points for their monthly performance based on objective and quantitative parameters. This has given the primary stakeholders (the associates) an opportunity to perform better. The parameters include factors like ideation (KAIZEN) and initiatives taken beyond tasks to improve the process continuously.
- The scenarios related to matters like environment, product, packaging, ergonomics, quality engineering, etc. highlighted by the customers are answered as per the respective brand teams, and any new or unique scenario highlighted by the customers is shared with the respective stakeholders as a VOC (Voice of Customer).

**3. Community:** Presented ahead are some of the instances where inputs received from stakeholders were incorporated into interventions.

Core Area Perspective Plan (CAPP) is done in ITC's catchments to understand the need of the communities and design the interventions basis that. A comprehensive community needs assessment was earlier undertaken in 2015-16 in ITC's core areas, that is, factory and agri-catchments. Basis this the CAPP 1.0 was developed. Whilst we keep revisiting the needs, basis regular stakeholder engagements, CAPP 2.0 was taken up in FY 2021-22 which also focussed on ITC's core catchments across 21 factories and 7 agri locations. The objectives of CAPP 2.0 were to:

- Revisit coverage and community needs in the changed external context;
- Assess reasons for not achieving the earlier planned outcomes (if any); and
- Re-strategise MSK themes and approach based on the findings

As a follow up to the second CAPP 2.0 done in FY 2021-22, household surveys are conducted every year on a lower sample to re-assess and reaffirm the continued relevance of the needs identified and accordingly cognise for the same in the future plans. In FY 2023-24, over 6,000 households across 4 states were covered.

Forming large-scale long-term partnerships with Government to amplify reach & scale is one of the core tenets of SIP's implementation approach. In this case, stakeholder feedback was received

through consultations and interactions and they were duly incorporated during renewal/extension of the partnership. During the year, some PPPs with government ended and discussions were initiated on what changes and additions need to be considered in the next phase of partnership. Two such examples are shared below:

- In Madhya Pradesh, Climate Smart Village (CSV) programme is being implemented in 1,500 villages by ITC directly. Considering the need for replicating CSVs across the state, ITC organised field visits for the State Agricultural Department. Post visits, discussions were taken up on how can CSV model be replicated by the Government. ITC presented its CSV approach to Department's state and district level officials. Post the meetings, an MoU was signed to replicate ITC's CSV model in the entire state starting with six districts in Phase-1. The CSV approach will be replicated by the Government staff with ITC's support for capability building. On-ground delivery of the programme has since been initiated.
- In Andhra Pradesh, ITC was working with Women Development and Child Welfare in the area of Early Childhood Education and Care (ECCE) in 13 districts. ITC trained Integrated Child Development Services (ICDS) Supervisors who in turn cascaded the training to Anganwadi Sevikas. After successfully implementing the programme in 13 districts, it was decided that there is a need to replicate the approach to entire state. Accordingly, a MoU was signed with the Department during FY 2023-24 to expand the partnership to the entire state.

### **3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

ITC's SIP adopts a bottoms-up approach to identify and address the emerging needs of the community. Presented hereunder are a few instances wherein changing community needs were addressed either through modifications in ongoing programme components or by introducing entirely new interventions.

- ITC through the skill training centres provides vocational training to unemployed youth from marginalised sections to help them get livelihood opportunities. In Pune, unemployed women from two villages were not able to travel to the skill centre as traveling cost was high, which they were not able to bear. During mobilisation meetings, the community requested if training can be provided in a nearby place. To overcome the challenge, ITC started a temporary community level vocational skilling centre in their villages itself. 27 youth from these villages including 20

women were trained in electrical trade with all required equipment and standards.

- In ITC catchments, toilets have been constructed and catchments were declared Open Defecation Free (ODF) by the Government, but many of the earlier constructed toilets are single pit. During meetings, the community expressed requirement of double pit toilets as their single pit toilet may get filled up in the coming year and thus toilet will become non-usable. In a twin pit toilet, once one pit is filled up, second pit is used and desludging is done for faecal sludge management in first pit. To address this, ITC worked with the local Swachh Bharat Mission team and helped needy households to retrofit another pit to their existing toilet. This intervention would thus help in sustaining the ODF status of the area.

- ITC has been working with Watershed Development Department of Karnataka as part of its partnership for drought proofing programme for last three years. In the current year, there was severe drought in North Karnataka districts which required additional support. ITC immediately geared up to respond to the issue by designing and implementing drought support interventions in three North Karnataka districts – Balagavi, Kalaburagi and Yadgir. ITC provided critical irrigation support using rain guns, liquid fertiliser application through drones, renovation of open wells and water bodies, and fodder support to feed the animals. Approximately 2,200 poor households were benefited covering 3,000 acres, who could save their rabi crop, ensure survival of their animals and also had income generation opportunities in the village itself.

- In Kapurthala district of Punjab, ITC has been implementing Crop Residue Management programme since 2018, to help farmers not to burn paddy crop residue and to incorporate stubble into soil in order to improve soil health. However, over a period of time, farmers realised that in addition to adding stubble into soil, there is also a need for options to sell stubble (ex-situ solutions) and generate income. Considering this need, a small pilot was taken up in 2022-23 with 10 rural entrepreneurs which was extended to 73 entrepreneurs in 2023-24. These entrepreneurs handled 1,900 tons of residue which was sold for fodder and ethanol purposes. A workshop was also organised in December 2023, to make the farmers aware of various ex-situ marketing solutions available. Solutions discussed included Biofuel, Bio-ethanol, Building material, Biogas, Biochar, Pellets, Kitchen and tableware. The solutions which were of interest to farmers were listed out and are being pursued in the field by connecting farmers and rural entrepreneurs with the specific buyers/end-users.



## Principle 5

Businesses should respect and promote human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	2023-24			2022-23		
	Total (A)	No. of Employees/ Workers Covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers Covered (D)	% (D/C)
<b>Employees</b>						
Permanent	24,567	24,567	100%	23,725	23,725	100%
Other than Permanent	30,679	30,679	100%	26,099	26,099	100%
<b>Total Employees</b>	<b>55,246</b>	<b>55,246</b>	<b>100%</b>	<b>49,824</b>	<b>49,824</b>	<b>100%</b>
<b>Workers</b>						
Permanent	12,745	12,745	100%	12,602	12,602	100%
Other than Permanent	30,386	30,386	100%	25,987	25,987	100%
<b>Total Workers</b>	<b>43,131</b>	<b>43,131</b>	<b>100%</b>	<b>38,589</b>	<b>38,589</b>	<b>100%</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	2023-24					2022-23				
	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage (C)	% (C/A)	Total (D)	Equal to Minimum Wage (E)	% (E/D)	More than Minimum Wage (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>24,567</b>	<b>310</b>	<b>1%</b>	<b>24,257</b>	<b>99%</b>	<b>23,725</b>	<b>41</b>	<b>0.2%</b>	<b>23,684</b>	<b>99.83%</b>
Male	21,804	278	1%	21,526	99%	21,337	40	0.2%	21,297	99.8%
Female	2,763	32	1%	2,731	99%	2,388	1	0%	2,387	100%
<b>Other than Permanent</b>	<b>30,679</b>	<b>10,963</b>	<b>36%</b>	<b>19,716</b>	<b>64%</b>	<b>26,099</b>	<b>8,819</b>	<b>34%</b>	<b>17,280</b>	<b>66%</b>
Male	25,729	8,274	32%	17,455	68%	22,157	6,571	30%	15,586	70%
Female	4,950	2,689	54%	2,261	46%	3,942	2,248	57%	1,694	43%
<b>Workers</b>										
<b>Permanent</b>	<b>12,745</b>	<b>310</b>	<b>2%</b>	<b>12,435</b>	<b>98%</b>	<b>12,602</b>	<b>41</b>	<b>0.3%</b>	<b>12,561</b>	<b>99.7%</b>
Male	11,966	278	2%	11,688	98%	11,948	40	0.3%	11,908	99.7%
Female	779	32	4%	747	96%	654	1	0.2%	653	99.8%
<b>Other than Permanent</b>	<b>30,386</b>	<b>10,870</b>	<b>36%</b>	<b>19,516</b>	<b>64%</b>	<b>25,987</b>	<b>8,819</b>	<b>34%</b>	<b>17,168</b>	<b>66%</b>
Male	25,518	8,217	32%	17,301	68%	22,061	6,571	30%	15,490	70%
Female	4,868	2,653	54%	2,215	46%	3,926	2,248	57%	1,678	43%

**3. a. Details of remuneration/salary/wages**

**Median remuneration / wages:**

	Male		Female	
	Number	Median Remuneration/ Salary/Wages of Respective Category (in INR)	Number	Median Remuneration/ Salary/Wages of Respective Category (in INR)
Board of Directors (BoD)	13	1,11,00,000	3	1,07,50,000
Key Managerial Personnel*	5	8,25,79,405	-	-
Employees other than BoD and KMP	21,799	7,14,281	2,763	7,03,725
Workers	11,966	5,08,615	779	2,10,163 <sup>#</sup>

\* Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary

<sup>#</sup> The majority of female workers are employed in new manufacturing units. Since a significant majority of these recruits are new entrants, the median remuneration appears lower.

**b. Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages paid	10%	10%

Note: Pertains to permanent employees that include permanent workers, management and non-management staff.

**4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).**

Yes. ITC has a long-standing commitment to human rights and it is reflected in its Code of Conduct. The Company has policies on human rights which are applicable to its employees, suppliers and service providers. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO). The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on human rights and decent workplace. All ITC contracts for the construction of hotels, factories and property upgrades incorporate the environment, health, safety and human rights clauses, including workplace environment and compliance of labour practices and are supervised by ITC managers for adherence.

Human Rights related policies of the Company are available on the ITC Portal. These include ITC Code of Conduct, Policy on Freedom of Association, Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, and Policy on Diversity, Equity & Inclusion. The implementation of these Policies is ensured by Divisional/SBU Chief Executives, through

members of the respective Management Committees of the respective Businesses.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

ITC's open-door practices encourage amicable resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority and attempt to arrive at a resolution. If grievances persist, employees can fill up the Grievance Redressal Form and submit to the concerned HR Manager. The process of registering a grievance is by filling up a grievance form and submitting it to the concerned HR Manager which is then evaluated and analysed and a resolution is arrived and communicated to the employee. The grievance redressal guidelines and necessary forms are available on the Company intranet where employees can access the same directly. The ITC Whistleblower Policy (the Policy) encourages Directors and employees of the Company to promptly bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such reported incidents in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. The Policy is available at <https://www.itcportal.com/about-itc/values/index.aspx#sectionb5>



**6. Number of Complaints on the following made by employees and workers:**

	FY 2023-24			FY 2022-23		
	Filed during the Year	Pending Resolution at the end of Year	Remarks	Filed during the Year	Pending Resolution at the end of Year	Remarks
Sexual Harassment	5	0		1	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		2	0	
Other Human Rights Related Issues	0	0		0	0	

*Note: ITC has a zero-tolerance approach to any behaviour that constitutes sexual harassment. There are Internal Complaints Committees to examine and investigate any complaints. In the past, where investigations have indicated any violations, appropriate disciplinary actions have been taken, reinforcing the Company's stated position and helping create an environment free of any harassment.*

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	5	1
Complaints on POSH as a % of female employees/workers	0.18%	0.04%
Complaints on POSH upheld	5	1

*Note: Pertains to permanent employees which includes permanent workers, management and non-management staff*

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

ITC is committed to a workplace free from harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. ITC encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. As part of the Policy, the complainant will not suffer any harassment, retaliation or adverse employment condition upon this reporting. All employees are made aware of this Policy through regular training and awareness on the subject and confidentiality clauses are clearly stated. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS, human rights and labour practices. Additionally, ITC has a 'Code of Conduct for Suppliers and Service Providers'. This requires suppliers to comply with applicable laws, labour standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. All Suppliers are expected to meet the requirements of this Code. ITC also expects its Suppliers to hold their business associates to the same standards as enshrined in this Code.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others-please specify	-

*Note: The Company has Policies on Human Rights which are applicable to all its employees and value chain partners. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the Fundamental Human Rights Conventions of the International Labour Organisation (ILO).*

**11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.**

Please refer to response to Question 10 of Principle 5 under essential indicators.

## Leadership Indicators

### 1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

ITC's Code of Conduct for its employees as well as Suppliers and Service Providers, is adopted by the Board. The Code covers ITC's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, relationships with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption, and exemplary personal conduct. ITC constantly engages with the rightsholders and stakeholders across the supply chain for devising programmes that support Human Rights and Social Development in an integrated manner.

An illustrative example for ITC's leaf tobacco value chain is presented below. ITC coordinates Human Rights impact assessment with an independent party for its farm value chains. Sustainable Tobacco Programme 2.0 is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on environmental, social and governance elements. The programme focuses on 8 themes demanding leaf suppliers' commitment on – Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance. The Human Rights Due Diligence focusses on identifying human rights risks and impacts covering farmers and communities. Some of the actions undertaken as an outcome of the assessment are:

**Training and Awareness on Human Rights:** Training and Awareness on Human Rights organised in 361 villages covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, WASH, No Discrimination and other areas pertaining to Human Rights.

**Farm Safety:** ITC undertakes a holistic approach that address the farm safety challenges in farming. 5,000 farmers have been provided with Personal Protective Equipment (PPE) kits for safe spraying of chemicals and Secured Storage Box for safe storage of chemicals was provided for 3,600 farmers. Technology like Drones were scaled up covering 11,560 acres minimising human interference while chemical spraying, besides increasing the efficacy of operation and water saving.

For enabling easy access to drinking water, ITC established community level water plants which are operated on a self-sustaining model. 9 new Reverse Osmosis plants were established in FY 2023-24 taking the total current operational plants to 169 units, which provide safe drinking water to over 2.2 lakh rural people.

### 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The scope and coverage of Human Rights Due Diligence

extends to own operations including manufacturing locations, Hotels, offices and value chain partners.

### 3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of our establishments are accessible to the differently abled persons (including visitors), with facilities like Persons with Disabilities (PWD) friendly entrance, wheelchair, braille systems, and tactile pavers etc. Accessible washroom is available for the visitors.

### 4. Details on assessment of value chain partners:

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers / value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

ITC periodically coordinates third party Human Rights impact assessment for the tobacco farm supply chain. Additionally, ITC conducts third-party desktop assessment of its Critical Tier - 1\* suppliers which includes key aspects on Human Rights, Labour Rights and Occupational Health and Safety, amongst other assessment criteria.

For more details, refer to response to Question 1 (Principle 5) under leadership indicators.

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
	<b>Critical Tier-1 Suppliers*</b>
Sexual Harassment	40%
Discrimination at work-place	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

\*All ITC Businesses have identified Critical Tier-1 suppliers based on aspects like buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified critical suppliers.

### 5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.

Please refer to responses to Questions 1 and 4 of Principle 5 under Leadership Indicators.



## Principle 6

Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (All quantities in TJ except where specified)	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A)	1,083	968
Total fuel consumption (B)	11,910	10,337
Energy consumption through other sources (C)	175	189
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>13,168</b>	<b>11,494</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,011	1,023
Total fuel consumption (E)	12,058	14,234
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>13,069</b>	<b>15,257</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>26,237</b>	<b>26,751</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed/Revenue from operations) (in Giga Joules/Crore INR)	374	381
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed/Revenue from operations adjusted for PPP) (in GJ/Million USD)	856	862
<b>Energy intensity in terms of physical output*</b> (in GJ/tonne of production)	23.01	23.59
Energy intensity (optional) – the relevant metric may be selected by the entity		

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for energy intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 80% of ITC's total energy consumption. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2024.

ITC's energy consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Three Units of ITC's Paperboards and Speciality Papers Business and twelve Hotels of Hotels Business are covered under the PAT scheme. The details of Units under PAT scheme is available at <https://beeindia.gov.in/en/programmesperform-achieve-trade/pat-notifications>

ITC has made significant investments in reducing energy consumption and, accordingly, the performance of the Company's Units covered far exceeds the energy efficiency targets fixed under the PAT scheme. The Bhadrachalam Unit is the first pulp and paper mill and the second unit in the country overall, to be rated GreenCo Platinum+ by CII, as part of Green Company rating system.

Note: Details of the energy efficiency initiatives measures implemented during the year are included in 'Disclosure on Conservation of Energy and Technology Absorption' section of the Report of the Board of Directors & Management Discussion and Analysis in ITC Report and Accounts 2024.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in million kilolitres)</b>		
(i) Surface water	28.2	27.2
(ii) Groundwater	5.2	4.8
(iii) Third party water	1.7	1.8
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in million kilolitres) (i + ii + iii + iv + v)</b>	35.1	33.8
<b>Total volume of water consumption</b> (in million kilolitres) (Total water withdrawal – total water discharged)	13.3	13.8
<b>Water intensity per rupee of turnover</b> (Total water consumption/Revenue from operations) (in kilolitres/Crore INR)	189	197
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption/Revenue from operations adjusted for PPP) (in kilolitres/Million USD)	433	446
<b>Water intensity in terms of physical output*</b> (in kilolitres/tonne of production)	8.33	8.87
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for water intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for ~70% of ITC's total water consumption. For data of other Divisions, refer to 'Water Security' section of ITC's Sustainability Report 2024.

There is a reclassification of 'Rainwater' under 'surface water' and 'externally supplied waste water' under 'third party' for FY 2023 data, without any change in total water withdrawal.

ITC's water withdrawal and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. The programme promotes the development and management of local water resources in water-stressed areas by facilitating community participation in planning and implementing such measures, whilst building, reviving and maintaining water-harvesting structures. As on 31st March 2024, ITC's watershed development projects covering over 1.6 million acres of land created a total rainwater harvesting potential (RWH) of nearly 55 million kl (cumulative), which is over four times the net water consumed by ITC's operations.

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in million kilolitres)</b>		
(i) To Surface water	11.5	11.7
No treatment	0	0
With treatment – please specify level of treatment	Secondary	Secondary
(ii) To Groundwater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	10.4	8.3
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
<b>Total water discharged (in million kilolitres)</b>	<b>21.9</b>	<b>20.0</b>

ITC's water discharge data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

ITC's approach to water stewardship focuses on reducing water intake by utilising treated wastewater within the process, thereby reducing demand for fresh water. ITC Units have put in place necessary systems to comply with the Consent to Operate (CTO) conditions including Zero Liquid Discharge, where applicable. 35 Units of ITC including 13 hotels have achieved zero effluent discharge.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Tonnes	2,345	2,380
SOx	Tonnes	2,390	3,600
Particulate matter (PM)	Tonnes	562	705
Persistent organic pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)*	Tonnes	8.4	8

\*The data is for PSPD Bhadrachalam Unit's Hydrogen Sulphide emissions (H<sub>2</sub>S)

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	kilo tonnes of CO <sub>2</sub> equivalent	1,141	1,350
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	kilo tonnes of CO <sub>2</sub> equivalent	231	231
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tonnes of CO <sub>2</sub> equivalent/ Crore INR	20	22
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tonnes of CO <sub>2</sub> equivalent/ Million USD	45	51
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output*</b>	tonnes of CO <sub>2</sub> equivalent/ tonne of production	1.10	1.29
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b> – the relevant metric may be selected by the entity			

\*Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for Scope 1 and Scope 2 emission intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 75% of ITC's total Scope 1 and Scope 2 emissions. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2024.

ITC's GHG emissions (Scope 1 and Scope 2) data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

ITC's PSPD has large-scale Farm Forestry programmes promoting sustainable forest management with primary aim of securing pulpwood requirement for Business continuity. ITC also has a large-scale Social Forestry programme, which, in addition to sequestering carbon, also benefits the stakeholders by improving productivity of wasteland, and de-risking poor rural households by diversifying farm portfolios through promotion of tree-based farming. During FY 2023-24, the Farm and Social Forestry programmes have together sequestered over 5.5 million tonnes of CO<sub>2</sub>.

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

ITC has undertaken a target of 50% reduction in Specific GHG Emissions (% Reduction in Scope 1 & 2 emission per Unit of Production) by 2030 as part of its Sustainability 2.0 ambitions. Accordingly, actions are being undertaken to reduce greenhouse gas emissions by investing in energy efficiency and increasing share of renewable energy.

**Energy efficiency:**

All ITC Units focus on energy efficiency through process improvements and investment in new technologies. Over the years, ITC has implemented measures like installation of Vapour Absorption Machines (VAM), Automation in tube cleaning system of Heating, Ventilation and Air Conditioning (HVAC), and installation of energy efficient equipment such as chillers, AHUs, motors, fans, pumps, and agitators. In FY 2023-24, the investments in energy conservation equipment have resulted in energy savings of about 500 TJ, which is equivalent to over 50,000 tonnes of GHG emissions.

In line with ITC's focus on accelerating digitalisation across Businesses, ITC's PSPD is implementing several transformative projects leveraging Industry 4.0 technologies across key business areas, to enhance productivity, reduce carbon footprint, achieve strategic cost efficiencies and superior product performance.

Some of the major projects undertaken by ITC's PSPD as part of its Digital Transformation Programme include process



debottlenecking and throughput improvement for productivity and Overall Equipment Effectiveness (OEE), process capability improvement leading to reduction in defects and resource optimisation.

**Renewable energy:**

ITC has invested in renewable energy projects, for both renewable electricity and renewable thermal requirements. ITC has invested in several solar electricity projects during the year. Augmentation of Renewable Energy assets with commissioning of two offsite solar power plants, of capacity 13.5 MW in Uttar Pradesh and 14.5 MW in Karnataka. With investments over the years, ITC has increased its renewable energy capacity to over 200 MW. Based on the investments in renewable electricity and renewable thermal projects, ITC has been able to increase its renewable energy share to 50%, seven years ahead of its 2030 target.

**9. Provide details related to waste management by the entity, in the following format:**

Total waste generated is mentioned in rows (A) to (H)

Parameter (in kilo tonnes)	FY 2023-24	FY 2022-23
Plastic waste (A)*	-	-
E-waste (B)	0.09	0.11
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)#	12	6
Battery waste (E)	0.13	0.15
Radioactive waste (F)	-**	0.001
Other Hazardous waste. Please specify, if any. (G)	22	18
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	696	682
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>730</b>	<b>706</b>
<b>Waste intensity per rupee of turnover</b> (Total waste generated/Revenue from operations)	10	10
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated/Revenue from operations adjusted for PPP)	24	23
<b>Waste intensity in terms of physical output<sup>&amp;</sup></b> (in tonnes of waste generated/tonne of production)	0.64	0.63
<b>Waste intensity (optional)</b> – the relevant metric may be selected by the entity	-	-
Total waste recovered through recycling, re-using or other recovery operations		
(i) Recycled	714	695
(ii) Re-used***	-	-
(iii) Other recovery operations	12	11
<b>Total</b>	<b>726</b>	<b>705</b>
Total waste disposed by nature of disposal method		
(i) Incineration	0.5	0.6
(ii) Landfilling	1.3	0.4
(iii) Other disposal operations	0.4	0.1
<b>Total</b>	<b>2.2</b>	<b>1.1</b>

\* Plastic waste is reported under Non-hazardous waste

\*\* Insignificant quantity of radioactive waste was generated.

\*\*\* Waste re-used is reported under waste recycled

# Construction and Demolition (C&D) waste: There is an increase in C&D waste on account of multiple new Projects being executed across ITC.

<sup>&</sup> Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for waste intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 80% of ITC's total waste generation. For data of other Divisions, refer to 'Towards Circularity' section of ITC's Sustainability Report 2024.

ITC's waste data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

In FY 2023-24, ITC continued to recycle over 99% of waste from its operations. In addition to this, the Company's PSPD recycled over 89,000 tonnes of externally sourced waste paper, thereby creating a positive environmental footprint. The Company also collected and sustainably managed more than 100% of its post-consumer plastic packaging waste.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste**

The Company has initiated measures across Units to ensure waste minimisation, segregation of waste at source and recycling. During the year, the recycling level reached over 99%. In addition, over 89,000 tonnes of externally sourced waste paper was used as raw material during the year.

ITC follows a proactive approach to manage hazardous chemicals by actively looking for alternatives, which not only helps keep its operations safe, but also ensures safest products for customers. This approach is demonstrated in pioneering practices implemented by ITC like Elemental Chlorine Free (ECF) bleaching, and ozone bleaching technology in India in its Paper Business, and switching from solvent-based inks to water-based ones in its Packaging and Printing Business.

*Note: For more details, refer to 'Chemical Safety Management' section of ITC Sustainability Report 2024*

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required.**

ITC's existing operations/offices comply with applicable environmental regulations of the Country, and operate as per Consent to Operate (CTO) conditions from the Central and State Pollution Control Boards in line with guidelines issued by the Ministry of Environment, Forest and Climate Change, Government of India.

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Proposed Mill Expansion Plan (MEP) to increase Paper/Board capacity at ITC Limited, PSPD Unit Bhadrachalam	EIA Notification 2006	September, 2023	Yes	Yes	<a href="https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FTG%2FIN D1%2F444107%2F2023&amp;proposal=9432522">https://parivesh.nic.in/newupgrade/#/trackYourProposal/proposal-details?proposalId=IA%2FTG%2FIN D1%2F444107%2F2023&amp;proposal=9432522</a>

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.**

ITC's existing operations/offices comply with applicable environmental regulations of the Country, and operate as per CTO conditions from the Central and State Pollution Control Boards.

**Leadership Indicators**

**1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).**

ITC has developed the water risk assessment methodology for identifying water stressed areas based on WRI Aqueduct's Baseline Water Stress and Central Ground Water Board's (India) groundwater block classification. Site level assessment for water stress sites is done periodically using the above assessment framework and sites for interventions are prioritised on the basis of stakeholder consultation and business needs. ITC's water stewardship goals are available in 'Sustainability 2.0 Ambitions' section of ITC Sustainability Report 2024.

For each facility/plant located in areas of water stress, provide the following information:

- (i) Name of the area: Kapurthala, Saharanpur, Ranjangaon, Kothagudem, Bengaluru and Kovai
- (ii) Nature of operations: Manufacture of FMCG products and Paperboards & Specialty Papers
- (iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in million kilolitres)</b>		
(i) Surface water	28.1	27.2
(ii) Groundwater	0.1	0.1
(iii) Third party water	0.5	0.5
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in million kilolitres)	28.7	27.8
<b>Total volume of water consumption (in million kilolitres)</b> <b>(Total water withdrawal – Total water discharged)</b>	8.4	9.3
<b>Water intensity per rupee of turnover</b> (Water consumed/turnover) (in kilolitre/crore INR)	121	132
<b>Water intensity (optional)</b> – the relevant metric may be selected by the entity		
<b>Water discharge by destination and level of treatment (in million kilolitres)</b>		
(i) Into Surface water	10.5	10.7
No treatment	0	0
With treatment – please specify level of treatment	Secondary	Secondary
(ii) Into Groundwater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	9.8	7.7
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
<b>Total water discharged (in million kilolitres)</b>	<b>20.3</b>	<b>18.5</b>

*ITC's water withdrawal, discharge and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.*

**2. Please provide details of total Scope 3 emissions & its intensity**

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Kilo tonnes of CO <sub>2</sub> equivalent	253	295
Total Scope 3 emissions per rupee of turnover	Tonnes of CO <sub>2</sub> equivalent/crore INR	3.60	4.21
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

The scope of coverage for Scope 3 emission is mentioned in 'Climate Change' section of ITC Sustainability Report 2024.

*Note: The Scope 3 emission for FY 2023-24 has reduced due to lower exports of some of the Agri commodities and substituting imported raw materials with domestically sourced raw materials.*

**3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Refer response in above Essential Indicator 11. For details on the Company's approach to Biodiversity Management, refer to 'Biodiversity Management' section of ITC Sustainability Report 2024.

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives.**

The Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimising environmental impact. For details, refer to 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors & Management Discussion and Analysis in ITC Report and Accounts 2024, and 'Climate Change', 'Water Security', 'Towards Circularity', 'Chemical Safety Management', and 'Air Emissions Management' sections of ITC Sustainability Report 2024.

**5. Does the entity have a business continuity and disaster management plan?**

Yes, all Businesses in ITC have Business Continuity Plans duly approved by the Management Committee of the respective Businesses. Such Business Continuity Plans have been made comprehensive to include all facets of operations and are being tested at pre-determined intervals.

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. The Code is shared and accepted by supply chain partners and service providers. ITC has a robust process of evaluating its Suppliers

and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. Additionally, ITC facilitates its value chain partners in handling any adverse impacts. For example, managing hazardous chemicals is not only important within ITC factories, but also in the supply chain. Within the supply chain, farmers working with hazardous pesticides is an area of special attention. ITC's approach is to eliminate or reduce the use of hazardous pesticides. Intensive training is conducted on Integrated Pest Management (IPM), which helps adopt a holistic approach in reducing pesticide usage as well as substituting such pesticides with nature-based solutions. The training programmes also cover the safe handling of pesticides used and the responsible management of waste generated.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Key value chain partners like third-party manufacturers are encouraged to adopt management practices detailed under International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Environment, Health and Safety (EHS) Guidelines. Contract manufacturing agreements also include aspects of EHS. Systems are in place for monitoring and reporting on key Third-Party Manufacturers' (TPMs) environmental performance, including energy, water and waste management. ITC's leading Agri value chains are assessed for certification standards such as Forest Stewardship Council® (FSC)®, Rainforest Alliance, Sustainable Tobacco Programme (STP 2.0), G.A.P., etc. These standards, among others, also include environmental criteria. Additionally, ITC conducts third-party assessment of its Critical Tier-1\* suppliers on an ongoing basis, and this assessment covers key aspects on environmental compliance and management practices. 40% of ITC's Critical Tier-1 suppliers have been assessed so far.

*\*All ITC Businesses have identified Critical Tier-1 suppliers based on buy value, ESG risk exposure, importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified Critical suppliers.*



## Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

### Essential Indicators

#### 1 a. Number of affiliations with trade and industry chambers/ associations.

ITC's Policy on Responsible Advocacy (<https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx>) provides the framework for necessary interface with Government/Regulatory Authorities on matters concerning various sectors in which the Company operates. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. The Company works with apex industry institutions that are engaged in policy advocacy as well as various other forums. The Company had active affiliations with 89 such trade and industry chambers/associations.

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	ASSOCHAM	National
2	All India Management Association	National
3	Confederation of Indian Industry	National
4	Madras Management Association	State
5	Indian Merchants Chamber of Commerce	National
6	Mahratta Chamber of Commerce, Industries & Agriculture	State
7	PHD Chamber of Commerce & Industry	National
8	Bombay Management Association	State
9	Federation of Indian Chambers of Commerce & Industry	National
10	Retailers Association of India	National



**2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

The Company has not engaged in any anti-competitive conduct.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity.**

S. No.	Public Policy Advocated	Method Resorted for such Advocacy	Whether Information Available in Public Domain? (Yes/No)	Frequency of Review by Board (Annually/Half-yearly/Quarterly/ Others – please specify)	Web Link, if available
1.	<p>The Company's Policy on Responsible Advocacy approved by the Board provides the framework for necessary interface with Government/ Regulatory Authorities on matters concerning various sectors in which the Company operates.</p> <p>Sector-wise matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.</p>	<p>The Company works with apex industry institutions that are engaged in policy advocacy, like the Confederation of Indian Industry, Federation of Indian Chambers of Commerce &amp; Industry, Associated Chambers of Commerce and Industry of India, and various other forums including regional Chambers of Commerce.</p> <p>The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.</p>	<p>For more details, refer to 'Report of the Board of Directors &amp; Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2024.</p>	Annually	-





## Principle 8

Businesses should promote inclusive growth and equitable development

### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief Details of Project	SIA Notification No.	Date of Notification	Whether Conducted by Independent External Agency (Yes/No)	Results Communicated in Public Domain (Yes/No)	Relevant Web link
Not Applicable					

2. Provide Information on Project(s) for which Ongoing Rehabilitation and Resettlement (R&R) is being Undertaken by your Entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

ITC's Social Investments Programme (SIP) adopts a bottom-up approach by keeping community needs and priorities as the key driver of all its interventions. Detailed and structured community engagements are planned every 4-5 years to revisit the changing needs of the community and the emerging priorities which feed into designing of new interventions and re-designing of ongoing and new programmes. Further, regular community interactions are undertaken by the internal state level programme teams and the implementing partners to discuss, identify and address any issues, complaints and grievances of the community members pertaining to the interventions of Social Investments Programme. SIP has also formalised and internalised the process of undertaking and recording such community interactions in-line with the new SEBI requirements on Business Responsibility and Sustainability Reporting. Such discussions not only focus on complaints and grievances, but also on providing resolution in a time bound manner.

During 2023-24, 42 such community engagements were held across all major states where SIP programmes are implemented. 6 grievances (mainly as requests for further interventions and scope of improvement) were reported. Largely, requests and demands were raised

during these meetings for further expansion of scope of existing programmes. The SIP state teams have taken cognisance of all the relevant concerns and applicable actions have been incorporated in plans for the upcoming year. Details on mechanisms to receive and redress grievances of the community are also provided under Question 25 of Section A of this Report.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/small producers	24.99%	17.65%
Directly from within India	92.41%	91.64%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24	FY 2022-23
Rural	10%	11%
Semi-urban	15%	15%
Urban	17%	17%
Metropolitan	58%	57%

Note: Pertains to permanent employees which includes permanent workers, management and non-management staff

## Leadership Indicators

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

State	Aspirational District	Amount (Rs. In Lakhs)
Telangana	Bhadradi Kothagudem	1,082.08
Uttarakhand	Haridwar	592.00
Madhya Pradesh	Vidisha	266.60
Assam	Darrang	241.12
Odisha	Malkangiri	226.34
Rajasthan	Baran	212.73
Rajasthan	Jaisalmer	195.77
Bihar	Begusarai	125.11
Haryana	Nuh	121.16
Karnataka	Yadgir	92.23
Chhattisgarh	Sukma	89.85
Madhya Pradesh	Damoh	86.35
Multiple* (12 States)	Multiple*	974.19

*\*Spends in balance 50 Aspirational Districts of the total 62 where ITC had CSR projects*

**3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):**

The Board approved Policy on Sustainable Supply Chain and Responsible Sourcing defines the supply chain partners which includes farmers. ITC is committed to collaborating with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change, water stress and other extreme weather events. ITC is also raising awareness and working with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

**b. From which marginalized /vulnerable groups do you procure?**

Farmers including women farmers and small landholders have been identified as marginalised/vulnerable group.

**c. What percentage of total procurement (by value) does it constitute?**

During FY 2023-24, ITC consumed over 2.4 million tonnes of agri raw materials, which is nearly 72% of

overall raw materials' consumption.

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Not Applicable

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Not Applicable

**6. Details of beneficiaries of CSR Projects:**

In the social sector, the two most important stakeholders of ITC are:

- Rural communities with whom the Company's Agri-Businesses have forged long and enduring partnerships; and
- Communities residing in close proximity to our manufacturing Units, situated in urban and semi-rural locations

The beneficiaries of ITC's CSR programmes mostly belong to the under privileged sections of the society and small & marginal farmers who face the challenges of securing sustainable livelihoods. These challenges are addressed through the Two Horizon approach of making today's dominant source(s) of livelihoods sustainable; and strengthening capabilities for tomorrow.

The Two Horizon strategy ensures an integrated approach to development involving several interventions. Presented ahead are the total number of approximate beneficiaries for key interventions and estimated proportion of beneficiaries belonging to vulnerable and marginalised groups.

CSR Projects	No. Of Beneficiaries From CSR Projects (2023-24)	% Of Beneficiaries From Vulnerable And Marginalised Groups
Climate Smart Agriculture	10.50 Lakhs#	SC / ST – 19%; Female – 19%
Natural Resources Management -Water Stewardship	60,600	SC / ST – 11%; Female – 22%
On-Farm Livelihood Diversification - Social Forestry	10,800	SC / ST – 34%; Female – 28%
Off-Farm Livelihood Diversification - Improved Animal Husbandry Practices	2.33 Lakhs	SC / ST – 19%; Female – 40%
Support to Education	4.10 Lakhs	Children – 100%; ~50% Girl Children
Skilling of Youth	12,500*	SC / ST – 31%; Female – 49%
Improving Health & Sanitation -Household Sanitation	6,600	SC / ST – 5%
Improving Health & Sanitation - Waste Management	25 Lakhs	SC / ST – 1.2%
Improving Health & Sanitation -Mother and Child Health and Nutrition	14.61 Lakhs	100% - Women, Adolescents And Children
Women Empowerment	8.17 Lakhs**	100% Women

# Excludes farmers covered under NITI Aayog partnership programme or any other PPPs

\* Includes 1,300 candidates who were trained through other centres after mobilisation by ITC.

\*\* includes Self Help Group (SHG) members and Financial Literacy programme SHG members

The table ahead presents the 2030 targets for key initiatives undertaken by SIP and progress made till FY 2023-24, which indicates that the progress is on track.

Objective	Initiatives	UoM	Target 2030	Achieved till FY 2023-24
<b>Horizon I - Sustainable Livelihoods Today</b>				
Climate Smart Agriculture for climate risk assessments, climate change adaptation, and actions for sustainable improvement of yields and incomes	Climate Smart Agriculture area <sup>1</sup>	Lakh Acres	40	27.94
	Climate Smart Village Area (Sub-part of above) <sup>1#</sup>	Lakh Acres	30	19
Natural Resources Management to conserve and replenish natural resources critical for agriculture	Natural Resources Management - Water Stewardship	Lakh Acres	22	16.38
	Water harvesting structures (including ground water recharge structures)	Nos.	50,000	32,400

Objective	Initiatives	UoM	Target 2030	Achieved till FY 2023-24
	Storage Potential <sup>#</sup>	Million KL	60	54.26
	Crop Water Use Efficiency <sup>#</sup>	Million KL	2,000	1,090
	Bio-Diversity Conservation <sup>#</sup>	Lakh Acres	10	4.70
Livelihood Diversification to improve incomes and de-risk livelihoods from climate change	On-farm livelihood Diversification – Social Forestry <sup>#</sup>	Lakh Acres	6.30	4.90
	Off-farm livelihood diversification - Improved Animal Husbandry Practices	Household Coverage (Lakhs)	10	7
Institutional Support for risk mitigation and reduction of costs of cultivation	Link farmers with Government programmes	No. of Linkages (Lakhs)	50	24.75
	Agri Business Centres	Nos.	2,000	1,158
	Farmer Producer Organisations	Nos.	4,000	1,660
<b>Horizon II - Creating Capabilities for Tomorrow</b>				
Support to Education for improving quality of education and creating conducive learning environment	Improvement in learning outcomes – Children covered	No. in Lakhs	20	15.31
	Infrastructure support to Government Schools and Anganwadis	Nos.	4,000	3,914
Skilling of youth for enabling livelihood and employability	Vocational Training – Youth trained	No. in Lakhs	2.25	1.12
Provide access to sanitation and waste management services to improve habitats	Improving Health & Sanitation - Household Toilets constructed	Nos.	40,000	43,804
	Improving Health & Sanitation - Waste Management (SWM)	No. of Households (Lakhs)	75	50.59
Provide healthcare and nutrition services to women and children	Beneficiaries covered under Maternal Child Health & Nutrition programme	Nos. in Lakhs	15	14.61
Empowering women for reduction in economic and social discrimination	Women covered through livelihood and other microenterprises	Nos. in Lakhs	2.50	1.92

Note:

<sup>1</sup> Figures on Climate Smart Village and Climate Smart Agriculture area pertains to scale in that FY

<sup>#</sup> These indicators also contribute to five of the Company's Sustainability 2030 (S 2.0) commitments





## Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system continues to be in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. In addition, the Company's Businesses have a dedicated consumer response cell to respond to their queries and receive feedback on products so as to be able to continuously improve upon its products and services.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

All products/services of the Company contain relevant information as required under applicable laws.

#### 3. Number of consumer complaints in respect of the following:

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	15	1		13	0	
Cyber-security	0	0		0	0	
Delivery of essential Services*	591	135		521	0	
Restrictive Trade Practices*	967	38		726	0	
Unfair Trade Practices*	28	8		13	0	
Others*	20,394	1,829		17,573	1,648	

\*Definition of complaints under various categories is given below

Category	Complaints Related to
Delivery of Essential Services	The Company is not engaged in the delivery of essential services. These complaints are in relation to availability of the Company's goods and services.
Restrictive Trade Practices	Quantity and weightage related, duplicate pack and complaints made on account of fraudulent calls/e-mails offering ITC's distributorship
Unfair Trade Practices	High pricing (product sold above MRP)
Others	Product quality related complaints, service-related complaints against distributor/ retailer/ salesperson

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary Recalls	Nil	Not Applicable
Forced Recalls	Nil	Not Applicable

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

A Cyber Security Committee, led by the Chief Information Officer (CIO), is established to focus specifically on cyber security risks. Its primary responsibility is to monitor emerging practices and technologies and provide recommendations to

enhance the security of the organisation's IT systems and infrastructure. The Chief Information Security Officer (CISO), a recently added role within the organisation, ensures that the cyber security systems remain effective and up-to-date. Further, the CIO actively participates in meetings of the Risk Management Committee whenever matters related to cyber security are discussed.

ITC's Information Management Policy defines the framework/policy on cyber security and risks related to data privacy.

ITC's Privacy Policy is part of Information Management Policy and is published on ITC Portal, please refer to <https://www.itcportal.com/about-itc/policies/privacy-policy.aspx>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Robust systems have been put in place to identify the issues faced by the consumers and ensure timely resolution of the same. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches:** Nil
- b. Percentage of data breaches involving personally identifiable information of customers:** Nil
- c. Impact, if any, of the data breaches:** Nil

## Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Products/Initiative	Link
ITC Corporate Website	<a href="https://www.itcportal.com">https://www.itcportal.com</a>
ITC's Businesses	<a href="https://www.itcportal.com/businesses/index.aspx">https://www.itcportal.com/businesses/index.aspx</a>
ITCstore.in	<a href="https://itcstore.in">https://itcstore.in</a>
ITC Brands	<a href="https://www.itcportal.com/brands-microsite/default.aspx">https://www.itcportal.com/brands-microsite/default.aspx</a>
Bingo! on Instagram	<a href="https://www.instagram.com/bingo_snacks/">https://www.instagram.com/bingo_snacks/</a>
YiPPee! on Instagram	<a href="https://www.instagram.com/sunfeast_yippee/">https://www.instagram.com/sunfeast_yippee/</a>
Aashirvaad on Instagram	<a href="https://www.instagram.com/aashirvaad/">https://www.instagram.com/aashirvaad/</a>
Sunfeast Dark Fantasy on Instagram	<a href="https://www.instagram.com/sunfeastdarkfantasy/">https://www.instagram.com/sunfeastdarkfantasy/</a>
Mom's Magic on Instagram	<a href="https://instagram.com/sfmomsmagic/">https://instagram.com/sfmomsmagic/</a>
Classmate on Instagram	<a href="https://instagram.com/classmatebyitc/">https://instagram.com/classmatebyitc/</a>
ITC: Creating Enduring Value for India	<a href="https://youtu.be/VwnE4eN_BTk">https://youtu.be/VwnE4eN_BTk</a>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

All Businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products and services.

*For more information, refer to 'Product Sustainability' section of ITC Sustainability Report 2024.*

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company is not engaged in providing essential services. However, the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens in

relation to its products and services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

As an integral part of ITC's consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses. ITC's Businesses have an established system for monitoring customer satisfaction and it ensures that their feedback is addressed in a systematic manner.

*Note: For more information on Product Information, Labelling and Consumer Feedback Management, refer to 'Product Sustainability' section of ITC Sustainability Report 2024.*



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## Independent Practitioners' Reasonable Assurance Report

### To the Directors of ITC Limited

**Assurance report on the sustainability disclosures in the Business Responsibility and Sustainability Reporting (BRSR) Core attributes<sup>1</sup> (called 'Identified Sustainability Information' (ISI)) of ITC Limited (the 'Company') for the period 1 April 2023 to 31 March 2024.** The ISI is included in the Business Responsibility and Sustainability Reporting of the Company for the period 1 April 2023 to 31 March 2024.

### Opinion

We have performed a reasonable assurance engagement on whether the Company's sustainability disclosures in the Identified Sustainability Information (refer to Appendix 1) for the period 1 April 2023 to 31 March 2024 has been prepared in accordance with the reporting criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Reporting criteria
BRSR Core (refer Annexure 1)	1 April 2023 to 31 March 2024	<ul style="list-style-type: none"> <li>- Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR).</li> <li>- Guidance notes for BRSR format issued by SEBI.</li> </ul>

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

In our opinion, the Company's Identified Sustainability Information for the period 1 April 2023 to 31 March 2024, subject to reasonable assurance is prepared, in all material respects, in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR) and basis of preparation set out in Section A: General Disclosure 13 of "Business Responsibility and Sustainability Report" section of Annual Report FY 2023-24 of the Company.

### Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

<sup>1</sup> Notified by SEBI vide circular number **SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023**



We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report (but does not include the Identified Sustainability Information and assurance report thereon). The Company's Annual Report is expected to be made available to us after the date of this assurance report.

Our reasonable assurance opinion on the Identified Sustainability Information does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our assurance on the Identified Sustainability Information, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the Identified Sustainability Information or our knowledge obtained in the assurance, or otherwise appears to be materially misstated.

#### **Other matter**

The BRSR for the period from 1 April 2022 to 31 March 2023 was not subject to limited/reasonable assurance engagement and, accordingly, we do not express an opinion/conclusion, or provide any assurance on such information.

Our opinion/conclusion is not modified with respect to this matter.

#### **Intended use or purpose**

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR Core attributes, the reporting criteria and ISI and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

#### **Responsibilities for the identified Sustainability Information (ISI)**

The management of the Company acknowledge and understand their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the ISI that is free from material misstatement, whether due to fraud or error;



- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the reporting criteria;
- disclosure of the applicable criteria used for preparation of the ISI in the relevant report/statement;
- preparing/properly calculating the ISI in accordance with the reporting criteria;
- ensuring the reporting criteria is available for the intended users with relevant explanation;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- responsible for providing the details of the management personnel who takes ownership of the ISI disclosed in the report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgments and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information subject to assurance in accordance with the reporting criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those charged with governance are responsible for overseeing the reporting process for the Company's ISI.

### **Inherent limitations in preparing the ISI**

The preparation of the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevancy of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG emissions, water footprint, energy footprint. Obtaining sufficient appropriate evidence to support our opinion/conclusion does not reduce the uncertainty in the amounts and metrics.

### **Our responsibilities**

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance on the sustainability disclosures in the BRSR Core are free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria in line with the section above.
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained, and
- Reporting our reasonable assurance opinion to the Directors of ITC Limited.





## Exclusions

Our assurance scope excludes the following and therefore we will not express a conclusion on the same:

- Operations of the Company other than those mentioned in the “Scope of Assurance”.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from 1 April 2023 to 31 March 2024.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.

### Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion. The nature, timing, and extent of the procedures selected depended on our judgment, including an assessment of the risks of material misstatement of the information subject to reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the Information subject to reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the information subject to reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls.

In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the reasonable assurance information;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information subject to reasonable assurance and the reasonableness of estimates made by the Company;
- performing substantive testing of data related to ISI, limited to 20 operational locations of the Company:  
and
- evaluated the overall presentation of the information subject to reasonable assurance.

A handwritten signature in blue ink, appearing to read 'Shetty', is written over a blue horizontal line.

**Shivananda Shetty**  
Partner

**KPMG Assurance and Consulting Services LLP**

Date: 15-June-2024

Place: Mumbai



Annexure – 1

**BRSR Core attributes**

BRSR Indicator	Type of Assurance
P1 E8- Number of days of accounts payable	Reasonable
P1 E9-Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Reasonable
P3 E1c- Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	Reasonable
P3 E11- Details of safety related incidents including lost time injury frequency rate, recordable work-related injuries, no. of fatalities	Reasonable
P5 E3b- Gross wages paid to females as % of wages paid	Reasonable
P5 E7- Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, including complaints reported, complaints as a % of female employees, and complaints upheld	Reasonable
P6 E1- Details of total energy consumption (in Joules or multiples) and energy intensity,	Reasonable
P6 E3- Provide details of following disclosures related to water: water withdrawal by source, volume of water consumption, water intensity metrics	Reasonable
P6 E4- Provide following details of water discharged: water discharge by destination and level of treatment.	Reasonable
P6 E7- Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity	Reasonable
P6 E9- Provide details related to waste management by the entity	Reasonable
P8 E4- Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/ small producers and from within India	Reasonable
P8 E5- Job creation in smaller towns	Reasonable
P9 E7- Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	Reasonable



### ITC Infotech's "ORBITNEXT" with blazeclan



ITC Infotech signed a definitive agreement to acquire 100% shareholding of Blazeclan Technologies Private Limited – a born-in-the-cloud consulting company providing Cloud services on AWS, Azure and GCP. The acquisition reiterates the company's commitment to help clients steer their digital transformation journey and deliver business outcomes built on the foundation of strong Cloud capabilities.

## Sustained momentum of capability-led growth and differentiation

FY 2023-24 marked the sustained growth and global expansion of ITC Infotech, through capability-led strategic partnerships with key clients, towards the next orbit of its growth and differentiation. ITC Infotech stayed relevant to the evolving business priorities of its clients by jointly investing in their growth and transformation agendas.



### We Enhanced the Portfolio of Differentiated Capabilities

ITC Infotech's portfolio of client and industry-focused capabilities include Data & Analytics, Direct to Consumer (D2C), Open Hospitality (Hotels-in-a-Box), PLM-led Digital Thread Solutions, Digital Manufacturing, SAP S/4 HANA, and Cloud amongst others. The company continued to invest in institutionalising delivery excellence and building focused capabilities, to drive client relevance, scale, and differentiation. The company remained committed to pursuing inorganic opportunities in strategic priority areas to augment and scale its portfolio of capabilities.



### Our Capabilities Received Sustained Recognition from Analysts

ITC Infotech's investments in building technology-led solutions and offerings in future-focused capabilities were acknowledged in global benchmarking reports across analyst firms. The company was recognised as 'Disruptor' across several Avasant RadarView™ service provider benchmarking reports, including 'Digital CX Services', 'Data Management and Advanced Analytics', 'Manufacturing Smart Industry', 'Internet of Things', 'End-user Computing', 'Digital Workplace', and 'Intelligent Automation'. The company was recognised as 'Disruptor' by HfS in 'Horizons: Retail and CPG Service Providers, 2023'. The company received two ISG 'Star of Excellence™' Awards in the categories of 'Universal ISV/Cloud Vendor Ecosystem' and 'Industry Award for CPG + Retail'.



### Focus on Large Deals enabled our Global Expansion

ITC Infotech's focus on large deals, including the Strategic Partner Agreement with PTC Inc. in FY 2022-23 to start a new Service Line, 'DxP Services'; and the multi-year, multi-million deal in FY 2023-24 from an existing marquee client, enabled it to strengthen its portfolio of capabilities, bolster its mid-term revenue growth and enabled its global expansion.







## View of Our Expanded Global Footprint

To support the growing business and client requirements, during the year, ITC Infotech expanded its global footprint by setting up new subsidiaries in Mexico and Saudi Arabia as well as a new Branch in British Columbia (Canada).



## Employee-centricity is at the Core of our Strategy



ITC Infotech sustained its investments in attracting, training and retaining high-quality talent, particularly in niche and future-focused technologies to support the evolving business priorities of its clients and to help them succeed in the global technology landscape. The company strengthened its employee-centric and high-performance work culture through a comprehensive employee value proposition which drives holistic well-being and growth. The company continued to build leadership strength through curated leadership development programs and strengthened employee competencies through domain & technology-led training and career development programs.



## Reinforcement of our Commitment to Sustainability

ITC Infotech strengthened its Environment Social & Governance (ESG) framework through a structured materiality assessment, aligned to its client, employee, and industry requirements. The company charted out a comprehensive multi-year blueprint, leveraging best-in-class peer and industry benchmarks in ESG.





## CII-ITC Centre of Excellence for Sustainable Development

To ensure wider adoption of the 'Triple Bottom Line' philosophy across the Industry, your Company established the 'CII – ITC Centre of Excellence for Sustainable Development' (CESD) in 2006 in collaboration with the Confederation of Indian Industry (CII). The Centre continues to focus on its endeavour to promote sustainable business practices amongst Indian enterprises. The major highlights during the year include the following:

### Climate Change

- An initiative of the Centre, the CII Climate Action Charter (CCAC) provides a platform for Indian businesses to map Climate Change as a material risk across value chains and develop long-term actions to build resilience. Currently, the Charter has more than 300 signatories from across industry sectors.
- The Centre launched the "Industry's Priorities for COP28, Dubai: Indian Industry Perspective Report" during the Round Table on 'Decentralised Renewable Energy (DRE) for SDG7: Powering livelihoods with clean energy' on December 4, 2023, organised by the Centre, Ministry of New and Renewable Energy (MNRE) and International Solar Alliance (ISA).
- In collaboration with MoEF&CC, the Centre actively contributed to the formulation of the National Inventory of Greenhouse Gases related to the Industrial

Processes and Product Use (IPPU) sector. This collaborative effort was part of India's Third National Communications (NATCOM) to the United Nations Framework Convention on Climate Change (UNFCCC).

- The Centre led efforts to frame a policy paper under the B20 Taskforce on Energy, Climate Change, and Resource Efficiency. The paper was finalised through consultations and shared with the G20 representatives for consideration. 160+ members shared their suggestions for the policy paper. The Taskforce also developed a policy brief on 'Decarbonisation of Emerging G20 Countries'
- During the B20 Summit 2023, 2 sessions on Environment, Social and Governance (ESG) were organised by the Centre including a session on 'Sustainability & Development Imperatives and the Role of Standards'. The session highlighted the need for sustainability reporting for companies with a simple, clearly defined sustainability standard, ensuring that standards, KPIs, thresholds and ratings consider applicability, relevance, and prioritisation of the Global South. The Centre also released the Policy Paper under B20 India Action Council on ESG in Business emphasising the imperative for convergence on ESG standards and underscoring the role of private sector in driving these transformations.



## ITC Sangeet Research Academy

ITC envisioned that the Company could play a major role in the preservation and propagation of India's rich musical heritage. The ITC Sangeet Research Academy (ITC SRA) was established in 1977 as an independent Public Charitable Trust with the aim of dissemination of knowledge in traditional forms and techniques of Hindustani classical music. ITC SRA is an embodiment of your company's sustained commitment to a priceless national heritage.

ITC SRA's driving force is enduring excellence in the education of Hindustani classical Music. The methodology of training is based on the age-old principles of '**Guru Shishya Parampara**'.

The Academy is modelled as a professionally-run institution that epitomises the teaching of Hindustani Raga music. Through its eminent Gurus, it imparts intensive training and quality education in Hindustani classical music to its Scholars. The present Gurus of the Academy are Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Pandit Uday Bhawalkar, Vidushi Subhra Guha, Shri Omkar Dadarkar, Shri Abir Hossain and Shri Brajeshwar Mukherjee.

The focus of the Academy remains the nurturing of exceptionally gifted students carefully hand-picked from across India, who receive full scholarship to reside and pursue music education in the Academy's campus and in other designated locations under the tutelage of the country's most distinguished musicians. The Scholars of the Academy have excelled in many ways, receiving national scholarships given by both the Ministry of Human Resources and the Ministry of Culture, Government of India, and qualifying for other prestigious awards and accolades. They perform in very well-attended music festivals organized by the Academy in Kolkata, including the prestigious ITC Sangeet Sammelan. Additionally, through collaborations with organisers all over the country, the Academy presents its Scholars and young musicians in ITC Mini Sangeet Sammelans, concerts and Baithaks in cities like Kanpur, Chennai, Vadodara, Ahmedabad, Dehradun etc enabling the Academy to fulfil its avowed objective of preserving and propagating Hindustani Classical Music.

The objective of ITC SRA is to create the next generation of masters of Hindustani Classical Music for the continued propagation of a priceless legacy.





## Major Awards & Certifications 2023-2024

- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Business Leader of the Year Award' by the All India Management Association
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred the Best CEO Award in the 'Large Companies' category by Business Today
- Mr Sanjiv Puri, Chairman & Managing Director, was awarded the Transformational Leader Award by the Asian Centre for Corporate Governance and Sustainability
- ITC was declared as the winner in the Large Enterprises – Manufacturing Industry category at the 'Financial Express CFO Awards'
- ITC entered the prestigious 'A' List for 'CDP Water' and retained the 'A-' Leadership in 'CDP Climate' for 3<sup>rd</sup> consecutive year (Asia & Global average of 'C')
- ITC became the first Indian company to win the prestigious 'Global Kaizen Award' for its Panchla ICML facility at the 5<sup>th</sup> Edition of the Global KAIZEN™ Awards 2023 at Lisbon, Portugal
- ITC has won the first 'UNDP-Mahatma Biodiversity Award' for its human centric approaches to biodiversity with intensive community engagement
- ITC was conferred the 'Business Leader of the Year - ESG Award' at the 50<sup>th</sup> edition of the ChemTECH Leadership and Excellence Awards 2024
- ITC's 5 factories - Foods unit at Ranjangaon; Cigarette factories in Ranjangaon, Bengaluru and Saharanpur and Green Leaf Threshing unit in Mysuru, received the prestigious AWS Platinum level certification, the highest global recognition for water stewardship
- ITC Hotels was recognised as the best Luxury Hotel Chain for the 5<sup>th</sup> consecutive year at 'Travel + Leisure India's Best Awards 2023'
- ITC Savlon's Swasth India Mission - Hand Ambassador campaign won 7 trophies and ITC Fiamas 'Talking Memes' campaign won 8 trophies at the 'Kyoorius Creative Awards' 2023
- ITC's Education and Stationery Products Business won a Gold at the 'Wow Awards Asia' for the 'Classmate All Rounder' competition
- ITC's Paperboards & Specialty Papers Business was recognised as the Asia-Pacific winner of the 'Special Award for Sustainability' at the IDC Future Enterprise Awards 2023 for exemplary digital business models
- ITC's Packaging Business won 3 prestigious prizes at the WorldStar Awards 2024. The Business also won several national level awards such as the 'IFCA Star Awards' and 'SIES SOP Star Awards' for excellence in Packaging
- ITC's Agri Business won the 1<sup>st</sup> prize in the 'FICCI Sustainable Agriculture Award' 2023 for its natural resource management and climate resilient agriculture programmes



## Major Awards & Certifications over the Years

- 12 ITC Hotels became the first in the world to receive the LEED® Zero Carbon Certification; 4 ITC Hotels also became the first in the world to achieve the LEED® Zero Water Certification
- ITC was awarded the First Prize in the 'Best Industry for CSR Activities' category by the Ministry of Jal Shakti, Government of India, at the 3<sup>rd</sup> National Water Awards 2020
- ITC was conferred the 'Best Governed Company' Award in the Listed Segment: Large category by the ICSI at the 20<sup>th</sup> ICSI National Awards for Excellence in Corporate Governance
- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Distinguished Alumnus Award of the Year 2018' conferred by IIT, Kanpur in recognition of his achievements of exceptional merit
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred 'The IMPACT Person of the Year, 2020' Award by exchange4media, a leading online news platform
- Mr Sanjiv Puri, Chairman & Managing Director, was ranked one of India's Most Valuable CEOs by BW Businessworld
- ITC's Life Sciences and Technology Centre was ranked 'Top Innovator' in India amongst Indian pharma and healthcare private companies
- ITC's Kovai unit received the Platinum level certification, the highest recognition for water stewardship in the world, based on international benchmarks, from the Alliance for Water Stewardship
- ITC won the prestigious Porter Prize 2017 for 'Excellence in Corporate Governance and Integration' and for its exemplary contribution in 'Creating Shared Value'
- ITC's leading hygiene brand Savlon bagged 7 awards at the coveted Cannes Lions 2017
- ITC Limited became the 1<sup>st</sup> company to win the India Today Safaigiri Corporate Trailblazer Award 2016
- ITC's Paperboards and Specialty Papers units at Bhadrachalam, Bollaram, Kovai and Tribeni are FSC Chain of Custody certified
- ITC was presented the World Business and Development Award at the Rio+20 UN Summit for its Social and Farm Forestry initiative



# ITC Next: Shaping a Future-Ready Enterprise that Puts Nation First



**Farmer Empowerment**

- Increasing productivity & farmer income, promoting climate smart agriculture, creating market linkages
- ITCMAARS bringing digital technology to farmers, supporting over 1650 FPOs; covering more than 15 lakh farmers



**Water Stewardship**

- Over 16 lakh acres covered
- Over 32,400 water harvesting structures built
- Around 15 lakh acres covered under demand side management



**Afforestation**

- Over 11.6 lakh acres greened
- About 21.2 crore person-days of employment supported



**Biodiversity**

- Over 4.7 lakh acres restored



**Climate Smart Agriculture**

- Over 10 lakh farmers benefitted
- Around 28 lakh acres covered



**Women Economic Empowerment**

- Over 1.9 lakh women benefitted
- Financial Literacy programme has covered over 28.5 lakh women



**Support to Education**

- Over 15 lakh children covered



**Skilling**

- Over 1 lakh youth trained



**Health & Sanitation**

- Nearly 44,000 Individual Household Toilets constructed

**Maternal & Child Healthcare and Nutrition**

- Over 14.6 lakh women covered



**Livestock Development**

- Over 22 lakh milch animals covered
- Over 7 lakh animal owners benefitted



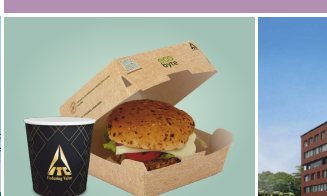
**Solid Waste Management**

- Over 2.5 crore citizens covered under Well-being Out of Waste



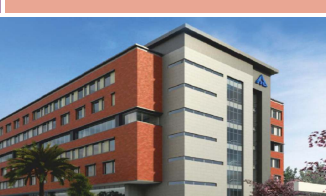
**Renewable Energy**

- 50% of Energy consumed from Renewable Sources



**Plastic Neutral**

- Plastic Neutral since 2021-22



**Pioneer of Green Building Movement in India**

- 40 Green Buildings
- World's first 12 LEED® Zero Carbon certified hotels
- World's first LEED® Zero Carbon data centre
- World's first 4 LEED® Zero Water certified hotels



**Alliance for Water Stewardship**

- All 7 AWS (Platinum certified) Sites in India are ITC Sites

**ITC is the only enterprise in the world to be water positive for 22 years, carbon positive for 19 years and solid waste recycling positive for 17 years**