



# Enduring Value

NATION FIRST: SAB SAATH BADHEIN

## RESULTS UPDATE & FAQ Q4 FY26



## Index

Content	Page No.
<u>Vision &amp; Mission</u>	3
<u>Core Values of ITC</u>	3
<u>ITC's Corporate Governance structure</u>	3
<u>Key elements of ITC's strategy</u>	4
<u>Overview of Q4 FY26 results</u>	4
<u>Impact of unprecedented increase in taxes on cigarettes</u>	5
<u>Financial Performance Track Record</u>	6
<u>Company's transformation in the FMCG-Others segment</u>	7
<u>Company's distribution channel</u>	8
<u>Scale, offerings, Brands &amp; market standing in FMCG-Others segment</u>	10
<u>Foray into new categories in the FMCG space</u>	10
<u>Leveraging inorganic growth in the FMCG space</u>	11
<u>Update on the margin expansion trajectory in the FMCG-Others segment</u>	11
<u>Overview of other Operating segments</u>	13
<u>Overview of Segment "Others" shown in the Segment Report, a new segment</u>	14
<u>Overview of the capex plan of the Company</u>	14
<u>Leveraging inorganic growth in the Other Segment</u>	14
<u>Dividend policy: Trend of dividend pay-outs in recent years</u>	15
<u>The Triple Bottom Line philosophy</u>	15
<u>ITC's Digital Journey</u>	17

## Q1. What is ITC's Vision and Mission?

### Vision:

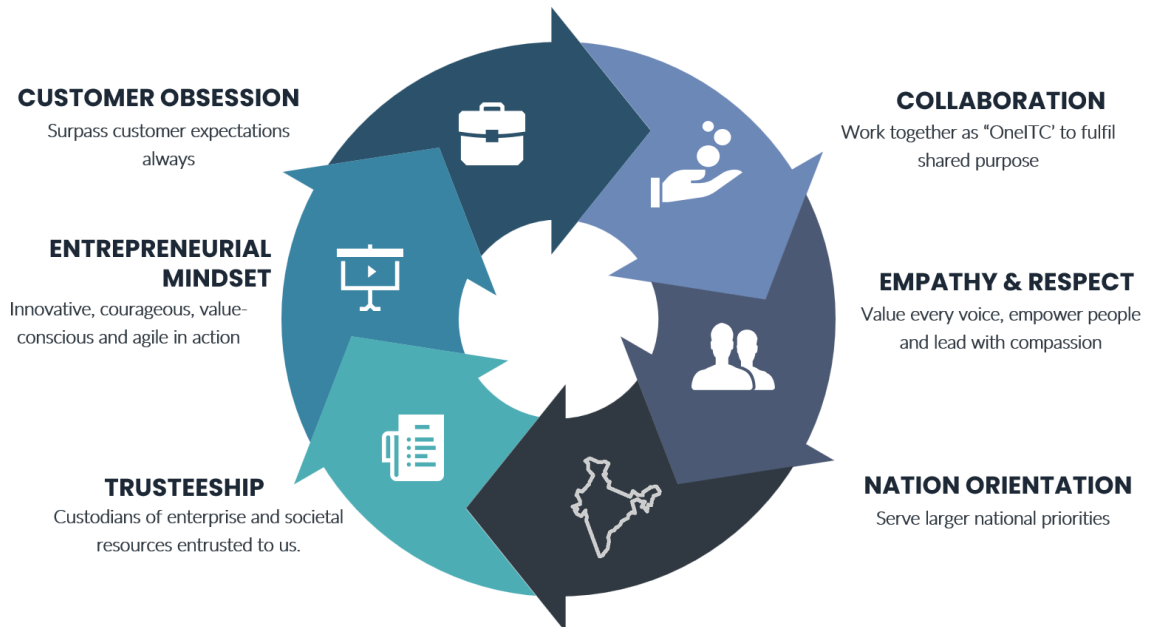
Our brands, products and solutions will lead with industry-shaping innovations, deliver best-in-class performance, powering ITC to make a transformative contribution to the nation's progress.

### Mission:

To be India's most trusted enterprise, creating unparalleled customer experiences through world class brands & businesses that champion sustainable and inclusive value chain.

## Q2. What are the Core Values of ITC?

ITC's core values are aimed at developing a customer focused, high-performance organisation which creates value for all its stakeholders.



Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb2>

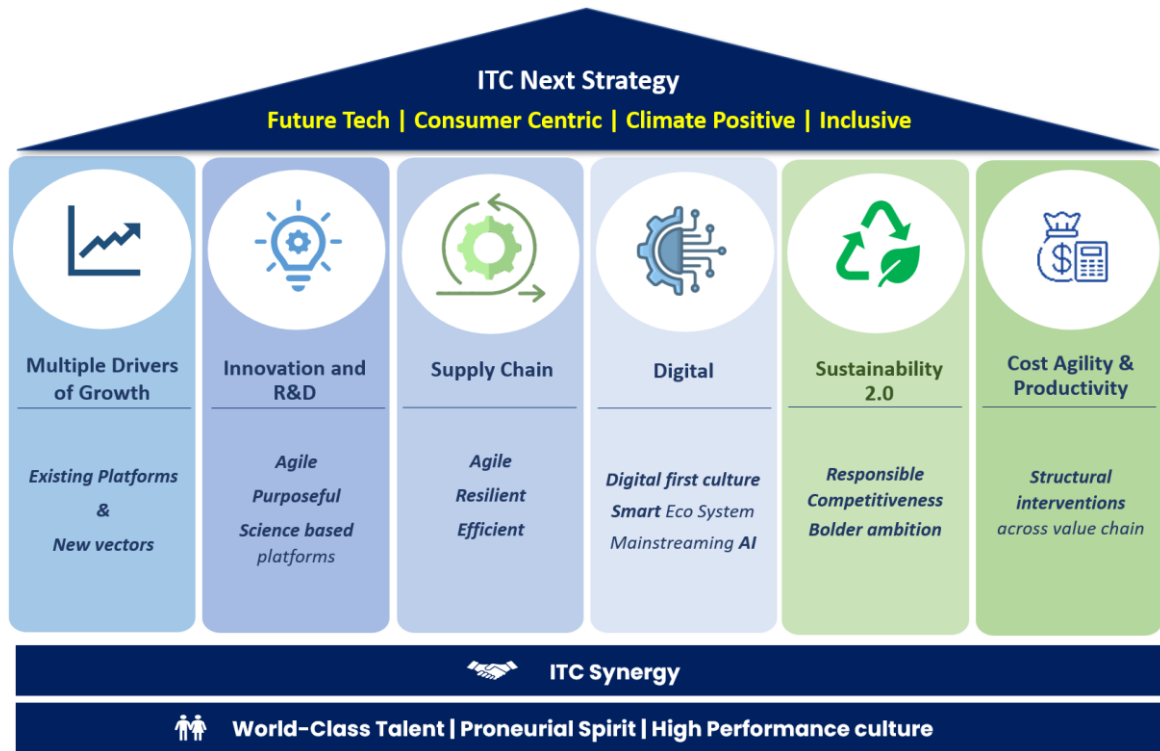
## Q3. How does the Company effectively manage a highly diversified business portfolio? What is the Company's Corporate Governance structure?

ITC's 'Strategy of Organisation' is crafted in a manner that enables focus on each business while harnessing the diversity of the portfolio to create unique sources of competitive advantage.

Please refer <https://www.itcportal.com/about-itc/values/index.aspx#sectionb4> for details of ITC's Governance Structure.

**Q4. What are key elements of ITC's strategy?**

ITC Next strategy is focused on creating structural drivers that will power the Company's next horizon of growth and ensure that the enterprise remains future-ready, consumer-centric and nimble.



**Q5. Please provide a brief overview of Q4 FY26 results.**

Global growth improved marginally from 3.3% in 2024 to 3.4% in 2025<sup>1</sup>, albeit remaining appx. 30 bps below the pre-pandemic average of 3.7% p.a. (2010–19). Growth in 2025 was supported inter alia by sustained AI-led investment in technology, accommodative fiscal and monetary policies and relatively favourable financial conditions, largely offset by headwinds from high trade barriers and heightened global uncertainty.

India continued to be one of the fastest-growing major economies in FY26, with Real GDP growth of 7.6% (vs 7.1% in FY25) as per RBI estimates. Domestic economic activity remained resilient, particularly in the second half of the year, supported by private consumption, improving rural and urban demand conditions, income tax rate cuts, GST rate rationalisation and monetary easing. Headline inflation eased in the first half of the year, driven by benign food inflation supported by higher domestic production and favourable monsoons. However, inflation (CPI) firmed up in the second half, reaching 3.4% in March 2026, reflecting uptick in food prices and higher global energy prices following disruptions in West Asia.

India's macroeconomic outlook remains relatively resilient with Real GDP projected to grow by 6.9% in FY27 as per RBI estimates. The economy is well poised for rapid growth over the

<sup>1</sup> As per IMF WEO April 26

---

medium term, supported by structural drivers such as a favourable demographic profile, rising affluence, rapid urbanisation, accelerated digital adoption and improved infrastructure & connectivity. Bilateral trade deals negotiated recently with the US, UK, the EU, New Zealand and Oman augur well for India's overall growth outlook.

The ongoing West Asia conflict has heightened concerns around India's energy security and imported inflation. A prolonged disruption, coupled with emerging El Niño conditions that could weaken monsoons and intensify heatwaves, poses risks to growth, inflation and the Current Account. These factors may also have second-order impacts on consumer sentiment and demand conditions and remain key monitorables in the near term.

The Company delivered a resilient performance during the year amidst a challenging macroeconomic and operating environment. Overall, for FY26, Gross Revenue at Rs. 80867.49 cr. increased by 10.1%, while EBITDA increased by 4.9% to Rs. 25208.22 cr. In the second half of the year, Gross Revenue and EBITDA grew by 12.2% and 7.5%, respectively. Profit Before Exceptional items and Tax for the year stood at Rs. 26951.47 cr. Earnings Per Share for the year stood at Rs. 16.20 (previous year Rs. 16.07).

***Please refer to the quarterly Press Release and Investor Presentation uploaded on the Corporate Website for detailed segment wise update.***

1. Quarterly Press Release: <https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/march-2026/ITC-Press-Release-Q4-FY2026.pdf>
2. Investor Presentation: <https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/march-2026/ITC-Quarterly-Result-Presentation-Q4-FY2026.pdf>

**Q6. What has been the impact of the unprecedented increase in taxes on cigarettes w.e.f 1<sup>st</sup> February 2026?**

It may be recalled that relative stability in taxation over the past few years, coupled with deterrent enforcement actions, enabled the legal cigarette industry to recover volumes lost to illicit trade during the years of high incidence of taxation. This also resulted in the concomitant increase in demand for Indian tobaccos, bolstering revenue to the Exchequer from the tobacco sector

As seen in earlier years, punitive taxes on the legal cigarette industry have resulted in rapid growth of illicit cigarette trade. India is already the 4<sup>th</sup> largest illicit cigarette market globally according to Euromonitor estimates. It is estimated that illicit cigarette trade causes a loss of appx. Rs. 23,000 cr. p.a. to the Exchequer and accounting for about 1/3rd of the legal industry. It is pertinent to note that illicit trade tends to get embedded in the ecosystem, posing serious challenges to public health and law enforcement; this is borne out by past experience in India and in other regions with high tax incidence.

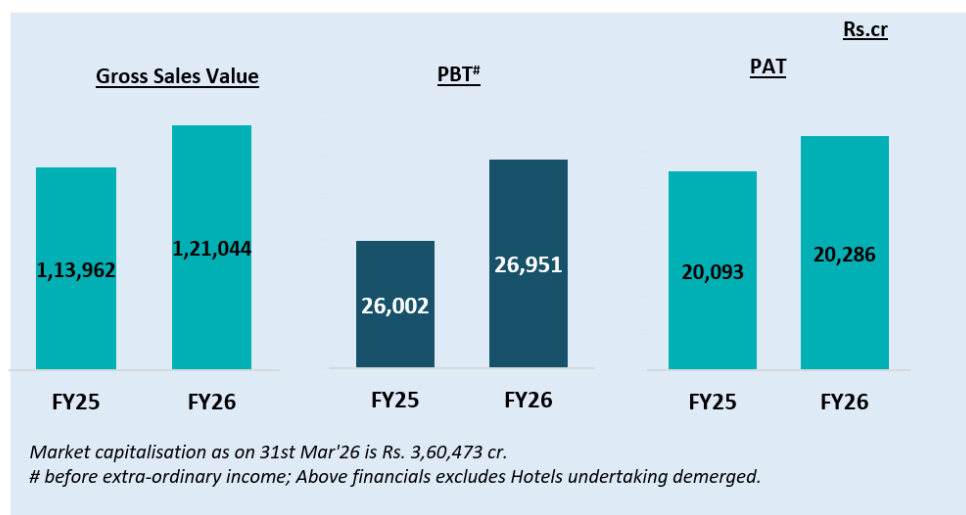
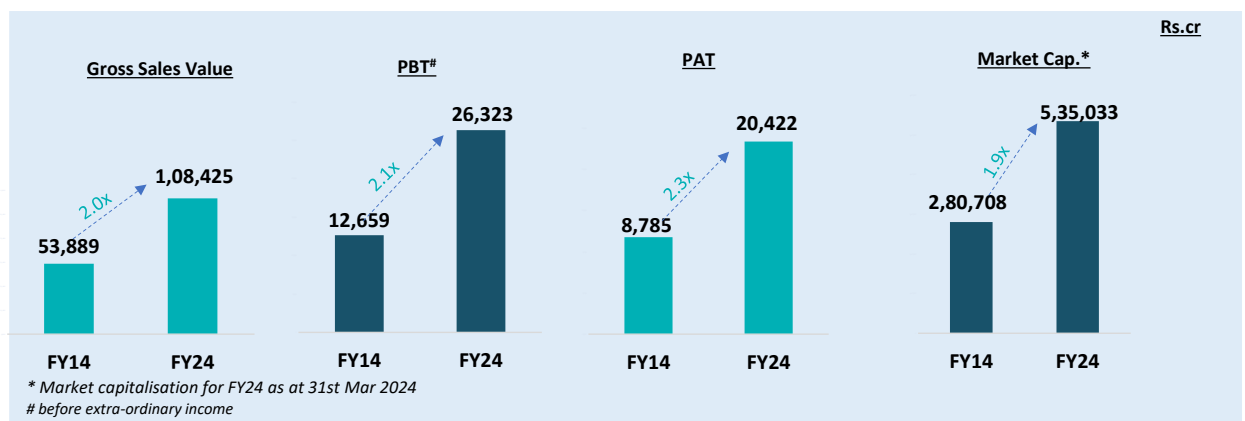
The recent unprecedented increase in tax incidence on cigarettes will enhance the tax arbitrage opportunities for unscrupulous players and potentially provide further impetus to

illicit trade and adversely impact millions of farmers, MSMEs, retailers, local value chains nurtured by the industry, thereby sub-optimising the revenue potential of the tobacco sector. The Business has adopted following strategic approach to mitigate impact of unprecedented increase in tax incidence on cigarettes:

- Staggered and agile pricing actions to minimise risk of significant volume shift to illicit trade & consequent revenue loss to the Exchequer
- Re-architecting the product portfolio leveraging diverse range of powerful trademarks

The Business continues to respond with speed & agility and has taken several steps in the past couple of months to fortify its portfolio and sustain market standing.

**Q7. What has been the financial performance track record of the Company over the last decade?**



**Q8. What has been the performance track record of the Company over the medium term?**

- The performance of all operating Businesses of the Company over last six years period (between FY20 and FY26) is as follows:
  - **FMCG-Others segment:** Segment Revenue grew at a CAGR of 11% and Segment Results grew at CAGR of 27%

- 
- **FMCG – Cigarettes segment:** Net Segment revenue grew at CAGR of 7% and Segment Results grew at CAGR of 6%
  - **Agri Business segment:** Segment Revenue and Results grew at CAGR of 12% and 11% respectively
  - **Paperboards, Paper & Packaging segment:** The recent performance has been impacted by low priced Chinese & Indonesian supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices. Notwithstanding such challenges Segment Revenue grew at a CAGR of 6%.

**Q9. Please provide some dimensions of the Company's transformation in the FMCG-Others segment over the years.**

The Company remains focused on rapidly scaling up the FMCG businesses anchored on strong growth platforms and a future-ready portfolio powered by purpose-led brands and supported by agile innovation leveraging the robust R&D platforms of ITC Life Sciences and Technology Centre (LSTC). In addition to fortifying their core portfolio, the Businesses continue to address adjacent growth opportunities by leveraging the 30+ powerful mother brands established over the years. Simultaneously, the Businesses continue to make strategic investments in building categories of the future and establishing the Company's 'right to win' by progressively scaling up those nascent categories where beachheads have been created.

The FMCG Businesses continue to create structural competitive advantages and enhance profitability by leveraging world-class distributed manufacturing and logistics infrastructure, multi-channel distribution network and newer routes to market, smart buying & value engineering and smart manufacturing on the twin pillars of Digital and Sustainability. ITC's FMCG-Others Segment has grown manifold in scale, diversity of portfolio and in terms of resources deployed, as shown in next page:

	2001-02		2025-26
<b>Diversity of Portfolio</b>	1	Categories	44+
	<100	SKUs	2900+
<b>Scale of Distribution</b>	3	Channels	10
	72K	Markets Served	1.7 lakh+
	0.75 Mn	Outlets Served	3 Mn+*
<b>Strength of Resources</b>	6	Factories	250+
	0.4 Mn sqft	Warehousing Space	5.7 Mn sqft
	0.1 Mn MT	Throughput	~2.7 Mn MT

\*Serviced directly. Total reach appx. 7 million outlets

**Q10. Please provide some insights on how the Company is strengthening its presence across distribution channels.**

- The Company continues to strengthen its deep & wide multi-channel distribution network and sharpen channel-specific strategies to efficiently service consumer demand across the country. Valuable insights of consumer behaviour and channel/region specific trends gained over the years continue to be leveraged to deliver superior performance in terms of product availability, visibility and freshness.
- Strategic portfolio augmentation leveraging agile and purposeful innovation continues to be stepped up towards addressing evolving consumer needs and accelerating premiumisation. NewGen channels (viz. e-Commerce, Quick Commerce, Modern Trade) witnessed robust growth on the back of sharp execution of channel-specific joint business plans, collaborations, format-based assortments and category-specific sell-out strategies.
  - In line with the Company's multi-channel Go-to-Market strategy, market coverage was stepped up to appx. 2.1x of pre-pandemic levels. In rural markets, direct reach enhancement was supported through a hub and spoke distribution model with the continued expansion of rural stockists network.
  - E-Commerce sales witnessed rapid growth driven by account specific strategies, new product introductions and customised supply chain solutions; collaborations with leading e-Commerce and Quick Commerce platforms on all aspects of operations viz. category development, supply chain, consumer offerings and customer acquisition has enabled it to significantly scale-up sales in these channels. Digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now account for 34% of

---

the Company's FMCG<sup>3</sup> portfolio (Vs. 17% in FY 2019-20). Presence in the Food Service and Institutional channels continues to be scaled up by leveraging existing partnerships and enhancement of product range.

- The Company's digitally powered eB2B platform, UNNATI, has been rapidly scaled up during the year, covering over 8 lakhs outlets. UNNATI facilitates sharp and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, thereby deepening brand engagement and strengthening the trade ecosystem.
- Multi-pronged interventions continue to be made to accelerate growth across categories leveraging the Company's strong growth platforms. The portfolio continues to be further augmented with sharper focus on fortifying the core categories, addressing value-added adjacent opportunities leveraging mother brands and scaling up new growth vectors. Appreciable progress has been witnessed in these newer categories, which continue to be scaled up.
- Focused investments continue to be made to enhance distribution infrastructure and drive penetration across markets. Significant investments in capability augmentation in emerging channels (Quick commerce, e-Commerce and Modern Trade) is being made to enable portfolio premiumisation and enhance market standing.
- Over the years, the Company has made significant investments in setting up state-of-the-art Integrated Consumer Goods Manufacturing and Logistics facilities (ICMLs) proximal to large demand centres. These facilities are at the heart of the Company's strategy to create structural advantage by enhancing product freshness, elevating market agility, minimising the cost of servicing proximal markets, enabling scalability, while also setting new benchmarks in safety and product quality. The Company continues to leverage the benefits of the state-of-the-art Ancillary Manufacturing cum Logistics Facilities (AMLFs) at Pudukkottai, Kapurthala and Panchla. These state-of-the-art automated facilities are co-located with the ICMLs and provide several structural advantages including inventory optimisation, delayering operations and lowering cost of market servicing.
- The Company continues to leverage the integrated planning and supply chain tool, powered by best-in-class algorithms for inventory optimisation and productivity enhancement to significantly improve supply chain agility and market servicing through enhanced forecast accuracy

---

<sup>3</sup> Excluding Education and Stationery Products

**Q11. In the FMCG-Others Segment, please provide an overview of ITC’s scale, offerings, Brands and market standing.**

The Company’s vibrant portfolio of over 30 world-class Indian brands, largely built through an organic growth strategy in a relatively short period of time, represents an annual consumer spend of over Rs. 37000 crores in FY26. To illustrate, the market standing of some of ITC’s brands is as follows:

Brand	Offerings	Market Standing
	- Staples (Atta, Spices, Salt), Fresh Dairy, Ghee & RTE	#1 in Branded Atta
	- Biscuits & Cakes	#1 in Cream Biscuits
	- Bridges, Potato chips & Namkeens	#1 in Bridges
	- Noodles & Pasta	#2 in Noodles
	- Educational & Stationery products	#1 in Notebooks
	- Matches, Dhoop & Agarbatti	#2 in Incense Sticks

**Other Key Brands:**



**Q12. How does the Company choose new categories in the FMCG space? Which are the new categories it has forayed into in recent years?**

The choice of category is guided by its growth prospects, profitability profile and the ability of the Company to effectively leverage its institutional strengths with a view to achieving leadership status within a reasonable time frame. Synergies with existing categories in terms of overlap of distribution reach, brand extension possibility, procurement efficiencies, etc. are considered while choosing new categories.

The Company continues to scale-up presence in value-added adjacencies leveraging powerful mother brands and invest in categories of the future.

In the Branded Packaged Foods Businesses, Chocolates, Dairy, Coffee and Frozen Foods are some of the areas that the Company has entered into over the last few years. In line with the Company’s commitment to fostering nutrition, health and wellness, the Business has launched a range of nutrition dense products under the ‘Right Shift’ brand to address the nutritional needs of consumers over 40. The portfolio has been curated using natural and proprietary ingredients developed at the ITC Life Sciences & Technology Centre. In the

---

Personal Care Products Business, the Business has successfully entered the Hygiene space with the acquisition of 'Savlon' brand a few years ago and the 'Nimyle' brand in the Floor Cleaner segment.

**Q13. Is the Company open to making acquisitions in order to accelerate growth in the FMCG segment?**

ITC examines prospects for inorganic growth that arise from time to time not only in this business segment but also in the other businesses, guided by considerations such as strategic fit, valuation, financial viability and ease of integration.

In recent times, the Company has acquired Brands such as 'Savlon' and 'Nimyle' to strengthen its presence in Personal Care Products Business. In July'20, the Company **acquired 100% of the equity share capital of M/s Sunrise Foods Private Limited** (Sunrise), an Indian company primarily engaged in the business of spices under the trademark 'Sunrise'.

Fortifying its presence in the 45,000 crores, fast growing, nutrition-led healthy foods space, the Company made a strategic investment in M/s. Sproutlife Foods Private Limited (SFPL), a D2C start-up engaged in the manufacture and sale of innovative products catering to health-conscious consumers under the clean label, new-age digital-first brand 'Yoga Bar'. The Company currently holds 47.5% stake in SFPL and will acquire 100% stake in the entity in 2026.

Further, in line with the ITC Next Strategy of building a future ready portfolio, accelerating growth and enhancing competitiveness, several value accretive acquisitions were announced in the FMCG space viz. M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo). In FY26, the Company completed acquisition of 100% share capital of Sresta Natural Bioproducts Private Limited.

These interventions are expected to augment the Company's presence and market standing in high-growth and future-facing businesses.

The digital-first and organic portfolio — comprising Yoga Bar, Mother Sparsh, Prasuma & Meatigo, and 24 Mantra—continues to deliver strong growth momentum, with revenue increasing by 60% YoY (for the year) and ARR<sup>4</sup> clocking over ₹1,350 crore.

The Company shall continue to pursue opportunities for inorganic growth that are value-accretive and synergistic.

**Q14. (a) Please update on the margin expansion trajectory in the FMCG-Others segment.**

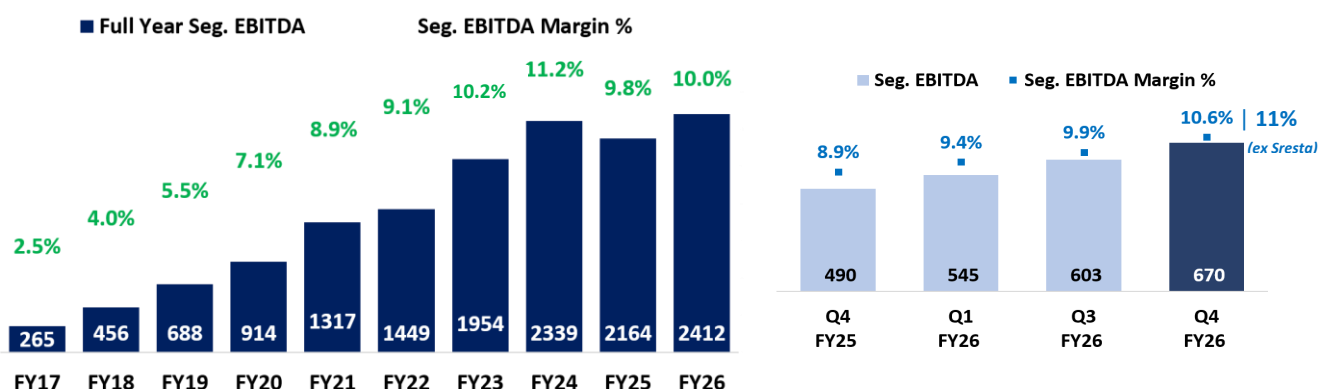
As evident from the chart below, the **Segment EBITDA margin** of the FMCG-Others segment has been on an upward trajectory and has **expanded by ~862 bps (between FY17 to FY24)**. Margin expansion was driven by multipronged interventions viz. premiumization, supply chain optimization, digital interventions across the value chain and strategic cost management.

Sharp escalation in cost of key inputs (viz. edible oil, wheat, maida, potato and cocoa) especially in the second half of FY25 exerted pressure on margins. The inflationary pressures were partially mitigated through focused cost management, portfolio premiumisation,

---

<sup>4</sup> Annual Revenue Runrate

supply chain agility, digital interventions and calibrated pricing actions, leading to a progressive improvement in margins during FY26. In Q4 FY26, Segment EBITDA margin stood at 11% (ex Sresta) up 200 bps YoY.



The prices of key input materials increased towards end of the quarter amidst West Asia conflict; however, the impact is being proactively mitigated through focused market interventions, supply chain agility, cost management and judicious pricing actions.

Please refer to the Investor Presentation for further details:

<https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/march-2026/ITC-Quarterly-Result-Presentation-Q4-FY2026.pdf>

**(b) Please provide an overview of the margin profile of the Branded Packaged Foods Businesses and the Personal Care Products Business.**

The Branded Packaged Foods Businesses of the Company comprise ‘Staples & Meals’, ‘Snacks’, ‘Dairy & Beverages’, ‘Biscuits & Cakes’ and ‘Chocolates, Coffee & Confectionery’. These Businesses **have evolved over a period of time and are currently at different stages of their lifecycles**. As such, the revenue dimensions, cost structures and profitability profiles of each of these businesses are distinct from one another. For example, **EBITDA margins of the more mature categories in the portfolio are either in early double digits or in the mid-to-high single digit range** whilst margins of other nascent categories are lower, reflecting scale of investments towards category development and brand building.

The Personal Care Products Business comprise ‘Personal Wash & Hygiene’, ‘Health’, ‘Fragrances’, ‘Home Care’, ‘Skin Care’ and ‘Talc’ categories. The Company continues to **make significant investments** in this Business primarily in the **area of brand building, R&D and product development** towards competing effectively with incumbent players comprising firmly entrenched MNCs and domestic companies.

Presently, each category is **operating at industry benchmarked gross margins**. With enhanced scale and consumer franchise, each category is expected to earn best-in-class EBIT margins progressively over the medium-term.

**Q15. Please provide an overview of other Operating segments**

AGRI No 1. Agri business Player	Paperboards, Paper & Packaging Clear Market Leader
<ul style="list-style-type: none"> <li>▪ <b>Leading Agri Business</b> player in India</li> <li>▪ <b>Pioneer</b> in rural transformation (<i>e-Choupal</i>)</li> <li>▪ <b>Digitising Agri value chain with</b> ITCMAARS – a crop-agnostic ‘phygital’ full stack AgriTech platform</li> <li>▪ <b>Largest procurer of Wheat</b> after FCI</li> <li>▪ No 1. leaf tobacco exporter in India</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>No. 1</b> in Revenue</li> <li>▪ <b>World-class</b> Environmental Performance</li> <li>▪ <b>Best-in-Class</b> financial &amp; operating metrics</li> <li>▪ <b>Leader</b> in Value Added Paperboards</li> <li>▪ One stop shop for packaging solutions</li> </ul>
<ul style="list-style-type: none"> <li>▪ <b>Best-in-class</b> profitability</li> <li>▪ <b>Sourcing &amp; Supply</b> operations in <b>22</b> states</li> <li>▪ <b>Delivering competitive advantage</b> to ITC’s Foods Business through distinctive sourcing capabilities</li> <li>▪ <b>World-class</b> processing facilities</li> <li>▪ <b>Focus on scaling up Value-added segment</b> (<i>Spices, Coffee, Aqua, MAPE, etc.</i>)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Integrated Operations</b> (BCTMP <i>first-of-kind in India</i>)</li> <li>▪ <b>Secure, sustainable &amp; cost competitive fibre base</b> (<i>Cumulative plantations ~14.8 lakh acres</i>)</li> <li>▪ <b>More than 50% of energy</b> consumption from <b>renewable sources</b></li> </ul>

**Q16. Please provide an update on the performance of the other Operating segments for Q4 FY26**

- **Agri Business Segment** performance impacted due to geopolitical disruptions, timing difference and high base effect. Exports relatively subdued during the quarter due to West Asia conflict led disruptions. Business continued to focus on market development and scaling up business leveraging structural capabilities (sourcing, processing, customer relationships).

Exports of Nicotine & Nicotine derivative products witnessed rapid scale up during the quarter leveraging state-of-the-art<sup>5</sup> facility at Mysuru

- **Paperboards, Paper & Packaging Segment** performance has shown continued improvement, with profits up 24% QoQ and 21% YoY. Wood prices witnessed moderation amidst improved availability.

Influx of low-priced imports into the country, particularly from China, Indonesia and Chile, has been a source of threat to the domestic Paper and Paperboard industry in recent years. The imposition of Minimum Import Price (MIP) on Virgin Multi-layer Paperboard w.e.f. 22<sup>nd</sup> August 2025, provided interim relief to the industry, with import volumes progressively declining thereafter. However, suitable safeguard measures are needed at a policy level to enable the Indian industry to compete on a level playing field. Representations are being

<sup>5</sup> Set up by ITC IndiVision Ltd. – a wholly owned subsidiary of the Company

---

made by the Indian industry with the policy makers in this regard, which are under active consideration.

**Q17. What does the segment “Others” represent? Please provide an overview.**

**Others Segment** includes ITC Grand Central Hotel, Mumbai (managed by ITC Hotels Ltd.) and FoodTech Business.

**FoodTech Business**, a new vector of growth envisioned in the ITC Next strategy, leverages the Company’s institutional strengths in Foods Science & Manufacturing, FMCG Food brands and Culinary expertise to tap into the fast-growing online food services segment. A delectable range of cuisines is today being offered under 4 brands - ‘**ITC Master Chef Creations**’, ‘**ITC Aashirvaad Soul Creations**’, ‘**ITC Sunfeast Baked Creations**’ and ‘**Sansho by ITC Master Chef**’. The initiative has scaled up rapidly in a capital-efficient manner since inception, setting new benchmarks in culinary innovation and tech-enabled operations. FY’26 GMV has doubled YoY to ~Rs.220 cr. (FY25 GMV appx. Rs.105 cr.). The full-stack food-tech platform has already scaled up to 70+ cloud kitchens across 5 cities and is now being progressively introduced across India.

**Q18. Please provide an overview of the Capex plan of the Company.**

The Company’s capex plans **are directed primarily towards capacity gearing, productivity enhancement, ensuring the highest standards in quality and environment, health & safety, and R&D.**

In the FMCG-Others segment, in recent years, the Company has been investing behind setting up **state-of-the-art owned integrated consumer goods manufacturing and logistics facilities (ICMLs)** across regions in line with demand projections. These ICMLs provide structural advantages such as enhancing market responsiveness, reducing the cost of servicing proximal markets, ensuring delivery of fresher products to the market and providing heightened focus on product hygiene, safety and quality. Currently, **twelve ICMLs have been operationalised.** Going forward, over the next few years, additional investments in these ICMLs will be largely through equipment lines on a modular basis in line with demand growth.

The major items of capital expenditure in the **Paperboards, Paper and Packaging segment** going forward comprise investments for gaining structural cost advantages in the segment and capacity augmentation for Value added Paperboards in line with the growth needs of the Business.

**Q19. Is the Company open to making acquisitions in order to accelerate growth in the Other segment?**

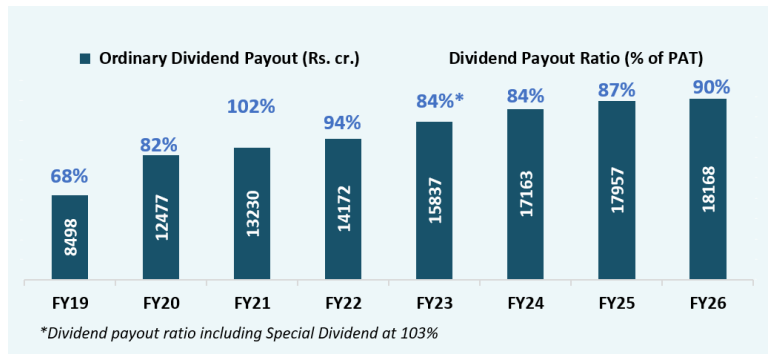
In Paperboards, Paper & Packaging Segment, the Company has entered into a Business Transfer Agreement to acquire the Pulp and Paper Undertaking of Aditya Birla Real Estate Limited (Century Pulp and Paper). The acquisition will immediately add significant scale and economies to existing operations with potential for further capacity expansion, provide locational advantage for efficient customer servicing and proximity to key raw material

sources, mitigate operational risks through multi-site operations and enhance resilience across industry cycles through portfolio diversification

The acquisition is also expected to strengthen the market standing of the Company's Paperboards and Specialty Papers Business and engender new opportunities in the domestic and international markets. The acquisition aligns with the Company's strategy of driving the next horizon of growth in the Paperboards and Specialty Papers Business by expanding capacity at a new location considering that the existing facilities are already saturated.

**Q20. What is the Dividend policy of the Company? What has been the trend of dividend pay-outs in recent years?**

As per the Dividend Distribution policy approved by the Board of Directors on 18th March, 2020, effective financial year 2019-20, in the medium term, the dividend pay-out ratio is expected to be around 80% to 85% of the Profit After Tax of the Company. The Board may declare interim dividend(s) at its discretion. The Board of Directors of



the Company have recommended to the shareholders for their approval a Final Dividend of Rs.8.0 per share for the financial year ended 31st March, 2026. Together with the Interim Dividend of Rs. 6.50 per share paid on 27th February, 2026, the total Dividend for the financial year ended 31st March, 2026 amounts to Rs. 14.5 per share (previous year: Rs.14.35 per share). Total cash outflow on account of Dividend (including Interim Dividend of Rs. 8144 crores paid in February 2026) will be Rs.18167.57 crores.

**Refer chart above for Dividends in the last 7 years.**

Please refer to the following link for the Dividend Distribution policy of the Company. <http://www.itcportal.com/about-itc/policies/dividend-distribution-policy.pdf>

**Q21. Please explain the Company's 'Triple Bottom Line' philosophy & Environment, Social &**

**Gross Sales Value**  
**₹1,21,044 cr.**  
For the year ended 31st March, 2026

**Amongst the Top 3**  
Contributors to the Exchequer in the private sector in India over the years

**Free Cash Flow Highest**  
in the FMCG industry

**ITC's FMCG Products reach over 280 million households in India**

**An Exemplar in Triple Bottom line performance**

**Governance (ESG) credentials.**

\*Gross Sales Value (GSV) for continuing business (excl. Hotels business)

---

ITC believes that when enterprises make societal value creation an integral part of their corporate strategy, powerful drivers of innovation emerge that make growth more enduring for all stakeholders. At ITC, this paradigm is called 'Responsible Competitiveness' - an abiding strategy that focuses on extreme competitiveness but in a manner that replenishes the environment and supports sustainable livelihoods.

The Company's innovative business models synergise the building of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making the Company a global exemplar in 'Triple Bottom Line' performance. The Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 24 years), 'carbon positive' (for 21 years), and 'solid waste recycling positive' (for 19 years). With its bold Sustainability 2.0 agenda, ITC is setting the bar higher and remains committed to making meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar. This approach has enabled the Company and its businesses, to support sustainable livelihoods for nearly nine million people.

ITC has sustained its 'AA' rating for the 8th successive year by MSCI-ESG. Further, your Company continued to feature in the Dow Jones Best-in-Class (DJ BIC) Emerging Markets Index - a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet. In FY26, the Company continued to be part of the prestigious 'A List' for CDP Water and retained its 'Leadership Level' score of 'A -' in CDP Climate Change. In addition, the Company achieved a 'Leadership Level' score of 'A' for CDP Forest, earning inclusion in the 'A List' in its first year of participation

In the area of water stewardship, the Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard, which is a credible, globally applicable and recognised framework for ensuring sustainable water management within the wider water catchment context. The Kovai unit of the Company is the first site in India and the first paper mill in the world to achieve the highest Platinum rating under AWS. Further, the Kapurthala unit of Foods Business and Bhadrachalam paper mill recently achieved Platinum level certification under AWS. With this, 9 units of the Company have achieved Platinum level certification under AWS till date.

Further, ITC Sankhya, Bengaluru became the world's first Data Centre to achieve LEED Zero Carbon certification by the USGBC making it an icon of environmental stewardship.

Refer link below for highlights:

<https://itcportal.com/content/dam/itc-corporate/pdfs/financial-result/quarterly-results-2025-2026/march-2026/ITC-Quarterly-Result-Presentation-Q4-FY2026.pdf>

The Company is actively working towards its Sustainability 2.0 agenda which calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy. With its bold Sustainability 2.0 ambitions, the Company is setting the bar higher with a multi-dimensional contribution to societal value creation, and remains committed to making a meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar.

---

To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of sustainability policies and is being implemented across the organisation. The Company is also strengthening the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. Sustainability 2.0 broadly captures the theme of reducing resources utilisation, recycling, restoring the environment and replenishing. The Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.

In addition to the 2030 targets, ITC is enhancing its long-term climate-related goals by committing to achieve 'Net Zero Operations' by 2050 which will entail decarbonisation of its scope 1 and scope 2 emissions i.e., electrical and thermal energy-related emissions in own operations. Additionally, the Company will continue to collaborate with its extended ecosystem for facilitating decarbonisation of emissions across the value chain (scope 3 emissions) as well as setting up systems for monitoring scope 3 emissions in line with emerging standards.

The Company's Sustainability Report for FY 2024-25, in addition to conforming with Global Reporting Initiative (GRI) Standards, is also aligned with the requirements of the International Framework developed by the International Integrated Reporting Council.

**Please refer to the following link**

- **Sustainability Report:**

<https://www.itcportal.com/sustainability/itc-sustainability-report-2025/itc-sustainability-report-2025.pdf>

- **ITC Sustainability at a glance:**

<https://www.itcportal.com/sustainability/index.aspx>

**Q22. Please provide a brief on ITC's Digital journey.**

ITC continues to build a dynamic 'Future-Tech' enterprise powered by state-of-the-art digital technologies and infrastructure ('Mission DigiArc') across the value chain adding significant impetus to digital marketing, digital commerce, digital products and digital operations. The DigiArc ecosystem today encompasses 250+ factories, 52 warehouses, over 3,500 distributors and ~3 million retailers driving real-time, data-led intelligence across the extended enterprise.

The FMCG Businesses continue to leverage digital capabilities to generate sharper consumer insights, deepen consumer engagement and strengthen brand loyalty. Strategic interventions continue to be made towards delivering delightful brand experiences seamlessly using an 'Always On' approach across touchpoints through personalised journeys mapped to individual needs, preferences and context.

Cutting-edge digital technologies including AI, GenAI, Industry 4.0 and industrial Internet of Things (IoT) continue to be deployed to strengthen Company's real-time operating and execution platforms, enhance productivity, and drive efficiency and cost agility. These initiatives are anchored on key pillars such as synchronised planning and forecasting, agile and resilient supply chains, smart buying and value engineering, smart manufacturing and

---

smart demand capture and fulfilment. Strategic investments have also been stepped up to build integrated insight platforms by harmonising and connecting large, previously fragmented datasets, powered by AI/ML technologies and supported by human-centred design and visualisation tools, thereby enabling sharper and more agile decision-making.

Towards enhancing the competitiveness of domestic agri-value chains, strengthening market linkages and building traceable & climate smart value chains, the Company has successfully scaled up ITCMAARS – a crop-agnostic full stack AgriTech digital platform, together with a physical ecosystem, across 11 states. The ITCMAARS ‘Phygital’ platform now spans more than 2,184 Farmer Producer Organisations (FPOs) encompassing ~2.6 million connected farmers and several industry partners including agri input manufacturers, banks, financial institutions and agri-tech startups. By synergistically integrating NextGen agri technologies, ITCMAARS is developing a robust ecosystem to seamlessly deliver hyperlocal and personalised solutions to the Indian farming community leveraging world-class digital tools (including IoT) to develop new and scalable revenue streams, strengthen sourcing efficiencies and power the Company’s world-class Indian brands.

The Company’s TM&D vertical continues to remain at the forefront of leverage cutting-edge digital technologies and building a digital ecosystem to drive productivity, improve market servicing, draw actionable insights for sharp-focused interventions, augment sales force capability and deepen connect with retailers. Technology enablement in the form of customised mobility and routing solutions, machine learning algorithms, data science models, data analytics comprising insightful visualisation tools and predictive analysis are being increasingly leveraged to enable speedy and accurate data capture, enable real-time informed decisions and aid optimisation of trade & marketing inputs to enhance sales.



## Notes

