Enduring Value

# Standalone 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 | | 16501.73 | | | 16446.08 | |
| (b) Capital work-in-progress | 3B | | 1472.56 | | | 1067.79 | |
| (c) Investment Property | 3C | | 378.03 | | | 399.89 | |
| (d) Goodwill | 3D | | 608.25 | | | 577.88 | |
| (e) Other Intangible assets | 3E | | 2558.56 | | | 2024.04 | |
| (f) Intangible assets under development | 3F | | 81.62 | | | 2.91 | |
| (g) Right-of-use assets | 3G | | 425.22 | | | 541.86 | |
| (h) Financial Assets | | | | | | | |
| (i) Investments | 4 | 19409.05 | | | 20692.67 | | |
| (ii) Loans | 5 | 3.69 | | | 6.28 | | |
| (iii) Others | 6 | 324.21 | 19736.95 | | 1575.07 | 22274.02 | |
| (i) Other non-current assets | 7 | | 1009.55 | 42772.47 | | 912.12 | 44246.59 |
| **Current assets** | | | | | | | |
| (a) Inventories | 8 | | 17931.90 | | | 15061.01 | |
| (b) Financial Assets | | | | | | | |
| (i) Investments | 9 | 19701.54 | | | 15289.94 | | |
| (ii) Trade receivables | 10 | 2925.60 | | | 3910.79 | | |
| (iii) Cash and cash equivalents | 11 | 110.02 | | | 222.41 | | |
| (iv) Bank Balances other than (iii) above | 12 | 2025.50 | | | 2962.45 | | |
| (v) Loans | 5 | 7.95 | | | 8.96 | | |
| (vi) Others | 6 | 1952.45 | 26723.06 | | 1264.88 | 23659.43 | |
| (c) Other current assets | 7 | | 1488.43 | 46143.39 | | 1037.68 | 39758.12 |
| **TOTAL ASSETS** | | | | **88915.86** | | | **84004.71** |
| **EQUITY AND LIABILITIES** | | | | | | | |
| **Equity** | | | | | | | |
| (a) Equity Share capital | 13 | | 1252.95 | | | 1251.41 | |
| (b) Other Equity | | | 68675.66 | 69928.61 | | 66642.30 | 67893.71 |
| **Liabilities** | | | | | | | |
| **Non-current liabilities** | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Lease liabilities | 14 | 97.09 | | | 117.45 | | |
| (ii) Other financial liabilities | 15 | 352.94 | 450.03 | | 87.89 | 205.34 | |
| (b) Provisions | 16 | | 280.05 | | | 225.24 | |
| (c) Deferred tax liabilities (Net) | 17 | | 3065.25 | 3795.33 | | 2556.35 | 2986.93 |
| **Current liabilities** | | | | | | | |
| (a) Financial Liabilities | | | | | | | |
| (i) Borrowings | 18 | 2026.22 | | | 1.76 | | |
| (ii) Lease liabilities | 14 | 39.08 | | | 37.54 | | |
| (iii) Trade Payables | 19 | | | | | | |
| (A) total outstanding dues of micro and small enterprises; and | | 345.97 | | | 178.26 | | |
| (B) total outstanding dues of creditors other than micro and small enterprises | | 4925.93 | | | 4311.67 | | |
| (iv) Other financial liabilities | 15 | 1598.79 | 8935.99 | | 1391.41 | 5920.64 | |
| (b) Other current liabilities | 20 | | 4897.84 | | | 6129.12 | |
| (c) Provisions | 16 | | 303.43 | | | 46.53 | |
| (d) Current Tax Liabilities (Net) | 21 | | 1054.66 | 15191.92 | | 1027.78 | 13124.07 |
| **TOTAL EQUITY AND LIABILITIES** | | | | **88915.86** | | | **84004.71** |

The accompanying notes 1 to 32 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For S R B C & CO LLP
*Chartered Accountants*
Firm Registration Number: 324982E/E300003

Arvind Sethi
*Partner*
(Membership No.: 89802)

Kolkata, May 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

# Standalone 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 | 22A, 22B | 81640.11 | 74238.13 |
| II | Other Income | 23 | 3287.18 | 3454.97 |
| III | **Total Income (I+II)** | | **84927.29** | **77693.10** |
| IV | **EXPENSES** | | | |
| | Cost of materials consumed | | 25939.49 | 23440.61 |
| | Purchases of Stock-in-Trade | | 8791.91 | 8936.22 |
| | Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates | 24 | (2482.79) | (640.50) |
| | Excise duty | | 9656.33 | 4912.55 |
| | Employee benefits expense | 25 | 3629.28 | 3417.16 |
| | Finance costs | 26 | 69.94 | 36.35 |
| | Depreciation and amortization expense | | 1473.99 | 1441.93 |
| | Other expenses | 27 | 10897.67 | 10146.48 |
| | **Total expenses (IV)** | | **57975.82** | **51690.80** |
| V | **Profit before exceptional items and tax (III-IV)** | | **26951.47** | **26002.30** |
| VI | Exceptional Items | 29(i) | (183.87) | 527.96 |
| VII | **Profit before tax (V+VI)** | | **26767.60** | **26530.26** |
| VIII | **Tax expense:** | | | |
| | Current Tax | 28 | 5822.16 | 5990.17 |
| | Deferred Tax | 28 | 659.02 | 446.80 |
| IX | **Profit for the year from continuing operations (VII-VIII)** | | **20286.42** | **20093.29** |
| X | Profit before exceptional items and tax from discontinued operations | | – | 572.52 |
| XI | Exceptional Items of discontinued operations | 29(x) | – | 15163.06 |
| XII | Tax expense of discontinued operations | 28 | – | 631.82 |
| XIII | **Profit for the year from discontinued operations (X+XI-XII)** | | **–** | **15103.76** |
| XIV | **Profit for the year (IX+XIII)** | | **20286.42** | **35197.05** |
| | **Other Comprehensive Income** | | | |
| | A (i) Items that will not be reclassified to profit or loss: | | | |
| | – Remeasurements of the defined benefit plans | 29(vi) | (26.70) | (27.41) |
| | – Equity instruments through other comprehensive income | | (839.64) | (999.57) |
| | – Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge | | 33.54 | 0.23 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | 28 | 112.63 | 85.34 |
| | B (i) Items that will be reclassified to profit or loss: | | | |
| | – Exchange differences on net investment in foreign operations | | – | (40.55) |
| | – Debt instruments through other comprehensive income | | (55.87) | 72.07 |
| | – Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge | | (64.35) | (8.22) |
| | (ii) Income tax relating to items that will be reclassified to profit or loss | 28 | 30.43 | (11.27) |
| XV | **Other Comprehensive Income [A(i+ii)+B(i+ii)]** | | **(809.96)** | **(929.38)** |
| XVI | **Total Comprehensive Income for the year (XIV+XV)** | | **19476.46** | **34267.67** |
| XVII | **Earnings per equity share (Face Value ₹ 1.00 each):** | 29(ii) | | |
| | For Continuing Operations | | | |
| | (a) Basic (in ₹) | | 16.20 | 16.07 |
| | (b) Diluted (in ₹) | | 16.19 | 16.05 |
| | For Discontinued Operations | | | |
| | (a) Basic (in ₹) | | – | 12.08 |
| | (b) Diluted (in ₹) | | – | 12.06 |
| | For Continuing and Discontinued Operations | | | |
| | (a) Basic (in ₹) | | 16.20 | 28.15 |
| | (b) Diluted (in ₹) | | 16.19 | 28.11 |

The accompanying notes 1 to 32 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For S R B C & CO LLP
*Chartered Accountants*
Firm Registration Number: 324982E/E300003

Arvind Sethi
*Partner*
(Membership No.: 89802)

Kolkata, May 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)

# Standalone 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 | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Share-based Payment Reserve | Capital Redemption Reserve | Contingency Reserve | General Reserve | Subsidy Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Foreign Currency Translation Reserve | |
| **Balance as at 1st April, 2025** | **2.48** | **15834.70** | **422.76** | **0.30** | **363.05** | **–** | **0.14** | **47729.22** | **48.71** | **2245.48** | **(4.54)** | **–** | **66642.30** |
| Profit for the year | – | – | – | – | – | – | – | 20286.42 | – | – | – | – | 20286.42 |
| Other Comprehensive Income (net of tax) | – | – | – | – | – | – | – | (25.70) | (41.63) | (719.57) | (23.06) | – | (809.96) |
| **Total Comprehensive Income for the year** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **20260.72** | **(41.63)** | **(719.57)** | **(23.06)** | **–** | **19476.46** |
| Issue of equity shares under ITC Employee Stock Option Schemes | – | 403.31 | – | – | – | – | – | – | – | – | – | – | 403.31 |
| Dividends | | | | | | | | | | | | | |
| – Final Dividend (2024-25 - ₹ 7.85 per share) | – | – | – | – | – | – | – | (9823.58) | – | – | – | – | (9823.58) |
| – Interim Dividend (2025-26 - ₹ 6.50 per share) | – | – | – | – | – | – | – | (8144.00) | – | – | – | – | (8144.00) |
| Transfer from Share-based Payment Reserve on exercise and lapse | – | 106.49 | (109.98) | – | – | – | – | 3.05 | – | – | – | – | (0.44) |
| Transferred to initial carrying amount of hedged items (net of tax) | – | – | – | – | – | – | – | – | – | – | (13.72) | – | (13.72) |
| Transfer to Retained Earnings | – | – | – | – | – | – | (0.14) | 0.14 | – | – | – | – | – |
| Recognition of Share-based Payment | – | – | 135.33 | – | – | – | – | – | – | – | – | – | 135.33 |
| **Balance as at 31st March, 2026** | **2.48** | **16344.50** | **448.11** | **0.30** | **363.05** | **–** | **–** | **50025.55** | **7.08** | **1525.91** | **(41.32)** | **–** | **68675.66** |
| **Balance as at 1st April, 2024** | **2.48** | **14842.78** | **507.59** | **0.30** | **363.05** | **17585.31** | **0.14** | **34480.09** | **(10.02)** | **3163.40** | **1.29** | **40.55** | **70976.96** |
| Profit for the year | – | – | – | – | – | – | – | 35197.05 | – | – | – | – | 35197.05 |
| Other Comprehensive Income (net of tax) | – | – | – | – | – | – | – | (23.66) | 58.73 | (917.92) | (5.98) | (40.55) | (929.38) |
| **Total Comprehensive Income for the year** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **35173.39** | **58.73** | **(917.92)** | **(5.98)** | **(40.55)** | **34267.67** |
| Issue of equity shares under ITC Employee Stock Option Schemes | – | 794.39 | – | – | – | – | – | – | – | – | – | – | 794.39 |
| Dividends | | | | | | | | | | | | | |
| – Final Dividend (2023-24 - ₹ 7.50 per share) | – | – | – | – | – | – | – | (9363.54) | – | – | – | – | (9363.54) |
| – Interim Dividend (2024-25 - ₹ 6.50 per share) | – | – | – | – | – | – | – | (8133.11) | – | – | – | – | (8133.11) |
| Dividend distribution tax refund received | – | – | – | – | – | – | – | 19.45 | – | – | – | – | 19.45 |

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

**B. Other Equity (Contd.)** (₹ in Crores)

| | Reserves and Surplus | | | | | | | | Items of Other Comprehensive Income | | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Share-based Payment Reserve | Capital Redemption Reserve | Contingency Reserve | General Reserve | Subsidy Reserve | Retained Earnings | Debt Instruments through Other Comprehensive Income | Equity Instruments through Other Comprehensive Income | Effective portion of Cash Flow Hedges | Foreign Currency Translation Reserve | |
| Transfer from Share-based Payment Reserve on exercise and lapse | – | 197.53 | (199.21) | – | – | – | – | 1.00 | – | – | – | – | (0.68) |
| Transferred to initial carrying amount of hedged items (net of tax) | – | – | – | – | – | – | – | – | – | – | 0.15 | – | 0.15 |
| Recognition of Share-based Payment | – | – | 137.27 | – | – | – | – | – | – | – | – | – | 137.27 |
| Fair value of the Demerged Undertaking distributed to the shareholders of the Company | – | – | – | – | – | (22033.37) | – | – | – | – | – | – | (22033.37) |
| Transfer from Retained Earnings | – | – | – | – | – | 4448.06 | – | (4448.06) | – | – | – | – | – |
| Derecognised pursuant to Scheme of Demerger of Hotels business | – | – | (22.89) | – | – | – | – | – | – | – | – | – | (22.89) |
| **Balance as at 31st March, 2025** | **2.48** | **15834.70** | **422.76** | **0.30** | **363.05** | **–** | **0.14** | **47729.22** | **48.71** | **2245.48** | **(4.54)** | **–** | **66642.30** |

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:** This Reserve represents the difference between value of the net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

**Securities Premium:** This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Share-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 the 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 Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Contingency Reserve:** This Reserve has been created out of Retained Earnings, as a matter of prudence, to take care of any unforeseen adverse developments in pending legal disputes.

**General Reserve:** This Reserve 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.

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

**Retained Earnings:** This Reserve represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**Debt Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Debt Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to profit or loss when those instruments are disposed of.

**Equity Instruments through Other Comprehensive Income:** This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to 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 Company's accounting policy.

**Foreign Currency Translation Reserve:** This Reserve represents the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation whose functional currency is other than Indian Rupee. Exchange differences previously accumulated in this Reserve were reclassified to profit or loss on disposal of the concerned foreign operation.

The accompanying notes 1 to 32 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For S R B C & CO LLP
*Chartered Accountants*
Firm Registration Number: 324982E/E300003

Arvind Sethi
*Partner*
(Membership No.: 89802)

Kolkata, May 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)

# Standalone 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 | | **26767.60** | | **26530.26** |
| PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS | | **–** | | **15735.58** |
| ADJUSTMENTS FOR: | | | | |
| Depreciation and amortization expense | 1473.99 | | 1668.88 | |
| Share based payments to employees | 124.10 | | 130.00 | |
| Finance costs | 69.94 | | 44.84 | |
| Interest Income | (1401.07) | | (1423.07) | |
| Dividend Income | (972.16) | | (1019.59) | |
| Net gain on sale of property, plant and equipment, lease termination | (11.71) | | (105.37) | |
| Inventory write-offs / write-downs (net of reversals) | 349.27 | | 223.23 | |
| Doubtful and bad debts | 11.70 | | 11.54 | |
| Doubtful and bad advances, loans and deposits | (1.79) | | 1.87 | |
| Impairment of investment in associate | – | | 11.00 | |
| Gain recognised on divestment of shares held in associate | (0.01) | | – | |
| Gain recognised on fair valuation of net assets distributed pursuant to Scheme of Demerger of Hotels business | – | | (15617.37) | |
| Net gain arising on financial instruments measured at fair value through profit or loss / fair value through other comprehensive income | (775.97) | | (1397.02) | |
| Foreign currency translations and transactions - Net | (22.05) | (1155.76) | 4.36 | (17466.70) |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | | 25611.84 | | 24799.14 |
| ADJUSTMENTS FOR: | | | | |
| Trade receivables, advances and other assets | 662.41 | | (839.55) | |
| Inventories | (3157.86) | | (2695.19) | |
| Trade payables, other liabilities and provisions | (226.08) | (2721.53) | 1334.38 | (2200.36) |
| CASH GENERATED FROM OPERATIONS | | 22890.31 | | 22598.78 |
| Income tax paid (net of refunds) | | (5795.34) | | (5844.88) |
| **NET CASH FROM OPERATING ACTIVITIES** | | **17094.97** | | **16753.90** |
| **B. Cash Flow from Investing Activities** | | | | |
| Purchase of property, plant and equipment, Intangibles, ROU asset etc. | (2069.30) | | (1788.64) | |
| Sale of property, plant and equipment | 49.26 | | 157.77 | |
| Purchase of current investments | (59977.83) | | (59302.87) | |
| Sale / redemption of current investments | 56640.92 | | 59962.21 | |
| Payment towards business combination, including cash and cash equivalents assumed [Refer Note 29(ix)] | (284.99) | | – | |
| Investment in subsidiaries | (199.22) | | (866.08) | |
| Investment in associates | (181.84) | | (29.99) | |
| Divestment of shares held in associate | 0.01 | | – | |
| Purchase of non-current investments | (2317.63) | | (390.52) | |
| Sale / redemption of non-current investments | 3341.11 | | 390.19 | |
| Dividend received | 972.16 | | 1019.59 | |
| Interest received | 856.51 | | 987.14 | |
| Investment in bank deposits (original maturity more than 3 months) | (618.32) | | (5217.10) | |
| Redemption / maturity of bank deposits (original maturity more than 3 months) | 2815.61 | | 5920.74 | |
| Investment in deposit with financial institution | (1768.50) | | (1200.00) | |
| Maturity of deposit with financial institution | 1200.00 | | 500.00 | |
| Loans given to employees | (9.38) | | (17.39) | |
| Loans realised from employees | 13.05 | | 13.45 | |
| **NET CASH (USED IN) / FROM INVESTING ACTIVITIES** | | **(1538.38)** | | **138.50** |

# Standalone 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 borrowing | 2000.00 | | – | |
| Repayment of current borrowing | (41.52) | | – | |
| Repayment of non-current borrowings | (7.23) | | (1.52) | |
| Principal payment of lease liabilities | (41.83) | | (47.48) | |
| Interest paid | (49.94) | | (44.84) | |
| Net increase in statutory restricted accounts balances | 9.02 | | 8.09 | |
| Dividend paid | (17967.58) | | (17496.65) | |
| Dividend distribution tax refund received | – | | 19.45 | |
| **NET CASH USED IN FINANCING ACTIVITIES** | | **(15694.23)** | | **(16765.62)** |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS** | | **(137.64)** | | **126.78** |
| **OPENING CASH AND CASH EQUIVALENTS** | | **222.41** | | **198.07** |
| **LESS: ON DEMERGER OF HOTELS BUSINESS** | | **–** | | **102.44** |
| **CLOSING CASH AND CASH EQUIVALENTS** | | **84.77** | | **222.41** |

*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 11) | 110.02 | 222.41 |
| Less: Cash credit facilities (Note 18) | 25.22 | – |
| Less: Unrealised gain/(loss) on foreign currency cash and cash equivalents | 0.03 | ... |
| Cash and cash equivalents as per Statement of Cash Flows | 84.77 | 222.41 |

3. Net Cash Flow from Operating Activities includes an amount of ₹ 489.57 Crores (2025 - ₹ 442.68 Crores) spent towards Corporate Social Responsibility.

4. Disclosure of non-cash movement arising from financing activities in respect of lease liabilities - Refer Note 14.

The accompanying notes 1 to 32 are an integral part of the Standalone Financial Statements.

In terms of our report attached
For S R B C & CO LLP
*Chartered Accountants*
Firm Registration Number: 324982E/E300003
Arvind Sethi
*Partner*
(Membership No.: 89802)
Kolkata, May 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)

# Notes to the Standalone Financial Statements

## Company Information

ITC Limited (the 'Company') [CIN: L16005WB1910PLC001985] is a public limited company domiciled in India with its registered office located at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071. The Company's shares are listed on the National Stock Exchange of India Limited and BSE Limited. The Company is a diversified conglomerate with businesses spanning Fast-Moving Consumer Goods (Cigarettes & Cigars, Foods, Personal Care Products, Education & Stationery Products, Safety Matches and Agarbattis), Paperboards, Paper and Packaging and Agri Business.

## 1. Material Accounting Policies

### Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 and amendments thereto. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2016.

### Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair value, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

### Property, Plant and Equipment

Property, plant and equipment (PP&E) are stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PP&E recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is inclusive of inward freight, 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.

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

The estimated useful lives of PP&E of the Company are as follows:

| | |
|---|---|
| Buildings | 30-60 Years |
| Leasehold Improvements | Shorter of lease period or estimated useful lives |
| Plant and Equipment | 3-25 Years |
| Furniture and Fixtures | 8-10 Years |
| Vehicles | 8-10 Years |
| Office Equipment | 5 Years |

PP&E's residual values, useful lives and method of depreciation are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

**Goodwill and Other Intangible Assets**

**Goodwill**

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses.

Goodwill is annually tested for impairment. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

On disposal of the CGU or group of CGUs, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss.

**Other Intangible Assets**

Other Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

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. 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 Company 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 | 5 Years |
| Customer Relationships | 8 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 amortise the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013.

## 1. Material Accounting Policies (Contd.)

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.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

**Foreign Currency Transactions**

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/losses arising on settlement, as also on translation of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are recognised in other comprehensive income and accumulated in Foreign Currency Translation Reserve.

**Derivatives and Hedge Accounting**

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in 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 Company complies with the principles of hedge accounting where derivative contracts and/or non-derivative financial assets/liabilities that are permitted under applicable accounting standards are designated as hedging instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of hedging instruments that qualify as fair value hedges are recognised in 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.

# Notes to the Standalone Financial Statements

## 1. Material Accounting Policies (Contd.)

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non–financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non–financial asset.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains / losses recognised in other comprehensive income and accumulated in equity at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity are recognised immediately in the Statement of Profit and Loss.

**Investment in Subsidiaries, Associates and Joint Ventures**

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

**Financial instruments, Financial assets, Financial liabilities and Equity instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

**Financial Assets**

**Recognition:** Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.

(b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, including interest income and dividend income, if any, are recognised in 'other income' in the Statement of Profit and Loss in the period in which they arise.

Trade Receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

**Reclassification:** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

## 1. Material Accounting Policies (Contd.)

**Derecognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

**Income Recognition:** Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

**Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost (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 Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

**Government Grant**

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets, are deducted from the carrying amount of the asset.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognised in the Statement of Profit and Loss as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

**Dividend Distribution**

Dividends paid (including income tax thereon, if any) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by 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 Company makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved trusts.

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Company recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of

## 1. Material Accounting Policies (Contd.)

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 Company makes contribution to defined contribution pension plan. The contribution payable is recognised as an expense, when an employee renders the related service.

The Company also makes contribution to defined benefit pension and gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

**Employee Share Based Compensation**

**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 Company 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 Company 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 from:

(a) wholly owned subsidiaries who need to conserve financial capacity to sustain their business and growth plans and to address contingencies that may arise, taking into account the economic and market conditions then prevailing and opportunities and threats in the competitive context.

(b) other companies not covered under (a) above, who need to conserve financial capacity to sustain their business and growth plans and where the quantum of reimbursement is not material - the materiality threshold being ₹ 5 Crores for each entity for a financial year.

**Cash Settled Stock Appreciation Linked Reward (SAR) Plan**

Cash Settled SAR units 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 Company. In case of Cash Settled SAR units granted to employees on deputation or secondment and to employees of the group companies, the Company generally recovers the fair value of Cash Settled SAR units from the concerned group companies.

**Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a Lessee**

Right-of-use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and 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 based on consideration of facts and circumstances that create an economic incentive to exercise an extension

## 1. Material Accounting Policies (Contd.)

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 Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

**Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

**Taxes on Income**

Taxes on income comprise current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, insofar as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

**Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

**Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on businesses which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance costs, unallocated corporate expenses and taxes.

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

**Financial and Management Information Systems**

The Company's Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

# Notes to the Standalone Financial Statements

## 2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note B below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered 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.

### B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. **Useful lives of property, plant and equipment, investment property and intangible assets:**

   As described in the material accounting policies, the Company reviews the estimated useful lives of property, plant and equipment, investment property and intangible assets at the end of each reporting period and the impact of changes in the estimated useful life is considered in the period in which the estimate is revised.

2. **Fair value measurements and valuation processes:**

   Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. **Actuarial Valuation:**

   The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in the notes to the financial statements.

4. **Claims, Provisions and Contingent Liabilities:**

   The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in the notes to the financial statements.

# Notes to the Standalone Financial Statements

(₹ in Crores)

| Particulars | Gross Block | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | As at 31st March, 2024 | Additions | Withdrawals and adjustments# | Transferred pursuant to Scheme of Demerger of Hotels business | As at 31st March, 2025 | Acquired through Business Combination* | Additions | Withdrawals and adjustments# | As at 31st March, 2026 |
| **3A. Property, Plant and Equipment[1]** | | | | | | | | | |
| Land[2] | 2005.14 | 58.31 | 3.92 | 930.28 | 1129.25 | 6.12 | 141.94 | 7.06 | 1270.25 |
| Buildings | 9993.02 | 401.44 | 62.65 | 3563.11 | 6768.70 | 0.14 | 184.54 | (2.38) | 6955.76 |
| Leasehold Improvements | 21.74 | 0.83 | 0.16 | 7.56 | 14.85 | – | 1.44 | 1.96 | 14.33 |
| Plant and Equipment | 19749.51 | 1224.89 | 186.03 | 2427.80 | 18360.57 | 9.11 | 1047.32 | 112.31 | 19304.69 |
| Furniture and Fixtures | 1038.74 | 35.67 | 6.47 | 806.17 | 261.77 | 0.36 | 23.06 | 1.86 | 283.33 |
| Vehicles | 158.39 | 23.61 | 18.46 | 48.99 | 114.55 | 0.02 | 11.12 | 10.47 | 115.22 |
| Office Equipment | 36.32 | 9.55 | 1.30 | 1.31 | 43.26 | – | 5.17 | 1.64 | 46.79 |
| Railway Sidings | 1.73 | – | – | – | 1.73 | – | – | 0.01 | 1.72 |
| **TOTAL** | **33004.59** | **1754.30** | **278.99** | **7785.22** | **26694.68** | **15.75** | **1414.59** | **132.93** | **27992.09** |
| **3B. Capital work-in-progress** | **1077.97** | **1738.49** | **1715.95** | **32.72** | **1067.79** | **–** | **1781.60** | **1376.83** | **1472.56** |
| **3C. Investment Property[3]** | **452.03** | **1.75** | **(51.67)** | **–** | **505.45** | **–** | **–** | **8.81** | **496.64** |
| **3D. Goodwill[4]** | **577.88** | **–** | **–** | **–** | **577.88** | **30.37** | **–** | **–** | **608.25** |
| **3E. Other Intangible assets (acquired)** | | | | | | | | | |
| Assets with indefinite life[4] | | | | | | | | | |
| Trademarks | 1889.78 | – | – | – | 1889.78 | 161.00 | – | – | 2050.78 |
| Assets with finite life | | | | | | | | | |
| Trademarks | 30.57 | – | – | – | 30.57 | – | 365.41 | – | 395.98 |
| Computer Software | 348.36 | 25.51 | 4.65 | 58.95 | 310.27 | – | 12.22 | 1.07 | 321.42 |
| Know How, Business and Commercial Rights | 56.40 | 3.77 | – | 3.77 | 56.40 | – | 3.03 | – | 59.43 |
| Customer Relationships | 35.21 | – | – | – | 35.21 | – | – | – | 35.21 |
| Sourcing Network | – | – | – | – | – | 52.00 | – | – | 52.00 |
| **TOTAL** | **2360.32** | **29.28** | **4.65** | **62.72** | **2322.23** | **213.00** | **380.66** | **1.07** | **2914.82** |
| **3F. Intangible assets under development** | **9.07** | **21.17** | **25.68** | **1.65** | **2.91** | **–** | **90.25** | **11.54** | **81.62** |
| **3G. Right-of-use assets^** | | | | | | | | | |
| Land | 525.53 | 0.07 | 0.32 | 95.16 | 430.12 | – | 15.73 | 111.53 | 334.32 |
| Buildings | 343.45 | 63.14 | 90.41 | 102.69 | 213.49 | 6.71 | 16.61 | 27.27 | 209.54 |
| Plant and Equipment | 41.83 | – | 9.86 | – | 31.97 | – | – | – | 31.97 |
| **TOTAL** | **910.81** | **63.21** | **100.59** | **197.85** | **675.58** | **6.71** | **32.34** | **138.80** | **575.83** |

# Includes amounts transferred to/from Investment Property on change in use.
* Refer Note 29(ix)
& includes Nil (2025 - ₹ 226.95 Crores) relating to discontinued operations.
^ Also refer Note 29(vii)

**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 |
| Land | 1.48 | – | 1.48 | – | 1.48 | – | 1.48 | – |
| Buildings | 1.82 | 1.07 | 0.75 | 0.55 | 48.58 | 3.23 | 45.35 | 1.17 |
| Plant and Equipment | 285.90 | 196.72 | 89.18 | 12.95 | 308.20 | 205.13 | 103.07 | 12.81 |
| **TOTAL** | **289.20** | **197.79** | **91.41** | **13.50** | **358.26** | **208.36** | **149.90** | **13.98** |

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 31.56 Crores (2025 - ₹ 72.55 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 Standalone Financial Statements

(₹ in Crores)

| Particulars | Depreciation and Amortization | | | | | | | | Net Book Value | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Upto 31st March, 2024 | For the year[&] | On Withdrawals and adjustments[#] | Transferred pursuant to Scheme of Demerger of Hotels business | Upto 31st March, 2025 | For the year | On Withdrawals and adjustments[#] | Upto 31st March, 2026 | As at 31st March, 2026 | As at 31st March, 2025 |
| **3A. Property, Plant and Equipment[1]** | | | | | | | | | | |
| Land[2] | – | – | – | – | – | – | – | – | 1270.25 | 1129.25 |
| Buildings | 1589.30 | 244.18 | 12.41 | 414.86 | 1406.21 | 200.63 | 2.00 | 1604.84 | 5350.92 | 5362.49 |
| Leasehold Improvements | 9.06 | 0.81 | 0.14 | 5.14 | 4.59 | 0.78 | 0.02 | 5.35 | 8.98 | 10.26 |
| Plant and Equipment | 8668.85 | 1212.84 | 155.64 | 1131.94 | 8594.11 | 1113.82 | 96.72 | 9611.21 | 9693.48 | 9766.46 |
| Furniture and Fixtures | 617.67 | 70.84 | 5.13 | 521.74 | 161.64 | 18.91 | 1.85 | 178.70 | 104.63 | 100.13 |
| Vehicles | 78.46 | 15.49 | 11.30 | 26.72 | 55.93 | 11.79 | 7.16 | 60.56 | 54.66 | 58.62 |
| Office Equipment | 23.98 | 3.18 | 1.10 | 1.24 | 24.82 | 4.08 | 0.62 | 28.28 | 18.51 | 18.44 |
| Railway Sidings | 1.17 | 0.13 | – | – | 1.30 | 0.13 | 0.01 | 1.42 | 0.30 | 0.43 |
| **TOTAL** | **10988.49** | **1547.47** | **185.72** | **2101.64** | **10248.60** | **1350.14** | **108.38** | **11490.36** | **16501.73** | **16446.08** |
| **3B. Capital work-in-progress** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **1472.56** | **1067.79** |
| **3C. Investment Property[3]** | **78.94** | **15.39** | **(11.23)** | **–** | **105.56** | **15.13** | **2.08** | **118.61** | **378.03** | **399.89** |
| **3D. Goodwill[4]** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **608.25** | **577.88** |
| **3E. Other Intangible assets (acquired)** | | | | | | | | | | |
| Assets with indefinite life[4] | | | | | | | | | | |
| Trademarks | – | – | – | – | – | – | – | – | 2050.78 | 1889.78 |
| Assets with finite life | | | | | | | | | | |
| Trademarks | 26.72 | 2.28 | – | – | 29.00 | 11.98 | – | 40.98 | 355.00 | 1.57 |
| Computer Software | 230.47 | 35.18 | 4.65 | 47.75 | 213.25 | 33.15 | 1.07 | 245.33 | 76.09 | 97.02 |
| Know How, Business and Commercial Rights | 31.20 | 4.28 | – | 0.13 | 35.35 | 3.67 | – | 39.02 | 20.41 | 21.05 |
| Customer Relationships | 16.19 | 4.40 | – | – | 20.59 | 4.40 | – | 24.99 | 10.22 | 14.62 |
| Sourcing Network | – | – | – | – | – | 5.94 | – | 5.94 | 46.06 | – |
| **TOTAL** | **304.58** | **46.14** | **4.65** | **47.88** | **298.19** | **59.14** | **1.07** | **356.26** | **2558.56** | **2024.04** |
| **3F. Intangible assets under development** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **81.62** | **2.91** |
| **3G. Right-of-use assets ^** | | | | | | | | | | |
| Land | 37.25 | 7.45 | 0.03 | 12.74 | 31.93 | 5.17 | 6.75 | 30.35 | 303.97 | 398.19 |
| Buildings | 131.31 | 48.74 | 85.94 | 6.71 | 87.40 | 42.02 | 25.94 | 103.48 | 106.06 | 126.09 |
| Plant and Equipment | 20.56 | 3.69 | 9.86 | – | 14.39 | 2.39 | – | 16.78 | 15.19 | 17.58 |
| **TOTAL** | **189.12** | **59.88** | **95.83** | **19.45** | **133.72** | **49.58** | **32.69** | **150.61** | **425.22** | **541.86** |

3. The fair value of the investment property is ₹ 1662.17 Crores (2025 - ₹ 1647.41 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 | 194.54 | 156.54 |
| Direct Operating Expenses arising from investment property that generated rental income during the year[$] | 21.09 | 19.45 |
| 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.

# Notes to the Standalone Financial Statements

**Capital work-in-progress (CWIP) ageing schedule**

(₹ in Crores)

| Particulars | As at 31st March, 2025 | | | | | As at 31st March, 2026 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in Progress | 803.32 | 172.34 | 61.25 | 30.88 | 1067.79 | 914.98 | 356.39 | 131.95 | 69.24 | 1472.56 |
| Projects temporarily suspended | – | – | – | – | – | – | – | – | – | – |
| **TOTAL** | **803.32** | **172.34** | **61.25** | **30.88** | **1067.79** | **914.98** | **356.39** | **131.95** | **69.24** | **1472.56** |

**Intangible assets under development (IAUD) ageing schedule**

(₹ in Crores)

| Particulars | As at 31st March, 2025 | | | | | As at 31st March, 2026 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Amount in IAUD for a period of | | | | | Amount in IAUD for a period of | | | | |
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| Projects in Progress | 2.34 | 0.57 | – | – | 2.91 | 80.04 | 1.58 | – | – | 81.62 |
| Projects temporarily suspended | – | – | – | – | – | – | – | – | – | – |
| **TOTAL** | **2.34** | **0.57** | **–** | **–** | **2.91** | **80.04** | **1.58** | **–** | **–** | **81.62** |

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

# Notes to the Standalone 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** | | | | | |
| **INVESTMENT IN EQUITY INSTRUMENTS** | | | | | |
| **In Subsidiaries (at cost)** | | | | | |
| **Unquoted** | | | | | |
| Gold Flake Corporation Limited | 10 | 1,59,98,385 | 16.00 | 1,59,98,385 | 16.00 |
| Russell Credit Limited | | | | | |
| Fully paid | 10 | 59,74,54,177 | 619.29 | 59,74,54,177 | 619.29 |
| ₹ 6.50 per share paid | 10 | 7,54,22,400 | 39.22 | 7,54,22,400 | 39.22 |
| ITC Infotech India Limited | 10 | 9,08,50,000 | 1014.06 | 9,08,50,000 | 1014.50 |
| Surya Nepal Private Limited (Ordinary Shares) | Nepalese Rupee (NRs) 50 | 2,45,95,200 | 164.37 | 2,37,88,800 | 10.15 |
| Technico Pty Limited (Ordinary Shares) *(₹ 16.29 Crores impaired)* | No par value | 1,00,15,502 | 31.88 | 1,00,15,502 | 31.88 |
| Technico Agri Sciences Limited | 10 | 3,79,62,800 | 121.00 | 3,79,62,800 | 121.00 |
| ITC Integrated Business Services Limited | 10 | 75,00,000 | 7.50 | 75,00,000 | 7.50 |
| ITC IndiVision Limited | 10 | 12,00,00,000 | 120.00 | 12,00,00,000 | 120.00 |
| North East Nutrients Private Limited | 10 | 5,54,80,000 | 55.48 | 5,54,80,000 | 55.48 |
| Pavan Poplar Limited (under liquidation) [Refer Note 29(xii)] *(cost ₹ 5.99 Crores, fully impaired)* | 10 | 55,10,004 | – | 55,10,004 | – |
| Prag Agro Farm Limited [Refer Note 29(xii)] *[Nil (2025 - ₹ 12.82 Crores) impaired]* | 1 | – | – | 1,28,00,020 | – |
| ITC Fibre Innovations Limited | 10 | 33,50,00,000 | 335.00 | 29,00,00,000 | 290.00 |
| Greenacre Holdings Limited | 10 | 4,20,60,166 | 42.10 | 4,20,60,166 | 42.10 |
| Fyve Elements LLC [Refer Note 29(ix)] | No par value | | 94.00 | | – |
| Sresta Global FZE [Refer Note 29(ix)] | No par value | | 0.98 | | – |
| **In Associates (at cost)** | | | | | |
| **Quoted** | | | | | |
| ITC Hotels Limited | 1 | 83,00,00,000 | 4298.32 | 83,00,00,000 | 4298.32 |
| **Unquoted** | | | | | |
| Delectable Technologies Private Limited [Refer Note 29(xi)] *[Nil (2025 - ₹ 3.60 Crores) impaired]* | 10 | – | – | 2,386 | – |
| Mother Sparsh Baby Care Private Limited [Refer Note 29(v)(b)] | 10 | 694 | 11.54 | 100 | 0.96 |
| Sproutlife Foods Private Limited [Refer Note 29(v)(b)] | 10 | 2,443 | 40.33 | 2,443 | 40.33 |
| Ample Foods Private Limited [Refer Note 29(v)(b)] | 10 | 2,62,500 | 131.25 | – | – |
| Carried over | | | 7142.32 | | 6706.73 |

# Notes to the Standalone 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 | | | 7142.32 | | 6706.73 |
| **INVESTMENT IN EQUITY INSTRUMENTS (Contd.)** | | | | | |
| **In Joint Ventures (at cost)** | | | | | |
| **Unquoted** | | | | | |
| Logix Developers Private Limited [Refer Note 29(viii)] *[cost ₹ 41.95 Crores, fully impaired]* | 10 | 77,66,913 | – | 77,66,913 | – |
| **In Others (at fair value through other comprehensive income unless stated otherwise)** | | | | | |
| **Quoted** | | | | | |
| EIH Limited | 2 | 10,08,53,602 | 2758.85 | 10,08,53,602 | 3565.17 |
| HLV Limited | 2 | 5,34,13,884 | 30.55 | 5,34,13,884 | 64.20 |
| Tourism Finance Corporation of India Limited | 2 (2025 - ₹10) | 1,25,000 | 0.79 | 25,000 | 0.42 |
| VST Industries Limited | 10 | 5,236 | 0.10 | 5,236 | 0.14 |
| **Unquoted** | | | | | |
| Andhra Pradesh Gas Power Corporation Limited | 10 | 8,04,000 | – | 8,04,000 | – |
| Bihar Hotels Limited | 2 | 8,00,000 | 0.04 | 8,00,000 | 0.04 |
| Woodlands Multispeciality Hospital Limited | 10 | 13,605 | 0.01 | 13,605 | 0.01 |
| Blupin Technologies Private Limited (at fair value through profit or loss) | 10 | 400 | 3.64 | 400 | 3.64 |
| **INVESTMENT IN PREFERENCE SHARES** | | | | | |
| **In Subsidiaries (at amortised cost unless stated otherwise)** | | | | | |
| **Unquoted** | | | | | |
| ITC IndiVision Limited (Cumulative Non-Convertible Redeemable Preference Shares) | 100 | 2,20,00,000 | 220.00 | 2,20,00,000 | 220.00 |
| **In Associates (at cost)** | | | | | |
| **Unquoted** | | | | | |
| Delectable Technologies Private Limited [Refer Note 29(xi)] (Compulsorily Convertible Cumulative Preference Shares) *[Nil (2025 - ₹ 7.40 Crores) impaired]* | 10 | – | – | 7,759 | – |
| Mother Sparsh Baby Care Private Limited [Refer Note 29(v)(b)] (Compulsorily Convertible Cumulative Preference Shares) | 10 | 6,038 | 84.04 | 3,837 | 44.04 |
| Sproutlife Foods Private Limited [Refer Note 29(v)(b)] (Compulsorily Convertible Cumulative Preference Shares) | 10 | 10,984 | 214.67 | 10,984 | 214.67 |
| Carried over | | | 10455.01 | | 10819.06 |

# Notes to the Standalone 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 | | | 10455.01 | | 10819.06 |
| **INVESTMENT IN PREFERENCE SHARES (Contd.)** | | | | | |
| **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 | 44.22 | 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 | – | – |
| **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 |
| Carried over | | | 10657.72 | | 11150.82 |

# Notes to the Standalone 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 | | | 10657.72 | | 11150.82 |
| **INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost) (Contd.)** | | | | | |
| **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 |
| **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 |
| 8.22% - Series PMAYG-PB-2 - 13-Dec-2028 | 10,00,000 | 1,550 | 157.12 | 1,550 | 157.83 |
| Carried over | | | 12668.00 | | 13273.38 |

# Notes to the Standalone 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 | | | 12668.00 | | 13273.38 |
| **INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost) (Contd.)** | | | | | |
| **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 | 6,000 | 60.51 | – | – |
| 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 | – | – |
| **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 | – | – |
| Carried over | | | 15098.86 | | 15340.53 |

| | 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 | | | 15098.86 | | 15340.53 |
| **INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income) (Contd.)** | | | | | |
| **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 | – | – |
| 7.49% - Series VIII - 11-Jun-2029 | 1,00,000 | 15,000 | 151.24 | – | – |
| **INVESTMENT IN DEBT MUTUAL FUNDS (at amortised cost)** | | | | | |
| **Quoted** | | | | | |
| **Fixed Maturity Plans*** | | | | | |
| 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 |
| **INVESTMENT IN DEBT MUTUAL FUNDS (at fair value through other comprehensive income)** | | | | | |
| **Quoted** | | | | | |
| **Exchange Traded Funds**** | | | | | |
| Axis Mutual Fund | 1 | – | – | 5,50,00,000 | 68.84 |
| Edelweiss Mutual Fund | 1,000 | 28,65,706 | 447.56 | – | – |
| Nippon India Mutual Fund | 10 | 6,34,26,359 | 81.07 | 12,84,26,359 | 915.01 |
| **Unquoted** | | | | | |
| **Target Maturity Index Funds**** | | | | | |
| Aditya Birla Sun Life Mutual Fund | 10 | 49,83,64,060 | 647.08 | 86,52,07,440 | 1050.21 |
| Axis Mutual Fund | 10 | 14,34,76,737 | 184.96 | 12,39,16,078 | 148.99 |
| 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 |
| Carried over | | | 17944.18 | | 18809.73 |

# Notes to the Standalone 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 | | | 17944.18 | | 18809.73 |
| **INVESTMENT IN DEBT MUTUAL FUNDS (at fair value through other comprehensive income) (Contd.)** | | | | | |
| Kotak Mahindra Mutual Fund | 10 | 42,26,69,978 | 545.95 | 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** | | | **12872.21** | | **13763.75** |
| **Aggregate amount of unquoted investments** | | | **6536.84** | | **6928.92** |
| **TOTAL** | | | **19409.05** | | **20692.67** |

Aggregate market value of quoted investments ₹ 20090.64 Crores (2025 - ₹ 25924.28 Crores).
Aggregate amount of impairment in value of investments ₹ 64.23 Crores (2025 - ₹ 88.05 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 Company 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 Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) | | As at 31st March, 2025 (₹ in Crores) | |
|---|---|---|---|---|
| | Current | Non-Current | Current | Non-Current |
| **5. Loans** | | | | |
| Other Loans - Employees | | | | |
| – Unsecured, considered good | 7.95 | 3.69 | 8.96 | 6.28 |
| **TOTAL** | **7.95** | **3.69** | **8.96** | **6.28** |

| | 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* | 26.78 | 73.77 | 27.97 | 74.59 |
| Bank deposits with more than 12 months maturity | – | – | – | 1250.00 |
| Others | | | | |
| Deposits other than Security Deposits | 1019.91 | 250.44 | 451.92 | 250.48 |
| Interest accrued on Loans, Deposits, Investments etc. | 409.76 | – | 322.82 | – |
| Other Receivables** | 496.00 | – | 462.17 | – |
| **TOTAL** | **1952.45** | **324.21** | **1264.88** | **1575.07** |

* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2025 - ₹ 0.01 Crore) (Refer Note 31).

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

# Notes to the Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) Current | Non-Current | As at 31st March, 2025 (₹ in Crores) Current | Non-Current |
|---|---|---|---|---|
| **7. Other Assets** | | | | |
| Capital Advances | – | 171.86 | – | 68.33 |
| Advances other than capital advances | | | | |
| Security Deposits | | | | |
| – With Statutory Authorities | 0.97 | 704.03 | 0.49 | 702.34 |
| – Others | 0.19 | 65.50 | 0.19 | 65.43 |
| Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.) | 1330.90 | 68.16 | 885.34 | 76.02 |
| Other Receivables^ | 156.37 | – | 151.66 | – |
| **TOTAL** | **1488.43** | **1009.55** | **1037.68** | **912.12** |

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

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **8. Inventories** | | |
| (At lower of cost and net realisable value) | | |
| Raw materials (including packing materials) | 10644.31 | 10265.38 |
| Work-in-progress | 411.26 | 405.30 |
| Finished goods (manufactured) | 4930.52 | 2363.72 |
| Stock-in-trade (goods purchased for resale) | 1216.47 | 1277.45 |
| Stores and spares | 617.97 | 644.84 |
| Intermediates - Tissue paper and Paperboards | 111.37 | 104.32 |
| **TOTAL** | **17931.90** | **15061.01** |
| The above includes goods in transit as under: | | |
| Raw materials (including packing materials) | 244.07 | 255.00 |
| Stock-in-trade (goods purchased for resale) | 8.12 | 8.36 |
| Stores and spares | 1.56 | 3.03 |
| **TOTAL** | **253.75** | **266.39** |

The cost of inventories recognised as an expense includes ₹ 351.44 Crores (2025 - ₹ 224.54 Crores) in respect of write-offs/write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 2.17 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.

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise)** | | | | | |
| **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** | | | | | |
| **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 | 1,00,000 | 25,000 | 243.99 | – | – |
| 7.53% - Series 25 E - 24-Mar-2028 | 1,00,000 | 20,000 | 196.34 | – | – |
| **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 | – | – |
| Carried over | | | 1760.66 | | 487.57 |

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 1760.66 | | 487.57 |
| **INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at fair value through other comprehensive income) (Contd.)** | | | | | |
| **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** | | | | | |
| 7.44% - 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 | 991.81 | – | – |
| 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 |
| 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 DEBT MUTUAL FUNDS** | | | | | |
| **Unquoted** | | | | | |
| **Liquid Fund** | | | | | |
| Axis Mutual Fund | 1,000 | 8,831 | 2.71 | 10,696 | 3.08 |
| Aditya Birla Sun Life Mutual Fund | 1,000 | 22,485 | 1.00 | 22,485 | 0.95 |
| **Ultra Short Term Funds** | | | | | |
| Aditya Birla Sun Life Mutual Fund | 100 | 2,12,42,676 | 1237.43 | 1,86,63,673 | 1015.34 |
| HDFC Mutual Fund | 10 | 8,69,46,234 | 140.79 | – | – |
| ICICI Prudential Mutual Fund | 10 | 4,48,44,111 | 140.83 | 1,74,13,815 | 51.09 |
| Carried over | | | 5963.47 | | 2657.42 |

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 5963.47 | | 2657.42 |
| **INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)** | | | | | |
| Kotak Mahindra Mutual Fund | 10 | 23,75,47,122 | 1107.13 | 23,75,47,122 | 1036.62 |
| Nippon India Mutual Fund | 1,000 | 3,23,856 | 150.96 | – | – |
| SBI Mutual Fund | 1,000 | 2,47,159 | 157.24 | 2,47,159 | 147.37 |
| **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 | 1,40,07,103 | 808.70 | 1,40,07,103 | 755.44 |
| Kotak Mahindra Mutual Fund | 1,000 | – | – | 1,44,778 | 51.61 |
| Nippon India Mutual Fund | 1,000 | – | – | 2,65,846 | 103.23 |
| SBI Mutual Fund | 1,000 | 19,73,814 | 748.73 | 21,18,791 | 753.41 |
| **Money Market Funds** | | | | | |
| Aditya Birla Sun Life Mutual Fund | 100 | 79,39,132 | 311.35 | 40,95,539 | 150.50 |
| Axis Mutual Fund | 1,000 | 20,57,053 | 311.07 | 20,57,053 | 291.12 |
| Bandhan Mutual Fund | 10 | 5,32,80,805 | 243.61 | 4,22,87,680 | 180.89 |
| DSP Mutual Fund | 10 | 8,84,89,866 | 501.95 | 28,79,974 | 15.33 |
| HDFC Mutual Fund | 1,000 | 7,47,666 | 456.26 | 7,47,666 | 427.20 |
| Kotak Mahindra Mutual Fund | 1,000 | 13,41,688 | 636.59 | 6,53,754 | 290.46 |
| 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 | 6,33,58,708 | 294.66 | 6,33,58,708 | 276.12 |
| UTI Mutual Fund | 1,000 | – | – | 84,377 | 25.81 |
| **Floating Rate Funds** | | | | | |
| Aditya Birla Sun Life Mutual Fund | 100 | 1,94,01,569 | 725.30 | 1,94,01,569 | 678.34 |
| 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 |
| Carried over | | | 14748.62 | | 9978.13 |

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 14748.62 | | 9978.13 |
| **INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)** | | | | | |
| **Short Duration Funds** | | | | | |
| Aditya Birla Sun Life Mutual Fund | 10 | – | – | 82,38,313 | 41.40 |
| DSP Mutual Fund | 10 | – | – | 2,31,36,440 | 114.32 |
| Kotak Mahindra Mutual Fund | 10 | – | – | 1,94,81,292 | 109.13 |
| Nippon India Mutual Fund | 10 | – | – | 1,95,36,507 | 109.27 |
| SBI Mutual Fund | 10 | 5,40,50,081 | 191.41 | 5,40,50,081 | 179.96 |
| **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 | – | – | 2,98,810 | 114.92 |
| SBI Mutual Fund | 10 | – | – | 6,63,37,836 | 103.48 |
| **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 | – | – |
| Carried over | | | 16380.70 | | 12208.45 |

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 16380.70 | | 12208.45 |
| **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 |
| **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 |
| **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 | 99.72 | – | – |
| Carried over | | | 16531.29 | | 13599.20 |

# Notes to the Standalone 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) |
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 16531.29 | | 13599.20 |
| **INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (at amortised cost) (Contd.)** | | | | | |
| **Small Industries Development Bank of India** | | | | | |
| 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 | – | – |
| **Zero Coupon Bonds - Secured, Redeemable & Non-Convertible** | | | | | |
| **LIC Housing Finance Limited** | | | | | |
| Tranche 416 - 25-Apr-2025 | 10,00,000 | – | – | 10,000 | 1211.85 |
| **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 (at amortised cost)** | | | | | |
| **Quoted** | | | | | |
| **Fixed Maturity Plans*** | | | | | |
| 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 |
| Carried over | | | 17708.89 | | 14840.63 |

# Notes to the Standalone 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) |
|---|---|---|---|---|---|
| **9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)** | | | | | |
| Brought forward | | | 17708.89 | | 14840.63 |
| **INVESTMENT IN DEBT MUTUAL FUNDS (at fair value through other comprehensive income)** | | | | | |
| **Quoted** | | | | | |
| **Exchange Traded Funds**** | | | | | |
| Axis Mutual Fund | 1 | 5,50,00,000 | 73.30 | – | – |
| Edelweiss Mutual Fund | 1,000 | – | – | 33,03,209 | 425.60 |
| Nippon India Mutual Fund | 10 | 6,50,00,000 | 891.82 | – | – |
| **Unquoted** | | | | | |
| **Target Maturity Index Funds**** | | | | | |
| 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** | | | **4673.53** | | **3644.76** |
| **Aggregate amount of unquoted investments** | | | **15028.01** | | **11645.18** |
| **TOTAL** | | | **19701.54** | | **15289.94** |

Aggregate market value of quoted investments ₹ 4676.72 Crores (2025 - ₹ 3648.50 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 Company 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 Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **10. Trade receivables (Current)** | | |
| Considered good - Secured | 48.33 | 50.90 |
| Considered good - Unsecured | 2877.27 | 3859.89 |
| Which have significant increase in Credit Risk | – | – |
| Credit impaired | 150.96 | 154.67 |
| Less: Allowance for credit impairment [Refer Note 32] | 150.96 | 154.67 |
| **TOTAL** | **2925.60** | **3910.79** |

**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 | 1511.50 | 1369.14 | 17.17 | 27.46 | 0.33 | – | 2925.60 |
| Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| Undisputed Trade Receivables – credit impaired | – | 0.22 | 8.87 | 16.68 | 1.19 | 30.03 | 56.99 |
| 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 | 82.96 | 93.97 |
| **SUB-TOTAL** | **1511.50** | **1369.39** | **27.56** | **52.21** | **2.91** | **112.99** | **3076.56** |
| Less: Allowance for credit impairment | | | | | | | 150.96 |
| **TOTAL** | | | | | | | **2925.60** |

(₹ 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 | 1609.82 | 2292.73 | 7.70 | 0.54 | – | – | 3910.79 |
| Undisputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| Undisputed Trade Receivables – credit impaired | – | 0.25 | 3.36 | 12.85 | 0.16 | 31.45 | 48.07 |
| Disputed Trade Receivables – considered good | – | – | – | – | – | – | – |
| Disputed Trade Receivables – which have significant increase in credit risk | – | – | – | – | – | – | – |
| Disputed Trade Receivables – credit impaired | – | 0.38 | 3.20 | 2.40 | 2.68 | 97.94 | 106.60 |
| **SUB-TOTAL** | **1609.82** | **2293.36** | **14.26** | **15.79** | **2.84** | **129.39** | **4065.46** |
| Less: Allowance for credit impairment | | | | | | | 154.67 |
| **TOTAL** | | | | | | | **3910.79** |

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **11. Cash and cash equivalents[@]** | | |
| Balances with Banks | | |
| Current accounts | 102.60 | 220.35 |
| Cheques, drafts on hand | 6.37 | 1.08 |
| Cash on hand | 1.05 | 0.98 |
| **TOTAL** | **110.02** | **222.41** |

[@] Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

The Company does not have any cash and cash equivalents that are not available for use.

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **12. Bank Balances other than cash and cash equivalents** | | |
| Earmarked balances* | 268.66 | 264.84 |
| In deposit accounts** | 1756.84 | 2697.61 |
| **TOTAL** | **2025.50** | **2962.45** |

* 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 Standalone 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) |
|---|---|---|---|---|
| **13. 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 29(xiv) 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 Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) Current | Non-Current | As at 31st March, 2025 (₹ in Crores) Current | Non-Current |
|---|---|---|---|---|
| **14. Lease liabilities*** | | | | |
| Lease liabilities | 39.08 | 97.09 | 37.54 | 117.45 |
| **TOTAL** | **39.08** | **97.09** | **37.54** | **117.45** |

* Refer Note 29(vii)

**Movement of Lease liabilities during the year**

| Particulars | 31st March, 2026 | 31st March, 2025 |
|---|---|---|
| Opening Lease liabilities | 154.99 | 308.69 |
| New leases recognised | 16.61 | 24.29 |
| Remeasurements and withdrawals | (1.30) | (3.87) |
| Interest expense on Lease liabilities | 11.97 | 21.76 |
| Payment of Lease liabilities (including interest) | (53.80) | (69.24) |
| Assumed on Business Combination [Refer Note 29(ix)] | 7.70 | – |
| Transferred pursuant to Scheme of demerger of Hotels business | – | (126.64) |
| **Closing Lease liabilities** | **136.17** | **154.99** |

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **15. Other financial liabilities** | | |
| **Non-current** | | |
| Others (Includes payable towards employee benefits, property, plant and equipment, intangibles, contingent consideration on business combination etc.) | 352.94 | 87.89 |
| **TOTAL** | **352.94** | **87.89** |
| **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 etc.) | 1328.13 | 1129.91 |
| **TOTAL** | **1598.79** | **1391.41** |

* 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.

# Notes to the Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) Current | Non-Current | As at 31st March, 2025 (₹ in Crores) Current | Non-Current |
|---|---|---|---|---|
| **16. Provisions** | | | | |
| Provision for employee benefits | | | | |
| Retirement benefits [Refer Note 29(vi)] | 296.81 | 180.02 | 42.29 | 148.04 |
| Other benefits | 6.62 | 100.03 | 4.24 | 77.20 |
| **TOTAL** | **303.43** | **280.05** | **46.53** | **225.24** |

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **17. Deferred tax liabilities (Net)** | | |
| Deferred tax liabilities | 3718.54 | 3074.78 |
| Less: Deferred tax assets | 653.29 | 518.43 |
| **TOTAL** | **3065.25** | **2556.35** |

(₹ in Crores)

| **Movement in deferred tax liabilities/assets balances** | Opening Balance | Recognised in profit or loss* | Recognised in OCI | Recognised directly in Equity | Reclassified to profit or loss | Acquired in Business Combination@ | Closing Balance |
|---|---|---|---|---|---|---|---|
| **2025-26** | | | | | | | |
| **Deferred tax liabilities/assets in relation to:** | | | | | | | |
| On fiscal allowances on property, plant and equipment, investment property etc. | 1501.96 | 66.29 | – | – | – | 0.28 | 1568.53 |
| On Excise Duty/National Calamity Contingent Duty on closing stock | 92.70 | 634.91 | – | – | – | – | 727.61 |
| Other timing differences | 1480.12 | 74.90 | (134.31) | – | – | 1.69 | 1422.40 |
| **Total deferred tax liabilities** | **3074.78** | **776.10** | **(134.31)** | **–** | **–** | **1.97** | **3718.54** |
| On employees' separation and retirement etc. | 93.95 | 77.61 | 1.00 | – | – | 1.47 | 174.03 |
| On provision for doubtful debts/advances | 54.12 | (0.79) | – | – | – | – | 53.33 |
| On State and Central taxes etc. | 78.90 | 15.00 | – | – | – | 1.01 | 94.91 |
| On cash flow hedges | 1.53 | – | 25.37 | 4.61 | (17.62) | – | 13.89 |
| Other timing differences | 289.93 | 25.26 | – | – | – | 1.94 | 317.13 |
| **Total deferred tax assets** | **518.43** | **117.08** | **26.37** | **4.61** | **(17.62)** | **4.42** | **653.29** |
| **Deferred tax liabilities (Net)** | **2556.35** | **659.02** | **(160.68)** | **(4.61)** | **17.62** | **(2.45)** | **3065.25** |

## 17. Deferred tax liabilities (Net) (Contd.)

(₹ in Crores)

| Movement in deferred tax liabilities/assets balances | Opening Balance | Recognised in profit or loss* | Recognised in OCI | Recognised directly in Equity | Reclassified to profit or loss | Transferred pursuant to Scheme of Demerger of Hotels business | Closing Balance |
|---|---|---|---|---|---|---|---|
| **2024-25** | | | | | | | |
| **Deferred tax liabilities/assets in relation to:** | | | | | | | |
| On fiscal allowances on property, plant and equipment, investment property etc. | 1843.74 | 97.91 | – | – | – | (439.69) | 1501.96 |
| On Excise Duty/National Calamity Contingent Duty on closing stock | 100.61 | (7.91) | – | – | – | – | 92.70 |
| Other timing differences | 682.90 | 893.45 | (67.56) | – | (0.75) | (27.92) | 1480.12 |
| **Total deferred tax liabilities** | **2627.25** | **983.45** | **(67.56)** | **–** | **(0.75)** | **(467.61)** | **3074.78** |
| On employees' separation and retirement etc. | 121.53 | (16.35) | 3.75 | – | – | (14.98) | 93.95 |
| On provision for doubtful debts/advances | 57.10 | (2.12) | – | – | – | (0.86) | 54.12 |
| On State and Central taxes etc. | 73.25 | 15.81 | – | – | – | (10.16) | 78.90 |
| On cash flow hedges | (0.43) | – | 4.85 | (0.05) | (2.84) | – | 1.53 |
| Other timing differences | 292.14 | 29.66 | – | – | – | (31.87) | 289.93 |
| **Total deferred tax assets** | **543.59** | **27.00** | **8.60** | **(0.05)** | **(2.84)** | **(57.87)** | **518.43** |
| **Deferred tax liabilities (Net)** | **2083.66** | **956.45** | **(76.16)** | **0.05** | **2.09** | **(409.74)** | **2556.35** |

* includes Nil (2025 - ₹ 509.65 Crores) relating to discontinued operations.

@ Refer Note 29(ix)

## 18. Borrowings (Current)

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **Secured** | | |
| Loans repayable on demand | | |
| Cash credit facilities from banks* | 1.97 | – |
| **Unsecured** | | |
| Loan from Banks | | |
| Working Capital Demand Loan | 2000.00 | – |
| Cash credit facilities | 23.25 | – |
| Deferred payment liabilities | | |
| Sales tax deferment loans^ | – | 1.76 |
| Other loans | 1.00 | – |
| **TOTAL** | **2026.22** | **1.76** |

* Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future. The quarterly returns/statements filed by the Company with the bank(s) in respect of such facilities are in agreement with the books of accounts.

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

# Notes to the Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **19. Trade Payables (Current)** | | |
| Total outstanding dues of Micro and Small Enterprises | 345.97 | 178.26 |
| Total outstanding dues of creditors other than Micro and Small Enterprises | 4925.93 | 4311.67 |
| **TOTAL** | **5271.90** | **4489.93** |

**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 | 201.19 | – | – | – | – | **201.19** |
| Undisputed Dues – Others | 1044.71 | 96.27 | – | – | 1.61 | **1142.59** |
| Disputed Dues – Micro and Small Enterprises | – | – | – | – | – | **–** |
| Disputed Dues – Others | – | – | – | – | 0.28 | **0.28** |
| **SUB-TOTAL** | **1245.90** | **96.27** | **–** | **–** | **1.89** | **1344.06** |
| Accrued Payables (not due) | | | | | | |
| – Micro and Small Enterprises | | | | | | 144.78 |
| – Others | | | | | | 3783.06 |
| **TOTAL** | | | | | | **5271.90** |

(₹ 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 | 57.68 | – | – | – | – | **57.68** |
| Undisputed Dues – Others | 844.49 | 167.29 | 0.05 | 1.61 | – | **1013.44** |
| Disputed Dues – Micro and Small Enterprises | – | – | – | – | – | **–** |
| Disputed Dues – Others | – | – | – | – | 0.28 | **0.28** |
| **SUB–TOTAL** | **902.17** | **167.29** | **0.05** | **1.61** | **0.28** | **1071.40** |
| Accrued Payables (not due) | | | | | | |
| – Micro and Small Enterprises | | | | | | 120.58 |
| – Others | | | | | | 3297.95 |
| **TOTAL** | | | | | | **4489.93** |

# Notes to the Standalone Financial Statements

## 19. Trade Payables (Current) (Contd.)

**Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act, 2006')**

There are no Micro and Small Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2026. This information as required to be disclosed under the MSMED Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(₹ in Crores)

| | | 31st March, 2026 | 31st March, 2025 |
|---|---|---|---|
| (a) | Principal amount remaining unpaid to any supplier as at the end of the accounting year | | |
| | – On account of trade payables | 345.97 | 178.26 |
| | – On account of liabilities other than trade payables | 31.01 | 19.85 |
| | **TOTAL** | **376.98** | **198.11** |
| (b) | Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | – | – |
| (c) | Amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year | – | – |
| (d) | Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year but without adding the interest specified under the MSMED Act, 2006) | – | – |
| (e) | Amount of interest accrued and remaining unpaid at the end of accounting year | – | – |
| (f) | Amount of further interest remaining due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise | – | – |

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **20. Other liabilities (Current)** | | |
| Statutory Liabilities | 3507.03 | 4746.21 |
| Advances received from customers | 1368.09 | 1357.09 |
| Others (includes deferred revenue, accruals etc.) | 22.72 | 25.82 |
| **TOTAL** | **4897.84** | **6129.12** |

# Notes to the Standalone Financial Statements

| | As at 31st March, 2026 (₹ in Crores) | As at 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **21. Current Tax Liabilities (Net)** | | |
| Current taxation (net of advance payment) | 1054.66 | 1027.78 |
| **TOTAL** | **1054.66** | **1027.78** |

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **22A. Revenue from operations** | | |
| Sale of Products | 80686.88 | 73291.20 |
| Sale of Services | 180.61 | 175.41 |
| Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty of ₹ 7135.82 Crores (2025 - ₹ 4944.00 Crores)] | 80867.49 | 73466.61 |
| Other Operating Revenues# | 772.62 | 771.52 |
| **TOTAL** | **81640.11** | **74238.13** |

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

\# Includes Government grants of ₹ 237.37 Crores (2025 - ₹ 294.82 Crores) on account of Fiscal and Export Incentives etc.

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **22B. Gross Revenue from sale of products and services*** | | |
| **FMCG** | | |
| – Cigarettes etc. | 37099.65 | 32631.27 |
| – Branded Packaged Food Products | 20411.13 | 18270.38 |
| – Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.) | 3792.62 | 3704.90 |
| **Agri Business** | | |
| – Unmanufactured Tobacco | 3618.34 | 3547.28 |
| – Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya etc.) | 8678.14 | 8518.36 |
| **Paperboards, Paper and Packaging** | | |
| – Paperboards and Paper | 6211.89 | 5958.96 |
| – Packaging and Printed Materials | 714.68 | 667.27 |
| **Others** | | |
| – Others (ITC Grand Central Hotel, Mumbai; Fresh Food etc.) | 341.04 | 168.19 |
| **TOTAL** | **80867.49** | **73466.61** |

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

# Notes to the Standalone Financial Statements

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **23. Other income** | | |
| Interest income | 1401.07 | 1413.35 |
| Dividend income | 972.16 | 1016.41 |
| Other non-operating income | 913.95 | 1025.21 |
| **TOTAL** | **3287.18** | **3454.97** |
| Interest income: | | |
| a) Deposits with banks etc. - carried at amortised cost | 342.81 | 377.41 |
| b) Financial assets measured : | | |
| – at amortised cost | 456.57 | 560.88 |
| – at FVTOCI | 435.20 | 334.62 |
| – at FVTPL | 154.32 | 127.53 |
| c) Others (from statutory authorities etc.) | 12.17 | 12.91 |
| **TOTAL** | **1401.07** | **1413.35** |
| Dividend income: | | |
| a) Equity instruments measured at FVTOCI held at the end of reporting period | 15.16 | 10.31 |
| b) Other investments | 957.00 | 1006.10 |
| **TOTAL** | **972.16** | **1016.41** |
| Other non-operating income: | | |
| Net foreign exchange gain/(loss) | 86.53 | (0.98) |
| Net gain/(loss) arising on financial instruments measured at fair value through profit or loss/fair value through other comprehensive income* | 606.23 | 864.06 |
| Gain recognised on divestment of shares held in associate [Refer Note 29(xi)] | 0.01 | – |
| Impairment of investment in associate [Refer Note 29(xi)] | – | (11.00) |
| Others (including income from leases etc.) | 221.18 | 173.13 |
| **TOTAL** | **913.95** | **1025.21** |

* Includes ₹ 151.99 Crores (2025 - ₹ 125.93 Crores) being net gain/(loss) on sale of investments.

# Notes to the Standalone Financial Statements

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **24. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates** | | |
| Opening inventories | | |
| Finished goods (manufactured) | 2363.72 | 2115.45 |
| Work-in-progress | 405.30 | 322.10 |
| Stock-in-Trade (goods purchased for resale) | 1277.45 | 979.40 |
| Intermediates - Tissue paper and Paperboards | 104.32 | 95.73 |
| Less: Closing inventories | | |
| Finished goods (manufactured) | 4930.52 | 2363.72 |
| Work-in-progress | 411.26 | 405.30 |
| Stock-in-Trade (goods purchased for resale) | 1216.47 | 1277.45 |
| Intermediates - Tissue paper and Paperboards | 111.37 | 104.32 |
| Add: Inventory acquired on business combination [Refer Note 29(ix)] | 36.04 | |
| Less: Inventory on account of discontinued operations | – | 2.39 |
| **TOTAL** | **(2482.79)** | **(640.50)** |

| | | |
|---|---|---|
| **25. Employee benefits expense** | | |
| Salaries and wages | 3066.20 | 2874.19 |
| Contribution to Provident and other funds | 179.84 | 169.68 |
| Share based payments to employees [Includes cash-settled share based payments ₹ 1.63 Crores (2025 - ₹ 8.42 Crores)]* | 130.87 | 140.37 |
| Staff welfare expenses | 306.53 | 275.95 |
| | 3683.44 | 3460.19 |
| Less: Recoveries made / reimbursements received | 54.16 | 43.03 |
| **TOTAL** | **3629.28** | **3417.16** |

* Refer Note 29(xiv) and 29(xv)

| | | |
|---|---|---|
| **26. Finance costs** | | |
| Interest expense: | | |
| – On Lease liabilities | 11.97 | 13.27 |
| – On financial liabilities measured at amortised cost | 43.14 | 12.91 |
| – Others (to statutory authorities etc.) | 14.83 | 10.17 |
| **TOTAL** | **69.94** | **36.35** |

# Notes to the Standalone Financial Statements

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **27. Other expenses** | | |
| Power and fuel | 909.75 | 942.55 |
| Consumption of stores and spare parts | 446.31 | 390.49 |
| Contract processing charges | 1323.54 | 1208.50 |
| Rent | 299.53 | 273.22 |
| Rates and taxes | 142.87 | 168.13 |
| Insurance | 130.72 | 124.93 |
| Repairs | 421.10 | 394.62 |
| Maintenance and upkeep | 238.81 | 213.49 |
| Outward freight and handling charges | 1940.25 | 1891.87 |
| Warehousing charges | 296.27 | 270.30 |
| Advertising/Sales promotion | 1477.99 | 1319.94 |
| Corporate Social Responsibility expense [Refer Note 29(iii)] | 481.40 | 443.68 |
| Commission to selling agents etc. | 85.71 | 61.01 |
| Doubtful and bad debts | 11.70 | 11.79 |
| Doubtful and bad advances, loans and deposits | (1.79) | 1.87 |
| Information technology services | 354.68 | 351.72 |
| Travelling and conveyance | 332.97 | 325.52 |
| Training and development | 27.30 | 25.68 |
| Legal and professional fees | 282.59 | 225.97 |
| (Gain)/Loss on sale of property, plant and equipment - Net | (11.74) | (108.26) |
| Miscellaneous expenses | 1707.71 | 1609.46 |
| **TOTAL** | **10897.67** | **10146.48** |
| **Miscellaneous expenses include:** | | |
| (1) Auditors' remuneration and expenses* | | |
| Audit fees | 4.10 | 3.80 |
| Tax audit fees | 0.85 | 0.78 |
| Fees for limited review | 1.68 | 1.62 |
| Fees for other services [1] | 0.32 | 0.97 |
| Reimbursement of expenses | 0.28 | 0.26 |
| (2) Cost Auditors' fees | 0.12 | 0.12 |

* Excluding taxes.

1. (a) Auditors' remuneration excludes remuneration for services amounting to Nil (2025 - ₹ 1.90 Crores) rendered by network firm/entity which is a part of the network of which auditor is a member firm.

   (b) In addition to the above, Nil (2025 - ₹ 0.15 Crore) has been paid to the Statutory Auditors in respect of certification fees relating to demerger of hotels business which has been included in discontinued operations.

# Notes to the Standalone Financial Statements

| | For the year ended 31st March, 2026 (₹ in Crores) | For the year ended 31st March, 2025 (₹ in Crores) |
|---|---|---|
| **28. Income tax expenses** | | |
| **A (i). Amount recognised in profit or loss relating to continuing operations** | | |
| **Current tax** | | |
| Income tax for the year | 5869.43 | 6003.26 |
| Adjustments/(credits) related to previous years - Net | (47.27) | (13.09) |
| **Total current tax** | **5822.16** | **5990.17** |
| **Deferred tax** | | |
| Deferred tax for the year | 666.55 | 441.96 |
| Adjustments/(credits) related to previous years - Net | (7.53) | 4.84 |
| **Total deferred tax** | **659.02** | **446.80** |
| **TOTAL** | **6481.18** | **6436.97** |
| **(ii). Amount recognised in profit or loss relating to discontinued operations** | | |
| Current tax for the year | – | 122.17 |
| Deferred tax for the year | – | 509.65 |
| **TOTAL** | **–** | **631.82** |

**B. Amount recognised in other comprehensive income**

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

| | 2026 | 2025 |
|---|---|---|
| On items that will not be reclassified to profit or loss | | |
| Remeasurements gains/(losses) on defined benefit plans | 1.00 | 3.75 |
| Equity instruments through other comprehensive income | 120.07 | 81.65 |
| Related to designated portion of hedging instruments in cash flow hedges | (8.44) | (0.06) |
| | **112.63** | **85.34** |
| On items that will be reclassified to profit or loss | | |
| Related to designated portion of hedging instruments in cash flow hedges | 16.19 | 2.07 |
| Debt instruments through other comprehensive income | 14.24 | (13.34) |
| | **30.43** | **(11.27)** |
| **TOTAL** | **143.06** | **74.07** |

**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** | 26767.60 | 26530.26 |
| Income tax expense calculated @ 25.168% (2025 - 25.168%) | 6736.87 | 6677.14 |
| Effect of tax relating to uncertain tax positions | 38.62 | 41.03 |
| Effect of different tax rate on certain items | (113.51) | (125.08) |
| Effect of income not taxable | (44.20) | (56.16) |
| Other differences | (81.80) | (91.71) |
| **TOTAL** | **6535.98** | **6445.22** |
| Adjustments recognised during the year in relation to the current tax of prior years | (54.80) | (8.25) |
| **Income tax recognised in profit or loss relating to continuing operations** | **6481.18** | **6436.97** |
| **Profit before tax from discontinued operations** | – | 15735.58 |
| Income tax expense calculated @ 25.168% (2025 - 25.168%) | – | 3960.33 |
| Effect of excess of fair value over carrying value of net assets distributed (non-cash), pursuant to the Scheme of Demerger of Hotels business | – | (3930.59) |
| Effect of addition to the value of investment in ITC Hotels Limited | – | 602.79 |
| Other differences | – | (0.71) |
| **Income tax recognised in profit or loss relating to discontinued operations** | **–** | **631.82** |

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.

# Notes to the Standalone Financial Statements

## 29. Additional Notes to the Financial Statements

(i) Exceptional Items of Continuing Operations for the year ended 31st March, 2026 of ₹ 183.87 Crores represents:

a) estimated one-time impact on recognition of past service cost of ₹ 271.95 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.

Exceptional Items of Continuing Operations for the year ended 31st March, 2025 represents fair value gain of ₹ 527.96 Crores upon acquisition of 1,52,32,129 Equity Shares of ₹ 2/- each of EIH Limited and 34,60,829 Equity Shares of ₹ 2/- each of HLV Limited, from Russell Credit Limited, a wholly owned subsidiary of the Company, at their respective book value.

| (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 (₹ in Crores) | 20286.42 | 20093.29 |
| ii) Profit for the year from discontinued operations (₹ in Crores) | – | 15103.76 |
| iii) Profit for the year (₹ in Crores) | 20286.42 | 35197.05 |
| (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 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)] | 16.20 | 16.07 |
| – Diluted [(ai)/(d)] | 16.19 | 16.05 |
| For Discontinued Operations | | |
| – Basic [(aii)/(b)] | – | 12.08 |
| – Diluted [(aii)/(d)] | – | 12.06 |
| For Continuing and Discontinued Operations | | |
| – Basic [(aiii)/(b)] | 16.20 | 28.15 |
| – Diluted [(aiii)/(d)] | 16.19 | 28.11 |

(iii) Amount required to be spent by the Company during the year as per Section 135 read with Section 198 of the Companies Act, 2013 - ₹ 499.92 Crores (2025 - ₹ 460.70 Crores) being 2% of the average Net Profits of the Company.

Expenditure incurred during the year is ₹ 500.00 Crores (2025 - ₹ 461.50 Crores) comprising employee benefits expense of ₹ 18.60 Crores (2025 - ₹ 17.82 Crores) and other expenses of ₹ 481.40 Crores (2025 - ₹ 443.68 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).

## 29. Additional Notes to the Financial Statements (Contd.)

Such CSR expenditure of ₹ 500.00 Crores (2025 - ₹ 461.50 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 for such expenses.

CSR activities undertaken during the year pertain to: poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; promoting gender equality and women empowerment; enabling climate resilience; rural development projects; creating livelihoods for people (especially those from disadvantaged sections of society); protection of national heritage, art and culture; preserving and promoting music; promoting sports; conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs) and providing relief and assistance to victims of disasters and calamities.

(iv) Research and Development expenses for the year amount to ₹ 194.50 Crores (2025 - ₹ 187.68 Crores).

(v) Contingent liabilities and commitments:

(a) Contingent liabilities

Claims against the Company not acknowledged as debts ₹ 1008.67 Crores (2025 - ₹ 917.25 Crores), including interest on claims, where applicable, estimated to be ₹ 316.00 Crores (2025 - ₹ 299.13 Crores). These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 647.83 Crores (2025 - ₹ 627.25 Crores), including interest on claims, where applicable, estimated to be ₹ 279.81 Crores (2025 - ₹ 267.29 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 306.89 Crores (2025 - ₹ 237.21 Crores), including interest on claims, where applicable, estimated to be ₹ 24.15 Crores (2025 - ₹ 20.22 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 40.50 Crores (2025 - ₹ 39.40 Crores), including interest on claims, where applicable, estimated to be ₹ 0.58 Crore (2025 - ₹ 0.46 Crore).
- Other matters ₹ 13.45 Crores (2025 - ₹ 13.39 Crores), including interest on other matters, where applicable, estimated to be ₹ 11.46 Crores (2025 - ₹ 11.16 Crores).

It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 1480.38 Crores (2025 - ₹ 912.50 Crores).
- Uncalled liability on partly paid-up shares and other investments is ₹ 51.57 Crores (2025 - ₹ 50.50 Crores).
- The Company 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 Company 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 Company 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 Company acquired 43.75% stake in Ample Foods on 4th April, 2025 for a consideration of ₹ 131.25 Crores (Refer Note 4). The Company'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 Company 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

**29. Additional Notes to the Financial Statements (Contd.)**

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, subject to adjustments in accordance with the terms and conditions set out in the BTA. The transaction will be consummated upon fulfilment of the conditions precedent as laid down in the BTA.

- The Company 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. Prior to this, the Company held 26.50% of the share capital (on a fully diluted basis) of Mother Sparsh.

  The Company on 21st May, 2025, acquired 594 Equity Shares and 2,201 Compulsorily Convertible Preference Shares in Mother Sparsh for a consideration of ₹ 50.58 Crores. Consequently, the Company held 39.47% of the share capital (on a fully diluted basis) of Mother Sparsh as at 31st March, 2026 (Refer Note 4).

(vi) **Employee Benefit Plans**

**Description of Plans**

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance. In respect of other employees, contribution towards provident fund are deposited with the Government administered funds.

Provident Fund, Pension and Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Pension Plans are based on employees' pensionable remuneration and length of service. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

**(a) Defined Benefit Plans:**

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method. The Company makes regular contributions to these Defined Benefit Plans. Additional contributions are made to these Plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined benefit cost is recognised by these companies in their respective Financial Statements.

**Risk Management**

The Defined Benefit Plans expose the Company to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Investment Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds, the valuation of which is inversely proportional to the interest rate movements, 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 Plan liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various Statutes.

## 29. Additional Notes to the Financial Statements (Contd.)

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.

| | | | 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 |
| | | | Funded | | Unfunded | Funded | | Unfunded |
| **I** | **Components of Employer Expense** | | | | | | | |
| | **–** | **Recognised in the Statement of Profit and Loss** | | | | | | |
| | 1 | Current Service Cost | 28.98 | 34.19 | 13.43 | 33.54 | 34.56 | 13.50 |
| | 2 | Past Service Cost | – | 221.21 | 27.99 | – | – | – |
| | 3 | Net Interest Cost | (0.91) | 3.71 | 10.38 | (4.09) | (1.45) | 11.09 |
| | **4** | **Total expense recognised in the Statement of Profit and Loss** | **28.07** | **259.11** | **51.80** | **29.45** | **33.11** | **24.59** |
| | **–** | **Remeasurements recognised in Other Comprehensive Income** | | | | | | |
| | 5 | Return on plan assets (excluding amounts included in Net interest cost) | 18.52 | 0.70 | – | (9.03) | (3.10) | – |
| | 6 | Effect of changes in demographic assumptions | – | 0.32 | – | – | – | – |
| | 7 | Effect of changes in financial assumptions | – | 0.04 | – | 9.38 | 8.94 | 3.00 |
| | 8 | Changes in asset ceiling (excluding interest income) | – | – | – | – | – | – |
| | 9 | Effect of experience adjustments | 4.24 | 0.94 | 1.94 | 12.18 | 6.11 | (0.07) |
| | **10** | **Total remeasurements included in Other Comprehensive Income** | **22.76** | **2.00** | **1.94** | **12.53** | **11.95** | **2.93** |
| | **11** | **Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)** | **50.83** | **261.11** | **53.74** | **41.98** | **45.06** | **27.52** |

The current service cost and net interest cost for the year, as applicable, pertaining to Pension and Gratuity expenses have been recognised in “Contribution to Provident and other funds” and Leave Encashment in “Salaries and wages” under Note 25. The past service cost representing one-time impact of New Labour Codes has been recognised in “Exceptional Items” [Refer Note 29(i)]. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

(₹ in Crores)

| | | | Pension | Gratuity | Leave Encashment | Pension | Gratuity | Leave Encashment |
|---|---|---|---|---|---|---|---|---|
| **II** | **Actual Returns** | | 33.37 | 30.10 | – | 70.50 | 36.16 | – |
| **III** | **Net Asset/(Liability) recognised in Balance Sheet** | | | | | | | |
| | 1 | Present Value of Defined Benefit Obligation | 794.35 | 709.23 | 198.61 | 799.61 | 452.71 | 162.73 |
| | 2 | Fair Value of Plan Assets | 750.42 | 474.94 | – | 786.95 | 437.77 | – |
| | 3 | Status [Surplus/(Deficit)] | (43.93) | (234.29) | (198.61) | (12.66) | (14.94) | (162.73) |
| | 4 | Restrictions on Asset Recognised | – | – | – | – | – | – |

## 29. Additional Notes to the Financial Statements (Contd.)

(₹ in Crores)

| | 5 | Net Asset/(Liability) recognised in Balance Sheet | As at 31st March, 2026 | | As at 31st March, 2025 | |
|---|---|---|---|---|---|---|
| | | | Current | Non-current | Current | Non-current |
| | | – Pension | (43.93) | – | (12.66) | – |
| | | – Gratuity | (234.29) | – | (14.94) | – |
| | | – Leave Encashment | (18.59) | (180.02) | (14.69) | (148.04) |

| | | | 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 |
| IV | | **Change in Defined Benefit Obligation (DBO)** | | | | | | |
| | 1 | Present Value of DBO at the beginning of the year | 799.61 | 452.71 | 162.73 | 898.65 | 496.77 | 171.48 |
| | 2 | Current Service Cost | 28.98 | 34.19 | 13.43 | 33.54 | 34.56 | 13.50 |
| | 3 | Past Service Cost | – | 221.21 | 27.99 | – | – | – |
| | 4 | Interest Cost | 50.98 | 34.51 | 10.38 | 57.38 | 31.61 | 11.09 |
| | 5 | Remeasurement gains/(losses) | | | | | | |
| | a. | Effect of changes in demographic assumptions | – | 0.32 | – | – | – | – |
| | b. | Effect of changes in financial assumptions | – | 0.04 | – | 9.38 | 8.94 | 3.00 |
| | c. | Changes in asset ceiling (excluding interest income) | – | – | – | – | – | – |
| | d. | Effect of experience adjustments | 4.24 | 0.94 | 1.94 | 12.18 | 6.11 | (0.07) |
| | 6 | Curtailment Cost/(Credits) | – | – | – | – | – | – |
| | 7 | Settlement Cost/(Credits) | – | – | – | – | – | – |
| | 8 | Liabilities assumed on Business Combination [Refer Note 29(ix)] | – | 3.79 | – | – | – | – |
| | 9 | Liabilities transferred pursuant to Scheme of Demerger of Hotels business | – | – | – | (106.95) | (70.26) | (20.47) |
| | 10 | Effects of transfer In/(Out) | (0.56) | (0.29) | (0.06) | (0.02) | – | – |
| | 11 | Benefits Paid | (88.90) | (38.19)* | (17.80) | (104.55) | (55.02) | (15.80) |
| | 12 | **Present Value of DBO at the end of the year** | **794.35** | **709.23** | **198.61** | **799.61** | **452.71** | **162.73** |

*includes Benefits Paid by the Company of ₹ 1.17 Crores.

(₹ in Crores)

| V | | Best Estimate of Employers' Expected Contribution for the next year | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|---|---|
| | | – Pension | 90.08 | 56.91 |
| | | – Gratuity | 273.99 | 71.98 |

# Notes to the Standalone Financial Statements

## 29. Additional Notes to the Financial Statements (Contd.)

| | | | 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 |
| **VI** | **Change in Fair Value of Assets** | | | | | | | |
| | 1 | Plan Assets at the beginning of the year | 786.95 | 437.77 | – | 919.95 | 458.76 | – |
| | 2 | Interest Income | 51.89 | 30.80 | – | 61.47 | 33.06 | – |
| | 3 | Remeasurement Gains/(Losses) on plan assets | (18.52) | (0.70) | – | 9.03 | 3.10 | – |
| | 4 | Actual Company Contributions | 19.56 | 44.38 | – | 22.10 | 67.42 | – |
| | 5 | Assets transferred pursuant to Scheme of Demerger of Hotels business | – | – | – | (121.03) | (69.55) | – |
| | 6 | Effects of transfer In/(Out) | (0.56) | (0.29) | – | (0.02) | – | – |
| | 7 | Benefits Paid | (88.90) | (37.02) | – | (104.55) | (55.02) | – |
| | **8** | **Plan Assets at the end of the year** | **750.42** | **474.94** | **–** | **786.95** | **437.77** | – |

| | | | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|---|---|
| **VII** | **Actuarial Assumptions** | | | |
| | | | Discount Rate (%) | Discount Rate (%) |
| | 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%, 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 | 12.04% | 14.33% |
| | 2 | High Quality Corporate Bonds | 11.22% | 11.58% |
| | 3 | Insurer Managed Funds* | 65.19% | 61.88% |
| | 4 | Mutual Funds | 7.45% | 7.74% |
| | 5 | Cash and Cash Equivalents | 4.10% | 4.47% |
| | 6 | Term Deposits | – | – |

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The fair value of Government securities, corporate bonds and mutual funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

## 29. Additional Notes to the 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 optimize returns within acceptable risk parameters, the plan assets are well diversified.

| | | 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 |
| **X** | **Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)** | | | | | | |
| 1 | Present Value of Defined Benefit Obligation | 794.35 | 709.23 | 198.61 | 799.61 | 452.71 | 162.73 |
| 2 | Fair Value of Plan Assets | 750.42 | 474.94 | – | 786.95 | 437.77 | – |
| 3 | Status [Surplus/(Deficit)] | (43.93) | (234.29) | (198.61) | (12.66) | (14.94) | (162.73) |
| 4 | Experience Adjustment of Plan Assets [Gain/(Loss)] | (18.52) | (0.70) | – | 9.03 | 3.10 | – |
| 5 | Experience Adjustment of obligation [(Gain)/Loss] | 4.24 | 0.94 | 1.94 | 12.18 | 6.11 | (0.07) |

### 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 | 1599.25 | 1333.62 |
| 2 | Discount Rate - 100 basis points | 1819.46 | 1500.30 |
| 3 | Salary Increase Rate + 1% | 1803.50 | 1501.98 |
| 4 | Salary Increase Rate – 1% | 1610.19 | 1336.49 |

(₹ in Crores)

| | Maturity Analysis of the Benefit Payments | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|---|
| 1 | Year 1 | 237.61 | 211.40 |
| 2 | Year 2 | 226.01 | 210.80 |
| 3 | Year 3 | 177.71 | 138.61 |
| 4 | Year 4 | 171.22 | 112.82 |
| 5 | Year 5 | 128.53 | 143.09 |
| 6 | Next 5 Years | 585.96 | 473.50 |

## 29. Additional Notes to the Financial Statements (Contd.)

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 25: ₹ 113.87 Crores [2025 - ₹ 136.41 Crores (including amounts recognised in discontinued operations)].

(vii) Leases:

As a Lessee

The Company’s significant leasing arrangements are in respect of land, buildings (comprising licensed properties, residential premises, office premises, stores, warehouses etc.) and plant & equipment. These arrangements generally range between 2 years and 10 years, except for certain land and building leases where the lease term ranges up to 99 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option are considered.

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 14 respectively. The total cash outflow for leases for the year is ₹ 411.46 Crores (2025 - ₹ 429.30 Crores) [including payments of ₹ 357.66 Crores (2025 - ₹ 355.34 Crores) in respect of short-term/low-value leases and variable lease payments of Nil (2025 - ₹ 4.72 Crores)].

The sensitivity of variable lease payments and effect of extension/termination options not included in measurement of lease liabilities is not material.

The undiscounted maturities of lease liabilities over the remaining lease term are as follows:

(₹ in Crores)

| Term | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|
| Not later than three years | 95.85 | 112.04 |
| Later than three years and not later than ten years | 52.61 | 65.85 |
| Later than ten years and not later than twenty-five years | 29.79 | 34.30 |
| 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 Company has leased out its investment properties etc. under operating lease for periods ranging upto 30 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments. The details of income from such leases are disclosed under Note 3C and Note 23. The Company does not have any risk relating to recovery of residual value of investment property at the end of leases considering the business requirements and other alternatives.

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in Crores)

| Term | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|
| 1st year | 46.04 | 49.43 |
| 2nd year | 31.90 | 38.84 |
| 3rd year | 4.73 | 24.43 |
| 4th year | 0.94 | 0.91 |
| 5th year | 1.01 | 0.94 |
| Beyond 5 years | 24.99 | 26.00 |

(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 installments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. Upon cancellation of the sub-lease, LDPL is evaluating all options to pursue its rights.

The financial statements of LDPL for the year ended 31st March, 2026 are yet to be approved by its Board of Directors.

## 29. Additional Notes to the Financial Statements (Contd.)

(ix) The Company 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.

a) The amalgamation of Sresta 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 | 15.75 |
| Other intangible assets | 213.00 |
| Right-of-use assets | 6.71 |
| Investments in subsidiaries | 94.98 |
| Trade receivables | 45.36 |
| Other assets (net) | 8.65 |
| Borrowings (including cash credit facilities) | (86.69) |
| **Sub Total** | **297.76** |
| Goodwill # | 30.37 |
| **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.

b) The amalgamation of Wimco has been accounted for using the Pooling of Interests Method, being a business combination under common control as defined in Appendix C to Ind AS 103 – Business Combinations. The assets and liabilities of Wimco have been recognised at carrying values as appearing in the Consolidated Financial Statements of the Company. Consequently, the investment held by the Company in Wimco amounting to ₹ 8.50 Crores stands cancelled. Further, comparative information in these Financial Statements have been restated as if the combination had occurred from the beginning of the previous period.

(x) 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 ₹ 15163.06 Crores (net of demerger related expenses).

## 29. Additional Notes to the Financial Statements (Contd.)

(xi) During the year, the Company divested its entire shareholding of 7,759 Compulsorily Convertible Cumulative 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.

(xii) 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.

(xiii) 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. These amendments do not have a material impact on the standalone financial statements.

(xiv) 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 resulting in issue of Ordinary Shares of ₹ 1/- each not exceeding 25,02,34,207 |
| 3. | Vesting Schedule | : | The vesting period for conversion of Options/ESARs is as follows:<br>• On completion of 12 months from the date of grant: 30% vests<br>• On completion of 24 months from the date of grant: 30% vests<br>• 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).<br>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 | | |

## 29. Additional Notes to the 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 |
|---|---|---|---|---|---|
| 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 ₹ 124.10 Crores (2025 - ₹ 130.00 Crores) [Refer Note 25]; for the group entities, such compensation cost is ₹ 11.23 Crores (2025 - ₹ 7.27 Crores). | | |
| 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. |
| 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<br>Weighted average fair value per Option : ₹ 801.63<br>The above Options have been granted at 'market price' as mentioned in Serial No. (4) hereinbefore. | | Weighted average ESAR price per ESAR : ₹ 4179.00<br>Weighted average fair value per ESAR : ₹ 801.63<br>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/- 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 | – |

# Notes to the Standalone Financial Statements

## 29. Additional Notes to the Financial Statements (Contd.)

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 |

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 |

## 29. Additional Notes to the Financial Statements (Contd.)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 16. | Methodology for determination of expected volatility | : | The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options/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. | | | | |
| 17. | Options/ESARs granted to | : | As provided below: | | | | |
| | (a) Directors and Senior managerial personnel | | **Name** | **Designation** | **No. of Options granted during the financial year 2025-26** | **No. of ESARs granted during the financial year 2025-26** | |
| | | 1 | S. Puri | Chairman & Managing Director | 1,01,000 | 33,500 | |
| | | 2 | S. Dutta | Executive Director & Chief Financial Officer | 50,500 | 16,750 | |
| | | 3 | H. Malik | Executive Director | 50,500 | 16,750 | |
| | | 4 | B. Sumant | Executive Director | 50,500 | 16,750 | |
| | | 5 | S. Kaul | Group Head - ITD, MAB, Start-up Ventures, LSTC & Quality | 14,000 | 4,750 | |
| | | 6 | A. K. Rajput | President - Corporate Affairs | 14,000 | 4,750 | |
| | | 7 | S. Sivakumar | Group Head - Agri Business, IT, Sustainability, CSR & EHS | 14,000 | 4,750 | |
| | | 8 | R. K. Singhi | Executive Vice President & Company Secretary | 9,800 | 3,250 | |
| | *The aforesaid Options/ESARs were granted at the exercise price/ESAR Price of ₹ 4179.00 per Option/ESAR, being the 'market price' as defined under the SEBI SBEB Regulations.* | | | | | | |
| | (b) Any other employee who received a grant on any one year of Options/ESARs amounting to 5% or more of the Options/ESARs granted during the year. | : | None | | | | |
| | (c) Identified employees who were granted Options/ESARs, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant. | : | None | | | | |

**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 Company 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.

## 29. Additional Notes to the Financial Statements (Contd.)

The employee compensation cost as per fair value method for the financial year 2025-26 is ₹ 5.14 Crores (2025 - 1.95 Crores) [Refer Note 25]. 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 | 7,09,895 | 1871.68 | – | – |
| Add: Granted during the year | – | – | 7,09,895 | 1871.68 |
| Less: Lapsed during the year | 7,147 | 2342.66 | – | – |
| Less: Movement of employees within the group | 1,300 | 2239.19 | – | – |
| Less: Exercised during the year | 1,66,306 | 1480.69 | – | – |
| **Outstanding at the end of the year** | **5,35,142** | **1986.12** | **7,09,895** | **1871.68** |
| Options exercisable at the end of the year | 3,91,456 | 1778.94 | 4,33,614 | 1519.46 |
| Options vested and exercisable during the year | 1,26,594 | 2280.19 | 4,33,614 | 1519.46 |

(xv) 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).<br>Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting of SAR units subject to the terms and conditions specified in the Plan. |
| 2 | Settlement Method | : | Cash – Settled |
| 3 | Vesting period and maximum term of SAR granted | : | Over a period of five years from the date of grant in accordance with the Plan. |
| 4 | Method used to estimate the fair value of SAR granted | : | Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market price etc. The number of SAR units outstanding as at 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 benefits expense as per fair value method for the financial year 2025-26 is ₹ 1.63 Crores (2025 - ₹ 8.42 Crores) and ₹ 0.13 Crore (2025 - ₹ 0.41 Crore) for group entities (Refer Note 25). The amount carried in the Balance Sheet as a current financial liability is Nil (2025 - ₹ 16.35 Crores) (Refer Note 15). |

## 29. Additional Notes to the Financial Statements (Contd.)

(xvi) Financial Ratios:

| Ratio | Numerator | Denominator | 31st March, 2026 | 31st March, 2025 |
|---|---|---|---|---|
| Current Ratio (in times) | Current Assets | Current Liabilities | 3.04 | 3.03 |
| Return on Equity Ratio (in %) | Profit for the year (before exceptional items) | Average Shareholder's Equity | 29.64 | 29.19 |
| Inventory Turnover Ratio (in times) | Gross Revenue from sale of products and services | Average Inventory | 4.90 | 5.31 |
| Trade Receivables Turnover Ratio (in times) | Gross Revenue from sale of products and services | Average Trade Receivables | 23.66 | 20.72 |
| Trade Payables Turnover Ratio (in times) | COGS + Other Expenses – Non Cash Expenditure | Average Trade Payables | 8.77 | 9.75 |
| Net Capital Turnover Ratio (in times) | Gross Revenue from sale of products and services | Working Capital (Current Assets – Current Liabilities) | 2.61 | 2.76 |
| Net Profit Ratio (in %) | Profit for the year (before exceptional items) | Gross Revenue from sale of products and services | 25.26 | 26.72 |
| Return on Capital Employed (in %) | Profit before exceptional items, interest and taxes | Average Capital Employed | 38.63 | 38.79 |
| Return on Investment (in %) | Income from investment | Time weighted average Investment | 8.16 | 9.67 |

Debt-Equity Ratio and Debt Service Coverage Ratio are not relevant as the Company is virtually debt-free.

(xvii) 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.

(xviii) Figures presented as "…" are below the rounding off norm adopted by the Company.

(xix) Figures for the previous year are re-arranged, wherever necessary, to conform to the figures of the current period. The same does not have any material impact on the standalone financial statements.

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

# Notes to the Standalone Financial Statements

## 30. Segment Reporting

(₹ in Crores)

| | 2026 | | | 2025 | | |
|---|---|---|---|---|---|---|
| | External | Inter Segment | Total | External | Inter Segment | Total |
| **1. Segment Revenue** | | | | | | |
| FMCG - Cigarettes | 37099.65 | – | 37099.65 | 32631.27 | – | 32631.27 |
| FMCG - Others | 24203.75 | 6.00 | 24209.75 | 21975.28 | 6.29 | 21981.57 |
| **FMCG - Total** | **61303.40** | **6.00** | **61309.40** | **54606.55** | **6.29** | **54612.84** |
| Agri Business | 12296.48 | 7999.92 | 20296.40 | 12065.64 | 7688.16 | 19753.80 |
| Paperboards, Paper and Packaging | 6926.57 | 1839.04 | 8765.61 | 6626.23 | 1796.58 | 8422.81 |
| Others | 341.04 | 0.75 | 341.79 | 168.19 | 1.24 | 169.43 |
| **Segment Total** | **80867.49** | **9845.71** | **90713.20** | **73466.61** | **9492.27** | **82958.88** |
| Eliminations | | | (9845.71) | | | (9492.27) |
| **Gross Revenue from sale of products and services** | | | **80867.49** | | | **73466.61** |
| **2. Segment Results** | | | | | | |
| FMCG - Cigarettes | | | 21051.12 | | | 20024.87 |
| FMCG - Others | | | 1802.63 | | | 1579.66 |
| **FMCG - Total** | | | **22853.75** | | | **21604.53** |
| Agri Business | | | 1496.46 | | | 1478.03 |
| Paperboards, Paper and Packaging | | | 796.71 | | | 911.49 |
| Others | | | (8.06) | | | 65.82 |
| **Segment Total** | | | **25138.86** | | | **24059.87** |
| Eliminations | | | (37.56) | | | 1.75 |
| **Total** | | | **25101.30** | | | **24061.62** |
| Unallocated corporate expenses net of unallocated income | | | (1228.83) | | | (1310.30) |
| **Profit before interest etc. and taxation** | | | **23872.47** | | | **22751.32** |
| Finance Costs | | | (69.94) | | | (36.35) |
| Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net | | | 3148.94 | | | 3287.33 |
| Exceptional items [Refer Note 29(i)] | | | (183.87) | | | 527.96 |
| **Profit before tax** | | | **26767.60** | | | **26530.26** |
| Tax expense | | | (6481.18) | | | (6436.97) |
| **Profit for the year from continuing operations** | | | **20286.42** | | | **20093.29** |
| **Profit for the year from discontinued operations** | | | **–** | | | **15103.76** |
| **Profit for the year** | | | **20286.42** | | | **35197.05** |

| **3. Other Information** | 2026 | | 2025 | |
|---|---|---|---|---|
| | Segment Assets | Segment Liabilities | Segment Assets | Segment Liabilities |
| FMCG - Cigarettes | 13283.91 | 5534.50 | 9929.46 | 5516.37 |
| FMCG - Others | 13130.13 | 3081.03 | 12911.68 | 2442.96 |
| **FMCG - Total** | **26414.04** | **8615.53** | **22841.14** | **7959.33** |
| Agri Business | 6699.33 | 1729.57 | 6956.68 | 2221.65 |
| Paperboards, Paper and Packaging | 9781.88 | 1381.15 | 9656.83 | 1361.09 |
| Others | 209.03 | 49.32 | 151.20 | 62.60 |
| **Segment Total** | **43104.28** | **11775.57** | **39605.85** | **11604.67** |
| Unallocated Corporate Assets/Liabilities | 45811.58 | 7211.68 | 44398.86 | 4506.33 |
| **Total** | **88915.86** | **18987.25** | **84004.71** | **16111.00** |

## 30. Segment Reporting (Contd.)

(₹ in Crores)

| | 2026 | | 2025 | |
|---|---|---|---|---|
| | Capital expenditure | Depreciation and amortization | Capital expenditure | Depreciation and amortization |
| FMCG - Cigarettes | 869.13 | 264.06 | 320.52 | 266.20 |
| FMCG - Others | 887.22 | 609.31 | 515.80 | 584.26 |
| **FMCG - Total** | **1756.35** | **873.37** | **836.32** | **850.46** |
| Agri Business | 73.28 | 72.86 | 104.07 | 67.41 |
| Paperboards, Paper and Packaging | 405.91 | 390.39 | 381.84 | 390.18 |
| Others | 22.81 | 9.53 | 5.42 | 5.78 |
| **Segment Total** | **2258.35** | **1346.15** | **1327.65** | **1313.83** |
| Discontinued operations | – | – | 171.28 | 226.95 |
| Unallocated | 295.23 | 127.84 | 343.35 | 128.10 |
| **Total** | **2553.58** | **1473.99** | **1842.28** | **1668.88** |

| | 2026 | 2025 |
|---|---|---|
| | Non Cash expenditure other than depreciation | Non Cash expenditure other than depreciation |
| FMCG - Cigarettes | 23.31 | 41.67 |
| FMCG - Others | 175.26 | 131.17 |
| **FMCG - Total** | **198.57** | **172.84** |
| Agri Business | 130.40 | 43.24 |
| Paperboards, Paper and Packaging | 40.36 | 32.53 |
| Others | 0.22 | 0.19 |
| **Segment Total** | **369.55** | **248.80** |

### GEOGRAPHICAL INFORMATION

| | 2026 | 2025 |
|---|---|---|
| **1. Revenue from external customers** | | |
| – Within India | 72988.91 | 65637.28 |
| – Outside India | 7878.58 | 7829.33 |
| **Total** | **80867.49** | **73466.61** |
| **2. Non-current assets** | | |
| – Within India | 23035.52 | 21972.57 |
| – Outside India | – | – |
| **Total** | **23035.52** | **21972.57** |

**NOTES :**

(1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on three business groups : FMCG, Paperboards, Paper & Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.

(2) The business groups comprise the following :

| | | |
|---|---|---|
| FMCG : Cigarettes | – | Cigarettes, Cigars, etc. |
| : Others | – | Branded Packaged Foods Businesses (Staples & 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 and leaf tobacco. |
| Others | – | ITC Grand Central Hotel, Mumbai; Fresh Food etc. |

(3) The geographical information considered for disclosure are:
– Revenue within India.
– Revenue outside India.

(4) 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.

(5) 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 enterprise as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.

(6) The Company is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

# Notes to the Standalone Financial Statements

## 31. Related Party Disclosures

1. **ENTERPRISES WHERE CONTROL EXISTS:**

**Subsidiaries:**

a) Russell Credit Limited
b) Greenacre Holdings Limited
c) Technico Pty Limited, Australia and its subsidiaries
    Technico Technologies Inc., Canada
    Technico Asia Holdings Pty Limited, Australia and its subsidiary
        Technico Horticultural (Kunming) Co. Limited, China
d) Technico Agri Sciences Limited
e) Pavan Poplar Limited (under liquidation)
f) Prag Agro Farm Limited (up to 09.12.2025)
g) ITC Infotech India Limited and its subsidiaries
    ITC Infotech Limited, UK
    ITC Infotech (USA), Inc. and its subsidiary
        Indivate Inc., USA
    ITC Infotech Do Brasil LTDA.
    ITC Infotech Malaysia SDN. BHD.
    ITC Infotech France SAS
    ITC Infotech GmbH, Germany
    ITC Infotech de México, S.A. de C.V.
    ITC Infotech Arabia Limited
    ITC Infotech Italia s.r.l.
    Blazeclan Technologies Private Limited and its subsidiaries
        Cloudlytics Technologies Private Limited
        Blazeclan Technologies PTE Ltd., Singapore
        Blazeclan Technologies SDN. BHD., Malaysia
        Blazeclan Technologies Pty. Ltd., Australia and its subsidiary
            Blazeclan Technologies Limited, New Zealand
        Blazeclan Europe SRL., Belgium
        Blazeclan Technologies Inc., Canada
        Blazeclan Technologies LLC, USA
        Blazeclan Americas Inc., USA (up to 23.03.2026)
        Blazeclan Technologies Corporation, Philippines
h) Gold Flake Corporation Limited
i) ITC Integrated Business Services Limited and its subsidiary
    MRR Trading & Investment Company Limited
j) Surya Nepal Private Limited and its subsidiary
    Surya Nepal Ventures Private Limited
k) North East Nutrients Private Limited
l) ITC IndiVision Limited
m) ITC Fibre Innovations Limited
n) Fyve Elements LLC, USA (w.e.f. 13.06.2025)
o) Sresta Global FZE, UAE (w.e.f. 13.06.2025)

2. **OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS**

i) **Associates & Joint Ventures:**

**Associates**

a) Mother Sparsh Baby Care Private Limited
b) Ample Foods Private Limited (w.e.f. 04.04.2025)
c) Sproutlife Foods Private Limited
d) ITC Hotels Limited and its subsidiaries
    Srinivasa Resorts Limited
    Fortune Park Hotels Limited
    WelcomHotels Lanka (Private) Limited
    Landbase India Limited
– being associates of the Company, and
e) Subsidiaries of British American Tobacco p.l.c. - of which the Company is an associate

Enduring Value



## 31. Related Party Disclosures (Contd.)

**Associate of the Company's subsidiary**
ATC Limited
– being associate of Gold Flake Corporation Limited

**Joint Venture of the Company's subsidiary**
ITC Filtrona Limited
– being joint venture of Gold Flake Corporation 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

# Notes to the Standalone Financial Statements

## 31. Related Party Disclosures (Contd.)

### 3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2026

(₹ in Crores)

| | RELATED PARTY TRANSACTIONS SUMMARY | Enterprises where control exists – Subsidiaries | | 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 | 2026 | 2025 |
| 1. | Sale of Goods/Services | 484.88 | 378.00 | 1689.79 | 1495.62 | 122.13 | 87.91 | | | | | | | 2296.80 | 1961.53 |
| 2. | Purchase of Goods/Services | 496.71 | 490.81 | 163.21 | 175.65 | 716.67 | 637.68 | | | 1.42 | 2.67 | | | 1378.01 | 1306.81 |
| 3. | Acquisition cost of Property, Plant and Equipment and Intangible Assets | 4.28 | 4.59 | 436.26 | | | | | | | | | | 440.54 | 4.59 |
| 4. | Sale of Property, Plant and Equipment | | | | | | | ... | | | | | | ... | |
| 5. | Investment Purchased | | 164.25 | 154.22 | | | | | | | | | | 154.22 | 164.25 |
| 6. | Investment in Subsidiaries/Associates | 45.00 | 823.97 | 40.00 | 29.99 | | | | | | | | | 85.00 | 853.96 |
| 7. | Value of Share-based Payment | | | | | | | | | | | | | | |
| 7A. | Capital Contribution for Share-based Payment | (0.44) | (0.68) | | | | | | | | | | | (0.44) | (0.68) |
| 7B. | Recovery for Share-based Payment | 4.43 | 4.30 | 7.77 | 3.37 | 0.03 | 0.08 | | | | | | | 12.23 | 7.75 |
| 7C. | Reimbursement for Share-based Payment | | | 5.34 | 2.37 | | | | | | | | | 5.34 | 2.37 |
| 8. | Rent Received | 56.33 | 38.19 | 2.90 | 1.32 | | | | | | | | | 59.23 | 39.51 |
| 9. | Rent Paid * | 2.13 | 7.76 | 0.64 | 3.46 | | | 0.81 | 0.72 | 0.07 | 0.07 | | | 3.65 | 12.01 |
| 10. | Remuneration of Managers on Deputation reimbursed | | 0.38 | 10.81 | 6.54 | | | | | | | | | 10.81 | 6.92 |
| 11. | Remuneration of Managers on Deputation recovered | 41.40 | 53.22 | 21.18 | 9.90 | 1.34 | 1.61 | | | | | | | 63.92 | 64.73 |
| 12. | Contribution to Employees' Benefit Plans | | | | | | | | | | | 122.73 | 169.05 | 122.73 | 169.05 |
| 13. | Dividend Income | 957.00 | 1006.89 | | 2.39 | | | | | | | | | 957.00 | 1009.28 |
| 14. | Dividend Payments | | | 4118.11 | 4455.87 | | | 9.00 | 8.59 | | | | | 4127.11 | 4464.46 |
| 15. | Interest Income | 19.80 | 19.80 | | | | | | | | | | | 19.80 | 19.80 |
| 16. | Expenses Recovered | 8.90 | 19.47 | 65.46 | 113.43 | 0.01 | 0.20 | | | | | | | 74.37 | 133.10 |
| 17. | Expenses Reimbursed | 4.67 | 6.27 | 28.64 | 15.30 | | 0.03 | 0.02 | 0.02 | | | | | 33.33 | 21.62 |
| 18. | Advances Received during the year | 183.34 | 282.29 | 1370.31 | 1690.64 | | | | | | | | | 1553.65 | 1972.93 |
| 19. | Adjustment/Payment towards Refund of Advances | 225.77 | 103.49 | 1552.89 | 1417.65 | | | | | | | | | 1778.66 | 1521.14 |
| 20. | Adjustment/Receipt towards Refund of Deposit | | 0.48 | | | | | | | | | | | | 0.48 |
| 21. | Transfer of Employee Liabilities | 0.06 | | | | | | | | | | | | 0.06 | – |
| 22. | Remuneration to KMP | | | | | | | | | | | | | | |
| 22A. | – Short term benefits | | | | | | | 63.63 | 56.77 | | | | | 63.63 | 56.77 |
| 22B. | – Other long-term incentives | | | | | | | 21.70 | 26.00 | | | | | 21.70 | 26.00 |
| 22C. | – Post employment benefits [1] | | | | | | | | | | | | | | |
| 22D. | – Share-based Payment [2] | | | | | | | | | | | | | | |
| 23. | Outstanding Balances # | | | | | | | | | | | | | | |
| | i) Receivables | 101.06 | 55.02 | 22.55 | 47.13 | 11.79 | 17.10 | | | | | | | 135.40 | 119.25 |
| | ii) Deposits Given | 0.12 | 0.12 | | | | | 0.01 | 0.01 | 0.03 | 0.03 | | | 0.16 | 0.16 |
| | iii) Advances Taken | 224.93 | 267.36 | 458.17 | 640.75 | | | | | | | | | 683.10 | 908.11 |
| | iv) Payables | 7.43 | 7.54 | 223.41 | 29.92 | 7.22 | 7.03 | | | | | 278.22 | 27.60 | 516.28 | 72.09 |

^ 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 of Hotels business, ITC Hotels Limited has granted stock options 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 the employee on grant, and accordingly the said grants have not been considered as 'remuneration'. However, in accordance with Ind AS-102, the Company has recorded employee benefits expense by way of share-based payments to employees at ₹ 130.87 Crores for the year ended 31st March, 2026 (2025 - ₹ 140.37 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 Standalone Financial Statements

## 31. Related Party Disclosures (Contd.)

### 4. 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 |
| | Surya Nepal Private Limited | 391.92 | 328.39 |
| **2.** | **Purchase of Goods/Services** | | |
| | ITC Filtrona Limited | 716.67 | 637.68 |
| | ITC Infotech India Limited | 228.20 | 218.92 |
| | North East Nutrients Private Limited | 169.36 | 173.12 |
| **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 | – |
| | Russell Credit Limited | – | 164.25 |
| **5.** | **Investment in Subsidiaries/Associates** | | |
| | Mother Sparsh Baby Care Private Limited | 40.00 | – |
| | ITC Fibre Innovations Limited | 45.00 | 90.00 |
| **6.** | **Value of Share-based Payment** | | |
| *6A.* | *Capital Contribution for Share-based Payment* | | |
| | ITC Infotech India Limited | (0.44) | (0.68) |
| *6B.* | *Recovery for Share-based Payment* | | |
| | ITC Hotels Limited | 6.98 | 2.69 |
| | Surya Nepal Private Limited | 1.83 | 1.57 |
| | ITC Infotech India Limited | 1.29 | 0.73 |
| *6C.* | *Reimbursement for Share-based Payment* | | |
| | ITC Hotels Limited | 5.34 | 2.37 |
| **7.** | **Rent Received** | | |
| | ITC Infotech India Limited | 52.35 | 32.78 |
| **8.** | **Rent Paid** | | |
| | Technico Agri Sciences Limited | 1.60 | 1.60 |
| | ITC Hotels Limited | 0.64 | 0.16 |
| | Russell Credit Limited | 0.53 | 0.48 |
| **9.** | **Remuneration of Managers on Deputation reimbursed** | | |
| | ITC Hotels Limited | 10.81 | 1.64 |
| **10.** | **Remuneration of Managers on Deputation recovered** | | |
| | ITC Infotech India Limited | 18.50 | 15.72 |
| | ITC Hotels Limited | 16.30 | 2.13 |
| | Russell Credit Limited | 6.45 | 5.42 |
| **11.** | **Contribution to Employees' Benefit Plans** | | |
| | IATC Provident Fund | 41.66 | 45.10 |
| | ITC Pension Fund | 18.28 | 20.75 |
| | ITC Defined Contribution Pension Fund | 17.15 | 34.42 |
| | ITC Management Staff Gratuity Fund | 15.21 | 20.33 |
| | ITC Gratuity Fund 'C' | 14.84 | 12.29 |
| | ITC Employees Gratuity Fund | 13.00 | 33.57 |
| **12.** | **Dividend Income** | | |
| | Surya Nepal Private Limited | 462.77 | 405.52 |
| | ITC Infotech India Limited | 374.76 | 488.32 |

| | RELATED PARTY TRANSACTIONS SUMMARY | 2026 | 2025 |
|---|---|---|---|
| **13.** | **Dividend Payments** | | |
| | Tobacco Manufacturers (India) Limited | 3197.89 | 3558.09 |
| | Myddleton Investment Company Limited | 697.86 | 680.84 |
| **14.** | **Interest Income** | | |
| | ITC IndiVision Limited | 19.80 | 19.80 |
| **15.** | **Expenses Recovered** | | |
| | ITC Hotels Limited | 54.94 | 95.17 |
| | Sproutlife Foods Private Limited | 9.11 | 2.89 |
| **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 |
| | Surya Nepal Private Limited | 183.34 | 282.29 |
| **18.** | **Adjustment/Payment towards Refund of Advances** | | |
| | British American Tobacco (GLP) Limited | 1552.80 | 1417.65 |
| | Surya Nepal Private Limited | 225.77 | 103.49 |
| **19.** | **Transfer of Employee Liabilities** | | |
| | ITC Integrated Business Services Limited | 0.06 | – |
| **20.** | **Remuneration to KMP**[#] | | |
| *20A.* | *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 |
| *20B.* | *Other long-term incentives* | | |
| | S. Puri | 7.00 | 8.82 |
| | H. Malik | 3.67 | 3.37 |
| | B. Sumant | 3.48 | 5.00 |
| | S. Dutta | 3.50 | 4.29 |
| **21.** | **Outstanding Balances** | | |
| *(i)* | *Receivables* | | |
| | Surya Nepal Private Limited | 53.64 | 47.93 |
| | Fyve Elements LLC | 32.76 | – |
| *(ii)* | *Deposits Given* | | |
| | Russell Credit Limited[1] | 0.12 | 0.12 |
| | N. Singhi | 0.03 | 0.03 |
| *(iii)* | *Advances Taken* | | |
| | British American Tobacco (GLP) Limited | 457.42 | 639.92 |
| | Surya Nepal Private Limited | 224.93 | 267.36 |
| *(iv)* | *Payables* | | |
| | Benson & Hedges (Overseas) Limited | 136.86 | 1.80 |
| | Employee Trust - Gratuity Funds | 234.29 | 14.94 |
| | Employee Trust - Pension Funds | 43.93 | 12.66 |

[#] In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of Share-based Payment [refer Note 31.3], 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).

[1] The maximum indebtedness during the year was ₹ 0.12 Crore (2025 - ₹ 0.36 Crore).

# Notes to the Standalone Financial Statements

## 32. Financial Instruments and Related Disclosures

### 1. Capital Management

The Company's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Company funds its operations 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).

### 2. 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 | 11 | 110.02 | 110.02 | 222.41 | 222.41 |
| ii) | Bank Balances other than (i) above | 12 | 2025.50 | 2025.50 | 2962.45 | 2962.45 |
| iii) | Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities | 4, 9 | 4710.59 | 4781.28 | 7414.15 | 7479.91 |
| iv) | Investment in Mutual Funds | 4, 9 | 381.79 | 387.87 | 389.10 | 392.57 |
| v) | Loans | 5 | 11.64 | 10.98 | 15.24 | 13.84 |
| vi) | Trade receivables | 10 | 2925.60 | 2925.60 | 3910.79 | 3910.79 |
| vii) | Other financial assets | 6 | 2240.75 | 2236.13 | 2800.04 | 2794.31 |
| | **Sub-total** | | **12405.89** | **12477.38** | **17714.18** | **17776.28** |
| **b)** | **Measured at Fair value through OCI** | | | | | |
| i) | Investment in Equity Shares | 4 | 2790.34 | 2790.34 | 3629.98 | 3629.98 |
| ii) | Investment in Mutual Funds | 4, 9 | 5486.78 | 5486.78 | 5309.12 | 5309.12 |
| iii) | Investment in Bonds/Debentures & Government or Trust Securities | 4, 9 | 2862.77 | 2862.77 | – | – |
| | **Sub-total** | | **11139.89** | **11139.89** | **8939.10** | **8939.10** |
| **c)** | **Measured at Fair value through Profit or Loss** | | | | | |
| i) | Investment in Mutual Funds | 9 | 11820.37 | 11820.37 | 10522.08 | 10522.08 |
| ii) | Investment in Bonds/Debentures, Certificates of Deposit & Government or Trust Securities | 9 | 3408.35 | 3408.35 | 1586.96 | 1586.96 |
| 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** | | **15437.29** | **15437.29** | **12274.82** | **12274.82** |
| **d)** | **Derivatives measured at fair value** | | | | | |
| i) | Derivative instruments not designated as hedging instruments | 6 | 14.01 | 14.01 | 15.71 | 15.71 |
| ii) | Derivative instruments designated as hedging instruments | 6 | 21.90 | 21.90 | 24.20 | 24.20 |
| | **Sub-total** | | **35.91** | **35.91** | **39.91** | **39.91** |
| | **Total financial assets** | | **39018.98** | **39090.47** | **38968.01** | **39030.11** |

## 32. 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 | 18 | 2026.22 | 2026.22 | 1.76 | 1.76 |
| ii) | Lease liabilities | 14 | 136.17 | 136.17 | 154.99 | 154.99 |
| iii) | Trade payables | 19 | 5271.90 | 5271.90 | 4489.93 | 4489.93 |
| iv) | Other financial liabilities | 15 | 1831.29 | 1813.29 | 1455.09 | 1439.41 |
| | **Sub-total** | | **9265.58** | **9247.58** | **6101.77** | **6086.09** |
| **b)** | **Measured at fair value** | | | | | |
| i) | Derivative instruments not designated as hedging instruments | 15 | 34.89 | 34.89 | 8.40 | 8.40 |
| ii) | Derivative instruments designated as hedging instruments | 15 | 62.70 | 62.70 | 3.16 | 3.16 |
| iii) | Contingent Consideration | 15 | 22.85 | 22.85 | 12.65 | 12.65 |
| | **Sub-total** | | **120.44** | **120.44** | **24.21** | **24.21** |
| | **Total financial liabilities** | | **9386.02** | **9368.02** | **6125.98** | **6110.30** |

### 3. Financial risk management objectives

The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with the applicable regulations. It also seeks to drive accountability in this regard.

#### Liquidity Risk

The Company's Current assets aggregate ₹ 46143.39 Crores (2025 - ₹ 39758.12 Crores) including Current Investments, Cash and cash equivalents and Bank Balances other than cash and cash equivalents of ₹ 21837.06 Crores (2025 - ₹ 18474.80 Crores) against an aggregate Current liability of ₹ 15191.92 Crores (2025 - ₹ 13124.07 Crores). As part of its surplus liquidity management operations, the Company may sell instruments that are held at amortised cost. Such sales may be infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent).

Non-current liabilities (other than derivatives and lease liabilities) due between one year to three years amounted to ₹ 143.13 Crores (2025 - ₹ 87.89 Crores) and Non-current liabilities (other than derivatives and lease liabilities) due after three years amounted to ₹ 209.81 Crores (2025 - Nil) on the reporting date. Derivative liabilities are current in nature. The maturity analysis of undiscounted lease liabilities is disclosed under Note 29(vii).

Further, while the Company's total equity stands at ₹ 69928.61 Crores (2025 - ₹ 67893.71 Crores), there are no non-current borrowings. In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

#### Market Risk

**A. Foreign Currency Risk**

The Company undertakes transactions denominated in foreign currency (mainly US Dollar, Pound Sterling, Euro and Japanese Yen) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Company's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

## 32. Financial Instruments and Related Disclosures (Contd.)

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

(₹ in Crores)

| As at 31st March, 2026 | USD | Euro | GBP | JPY | Others | Total |
|---|---|---|---|---|---|---|
| Financial Assets | 844.93 | 113.35 | 31.10 | – | 0.85 | 990.23 |
| Financial Liabilities | 154.60 | 36.84 | 2.84 | 0.28 | 2.48 | 197.04 |

| As at 31st March, 2025 | USD | Euro | GBP | JPY | Others | Total |
|---|---|---|---|---|---|---|
| Financial Assets | 1172.20 | 118.60 | 36.74 | 0.12 | 0.58 | 1328.24 |
| Financial Liabilities | 108.60 | 23.22 | 1.71 | 1.78 | 1.46 | 136.77 |

The Company uses foreign exchange forward, futures and options contracts to hedge its exposures in foreign currency arising from firm commitments and highly probable forecast transactions.

a. Forward exchange contracts that were outstanding on respective reporting dates:

(In Million)

| Designated under Hedge Accounting | | As at 31st March, 2026 | | As at 31st March, 2025 | |
|---|---|---|---|---|---|
| Currency | Cross Currency | Buy | Sell | Buy | Sell |
| US Dollar | Indian Rupee | 48.19 | 161.01 | 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 | – |

(In Million)

| 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 | 42.57 | 169.61 | 28.05 | 100.59 |
| Euro | US Dollar | 13.17 | 14.74 | 0.25 | 21.28 |
| CAD | US Dollar | – | 0.07 | – | 0.15 |
| CHF | US Dollar | 0.44 | – | 1.10 | – |
| GBP | US Dollar | 5.98 | 5.79 | – | 5.99 |
| KWD | US Dollar | 0.17 | – | 0.15 | – |
| JPY | US Dollar | 40.12 | – | 148.75 | – |
| SEK | US Dollar | 0.10 | – | 0.36 | – |
| SGD | US Dollar | – | – | 0.11 | – |

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

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 | 7.70 | 4.00 | 36.50 |
| Euro | US Dollar | 2.00 | 10.00 | – | – |
| GBP | US Dollar | – | 2.00 | – | – |

**Hedges of foreign currency risk and derivative financial instruments**

The Company has established risk management policies to hedge the volatility in cashflows arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward, futures and options contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks or recognised exchange(s), the risk of their non-performance is considered to be insignificant.

## 32. Financial Instruments and Related Disclosures (Contd.)

The Company uses derivatives to hedge its exposure to foreign exchange rate fluctuations. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

The Company may also designate certain hedges as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecasted cash transactions. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

The movement in the cash flow hedging reserve in respect of designated cash flow hedges is summarised below:

(₹ in Crores)

| Particulars | 2026 | 2025 |
|---|---|---|
| **At the beginning of the year** | (4.54) | 1.29 |
| 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 | (50.90) | (3.94) |
| Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year | (28.81) | (9.45) |
| Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur | (41.19) | (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 | 12.36 | 1.96 |
| **At the end of the year** | **(41.32)** | **(4.54)** |
| 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 | (41.14) | (4.54) |
| Between one and three years | (0.18) | – |
| **Total** | **(41.32)** | **(4.54)** |

**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 ₹ 5.95 Crores (2025 - ₹ 5.08 Crores) and other equity as at 31st March, 2026 would decrease/increase by ₹ 10.61 Crores (2025 - ₹ 16.06 Crores) on a pre-tax basis.

**B. Interest Rate Risk**

As the Company is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in Government securities, bonds/debentures, fixed deposits, certificates of deposit, commercial papers and debt mutual funds. Mark to market movements in respect of the Company's investments in

## 32. Financial Instruments and Related Disclosures (Contd.)

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 Company also invests in debt mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the debt mutual fund schemes in which the Company has invested, such price risk is not significant.

**C. Other Price Risk**

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2026 is ₹ 2790.34 Crores (2025 - ₹ 3629.98 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. Such activities are managed by the business team within an approved policy framework. The carrying value of inventories is adjusted to the extent of fair value movement of the risk being hedged. Such hedges are generally for short time horizons and recognised in profit or loss within the crop cycle. Accordingly, the Company's net exposure to commodity price risk arising from such transactions is considered to be insignificant.

### Credit Risk

Company's deployment in debt instruments are primarily in Government securities, fixed deposits with highly rated banks and companies, bonds issued by Government institutions, public sector undertakings, mutual fund schemes of leading fund houses and certificates of deposit/commercial papers issued by highly rated banks and financial institutions. Of this, investments that are held at amortised cost stood at ₹ 8117.72 Crores (2025 - ₹ 12450.86 Crores). With respect to the Company's investing activities, debt mutual fund schemes and counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Central/State Government, Government institutions/public sector undertakings with investment grade/sovereign credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Company's payment terms generally range from advance (generally settled within the operating cycle) to a credit period of up to 180 days, depending upon specific circumstances and industry practices. Credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. There is no significant financing component and/or remaining performance obligation in respect of its transaction with the customers for sale of goods and services. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 2925.60 Crores (2025 - ₹ 3910.79 Crores).

The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognised, where considered appropriate by responsible management.

The movement of the expected loss provision (allowance for bad and doubtful loans, advances and receivables etc.) made by the Company are as under:

(₹ in Crores)

| Particulars | Expected Loss Provision | |
|---|---|---|
| | **31st March, 2026** | **31st March, 2025** |
| Opening Balance | 196.07 | 204.06 |
| Add: Provisions made (net) | 9.13 | 11.99 |
| Less: Utilisation for impairment/de-recognition | 15.52 | 17.02 |
| Add: Assumed on Business Combination [Refer Note 29(ix)] | 2.51 | – |
| Less: Transferred pursuant to Scheme of Demerger of Hotels business | – | 2.96 |
| Closing Balance | **192.19** | **196.07** |

## 32. Financial Instruments and Related Disclosures (Contd.)

### 4. Fair value measurement

The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(₹ in Crores)

| Particulars | | | Fair Value Hierarchy (Level) | As at 31st March, 2026 | As at 31st March, 2025 |
|---|---|---|---|---|---|
| A. | **Financial assets** | | | | |
| a) | **Measured at amortised cost** | | | | |
| | i) | Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities | 2 | 4781.28 | 7479.91 |
| | ii) | Investment in Mutual Funds | 1 | 387.87 | 392.57 |
| | iii) | Loans* | 3 | 3.03 | 4.88 |
| | iv) | Other Financial assets* | 3 | 319.59 | 1569.34 |
| | | **Sub-total** | | **5491.77** | **9446.70** |
| 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 | 0.05 | 0.05 |
| | iii) | Investment in Mutual Funds | 1 | 5486.78 | 5309.12 |
| | iv) | Investment in Bonds/Debentures & Government or Trust Securities | 2 | 2862.77 | – |
| | | **Sub-total** | | **11139.89** | **8939.10** |
| c) | **Measured at Fair value through Profit or Loss** | | | | |
| | i) | Investment in Mutual Funds | 1 | 11820.37 | 10522.08 |
| | ii) | Investment in Bonds/Debentures, Certificates of Deposit & Government or Trust Securities | 2 | 3408.35 | 1586.96 |
| | iii) | Investment in Venture Capital Funds | 2 | 174.18 | 132.81 |
| | iv) | Investment in Equity & Preference Shares | 3 | 34.39 | 32.97 |
| | | **Sub-total** | | **15437.29** | **12274.82** |
| d) | **Derivatives measured at fair value** | | | | |
| | i) | Derivative instruments not designated as hedging instruments | 2 | 14.01 | 15.71 |
| | ii) | Derivative instruments designated as hedging instruments | 2 | 21.90 | 24.20 |
| | | **Sub-total** | | **35.91** | **39.91** |
| | | **Total financial assets** | | **32104.86** | **30700.53** |
| B. | **Financial Liabilities** | | | | |
| a) | **Measured at amortised cost** | | | | |
| | i) | Lease liabilities* | 3 | 97.09 | 117.45 |
| | ii) | Other Financial liabilities* | 3 | 324.74 | 72.21 |
| | | **Sub-total** | | **421.83** | **189.66** |
| b) | **Measured at fair value** | | | | |
| | i) | Derivative instruments not designated as hedging instruments | 2 | 34.89 | 8.40 |
| | ii) | Derivative instruments designated as hedging instruments | 2 | 62.70 | 3.16 |
| | iii) | Contingent Consideration | 3 | 22.85 | 12.65 |
| | | **Sub-total** | | **120.44** | **24.21** |
| | | **Total financial liabilities** | | **542.27** | **213.87** |

* Represents fair value of non-current financial instruments.

## 32. Financial Instruments and Related Disclosures (Contd.)

Reconciliation of fair value movement of financial assets and liabilities measured at fair value on a recurring basis and categorised within Level 3 of the fair value hierarchy is as under:

(₹ in Crores)

| | 31st March, 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 | 0.05 | 12.65 | 39.34 | 0.05 | 12.65 |
| Additions during the year | 1.42 | – | 9.33 | 3.00 | – | – |
| Sale/Transfer/Settlement during the year | – | – | – | – | – | – |
| Gain/(Loss) during the year recognised in Other Income | – | – | (0.87) | (9.37) | – | – |
| Gain/(Loss) during the year recognised in Other Comprehensive Income | – | – | – | – | – | – |
| Closing Balance | **34.39** | **0.05** | **22.85** | **32.97** | **0.05** | **12.65** |

**Fair value hierarchy**

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market or Net Asset Value (NAV) for identical assets or liabilities.

**Level 2:** Inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. The fair value of investment in Bonds/Debentures, 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 Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

In terms of our report attached
For S R B C & CO LLP
*Chartered Accountants*
Firm Registration Number: 324982E/E300003

Arvind Sethi
*Partner*
(Membership No.: 89802)

Kolkata, May 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 Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of ITC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2026. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the 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 standalone Ind AS financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying standalone 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 Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.<br><br>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of | Our audit procedures included the following:<br>● Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.<br>● 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.<br>● Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| of performance. There is a risk of revenue being recorded before control is transferred.<br>Refer Note 1 to Standalone Ind AS Financial Statements – Material Accounting Policies and Note 22A/22B. | • Tested the effectiveness of such controls over revenue cut off at year-end.<br>• On sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.<br>• 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.<br>• Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.<br>• 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 Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the standalone 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 Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors 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 these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2026 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 29 (v)(a) to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

As stated in Note B of Statement of Changes in Equity to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. Based on our examination which included test checks, the Company has used accounting softwares for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

per Arvind Sethi
*Partner*
Membership Number: 89802

UDIN: 26089802LWFRUR1543

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 "Company")**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) The Property, Plant and Equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or Intangible assets during the year ended March 31, 2026.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have substantially been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (including inventories lying with third parties) were noticed.

(b) As disclosed in note 18 to the standalone Ind AS financial statements, the Company has been sanctioned working capital limits in excess of ₹ 5 crores in aggregate from banks during the year on the basis of security of inventories of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the investments made by the Company is not prejudicial to the Company's interest. The Company has not provided guarantees or security and has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties and hence not commented upon.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) to 3(iii)(f) of the Order is not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.

(v) According to the information and explanations given to us, the Company has not accepted any deposit from the public nor accepted any amounts which are deemed to be deposits during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of specified products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) The dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues that have not been deposited on account of any dispute, are as follows:

| **Name of the statute** | **Nature of the dues** | **Amount (₹ In Crores)*** | **Period to which the amount relates (Financial Year)** | **Forums where the dispute is pending** |
|---|---|---|---|---|
| Sales Tax and Value Added Tax Laws | Sales Tax and VAT | 22.54 | 1987-2018 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 31.34 | 2005-2018 | Appellate Authority – Tribunal Level |
| | | 250.05 | 1994-2017 | High Court |
| Customs Act, 1962 | Customs Duty | 6.11 | 2016-2024 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 21.98 | 2015-2024 | Appellate Authority – Tribunal Level |
| Central Excise Act, 1944 | Excise Duty | 0.31 | 1996-2015 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 45.43 | 1986-2018 | Appellate Authority – Tribunal Level |
| | | 4.79 | 2004-2012 | High Court |
| Finance Act, 1994 | Service Tax | 0.04 | 2008-2009 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 21.58 | 2004-2017 | Appellate Authority – Tribunal Level |
| | | 5.73 | 2005-2007 | High Court |
| Entry Tax Laws | Entry Tax | 0.94 | 2009-2013 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 18.37 | 2011-2018 | Appellate Authority – Tribunal Level |
| | | 73.46 | 1999-2018 | High Court |

| Name of the statute | Nature of the dues | Amount (₹ in Crores)* | Period to which the amount relates (Financial Year) | Forums where the dispute is pending |
|---|---|---|---|---|
| Luxury Tax Laws | Luxury Tax | 54.95 | 1999-2004 | Supreme Court |
| Goods and Services Tax | Goods and Services Tax | 100.84 | 2017-2025 | Appellate Authority – upto commissioners'/ Revisional Authorities Level |
| | | 5.33 | 2017-2020 | Appellate Authority – Tribunal Level |
| | | 5.85 | 2018-2020 | High Court |
| Mandi Laws | Mandi Fees & Cess | 0.40 | 2021-2022 | Mandi Board |
| | | 1.82 | 2001-2023 | High Court |
| Municipal, Local Bodies and Property Tax Laws | Municipal, Local Bodies and Property Taxes & Charges | 14.63 | 2001-2025 | High Court |
| Stamp Duty Laws | Stamp Duty | 4.22 | 2004-2016 | Registrar/Appellate Authority |
| | | 0.07 | 2006-2007 | High Court |
| The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 | Provident Fund | 0.45 | 2012-2020 | Appellate Authority – Tribunal Level |
| | | 1.34 | 1982-1990 | High Court |
| Employees' State Insurance Act, 1948 | Employees' State Insurance | 0.08 | 1995-2008 | High Court |

Out of the total disputed dues aggregating ₹ 692.65 Crores as above, ₹ 551.64 Crores pertain to matters which have been stayed for recovery by the relevant authorities.

* Net of amount paid under protest.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the year hence, the requirement to report on clause 3(ix)(d) of the Order is not applicable to the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture. Hence, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

(x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.

(b) The Company has not made any preferential allotment or private placement of shares / fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor / secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) (a) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 29(xvi) to the standalone Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013, in compliance with second proviso to sub section 5 of section 135 of the Companies Act, 2013. This matter has been disclosed in note 29(iii) to the standalone Ind AS financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act, 2013. This matter has been disclosed in note 29(iii) to the standalone Ind AS financial statements.

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

per Arvind Sethi
*Partner*
Membership Number: 89802
UDIN: 26089802LWFRUR1543

Place of Signature: Kolkata
Date: May 21, 2026

# Annexure 2 to the Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of ITC Limited

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to standalone Ind AS financial statements of ITC Limited ("the Company") as of March 31, 2026 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone 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, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone 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 these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone Ind AS financial statements.

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

A company's internal financial controls 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 controls 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 Standalone 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 control 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 Company has, in all material respects, adequate internal financial controls with reference to standalone Ind AS financial statements and such internal financial controls with reference to standalone Ind AS financial statements were operating effectively as at March 31, 2026, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Arvind Sethi
*Partner*
Membership Number: 89802
UDIN: 26089802LWFRUR1543

Place of Signature: Kolkata
Date: May 21, 2026