Enduring Value

Consolidated Financial Statements

Consolidated Balance Sheet as at 31st March, 2026

	Note	As at 31st March, 2026 (₹ in Crores)			As at 31st March, 2025 (₹ in Crores)		
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	3A		17471.20			17428.89	
(b) Capital work-in-progress	3B		1499.41			1087.60	
(c) Investment Property	3C		303.36			322.40	
(d) Goodwill	3D		993.29			896.93	
(e) Other Intangible assets	3E		3173.66			2724.74	
(f) Intangible assets under development	3F		102.47			3.31	
(g) Right-of-use assets	3G		501.02			581.89	
(h) Investment accounted for using the equity method	4		5288.24			4711.78	
(i) Financial Assets							
(i) Investments	4	12089.55			13720.54		
(ii) Loans	5	4.87			7.60		
(iii) Others	6	343.22	12437.64		1611.13	15339.27	
(j) Deferred tax assets (Net)	7		155.18			87.98	
(k) Income Tax Assets (Net)	22A		70.05			50.24	
(l) Other non-current assets	8		1088.45	43083.97		962.37	44197.40
Current assets							
(a) Inventories	9		18622.96			15637.56	
(b) Biological assets other than bearer plants	10		249.69			198.58	
(c) Financial Assets							
(i) Investments	11	20750.64			16287.50		
(ii) Trade receivables	12	3922.86			4719.67		
(iii) Cash and cash equivalents	13	643.46			620.00		
(iv) Bank Balances other than (iii) above	14	2365.33			3392.36		
(v) Loans	5	8.52			9.51		
(vi) Others	6	2361.34	30052.15		1662.32	26691.36	
(d) Other current assets	8		1783.61	50708.41		1365.78	43893.28
TOTAL ASSETS				**93792.38**			**88090.68**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	15		1252.95			1251.41	
(b) Other Equity			71254.35			68778.64	
Attributable to owners of the parent			72507.30			70030.05	
Non-controlling interests			365.72	72873.02		367.89	70397.94
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	60.00			–		
(ii) Lease liabilities	17	140.86			137.21		
(iii) Other financial liabilities	18	510.40	711.26		301.34	438.55	
(b) Provisions	19		389.43			303.11	
(c) Deferred tax liabilities (Net)	7		3089.62			2582.46	
(d) Other non-current liabilities	20		41.78	4232.09		34.51	3358.63
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	2126.22			91.26		
(ii) Lease liabilities	17	71.98			56.07		
(iii) Trade Payables	21						
(A) total outstanding dues of micro and small enterprises; and		350.13			180.64		
(B) total outstanding dues of creditors other than micro and small enterprises		5289.42			4626.66		
(iv) Other financial liabilities	18	2099.15	9936.90		1865.98	6820.61	
(b) Other current liabilities	20		5037.64			6203.79	
(c) Provisions	19		423.91			80.06	
(d) Current Tax Liabilities (Net)	22B		1288.82	16687.27		1229.65	14334.11
TOTAL EQUITY AND LIABILITIES				**93792.38**			**88090.68**

The accompanying notes 1 to 33 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 21, 2026

On behalf of the Board

S. PURI — *Chairman & Managing Director*
(DIN : 00280529)

S. DUTTA — *Director & Chief Financial Officer*
(DIN : 01804345)

R. K. SINGHI — *Company Secretary*
(Membership No.: FCS 3770)

Enduring Value

Consolidated Statement of Profit and Loss for the year ended 31st March, 2026

		Note	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
	Continuing Operations			
I	Revenue From Operations	23A,23B	89913.33	81612.78
II	Other Income	24	2425.80	2529.69
III	**Total Income (I+II)**		**92339.13**	**84142.47**
IV	**EXPENSES**			
	Cost of materials consumed		26272.33	23757.33
	Purchases of Stock-in-Trade and Biological Assets		8826.01	8947.04
	Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets	25	(2550.46)	(725.65)
	Excise duty		11044.93	6289.44
	Employee benefits expense	26	6781.50	6169.78
	Finance costs	27	85.17	45.06
	Depreciation and amortization expense		1710.53	1646.32
	Other expenses	28	12221.11	11196.63
	Total expenses (IV)		**64391.12**	**57325.95**
V	Share of profit/(loss) of Associates and Joint Ventures		377.08	110.42
VI	**Profit before exceptional items and tax (III-IV+V)**		**28325.09**	**26926.94**
VII	Exceptional Items	30(i)	(291.70)	–
VIII	**Profit before tax (VI+VII)**		**28033.39**	**26926.94**
IX	**Tax expense:**			
	Current Tax	29	6412.97	6509.61
	Deferred Tax	29	602.27	380.86
X	**Profit for the year from continuing operations (VIII-IX)**		**21018.15**	**20036.47**
XI	Profit before exceptional items and tax from discontinued operations		–	525.84
XII	Exceptional Items of discontinued operations		–	15128.81
XIII	Tax expense of discontinued operations	29	–	638.64
XIV	**Profit for the year from discontinued operations (XI+XII-XIII)**		**–**	**15016.01**
XV	**Profit for the year (X+XIV)**		**21018.15**	**35052.48**
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss:			
	– Remeasurements of the defined benefit plans	30(vi)	(22.05)	(26.13)
	– Equity instruments through other comprehensive income		(839.64)	(1043.31)
	– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		33.54	0.23
	– Share of other comprehensive income in Associates and Joint Ventures		(7.12)	(3.41)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	29	111.65	59.58
	B (i) Items that will be reclassified to profit or loss:			
	– Exchange differences on translating the financial statements of foreign operations		131.48	352.94
	– Debt instruments through other comprehensive income		(61.73)	72.81
	– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(78.57)	(12.98)
	– Share of other comprehensive income in Associates and Joint Ventures		53.74	(14.45)
	(ii) Income tax relating to items that will be reclassified to profit or loss	29	35.41	(10.14)
XVI	**Other Comprehensive Income [A(i+ii)+B(i+ii)]**		**(643.29)**	**(624.86)**
XVII	**Total Comprehensive Income for the year (XV+XVI)**		**20374.86**	**34427.62**
	Profit for the year			
	Attributable to:			
	Owners of the parent		20689.47	34746.63
	Non-controlling interests		328.68	305.85
	Other Comprehensive Income			
	Attributable to:			
	Owners of the parent		(642.20)	(624.87)
	Non-controlling interests		(1.09)	0.01
	Total Comprehensive Income for the year			
	Attributable to:			
	Owners of the parent		20047.27	34121.76
	Non-controlling interests		327.59	305.86
XVIII	**Earnings per equity share (Face Value ₹ 1.00 each):**	30(ii)		
	For Continuing Operations			
	(a) Basic (in ₹)		16.52	15.78
	(b) Diluted (in ₹)		16.51	15.76
	For Discontinued Operations			
	(a) Basic (in ₹)		–	12.01
	(b) Diluted (in ₹)		–	11.99
	For Continuing and Discontinued Operations			
	(a) Basic (in ₹)		16.52	27.79
	(b) Diluted (in ₹)		16.51	27.75

The accompanying notes 1 to 33 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 21, 2026

On behalf of the Board

S. PURI — *Chairman & Managing Director*
(DIN : 00280529)
S. DUTTA — *Director & Chief Financial Officer*
(DIN : 01804345)
R. K. SINGHI — *Company Secretary*
(Membership No.: FCS 3770)

Consolidated Statement of Changes in Equity for the year ended 31st March, 2026

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, 2026	1251.41	1.54	1252.95
For the year ended 31st March, 2025	1248.47	2.94	1251.41

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	Subsidy Reserve	Share-based Payment Reserve	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			
Balance as at 1st April, 2025	**5.37**	**15834.70**	**0.89**	**185.22**	**81.45**	**0.14**	**422.76**	**13.98**	**363.05**	**83.41**	**49010.14**	**49.64**	**2709.94**	**(13.89)**	**31.84**	**68778.64**	**367.89**	**69146.53**
Profit for the year	–	–	–	–	–	–	–	–	–	–	20689.47	–	–	–	–	20689.47	328.68	21018.15
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	–	–	–	–	(28.42)	(46.09)	(719.21)	(33.70)	185.22	(642.20)	(1.09)	(643.29)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20661.05**	**(46.09)**	**(719.21)**	**(33.70)**	**185.22**	**20047.27**	**327.59**	**20374.86**
Issue of equity shares under ITC Employee Stock Option Schemes	–	403.31	–	–	–	–	–	–	–	–	–	–	–	–	–	403.31	–	403.31
Dividends																		
– Final Dividend (2024-25 - ₹ 7.85 per share)	–	–	–	–	–	–	–	–	–	–	(9823.58)	–	–	–	–	(9823.58)	(303.86)	(10127.44)
– Interim Dividend (2025-26 - ₹ 6.50 per share)	–	–	–	–	–	–	–	–	–	–	(8144.00)	–	–	–	–	(8144.00)	–	(8144.00)
Dividend distribution tax refund received	–	–	–	–	–	–	–	–	–	–	(0.58)	–	–	–	–	(0.58)	–	(0.58)
Transfer from Share-based Payment Reserve on exercise and lapse	–	106.49	–	–	–	–	(109.98)	–	–	–	3.49	–	–	–	–	–	–	–
Transferred to initial carrying amount of hedged items (net of tax)	–	–	–	–	–	–	–	–	–	–	–	–	–	(13.72)	–	(13.72)	–	(13.72)
Transfer from/to Retained Earnings	–	–	–	10.23	–	(0.14)	–	–	–	–	(10.09)	–	–	–	–	–	–	–
Recognition of Share-based Payment	–	–	–	–	–	–	135.33	–	–	–	–	–	–	–	–	135.33	–	135.33
Acquisition of Non-controlling interests [Refer Note 30(iii)(a)]	–	–	–	–	–	–	–	–	–	(83.41)	(44.91)	–	–	–	–	(128.32)	(25.90)	(154.22)
Balance as at 31st March, 2026	**5.37**	**16344.50**	**0.89**	**195.45**	**81.45**	**–**	**448.11**	**13.98**	**363.05**	**–**	**51651.52**	**3.55**	**1990.73**	**(61.31)**	**217.06**	**71254.35**	**365.72**	**71620.07**
Balance as at 1st April, 2024	**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**
Profit for the year	–	–	–	–	–	–	–	–	–	–	34746.63	–	–	–	–	34746.63	305.85	35052.48
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	–	–	–	–	(22.47)	59.40	(990.75)	(9.54)	338.49	(624.87)	0.01	(624.86)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**34724.16**	**59.40**	**(990.75)**	**(9.54)**	**338.49**	**34121.76**	**305.86**	**34427.62**
Issue of equity shares under ITC Employee Stock Option Schemes	–	794.39	–	–	–	–	–	–	–	–	–	–	–	–	–	794.39	–	794.39
Dividends																		
– Final Dividend (2023-24 - ₹ 7.50 per share)	–	–	–	–	–	–	–	–	–	–	(9363.54)	–	–	–	–	(9363.54)	(285.57)	(9649.11)
– Interim Dividend (2024-25 - ₹ 6.50 per share)	–	–	–	–	–	–	–	–	–	–	(8133.11)	–	–	–	–	(8133.11)	–	(8133.11)
Dividend distribution tax refund received	–	–	–	–	–	–	–	–	–	–	19.45	–	–	–	–	19.45	–	19.45

Consolidated Statement of Changes in Equity for the year ended 31st March, 2026

Enduring Value

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	Subsidy Reserve	Share-based Payment Reserve	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			
Transfer from Equity Instruments through Other Comprehensive Income on sale of equity shares	–	–	–	–	–	–	–	–	–	–	(0.33)	–	0.33	–	–	–	–	–
Transfer from Share-based Payment Reserve on exercise and lapse	–	197.53	–	–	–	–	(199.21)	–	–	–	1.68	–	–	–	–	–	–	–
Transferred to initial carrying amount of hedged items (net of tax)	–	–	–	–	–	–	–	–	–	–	–	–	–	0.15	–	0.15	–	0.15
Recognition of Share-based Payment	–	–	–	–	–	–	137.27	–	–	–	–	–	–	–	–	137.27	–	137.27
Fair value of Demerged Undertaking distributed to the shareholders of the Company	–	–	–	–	–	–	–	–	–	(22033.37)	–	–	–	–	–	(22033.37)	–	(22033.37)
Transfer from Retained Earnings	–	–	–	9.50	–	–	–	–	–	4448.06	(4457.56)	–	–	–	–	–	–	–
Derecognised pursuant to Scheme of Demerger of Hotels business	(0.09)	28.83	(71.78)	–	–	(0.09)	(22.89)	0.08	–	(3.85)	46.90	–	–	–	–	(22.89)	(35.37)	(58.26)
Balance as at 31st March, 2025	**5.37**	**15834.70**	**0.89**	**185.22**	**81.45**	**0.14**	**422.76**	**13.98**	**363.05**	**83.41**	**49010.14**	**49.64**	**2709.94**	**(13.89)**	**31.84**	**68778.64**	**367.89**	**69146.53**

The Board of Directors of the Company have recommended Final Dividend of ₹ 8.00 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2026 (previous year: Final Dividend ₹ 7.85 per Ordinary Share) amounting to ₹ 10023.57 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 ₹ 6.50 per Ordinary Share (previous year: ₹ 6.50 per Ordinary Share) paid on 27th February, 2026, the total Equity Dividend for the financial year ended 31st March, 2026 is ₹ 14.50 per Ordinary Share (previous year: ₹ 14.35 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 of Nepal.

Subsidy Reserve: This Reserve represents amounts taken over by the Group in the course of business combinations.

Share-based Payment Reserve: This Reserve relates to Stock Options/Equity Settled Stock Appreciation Rights (ESARs) granted by the Company to employees under the ITC Employee Stock Option Schemes and ITC Employee Stock Appreciation Rights Scheme. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested Options/ESARs.

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 was 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 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 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 represents (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 concerned foreign operation.

The accompanying notes 1 to 33 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 21, 2026

On behalf of the Board

S. PURI *Chairman & Managing Director*
(DIN : 00280529)
S. DUTTA *Director & Chief Financial Officer*
(DIN : 01804345)
R. K. SINGHI *Company Secretary*
(Membership No.: FCS 3770)

Consolidated Statement of Cash Flows for the year ended 31st March, 2026

	For the year ended 31st March, 2026 (₹ in Crores)		For the year ended 31st March, 2025 (₹ in Crores)	
A. Cash Flow from Operating Activities				
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		28033.39		26926.94
PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS		–		15654.65
ADJUSTMENTS FOR:				
Depreciation and amortization expense	1710.53		1950.58	
Share based payments to employees	128.00		133.79	
Finance costs	85.17		50.01	
Interest Income	(1462.23)		(1510.46)	
Dividend Income	(15.16)		(12.14)	
Net gain on sale of property, plant and equipment, lease termination	(11.56)		(135.69)	
Inventory write-offs/write-downs (net of reversals)	362.93		235.05	
Doubtful and bad debts	30.12		11.64	
Doubtful and bad advances, loans and deposits	0.62		1.95	
Impairment of investment in joint venture and associate	0.07		7.87	
Loss recognised on disposal of subsidiary	0.99		–	
Gain recognised on divestment of shares held in associate	(0.01)		–	
Share of (profit)/loss of associates and joint ventures	(377.08)		(121.77)	
Gain recognised on fair valuation of net assets distributed pursuant to Scheme of Demerger of Hotels business	–		(15583.12)	
Net gain arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income	(860.01)		(896.84)	
Foreign currency translations and transactions - Net	(25.57)	(433.19)	6.78	(15862.35)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		27600.20		26719.24
ADJUSTMENTS FOR:				
Trade receivables, advances and other assets	468.08		(1022.80)	
Inventories and biological assets other than bearer plants	(3306.25)		(2975.38)	
Trade payables, other liabilities and provisions	75.89	(2762.28)	1256.18	(2742.00)
CASH GENERATED FROM OPERATIONS		24837.92		23977.24
Income tax paid (net of refunds)		(6373.61)		(6350.20)
NET CASH FROM OPERATING ACTIVITIES		**18464.31**		**17627.04**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment, Intangibles, ROU asset etc.	(2182.89)		(2278.70)	
Sale of property, plant and equipment	50.45		175.42	
Purchase of current investments	(65566.51)		(65999.55)	
Sale/redemption of current investments	62370.47		66919.64	
Investment in associates	(183.09)		(29.99)	
Divestment of shares held in associate	0.01		–	
Purchase of non-current investments	(2606.33)		(373.69)	
Sale/redemption of non-current investments	3366.19		390.91	
Payment towards business combination, including cash and cash equivalents assumed/acquired [Refer Note 30(ix)]	(279.47)		(248.73)	
Dividend received from associates and joint venture	30.27		25.53	
Dividend received from others	15.16		12.14	
Interest received	917.01		1072.28	
Investment in bank deposits (original maturity more than 3 months)	(1449.33)		(6256.85)	
Redemption/maturity of bank deposits (original maturity more than 3 months)	3762.04		6931.16	
Investment in deposit with financial institution	(1768.50)		(1200.00)	
Maturity of deposit with financial institution	1200.00		500.00	
Loans given to employees	(9.53)		(17.55)	
Loans realised from employees	13.31		13.88	
NET CASH USED IN INVESTING ACTIVITIES		**(2320.74)**		**(364.10)**

Consolidated Statement of Cash Flows for the year ended 31st March, 2026

	For the year ended 31st March, 2026 (₹ in Crores)		For the year ended 31st March, 2025 (₹ in Crores)	
C. Cash Flow from Financing Activities				
Proceeds from issue of share capital	404.85		797.33	
Proceeds from current borrowings	2060.50		89.50	
Repayment of current borrowings	(96.44)		(52.50)	
Proceeds from non-current borrowings	60.00		–	
Repayment of non-current borrowings	(8.87)		(1.52)	
Principal payment of lease liabilities	(68.24)		(65.52)	
Interest paid	(81.70)		(50.01)	
Acquisition of non-controlling interest	(154.22)		–	
Net increase in statutory restricted accounts balances	9.02		8.09	
Dividend paid	(18271.44)		(17782.22)	
Dividend distribution tax (paid)/refund received	(0.58)		19.45	
NET CASH USED IN FINANCING ACTIVITIES		**(16147.12)**		**(17037.40)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(3.55)**		**225.54**
OPENING CASH AND CASH EQUIVALENTS		**622.38**		**596.58**
LESS: ON DEMERGER OF HOTELS BUSINESS		**–**		**199.74**
CLOSING CASH AND CASH EQUIVALENTS		**618.83**		**622.38**

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, 2026	As at 31st March, 2025
Cash and cash equivalents (Note 13)	643.46	620.00
Less: Cash credit facilities (Note 16)	25.22	–
Less: Unrealised gain/(loss) on foreign currency cash and cash equivalents	(0.59)	(2.38)
Cash and cash equivalents as per Statement of Cash Flows	618.83	622.38

3. Net Cash Flow from Operating Activities includes an amount of ₹ 503.21 Crores (2025 - ₹ 456.51 Crores) spent towards Corporate Social Responsibility.
4. Disclosure of non-cash movement arising from financing activities in respect of lease liabilities - Refer Note 17.

The accompanying notes 1 to 33 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 21, 2026

On behalf of the Board

S. PURI *Chairman & Managing Director*
(DIN : 00280529)
S. DUTTA *Director & Chief Financial Officer*
(DIN : 01804345)
R. K. SINGHI *Company Secretary*
(Membership No.: FCS 3770)

Enduring Value

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 700 071. The Holding Company's shares are listed on the National Stock Exchange of India Limited and BSE 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), 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.

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').

1. Material Accounting Policies (Contd.)

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, import duties & non-refundable 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 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. 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:

a. for assets acquired in a business combination, at fair value on the date of acquisition.
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.

1. Material Accounting Policies (Contd.)

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 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	10-30 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	3-5 Years
Customer Relationships / Contracts	5-8 Years
Business Alliances / Partnerships	7 Years
Software Tools	6 Years
Sourcing Network	7 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 accumulated 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. The estimated useful lives of investment properties are same as those disclosed for PP&E.

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 CGU 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 CGU 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.

1. Material Accounting Policies (Contd.)

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, 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 the Statement of Profit and 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 the 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 included in the Statement of Profit and 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.

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.

1. Material Accounting Policies (Contd.)

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 '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 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.

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.

Notes to the Consolidated Financial Statements

1. Material Accounting Policies (Contd.)

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost (other than those mandatorily measured at fair value). 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 is shown to include 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 the 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 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 administered funds 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.

1. Material Accounting Policies (Contd.)

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

Equity Settled Share Based Payment Plans

Equity settled Stock Options/Stock Appreciation Rights ('ESARs') are granted to eligible employees under the ITC Employee Stock Option Schemes ('ITC ESOS') and ITC Employee Stock Appreciation Rights Scheme ('ITC ESAR'), as may be decided by the Nomination & Compensation Committee/Board. Further, eligible employees of the Company have been granted equity settled Stock Options under the ITC Hotels Special Purpose Employee Stock Option Scheme ('ITCHL SP ESOS'), in terms of the 'Scheme of Arrangement between the Company and ITC Hotels Limited, and their respective shareholders and creditors'.

Under Ind AS, the cost of equity settled Stock Options/ESARs is recognised based on the fair value of Stock Options/ESARs as on the grant date.

The fair value of Stock Options/ESARs granted to the employees of the Group is recognised as employee benefits expense in the Statement of Profit and Loss over the period in which the performance and/or service conditions are fulfilled with a corresponding credit in equity for ITC ESOS/ITC ESAR and recognised as a financial liability for ITCHL SP ESOS. The fair value of Stock Options/ESARs, net of recoveries, granted to employees on deputation or secondment and to employees of the group companies is considered as capital contribution/investment.

The Group generally recovers the fair value of Stock Options/ESARs from such group companies, as applicable. It may, if recommended by the Corporate Management Committee and approved by the Audit Committee, decide not to seek such recovery 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 have been granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan, as may be decided by the CMC/Nomination & Compensation Committee/Board.

For such cash settled SAR units, a liability is initially measured at fair value on the grant date and is subsequently remeasured at each reporting period, until settled. The fair value of Cash Settled SAR units granted is recognised as employee benefits expense 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 Cash Settled SAR units granted to employees on deputation or secondment and to employees of the group companies, the Group generally recovers the fair value of Cash Settled SAR units from the concerned group companies.

Stock options granted by a subsidiary

The Board of Directors of a subsidiary have approved an Equity Based Long Term Incentive Plan for certain eligible employees of the Group under the ITC Infotech India Limited Employee Stock Option Plan 2024. The eligible employees for this purpose shall be such permanent employees, as may be determined by the Nomination and Remuneration Committee of the subsidiary.

These Options have been recognised as cash-settled options and accordingly, a liability is initially measured at fair value on the grant date and is subsequently remeasured at each reporting period, until settled. The fair value of the 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.

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 accumulated 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

Notes to the Consolidated Financial Statements

1. Material Accounting Policies (Contd.)

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 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 costs, unallocated corporate expenses and taxes.

Unallocated Corporate Expenses include revenue and expenses that relate to initiatives/costs attributable to the Group as a whole.

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 has 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 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.

   (ii) The Group holds 50% of the equity share capital of ITC Filtrona 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 as 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 intangible assets 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 the 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 the notes to the financial statements.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Gross Block											
	As at 31st March, 2024	Acquired through Business Combination	Additions	Withdrawals and adjustments#	Transferred pursuant to Scheme of Demerger of Hotels business	Foreign Currency Translation Reserve adjustments	As at 31st March, 2025	Acquired through Business Combination@	Additions	Withdrawals and adjustments#	Foreign Currency Translation Reserve adjustments	As at 31st March, 2026
3A. Property, Plant and Equipment[1]												
Land[2]	2113.34	–	74.34	3.92	1012.21	–	1171.55	6.12	141.94	7.08	–	1312.53
Buildings	10561.94	–	1191.57	2.71	4527.11	18.38	7242.07	0.14	194.14	(2.38)	0.01	7438.74
Leasehold Improvements	31.34	–	3.13	0.16	7.56	–	26.75	–	6.30	2.51	0.03	30.57
Plant and Equipment	20676.51	0.32	1879.75	205.73	2972.00	11.83	19390.68	9.79	1115.62	125.70	1.85	20392.24
Furniture and Fixtures	1068.08	–	551.84	7.37	1342.80	12.61	282.36	0.77	23.18	2.00	0.16	304.47
Vehicles	189.19	–	28.68	19.63	62.74	0.07	135.57	0.44	12.20	11.06	0.11	137.26
Office Equipment	53.09	–	13.33	2.23	1.42	0.11	62.88	–	13.57	2.10	0.18	74.53
Railway Sidings	1.73	–	–	–	–	–	1.73	–	–	0.01	–	1.72
TOTAL	**34695.22**	**0.32**	**3742.64**	**241.75**	**9925.84**	**43.00**	**28313.59**	**17.26**	**1506.95**	**148.08**	**2.34**	**29692.06**
3B. Capital work-in-progress	**2851.14**	**–**	**2157.40**	**3669.20**	**301.65**	**49.91**	**1087.60**	**–**	**1856.59**	**1444.78**	**–**	**1499.41**
3C. Investment Property[3]	**411.58**	**–**	**1.75**	**4.79**	**–**	**–**	**408.54**	**–**	**–**	**8.81**	**–**	**399.73**
3D. Goodwill												
Goodwill on Consolidation	201.85	144.66	–	–	27.46	–	319.05	59.51	–	–	6.48	385.04
Goodwill acquired through business combinations[4]	577.88	–	–	–	–	–	577.88	30.37	–	–	–	608.25
TOTAL	**779.73**	**144.66**	**–**	**–**	**27.46**	**–**	**896.93**	**89.88**	**–**	**–**	**6.48**	**993.29**
3E. Other Intangible assets (acquired)												
Assets with indefinite life[4]												
Trademarks	1889.78	–	–	–	–	–	1889.78	161.00	–	–	0.04	2050.82
Assets with finite life												
Trademarks	30.82	–	–	–	–	–	30.82	–	365.41	–	–	396.23
Computer Software	394.49	–	27.44	6.15	59.79	0.03	356.02	–	12.66	1.02	–	367.66
Know How, Business and Commercial Rights	804.80	–	3.77	–	3.77	–	804.80	–	3.03	–	–	807.83
Customer Relationships/Contracts etc.	35.21	32.20	–	–	–	–	67.41	17.00	–	–	1.85	86.26
Business Alliances/Partnerships	–	59.69	–	–	–	–	59.69	–	–	–	–	59.69
Software Tools	–	75.71	–	–	–	–	75.71	–	–	–	–	75.71
Sourcing Network	–	–	–	–	–	–	–	52.00	–	–	–	52.00
TOTAL	**3155.10**	**167.60**	**31.21**	**6.15**	**63.56**	**0.03**	**3284.23**	**230.00**	**381.10**	**1.02**	**1.89**	**3896.20**
3F. Intangible assets under development	**9.64**	**–**	**21.41**	**26.09**	**1.65**	**–**	**3.31**	**–**	**111.08**	**11.92**	**–**	**102.47**
3G. Right-of-use assets^												
Land	752.08	–	0.16	0.32	347.99	12.13	416.06	–	15.73	111.62	–	320.17
Buildings	350.23	6.92	78.11	105.31	49.17	0.57	281.35	18.09	54.46	35.67	3.16	321.39
Plant and Equipment	41.83	–	–	9.86	–	–	31.97	–	–	–	–	31.97
Vehicles	2.89	–	3.99	1.75	–	0.09	5.22	–	11.08	0.18	1.54	17.66
TOTAL	**1147.03**	**6.92**	**82.26**	**117.24**	**397.16**	**12.79**	**734.60**	**18.09**	**81.27**	**147.47**	**4.70**	**691.19**

Includes amounts transferred to/from Investment Property on change in use.
@ Refer Note 30(ix)
& includes Nil (2025 - ₹ 304.98 Crores) relating to discontinued operations.
^ Also refer Note 30(xv)

Notes:

1. a) The above includes following assets given on operating lease:

(₹ in Crores)

Particulars	As at 31st March, 2025			2025	As at 31st March, 2026			2026
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	0.94	0.28	0.66	0.03	2.78	0.76	2.02	0.06
Plant and Equipment	281.04	193.23	87.81	12.59	303.55	201.42	102.13	12.60
TOTAL	**281.98**	**193.51**	**88.47**	**12.62**	**306.33**	**202.18**	**104.15**	**12.66**

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 31.74 Crores (2025 - ₹ 206.69 Crores).

2. Land includes certain lands at Munger with Gross Block ₹ 1.16 Crores (2025 - ₹ 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, 2024	Acquired through Business Combination	For the year&	On Withdrawals and adjustments#	Transferred pursuant to Scheme of Demerger of Hotels business	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2025	Acquired through Business Combination@	For the year&	On Withdrawals and adjustments#	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2026	As at 31st March, 2026	As at 31st March, 2025
3A. Property, Plant and Equipment [1]														
Land [2]	–	–	–	–	–	–	–	–	–	–	–	–	1312.53	1171.55
Buildings	1700.64	–	268.82	2.57	458.24	0.21	1508.86	–	214.91	2.01	0.01	1721.77	5716.97	5733.21
Leasehold Improvements	9.94	–	1.92	0.14	5.14	–	6.58	–	2.58	0.58	0.01	8.59	21.98	20.17
Plant and Equipment	9143.57	0.19	1313.53	186.40	1175.87	0.70	9095.72	–	1197.41	107.90	1.19	10186.42	10205.82	10294.96
Furniture and Fixtures	629.92	–	111.12	5.83	566.84	0.96	169.33	–	20.31	3.27	0.04	186.41	118.06	113.03
Vehicles	93.71	–	19.44	12.17	34.45	0.05	66.58	–	14.86	7.59	0.05	73.90	63.36	68.99
Office Equipment	33.94	–	5.63	1.98	1.29	0.03	36.33	–	6.98	1.04	0.07	42.34	32.19	26.55
Railway Sidings	1.17	–	0.13	–	–	–	1.30	–	0.13	–	–	1.43	0.29	0.43
TOTAL	**11612.89**	**0.19**	**1720.59**	**209.09**	**2241.83**	**1.95**	**10884.70**	**–**	**1457.18**	**122.39**	**1.37**	**12220.86**	**17471.20**	**17428.89**
3B. Capital work-in-progress	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1499.41**	**1087.60**
3C. Investment Property [3]	**70.65**	**–**	**12.57**	**(2.92)**	**–**	**–**	**86.14**	**–**	**12.31**	**2.08**	**–**	**96.37**	**303.36**	**322.40**
3D. Goodwill														
Goodwill on Consolidation	–	–	–	–	–	–	–	–	–	–	–	–	385.04	319.05
Goodwill acquired through business combinations [4]	–	–	–	–	–	–	–	–	–	–	–	–	608.25	577.88
TOTAL	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**993.29**	**896.93**
3E. Other Intangible assets (acquired)														
Assets with indefinite life [4]														
Trademarks	–	–	–	–	–	–	–		–	–	–	–	2050.82	1889.78
Assets with finite life														
Trademarks	26.91	–	2.29	–	–	–	29.20	–	11.99	–	0.04	41.23	355.00	1.62
Computer Software	265.89	–	38.72	6.15	48.34	–	250.12	–	36.15	1.04	–	285.23	82.43	105.90
Know How, Business and Commercial Rights	168.00	–	79.13	–	0.13	–	247.00	–	78.50	–	–	325.50	482.33	557.80
Customer Relationships/Contracts etc.	16.19	–	6.41	–	–	–	22.60	–	10.22	–	0.10	32.92	53.34	44.81
Business Alliances/Partnerships	–	–	4.26	–	–	–	4.26	–	8.53	–	–	12.79	46.90	55.43
Software Tools	–	–	6.31	–	–	–	6.31	–	12.62	–	–	18.93	56.78	69.40
Sourcing Network	–	–	–	–	–	–	–	–	5.94	–	–	5.94	46.06	–
TOTAL	**476.99**	**–**	**137.12**	**6.15**	**48.47**	**–**	**559.49**	**–**	**163.95**	**1.04**	**0.14**	**722.54**	**3173.66**	**2724.74**
3F. Intangible assets under development	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**102.47**	**3.31**
3G. Right-of-use assets ^														
Land	47.39	–	8.97	0.03	28.54	0.71	28.50	–	4.67	6.84	–	26.33	293.84	387.56
Buildings	138.56	6.56	66.78	100.51	2.88	0.19	108.70	–	67.30	34.08	1.13	143.05	178.34	172.65
Plant and Equipment	20.56	–	3.69	9.86	–	–	14.39	–	2.40	–	–	16.79	15.18	17.58
Vehicles	1.40	–	1.59	1.88	–	0.01	1.12	–	2.72	0.17	0.33	4.00	13.66	4.10
TOTAL	**207.91**	**6.56**	**81.03**	**112.28**	**31.42**	**0.91**	**152.71**	**–**	**77.09**	**41.09**	**1.46**	**190.17**	**501.02**	**581.89**

3. The fair value of the investment property is ₹ 1357.96 Crores (2025 - ₹ 1352.64 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, 2026	For the year ended 31st March, 2025
Rental Income etc. from investment property	160.39	134.91
Direct Operating Expenses arising from investment property that generated rental income during the year$	16.39	14.67
Direct Operating Expenses arising from investment property that did not generate rental income during the year	–	–

$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% (2025 - 10%) and long-term growth rates ranging between 5% to 6% (2025 - 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.

Enduring Value

Notes to the Consolidated Financial Statements

Capital work-in-progress (CWIP) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2025 Amount in CWIP for a period of					As at 31st March, 2026 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	816.26	172.86	61.78	36.70	1087.60	935.22	356.52	132.08	75.59	1499.41
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**816.26**	**172.86**	**61.78**	**36.70**	**1087.60**	**935.22**	**356.52**	**132.08**	**75.59**	**1499.41**

Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2025 Amount in IAUD for a period of					As at 31st March, 2026 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	2.34	0.97	–	–	3.31	100.49	1.58	0.40	–	102.47
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**2.34**	**0.97**	**–**	**–**	**3.31**	**100.49**	**1.58**	**0.40**	**–**	**102.47**

Note: There are no projects in CWIP and IAUD, which are overdue or have exceeded their cost compared to their original plan as at 31st March, 2026 and 31st March, 2025.

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	
4. Non-current investments							
INVESTMENT IN EQUITY INSTRUMENTS							
In Associates (carrying amount determined using the equity method of accounting)							
Quoted							
ITC Hotels Limited	10	83,00,00,000			83,00,00,000		
Cost of acquisition			4174.04			4174.04	
Add / (Less) : Group Share of Profits / (Losses)			471.23	4645.27		88.69	4262.73
Unquoted							
Delectable Technologies Private Limited [Refer Note 30(xii)]	10	–			2,386		
Cost of acquisition			–			3.60	
Add / (Less) : Group Share of Profits / (Losses)			–			(0.43)	
Add / (Less) : Provision for Impairment			–	–		(3.17)	–
Mother Sparsh Baby Care Private Limited [Refer Note 30(iv)(b)]	10	694			100		
Cost of acquisition			11.54			0.96	
Add / (Less) : Group Share of Profits / (Losses)			(0.42)	11.12		(0.23)	0.73
Sproutlife Foods Private Limited [Refer Note 30(iv)(b)]	10	2,443			2,443		
Cost of acquisition			40.33			40.33	
Add / (Less) : Group Share of Profits / (Losses)			(13.04)	27.29		(12.16)	28.17
Ample Foods Private Limited [Refer Note 30(iv)(b)]	10	2,62,500			–		
Cost of acquisition			131.25			–	
Add / (Less) : Group Share of Profits / (Losses)			(2.14)	129.11		–	–
ATC Limited [Refer Note 30(xiii)]							
Fully paid	100	1,94,775			55,650		
Cost of acquisition			5.00			0.83	
Add / (Less) : Group Share of Profits / (Losses)			4.36	9.36		2.11	2.94
₹ 70.00 per share paid	100	–			1,39,125		
Cost of acquisition			–			2.92	
Add / (Less) : Group Share of Profits / (Losses)			–	–		2.42	5.34
Russell Investments Limited	10	42,75,435			42,75,435		
Cost of acquisition			4.27			4.27	
Add / (Less) : Group Share of Profits / (Losses)			41.86	46.13		40.64	44.91
Divya Management Limited	10	41,82,915			41,82,915		
Cost of acquisition			6.93			6.93	
Add / (Less) : Group Share of Profits / (Losses)			4.05	10.98		1.34	8.27
Antrang Finance Limited	10	43,24,634			43,24,634		
Cost of acquisition			4.40			4.40	
Add / (Less) : Group Share of Profits / (Losses)			3.53	7.93		1.12	5.52
Carried over				4887.19			4358.61

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026			As at 31st March, 2025		
		Number	(₹ in Crores)		Number	(₹ in Crores)	
4. Non-current investments (Contd.)							
Brought forward				4887.19			4358.61
INVESTMENT IN EQUITY INSTRUMENTS (Contd.)							
In Joint Ventures (carrying amount determined using the equity method of accounting)							
Unquoted							
Logix Developers Private Limited [Refer Note 30(viii)]	10	77,66,913			77,66,913		
Cost of acquisition			42.07			42.07	
Add/(Less) : Group Share of Profits/(Losses)			(40.45)			(40.52)	
Add/(Less) : Provision for Impairment			(1.62)	–		(1.55)	–
ITC Filtrona Limited	10	22,50,000			22,50,000		
Cost of acquisition			38.85			38.85	
Add/(Less) : Group Share of Profits/(Losses)			120.48	159.33		107.57	146.42
In Others (at fair value through other comprehensive income unless stated otherwise)							
Quoted							
VST Industries Limited	10	5,236		0.10	5,236		0.14
HLV Limited	2	5,34,13,884		30.55	5,34,13,884		64.20
EIH Limited	2	10,08,53,602		2758.85	10,08,53,602		3565.17
Tourism Finance Corporation of India Limited	2 (2025 - ₹ 10)	1,25,000		0.79	25,000		0.42
Unquoted							
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
Lotus Court Limited (Class G Shares)	48,000	2		2.34	2		2.34
Blupin Technologies Private Limited (at fair value through profit or loss)	10	400		3.64	400		3.64
Woodlands Multispeciality Hospital Limited	10	13,605		0.01	13,605		0.01
INVESTMENT IN PREFERENCE SHARES							
In Associates (carrying amount determined using the equity method of accounting)							
Unquoted							
Delectable Technologies Private Limited [Refer Note 30(xii)] (Compulsorily Convertible Cumulative Preference Shares)	10	–			7,759		
Cost of acquisition			–			7.40	
Add/(Less) : Group Share of Profits/(Losses)			–			(2.75)	
Add/(Less) : Provision for Impairment			–	–		(4.65)	–
Carried over				7342.87			8141.02

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			7342.87		8141.02
INVESTMENT IN PREFERENCE SHARES (Contd.)					
Mother Sparsh Baby Care Private Limited [Refer Note 30(iv)(b)]					
(Compulsorily Convertible Cumulative Preference Shares)	10	6,038		3,837	
Cost of acquisition			84.04		44.04
Add / (Less) : Group Share of Profits / (Losses)			(9.12) 74.92		(8.06) 35.98
Sproutlife Foods Private Limited [Refer Note 30(iv)(b)]					
(Compulsorily Convertible Cumulative Preference Shares)	10	10,984		10,984	
Cost of acquisition			214.68		214.68
Add / (Less) : Group Share of Profits / (Losses)			(47.88) 166.80		(43.91) 170.77
In Others (at fair value through profit or loss)					
Unquoted					
Blupin Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	100	3,399	30.75	3,232	29.33
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Quoted					
Government of India Zero Coupon Government Stock					
Zero Coupon Government Stock - 15-Jun-2026	100	–	–	10,20,000	9.47
Zero Coupon Government Stock - 22-Aug-2026	100	–	–	63,54,400	58.14
Zero Coupon Government Stock - 15-Dec-2026	100	–	–	10,20,000	9.15
Zero Coupon Government Stock - 22-Feb-2027	100	–	–	40,11,000	35.44
Zero Coupon Government Stock - 15-Jun-2027	100	31,17,000	28.84	31,17,000	27.01
Zero Coupon Government Stock - 22-Aug-2027	100	48,54,400	44.23	48,54,400	41.37
Unquoted					
Government Securities - cost ₹ 70000.00			0.01		0.01
National Savings Certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)			...		...
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at fair value through other comprehensive income)					
Quoted					
Government of India Stock					
6.33% - Government Stock - 05-May-2035	100	25,00,000	24.01	–	–
6.48% - Government Stock - 06-Oct-2035	100	5,00,000	4.81	–	–
Carried over			8217.24		8557.69

Enduring Value

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026		As at 31st March, 2025	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			8217.24		8557.69
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)					
Quoted					
Tax Free Bonds - Secured, Redeemable & Non-Convertible					
Housing and Urban Development Corporation Limited					
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	51.77
India Infrastructure Finance Company Limited					
7.36% - Series II - 22-Jan-2028	1,000	3,00,000	30.69	3,00,000	31.04
8.26% - Series V B - 23-Aug-2028	10,00,000	1,175	120.05	1,175	121.05
8.46% - Series VI B - 30-Aug-2028	10,00,000	1,300	134.19	1,300	135.79
8.48% - Series VII B - 05-Sep-2028	10,00,000	1,780	182.52	1,780	184.24
Indian Railway Finance Corporation Limited					
7.34% - Series 86A - 19-Feb-2028	1,000	1,00,000	10.26	1,00,000	10.39
8.48% - Series 89A - 21-Nov-2028	10,00,000	1,250	128.17	1,250	129.22
8.55% - Series 94A - 12-Feb-2029	10,00,000	130	13.37	130	13.49
National Highways Authority of India					
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	179.79	17,49,943	180.62
8.50% - Series II A - 05-Feb-2029	1,000	5,00,000	52.94	5,00,000	53.87
8.75% - Series II B - 05-Feb-2029	1,000	2,50,000	26.72	2,50,000	27.26
National Housing Bank					
8.46% - Series V - 30-Aug-2028	10,00,000	800	81.76	800	82.44
Power Finance Corporation Limited					
8.46% - Series 107B - 30-Aug-2028	10,00,000	500	51.10	500	51.53
8.54% - Series 2A - 16-Nov-2028	1,000	3,50,000	37.22	3,50,000	38.00
REC Limited					
8.46% - Series 3B - 29-Aug-2028	10,00,000	1,190	123.01	1,190	124.54
8.46% - Series 2A - 24-Sep-2028	1,000	3,50,000	37.06	3,50,000	37.81
8.54% - Series 4B - 11-Oct-2028	10,00,000	50	5.12	50	5.17
Carried over			9751.28		10155.99

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026		As at 31st March, 2025	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			9751.28		10155.99
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost) (Contd.)					
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
National Bank for Agriculture and Rural Development					
7.49% - Series 24 B - 15-Oct-2026	1,00,000	–	–	10,000	99.36
7.62% - Series 23 I - 31-Jan-2028	1,00,000	19,000	189.31	19,000	189.02
7.62% - Series 24 H - 10-May-2029	1,00,000	20,000	199.88	20,000	199.89
7.53% - Series 25 E - 24-Mar-2028	1,00,000	2,000	20.01	2,000	20.03
7.80% - Series 24 E - 15-Mar-2027	1,00,000	–	–	5,000	50.17
8.22% - Series PMAYG-PB-2 - 13-Dec-2028	10,00,000	1,550	157.12	1,550	157.83
REC Limited					
7.64% - Series 225 - 30-Jun-2026	1,00,000	–	–	2,500	25.00
Small Industries Development Bank of India					
7.43% - Series I - 31-Aug-2026	1,00,000	–	–	5,000	49.68
7.44% - Series II - 04-Sep-2026	1,00,000	–	–	5,000	49.69
7.68% - Series IX - 10-Aug-2027	1,00,000	30,000	299.83	30,000	299.92
7.79% - Series IV - 19-Apr-2027	1,00,000	30,000	299.85	30,000	300.15
7.79% - Series VI - 14-May-2027	1,00,000	25,000	249.74	25,000	249.82
7.83% - Series V - 24-Nov-2028	1,00,000	40,500	404.80	40,500	404.89
Perpetual Bonds - Unsecured, Subordinated & Non-Convertible#					
State Bank of India					
7.72% - Series I (with first Call option 03-Sep-2026)	1,00,00,000	–	–	313	313.00
7.72% - Series II (with first Call option 18-Oct-2026)	1,00,00,000	–	–	400	400.00
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income)					
Quoted					
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
HDFC Bank Limited					
6.44% - Series 1 - 27-Sep-2028	10,00,000	1,500	147.18	–	–
7.70% - Series US003 - 16-May-2028	1,00,000	13,000	131.10	–	–
8.44% - Series 1/2018-19 - 28-Dec-2028	10,00,000	1,500	154.16	–	–
9.05% - Series U001 - 16-Oct-2028	10,00,000	500	52.00	–	–
Carried over			12056.26		12964.44

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026		As at 31st March, 2025	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			12056.26		12964.44
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income) (Contd.)					
National Bank for Agriculture and Rural Development					
6.85% - Series 26 B - 19-Jan-2029	1,00,000	5,000	49.58	–	–
7.40% - Series 25 D - 29-Apr-2030	1,00,000	5,000	50.09	–	–
7.48% - Series 25 G - 15-Sep-2028	1,00,000	37,500	365.98	–	–
7.53% - Series 25 E - 24-Mar-2028	1,00,000	20,000	196.34	–	–
7.62% - Series 23 I - 31-Jan-2028	1,00,000	10,000	100.80	–	–
7.62% - Series 24 H - 10-May-2029	1,00,000	4,000	39.74	–	–
7.68% - Series F 24 - 30-Apr-2029	1,00,000	5,000	49.76	–	–
Power Finance Corporation Limited					
6.64% - Series 250 B - 15-Jul-2030	1,00,000	5,000	48.96	–	–
7.60% - Series 237 A - 13-Apr-2029	1,00,000	7,500	75.83	–	–
Small Industries Development Bank of India					
6.66% - Series I - 25-Oct-2028	1,00,000	15,000	147.96	–	–
7.34% - Series III - 26-Feb-2029	1,00,000	10,000	100.39	–	–
7.48% - Series VI - 24-May-2029	1,00,000	2,500	24.74	–	–
7.49% - Series VIII - 11-Jun-2029	1,00,000	20,000	201.65	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
Aditya Birla Sun Life Mutual Fund	10	2,19,98,900	28.02	2,19,98,900	26.37
DSP Mutual Fund	10	–	–	4,99,97,500	58.99
Nippon India Mutual Fund	10	1,49,99,250	19.40	1,49,99,250	18.20
SBI Mutual Fund	10	5,49,97,250	70.08	21,19,89,401	255.96
Exchange Traded Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	1	–	–	11,25,00,000	140.81
Edelweiss Mutual Fund	1,000	28,65,706	447.56	–	–
Nippon India Mutual Fund	10	6,34,26,359	81.07	12,94,26,359	927.92
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Aditya Birla Sun Life Mutual Fund	10	51,29,42,310	665.75	87,97,85,691	1067.65
Axis Mutual Fund	10	15,46,34,944	199.34	13,50,74,285	162.41
Carried over			15019.30		15622.75

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			15019.30		15622.75
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Bandhan Mutual Fund	10	–	–	4,24,53,511	54.21
DSP Mutual Fund	10	2,49,40,887	32.45	4,76,41,228	58.00
HDFC Mutual Fund	10	7,61,50,000	96.21	2,24,75,231	27.62
ICICI Prudential Mutual Fund	10	54,91,10,334	714.11	64,66,52,376	786.80
Kotak Mahindra Mutual Fund	10	42,65,69,184	596.80	59,85,34,837	728.62
Nippon India Mutual Fund	10	31,14,04,896	397.73	28,00,48,239	334.51
SBI Mutual Fund	10	26,72,22,501	347.01	56,98,58,756	687.00
INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (at fair value through profit or loss)					
Unquoted					
Avaana Sustainability Fund	1,000	60,115	6.23	41,178	3.85
Chiratae Ventures India Fund IV	1,00,000	1,430	17.36	1,421	20.53
Fireside Ventures Investments Fund I	1,00,000	1,060	31.67	1,182	37.61
Fireside Ventures Investments Fund II	1,000	1,81,050	37.95	1,87,606	31.10
Fireside Ventures Investments Fund III	1,00,000	1,455	17.85	1,000	9.49
India Foundation Fund Series I	100	9,00,000	8.82	8,39,020	8.37
Roots Ventures I	100	8,44,147	27.59	9,36,923	21.86
Stride Ventures Debt Fund 4	1,00,000	1,500	15.00	–	–
Together Fund II IFSC	$1000	990	11.71	–	–
Aggregate amount of quoted investments			**13474.42**		**13908.24**
Aggregate amount of unquoted investments			**3903.37**		**4524.08**
TOTAL			**17377.79**		**18432.32**

Aggregate market value of quoted investments ₹ 20345.52 Crores (2025 - ₹ 26104.35 Crores).

Aggregate amount of impairment in value of investments ₹ 1.62 Crores (2025 - ₹ 9.37 Crores)

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.

* 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.

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
5. Loans				
Others Loans - Employees				
– Unsecured, considered good	8.52	4.87	9.51	7.60
TOTAL	**8.52**	**4.87**	**9.51**	**7.60**

	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
6. Other financial assets				
Security Deposits*	31.18	85.94	31.31	84.08
Bank deposits with more than 12 months maturity	–	5.72	–	1276.54
Others				
Advances	6.49	–	9.36	–
Deposits other than Security Deposits	1020.20	251.56	451.93	250.51
Interest accrued on Loans, Deposits, Investments etc.	368.67	–	293.98	–
Other Receivables**	934.80	–	875.74	–
TOTAL	**2361.34**	**343.22**	**1662.32**	**1611.13**

* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2025 - ₹ 0.01 Crore) (Refer Note 32).

** Comprise receivables on account of government grants, claims, rentals, derivatives, unbilled revenue etc.

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
7. Deferred tax		
Deferred tax liabilities (Net)	3089.62	2582.46
Less : Deferred tax assets (Net)	155.18	87.98
TOTAL	**2934.44**	**2494.48**

Movement in deferred tax liabilities/assets balances (₹ in Crores)

2025-26	Opening Balance	Recognised in profit or loss*	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Acquired through business combination#	Transferred pursuant to Scheme of demerger of Hotels business	Effect of foreign exchange	Closing Balance
Deferred tax liabilities/assets in relation to:									
On fiscal allowances on property, plant and equipment, investment property etc.	1556.24	79.77	–	–	–	0.28	–	0.01	1636.30
On Excise Duty/National Calamity Contingent Duty on closing stock	92.70	634.91	–	–	–	–	–	–	727.61
Other timing differences	1548.45	65.23	(135.71)	–	–	1.69	–	0.09	1479.75
Total deferred tax liabilities	**3197.39**	**779.91**	**(135.71)**	**–**	**–**	**1.97**	**–**	**0.10**	**3843.66**
On fiscal allowances on property, plant and equipment etc.	17.53	5.61	–	–	–	–	–	(0.01)	23.13
On employees' separation and retirement etc.	124.47	112.05	0.02	–	–	1.47	–	5.67	243.68
On provision for doubtful debts/advances	59.56	5.43	–	–	–	–	–	0.11	65.10
On State and Central taxes etc.	78.90	15.00	–	–	–	1.01	–	–	94.91
On unabsorbed tax losses and depreciation	35.69	9.17	–	–	–	–	–	1.49	46.35
On cash flow hedges	4.68	–	28.95	4.61	(17.62)	–	–	–	20.62
Other timing differences	367.26	32.60	–	–	–	1.94	–	1.03	402.83
Total deferred tax assets before MAT credit entitlement	**688.09**	**179.86**	**28.97**	**4.61**	**(17.62)**	**4.42**	**–**	**8.29**	**896.62**
Total deferred tax liabilities before MAT credit entitlement (Net)	**2509.30**	**600.05**	**(164.68)**	**(4.61)**	**17.62**	**(2.45)**	**–**	**(8.19)**	**2947.04**
Less: MAT credit entitlement	14.82	(2.22)	–	–	–	–	–	–	12.60
Total deferred tax liabilities (Net)	**2494.48**	**602.27**	**(164.68)**	**(4.61)**	**17.62**	**(2.45)**	**–**	**(8.19)**	**2934.44**

Notes to the Consolidated Financial Statements

7. Deferred tax (Contd.)

(₹ in Crores)

2024-25	Opening Balance	Recognised in profit or loss*	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Acquired through business combination	Transferred pursuant to Scheme of Demerger of Hotels business	Effect of foreign exchange	Closing Balance
Deferred tax liabilities/assets in relation to:									
On fiscal allowances on property, plant and equipment, investment property etc.	1886.62	114.33	–	–	–	–	(444.71)	–	1556.24
On Excise Duty/National Calamity Contingent Duty on closing stock	100.61	(7.91)	–	–	–	–	–	–	92.70
Other timing differences	790.46	831.75	(42.06)	–	(0.75)	–	(31.02)	0.07	1548.45
Total deferred tax liabilities	**2777.69**	**938.17**	**(42.06)**	**–**	**(0.75)**	**–**	**(475.73)**	**0.07**	**3197.39**
On fiscal allowances on property, plant and equipment etc.	5.46	12.07	–	–	–	–	–	–	17.53
On employees' separation and retirement etc.	156.93	(19.17)	3.42	–	–	–	(16.83)	0.12	124.47
On provision for doubtful debts/advances	64.52	(2.31)	–	–	–	–	(2.68)	0.03	59.56
On State and Central taxes etc.	73.25	15.81	–	–	–	–	(10.16)	–	78.90
On unabsorbed tax losses and depreciation	22.78	12.97	–	–	–	–	–	(0.06)	35.69
On cash flow hedges	1.52	–	6.05	(0.05)	(2.84)	–	–	–	4.68
Other timing differences	371.13	25.20	–	–	–	3.12	(32.69)	0.50	367.26
Total deferred tax assets before MAT credit entitlement	**695.59**	**44.57**	**9.47**	**(0.05)**	**(2.84)**	**3.12**	**(62.36)**	**0.59**	**688.09**
Total deferred tax liabilities before MAT credit entitlement (Net)	**2082.10**	**893.60**	**(51.53)**	**0.05**	**2.09**	**(3.12)**	**(413.37)**	**(0.52)**	**2509.30**
Less: MAT Credit Entitlement	12.85	1.97	–	–	–	–	–	–	14.82
Total deferred tax liabilities (Net)	**2069.25**	**891.63**	**(51.53)**	**0.05**	**2.09**	**(3.12)**	**(413.37)**	**(0.52)**	**2494.48**

* includes Nil (2025 - ₹ 510.77 Crores) relating to discontinued operations.

Refer Note 30(ix)

The Group has losses of ₹ 47.57 Crores (2025 - ₹ 46.46 Crores) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2026-27 to 2045-46.

	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
8. Other assets				
Capital Advances	–	175.26	–	73.49
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	0.97	741.69	0.50	725.53
– Others	0.19	65.50	0.19	65.43
Advances to related parties (Refer Note 32)	–	6.48	–	8.62
Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.)	1485.83	96.41	1100.54	79.23
Other Receivables*	296.62	3.11	264.55	10.07
TOTAL	**1783.61**	**1088.45**	**1365.78**	**962.37**

* Comprise receivables on account of government grants, withholding taxes etc.

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
9. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	10949.78	10511.11
Work-in-progress	423.93	414.60
Finished goods (manufactured)	5209.71	2580.62
Stock-in-trade (goods purchased for resale)	1269.31	1348.07
Stores and spares	658.86	678.84
Intermediates - Tissue paper and Paperboards	111.37	104.32
TOTAL	**18622.96**	**15637.56**

The above includes goods in transit as under:

Raw materials (including packing materials)	244.76	255.30
Finished Goods (manufactured)	3.41	3.01
Stock-in-trade (goods purchased for resale)	8.12	8.36
Stores and spares	1.78	3.68
TOTAL	**258.07**	**270.35**

The cost of inventories recognised as an expense includes ₹ 368.01 Crores (2025 - ₹ 236.36 Crores) in respect of write-offs/write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 5.08 Crores (2025 - ₹ 1.31 Crores) have been made owing to subsequent increase in net realisable value.

Inventories of ₹ 1315.29 Crores (2025 - ₹ 886.65 Crores) are expected to be recovered more than twelve months after the reporting period.

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
10. Biological assets other than bearer plants		
Balance at the beginning of the year	198.58	150.00
Biological assets acquired during the year	6.60	12.39
Cost incurred during the year	275.65	208.87
Changes in fair value *	93.33	112.14
Transfer of Biological assets to Inventories	(5.68)	(8.74)
Biological assets sold during the year	(319.08)	(276.12)
Effect of foreign exchange translation	0.29	0.04
Balance at the end of the year	**249.69**	**198.58**

* Represents aggregate gain/(loss) arising on account of change in fair value less costs to sell during the year.

The Group had 4,01,39,064 numbers of TECHNITUBER® seed potatoes (2025 - 2,87,54,144 numbers).

There were 151165 MT of field generated seed potatoes (2025 - 132187 MT). During the year, output of agricultural produce (potatoes) is 11461 MT (2025 - 13633 MT).

In October 2025 - 30037 MT (October 2024 - 23917 MT) of seed potatoes were planted and in February/March 2026 - 176674 MT (February/March 2025 - 148918 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 is ₹ 0.40 Crore (2025 - ₹ 1.95 Crores).

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise)					
INVESTMENT IN EQUITY INSTRUMENTS					
In Others					
Quoted					
UltraTech Cement Limited	10	3	...	3	...
Unquoted					
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	...
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES					
Quoted					
Government of India Stock					
6.01% - Government Stock - 21-Jul-2030	100	40,00,000	38.93	–	–
6.33% - Government Stock - 05-May-2035	100	55,00,000	52.83	–	–
6.48% - Government Stock - 06-Oct-2035	100	3,93,92,700	379.45	–	–
6.68% - Government Stock - 07-Jul-2040	100	1,25,00,000	116.71	–	–
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES					
Quoted					
Tax Free Bonds - Secured, Redeemable & Non-Convertible					
National Highways Authority of India					
8.50% - Series II A - 05-Feb-2029	1,000	1,04,000	10.75	1,04,000	10.86
REC Limited					
8.12% - Series 2 - 27-Mar-2027	1,000	60,000	6.05	60,000	6.10
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
National Bank for Agriculture and Rural Development					
5.70% - Series 22 D - 31-Jul-2025	10,00,000	–	–	2,800	275.19
7.25% - Series 23 C - 01-Aug-2025	10,00,000	–	–	1,000	98.75
7.35% - Series 23 B - 08-Jul-2025	10,00,000	–	–	150	14.85
7.48% - Series 25 G - 15-Sep-2028	10,00,000	25,000	243.99	–	–
7.53% - Series 25 E - 24-Mar-2028	10,00,000	20,000	196.34	–	–
Carried over			1045.05		405.75

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			1045.05		405.75
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
Power Finance Corporation Limited					
7.75% - Series 248A - 15-Apr-2026	1,00,000	20,000	199.99	–	–
Small Industries Development Bank of India					
7.15% - Series II - 21-Jul-2025	10,00,000	–	–	250	24.71
7.25% - Series III - 31-Jul-2025	10,00,000	–	–	750	74.07
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income)					
Quoted					
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
HDFC Bank Limited					
7.95% - Series I - 21-Sep-2026	10,00,000	4,313	432.27	–	–
8.46% - Series P016 - 15-Jun-2026	1,00,00,000	50	50.08	–	–
8.46% - Series P019 - 24-Jun-2026	1,00,00,000	50	50.07	–	–
National Bank for Agriculture and Rural Development					
7.58% - Series 23 H - 31-Jul-2026	1,00,000	25,000	249.94	–	–
Small Industries Development Bank of India					
7.43% - Series I - 31-Aug-2026	1,00,000	10,000	99.78	–	–
7.44% - Series II - 04-Sep-2026	1,00,000	25,000	250.00	–	–
INVESTMENT IN CERTIFICATES OF DEPOSIT					
Unquoted					
Axis Bank Limited - 16-Jul-2025	5,00,000	–	–	10,000	484.63
Axis Bank Limited - 17-Oct-2025	5,00,000	–	–	5,000	235.90
Axis Bank Limited - 18-Nov-2025	5,00,000	–	–	5,000	233.82
Axis Bank Limited - 30-Apr-2026	5,00,000	1,000	49.68	–	–
Axis Bank Limited - 15-May-2026	5,00,000	2,000	99.03	–	–
Canara Bank - 08-May-2026	5,00,000	20,000	991.80	–	–
Canara Bank - 15-May-2026	5,00,000	1,000	49.52	–	–
Canara Bank - 26-May-2026	5,00,000	1,500	74.10	–	–
HDFC Bank Limited - 25-Jul-2025	5,00,000	–	–	3,000	145.04
Carried over			3641.31		1603.92

Enduring Value

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026		As at 31st March, 2025	
		Number	(₹ in Crores)	Number	(₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			3641.31		1603.92
INVESTMENT IN CERTIFICATES OF DEPOSIT (Contd.)					
HDFC Bank Limited - 18-Dec-2025	5,00,000	–	–	1,000	47.39
HDFC Bank Limited - 07-May-2026	5,00,000	6,500	322.42	–	–
Small Industries Development Bank of India - 20-May-2026	5,00,000	12,000	593.55	–	–
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Unquoted					
Treasury Bill issued by Nepal Rastra Bank		1	0.06	2	11.09
National Savings Certificates (pledged with Mandi Samiti) (cost ₹ 2000.00)			–		...
National Savings Certificate (cost ₹ 10000.00)			–		...
INVESTMENT IN DEBT MUTUAL FUNDS					
Unquoted					
Liquid/Overnight Funds					
Aditya Birla Sun Life Mutual Fund	100	1,67,521	7.37	22,485	0.94
Axis Mutual Fund	1,000	35,753	10.96	3,93,385	95.97
DSP Mutual Fund	1,000	14,944	5.82	5,267	1.93
Edelweiss Mutual Fund	1,000	3,599	1.25	–	–
HDFC Mutual Fund	100	–	–	3,198	1.61
ICICI Prudential Mutual Fund	100	80,595	3.26	–	–
Kotak Mahindra Mutual Fund	1,000	–	–	10,976	5.75
Nippon India Mutual Fund	100	314	0.21	8,39,206	11.51
SBI Mutual Fund	1,000	–	–	16,616	6.67
UTI Mutual Fund	1,000	2,36,398	105.81	26,505	11.26
Ultra Short Term Funds					
Aditya Birla Sun Life Mutual Fund	100	2,34,66,054	1366.90	2,02,77,140	1103.49
Axis Mutual Fund	10	2,35,94,615	36.56	9,61,441	1.47
HDFC Mutual Fund	10	10,90,41,032	175.83	–	–
ICICI Prudential Mutual Fund	10	4,48,44,111	140.83	1,74,13,815	51.09
Kotak Mahindra Mutual Fund	10	26,25,58,620	1224.83	26,25,58,620	1146.73
Nippon India Mutual Fund	1,000	3,23,856	150.96	–	–
SBI Mutual Fund	1,000	2,62,799	167.00	3,05,559	182.05
UTI Mutual Fund	1,000	68,764	30.35	–	–
Carried over			7985.28		4282.87

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026		As at 31st March, 2025	
		Number	(₹ in Crores)	Number	(₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			7985.28		4282.87
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Low Duration Funds					
Aditya Birla Sun Life Mutual Fund	100	87,701	6.67	87,701	6.24
Axis Mutual Fund	1,000	14,17,525	481.21	14,17,525	449.84
Bandhan Mutual Fund	10	7,34,11,386	302.78	7,34,11,386	284.06
DSP Mutual Fund	10	17,22,63,805	355.48	17,22,63,805	334.81
ICICI Prudential Mutual Fund	100	1,44,38,457	833.60	1,44,38,457	778.70
Kotak Mahindra Mutual Fund	1,000	–	–	1,44,778	51.61
Nippon India Mutual Fund	1,000	6,121	2.54	2,65,846	103.23
SBI Mutual Fund	1,000	20,06,438	761.11	21,51,415	765.01
Money Market Funds					
Aditya Birla Sun Life Mutual Fund	100	84,42,181	331.05	40,95,539	150.50
Axis Mutual Fund	1,000	20,92,690	316.40	24,20,455	342.13
Bandhan Mutual Fund	10	5,32,80,805	243.61	5,51,82,275	231.89
DSP Mutual Fund	10	9,16,45,945	519.85	28,79,974	15.33
HDFC Mutual Fund	1,000	7,64,367	466.45	7,64,367	436.74
HSBC Mutual Fund	10	61,83,192	17.90	–	–
ICICI Prudential Mutual Fund	1,000	–	–	1,26,050	4.75
Kotak Mahindra Mutual Fund	1,000	13,41,688	636.59	7,11,902	316.31
LIC Mutual Fund	1,000	3,98,844	50.26	–	–
Nippon India Mutual Fund	1,000	6,60,345	290.55	6,60,345	272.04
SBI Mutual Fund	10	6,65,47,323	309.49	6,65,47,323	290.02
UTI Mutual Fund	1,000	–	–	1,20,014	30.81
Floating Rate Funds					
Aditya Birla Sun Life Mutual Fund	100	1,95,98,885	732.68	1,95,98,885	685.24
HDFC Mutual Fund	10	10,07,90,662	536.66	10,07,90,662	501.54
Nippon India Mutual Fund	10	6,22,64,756	307.99	6,22,64,756	288.73
Short Duration Funds					
Aditya Birla Sun Life Mutual Fund	10	1,57,835	12.01	1,32,84,152	66.77
DSP Mutual Fund	10	–	–	2,31,36,440	114.32
ICICI Prudential Mutual Fund	10	86,00,718	68.81	–	–
Kotak Mahindra Mutual Fund	10	–	–	1,94,81,292	109.13
Nippon India Mutual Fund	10	1,27,65,848	88.00	2,41,72,593	135.21
SBI Mutual Fund	10	5,40,50,081	191.41	5,40,50,081	179.96
Carried over			15848.38		11227.79

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	(₹ in Crores)	As at 31st March, 2025 Number	(₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			15848.38		11227.79
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Banking & PSU Debt Funds					
Axis Mutual Fund	1,000	31,86,227	881.71	31,86,227	833.77
Bandhan Mutual Fund	10	14,17,61,931	360.66	14,17,61,931	341.56
Corporate Bond Funds					
HDFC Mutual Fund	10	–	–	1,58,86,798	51.67
ICICI Prudential Mutual Fund	10	2,42,40,779	78.68	4,30,40,789	131.43
Kotak Mahindra Mutual Fund	1,000	789	0.32	2,99,599	115.22
SBI Mutual Fund	10	–	–	8,30,72,281	128.86
Current Portion of Non-Current Investments					
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Quoted					
Government of India Zero Coupon Government Stock					
Zero Coupon Government Stock - 15-Jun-2025	100	–	–	10,20,000	10.08
Zero Coupon Government Stock - 22-Aug-2025	100	–	–	25,35,000	24.75
Zero Coupon Government Stock - 15-Dec-2025	100	–	–	36,34,800	34.84
Zero Coupon Government Stock - 17-Dec-2025	100	–	–	6,02,300	5.77
Zero Coupon Government Stock - 22-Feb-2026	100	–	–	25,35,000	23.97
Zero Coupon Government Stock - 15-Jun-2026	100	10,20,000	10.07	–	–
Zero Coupon Government Stock - 22-Aug-2026	100	63,54,400	61.97	–	–
Zero Coupon Government Stock - 15-Dec-2026	100	10,20,000	9.75	–	–
Zero Coupon Government Stock - 22-Feb-2027	100	40,11,000	37.83	–	–
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost)					
Quoted					
Tax Free Bonds - Secured, Redeemable & Non-Convertible					
Housing and Urban Development Corporation Limited					
7.07% - Series B - 01-Oct-2025	10,00,000	–	–	4,300	430.54
7.19% - Series A - 31-Jul-2025	10,00,000	–	–	150	15.04
8.20% - Series 2 - 05-Mar-2027	1,000	5,00,000	50.87	–	–
Indian Railway Finance Corporation Limited					
7.07% - Series 102 - 21-Dec-2025	1,000	–	–	70,498	7.08
7.15% - Series 100 - 21-Aug-2025	10,00,000	–	–	250	25.09
7.19% - Series 99 - 31-Jul-2025	10,00,000	–	–	2,250	225.11
Carried over			17340.24		13632.57

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			17340.24		13632.57
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost) (Contd.)					
Small Industries Development Bank of India					
7.11% - Series IV - 27-Feb-2026	10,00,000	–	–	250	24.87
National Bank for Agriculture and Rural Development					
7.07% - Series 1A - 25-Feb-2026	10,00,000	–	–	2,000	201.52
National Highways Authority of India					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	–	–	2,600	260.14
7.14% - Series I A - 11-Jan-2026	1,000	–	–	8,06,381	80.90
Power Finance Corporation Limited					
7.16% - Series 136 - 17-Jul-2025	10,00,000	–	–	600	60.12
REC Limited					
7.17% - Series 5A - 23-Jul-2025	10,00,000	–	–	850	85.21
Zero Coupon Bonds - Secured, Redeemable & Non-Convertible					
LIC Housing Finance Limited					
Tranche 416 - 25-Apr-2025	10,00,000	–	–	11,250	1363.35
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
HDFC Bank Limited					
7.80% - Series US005 - 02-Jun-2025	1,00,000	–	–	10,000	99.93
National Bank for Agriculture and Rural Development					
7.49% - Series 24 B - 15-Oct-2026	1,00,000	10,000	99.72	–	–
7.80% - Series 24 E - 15-Mar-2027	1,00,000	5,000	50.08	–	–
Small Industries Development Bank					
7.43% - Series I - 31-Aug-2026	1,00,000	5,000	49.87	–	–
7.44% - Series II - 04-Sep-2026	1,00,000	5,000	49.87	–	–
Perpetual Bonds - Unsecured, Subordinated & Non-Convertible#					
State Bank of India					
7.72% - Series I (with first Call option 03-Sep-2026)	1,00,00,000	313	313.00	–	–
7.72% - Series II (with first Call option 18-Oct-2026)	1,00,00,000	400	400.00	–	–
Carried over			18302.78		15808.61

Enduring Value

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2026 Number	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			18302.78		15808.61
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income)					
Quoted					
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
National Bank for Agriculture and Rural Development					
7.80% - Series 24 E - 15-Mar-2027	1,00,000	10,000	100.57	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
DSP Mutual Fund	10	4,99,97,500	63.27	–	–
SBI Mutual Fund	10	15,69,92,150	201.02	2,49,98,750	29.58
Exchange Traded Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	1	11,25,00,000	149.93	–	–
Edelweiss Mutual Fund	1,000	–	–	33,03,209	425.60
Nippon India Mutual Fund	10	6,60,00,000	905.54	–	–
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Aditya Birla Sun Life Mutual Fund	10	34,45,85,668	446.92	–	–
Axis Mutual Fund	10	–	–	1,98,53,868	23.71
SBI Mutual Fund	10	45,10,57,343	580.61	–	–
Aggregate amount of quoted investments			**4930.54**		**3938.02**
Aggregate amount of unquoted investments			**15820.10**		**12349.48**
TOTAL			**20750.64**		**16287.50**

Aggregate market value of quoted investments ₹ 4933.92 Crores (2025 - ₹ 3941.75 Crores).

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.

* 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.

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
12. Trade receivables (Current)		
Considered good - Secured	7.85	49.71
Considered good - Unsecured	3915.01	4669.96
Which have significant increase in Credit Risk	–	–
Credit impaired	188.74	176.13
Less: Allowance for credit impairment [Refer Note 33]	188.74	176.13
TOTAL	**3922.86**	**4719.67**

Trade receivables ageing schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2026					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2156.34	1589.52	113.04	63.63	0.33	–	3922.86
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	2.37	0.51	13.94	30.21	7.72	40.01	94.76
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	0.03	1.52	8.07	1.39	82.97	93.98
SUB-TOTAL	**2158.71**	**1590.06**	**128.50**	**101.91**	**9.44**	**122.98**	**4111.60**
Less: Allowance for credit impairment							188.74
TOTAL							**3922.86**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2025					Total
		Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	2189.06	2449.38	45.92	35.35	...	0.27	4719.98
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	1.12	5.07	20.22	1.00	39.06	66.47
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	0.38	4.05	3.95	1.13	99.84	109.35
SUB-TOTAL	**2189.06**	**2450.88**	**55.04**	**59.52**	**2.13**	**139.17**	**4895.80**
Less: Allowance for credit impairment							176.13
TOTAL							**4719.67**

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
13. Cash and cash equivalents@		
Balances with Banks		
Current accounts	396.94	414.99
Deposit accounts	239.04	202.60
Cheques, drafts on hand	6.37	1.08
Cash on hand	1.11	1.33
TOTAL	**643.46**	**620.00**

@ 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.

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
14. Bank Balances other than cash and cash equivalents		
Earmarked balances*	268.66	264.84
In deposit accounts**	2096.67	3127.52
TOTAL	**2365.33**	**3392.36**

* includes balances towards unpaid dividend and 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, 2026 (No. of Shares)	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (₹ in Crores)
15. Equity Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	12,52,94,68,231	1252.95	12,51,41,19,781	1251.41
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	12,51,41,19,781	1251.41	12,48,47,21,471	1248.47
Add: Issue of Shares on exercise of Stock Options	1,53,48,450	1.54	2,93,98,310	2.94
As at end of the year	**12,52,94,68,231**	**1252.95**	**12,51,41,19,781**	**1251.41**

B) Shareholders holding more than 5% of the Ordinary Shares in the Company

	As at 31st March, 2026 (No. of Shares)	As at 31st March, 2026 (%)	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (%)
Tobacco Manufacturers (India) Limited	2,22,84,95,863	17.79	2,54,14,95,863	20.31
Life Insurance Corporation of India	1,98,32,05,253	15.83	1,94,17,50,542	15.52
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.78	97,45,31,427	7.79

C) Shareholding of Promoters : Nil

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

E) Rights, preferences and restrictions attached to the Ordinary Shares

The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

F) Shares reserved for issue under Stock Options/Employee Stock Appreciation Rights ('ESARs')

Refer Note 30(xvi) for details on number of Stock Options/ESARs (including terms and conditions) against which Ordinary Shares may be issued by the Company upon vesting and exercise of such Stock Options/ESARs, in accordance with the relevant Schemes.

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
16. Borrowings				
Secured				
Loans repayable on demand				
Cash credit facilities from banks*	1.97	–	–	–
Unsecured				
Loan from Banks				
Term Loans#	–	60.00	–	–
Working Capital Demand Loan	2100.00	–	89.50	–
Cash credit facilities	23.25	–	–	–
Deferred payment liabilities				
Sales tax deferment loans^	–	–	1.76	–
Other Loans	1.00	–	–	–
TOTAL	**2126.22**	**60.00**	**91.26**	**–**

* Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future.

Terms of borrowings are as under:

 # Term Loans from Banks:

Unsecured term loan with a sanctioned limit of ₹ 60.00 Crores, bearing interest at 7.75% p.a. linked to RBI Repo rate prevailing on the date of first disbursement payable at monthly rests. The interest rate will be reset at quarterly frequency.

The repayment schedule is summarised as under:

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
In the second year	12.00	–
In the third year	24.00	–
In the fourth year	24.00	–
Non-current borrowings	**60.00**	**–**

^ Sales tax deferment loans:

Interest free deferral period of 14 years and fully paid during the year.

	As at 31st March, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
17. Lease liabilities*				
Lease liabilities	71.98	140.86	56.07	137.21
TOTAL	**71.98**	**140.86**	**56.07**	**137.21**

* Refer Note 30(xv)

Notes to the Consolidated Financial Statements

17. Lease liabilities* (Contd.)

Movement of Lease liabilities during the year

Particulars	31st March, 2026	31st March, 2025
Opening Lease liabilities	193.28	292.15
New Leases recognised	65.54	43.36
Remeasurements and withdrawals	(1.31)	(4.28)
Interest expense on Lease liabilities	16.38	21.26
Payment of Lease liabilities (including interest)	(84.62)	(86.78)
Foreign Currency Translation Reserve adjustment	3.40	0.47
Assumed on Business Combination [Refer Note 30(ix)]	20.17	0.45
Transferred pursuant to Scheme of Demerger of Hotels business	–	(73.35)
Closing Lease liabilities	**212.84**	**193.28**

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
18. Other financial liabilities		
Non-current		
Others (Includes payable towards employee benefits, property, plant and equipment, intangibles, contingent consideration on business combination / asset acquisition etc.)	510.40	301.34
TOTAL	**510.40**	**301.34**
Current		
Interest accrued	2.06	1.92
Unpaid dividend*	268.30	259.28
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, intangibles, derivatives, contingent consideration on business combination / asset acquisition etc.)	1828.49	1604.48
TOTAL	**2099.15**	**1865.98**

* 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, 2026 (₹ in Crores)		As at 31st March, 2025 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
19. Provisions				
Provision for employee benefits				
Retirement benefits [Refer Note 30(vi)]	396.95	259.69	62.51	206.83
Other benefits	26.96	129.45	17.55	95.99
Provision for standard assets	–	0.29	–	0.29
TOTAL	**423.91**	**389.43**	**80.06**	**303.11**

Notes to the Consolidated Financial Statements

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
20. Other liabilities		
Non-current		
Advances received from customers*	41.78	34.51
TOTAL	**41.78**	**34.51**
Current		
Statutory liabilities	3663.73	4906.89
Advances received from customers*	1341.77	1264.18
Others (includes deferred revenue, accruals etc.)	32.14	32.72
TOTAL	**5037.64**	**6203.79**

* Includes revenue received in advance.

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
21. Trade Payables (Current)		
Total outstanding dues of Micro and Small Enterprises	350.13	180.64
Total outstanding dues of creditors other than Micro and Small Enterprises	5289.42	4626.66
TOTAL	**5639.55**	**4807.30**

Trade Payables ageing schedule

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2026				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Dues - Micro and Small Enterprises	205.28	–	–	–	–	**205.28**
Undisputed Dues - Others	1141.09	133.81	0.32	–	1.61	**1276.83**
Disputed Dues - Micro and Small Enterprises	–	–	–	–	–	**–**
Disputed Dues - Others	–	–	–	–	0.28	**0.28**
SUB-TOTAL	**1346.37**	**133.81**	**0.32**	**–**	**1.89**	**1482.39**
Accrued Payables (not due)						
– Micro and Small Enterprises						144.85
– Others						4012.31
TOTAL						**5639.55**

Notes to the Consolidated Financial Statements

Trade Payables ageing schedule (Contd.) (₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2025				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Dues - Micro and Small Enterprises	59.77	–	–	–	–	**59.77**
Undisputed Dues - Others	917.86	191.76	0.05	1.61	0.01	**1111.29**
Disputed Dues - Micro and Small Enterprises	–	–	–	–	–	**–**
Disputed Dues - Others	–	–	–	–	0.28	**0.28**
SUB-TOTAL	**977.63**	**191.76**	**0.05**	**1.61**	**0.29**	**1171.34**
Accrued Payables (not due)						
– Micro and Small Enterprises						120.87
– Others						3515.09
TOTAL						**4807.30**

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
22A. Income Tax Assets (Net)		
Income Tax Assets (net of provisions)	70.05	50.24
TOTAL	**70.05**	**50.24**

	As at 31st March, 2026 (₹ in Crores)	As at 31st March, 2025 (₹ in Crores)
22B. Current Tax Liabilities (Net)		
Current taxation (net of advance payment)	1288.82	1229.65
TOTAL	**1288.82**	**1229.65**

Enduring Value

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
23A. Revenue from operations		
Sale of Products	84598.59	76827.15
Sale of Services	4659.62	4115.61
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty/Health Risk Tax of ₹ 8520.36 Crores (2025 - ₹ 6304.37 Crores)]	89258.21	80942.76
Other Operating Revenues#	655.12	670.02
TOTAL	**89913.33**	**81612.78**

* Net of sales returns, damaged stocks and estimates of variable consideration such as discounts to customers.

\# Includes Government grants of ₹ 243.97 Crores (2025 - ₹ 306.47 Crores) on account of Fiscal and Exports incentives etc.

23B. Gross Revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	40601.00	35893.57
– Branded Packaged Food Products	20504.39	18282.42
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	3810.56	3722.85
Agri Business		
– Unmanufactured Tobacco	3378.01	3380.76
– Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya, Potato etc.)	9108.12	8863.24
Paperboards, Paper and Packaging		
– Paperboards and Paper	6212.96	5957.90
– Packaging and Printed Materials	676.94	617.98
Others		
– Others (Information Technology services, ITC Grand Central Hotel, Mumbai, Fresh Food etc.)	4966.23	4224.04
TOTAL	**89258.21**	**80942.76**

* 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, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
24. Other income		
Interest income	1462.23	1488.76
Dividend income	15.16	10.91
Other non-operating income	948.41	1030.02
TOTAL	**2425.80**	**2529.69**
Interest income:		
a) Deposits with banks etc. - carried at amortised cost	384.64	439.81
b) Financial assets measured:		
– at FVTPL	157.25	132.56
– at amortised cost	449.62	560.61
–- at FVTOCI	453.42	342.32
c) Others (from statutory authorities etc.)	17.30	13.46
TOTAL	**1462.23**	**1488.76**
Dividend income:		
Equity instruments measured at FVTOCI held at the end of reporting period	15.16	10.91
TOTAL	**15.16**	**10.91**
Other non-operating income:		
Net foreign exchange gain/(loss)	82.07	(6.88)
Net gain/(loss) arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income*	681.41	893.56
Gain recognised on divestment of shares held in associate	0.01	–
Loss recognised on disposal of subsidiary	(0.99)	
Impairment of investment in joint venture and associate	(0.07)	(7.87)
Others (including income from leases etc.)	185.98	151.21
TOTAL	**948.41**	**1030.02**

* Includes ₹ 181.91 Crores (2025 - ₹ 131.30 Crores) being net gain/(loss) on sale of investments.

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
25. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets		
Opening inventories and Biological Assets		
Finished goods (manufactured)	2580.62	2297.12
Work-in-progress	414.60	1334.72
Stock-in-Trade (goods purchased for resale)	1348.07	1048.58
Intermediates - Tissue paper and Paperboards	104.32	95.73
Biological Assets	198.58	150.00
Less: Closing inventories and Biological Assets		
Finished goods (manufactured)	5209.71	2580.62
Work-in-progress	423.93	414.60
Stock-in-Trade (goods purchased for resale)	1269.31	1348.07
Intermediates - Tissue paper and Paperboards	111.37	104.32
Biological Assets	249.69	198.58
Less: Effects of foreign exchange fluctuation taken to Foreign Currency Translation Reserve	(2.49)	(0.03)
Add: Inventory acquired through Business Combination [Refer Note 30(ix)]	64.87	–
Less: Inventory on account of discontinued operations	–	1005.64
TOTAL	**(2550.46)**	**(725.65)**

26. Employee benefits expense		
Salaries and wages	5955.56	5377.96
Contribution to Provident and other funds	369.76	344.12
Share based payments to employees [Includes cash-settled share based payments ₹ 14.80 Crores (2025 - ₹ 15.54 Crores)]*	148.10	150.16
Staff welfare expenses	329.34	305.22
	6802.76	**6177.46**
Less: Recoveries made / reimbursements received	21.26	7.68
TOTAL	**6781.50**	**6169.78**

* Refer Note 30(xvi), 30(xvii) and 30(xviii)

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
27. Finance costs		
Interest expense:		
– On Lease liabilities	16.38	16.31
– On financial liabilities measured at amortised cost	52.72	16.10
– Others (to statutory authorities etc.)	16.07	12.65
TOTAL	**85.17**	**45.06**

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
28. Other expenses		
Power and fuel	947.71	975.35
Consumption of stores and spare parts	453.58	397.38
Contract processing charges	1429.58	1312.94
Rent	342.71	307.20
Rates and taxes	158.34	180.89
Insurance	204.97	188.55
Repairs	439.44	411.90
Maintenance and upkeep	259.88	223.14
Outward freight and handling charges	1988.97	1928.59
Warehousing charges	352.12	315.10
Advertising / Sales promotion	1492.86	1331.69
Corporate Social Responsibility [Refer Note 30(xix)]	495.04	457.51
Commission to selling agents etc.	86.55	56.66
Doubtful and bad debts	30.12	11.70
Doubtful and bad advances, loans and deposits	0.62	1.95
Information technology services	267.80	262.87
Travelling and conveyance	452.89	463.96
Training and development	38.36	33.97
Legal and professional fees	992.38	723.81
(Gain) / Loss on sale of property, plant and equipment - Net	(11.84)	(138.76)
Miscellaneous expenses	1799.03	1750.23
TOTAL	**12221.11**	**11196.63**

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
29. Income tax expenses		
A (i). Amount recognised in profit or loss relating to continuing operations		
Current tax		
Income tax for the year	6466.78	6522.46
Adjustments / (credits) related to previous years - Net	(53.81)	(12.85)
Total current tax	**6412.97**	**6509.61**
Deferred tax		
Deferred tax for the year	608.41	378.07
Adjustments / (credits) related to previous years - Net	(8.36)	4.76
MAT credit entitlement	2.22	(1.97)
Total deferred tax	**602.27**	**380.86**
TOTAL	**7015.24**	**6890.47**
(ii). Amount recognised in profit or loss relating to discontinued operations		
Current tax for the year	–	127.87
Deferred tax for the year	–	510.77
TOTAL	**–**	**638.64**

B. Amount recognised in other comprehensive income

The tax (charge) / credit arising on income and expenses recognised in other comprehensive income is as follows:

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)
On items that will not be reclassified to profit or loss		
Remeasurement gains / (losses) on defined benefit plans	0.02	3.42
Related to designated portion of hedging instruments in cash flow hedges	(8.44)	(0.06)
Equity instruments through other comprehensive income	120.07	56.22
	111.65	**59.58**
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	19.77	3.27
Debt instruments through other comprehensive income	15.64	(13.41)
	35.41	**(10.14)**
TOTAL	**147.06**	**49.44**

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2026 (₹ in Crores)	For the year ended 31st March, 2025 (₹ in Crores)

29. Income tax expenses (Contd.)

C. Amount recognised directly in equity

The income tax (charged)/credited directly to equity during the year is as follows:

	2026	2025
Deferred tax		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	(4.61)	0.05
TOTAL	**(4.61)**	**0.05**

D. Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2026	2025
Profit before tax from continuing operations	28033.39	26926.94
Income tax expense calculated @ 25.168% (2025: 25.168%)	7055.44	6776.97
Effect of tax relating to uncertain tax positions	39.06	41.27
Effect of different tax rate on certain items	(116.36)	(59.72)
Difference in tax rates of subsidiary companies	66.17	56.73
Effect of income not taxable	(57.00)	(65.69)
Other differences	90.10	150.75
TOTAL	**7077.41**	**6900.31**
Adjustments recognised during the year in relation to the current tax of prior years	(62.17)	(9.84)
Income tax recognised in profit or loss relating to continuing operations	**7015.24**	**6890.47**
Profit before tax from discontinued operations	–	15654.65
Income tax expense calculated @ 25.168% (2025: 25.168%)	–	3939.96
Effect of excess of fair value over carrying value of net assets distributed (non-cash), pursuant to the Scheme of Demerger of Hotels business	–	(3921.97)
Effect of addition to the value of investment in ITC Hotels Limited	–	602.79
Difference in tax rates of subsidiary companies	–	(4.63)
Other differences	–	22.49
Income tax recognised in profit or loss relating to discontinued operations	**–**	**638.64**

The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the years 2025-26 and 2024-25 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

International Tax Reform (OECD Pillar Two Model Rules)

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) aims to address the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) under BEPS apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million as per their consolidated financial statements. The Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. Pillar Two legislation has been enacted or substantively enacted in many jurisdictions in which the Group operates.

The Group has reviewed its potential exposure to Pillar Two income taxes based on financial information for FY 2024-25 and FY 2025-26 for the constituent entities in the Group. The Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above prescribed minimum effective tax rate. Accordingly, no Pillar Two top-up tax exposure is expected to arise for the Group.

The Group continues to follow Pillar Two legislative developments to evaluate the potential future impact on its consolidated financial statements, as more countries enact the Pillar Two model rules.

30. Additional Notes to the Consolidated Financial Statements

(i) Exceptional Items of Continuing Operations for the year ended 31st March, 2026 of ₹ 291.70 Crores represents:

a) estimated one-time impact on recognition of past service cost of ₹ 379.78 Crores with respect to increase in liability of gratuity and compensated absences, primarily arising due to change in definition of wages pursuant to notifications issued by the Ministry of Labour & Employment dated 21st November, 2025 bringing into force the provisions of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "New Labour Codes"). The Company continues to monitor the finalisation of rules by the Central and State Governments and clarifications from the Government on other aspects of the New Labour Codes and will account for such developments as needed.

b) receipt of ₹ 88.08 Crores on final settlement of the insurance claim towards leaf tobacco stocks, which were destroyed due to fire at a third party owned warehouse in an earlier year.

(ii) Earnings per share:

	For the year ended 31st March, 2026	For the year ended 31st March, 2025
Earnings per share has been computed as under:		
(a) i) Profit for the year from continuing operations attributable to owners of the parent (₹ in Crores)	20689.47	19732.74
ii) Profit for the year from discontinued operations attributable to owners of the parent (₹ in Crores)	–	15013.89
iii) Profit for the year attributable to owners of the parent (₹ in Crores)	20689.47	34746.63
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,52,40,54,306	12,50,23,78,226
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding and Stock Appreciation Rights (ESARs) outstanding	84,98,428	1,86,64,293
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,53,25,52,734	12,52,10,42,519
(e) Earnings per share (Face Value ₹ 1.00 per share)		
For Continuing Operations		
– Basic [(ai)/(b)]	16.52	15.78
– Diluted [(ai)/(d)]	16.51	15.76
For Discontinued Operations		
– Basic [(aii)/(b)]	–	12.01
– Diluted [(aii)/(d)]	–	11.99
For Continuing and Discontinued Operations		
– Basic [(aiii)/(b)]	16.52	27.79
– Diluted [(aiii)/(d)]	16.51	27.75

(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, 2026	Percentage of ownership interest as at 31st March, 2025
ITC Infotech India Limited	India	100	100
ITC Infotech Limited@	UK	100	100
ITC Infotech (USA), Inc.@	USA	100	100
Indivate Inc. [a subsidiary of ITC Infotech (USA), Inc.]	USA	100	100
ITC Infotech Do Brasil LTDA.@	Brazil	100	100
ITC Infotech Malaysia SDN. BHD.@	Malaysia	100	100
ITC Infotech France SAS@	France	100	100
ITC Infotech GmbH@	Germany	100	100

Notes to the Consolidated Financial Statements

30. Additional Notes to the Consolidated Financial Statements (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2026	Percentage of ownership interest as at 31st March, 2025
ITC Infotech de México, S.A. de C.V.@ [including shareholding by ITC Infotech (USA), Inc.]	Mexico	100	100
ITC Infotech Arabia Limited@	Saudi Arabia	100	100
ITC Infotech Italia s.r.l.@	Italy	100	100
Blazeclan Technologies Private Limited@	India	100	100
Cloudlytics Technologies Private Limited*	India	100	100
Blazeclan Technologies Pty. Ltd.*	Australia	100	100
Blazeclan Technologies Limited* (a 100% subsidiary of Blazeclan Technologies Pty. Ltd.)	New Zealand	100	100
Blazeclan Americas Inc. (upto 23.03.2026)*	USA	100	100
Blazeclan Technologies Pte. Ltd.*	Singapore	100	100
Blazeclan Technologies SDN. BHD.*	Malaysia	100	100
Blazeclan Technologies Corporation (BTC)* [including shareholding by two Directors of BTC]	Philippines	100	100
Blazeclan Europe SRL.*	Belgium	100	100
Blazeclan Technologies LLC*	USA	100	100
Blazeclan Technologies Inc.*	Canada	100	100
Surya Nepal Private Limited	Nepal	61	59
Surya Nepal Ventures Private Limited (a 100% subsidiary of Surya Nepal Private Limited)	Nepal	61	59
Technico Agri Sciences Limited	India	100	100
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a 100% 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
Russell Credit Limited	India	100	100
Greenacre Holdings 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 (upto 09.12.2025)	India	100	100
Pavan Poplar Limited	India	100	100
ITC IndiVision Limited	India	100	100
ITC Fibre Innovations Limited	India	100	100
Fyve Elements LLC (w.e.f. 13.06.2025)#	USA	100	–
Sresta Global FZE (w.e.f. 13.06.2025)#	UAE	100	–

@ subsidiaries of ITC Infotech India Limited

* subsidiaries of Blazeclan Technologies Private Limited

Refer Note 30(ix)

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 14th March, based on the local laws of Nepal.

30. 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, 2026	Percentage of ownership interest as at 31st March, 2025
Logix Developers Private Limited [Refer Note 30(viii)]	India	27.90	27.90
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

The financial statements of all 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, 2026	Percentage of ownership interest as at 31st March, 2025
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 [Refer Note 30(xiii)] (an associate of Gold Flake Corporation Limited)	India	47.64	47.50
Mother Sparsh Baby Care Private Limited [Refer Note 30(iv)(b)]	India	39.47@	26.50@
Sproutlife Foods Private Limited [Refer Note 30(iv)(b)]	India	47.50@	47.50@
ITC Hotels Limited	India	39.85	39.88
Ample Foods Private Limited (w.e.f. 04.04.2025) [Refer Note 30(iv)(b)]	India	43.75	–
Delectable Technologies Private Limited (upto 12.05.2025) [Refer Note 30(xii)	India	–	39.32@

*associates of Russell Credit Limited
@ 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, insofar 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 Ind AS 110 - Consolidated Financial Statements and Ind AS 28 - Investments in Associates and Joint Ventures by each of the included entities other than in respect of "Logix Developers Private Limited" which has been considered on the basis of financial statements as certified by the management of the said company and provided to the Group.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(iv) Contingent liabilities and commitments:

(a) Contingent liabilities:

Claims against the Group not acknowledged as debts, are ₹ 1235.64 Crores (2025 - ₹ 1112.76 Crores), including interest on claims, where applicable, estimated to be ₹ 357.48 Crores (2025 - ₹ 332.02 Crores), including share of associates ₹ 113.31 Crores (2025 - ₹ 105.82 Crores). 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 ₹ 711.53 Crores (2025 - ₹ 680.90 Crores), including interest on claims, where applicable, estimated to be ₹ 300.11 Crores (2025 - ₹ 292.10 Crores), including share of associates ₹ 36.42 Crores (2025 - ₹ 40.82 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 326.76 Crores (2025 - ₹ 252.47 Crores), including interest on claims, where applicable, estimated to be ₹ 25.22 Crores (2025 - ₹ 21.29 Crores), including share of associates ₹ 19.86 Crores (2025 - ₹ 15.26 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 97.22 Crores (2025 - ₹ 85.87 Crores), including interest on claims, where applicable, estimated to be ₹ 9.80 Crores (2025 - ₹ 0.46 Crore), including share of associates ₹ 56.73 Crores (2025 – ₹ 46.47 Crores).
- Other matters aggregating ₹ 100.13 Crores (2025 - ₹ 93.52 Crores), including interest on other matters, where applicable, estimated to be ₹ 22.35 Crores (2025 - ₹ 18.17 Crores), including share of associates ₹ 0.30 Crore (2025 - ₹ 3.27 Crores).

In respect of Surya Nepal Private Limited (SNPL), certain cases involving demands related to Excise Duty, Income Tax, and Value Added Tax, raised on the basis of alleged theoretical production of cigarettes, were pending for disposal before the Inland Revenue Department (IRD) pursuant to the directions of the Hon'ble Supreme Court. All such demands amounting to ₹ 41.76 Crores [Nepalese Rupee (NRs.) 66.82 Crores] have been set aside by the IRD in favour of the Company vide order dated 14th July, 2025.

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) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for are ₹ 1634.40 Crores (2025 - ₹ 1048.96 Crores) for the Group, which includes share of associates ₹ 92.75 Crores (2025 - ₹ 70.00 Crores) and share of joint ventures ₹ 2.10 Crores (2025 - ₹ 1.63 Crores).
- Uncalled liability on partly paid-up shares and other investments is ₹ 25.18 Crores (2025 - ₹ 25.35 Crores).
- The Group on 19th April, 2023, executed transaction documents for acquisition of 100% of the share capital (on a fully diluted basis) of Sproutlife Foods Private Limited ('Sproutlife') over a time period of about three to four years. The Group held 47.50% of the share capital (on a fully diluted basis) of Sproutlife as on 31st March, 2026 (Refer Note 4). The consideration for acquisition of the balance stake of 52.50% will be determined based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions. Further, the Company on 1st April, 2026 acquired the right to nominate majority of the Directors on the Board of Sproutlife. Consequently, Sproutlife has become a subsidiary of the Company with effect from the said date.
- The Group on 6th February, 2025, executed transaction documents for acquisition of 100% of the share capital of Ample Foods Private Limited ('Ample Foods') over a time period of about three years. Consequently, the Group acquired 43.75% stake in Ample Foods on 4th April, 2025 for a consideration of ₹ 131.25 Crores (Refer Note 4). The Group's stake in Ample Foods will increase to 62.50% by April, 2027 through secondary purchase of ₹ 56.00 Crores. The consideration for acquisition of balance stake of 37.50% will be determined based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions.
- The Group on 31st March, 2025, entered into a Business Transfer Agreement (BTA) with Aditya Birla Real Estate Limited for acquisition of the Undertaking pertaining to manufacture, distribution and sale of pulp and paper products operated under the name of 'Century Pulp and Paper', as a going concern on a slump sale basis for a lumpsum consideration of up to ₹ 3500.00 Crores on a cash-free debt-free basis, payable as per the terms and conditions laid down in the BTA. The transaction will be consummated upon fulfilment of the conditions precedent as laid down in the BTA.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

- The Group on 17th April, 2025, executed Transaction Documents i.e., Share Subscription and Share Purchase Agreement and Shareholders' Agreement, to acquire the balance 73.50% of the share capital (on a fully diluted basis) of Mother Sparsh Baby Care Private Limited ('Mother Sparsh'), an associate company, in one or more tranches over a time period of about two to three years, based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions.

  The Group on 21st May, 2025, acquired 12.97% stake in Mother Sparsh for a consideration of ₹ 50.58 Crores. Consequently, the Group held 39.47% of the share capital (on a fully diluted basis) of Mother Sparsh as at 31st March, 2026 (Refer Note 4).

(v) Research and Development expenses for the year amount to ₹ 194.50 Crores (2025 - ₹ 187.87 Crores).

(vi) **Employee Benefit Plans**

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. In respect of other employees, contribution towards provident fund are deposited with the Government administered funds.

Provident Fund is funded, Pension Benefits and 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:

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, and also in insurer managed funds, the investments in which are also subject to equity market risk.

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

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(₹ in Crores)

			For the year ended 31st March, 2026				For the year ended 31st March, 2025			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
I	**Components of Employer Expense**									
	–	**Recognised in the Statement of Profit and Loss**								
	1	Current Service Cost	30.61	45.72	2.76	22.29	35.39	43.31	1.09	20.63
	2	Past Service Cost	(6.44)	298.98	1.77	55.17	–	0.38	(0.37)	1.16
	3	Net Interest Cost	(0.61)	3.88	0.94	12.06	(3.87)	(1.19)	0.75	12.61
	4	**Total expense recognised in the Statement of Profit and Loss**	**23.56**	**348.58**	**5.47**	**89.52**	**31.52**	**42.50**	**1.47**	**34.40**
	–	**Remeasurements recognised in Other Comprehensive Income**								
	5	Return on plan assets (excluding amounts included in net interest cost)	19.39	1.45	–	–	(9.50)	(3.47)	–	–
	6	Effect of changes in demographic assumptions	0.01	0.61	0.02	–	–	(0.07)	0.21	(0.14)
	7	Effect of changes in financial assumptions	(2.76)	(4.36)	(1.11)	(2.41)	8.63	9.26	1.08	3.16
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	9	Effect of experience adjustments	7.26	3.86	0.07	0.02	13.51	3.41	1.96	(1.91)
	10	**Total remeasurements included in Other Comprehensive Income**	**23.90**	**1.56**	**(1.02)**	**(2.39)**	**12.64**	**9.13**	**3.25**	**1.11**
	11	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)**	**47.46**	**350.14**	**4.45**	**87.13**	**44.16**	**51.63**	**4.72**	**35.51**
	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 26. Further, the past service cost representing one-time impact of New Labour Codes has been recognised in “Exceptional Items” [Refer Note 30(i)]. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.									
II	**Actual Returns**		34.73	34.49	–	–	73.27	41.11	–	–
III	**Net Asset/(Liability) recognised in Balance Sheet**									
	1	Present Value of Defined Benefit Obligation	842.78	877.75	19.00	255.07	848.86	533.90	15.44	191.25
	2	Fair Value of Plan Assets	784.38	560.06	–	–	820.23	508.50	–	–
	3	Status [Surplus/(Deficit)]	(58.40)	(317.69)	(19.00)	(255.07)	(28.63)	(25.40)	(15.44)	(191.25)
	4	Restrictions on Asset Recognised	–	–	–	–	–	–	–	–
	5	Net (Liability) recognised in Balance Sheet	**(64.88)**	**(317.69)**	**(19.00)**	**(255.07)**	**(37.25)**	**(25.40)**	**(15.44)**	**(191.25)**
		a. Current	(44.02)	(316.74)	(2.26)	(33.93)	(15.28)	(25.03)	(0.99)	(21.21)
		b. Non-Current	(20.86)	(0.95)	(16.74)	(221.14)	(21.97)	(0.37)	(14.45)	(170.04)
	6	Net Asset recognised in Balance Sheet	**6.48**	–	–	–	**8.62**	–	–	–
		a. Current	–	–	–	–	–	–	–	–
		b. Non-Current	6.48	–	–	–	8.62	–	–	–

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(₹ in Crores)

		For the year ended 31st March, 2026 (₹ in Crores)				For the year ended 31st March, 2025 (₹ in Crores)			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
IV	**Change in Defined Benefit Obligation (DBO)**								
1	Present Value of DBO at the beginning of the year	848.86	533.90	15.44	191.25	947.48	576.05	7.70	197.25
2	Current Service Cost	30.61	45.72	2.76	22.29	35.39	43.31	1.09	20.63
3	Past Service Cost	(6.44)	298.98	1.77	55.17	–	0.38	(0.37)	1.16
4	Interest Cost	53.51	39.82	0.94	12.06	59.90	36.46	0.75	12.61
5	Remeasurement gains/(losses):								
a.	Effect of changes in demographic assumptions	0.01	0.61	0.02	–	–	(0.07)	0.21	(0.14)
b.	Effect of changes in financial assumptions	(2.76)	(4.36)	(1.11)	(2.41)	8.63	9.26	1.08	3.16
c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
d.	Effect of experience adjustments	7.26	3.86	0.07	0.02	13.51	3.41	1.96	(1.91)
6	Curtailment Cost/(Credits)	–	–	–	–	–	–	–	–
7	Settlement Cost/(Credits)	–	–	–	–	–	–	–	–
8	Liabilities assumed on Business Combination [Refer Note 30(ix)]	–	3.79	–	–	–	–	4.60	2.23
9	Liabilities transferred pursuant to Scheme of Demerger of Hotels business	–	–	–	–	(106.95)	(73.69)	(1.30)	(21.76)
10	Effects of transfer In/(Out)	3.53	0.01	0.35	–	0.51	–	0.08	–
11	Benefits Paid	(91.80)	(44.58)*	(1.24)	(23.31)	(109.61)	(61.21)	(0.36)	(21.98)
12	**Present Value of DBO at the end of the year**	**842.78**	**877.75**	**19.00**	**255.07**	**848.86**	**533.90**	**15.44**	**191.25**

*includes Benefits paid by the Group of ₹ 1.18 Crores.

(₹ in Crores)

		As at 31st March, 2026	As at 31st March, 2025
V	**Best Estimate of Employers' Expected Contribution for the next year**		
	– Pension	90.08	56.91
	– Gratuity	356.68	82.52

Notes to the Consolidated Financial Statements

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(₹ in Crores)

			For the year ended 31st March, 2026				For the year ended 31st March, 2025			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
VI	**Change in Fair Value of Assets**									
	1	Plan Assets at the beginning of the year	820.23	508.50	–	–	955.52	525.06	–	–
	2	Assets transferred pursuant to Scheme of demerger of Hotels business	–	–	–	–	(121.03)	(72.77)	–	–
	3	Interest Income	54.12	35.94	–	–	63.77	37.65	–	–
	4	Remeasurement Gains/(Losses) on plan assets	(19.39)	(1.45)	–	–	9.50	3.47	–	–
	5	Actual Group Contributions	19.56	60.64	–	–	22.10	76.30	–	–
	6	Benefits Paid	(89.64)	(43.40)	–	–	(109.61)	(61.21)	–	–
	7	Effects of transfer In/(Out)	(0.50)	(0.17)	–	–	(0.02)	–	–	–
	8	**Plan Assets at the end of the year**	**784.38**	**560.06**	**–**	**–**	**820.23**	**508.50**	**–**	**–**

			As at 31st March, 2026	As at 31st March, 2025
			Discount Rate (%)	Discount Rate (%)
VII	**Actuarial Assumptions**			
	1	Pension	6.75	6.75
	2	Gratuity	6.75	6.75
	3	Leave Encashment	6.75	6.75

The estimates of future salary increases, generally between 4% to 6% for the Holding 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, 2026	As at 31st March, 2025
VIII	**Major Category of Plan Assets as a % of the Total Plan Assets**			
	1	Government Securities/Special Deposit with RBI	11.55%	13.87%
	2	High Quality Corporate Bonds	10.81%	11.26%
	3	Insurer/Citizen Investment Trust Managed Funds*	66.35%	62.87%
	4	Mutual Funds	7.24%	7.59%
	5	Cash and Cash Equivalents	4.05%	4.41%
	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.

30. 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.

(₹ in Crores)

		For the year ended 31st March, 2026				For the year ended 31st March, 2025			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
X	**Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)**								
1	Present Value of Defined Benefit Obligation	842.78	877.75	19.00	255.07	848.86	533.90	15.44	191.25
2	Fair Value of Plan Assets	784.38	560.06	–	–	820.23	508.50	–	–
3	Status [Surplus/(Deficit)]	(58.40)	(317.69)	(19.00)	(255.07)	(28.63)	(25.40)	(15.44)	(191.25)
4	Experience Adjustment of Plan Assets [Gain/ (Loss)]	(19.39)	(1.45)	–	–	9.50	3.47	–	–
5	Experience Adjustment of obligation [(Gain)/ Loss]	7.26	3.86	0.07	0.02	13.51	3.41	1.96	(1.91)

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 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, 2026	DBO as at 31st March, 2025
1	Discount Rate + 100 basis points	1872.26	1507.49
2	Discount Rate - 100 basis points	2116.46	1695.17
3	Salary Increase Rate + 1%	2097.59	1690.15
4	Salary Increase Rate – 1%	1884.40	1514.17

Maturity Analysis of the Benefit Payments

1	Year 1	286.35	236.97
2	Year 2	276.11	234.66
3	Year 3	216.96	168.65
4	Year 4	207.42	132.61
5	Year 5	162.07	163.36
6	Next 5 Years	668.59	538.85

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 26: ₹ 296.60 Crores [2025 - ₹ 301.95 Crores (including amounts recognized in discontinued operations)].

Notes to the Consolidated Financial Statements

30. 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)
Parent									
	ITC Limited	85.51%	62,309.57	91.94%	19325.60	125.89%	(809.95)	90.88%	18,515.65
Subsidiary									
	Indian								
1	Russell Credit Limited	1.31%	954.54	0.23%	48.99	0.69%	(4.46)	0.22%	44.53
2	Greenacre Holdings Limited	0.11%	80.17	0.02%	3.61	(…)	0.02	0.02%	3.63
3	Prag Agro Farm Limited*	–	–	…	0.01	–	–	…	0.01
4	Pavan Poplar Limited*	–	–	(…)	(0.09)	–	–	(…)	(0.09)
5	Technico Agri Sciences Limited	0.58%	426.18	0.38%	79.89	(0.02%)	0.12	0.39%	80.01
6	ITC Infotech India Limited	2.08%	1513.29	1.59%	333.65	(1.58%)	10.18	1.69%	343.83
7	Blazeclan Technologies Private Limited	0.03%	25.40	(0.15%)	(31.49)	(0.53%)	3.42	(0.14%)	(28.07)
8	Cloudlytics Technologies Private Limited	(…)	(1.32)	…	0.01	–	–	…	0.01
9	Gold Flake Corporation Limited	0.04%	26.29	0.01%	1.18	–	–	0.01%	1.18
10	ITC Integrated Business Services Limited	0.02%	11.54	0.01%	1.34	(0.01%)	0.05	0.01%	1.39
11	MRR Trading & Investment Company Limited	…	0.04	…	0.01	–	–	…	0.01
12	North East Nutrients Private Limited	0.11%	78.96	0.04%	8.36	(…)	0.01	0.04%	8.37
13	ITC IndiVision Limited	0.39%	287.58	(0.15%)	(32.40)	0.01%	(0.08)	(0.16%)	(32.48)
14	ITC Fibre Innovations Limited	0.38%	278.01	(0.16%)	(33.45)	(…)	0.01	(0.16%)	(33.44)

30. 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)
	Foreign								
1	Technico Pty Limited	0.06%	45.84	0.04%	7.47	(2.32%)	14.90	0.11%	22.37
2	Technico Technologies Inc.	…	1.15	–	–	(0.12%)	0.80	0.00%	0.80
3	Technico Asia Holdings Pty Limited	…	0.15	(…)	(0.01)	(0.02%)	0.10	0.00%	0.09
4	Technico Horticulture (Kunming) Co. Limited	0.03%	19.63	0.01%	2.18	0.50%	(3.22)	(0.01%)	(1.04)
5	Fyve Elements LLC#	0.20%	143.84	…	0.91	(1.74%)	11.22	0.06%	12.13
6	Sresta Global FZE#	(…)	(0.21)	…	0.70	(0.02%)	0.14	…	0.84
7	ITC Infotech Limited	0.16%	114.38	0.09%	19.01	(2.33%)	15.00	0.17%	34.01
8	ITC Infotech (USA), Inc.	0.39%	284.14	0.14%	28.96	(5.60%)	36.00	0.32%	64.96
9	Indivate Inc.	0.01%	6.36	0.16%	33.54	–	–	0.16%	33.54
10	ITC Infotech Do Brasil LTDA.	0.01%	9.05	0.01%	1.59	(0.31%)	2.00	0.02%	3.59
11	ITC Infotech France SAS	0.06%	41.23	0.02%	4.16	(0.94%)	6.02	0.05%	10.18
12	ITC Infotech GmbH	0.11%	77.89	0.03%	6.44	(1.99%)	12.82	0.09%	19.26
13	ITC Infotech Malaysia SDN. BHD.	0.04%	26.85	0.02%	3.66	(0.62%)	4.00	0.04%	7.66
14	ITC Infotech de México, S.A. de C.V.	0.03%	22.31	0.01%	1.27	(0.62%)	4.00	0.03%	5.27
15	ITC Infotech Arabia Limited	0.07%	54.15	0.05%	9.70	(0.77%)	4.97	0.07%	14.67
16	ITC Infotech Italia s.r.l.	0.01%	10.35	0.01%	1.12	(0.31%)	2.00	0.02%	3.12
17	Blazeclan Technologies Pty. Ltd.	0.01%	5.14	…	0.82	(0.13%)	0.81	0.01%	1.63

Notes to the Consolidated Financial Statements

30. 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)
	Foreign								
18	Blazeclan Technologies Limited	…	0.70	…	0.02	(0.01%)	0.07	0.00%	0.09
19	Blazeclan Americas Inc.	…	0.94	…	0.23	(0.01%)	0.08	0.00%	0.31
20	Blazeclan Technologies Pte. Ltd.	0.01%	8.40	0.02%	4.77	(0.23%)	1.47	0.03%	6.24
21	Blazeclan Technologies SDN. BHD.	…	2.13	…	0.31	(0.05%)	0.35	…	0.66
22	Blazeclan Technologies Corporation	…	1.81	…	0.04	(0.01%)	0.08	…	0.12
23	Blazeclan Europe SRL.	…	0.36	…	0.99	0.01%	(0.05)	…	0.94
24	Blazeclan Technologies LLC	…	0.55	(…)	(0.14)	(0.01%)	0.06	…	(0.08)
25	Blazeclan Technologies Inc.	(…)	(1.64)	…	0.10	0.03%	(0.21)	(…)	(0.11)
26	Surya Nepal Private Limited	0.46%	336.53	2.28%	478.55	0.24%	(1.55)	2.34%	477.00
27	Surya Nepal Ventures Private Limited	0.02%	16.78	…	0.78	–	–	…	0.78
Non-Controlling Interest in all subsidiaries		**0.50%**	**365.72**	**1.56%**	**328.68**	**0.17%**	**(1.09)**	**1.61%**	**327.59**
Associates									
	Indian								
1	Russell Investments Limited	0.06%	46.13	0.01%	3.13	(0.03%)	0.22	0.02%	3.35
2	Divya Management Limited	0.02%	10.98	0.01%	2.71	–	–	0.01%	2.71
3	Antrang Finance Limited	0.01%	7.93	0.01%	2.28	(0.02%)	0.13	0.01%	2.41

30. 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)
	Associates								
	Indian								
4	ATC Limited	0.01%	9.36	(…)	(0.23)	(0.01%)	0.06	(…)	(0.17)
5	Delectable Technologies Private Limited	–	–	–	–	–	–	–	–
6	Mother Sparsh Baby Care Private Limited	0.12%	86.04	(0.01%)	(1.26)	(…)	0.01	(0.01%)	(1.25)
7	Sproutlife Foods Private Limited	0.27%	194.09	(0.02%)	(4.67)	0.03%	(0.18)	(0.02%)	(4.85)
8	ITC Hotels Limited	6.37%	4,645.27	1.60%	335.95	(7.24%)	46.59	1.88%	382.54
9	Ample Foods Private Limited	0.18%	129.11	(0.01%)	(2.28)	(0.02%)	0.14	(0.01%)	(2.14)
	Joint Ventures								
	Indian								
1	ITC Filtrona Limited	0.22%	159.33	0.20%	41.38	0.05%	(0.35)	0.20%	41.03
2	Logix Developers Private Limited	–	–	…	0.07	–	–	…	0.07
	Total	**100.00%**	**72873.02**	**100.00%**	**21018.15**	**100.00%**	**(643.29)**	**100.00%**	**20374.86**

Refer Note 30(ix)

* Refer Note 30(xiv)

(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, Delhi Bench.

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, 2026 are yet to be approved by its Board of Directors.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(ix) The Group on 13th June, 2025, acquired, in an all-cash deal, 100% of the equity share capital of Sresta Natural Bioproducts Private Limited ('Sresta'), an Indian company primarily engaged in the business of manufacturing and selling of organic food products (staples, spices, processed foods etc.) under the brand name '24 Mantra Organic'. This acquisition is expected to fortify ITC's presence and market standing in the high growth organic products segment in both Indian and overseas markets.

Subsequently, the Board of Directors of the Company at the meeting held on 1st August, 2025 approved the Scheme of Amalgamation of Sresta and Wimco Limited ('Wimco'), wholly owned subsidiaries, with the Company under Sections 230 and 232 of the Companies Act, 2013 ('the Scheme'). The Hon'ble National Company Law Tribunal ('NCLT'), Kolkata Bench vide Order dated 20th March, 2026 and NCLT, Hyderabad Bench, vide Order dated 16th April, 2026 have approved the said amalgamation and certified copies of the Orders have been filed with the Registrar of Companies, West Bengal and Telangana, respectively, on 7th May, 2026. Since all the requisite formalities have been completed, the aforesaid amalgamation has been given effect to in these Financial Statements from the respective Appointed Dates i.e. 1st April, 2025 for Wimco and 13th June, 2025 for Sresta. Accordingly, the two subsidiaries of Sresta viz., Sresta Global FZE, UAE and Fyve Elements LLC, USA, have become direct wholly owned subsidiaries of the Company.

The acquisition of Sresta and its subsidiaries has been accounted for using the acquisition method prescribed under Ind AS 103 – Business Combinations, and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed have been recorded at their provisional acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognized as Goodwill.

The fair value of total purchase consideration (including contingent consideration of ₹ 9.33 Crores) is ₹ 328.13 Crores. The fair values of identifiable assets acquired and liabilities assumed on acquisition are as follows:

Particulars	**Amount (₹ in Crores)**
Property, Plant and Equipment	17.26
Other intangible assets	230.00
Right-of-use assets	18.01
Trade receivables	37.73
Other assets (net)	28.16
Borrowings (including cash credit facilities)	(92.91)
Sub Total	**238.25**
Goodwill#	89.88
Total	**328.13**

Goodwill is attributed to the potential of growing the business internationally, assembled workforce, expected operating synergies etc. Goodwill has not been considered as a depreciable asset for income tax purpose.

As part of the acquisition, contingent consideration of an amount not exceeding ₹ 11.50 Crores (undiscounted value) is payable to the erstwhile promoters of Sresta after 2 years on the business achieving mutually agreed financial milestones. The fair value of contingent consideration as on 31st March, 2026 is ₹ 10.20 Crores.

The acquired business has contributed revenue of ₹ 263.69 Crores and loss of ₹ 22.45 Crores for the year ended March 31, 2026.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(x) In FY 22-23, 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 was payable to PTC over a period of time by way of cash consideration and also involved contingent consideration which was subject to achievement of revenue and business targets. In the current year contingent consideration has been finalised based on the actual performance against the said targets. The movement of the amount payable to PTC is as below:

(₹ in Crores)

Particulars	March 31, 2026	March 31, 2025
Opening Balance	295.21	400.11
Referral Fees	–	(71.24)
Settlement of consideration by offset of trade receivables*	(104.60)	(74.85)
Changes in fair value recognised in Other Income (Refer Note 24)	(34.04)	36.43
Change in fair value transferred to Hedge Reserve (Refer Note 33)	10.44	4.76
Closing Balance**	167.01	295.21

* 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 ₹ 79.80 Crores (2025 - ₹ 198.39 Crores) and as current financial liability is ₹ 87.21 Crores (2025 - ₹ 96.82 Crores) [Refer Note 18].

(xi) Discontinued Operations represents operations of the Hotels Business of the Company (excluding ITC Grand Central, Mumbai) which was demerged pursuant to the Scheme of Arrangement amongst the Company and ITC Hotels Limited and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 w.e.f. 1st January, 2025, being the Appointed Date and the Effective Date.

The exceptional items of discontinued operations for the year ended 31st March, 2025 represent the excess of fair value of the net assets distributed to the shareholders of the Company over its carrying value amounting to ₹ 15128.81 Crores (net of demerger related expenses).

(xii) During the year, the Group divested its entire shareholding of 7,759 Compulsorily Convertible Preference Shares of ₹ 10/- each and 2,386 Equity Shares of ₹ 10/- each held in Delectable Technologies Private Limited ('DTPL'), consequent to which DTPL ceased to be an associate company.

(xiii) During the year, ATC Limited ('ATC'), an associate company of the Group made the fourth and final call of ₹ 30.00 per share towards face value and ₹ 60.00 per share towards securities premium on the partly paid shares held by the Group in ATC. Pursuant to the payment of the said call money, the Group's shareholding in ATC increased from 47.50% to 47.64%. ATC continues to be classified as an associate of the Group.

(xiv) Prag Agro Farm Limited has ceased to be a wholly owned subsidiary of the Company with effect from 10th December, 2025, consequent to its voluntary liquidation by the Hon'ble National Company Law Tribunal, Mumbai Bench. Further, Pavan Poplar Limited has filed for voluntary liquidation and the same is pending with the said Tribunal.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(xv) Leases:

As a Lessee

The Group's significant leasing arrangements are in respect of land, buildings (comprising licensed properties, residential premises, office premises, stores, warehouses etc.), vehicles 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 17 respectively. The total cash outflow for leases for the year is ₹ 485.47 Crores (2025 - ₹ 480.74 Crores) [including payments of ₹ 400.84 Crores (2025 - ₹ 391.81 Crores) in respect of short-term/low-value leases and variable lease payments of Nil (2025 - ₹ 1.31 Crore)].

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, 2026	As at 31st March, 2025
Not later than three years	177.80	157.83
Later than three years and not later than ten years	58.26	68.12
Later than ten years and not later than twenty-five years	12.60	15.27
Later than twenty-five years and not later than fifty years	14.44	17.02
Later than fifty years	21.23	19.24

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 24. 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, 2026	As at 31st March, 2025
1st year	23.96	17.78
2nd year	19.64	16.75
3rd year	3.82	12.17
Beyond 3 Years	Nil	Nil

30. Additional Notes to the Consolidated Financial Statements (Contd.)

(xvi) **Employee Stock Option Schemes and Employee Stock Appreciation Rights Scheme**

A. Information in respect of Equity Settled Stock Options / Stock Appreciation Rights (ESARs) granted under the Company's Employee Stock Option Schemes / Employee Stock Appreciation Rights Scheme ('Schemes'):

Sl. No.	Particulars		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010	ITC Employee Stock Appreciation Rights Scheme 2025
1.	Date of Shareholders' approval	:	22-01-2007	23-07-2010	10-04-2025
2.	Total number of Options / ESARs 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/- each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹1/- each	ESARs not exceeding 25,02,34,207 Ordinary Shares of ₹ 1/- each
3.	Vesting Schedule	:	The vesting period for conversion of Options / ESARs is as follows: • On completion of 12 months from the date of grant: 30% vests • On completion of 24 months from the date of grant: 30% vests • On completion of 36 months from the date of grant: 40% vests		
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 not 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 (SEBI SBEB Regulations). The Options / ESARs have been granted at 'market price' as defined under the SEBI SBEB Regulations.		
5.	Maximum term of Options / ESARs granted	:	Five years - the exercise period commences from the date of vesting of the Options / ESARs 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 / ESARs	:	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	:	The employee compensation cost has been calculated using the fair value method of accounting for Options / ESARs issued under the Company's Schemes. The employee compensation cost as per fair value method for the financial year 2025-26 is ₹ 135.33 Crores (2025 - ₹ 137.27 Crores), out of which ₹ 128.00 Crores (2025 - ₹ 132.62 Crores) relate to employee benefits expense (Refer Note 26), Nil (2025 - ₹ 1.17 Crores) to discontinued operations, Nil (2025 - ₹ 0.20 Crore) to property, plant and equipment and ₹ 7.33 Crores (2025 - ₹ 3.28 Crores) for group entities.		
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan, method of settlement (whether in cash or equity) and choice of settlement (with the company or the employee or combination)	:	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/- each upon payment of the exercise price during the exercise period.		In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, each ESAR Grantee is entitled to apply for and be allotted, upon payment of ₹1/- per Share, Ordinary Shares equivalent to appreciation for the total number of ESARs exercised, computed in the manner specified in the ITC Employee Stock Appreciation Rights Scheme 2025.

Notes to the Consolidated Financial Statements

30. Additional Notes to the Consolidated Financial Statements (Contd.)

Sl. No.	Particulars		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010	ITC Employee Stock Appreciation Rights Scheme 2025
10.	Weighted average exercise prices and weighted average fair values of Options/ESARs whose exercise price either equals or exceeds or is less than the market price of the stock	:	Weighted average exercise price per Option: ₹ 4179.00 Weighted average fair value per Option : ₹ 801.63 The above Options have been granted at 'Market Price' as mentioned in Serial No. (4) hereinbefore.		Weighted average ESAR price per ESAR: ₹ 4179.00 Weighted average fair value per ESAR : ₹ 801.63 The above ESARs have been granted at 'Market Price' as mentioned in Serial No. (4) hereinbefore.
11.	Option/ESAR movements during the year	:			
	a) Outstanding at the beginning of the year	:	1,30,572	73,04,397	–
	b) Granted during the year	:	–	12,19,630	4,18,560
	c) Cancelled and lapsed during the year	:	320	96,961	1,800
	d) Vested and exercisable during the year	:	3,400	13,98,590	–
	e) Exercised during the year	:	39,082	14,95,763	–
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options/ESARs during the year	:	3,90,820	1,49,57,630	–
	g) Outstanding at the end of the year (a+b-c-e)	:	91,170	69,31,303	4,16,760
	h) Exercisable at the end of the year	:	91,170	41,34,908	–
	i) Money realised by exercise of the Options/ESARs during the year (₹ in Crores)	:	8.82	396.03	–

12. Summary of the status of Options/ESARs:

Particulars		As at 31st March, 2026		As at 31st March, 2025	
		No. of Options and ESARs	Weighted Average Exercise Prices/ ESAR Price (₹)	No. of Options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	:	74,34,969	3325.29	89,94,612	3040.61
Add: Granted during the year	:	16,38,190	4179.00	14,80,700	4835.02
Less: Lapsed during the year	:	99,081	4079.56	1,00,512	3621.31
Less: Exercised during the year	:	15,34,845	2637.70	29,39,831	2712.16
Outstanding at the end of the year	:	74,39,233	3645.10	74,34,969	3325.29
Exercisable at the end of the year	:	42,26,078	3129.77	43,99,319	2686.93

30. Additional Notes to the Consolidated Financial Statements (Contd.)

13.	Weighted average share price of Shares arising upon exercise of Options/ ESARs	:	The weighted average share price of Shares, arising upon exercise of Options/ESARs during the year ended 31st March, 2026 was ₹ 410.36 (2025 - ₹ 467.68). This was based on the closing market price on NSE on the date of exercise of Options/ESARs (i.e. the date of allotment of shares by the Securityholders Relationship Committee).

14. Summary of Options/ESARs outstanding, scheme-wise:

Particulars		As at 31st March, 2026			As at 31st March, 2025		
		No. of Options/ ESARs Outstanding	Range of Exercise Prices/ ESAR Price (₹)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life
ITC Employee Stock Option Scheme - 2006	:	91,170	1606.33 - 3276.52	2.29	1,30,572	1606.33 - 3276.52	2.78
ITC Employee Stock Option Scheme - 2010	:	69,31,303	1606.33 - 4575.39	4.46	73,04,397	1606.33 - 4575.39	4.17
ITC Employee Stock Appreciation Rights Scheme 2025	:	4,16,760	4179.00	6.69	–	–	–

15.	A description of the method used during the year to estimate the fair values of Options/ESARs, the weighted average exercise prices and weighted average fair values of Options/ESARs granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 4179.00 Weighted average fair value per Option : ₹ 801.63	The fair value of each ESAR is estimated using the Black Scholes Option Pricing model. Weighted average ESAR price per ESAR : ₹ 4179.00 Weighted average fair value per ESAR : ₹ 801.63
	The significant assumptions used to ascertain the above	:	The fair value of each Option/ESAR 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 — 6.13% (ii) Expected life — 4.60 years (iii) Expected volatility — 20.09% (iv) Expected dividends — 3.43% (v) The price of the underlying shares in market at the time of grant — ₹ 4179.00	
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/ESARs and is based on the daily volatility of the Company's stock price on NSE. There are no market conditions attached to the grant and vest.	

Notes to the Consolidated Financial Statements

30. Additional Notes to the Consolidated Financial Statements (Contd.)

B. Information in respect of Options granted by ITC Hotels Limited (ITCHL):

In terms of the Scheme of Demerger of Hotels business, one stock option of ITCHL (including fractional entitlements) has been granted to the eligible employees of the Group by ITCHL under the ITC Hotels Special Purpose Employee Stock Option Scheme ('ITCHL SP ESOP Scheme') for every ten stock options outstanding under the ITC Employee Stock Option Schemes ('ITC ESOS') as on the Record Date i.e. 6th January, 2025, on the terms and conditions similar to the ITC ESOS.

Each option entitles the holder thereof to apply for and be allotted ten Equity Shares of ITCHL of ₹ 1/- each upon payment of exercise price. These options vest over a period of three years from the date of original grant under the ITC ESOS and are exercisable within a period of five years from the date of vesting. The exercise prices have been determined basis fair and reasonable adjustments approved by the respective Nomination & Compensation Committees of the Company and ITCHL for outstanding stock options under the ITC ESOS Schemes as on the Record Date.

The employee compensation cost as per fair value method for the financial year 2025-26 is ₹ 5.30 Crores (2025 - ₹ 2.00 Crores) [Refer Note 26].

The summary of movement of the aforesaid Stock Options granted by ITCHL and status of the outstanding Options is as under:

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	No. of Options	Weighted Average Exercise Prices (₹)	No. of Options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	7,28,678	1871.89	–	–
Add: Granted during the year	–	–	7,28,678	1871.89
Less: Lapsed during the year	8,935	2266.30	–	–
Less: Exercised during the year	1,74,102	1483.74	–	–
Outstanding at the end of the year	**5,45,640**	**1989.28**	**7,28,678**	**1871.89**
Options exercisable at the end of the year	98,380	1781.70	4,46,047	1521.77
Options vested and exercisable during the year	1,30,767	2280.78	4,46,047	1521.77

(xvii) Information in respect of Cash Settled Stock Appreciation Linked Reward ('SAR') Plan:

Sl. No.	Particulars		Details
1	Nature and extent of Cash Settled 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.

30. Additional Notes to the Consolidated 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, 2026 is Nil (2025 - 1,24,850) and the weighted average fair value at measurement date is Nil (2025 - ₹ 1513.00) per SAR unit.
5	Total cost recognised in the Statement of Profit and 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 2025-26 is ₹ 1.78 Crores (2025 - ₹ 8.84 Crores); out of which, ₹ 1.68 Crores (2025 - ₹ 8.58 Crores) relate to employee benefits expense (Refer Note 26), Nil (2025 - ₹ 0.11 Crore) to discontinued operations and ₹ 0.10 Crore (2025 - ₹ 0.15 Crore) for group entities. The amount carried in the Balance Sheet as a current financial liability is Nil (2025 - ₹ 16.62 Crores) (Refer Note 18).

(xviii) Information in respect of share-based payments by ITC Infotech India Limited ('I3L'):

The eligible employees of the Group have been granted stock options under the ITC Infotech India Limited Employee Stock Option Plan 2024 (I3L ESOP 2024) in accordance with the terms and conditions of such Plan, key details of which are as under:

1. **Time-Based Options:** Vesting of Options would be subject to continued employment of the individual
2. **Performance-Based Options:** The Nomination and Remuneration Committee has specified certain performance criteria for vesting of the Options.

The Options granted shall vest in accordance with the following vesting schedule:

Date of Vesting	Annual Vesting Percentage
2nd anniversary from date of Grant	35% of Options granted
4th anniversary from the date of Grant	65% of Options granted

In the event I3L gets listed before vesting, the exercise period shall be up to 5 years from the respective date of vesting. In the event of no listing, there will be mandatory cash settlement within three months from the date of vesting.

The cost of stock options granted under I3L ESOP 2024 have been recognised as cash settled share-based payments in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Group accounts for the cost of the fair value of units granted to the eligible employees as Employee Benefits Expense with a corresponding increase in Other Financial Liabilities.

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:

- Risk-free interest rate: 5.77% to 6.44% (FY 24-25 - 6.36%)
- Expected life: 2.67 to 3.89 years (FY 24-25 - 3.67 years)
- Expected volatility: 29.74% to 32.14% (FY 24-25 - 32.24%)
- The value of the underlying shares at the time of option grant: INR 1,400 per share

30. Additional Notes to the Consolidated Financial Statements (Contd.)

Options movement during the year:

Particulars	As at 31st March, 2026		As at 31st March, 2025	
	Time based	Performance based	Time based	Performance based
Outstanding at the beginning of the year	6,11,537	3,09,008	–	–
Add: Granted during the year	1,48,103	74,839	6,11,537	3,09,008
Less: Lapsed during the year	(1,86,325)	(94,153)	–	–
Less: Exercised during the year	–	–	–	–
Outstanding at the end of the year	5,73,315	2,89,694	6,11,537	3,09,008
Options exercisable at the end of the year	–	–	–	–

Exercise price:

Time based options: INR 1,400

Performance based options: INR 10 respectively

In accordance with Ind AS 102 - Shared Based Payment, the Group has recognised an amount of ₹ 13.12 Crores (2025 - ₹ 6.97 Crores) under employee benefits expense (Refer Note 26). The amount carried in the Balance Sheet as a non-current financial liability is ₹ 10.81 Crores (2025 - ₹ 6.97 Crores) and current financial liability is ₹ 9.28 Crores (2025 - Nil) (Refer Note 18).

(xix) Amount required to be spent by the Group during the year as per Section 135 read with Section 198 of the Companies Act, 2013 - ₹ 513.54 Crores (2025 - ₹ 474.52 Crores) being 2% of the average Net Profits of the respective companies.

Expenditure incurred during the year is ₹ 513.64 Crores (2025 - ₹ 475.33 Crores) comprising employee benefits expense of ₹ 18.60 Crores (2025 - ₹ 17.82 Crores) and other expenses of ₹ 495.04 Crores (2025 - ₹ 457.51 Crores), of which ₹ 59.85 Crores (2025 - ₹ 49.42 Crores) is accrued for payment as on 31st March, 2026. Such CSR expenditure does not include any spends on construction/acquisition of assets. Amount available for set off in succeeding financial years is ₹ 1.46 Crores (2025 - ₹ 1.97 Crores).

Such CSR expenditure of ₹ 513.64 Crores (2025 - ₹ 475.33 Crores) excludes ₹ 8.44 Crores (2025 - ₹ 6.98 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.

(xx) 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.

30. Additional Notes to the Consolidated Financial Statements (Contd.)

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 one associate, which is not material to the consolidated financial statements of the Group.

A company which became an associate of the Group during the year uses an accounting software for maintenance of its books of accounts in which audit trail has been enabled at application level and the same has operated throughout the year for all relevant transactions recorded in the software. Direct access to database is provided only to the authorized personnel from application support team for system administration purposes. While the audit trail feature had not been enabled at database level in the software during the year, the same has since been enabled.

(xxi) During the year, the Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2025, effective from 1 April 2025, amending Ind AS 21, Ind AS 1, Ind AS 7, Ind AS 107 and Ind AS 12. These amendments primarily relate to guidance on exchangeability of currencies, classification of liabilities as current or non-current, disclosure of supplier finance arrangements and a temporary exception for deferred taxes arising from the OECD BEPS Pillar Two model rules.

The amendments do not have a material impact on the consolidated financial statements.

(xxii) Consequent to expiry of the GST Compensation Cess, the Government of India increased GST and Central Excise duty on cigarettes with effect from 1st February, 2026. In accordance with Ind AS 115, ‘Revenue from Contracts with Customers’ and Schedule III to the Companies Act, 2013, GST and GST Compensation Cess are excluded from Gross Revenue from sale of products, whereas Excise duty is not excluded. Consequently, the Gross Revenue from sale of products and services & Excise duty for the year ended 31st March, 2026 and value of inventory as at 31st March, 2026 reflect the impact of sharp increase in Excise duty and are not strictly comparable with those of the previous year.

(xxiii) Figures presented as “…” are below the rounding off norm adopted by the Group.

(xxiv) 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.

(xxv) The consolidated financial statements were approved for issue by the Board of Directors on 21st May, 2026. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

Enduring Value

Notes to the Consolidated Financial Statements

31. Segment reporting

(₹ in Crores)

		2026			2025		
		External	Inter Segment	Total	External	Inter Segment	Total
1.	**Segment Revenue**						
	FMCG - Cigarettes	40601.00	–	40601.00	35893.57	–	35893.57
	FMCG - Others	24314.95	6.60	24321.55	22005.27	9.85	22015.12
	FMCG - Total	**64915.95**	**6.60**	**64922.55**	**57898.84**	**9.85**	**57908.69**
	Agri Business	12486.13	8301.20	20787.33	12244.00	7919.79	20163.79
	Paperboards, Paper and Packaging	6889.90	1878.68	8768.58	6575.88	1848.70	8424.58
	Others	4966.23	70.00	5036.23	4224.04	64.07	4288.11
	Segment Total	**89258.21**	**10256.48**	**99514.69**	**80942.76**	**9842.41**	**90785.17**
	Eliminations			(10256.48)			(9842.41)
	Gross Revenue from sale of products and services			**89258.21**			**80942.76**
2.	**Segment Results**						
	FMCG - Cigarettes			22245.62			21091.35
	FMCG - Others			1811.82			1590.23
	FMCG - Total			**24057.44**			**22681.58**
	Agri Business			1584.24			1540.30
	Paperboards, Paper and Packaging			754.06			883.11
	Others			670.40			670.73
	Segment Total			**27066.14**			**25775.72**
	Eliminations			(37.56)			1.75
	Total			**27028.58**			**25777.47**
	Unallocated corporate expenses net of unallocated income			(1282.44)			(1332.06)
	Profit before interest etc. and taxation			**25746.14**			**24445.41**
	Finance Costs			(85.17)			(45.06)
	Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			2287.04			2416.17
	Share of profit/(loss) of Associates & Joint Ventures			377.08			110.42
	Exceptional items [Refer Note 30(i)]			(291.70)			–
	Profit before tax			**28033.39**			**26926.94**
	Tax expense			(7015.24)			(6890.47)
	Profit for the year from continuing operations			**21018.15**			**20036.47**
	Profit for the year from discontinued operations			**–**			**15016.01**
	Profit for the year			**21018.15**			**35052.48**

3.	**Other Information**	2026		2025	
		Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
	FMCG - Cigarettes	13995.56	5749.63	10584.67	5729.56
	FMCG - Others	13359.44	3089.15	13016.19	2432.70
	FMCG - Total	**27355.00**	**8838.78**	**23600.86**	**8162.26**
	Agri Business	7792.23	1784.43	7904.83	2176.93
	Paperboards, Paper and Packaging	10021.21	1395.22	9908.98	1384.96
	Others	2997.45	1231.17	2736.44	1101.44
	Segment Total	**48165.89**	**13249.60**	**44151.11**	**12825.59**
	Unallocated Corporate Assets/Liabilities	45626.49	7669.76	43939.57	4867.15
	Total	**93792.38**	**20919.36**	**88090.68**	**17692.74**

31. Segment reporting (Contd.)

(₹ in Crores)

	2026		2025	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	883.88	293.55	330.23	297.55
FMCG - Others	970.22	619.85	530.42	590.28
FMCG - Total	**1854.10**	**913.40**	**860.65**	**887.83**
Agri Business	121.75	106.21	168.68	91.14
Paperboards, Paper and Packaging	407.02	406.56	452.42	400.79
Others	71.33	151.55	336.17	133.49
Segment Total	**2454.20**	**1577.72**	**1817.92**	**1513.25**
Discontinued Operations	–	–	432.61	304.26
Unallocated	297.69	132.81	360.10	133.07
Total	**2751.89**	**1710.53**	**2610.63**	**1950.58**

	Non Cash expenditure other than depreciation (2026)	Non Cash expenditure other than depreciation (2025)
FMCG - Cigarettes	23.32	43.83
FMCG - Others	175.38	131.21
FMCG - Total	**198.70**	**175.04**
Agri Business	141.67	50.47
Paperboards, Paper and Packaging	42.75	36.07
Others	18.53	9.56
Segment Total	**401.65**	**271.14**

GEOGRAPHICAL INFORMATION

	2026	2025
1. **Revenue from external customers**		
– Within India	73910.06	66439.35
– Outside India	15348.15	14503.41
Total	**89258.21**	**80942.76**
2. **Non current assets**		
– Within India	24811.00	23825.55
– Outside India	385.41	277.23
Total	**25196.41**	**24102.78**

NOTES :

(1) The Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on three business groups : FMCG, Paperboards, Paper & 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.

(2) 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.
Paperboards, Paper and Packaging	–	Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
Agri Business	–	Agri commodities such as wheat, rice, spices, coffee, soya, leaf tobacco and potato.
Others	–	Information Technology services, ITC Grand Central Hotel, Mumbai, Fresh Food etc.

(3) The Group companies have been included in segment classification as follows:

FMCG : Cigarettes	–	Surya Nepal Private Limited
: Others	–	Surya Nepal Private Limited and its subsidiary, North East Nutrients Private Limited, Fyve Elements LLC and Sresta Global FZE
Paperboards, Paper and Packaging	–	ITC Fibre Innovations Limited
Agri Business	–	ITC IndiVision Limited, Technico Agri Sciences Limited, Technico Pty Limited and its subsidiaries
Others	–	ITC Infotech India Limited and its subsidiaries, Russell Credit Limited, Greenacre Holdings Limited and ITC Integrated Business Services Limited and its subsidiary

(4) The geographical information considered for disclosure are :

– Revenue within India.

– Revenue outside India.

(5) 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.

(6) As stock options and stock appreciation rights are granted 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.

(7) 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.

32. Related Party Disclosures

1. RELATED PARTIES WITH WHOM THE GROUP HAD TRANSACTIONS:

i) Associates & Joint Ventures:

Associates

a) ATC Limited

b) Sproutlife Foods Private Limited

c) ITC Hotels Limited and its subsidiaries

Srinivasa Resorts Limited

Fortune Park Hotels Limited

WelcomHotels Lanka (Private) Limited

Landbase India Limited

d) Ample Foods Private Limited (w.e.f. 04.04.2025)

e) Mother Sparsh Baby Care Private Limited

f) Russell Investments Limited

– being associates of the Group, and

g) Subsidiaries of British American Tobacco p.l.c. - of which the Group is an associate

Joint Ventures

ITC Filtrona Limited

ii) a) Key Management Personnel (KMP):

S. Puri	Chairman & Managing Director
S. Dutta	Executive Director & Chief Financial Officer
H. Malik	Executive Director
B. Sumant	Executive Director
H. Bhargava#	Non-Executive Director
A. M. Bharucha#	Non-Executive Director
A. Kant#	Non-Executive Director (w.e.f 01.01.2026)
C.K. Mishra#	Non-Executive Director
S. Mohanty	Non-Executive Director
S. Mukherjee#	Non-Executive Director
A. Nayak#	Non-Executive Director
A. Pande	Non-Executive Director
S. Panray	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
A. Singh	Non-Executive Director
P. Subrahmanyam#	Non-Executive Director

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

b) Related Parties of KMP:

I) Close Members of the family of KMP:

N. Singhi (wife of R. K. Singhi)

Y. Singhi (son of R. K. Singhi)

II) Entity in which KMP is interested:

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) Sunrise Spices Limited Employees Gratuity Fund

m) Greenacre Holdings Limited Provident Fund

n) Greenacre Holdings Limited Gratuity Fund

Notes to the Consolidated Financial Statements

32. Related Party Disclosures (Contd.)

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2026

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel (KMP)		Related Parties of KMP^		Employee Trusts		Total	
		2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
1.	Sale of Goods/Services	2550.15	2142.36	122.13	87.91		0.01					2672.28	2230.28
2.	Purchase of Goods/Services	165.20	196.40	716.74	637.68			1.42	2.67			883.36	836.75
3.	Acquisition cost of Property, Plant and Equipment and Intangible Assets	436.26										436.26	
4.	Sale of Property, Plant and Equipment					...						...	
5.	Investment Purchased	154.22										154.22	
6.	Investment in Associates	41.25	29.99									41.25	29.99
7.	Recovery for Share-based Payment	7.77	3.37	0.03	0.08							7.80	3.45
8.	Reimbursement for Share-based Payment	5.34	2.37									5.34	2.37
9.	Rent Received	2.90	1.45									2.90	1.45
10.	Rent Paid*	0.64	3.46			0.81	0.72	0.07	0.07			1.52	4.25
11.	Remuneration of Managers on Deputation reimbursed	10.81	6.54									10.81	6.54
12.	Remuneration of Managers on Deputation recovered	21.18	9.90	1.34	1.61							22.52	11.51
13.	Contribution to Employees' Benefit Plans									3.48	176.97	3.48	176.97
14.	Dividend Income	2.14	3.03	28.13	22.50							30.27	25.53
15.	Dividend Payments	4120.68	4469.63			9.00	8.59					4129.68	4478.22
16.	Expenses Recovered	65.46	113.43	0.01	0.20							65.47	113.63
17.	Expenses Reimbursed	28.64	15.30		0.03	0.02	0.02					28.66	15.35
18.	Advances Received during the year	1370.31	1690.64									1370.31	1690.64
19.	Adjustment/Payment towards Refund of Advances	1552.89	1417.65									1552.89	1417.65
20.	Remuneration to KMP												
20A.	– Short term benefits					63.63	56.77					63.63	56.77
20B.	– Other long-term incentives					21.70	26.00					21.70	26.00
20C.	– Post employment benefits [1]												
20D.	– Share-based Payment [2]												
21.	**Outstanding Balances#**												
	i) Receivables	158.47	108.21	11.79	17.10							170.26	125.31
	ii) Advances Given									6.48	8.62	6.48	8.62
	iii) Deposits Given					0.01	0.01	0.03	0.03			0.04	0.04
	iv) Advances Taken	458.17	640.75									458.17	640.75
	v) Payables	223.41	30.22	7.22	7.03					359.72	36.40	590.35	73.65

^ includes transactions with close member of the family of KMP & entities in which KMP is interested.

* Includes rent pertaining to leases classified as Right-of-Use assets.

\# The amounts outstanding are unsecured and will be settled in cash (other than advances).

1. Post employment benefits are actuarially determined on overall basis and hence not separately provided.
2. During the year, the Company granted Stock Options/Stock Appreciation Rights to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes and Employee Stock Appreciation Rights Scheme 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 to the aforesaid persons in the previous years under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Further, in terms of the Scheme of Demerger, ITC Hotels Limited has granted stock option to the eligible employees of the Company under the ITC Hotels Special Purpose Employee Stock Option Scheme. Since such instruments are not tradeable, no perquisite or benefit is immediately conferred upon employee on grant, 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 ₹ 134.98 Crores for the year ended 31st March, 2026 (2025 - ₹ 144.48 Crores), of which ₹ 37.73 Crores (2025 - 32.69 Crores) is attributable to Executive Directors and KMPs.
3. All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis.

Notes to the Consolidated Financial Statements

32. 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		2026	2025
1.	**Sale of Goods/Services**		
	British American Tobacco (GLP) Limited	1587.03	1445.27
	British American Shared Services (GSD) Limited	739.69	562.41
2.	**Purchase of Goods/Services**		
	ITC Filtrona Limited	716.74	637.68
3.	**Acquisition cost of Property, Plant and Equipment and Intangible Assets**		
	Benson & Hedges (Overseas) Limited	286.14	–
	Dunhill Tobacco of London Limited	73.14	–
	Rothmans of Pall Mall Limited	44.33	–
4.	**Investment Purchased**		
	British American Tobacco (Investments) Limited	154.22	–
5.	**Investment in Associates**		
	Mother Sparsh Baby Care Private Limited	40.00	–
6.	**Recovery for Share-based Payment**		
	ITC Hotels Limited	6.98	2.69
7.	**Reimbursement for Share-based Payment**		
	ITC Hotels Limited	5.34	2.37
8.	**Rent Received**		
	ITC Hotels Limited	2.89	0.78
9.	**Rent Paid**		
	ITC Hotels Limited	0.64	0.16
	A. Rajput	0.59	0.53
10.	**Remuneration of Managers on Deputation reimbursed**		
	ITC Hotels Limited	10.81	1.64
11.	**Remuneration of Managers on Deputation recovered**		
	ITC Hotels Limited	16.30	2.13
	ATC Limited	3.34	2.92
12.	**Contribution to Employees' Benefit Plans**		
	IATC Provident Fund	41.66	45.10
	ITC Management Staff Gratuity Fund	20.74	26.46
	ITC Pension Fund	18.28	20.75
	ITC Gratuity Fund 'C'	18.23	13.92
	ITC Defined Contribution Pension Fund	17.15	34.42
	ITC Employees Gratuity Fund	13.00	33.57
13.	**Dividend Income**		
	ITC Filtrona Limited	28.13	22.50
14.	**Dividend Payments**		
	Tobacco Manufacturers (India) Limited	3197.89	3558.09
	Myddleton Investment Company Limited	697.86	680.84
15.	**Expenses Recovered**		
	ITC Hotels Limited	54.94	95.17
	Sproutlife Foods Private Limited	9.11	2.89

RELATED PARTY TRANSACTIONS SUMMARY		2026	2025
16.	**Expenses Reimbursed**		
	ITC Hotels Limited	28.64	15.10
17.	**Advances Received during the year**		
	British American Tobacco (GLP) Limited	1370.30	1689.92
18.	**Adjustment/Payment towards Refund of Advances**		
	British American Tobacco (GLP) Limited	1552.80	1417.65
19.	**Remuneration to KMP#**		
19A.	*Short term benefits*		
	S. Puri	15.25	13.94
	B. Sumant	6.36	5.73
	S. Dutta	5.72	5.12
	H. Malik	5.68	5.13
19B.	*Other long-term incentives*		
	S. Puri	7.00	8.82
	B. Sumant	3.48	5.00
	S. Dutta	3.50	4.29
	H. Malik	3.67	3.37
20.	**Outstanding Balances**		
i)	*Receivables*		
	British American Shared Services (GSD) Limited	105.33	34.42
	ITC Hotels Limited	13.58	20.87
	British American Tobacco (GLP) Limited	6.02	17.23
	ITC Filtrona Limited	11.79	17.10
ii)	*Advances Given*		
	Employee Trust - Pension Funds	6.48	8.62
iii)	*Deposits Given*		
	N. Singhi	0.03	0.03
	S. Dutta	0.01	0.01
iv)	*Advances taken*		
	British American Tobacco (GLP) Limited	457.42	639.92
v)	*Payables*		
	Employee Trust - Gratuity Funds	315.79	23.74
	Employee Trust - Pension Funds	43.93	12.66
	ITC Hotels Limited	3.81	21.76
	ITC Filtrona Limited	7.22	7.03
	Sproutlife Foods Private Limited	9.67	6.65

In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of Share-based payment [refer Note 32.2], of which ₹ 37.73 Crores (2025 - ₹ 32.69 Crores) is attributable to Executive Directors & KMPs:

S. Puri ₹ 13.17 Crores (2025 - ₹ 11.71 Crores), B. Sumant ₹ 6.59 Crores (2025 - ₹ 5.91 Crores), S. Dutta ₹ 6.23 Crores (2025 - ₹ 5.49 Crores), H. Malik ₹ 5.06 Crores (2025 - ₹ 3.22 Crores) and R. K. Singhi ₹ 1.22 Crores (2025 - ₹ 1.11 Crores).

33. 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 primarily 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 1,53,48,450 Ordinary Shares (2025 – 2,93,98,310 Ordinary Shares) of ₹ 1.00 each amounting to ₹ 1.54 Crores (2025 – ₹ 2.94 Crores) towards its employee stock options. The securities premium stood at ₹ 16344.50 Crores as at 31st March, 2026 (2025 – ₹ 15834.70 Crores).

B. Categories of Financial Instruments

(₹ in Crores)

	Particulars	Note	As at 31st March, 2026		As at 31st March, 2025	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A.	**Financial assets**					
a)	**Measured at amortised cost**					
i)	Cash and cash equivalents	13	643.46	643.46	620.00	620.00
ii)	Bank Balances other than (i) above	14	2365.33	2365.33	3392.36	3392.36
iii)	Investment in Bonds/Debentures & Government or Trust Securities	4, 11	4560.75	4631.26	7576.74	7615.36
iv)	Investment in Mutual Funds	4, 11	381.79	387.87	389.10	392.57
v)	Loans	5	13.39	12.22	17.11	15.11
vi)	Trade receivables	12	3922.86	3922.86	4719.67	4719.67
vii)	Other financial assets	6	2666.52	2661.23	3226.53	3219.57
	Sub-total		**14554.10**	**14624.23**	**19941.51**	**19974.64**
b)	**Measured at Fair value through OCI**					
i)	Investment in Equity Shares	4	2792.71	2792.71	3632.35	3632.35
ii)	Investment in Mutual Funds	4, 11	5661.03	5661.03	5424.86	5424.86
iii)	Investment in Bonds/Debentures & Government or Trust Securities	4, 11	3197.79	3197.79	–	–
	Sub-total		**11651.53**	**11651.53**	**9057.21**	**9057.21**
c)	**Measured at Fair value through Profit or Loss**					
i)	Investment in Mutual Funds	11	12612.41	12612.41	11167.90	11167.90
ii)	Investment in Bonds/Debentures, Certificates of Deposit	11	3425.14	3425.14	1651.31	1651.31
iii)	Investment in Venture Capital Funds	4	174.18	174.18	132.81	132.81
iv)	Investment in Equity & Preference Shares	4	34.39	34.39	32.97	32.97
	Sub - total		**16246.12**	**16246.12**	**12984.99**	**12984.99**
d)	**Derivatives measured at fair value**					
i)	Derivative instruments not designated as hedging instruments	6	16.14	16.14	22.33	22.33
ii)	Derivative instruments designated as hedging instruments	6	21.90	21.90	24.59	24.59
	Sub-total		**38.04**	**38.04**	**46.92**	**46.92**
	Total financial assets		**42489.79**	**42559.92**	**42030.63**	**42063.76**

33. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

	Particulars	Note	As at 31st March, 2026		As at 31st March, 2025	
			Carrying Value	Fair Value	Carrying Value	Fair Value
B.	**Financial liabilities**					
a)	**Measured at amortised cost**					
i)	Borrowings	16	2186.22	2186.22	91.26	91.26
ii)	Trade payables	21	5639.55	5639.55	4807.42	4807.42
iii)	Lease Liabilities	17	212.84	212.84	193.28	193.28
iv)	Other financial liabilities	18	2298.99	2273.46	1830.75	1813.33
	Sub-total		**10337.60**	**10312.07**	**6922.71**	**6905.29**
b)	**Measured at fair value**					
i)	Derivative instruments not designated as hedging instruments	18	43.29	43.29	9.02	9.02
ii)	Derivative instruments designated as hedging instruments	18	62.70	62.70	3.16	3.16
iii)	Contingent Consideration	18	204.57	204.57	324.39	324.39
	Sub-total		**310.56**	**310.56**	**336.57**	**336.57**
	Total financial liabilities		**10648.16**	**10622.63**	**7259.28**	**7241.86**

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 ₹ 50708.41 Crores (2025 – ₹ 43893.28 Crores) including Current Investments, Cash and cash equivalents and Bank Balances other than cash and cash equivalents of ₹ 23759.43 Crores (2025 – ₹ 20299.86 Crores) against an aggregate Current liabilities of ₹ 16687.27 Crores (2025 – ₹ 14334.11 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).

Non-current liabilities (other than derivatives and lease liabilities) due between one year to three years amounted to ₹ 300.26 Crores (2025 – ₹ 285.71 Crores) and Non-current liabilities (other than derivatives and lease liabilities) due after three years amounted to ₹ 210.14 Crores (2025 – ₹ 15.63 Crores) on the reporting date. Derivative liabilities are current in nature. The maturity analysis of undiscounted lease liabilities are disclosed under Note 30(xv).

Further, while the Group's total equity stands at ₹ 72873.02 Crores (2025 – ₹ 70397.94 Crores), the amount carried in the Balance Sheet as non-current borrowings is ₹ 60.00 Crores (2025 – ₹ Nil). 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.

33. 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, 2026	USD	Euro	GBP	JPY	Others	Total
Financial Assets	1038.72	358.49	137.67	–	111.27	**1646.15**
Financial Liabilities*	196.47	83.90	7.97	0.28	89.89	**378.51**
As at 31st March, 2025	**USD**	**Euro**	**GBP**	**JPY**	**Others**	**Total**
Financial Assets	1580.99	304.25	83.04	0.12	186.54	**2154.94**
Financial Liabilities*	145.94	43.73	1.74	1.78	137.42	**330.61**

*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 30(x)].

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, 2026		As at 31st March, 2025	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	48.19	173.01	19.28	222.17
Euro	US Dollar	34.80	–	14.45	–
CHF	US Dollar	3.04	–	0.01	–
GBP	US Dollar	0.03	–	0.01	–
JPY	US Dollar	2.43	–	29.45	–

Not Designated under Hedge Accounting		As at 31st March, 2026		As at 31st March, 2025	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	43.07	215.79	29.56	109.59
Euro	Indian Rupee	–	0.53	–	–
Euro	US Dollar	13.17	21.64	0.25	23.58
AUD	US Dollar	0.30	–	0.10	–
CAD	US Dollar	0.50	0.07	0.40	0.15
CHF	US Dollar	0.44	–	1.20	–
GBP	US Dollar	8.68	5.79	11.90	5.99
SEK	US Dollar	0.10	0.50	0.86	–
SGD	US Dollar	–	–	0.11	–
KWD	US Dollar	0.17	–	0.15	–
PLN	US Dollar	1.90	–	0.50	–
JPY	US Dollar	47.12	–	148.75	26.60
ZAR	US Dollar	11.10	–	–	37.20
US Dollar	Nepalese Rupee	4.90	–	3.51	–
Euro	Nepalese Rupee	0.21	–	1.06	–
GBP	Nepalese Rupee	–	–	0.03	–

The aforesaid hedges have a maturity of less than 1 year from the year end.

33. Financial Instruments and Related Disclosures (Contd.)

b. Currency options that were outstanding on respective reporting dates (Not designated under Hedge Accounting):

(In Million)

		As at 31st March, 2026		As at 31st March, 2025	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	48.50	18.70	4.00	45.90
Euro	US Dollar	2.00	10.00	–	–
GBP	US Dollar	–	2.00	–	–

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 may also designate 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	2026	2025
At the beginning of the year	(13.89)	(4.50)
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(49.91)	(15.31)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(74.76)	(11.62)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(38.46)	(12.37)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(41.18)	(1.81)
Less: Amounts transferred to initial cost of non-financial assets	18.33	(0.20)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	15.94	3.16
At the end of the year	**(61.31)**	**(13.89)**
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	**(3.10)**	**(1.63)**

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, 2026	As at 31st March, 2025
Within one year	(50.25)	(7.64)
Between one and three years	(11.06)	(6.25)
Total	**(61.31)**	**(13.89)**

33. 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, 2026 would decrease/increase by ₹ 2.01 Crores (2025 – increase/decrease by ₹ 0.68 Crore) and other equity as at 31st March, 2026 would decrease/increase by ₹ 6.67 Crores (2025 - ₹ 10.30 Crores) on a pre-tax basis.

2. Interest Rate Risk

As the Group is largely 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 Government securities, bonds/debentures, fixed deposits, certificates of deposit, commercial papers 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 Government securities, bonds/debentures, certificates of deposit, commercial papers are fair valued through the Statement of Profit and Loss/Other Comprehensive Income 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, 2026 is ₹ 2792.71 Crores (2025 - ₹ 3632.35 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 arising from such transactions 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/commercial papers issued by highly rated banks and financial institutions. With respect to the Group'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 Group 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 ₹ 8313.43 Crores (2025 - ₹ 13069.90 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.

The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 3922.86 Crores (2025 – ₹ 4719.67 Crores).

Notes to the Consolidated Financial Statements

33. Financial Instruments and Related Disclosures (Contd.)

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, 2026	Expected Loss Provision 31st March, 2025
Opening Balance	218.63	232.19
Add: Provisions made (net)	29.95	12.12
Less: Utilisation for impairment/de-recognition	25.70	17.06
Effects of foreign exchange fluctuation	3.74	0.53
Add: Assumed on Business Combination [Refer Note 30(ix)]	3.39	1.13
Less: Transferred pursuant to Scheme of Demerger of Hotels business	–	10.28
Closing Balance	**230.01**	**218.63**

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, 2026	As at 31st March, 2025
A.	**Financial assets**			
a)	**Measured at amortised cost**			
	i) Investment in Bonds/Debentures & Government or Trust Securities	2	4631.26	7615.36
	ii) Investment in Mutual Funds	1	387.87	392.57
	iii) Loans*	3	3.67	5.61
	iv) Other Financial assets*	3	337.94	1585.40
	Sub-total		**5360.74**	**9598.94**
b)	**Measured at Fair value through OCI**			
	i) Investment in Equity Shares – Quoted	1	2790.29	3629.93
	ii) Investment in Equity Shares – Unquoted	3	2.42	2.42
	iii) Investment in Mutual Funds	1	5661.03	5424.86
	iv) Investment in Bonds/Debentures & Government or Trust Securities	2	3197.79	–
	Sub-total		**11651.53**	**9057.21**
c)	**Measured at Fair value through Profit or Loss**			
	i) Investment in Mutual Funds	1	12612.41	11167.90
	ii) Investment in Bonds/Debentures, Certificates of Deposit	2	3425.14	1651.31
	iii) Investment in Venture Capital Funds	2	174.18	132.81
	iv) Investment in Equity & Preference Shares	3	34.39	32.97
	Sub-total		**16246.12**	**12984.99**
d)	**Derivatives measured at fair value**			
	i) Derivative instruments not designated as hedging instruments	2	16.14	22.33
	ii) Derivative instruments designated as hedging instruments	2	21.90	24.59
	Sub-total		**38.04**	**46.92**
	Total financial assets		**33296.43**	**31688.06**

33. Financial Instruments and Related Disclosures (Contd.)

	Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2026	As at 31st March, 2025
B.	**Financial liabilities**			
a)	**Measured at amortised cost**			
	i) Borrowings*	3	60.00	–
	ii) Other Financial liabilities*	3	400.50	102.43
	iii) Lease liabilities*	3	140.86	137.21
	Sub-total		**601.36**	**239.64**
b)	**Measured at fair value**			
	i) Derivative instruments not designated as hedging instruments	2	43.29	9.02
	ii) Derivative instruments designated as hedging instruments	2	62.70	3.16
	iii) Contingent Consideration	3	204.57	324.39
	Sub-total		**310.56**	**336.57**
	Total financial liabilities		**911.92**	**576.21**

*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, 2026			31st March, 2025		
	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	32.97	2.42	324.39	39.34	2.42	412.76
Additions during the year	1.42	–	9.33	3.00	–	16.53
Sale / Transfer / Settlement during the year	–	–	106.42	–	–	146.09
Gain / (Loss) during the year recognised in Other Income	–	–	33.17	(9.37)	–	(36.43)
Gain / (Loss) during the year recognised in Other Comprehensive Income	–	–	(10.44)	–	–	(4.76)
Closing Balance	**34.39**	**2.42**	**204.57**	**32.97**	**2.42**	**324.39**

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

33. 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, Government or Trust Securities, Certificates of Deposit/Commercial Papers, 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 21, 2026

On behalf of the Board

S. PURI — *Chairman & Managing Director*
(DIN : 00280529)

S. DUTTA — *Director & Chief Financial Officer*
(DIN : 01804345)

R. K. SINGHI — *Company Secretary*
(Membership No.: FCS 3770)

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 the consolidated Balance Sheet as at March 31, 2026, the consolidated Statement of Profit and Loss, including the consolidated Statement of 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.

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, 2026, their consolidated profit including other comprehensive income, their consolidated cash flows and the 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, 2026. 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 matter described below to be the key audit matter 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 the matter. 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 matter below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition	
Revenue from the sale of goods (hereinafter referred to as "Revenue") 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.	Our audit procedures included the following: • Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • 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.

Key audit matter	How our audit addressed the key audit matter
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. Refer Note 1 to the Consolidated Ind AS Financial Statements - Material Accounting Policies and Note 23A/23B.	• Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition. • Tested the effectiveness of such controls over revenue cut off at year-end. • On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. • 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. • Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.

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 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 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 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, 2026 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 Matters

(a) We did not audit the financial statements and other financial information, in respect of thirty-three subsidiaries, whose financial statements include total assets of Rs. 4,804.87 crores as at March 31, 2026, and total revenues of Rs. 4,774.39 crores and net cash inflows of Rs. 178.41 crores for the year ended on that date. These financial statements 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 Rs. 43.41 crores for the year ended March 31, 2026, as considered in the consolidated Ind AS financial statements, in respect of seven associates and two 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-sections (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 and the financial statements and other financial information certified by the Management.

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 Matters' 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 Matters' 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, read with paragraph (h)(vi) below;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the consolidated 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;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2026 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, 2026 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 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;

(g) 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, 2026 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;

(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 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 Matters' 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 30(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, 2026;

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, 2026.

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 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, its subsidiaries and an associate until the date of the respective audit reports 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, an associate 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, other than as disclosed in note 30(xx) 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. Additionally, the audit trail of prior years have been preserved by the Holding Company, subsidiaries, associates and joint ventures as per the statutory requirements for record retention to the extent it was enabled and recorded in respective years.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Arvind Sethi
Partner
Membership Number: 89802
UDIN: 26089802EKEEZQ4869

Place of Signature: Kolkata
Date: May 21, 2026

Enduring Value

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 30(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 companies 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

UDIN: 26089802EKEEZQ4869

Place of Signature: Kolkata
Date: May 21, 2026

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated 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")

In conjunction with our audit of the consolidated Ind AS financial statements of ITC Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS 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 these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control with reference to 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 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2026, 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 Ind AS financial statements of the Holding Company, in so far as it relates to these eight subsidiaries, six associates and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint venture 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: 26089802EKEEZQ4869

Place of Signature: Kolkata
Date: May 21, 2026