Enduring Value

Nation First: Sab Saath Badhein

ITC Limited

REPORT AND ACCOUNTS 2025

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Contents

The mnemonic is a celebration of this year's theme, 'ITC: Unleashing New Drivers of Growth & Competitiveness'. The green leaf depicts our overall sustainability philosophy, while the white arrowheads within it showcase our successful strides in all three sectors of the economy — agriculture, manufacturing and services. The blue leaf speaks of the innovation mindset that forms the bedrock of ITC's endeavours, and the white lines within it depict our commitment to science, cutting-edge technologies and a foundation of continuous research and development.

The 11 petals on top represent the 11 thriving businesses of the ITC Group, powered by digital adoption across all sectors, as seen in the semi-circular bands below them. The crest of the mnemonic depicts our focus on inclusion, diversity and inspired talent.

ITC: Unleashing New Drivers of Growth & Competitiveness

The world we live in is marked by challenges emanating from geo-political conflicts, uncertainties in global trade and the accelerating climate crisis. Compounding this is the unprecedented rate of digital advancement. These factors are redefining the competitive landscape, compelling enterprises to reframe strategies to stay future-ready.

Recognising the challenges, the **ITC Next** strategy was articulated to scale the next horizon of competitiveness and growth. Strong structural drivers have been put in place to unleash new vectors of growth.

Future-ready Portfolio ITC's FMCG businesses continue to build their future-ready portfolio of differentiated products to address evolving needs of consumers. It has envisioned a three-horizon growth strategy that focuses on enhancing its leadership in core businesses, addressing adjacencies and nurturing categories of the future. Through purposeful innovation, premiumisation and personalisation, the Company has strengthened its presence across Branded Packaged Foods, Cigarettes, Personal Care Products, Education & Stationery Products, and Matches and Agarbattis.

ITC's Agri Business is defining NextGen Agriculture through ITCMAARS, the phygital ecosystem, Value-Added Agri Products and building climate-resilient value chains.

The Paperboards, Paper and Packaging Businesses are expanding their sustainable solutions through innovations that provide eco-friendly alternatives to single-use plastics. ITC has reinforced its leadership in the Value-added Paperboard (VAP) segment by developing customised solutions for end-use industries.

Value-Accretive Acquisitions ITC is proactively exploring value-accretive inorganic opportunities as an additional driver of growth. Several acquisitions were announced recently, including Ample Foods (Prasuma and Meatigo), M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods) and Mother Sparsh. A Business Transfer Agreement was signed to acquire Century Pulp & Paper. These new vectors offer strong strategic fit and complement ITC's portfolio while offering significant headroom for growth.

Resilient Supply Chains ITC has built agile and resilient supply chains anchored in local agri sourcing and strategically located manufacturing hubs. The Company's Integrated Consumer Goods Manufacturing and Logistics (ICMLs) facilities are icons of manufacturing excellence and leverage smart manufacturing, automation and Industry 4.0 technologies to provide structural competitiveness.

Harnessing Digital, Sustainability & Enterprise Strengths
ITC is also investing in new vectors of growth at the convergence of digital, sustainability and enterprise strengths. ITCMAARS, with Farmer Producer Organisations at the centre, is empowering farmers through personalised advisory, inputs and market linkages. The Company's FoodTech services delivered through cloud kitchens synergise ITC's strengths in Foods and Hotels as well as its Digital capabilities.

ITC has embraced a 'Digital First' culture, mainstreaming digital adoption across operations. Under 'Mission DigiArc', a next-generation digital architecture is being implemented across insighting, sourcing, manufacturing, trade marketing, logistics and consumer engagement.

Sustainability 2.0 Reimagining sustainability under the pressing challenges of climate change and social inequity, ITC has implemented a Sustainability 2.0 agenda to scale the next horizon of climate action, livelihood generation and community empowerment. ITC has also committed to achieving 'Net Zero Operations' by 2050, which will entail decarbonisation of its Scopes 1 & 2 emissions.

Inspired Talent Recognising that talent is one of the most important valuable assets in an organisation, ITC focuses on nurturing world-class talent and developing professional entrepreneurs with a growth mindset.

The following pages provide a glimpse into how ITC is enhancing its competitiveness, building resilience and unleashing new growth drivers.

ITC's Triple Bottom Line Contribution – Highlights

ECONOMIC

Gross Revenue: ₹ 73,465 cr

EBITDA: ₹ 24,025 cr

Among Top 3 Corporates in Private Sector in Terms of Contribution to Exchequer

11 Future-ready Businesses of the ITC Group across Agriculture, Manufacturing and Services

25+ World-class Mother Brands

250+ Factories

ENVIRONMENTAL

~52% of Energy consumed by ITC is from Renewable Sources

Plastic Neutral Since FY22

Pioneer in Green Buildings: 17 buildings with Platinum certification (USGBC/IGBC)

Watershed Development: Over 18 Lakh Acres Covered

Afforestation: Over 13 Lakh Acres Greened

9 Alliance for Water Stewardship Platinum Certified Sites

Climate Smart Agriculture: Over 31 Lakh Acres Covered

SOCIAL

Sustainable Livelihoods Supported: Nearly 90 Lakh

Women Reached through Multi-dimensional Programmes: Over 60 Lakh

ITCMAARS: Over 20 Lakh Farmer Registrations

Maternal & Child Health and Nutrition: Over 15.2 Lakh Covered

Support to Education: Nearly 22 Lakh Children Benefitted

Skilling: Over 1.2 Lakh Youth Trained

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC Group – Spanning Agriculture, Manufacturing & Services

FMCG

- Present in Branded Packaged Foods, Cigarettes, Personal Care Products, Education & Stationery Products, Agarbattis & Matches
- India's leading FMCG marketer
- Annual consumer spend of over Rs 34,000 crores
- Exports to over 70 countries

Agri Business

- One of India's leading Agri Business players
- Sourcing 35 lakh tonnes; supporting over 20 value chain clusters across 22 states
- Pioneer in farmer empowerment
- Exports to over 95 countries
- ITCMAARS covers over 2,050 FPOs; 20 lakh+ farmer registrations

Paperboards & Packaging Businesses

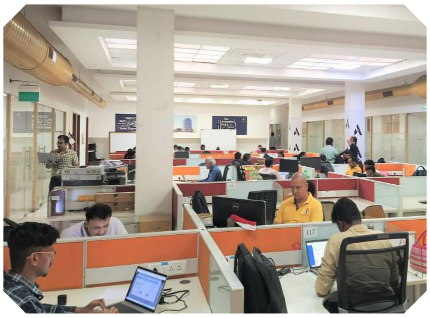
- Leader in the Value-added Paperboards segment
- Implementing sustainable solutions to substitute single-use plastic
- Contributing to 'Make in India' and import substitution
- Pioneer in Industry 4.0 technology adoption
- Anchoring local forestry value chains, enhancing green cover and supporting livelihoods

ITC Hotels Limited (Listed Entity)*

- Over 140 hotels in 90+ locations
- Pioneered the credo of 'Responsible Luxury'
- World's first 12 hotels to be LEED® Zero Carbon and first 9 hotels to be LEED® Zero Water certified are ITC hotels
- Embraced 'Asset-right' approach

ITC Infotech

- Wholly owned subsidiary of ITC Limited
- Leading global technology services & solutions provider
- Operating in 41 countries
- Blazeclan Technologies acquisition to accelerate growth



*Demerged and listed separately

ITC's Future-ready Portfolio

FMCG

ITC is building a future-ready FMCG portfolio by fortifying core brands, addressing value-added adjacencies and nurturing new growth drivers. These address evolving consumer needs across health and nutrition, hygiene, naturals, indulgence, convenience and sustainability. The Company is also leveraging purposeful innovation to offer premium, personalised and high-quality products.

Premium | **Health & Nutrition** | **Convenience** | **Hygiene & Natural** | **Indulgence**

ITC's Branded Packaged Foods

AASHIRVAAD

Sunfeast

Sunfeast FantastiK!

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC's Future-ready Portfolio

Personal Care Products

fiama

Vivel

Savlon

ENGAGE

NEEM nimyle FLOOR CLEANER

DERMAFIQUE
cell by cell

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC's Future-ready Portfolio

Education & Stationery Products

classmate
ENJOY LEARNING

Paperkraft

Matches & Agarbattis

MANGALDEEP
PREMIUM QUALITY INCENSE

AIM

Homelites

PRANAH

Value-added Agri Products

To accelerate growth in its Agri Business, ITC continues to scale up its Value-added Agri Portfolio straddling multiple value chains.

Value-added Paperboards

ITC has strengthened its leadership position in the Value-added Paperboards segment by developing customised solutions for end-use industries.

Driving Purposeful Innovation: ITC Life Sciences & Technology Centre

ITC's Life Sciences & Technology Centre (LSTC) is at the centre of driving innovation in emerging areas important for the future to strengthen the competitiveness of ITC's businesses and brands. ITC-LSTC's Centres of Excellence in Biosciences, Agri-sciences and Materials, and robust research platforms for Beauty & Hygiene, Health & Wellness, Agro-forestry & Crop Sciences and Sustainable Packaging Materials drive world-class innovations.

ITC: Nurturing Talent

ITC places strong emphasis on nurturing future-ready, world-class talent with a growth mindset. ITC's diverse pool of professional entrepreneurs, or 'proneurs', has the unique opportunity to nurture categories, products and brands from ideation to execution, akin to a startup, while being backed by the scale and institutional strengths of a diversified enterprise.

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC's Recent Value-accretive Acquisitions

ITC is pursuing value-accretive acquisitions to build a portfolio aligned with the evolving consumer needs and business landscape. The emphasis is on opportunities that offer a strong strategic fit, complement existing portfolios and present significant headroom for growth. The acquisitions focus on categories where ITC has a clear right to win, leveraging its enterprise strengths.

24 Mantra Organic

Scaling up ITC's presence in the fast-growing natural and organic foods space.

Prasuma

Building a full-stack Frozen, Chilled and Ready to Cook Foods Portfolio.

ITC: Unleashing New Drivers of Growth & Competitiveness

Century Pulp & Paper

ITC has signed a Business Transfer Agreement to acquire the Pulp and Paper undertaking of Aditya Birla Real Estate Limited, a strong strategic fit with ITC's Paperboards and Paper business.

Yoga Bar

Enhancing ITC's market presence in the 'Good for You' healthy snacking space.

Mother Sparsh

Enabling ITC's Personal Care Products Business to build a category of the future in the premium ayurvedic and natural baby care space.

Blazeclan Technologies

Augmenting ITC Infotech's capabilities to service customers in a multi-cloud and hybrid-cloud environment to accelerate growth.

blazeclan
An ITC Infotech Brand

New Growth Drivers at the Convergence of Digital, Sustainability & Enterprise Strengths

ITC is pursuing new growth drivers at the intersection of mega trends in digital and sustainability, leveraging its institutional strengths. The scaling up of the FoodTech services, ITCMAARS, as well as sustainable solutions to substitute single-use plastics exemplifies this approach.

FoodTech

ITC's FoodTech services synergise the Company's strengths in Foods and Hotels as well as Digital capabilities. Operating under 4 brands — 'ITC Master Chef Creations', 'ITC Aashirvaad Soul Creations', 'ITC Sunfeast Baked Creations', and the newly launched 'Sansho by ITC Master Chef' — ITC's FoodTech services are delivered through over 55 cloud kitchens in Bengaluru, Chennai, Hyderabad, Mumbai and Pune.

ITC: Unleashing New Drivers of Growth & Competitiveness

ITCMAARS

ITCMAARS

The Company has scaled up ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) — a crop-agnostic full stack AgriTech platform across 11 states. This 'phygital' ecosystem empowers the farming community by delivering AI/ML enabled personalised and dynamic advisory services, climate smart technologies as well as hyperlocal offerings, including market linkages, agri inputs and credit enablement.

Leveraging over 2,050 FPOs, **ITCMAARS** reaches out to more than 20 lakh farmers

Sustainable Solutions

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

Fyba

Unlocking a new paradigm in Sustainability. Moulded Fibre Products from ITC Fibre Innovations Limited

ITC has commissioned a state-of-the-art Moulded Fibre Products manufacturing facility in Madhya Pradesh to provide futuristic packaging solutions made from renewable natural fibres.

FiloPack, FiloServe, FiloTub, FiloBev, FiloBowl – Barrier-Coated Recyclable Paperboards

Indobowl

Replacing plastic containers in food delivery

wrap well

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

BIOSEAL Compostable Coating

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

eco byte

Made from responsibly sourced paper, coated with a compostable barrier, and built to handle food safely - Ecobyte makes it easier to serve with care

SIGN-UP Green

Paperboard offering that is a more sustainable alternative to plastic-based indoor advertising

ITC: Unleashing New Drivers of Growth & Competitiveness

Accelerated Digital Adoption

ITC's vision to be a FutureTech Enterprise is powered by '**Mission DigiArc**', a next-generation smart digital architecture based on a '**digital first**' culture.

DigiArc encompasses **250+ factories, 52 warehouses, over 3,500 distributors and 29 lakh retailers.**

ITC Green Centre in Kolkata that houses the ITC Infotech Global AI Centre of Excellence

Use of Digital at ITC

Farmer Empowerment
ITCMAARS

Agri Sourcing
Astra AI tool

Insights, Marketing and Content Creation
'Sixth Sense' Marketing Command Centre and Consumer Data Hub

Product & Process Optimisation in Manufacturing
Industry 4.0 technologies

Trade, Marketing & Distribution

- Unnati: B2B app for retailers
- PACE (Potential Unlocked): Providing customised outlet-level recommendations
- Lighthouse: Creating cutting-edge Data & Advanced Analytics capabilities
- m-Astra: Mobile based application — on-the-go actionables for the field team
- Vistaar: Enabling rural sales-force to sharp-target markets
- first Club: Enabling merchandisers to audit outlets by capturing key metrics for real-time action
- Vajra / Trishul: Empowering customers through an integrated digital platform

Logistics

- ZEN: Synchronises end-to-end planning to respond to market requirements
- drishti: Enabling live tracking of shipments

Smart Consumers

5 D2C channels

- Dermafique.com
- Aashirvaadchakki.com
- Engageshop.in
- Fiama.in
- Classmateshop.in

ITC: Unleashing New Drivers of Growth & Competitiveness

An Agile & Resilient Supply Chain

ITC ensures agility and resilience of its supply chains by sourcing raw materials largely from local agri value chains. In addition, the Company's 11 state-of-the-art Integrated Consumer Goods Manufacturing and Logistics (ICML) facilities are located strategically close to large demand centres and provide structural advantages to ITC's FMCG businesses by ensuring product freshness, enhancing agility and responsiveness, reducing cost by lowering distance-to-market, etc.

ITC's state-of-the-art Ancillary Manufacturing-cum-Logistics Facilities (AMLFs) at Pudukkottai, Kapurthala and Panchla provide several structural advantages including inventory optimisation, and delayering operations

Extensive Omni-Channel Distribution Network

ITC has nurtured a deep and wide omni-channel distribution network to enhance the availability across **70 lakh retail outlets covering length and breadth of India**. E-Comm, particularly Q-Comm, is the fastest growing channel for the Company.

ITC: Unleashing New Drivers of Growth & Competitiveness

ITC: Transforming Lives and Landscapes

Renewable Energy

Nearly 52% of ITC's energy is from renewable sources

Afforestation

Over 13 lakh acres greened

Water Stewardship

- 35,800+ water harvesting structures
- Demand side management: 18 lakh acres covered
- River basin rejuvenation

Climate Smart Agriculture

- 12 lakh farmers benefitted
- Over 31 lakh acres covered

Farmer Empowerment

- ITCMAARS: Over 2,050 FPOs supported
- 20 lakh+ farmer registrations

Biodiversity Conservation

Over 6.4 lakh acres conserved

Support to Women

Over 60 lakh women reached

Health & Sanitation

- **Maternal & Child Health and Nutrition:** Over 15 lakh beneficiaries covered
- Nearly 44,000 individual household toilets constructed

Support to Education

Nearly 22 lakh children covered

Skilling

Over 1.2 lakh youth trained

Green Buildings

Pioneering the green building movement in India with a portfolio of USGBC/IGBC Platinum-rated buildings

Solid Waste Management

- **Well-being Out of Waste:** Over 2.9 crore citizens covered
- Plastic Neutral since 2021-22

Net Zero Commitment

ITC has committed to achieve **Net Zero Operations by 2050**

Supporting Sustainable Livelihoods

ITC's businesses and value chains support **nearly 90 lakh** sustainable livelihoods

World-Class ESG Credentials

- Sustained 'AA' rating by MSCI-ESG for the 7th consecutive year
- Included in the Dow Jones Sustainability Emerging Markets Index for the 5th year in a row

ITC is the only company in the world to be **water positive**, **carbon positive** and **solid waste recycling positive** for nearly two decades

Board of Directors

Chairman & Managing Director

Sanjiv Puri

Executive Directors

Sumant Bhargavan

Supratim Dutta
(also Chief Financial Officer)

Hemant Malik

Non-Executive Directors

Hemant Bhargava
Alka Marezban Bharucha
Chandra Kishore Mishra
Siddhartha Mohanty
Shyamal Mukherjee
Anand Nayak
Alok Pande
Sunil Panray
Nirupama Rao
Ajit Kumar Seth
Atul Singh
Pushpa Subrahmanyam

Board Committees

Audit Committee

H Bhargava	Chairman
A M Bharucha	Member
C K Mishra	Member
S Mukherjee	Member
S Dutta	Invitee
N K Jasper (Head of Internal Audit)	Invitee
Representative of the Statutory Auditors	Invitee
R K Singhi	Secretary

CSR and Sustainability Committee

S Puri	Chairman
C K Mishra	Member
S Mohanty	Member
S Mukherjee	Member
A Pande	Member
S Panray	Member
N Rao	Member
A Singh	Member
R K Singhi	Secretary

Nomination & Compensation Committee

A Nayak	Chairman
S Puri	Member
A K Seth	Member
P Subrahmanyam	Member
R K Singhi	Secretary

Securityholders Relationship Committee

A K Seth	Chairman
S Dutta	Member
B Sumant	Member
R K Singhi	Secretary

Independent Directors Committee

H Bhargava	Member
A M Bharucha	Member
C K Mishra	Member
S Mukherjee	Member
A Nayak	Member
N Rao	Member
A K Seth	Member
P Subrahmanyam	Member

Corporate Management Committee

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

Executive Vice President & Company Secretary
Rajendra Kumar Singhi

General Counsel
Shanmuga Sundaram Angamuthu

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Telephone no. : 033 2288 9371

CIN : L16005WB1910PLC001985

ITC Corporate Website : www.itcportal.com

Your Directors

S. Puri

Sanjiv Puri (62), DIN: 00280529, is the Chairman & Managing Director of ITC Limited.

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

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

Spearheading the 'ITC Next' vision, Puri has driven an extensive strategy reset to define new vectors of growth for each business with greater focus on consumer-centricity, agility, resilience and inspired talent to build an even more competitive, future-tech, innovative, climate positive and inclusive enterprise. His emphasis on purposeful and cutting-edge innovation has led to the creation of sharp focused R&D platforms in areas aligned to market opportunities. Given his deep conviction that mega trends like Digital and Sustainability will reshape the future, Puri has passionately rallied the organisation to develop capabilities and channelise investments & resources to enhance competitiveness of existing businesses as well as identify tech-enabled growth opportunities. Lending new wings to ITC's credo of 'Nation First: Sab Saath Badhein', he has articulated an ambitious Sustainability 2.0 vision that addresses key issues such as climate change, circular economy and inclusive growth, enabling ITC to strengthen its contribution to a net-zero future and meaningfully support national priorities.

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

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

During the year, Puri was conferred with the 'AIMA - JRD TATA Corporate Leadership Award' by the All India Management Association (AIMA), and 'Sir Jehangir Ghandy Medal for Industrial and Social Peace' by XLRI Jamshedpur. In 2024, he was honoured with the 'Business Leader of the Year Award' by AIMA, 'Best CEO Award' by Business Today, and 'Transformational Leader Award 2022-23' by the Asian Centre for Corporate Governance and Sustainability; he also featured in the list of 'India's Best CEOs 2024' in the 'Diversified Conglomerate' category published by Fortune India. He has earlier been conferred with the 'IMPACT Person of the Year, 2020 Award' by exchange4media, a leading online news platform, 'Distinguished Alumnus Award of the year 2018' by the Indian Institute of Technology, Kanpur, and was also bestowed with an Honorary Doctorate by the XIM University, Bhubaneshwar.

Other Directorships

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

Committee Membership of other entities

Name of the entity	Committee	Position
ITC Hotels Limited	CSR and Sustainability Committee	Chairperson
	Nomination and Remuneration Committee	Member

S. Dutta

Supratim Dutta (58), DIN: 01804345, was appointed as a Wholetime Director on the Board of ITC effective July 22, 2022. He is also the Chief Financial Officer ('CFO') of the Company. He is, inter alia, responsible for Finance, Accounting, Internal Audit & IT Functions and also for the Investment Subsidiaries of the Company.

A qualified Chartered Accountant and Cost Accountant, Dutta joined ITC in November 1990. In a career spanning over three decades at ITC, he has held various senior roles in the finance function, both at the business and corporate level. Before becoming the CFO, he held the position of the Corporate Financial Controller of the Company, and prior to that, he was Executive Vice President - Corporate Finance in charge of the Corporate Treasury, Strategic Planning and Corporate Planning Functions of the Company. He has handled various aspects of finance including Planning, Treasury, M&A, Accounting, Taxation, IT, Investor Relations and business strategy. He has also served as a Member of the World Business Council for Sustainable Development CFO Network.

Dutta is a Member of the CII National Committee on Financial Reporting. During the year, he was honoured with the 'Group CFO of the Year - Large Enterprise Award' at the Economic Times CFO Awards 2025.

Other Directorships

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

Committee Membership of other entities

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

H. Malik

Hemant Malik (59), DIN: 06435812, was appointed as a Wholetime Director on the Board of ITC effective August 12, 2023. He is also the Divisional Chief Executive of the Foods Business Division of the Company. After completing his B.A. (Hons.) in Economics from Delhi University and M.B.A. from the Indian Institute of Management, Calcutta, he joined ITC in June 1989 from the campus and has more than 35 years of experience across multiple businesses of ITC, including Tobacco & Foods, and the TM&D Vertical.

Prior to becoming the Divisional Chief Executive of the Foods Business Division in October 2016, Malik was the Chief Executive of the TM&D Vertical from April 2016. He headed the All India Tobacco Sales function in 2001. He later assumed charge as the Head of Marketing of the then nascent Foods Business in April 2002, where he was instrumental in the launch and development of some of the key food brands of ITC including 'Aashirvaad', 'Sunfeast', 'Bingo!', 'YiPPee!' and 'Kitchens of India'. He was then given the responsibility to set up the new FMCG TM&D Vertical and was made the COO of TM&D in April 2008. He thereafter took over as the COO of Cigarette Brands and Supply Chain, India Tobacco Division ('ITD'), in August 2012, and was elevated as the Divisional Chief Executive of ITD in August 2015.

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

Malik does not hold directorship in any other entity.

B. Sumant

Sumant Bhargavan (61), DIN: 01732482, was appointed as a Wholetime Director on the Board of ITC effective November 16, 2018. He oversees the Paperboards, Paper and Packaging as well as the Personal Care and Education & Stationery Products Businesses of the Company. He also oversees the TM&D Vertical and the Central Projects Organisation. Sumant, an alumnus of the National Institute of Technology, Durgapur, joined ITC in January 1986, and has handled a wide range of responsibilities across several businesses.

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

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

Other Directorships

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

Committee Membership of other entities: Nil

H. Bhargava

Hemant Bhargava (65), DIN: 01922717, was appointed as an Independent Director on the Board of ITC effective December 20, 2021.

Bhargava holds a Post Graduate Degree in Economics from Lucknow University and has also completed Masters in Financial Management from the Jamnalal Bajaj Institute of Management Studies. He began his career in 1981 with the Life Insurance Corporation of India ('LIC') as its youngest Direct Recruit Officer and rose through the ranks to become the Chairman-in-charge and Managing Director of LIC in January 2019. In the same year, he was also appointed as the Non-Executive Chairman of IDBI Bank Limited and LIC Housing Finance Limited. During his career of 38 years, he has held a wide range of leadership roles both in India and overseas, gaining extensive experience across Marketing, International Operations and new business ventures. He has successfully led teams across the financial services spectrum and pioneered innovative marketing and sales campaigns. He also served on the Board of the Company from July 2018 to August 2021.

Other Directorships

Name of the entity	Position
SMC Global Securities Limited #	Independent Director
UGRO Capital Limited #	Independent Director
Wealth Company Asset Management Holdings Private Limited	Independent Director
Providence Life Limited, PCC, Mauritius *	Non-Executive Director

Committee Membership of other entities

Name of the entity	Committee	Position
SMC Global Securities Limited	Audit Committee	Member

Committee Membership of other entities (Contd.)

Name of the entity	Committee	Position
UGRO Capital Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

A. M. Bharucha

Alka Marezban Bharucha (68), DIN: 00114067, joined the ITC Board as an Independent Director effective August 12, 2023.

A Senior Partner at Messrs. Bharucha & Partners, Advocates & Solicitors, Mumbai, she chairs the Transactions Practice and her core areas of legal expertise include mergers & acquisitions, joint ventures, private equity and banking & finance. She completed her B.A. (Hons.) and L.L.B. from the University of Bombay and Masters in Law from the University of London. She is a Solicitor with the High Court of Mumbai and Supreme Court of England and Wales, and also an Advocate on Record with the Supreme Court of India. She began her career with Mulla & Mulla and Craigie Blunt & Caroe and joined Amarchand & Mangaldas as a Partner in 1992. In 2008, she co-founded Bharucha & Partners, which in the past has been ranked by RSG Consulting, London, amongst the top law firms in India. With over 30 years of experience, she has been ranked by Chambers Global, Legal 500 and Who's Who Legal amongst India's leading lawyers.

Other Directorships

Name of the entity	Position
UltraTech Cement Limited #	Independent Director
Hindalco Industries Limited #	Independent Director
Aditya Birla Sun Life Insurance Company Limited #	Independent Director
Orient Electric Limited #	Independent Director
The India Cements Limited #	Independent Director

Committee Membership of other entities

Name of the entity	Committee	Position
UltraTech Cement Limited	Nomination, Remuneration and Compensation Committee	Chairperson
	Audit Committee	Member
Aditya Birla Sun Life Insurance Company Limited	Audit Committee	Member
	Nomination and Remuneration Committee	Member
Orient Electric Limited	Stakeholders Relationship Committee	Chairperson
	Nomination and Remuneration Committee	Chairperson
	Audit Committee	Member
The India Cements Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

C. K. Mishra

Chandra Kishore Mishra (65), DIN: 02553126, was appointed as an Independent Director on the ITC Board effective September 14, 2024.

A Graduate in History from St. Stephen's College, Delhi, and Post Graduate Diploma holder in Media Law from the National Academy of Legal Studies and Research (NALSAR), Hyderabad, Mishra has also completed Advanced Leadership Programme from Australia and New Zealand School of Government, Australia.

Mishra is a retired IAS Officer with administrative experience of nearly 38 years. He joined the Indian Administrative Service in 1983 and during his long public service, he has served as an administrator, policy-maker and climate change strategist holding a wide range of assignments in the fields of environment, health, education, industry and power. As Secretary of the Ministry of Environment, Forest and Climate Change, Government of India ('GoI'), he spearheaded the Indian efforts for addressing climate change issues and policy interventions in matters relating to pollution & air quality. He led India's negotiations at important forums such as United Nations Framework Convention on Climate Change - COP (Conference of the Parties) for dealing with climate change, and was also instrumental in formulating two large programmes viz., National Clean Air Programme and India Cooling Action Plan. Prior to this, he was the Secretary of the Ministry of Health and Family Welfare, GoI, and also held additional charge of the Ministry of Ayush for some time, where he led one of the largest public health programmes globally viz., National Health Mission. He also led Mission Indradhanush and several other national programmes including the National Health Policy. He is involved with various international organisations and multinational companies addressing health and climate change issues, including as Member of the Senior Advisory Board of Exemplars in Global Health of Gates Ventures and Advisor to the Rockefeller Foundation.

Other Directorships

Name of the entity	Position
Shriram General Insurance Company Limited	Chairperson & Independent Director
Balrampur Chini Mills Limited #	Independent Director
Borosil Scientific Limited #	Independent Director
IPE Global Limited	Non-Executive Director
Raigad Pen Growth Centre Limited	Non-Executive Director
DCDC Health Services Private Limited	Non-Executive Director
Meradoc Healthtech Private Limited	Non-Executive Director

Committee Membership of other entities

Name of the entity	Committee	Position
Shriram General Insurance Company Limited	Nomination and Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member
Balrampur Chini Mills Limited	Audit Committee	Member
Borosil Scientific Limited	Audit Committee	Member

S. Mohanty

Siddhartha Mohanty (61), DIN: 08058830, was appointed as a Non-Executive Director on the Board of ITC effective January 1, 2025, representing LIC.

Mohanty is a Post Graduate in Political Science with a Bachelors Degree in Law and Post Graduate Certification in Business Management.

Mohanty retired as the Chief Executive Officer and Managing Director of LIC on June 7, 2025. During his career at LIC spanning nearly four decades, he has gained multi-dimensional experience across all domains of life insurance covering Marketing, Human Resources, Legal and Investments. He has held various important positions in LIC, including tenures as Senior Divisional Manager in-charge of Raipur and Cuttack Divisions, Regional Head of a marketing vertical in the Western Zone, Chief of Investments (Back Office), Executive Director (Legal) and Managing Director & Chief Executive Officer of LIC Housing Finance Limited. He was also designated as the Chairperson of LIC from April 2023 to June 2024.

Mohanty served as the Chairperson of the Council for Insurance Ombudsmen, President of the Insurance Institute of India, Chairman of the Governing Board of the National Insurance Academy, Pune, Chairman of the Executive Committee of the Life Insurance Council, and a Council Member of the Institute of Actuaries of India.

Other Directorships

Name of the entity	Position
Life Insurance Corporation of India #	Chief Executive Officer & Managing Director
LIC Housing Finance Limited #	Chairperson & Nominee Director
LIC Cards Services Limited	Chairperson & Non-Executive Director
LIC Mutual Fund Asset Management Limited	Chairperson & Non-Executive Director
LIC Pension Fund Limited	Chairperson & Non-Executive Director
Life Insurance Corporation (International) B.S.C (c), Bahrain *	Chairperson & Non-Executive Director
Life Insurance Corporation (Nepal) Limited *	Chairperson & Non-Executive Director
Life Insurance Corporation (Lanka) Limited *	Chairperson & Non-Executive Director
Life Insurance Corporation (Singapore) Pte. Limited *	Chairperson & Non-Executive Director
Larsen & Toubro Limited #	Nominee Director
Kenindia Assurance Company Limited, Kenya *	Non-Executive Director

Committee Membership of other entities

Name of the entity	Committee	Position
Life Insurance Corporation of India	Nomination and Remuneration Committee	Member
Larsen & Toubro Limited	Stakeholders Relationship Committee	Member

S. Mukherjee

Shyamal Mukherjee (65), DIN: 03024803, joined the ITC Board as an Independent Director effective August 11, 2021.

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

Other Directorships

Name of the entity	Position
Bharti Airtel Limited #	Independent Director
Urban Company Limited	Independent Director
Handy Home Solutions Private Limited	Independent Director

Committee Membership of other entities

Name of the entity	Committee	Position
Bharti Airtel Limited	Audit Committee	Chairperson
	Stakeholders Relationship Committee	Member
Urban Company Limited	Audit Committee	Chairperson
	Nomination and Remuneration Committee	Member

A. Nayak

Anand Nayak (73), DIN: 00973758, joined the ITC Board as an Independent Director effective July 13, 2019.

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

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

Nayak does not hold directorship in any other entity.

A. Pande

Alok Pande (53), DIN: 10631871, was appointed as a Non-Executive Director on the ITC Board effective July 27, 2024, representing the Specified Undertaking of the Unit Trust of India ('SUUTI').

Pande, a senior Civil Servant specialised in Finance, is presently Additional Secretary, Department of Investment and Public Asset Management ('DIPAM'), Ministry of Finance, GoI. He holds a Bachelors Degree in Engineering (Mechanical) from the Motilal Nehru National Institute of Technology, Allahabad, and has also completed Fellow Programme in Management (Doctorate) from the Indian Institute of Management, Bangalore, in the area of capital markets.

Pande qualified the Civil Services Exam of 1993 and belongs to the 1994 batch of the Indian Postal Service. In his career spanning over 30 years, he has held various positions in the GoI, including Joint Secretary - DIPAM, and Director - Department of Financial Services ('DFS') in the Ministry of Finance. As Joint Secretary, he handled the IPO of LIC and played a key role in listing of three more Government companies viz., Mazagon Dock Shipbuilders Limited, Indian Railway Finance Corporation Limited and RailTel Corporation of India Limited. As Director - DFS, he was instrumental in the launch and execution of the Pradhan Mantri Jan Dhan Yojana. He has also handled the IT Project of the Department of Posts, Ministry of Communications, as Deputy Director General. He is a Member of the Body of Persons / Administrator of SUUTI.

Other Directorships

Name of the entity	Position
Indian Bank #	Nominee Director

Committee Membership of other entities: Nil

S. Panray

Sunil Panray (67), DIN: 09251023, was appointed as a Non-Executive Director on the Board of ITC effective August 11, 2021, as a representative of Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British American Tobacco p.l.c. ('BAT').

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

Panray does not hold directorship in any other entity.

N. Rao

Nirupama Rao (74), DIN: 06954879, was appointed as an Independent Director on the Board of ITC effective April 8, 2016.

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

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

Other Directorships

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

Committee Membership of other entities

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

A. K. Seth

Ajit Kumar Seth (73), DIN: 08504093, joined the ITC Board as an Independent Director effective July 13, 2019.

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

Seth is a retired IAS Officer with administrative experience of more than 41 years. He retired in June 2015 after serving for four years as the Cabinet Secretary of GoI, the highest position in civil services. Thereafter, he was appointed as Chairman of the Public Enterprises Selection Board. In a varied and distinguished career, his past assignments include postings in the Ministry of Commerce, the Permanent Mission of India to the United Nations at Geneva (dealing with GATT / UNCTAD) and the Ministry of Textiles. Earlier in Uttar Pradesh, he served as Principal Secretary - Rural Development, Special Secretary - Industries, Divisional Commissioner of Kumaon Division and District Magistrate, Lucknow.

Seth does not hold directorship in any other entity.

A. Singh

Atul Singh (65), DIN: 00060943, joined the ITC Board as a Non-Executive Director effective April 2, 2024, as a representative of TMI, a subsidiary of BAT.

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

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

Other Directorships

Name of the entity	Position
Compass Limited, Bermuda *	Non-Executive Director

Committee Membership of other entities: Nil

P. Subrahmanyam

Pushpa Subrahmanyam (63), DIN: 01894076, was appointed as an Independent Director on the Board of ITC effective April 2, 2024.

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

She joined the Indian Administrative Service in 1985 (Andhra Pradesh cadre) and has worked across several sectors including tribal, women & child development, urban development and poverty alleviation. She was the Secretary of the Ministry of Food Processing Industries, GoI, for more than three years, from where she retired in January 2022. She also worked as Finance Secretary of the combined State of Andhra Pradesh and has expertise in handling public finance. Since 2013, she managed the employment intensive sectors of textiles and food processing industries at the national level in the GoI. She has had high level exposure to policy making having worked in the Prime Minister's Office for four years. She also worked with the erstwhile Department for International Development, UK, as Governance Adviser for three years. She has been on the Boards of National Textile Corporation Limited, Andhra Pradesh Power Generation Corporation Limited and Transmission Corporation of Andhra Pradesh Limited, amongst others.

She presently does not hold directorship in any other entity.

* *Denotes foreign entity*

\# *Denotes Indian entity whose securities are listed on a recognised stock exchange*

Notes:

1. *Other Directorships and Committee Memberships of Directors are as on 22nd May, 2025.*
2. *Committee Memberships cover Committees under the Companies Act, 2013 viz., Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee of Indian entities.*

Enduring Value

Report on
Corporate Governance

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

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

THE COMPANY'S GOVERNANCE PHILOSOPHY

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

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

(i) Management must have the executive freedom to drive the enterprise forward without undue restraints, and

(ii) This freedom of management should be exercised within a framework of effective accountability.

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

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

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

Trusteeship

Trusteeship recognises that large corporations which represent a coalition of interests, namely those of the shareholders, other providers of capital, business associates and employees, have both an economic and a social purpose, thereby casting the responsibility on the Board of Directors to protect and enhance shareholder value, as well as fulfil obligations to other stakeholders. Inherent in the concept of trusteeship is the responsibility to ensure equity, namely that the rights of all shareholders, large or small, are protected.

Transparency

Transparency means explaining the Company's policies and actions to those to whom it has responsibilities. Externally, this means maximum appropriate disclosures without jeopardising the Company's strategic interests and internally, this means openness in the Company's relationship with its employees and in the conduct of its business. ITC believes transparency enhances accountability.

Ethical Corporate Citizenship

Ethical Corporate Citizenship means setting exemplary standards of ethical behaviour, both internally within the organisation as well as in external relationships. ITC believes that unethical behaviour corrupts organisational culture and undermines stakeholder value. Governance processes in ITC continuously reinforce and help realise the Company's belief in ethical corporate citizenship.

Empowerment & Accountability

Empowerment is a process of unleashing creativity and innovation throughout the organisation by truly vesting decision-making powers at the most appropriate levels and as close to the scene of action as feasible, thereby helping actualise the potential of its employees. Empowerment is an essential concomitant of ITC's first core principle of governance that management must have the freedom to drive the enterprise forward. ITC believes that empowerment combined with **accountability** provides an impetus to performance and improves effectiveness, thereby enhancing shareholder value.

Control

Control ensures that freedom of management is exercised within a framework of checks and balances, and is designed to prevent misuse of power, facilitate timely management of change and ensure effective management of risks. ITC believes that control is a necessary concomitant of its second core principle of governance that freedom of management should be exercised within a framework of effective accountability.

THE GOVERNANCE STRUCTURE

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

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

The three-tier governance structure ensures that:

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

(b) Strategic management of the Company, uncluttered by the day-to-day tasks of executive management, remains focused and energised; and

(c) Executive management of the divisional business, free from collective strategic responsibilities for ITC as a whole, remains focused on enhancing the quality, efficiency and effectiveness of the business to achieve best-in-class performance.

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

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

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

ROLES OF VARIOUS ENTITIES

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

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

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

Divisional Management Committee ('DMC'): The primary role of the DMC is executive management of the business to realise tactical and strategic objectives in accordance with the Board approved Business Plan.

The Executive Committee for a Business Vertical within the Division is responsible to deliver comprehensive business results under the overall direction and supervision of the Divisional Chief Executive supported by the DMC.

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

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

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

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

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

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

BOARD OF DIRECTORS

Composition

The ITC Board is a balanced Board comprising Executive and Non-Executive Directors, with Independent Directors representing at least 50% of the total strength of the Board. The Non-Executive Directors, including Independent Directors, are all drawn from amongst eminent professionals with experience in business / finance / law / public administration and enterprises. The ITC Board is an optimal mix of professionalism, knowledge, experience and diversity. **The Directors of the Company also possess the skills, expertise and competencies, as identified by the Board and provided in the Annexure forming part of this Report.**

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

Composition of the Board as on 31st March, 2025:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	4	25.00
Non-Executive Independent Directors	8	50.00
Non-Executive Non-Independent Directors	4	25.00
Total	**16**	**100.00**

Director	Category	No. of other Directorship(s) as on 31st March, 2025 *	No. of Membership(s) / Chairpersonship(s) of Audit Committee / Stakeholders Relationship Committee of other Indian public limited companies as on 31st March, 2025
S. Puri	Chairman & Managing Director	6	Nil
S. Dutta	Executive Director & Chief Financial Officer	10	2 [also as Chairperson]
H. Malik	Executive Director	Nil	Nil
B. Sumant	Executive Director	2	Nil
H. Bhargava	Independent Director	4	2 [including 1 as Chairperson]
A. M. Bharucha	Independent Director	4	4 [including 2 as Chairperson]
C. K. Mishra	Independent Director	7	2
S. Mukherjee	Independent Director	2	3 [including 2 as Chairperson]
A. Nayak	Independent Director	Nil	Nil
N. Rao	Independent Director	2	1 [also as Chairperson]
A. K. Seth	Independent Director	Nil	Nil
P. Subrahmanyam	Independent Director	Nil	Nil
S. Mohanty	Non-Executive Director Representative of the Life Insurance Corporation of India as Investor	11	1
A. Pande	Non-Executive Director Representative of the Specified Undertaking of the Unit Trust of India as Investor	1	Nil
S. Panray	Non-Executive Director Representative of Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British American Tobacco p.l.c., as Investor	Nil	Nil
A. Singh	Non-Executive Director Representative of TMI as Investor	1	Nil

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

Meetings and Attendance

The Company's Governance Policy requires the Board to meet at least five times in a year. The tentative annual calendar of meetings is determined at the beginning of each year. During the financial year 2024-25, the intervening period between two Board Meetings was well within the maximum gap of 120 days prescribed under the Listing Regulations.

Board Agenda

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

Information placed before the Board

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

- Annual operating plans & budgets and periodic review of the Company's businesses.
- Quarterly, half-yearly and annual performance, including business segment-wise financials.
- External Audit Management Reports (through the Audit Committee).
- Status of safety and legal compliance.
- Status and effectiveness of risk management plans.
- CSR and sustainability initiatives of the Company (through the CSR and Sustainability Committee).
- Succession to senior management (through the Nomination & Compensation Committee).
- Statutory compliance reports from business units / corporate functions.
- Show cause / demand / prosecution / adjudication notices, if any, from revenue authorities which are considered materially important, including any exposure that exceeds 1% of the Company's net worth and their outcome.
- Significant court judgement or order passing strictures, if any, on the conduct of the Company or a subsidiary of the Company or any employee, which could negatively impact the Company's image.
- Product liability claims of substantial nature, if any.
- Default, if any, in payment of dues to any major creditor.
- Write-offs / disposals of fixed assets, inventories, receivables, advances etc.
- Significant development in Human Resources / Industrial Relations.
- Non-compliance of any regulatory, statutory or listing requirements and in relation to shareholders' services.

Post-meeting follow-up system

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

Details of Board Meetings during the financial year 2024-25

Six meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	15th April, 2024	18	16
2	23rd May, 2024	18	17
3	1st August, 2024	17	17
4	24th October, 2024	16	16
5	6th February, 2025	16	16
6	31st March, 2025	16	15

Attendance at Board Meetings and at Annual General Meeting ('AGM') during the financial year 2024-25

Director	No. of Board Meetings attended	Attendance at last AGM
S. Puri	6	Yes
S. Dutta	6	Yes
H. Malik	6	Yes
B. Sumant	6	Yes
H. Bhargava	6	Yes
A. M. Bharucha	6	Yes
C. K. Mishra [1]	3	N.A.
S. Mohanty [2]	1	N.A.
S. Mukherjee	6	Yes
A. Nayak	6	Yes
A. Pande [3]	4	N.A.
S. Panray	6	Yes
N. Rao	4	Yes
A. K. Seth	6	Yes

Attendance at Board Meetings and at AGM during the financial year 2024-25 (Contd.)

Director	No. of Board Meetings attended	Attendance at last AGM
A. Singh [4]	6	Yes
P. Subrahmanyam [5]	6	Yes
S. Banerjee [6]	2	Yes
A. Duggal [7]	3	Yes
M. Gupta [8]	4	Yes
R. Jain [9]	1	N.A.
M. Shankar [7]	3	Yes

1. *Appointed as Independent Director w.e.f. 14th September, 2024.*
2. *Appointed as Non-Executive Director w.e.f. 1st January, 2025.*
3. *Appointed as Non-Executive Director w.e.f. 27th July, 2024.*
4. *Appointed as Non-Executive Director w.e.f. 2nd April, 2024.*
5. *Appointed as Independent Director w.e.f. 2nd April, 2024.*
6. *Ceased to be Independent Director w.e.f. 30th July, 2024 upon completion of term.*
7. *Ceased to be Independent Director w.e.f. 15th September, 2024 upon completion of term.*
8. *Resigned as Non-Executive Director w.e.f. 27th October, 2024.*
9. *Resigned as Non-Executive Director w.e.f. 31st May, 2024.*

COMMITTEES OF THE BOARD

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

I. AUDIT COMMITTEE

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

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

The role of the Committee includes the following:

(a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) To recommend the appointment, remuneration and removal of the Auditors;

(c) To recommend the appointment of the Chief Financial Officer of the Company;

(d) To approve transactions with related parties, including modifications thereto;

(e) To evaluate the Company's internal financial controls and risk management systems;

(f) To review with the management, the following:

  (i) Annual financial statements and Auditor's Report thereon;

  (ii) Quarterly and half-yearly financial results and Auditor's Report / Limited Review Report thereon;

(g) To review the following:

  (i) Management discussion and analysis of financial condition & results of operations, and matters required to be included in the Directors' Responsibility Statement;

  (ii) Adequacy of internal control systems and the Company's statement on the same, in consultation with the management, the Statutory Auditors and the Internal Auditors;

  (iii) Adequacy and effectiveness of internal control systems laid down in the Company for compliance with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (iv) Internal Audit Reports including any significant findings and follow-up thereon;

  (v) Statutory Auditors' independence and performance, and effectiveness of the audit process;

  (vi) System for maintenance, storage, retrieval, security etc. of books of accounts in the electronic form;

  (vii) Functioning of Whistleblower mechanism in the Company;

  (viii) Annual financial statements, including investments, of subsidiary companies;

  (ix) Utilisation of loans and / or advances and investments by the Company to / in the subsidiary companies.

Composition

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

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

Meetings and Attendance during the financial year 2024-25

Details of Audit Committee Meetings

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

Sl. No.	Date	Committee Strength	No. of Members present
1	8th April, 2024	4	4
2	8th May, 2024	4	4
3	23rd May, 2024	4	4
4	5th July, 2024	4	4
5	1st August, 2024	3	3
6	13th September, 2024	4	3
7	24th October, 2024	3	3
8	17th December, 2024	3	3
9	30th December, 2024	3	3
10	16th January, 2025	3	3
11	6th February, 2025	3	2
12	31st March, 2025	3	3

Attendance at Audit Committee Meetings

Member	No. of Meetings attended
H. Bhargava [1]	12
A. M. Bharucha [2]	6
S. Mukherjee	11
S. Banerjee [3]	4
A. Duggal [4]	6

1. *Appointed as Chairman of the Committee w.e.f. 15th September, 2024.*
2. *Appointed as Member w.e.f. 2nd August, 2024.*
3. *Ceased to be Member w.e.f. 30th July, 2024.*
4. *Ceased to be Chairman and Member of the Committee w.e.f. 15th September, 2024.*

II. NOMINATION & COMPENSATION COMMITTEE

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

Composition

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

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

Meetings and Attendance during the financial year 2024-25

Details of Nomination & Compensation Committee Meetings

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

Sl. No.	Date	Committee Strength	No. of Members present
1	22nd May, 2024	5	5
2	31st July, 2024	4	4
3	22nd October, 2024	3	3
4	15th January, 2025	3	3

Attendance at Nomination & Compensation Committee Meetings

Member	No. of Meetings attended
A. Nayak [1]	4
S. Puri	4
A. K. Seth	4
S. Banerjee [2]	1
M. Shankar [3]	2

1. *Appointed as Chairman of the Committee w.e.f. 15th April, 2024.*
2. *Ceased to be Chairman of the Committee w.e.f. 15th April, 2024 and Member w.e.f. 30th July, 2024.*
3. *Ceased to be Member w.e.f. 15th September, 2024.*

Remuneration Policy

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

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

Remuneration of Directors

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

Non-Executive Directors, including Independent Directors, are entitled to remuneration by way of commission for each financial year, ranging between ₹ 1,00,00,000/- and ₹ 1,30,00,000/-, individually, as approved by the Shareholders. Non-Executive Directors' commission is determined by the Board, based inter alia on Company performance and regulatory provisions, and is payable on a uniform basis to reinforce the principle of collective responsibility. Non-Executive Directors are also entitled to sitting fees for attending the meetings of the Board and its Committees. The sitting fees as determined by the Board are ₹ 1,00,000/- for each meeting of the Board, ₹ 50,000/- for each meeting of the Audit Committee, Nomination & Compensation Committee, CSR and Sustainability Committee and Independent Directors Committee, and ₹ 10,000/- for each meeting of the Securityholders Relationship Committee; sitting fees for each meeting of the Risk Management Committee is ₹ 50,000/-. Non-Executive Directors are also eligible for coverage under Personal Accident Insurance.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2025

(₹ in Lakhs)

Director	Basic / Consolidated Salary	Perquisites / Other Benefits	Performance Bonus / Long Term Incentives / Commission	Sitting Fees	Total
S. Puri	353.61	73.46	2,139.40	-	2,566.47
S. Dutta	168.00	31.30	653.84	-	853.14
H. Malik [1]	168.00	30.64	295.49	-	494.13
B. Sumant	192.00	32.90	956.50	-	1,181.40
H. Bhargava	-	-	90.00	14.10	104.10
A. M. Bharucha [2]	-	-	57.30	9.50	66.80
C. K. Mishra [3]	-	-	-	3.00	3.00
S. Mohanty [4]	-	-	-	1.00 *	1.00
S. Mukherjee	-	-	90.00	12.00	102.00
A. Nayak	-	-	90.00	9.40	99.40
A. Pande [5]	-	-	-	4.50 *	4.50
S. Panray	-	-	90.00	7.50	97.50
N. Rao	-	-	90.00	5.00	95.00
A. K. Seth	-	-	90.00	10.50	100.50
A. Singh [6]	-	-	-	7.50	7.50
P. Subrahmanyam [7]	-	-	-	6.50	6.50
N. Anand [8]	-	-	887.39	-	887.39
S. Banerjee [9]	-	-	90.00	5.00	95.00
P. R. Chittaranjan [10]	-	-	37.62 *	-	37.62
A. Duggal [11]	-	-	90.00	7.00	97.00
M. Gupta [12]	-	-	90.00 *	6.40	96.40
R. Jain [13]	-	-	22.38 *	1.50 *	23.88
M. Shankar [11]	-	-	90.00	5.50	95.50
D. R. Simpson [14]	-	-	74.75	-	74.75
R. Tandon [15]	-	-	267.22	-	267.22

** Paid to the Public Financial Institution the Director represents / represented.*
1. Appointed as Executive Director w.e.f. 12th August, 2023.
2. Appointed as Independent Director w.e.f. 12th August, 2023.
3. Appointed as Independent Director w.e.f. 14th September, 2024.
4. Appointed as Non-Executive Director w.e.f. 1st January, 2025.
5. Appointed as Non-Executive Director w.e.f. 27th July, 2024.
6. Appointed as Non-Executive Director w.e.f. 2nd April, 2024.
7. Appointed as Independent Director w.e.f. 2nd April, 2024.
8. Ceased to be Executive Director w.e.f. 3rd January, 2024 upon completion of term.
9. Ceased to be Independent Director w.e.f. 30th July, 2024 upon completion of term.
10. Resigned as Non-Executive Director w.e.f. 1st September, 2023.
11. Ceased to be Independent Director w.e.f. 15th September, 2024 upon completion of term.
12. Resigned as Non-Executive Director w.e.f. 27th October, 2024.
13. Resigned as Non-Executive Director w.e.f. 31st May, 2024, subsequent to his appointment w.e.f. 1st January, 2024.
14. Resigned as Non-Executive Director w.e.f. 30th January, 2024.
15. Ceased to be Executive Director w.e.f. 22nd July, 2022 upon completion of term.

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

Employee Stock Option Schemes

During the financial year, the eligible employees and Directors of the Company were granted 14,80,700 Stock Options at 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

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

Options vest as per the following schedule:

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

Shareholding and Stock Options of Directors

Director	No. of Ordinary Shares of ₹ 1/- each held (singly / jointly) as on 31st March, 2025	No. of Options granted during the financial year
S. Puri	4,52,843	1,34,500
S. Dutta	8,68,180	65,250
H. Malik	4,91,591	65,250
B. Sumant	8,54,700	65,250
H. Bhargava	Nil	Nil
A. M. Bharucha	44,380	Nil
C. K. Mishra	Nil	Nil
S. Mohanty	Nil	Nil
S. Mukherjee	21,000	Nil
A. Nayak	13,62,455	Nil
A. Pande	Nil	Nil
S. Panray	Nil	Nil
N. Rao	Nil	Nil
A. K. Seth	1,32,480	Nil
A. Singh	1,275	Nil
P. Subrahmanyam	Nil	Nil

Service Contract, Severance Fee and Notice Period

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

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

Performance Evaluation

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

III. SECURITYHOLDERS RELATIONSHIP COMMITTEE

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

Composition

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

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

Meetings and Attendance during the financial year 2024-25

Details of Securityholders Relationship Committee Meetings

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

Sl. No.	Date	Committee Strength	No. of Members present
1	26th April, 2024	4	4
2	1st July, 2024	5	5
3	12th July, 2024	5	5
4	25th July, 2024	5	5
5	1st August, 2024	5	5
6	9th August, 2024	5	5
7	16th August, 2024	5	5
8	17th September, 2024	4	3
9	21st October, 2024	4	4
10	15th November, 2024	3	3
11	16th December, 2024	3	3
12	31st January, 2025	3	3
13	25th February, 2025	3	3
14	17th March, 2025	3	3

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

Attendance at Securityholders Relationship Committee Meetings

Member	No. of Meetings attended
A. K. Seth [1]	5
S. Dutta	14
B. Sumant	13
H. Bhargava [2]	6
M. Gupta [3]	9
A. Nayak [4]	9

1. *Appointed as Chairman and Member of the Committee w.e.f. 27th October, 2024.*
2. *Ceased to be Chairman and Member of the Committee w.e.f. 15th September, 2024, subsequent to his appointment w.e.f. 23rd May, 2024.*
3. *Ceased to be Chairman and Member of the Committee w.e.f. 27th October, 2024; appointed as Chairman of the Committee w.e.f. 15th September, 2024.*
4. *Ceased to be Chairman of the Committee w.e.f. 23rd May, 2024 and Member w.e.f. 27th October, 2024.*

IV. CSR AND SUSTAINABILITY COMMITTEE

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

Composition

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

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

Meetings and Attendance during the financial year 2024-25

Details of CSR and Sustainability Committee Meetings

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

Sl. No.	Date	Committee Strength	No. of Members present
1	15th April, 2024	8	6
2	22nd May, 2024	8	7
3	22nd October, 2024	7	7

Attendance at CSR and Sustainability Committee Meetings

Member	No. of Meetings attended
S. Puri	3
C. K. Mishra [1]	N.A.
S. Mohanty [2]	N.A.
S. Mukherjee [1]	N.A.
A. Pande [3]	1
S. Panray	3
N. Rao	1
A. Singh [4]	3
M. Gupta [5]	3
R. Jain [6]	1
A. K. Seth [5]	3
M. Shankar [7]	2

1. *Appointed as Member w.e.f. 27th October, 2024.*
2. *Appointed as Member w.e.f. 1st January, 2025.*
3. *Appointed as Member w.e.f. 27th July, 2024.*
4. *Appointed as Member w.e.f. 2nd April, 2024.*
5. *Ceased to be Member w.e.f. 27th October, 2024.*
6. *Ceased to be Member w.e.f. 31st May, 2024.*
7. *Ceased to be Member w.e.f. 15th September, 2024.*

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

V. INDEPENDENT DIRECTORS COMMITTEE

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

Composition

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

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

Meeting and Attendance during the financial year 2024-25

Details of Independent Directors Committee Meeting

One meeting of the Independent Directors Committee was held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	9th May, 2024	10	10

Attendance at Independent Directors Committee Meeting

Member	Attendance at the Meeting
H. Bhargava	Yes
A. M. Bharucha	Yes
C. K. Mishra [1]	N.A.
S. Mukherjee	Yes
A. Nayak	Yes
N. Rao	Yes
A. K. Seth	Yes
P. Subrahmanyam [2]	Yes
S. Banerjee [3]	Yes
A. Duggal [4]	Yes
M. Shankar [4]	Yes

1. Appointed as Member w.e.f. 14th September, 2024.
2. Appointed as Member w.e.f. 2nd April, 2024.
3. Ceased to be Member w.e.f. 30th July, 2024.
4. Ceased to be Member w.e.f. 15th September, 2024.

OTHER COMMITTEES

RISK MANAGEMENT COMMITTEE

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

Composition

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

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

S. Puri	Chairman
H. Bhargava	Member
S. Dutta	Member
H. Malik	Member
B. Sumant	Member
S. Sivakumar	Member

Meetings and Attendance during the financial year 2024-25

Details of Risk Management Committee Meetings

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

Sl. No.	Date	Committee Strength	No. of Members present
1	9th August, 2024	6	6
2	18th January, 2025	6	5
3	11th March, 2025	6	6

Attendance at Risk Management Committee Meetings

Member	No. of Meetings attended
S. Puri	3
H. Bhargava [1]	2
S. Dutta	3
H. Malik	3
B. Sumant	3
S. Sivakumar	2
A. Duggal [2]	1

1. *Appointed as Member w.e.f. 15th September, 2024.*
2. *Ceased to be Member w.e.f. 15th September, 2024.*

CORPORATE MANAGEMENT COMMITTEE

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

Composition

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

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

Meetings

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

SUBSIDIARY COMPANIES

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

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

FAMILIARISATION PROGRAMME FOR DIRECTORS

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

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

MEANS OF COMMUNICATION

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

Website

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

Communications with the investing community

Detailed presentations to the investing community on the quarterly financial results are sent to the Stock Exchanges and also made available on the Company's corporate website. In addition, investor presentations on other major events such as acquisitions by the Company, demerger of Hotels Business etc. were also made available in the public domain, through the websites of the Company and the Stock Exchanges.

Annual Report

The Report and Accounts, including the Standalone and Consolidated Financial Statements, the Report of the Board of Directors and the Auditors' Reports, is sent to the Shareholders of the Company, and is also available on the Company's corporate website.

The Report of the Board of Directors, forming part of the Report and Accounts, includes all aspects of Management Discussion and Analysis as required under the Listing Regulations.

Other disclosures / filings

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

Financial Results

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

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

Media Releases

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

ITC CODE OF CONDUCT

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

Declaration as required under the Listing Regulations

All Directors and senior management of the Company have affirmed compliance with the ITC Code of Conduct for the financial year ended 31st March, 2025.

S. Puri
Chairman &
Managing Director

Kolkata, 22nd May, 2025.

WHISTLEBLOWER POLICY

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

POLICY ON RELATED PARTY TRANSACTIONS

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

ITC CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2019

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

OTHER DISCLOSURES / CONFIRMATIONS

- During the last three years, there was neither any instance of non-compliance by the Company nor penalty / stricture imposed on the Company by the Stock Exchanges / SEBI / Statutory Authorities with respect to any matter related to the capital markets.
- There are no inter-se relationships between the Directors and Key Managerial Personnel of the Company.
- During the year, the Company has not entered into any materially significant related party transaction which may have potential conflict with the interest of the Company at large.
- The names of senior management of the Company under the Listing Regulations (i.e., CMC Members, Chief Financial Officer and Company Secretary) are provided under the section 'Board of Directors and Committees' in the Report and Accounts. There were no changes in the senior management during the year.
- The senior management of the Company did not enter into any material financial and commercial transaction during the year, in which they had personal interest that may have had potential conflict with the interest of the Company at large.
- During the year, the Company was not required to obtain credit rating for any debt instrument, fixed deposit programme or any other scheme involving mobilisation of funds.
- The Company has not raised any funds through preferential allotment or qualified institutions placement.
- None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as a Director by the SEBI / Ministry of Corporate Affairs / Statutory Authorities; Certificate from the Company's Secretarial Auditors confirming the same is annexed to this Report.
- During the year, the Company or its subsidiaries have not provided any loans or advances (being in the nature of loans) to firms / companies in which Directors of the Company are interested.
- Details with respect to Secretarial Auditors of the Company and confirmation by the Board regarding independence of the Independent Directors are provided in the 'Report of the Board of Directors & Management Discussion and Analysis', forming part of the Report and Accounts.
- Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are provided in the 'Business Responsibility and Sustainability Report', forming part of the Report and Accounts.
- Information with respect to 'Commodity Price Risk or Foreign Exchange Risk and Hedging Activities' is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' and in the 'Notes to the Financial Statements', forming part of the Report and Accounts.

  In view of the diversified business portfolio of the Company, its exposure in none of the individual commodities which are sourced either for use as inputs in its businesses or for agri-commodity trading is material in the context of its overall operations, and also in terms of the 'Policy for determination of materiality of events and information for disclosure to the Stock Exchanges', as approved by the Board. Accordingly, the disclosure requirements prescribed under the SEBI Master Circular dated 11th November, 2024 are not applicable for the Company.

- The total fees paid during the year by the Company and its subsidiaries to Messrs. S R B C & CO LLP, Statutory Auditors, and all entities in the network firm / network entities which are part of the network of which the Statutory Auditors are a member firm, aggregate ₹ 9.68 Crores.
- Mr. R. K. Singhi, Executive Vice President & Company Secretary, is the Compliance Officer under the Listing Regulations.

DISCRETIONARY REQUIREMENTS UNDER THE LISTING REGULATIONS

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

1. **Separate posts of Chairman and Managing Director:** The Chairman of the Company is an Executive Chairman. The Company has a diversified business portfolio which demands that the senior leadership has in-depth knowledge and understanding of the functioning of the Company, so as to enhance the value-generating capacity of the organisation and contribute significantly to stakeholders' aspirations and societal expectations. The Chief Executive is therefore generally chosen from amongst the executive management of the Company.
2. **Non-Executive Chairman's Office:** Not applicable.
3. **Shareholder Rights:** The quarterly, half-yearly and annual financial results of the Company are sent to the Shareholders and also posted on the Company's corporate website; extracts of these results in the prescribed format are published in newspapers on an all India basis. Significant events are also posted on the Company's website under the 'Media Centre' section.
4. **Audit Opinion:** It has always been the Company's endeavour to present Financial Statements with unmodified audit opinion, i.e. without any qualification. The Statutory Auditors have issued an unmodified audit opinion on the Company's Financial Statements for the year ended 31st March, 2025.
5. **Internal Audit:** The Head of Internal Audit reports to the Audit Committee of the Board.
6. **Meeting of Independent Directors Committee:** As stated above, one meeting of the Independent Directors Committee of the Board was held during the year.
7. **Risk Management Committee:** The Company has a Risk Management Committee, details of which are given under the heading 'Other Committees - Risk Management Committee'.

GENERAL SHAREHOLDER INFORMATION

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

CONFIRMATION OF COMPLIANCE

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

Notes:

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

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

ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE

SKILLS, EXPERTISE AND COMPETENCIES OF DIRECTORS

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

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

Organisational Purpose

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

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

Strategic Insight

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

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

Organisational Capacity Building

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

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

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

Stakeholder Value Creation

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

Commercial Acumen

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

Risk Management and Compliance

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

Policy Evaluation

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

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

Culture Building

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

Board Cohesion

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

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

ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE

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

To,
The Members of
ITC Limited
CIN: L16005WB1910PLC001985
Virginia House, 37 J. L. Nehru Road
Kolkata 700 071

We have examined the following documents:

(a) Declaration of non-disqualification as required under Section 164 of the Companies Act, 2013 ('the Act');

(b) Disclosure of concern or interest as required under Section 184 of the Act;

(hereinafter referred to as 'relevant documents')

as submitted by the Directors of **ITC Limited** ('the Company') bearing **CIN: L16005WB1910PLC001985** and having its registered office at Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071, to the Board of Directors of the Company ('the Board') for the financial year ended 31st March, 2025 and the financial year ending 31st March, 2026 and the relevant registers, records, forms and returns maintained by the Company and made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V - Para C - Clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

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

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

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including status of Director Identification Number (DIN) on the portal www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorised representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the financial year ended 31st March, 2025, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Sanjiv Puri	00280529	06/12/2015
2.	Mr. Sumant Bhargavan	01732482	16/11/2018
3.	Mr. Supratim Dutta	01804345	22/07/2022
4.	Mr. Hemant Malik	06435812	12/08/2023
5.	Mr. Hemant Bhargava	01922717	20/12/2021
6.	Ms. Alka Marezban Bharucha	00114067	12/08/2023
7.	Mr. Chandra Kishore Mishra	02553126	14/09/2024
8.	Mr. Siddhartha Mohanty	08058830	01/01/2025
9.	Mr. Shyamal Mukherjee	03024803	11/08/2021
10.	Mr. Anand Nayak	00973758	13/07/2019
11.	Dr. Alok Pande	10631871	27/07/2024
12.	Mr. Sunil Panray	09251023	11/08/2021
13.	Ms. Nirupama Rao	06954879	08/04/2016
14.	Mr. Ajit Kumar Seth	08504093	13/07/2019
15.	Mr. Atul Singh	00060943	02/04/2024
16.	Ms. Pushpa Subrahmanyam	01894076	02/04/2024

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

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the financial year ended 31st March, 2025.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 I COP No.: 1774
ICSI UDIN: F004206G000299633

8th May, 2025
Thane

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Shareholder Information

Details of Annual General Meeting ('AGM')

Date	Friday, 25th July, 2025
Venue	The AGM will be held on electronic platform
Time	10.30 a.m. (IST)
Record Date for Final Dividend	Wednesday, 28th May, 2025
Dividend Payment Date	Between Monday, 28th July, 2025 and Thursday, 31st July, 2025

Share Transfer Agent (in-house)

The Investor Service Centre of the Company ('ISC') provides share registration and related services to the Shareholders and Investors. ISC is accredited with ISO 9001:2015 certification and is also registered with the Securities and Exchange Board of India ('SEBI') as Category II Share Transfer Agent.

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

Shareholder / Investor complaints

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

During the financial year, one complaint (with respect to dividend), which qualified as such in terms of the Complaint Identification Policy of the Company, was received and promptly resolved. There was no investor complaint pending at the beginning or at the end of the year.

National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited have confirmed that there were no investor complaints pending against the Company at the end of each quarter as also on 31st March, 2025; the same position was also reflected on SCORES, the web-based complaints redressal system of SEBI.

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

Share Transfer System

No share transfers in the certificate form were required to be effected by the Company during the financial year.

Shareholders holding shares in the certificate form are advised to consider dematerialising their shares, since transfer of shares can be effected only in dematerialised form.

Dematerialisation of Shares

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

During the financial year, 121,44,09,125 shares of the Company, covered in 1,300 requests and constituting 9.70% of the Issued and Subscribed Share Capital of the Company, were dematerialised. The processing activities with respect to requests received for dematerialisation were completed within one to five working days.

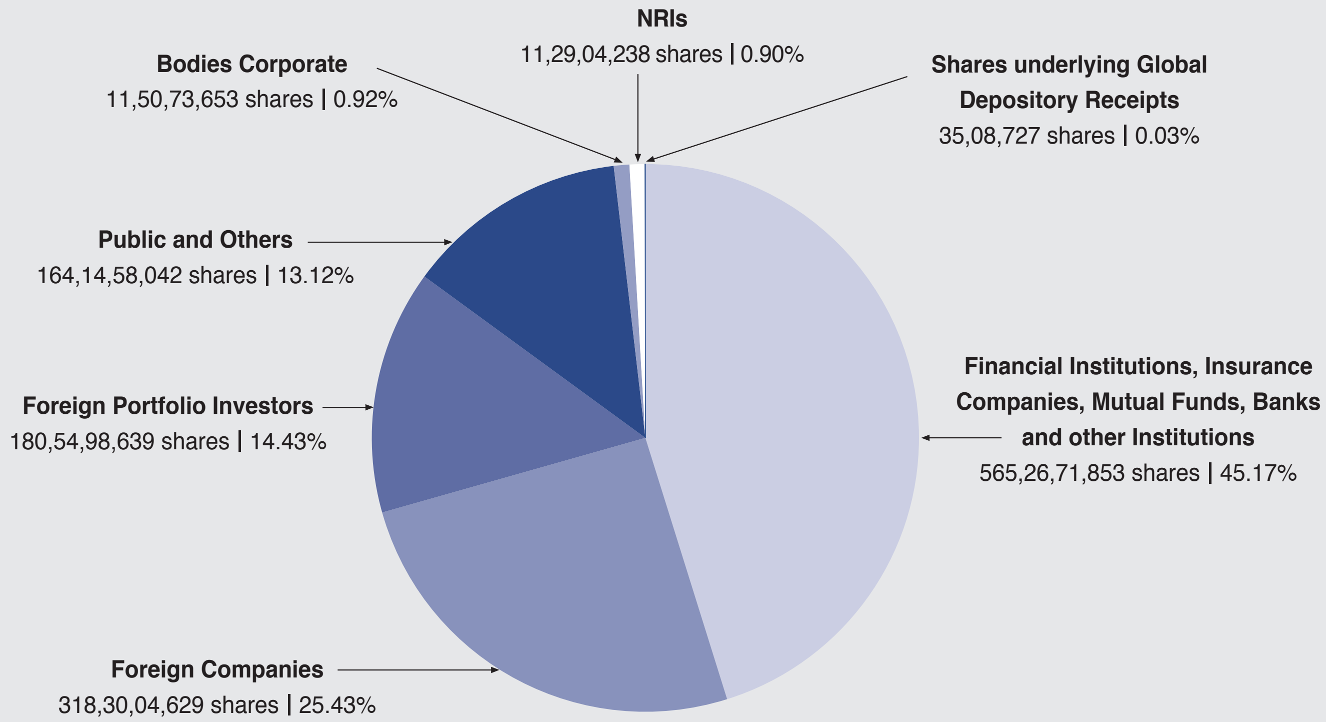
Liquidity of Shares

The Company's shares are amongst the most liquid and actively traded shares on the Indian Stock Exchanges, and consistently rank among the top frequently traded shares. As on 31st March, 2025, the Company's market capitalisation was ₹ 5,12,766 Crores (US$ 59.99 Billion).

Distribution of Shareholding as on 31st March, 2025

No. of Shares Slab	No. of Shareholders				No. of Shares			
	Physical	Demat	Total	%	Physical	Demat	Total	%
1 – 5000	9,430	37,59,258	37,68,688	98.66	68,31,247	59,28,61,025	59,96,92,272	4.79
5001 – 10000	775	22,080	22,855	0.60	57,93,562	16,10,44,050	16,68,37,612	1.33
10001 – 20000	533	12,833	13,366	0.35	71,20,615	18,09,99,304	18,81,19,919	1.50
20001 – 30000	217	5,208	5,425	0.14	53,42,799	12,88,17,866	13,41,60,665	1.07
30001 – 40000	84	2,258	2,342	0.06	28,39,065	7,82,00,117	8,10,39,182	0.65
40001 – 50000	55	1,548	1,603	0.04	24,52,920	6,99,64,106	7,24,17,026	0.58
50001 – 100000	87	2,800	2,887	0.08	61,51,500	19,72,79,823	20,34,31,323	1.63
100001 and above	37	2,573	2,610	0.07	80,11,265	1106,04,10,517	1106,84,21,782	88.45
Total	**11,218**	**38,08,558**	**38,19,776**	**100.00**	**4,45,42,973**	**1246,95,76,808**	**1251,41,19,781**	**100.00**

Categories of Shareholders as on 31st March, 2025



Global Depository Receipts ('GDRs')

35,08,727 GDRs representing 35,08,727 underlying shares i.e., 0.03% of the Issued and Subscribed Share Capital of the Company, were outstanding as on 31st March, 2025.

The Company's GDRs are listed on the Luxembourg Stock Exchange (Code: 004660919), 35A Boulevard Joseph II, L-1840, Luxembourg, and the Listing Fee for the calendar year 2025 has been paid to the said Stock Exchange.

Listing of Shares on Stock Exchanges with Stock Code

Stock Exchange	Address and Contact Details	Stock Code
National Stock Exchange of India Limited ('NSE')	Exchange Plaza, Plot No. C-1, Block G Bandra Kurla Complex, Bandra (E) Mumbai 400 051 Telephone nos. : 022-2659 8100 / 14 Facsimile no. : 022-2659 8191 e-mail : ignse@nse.co.in Website : www.nseindia.com	ITC
BSE Limited ('BSE')	Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400 001 Telephone nos. : 022-2272 1233 / 34 Facsimile no. : 022-2272 1919 e-mail : is@bseindia.com Website : www.bseindia.com	500875
The Calcutta Stock Exchange Limited ('CSE')	7 Lyons Range, Kolkata 700 001 Telephone no. : 033-4025 3000 Facsimile no. : 033-4025 3030 e-mail : cseadmn@cse-india.com Website : www.cse-india.com	10000018

The Listing Fees for the financial year 2025-26 have been paid to NSE, BSE and CSE.

High and Low Price of shares traded on NSE and BSE

During the financial year, the Company's share price touched a high of ₹ 528.55 on BSE on 27th September, 2024 and a low of ₹ 391.20 on NSE on 3rd March, 2025.

Dividend

₹ 6.50 per share (Interim Dividend)

Total Dividend for FY 2024-25: ₹ 14.35

₹ 7.85 per share (Final Dividend)

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

Financial Year	Dividend per Share (including Interim Dividend) (₹)	Total Dividend (₹ in Crores)
2024-25	14.35 *	17,956.69
2023-24	13.75	17,162.99
2022-23	15.50 @	19,255.02
2021-22	11.50	14,171.55
2020-21	10.75	13,230.31
2019-20	10.15	12,476.63
2018-19	5.75	7,048.71
2017-18	5.15	6,285.21
2016-17	4.75 #	5,770.01
2015-16	8.50	6,840.13

* *Includes Final Dividend of ₹ 7.85 per share, which is subject to the approval of the Shareholders.*
@ *Includes Special Dividend of ₹ 2.75 per share.*
\# *On expanded Share Capital arising out of Bonus Shares issued in the ratio of 1:2.*

Financial Calendar

Financial Year 2025-26 (1st April - 31st March)		
1	First Quarter Results	July / August 2025
2	Second Quarter and Half-Year Results	October / November 2025
3	Third Quarter Results	January / February 2026
4	Fourth Quarter and Annual Results	May 2026

Particulars of past three AGMs

<table>
<tr><th>AGM</th><th>Financial Year</th><th>Venue</th><th>Date</th><th>Time</th><th>Special Resolution passed</th></tr>
<tr><td>113th</td><td>2023-24</td><td rowspan="3">The AGM was held on electronic platform</td><td>26/07/2024</td><td rowspan="3">10.30 a.m. (IST)</td><td>–</td></tr>
<tr><td>112th</td><td>2022-23</td><td>11/08/2023</td><td>• Appointment of Ms. A. M. Bharucha as an Independent Director with effect from 12th August, 2023.
• Re-appointment of Mr. A. Nayak as an Independent Director with effect from 13th July, 2024.
• Re-appointment of Mr. A. K. Seth as an Independent Director with effect from 13th July, 2024.</td></tr>
<tr><td>111th</td><td>2021-22</td><td>20/07/2022</td><td>–</td></tr>
</table>

Meeting of the Ordinary Shareholders of ITC Limited pursuant to directions of the Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT')

Pursuant to the directions of the NCLT vide Order dated 22nd April, 2024, a meeting of the Ordinary Shareholders of ITC Limited was held on 6th June, 2024 at 10.30 a.m. (IST), through electronic mode, for the purpose of approving the Scheme of Arrangement amongst ITC Limited and ITC Hotels Limited and their respective shareholders and creditors, in accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013.

Brief details pertaining to the said meeting are provided below:

Date of Notice of the meeting	30th April, 2024
Date of completion of despatch of Notice	6th May, 2024
Period of remote e-voting	22nd May, 2024 to 5th June, 2024
Date of e-voting at the meeting	6th June, 2024
Date of declaration of Voting Results	6th June, 2024

The aforementioned Scheme of Arrangement was approved by the Shareholders with requisite majority, as detailed below:

Votes in favour of the Resolution			Votes against the Resolution		
Total Number of Shareholders who voted	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast	Total Number of Shareholders who voted	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast
11,843	1027,43,45,811	99.60	649	4,14,54,742	0.40

Postal Ballot through E-voting

- During the financial year, the Resolutions for appointment of Messrs. C. K. Mishra and S. Mohanty as Directors of the Company were passed by the Shareholders with requisite majority. Further on 10th April, 2025, the Resolutions for granting, offering and issuing Equity Settled Stock Appreciation Rights ('ESARs') to the eligible employees of the Company and its subsidiary companies were also passed by the Shareholders with requisite majority.

  The Board of Directors of the Company appointed Mr. R. L. Auddy, Senior Solicitor and Partner, Messrs. Sandersons & Morgans, Advocates & Solicitors, as the Scrutinizer for scrutinizing the postal ballot through e-voting. Brief details pertaining to the said postal ballot are provided below:

	Appointment of Mr. C. K. Mishra as an Independent Director	Appointment of Mr. S. Mohanty as a Non-Executive Director	Granting, offering and issuing ESARs	
			To the eligible employees of the Company	To the eligible employees of the subsidiary companies
	(Resolution No. 1 - Special Resolution)	(Resolution No. 2 - Ordinary Resolution)	(Resolution No. 3 - Special Resolution)	(Resolution No. 4 - Special Resolution)
Date of Postal Ballot Notice	1st August, 2024	24th October, 2024	6th February, 2025	
Date of completion of despatch of Postal Ballot Notice	11th August, 2024	17th November, 2024	11th March, 2025	
Period of e-voting	12th August, 2024 to 10th September, 2024	18th November, 2024 to 17th December, 2024	12th March, 2025 to 10th April, 2025	
Date of declaration of Voting Results	11th September, 2024	18th December, 2024	11th April, 2025	

  The results of the postal ballot on the aforesaid Resolutions were as follows:

Resolution	Votes in favour of the Resolution		Votes against the Resolution	
	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast	Number of Shares for which valid votes cast	% of votes to total number of valid votes cast
Resolution No. 1	1040,61,87,537	99.83	1,80,20,146	0.17
Resolution No. 2	1023,74,88,295	98.95	10,85,88,735	1.05
Resolution No. 3	1015,78,86,259	98.74	12,97,11,889	1.26
Resolution No. 4	1016,47,49,309	98.80	12,30,96,404	1.20

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

Plant Locations

CIGARETTE FACTORIES

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

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

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

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

Saharanpur
5. Sardar Patel Marg
   Saharanpur
   Uttar Pradesh 247 001

GREEN LEAF THRESHING PLANTS

Anaparthi
1. Anaparthi
   District East Godavari
   Andhra Pradesh 533 342

Chirala
2. Chirala
   District Bapatla
   Andhra Pradesh 523 157

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

SPICES PROCESSING PLANT

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

PACKAGING & PRINTING FACTORIES

Chennai
1. Tiruvottiyur
   Chennai
   Tamil Nadu 600 019

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

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

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

PAPER & PAPERBOARD MILLS

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

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

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

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

FOODS FACTORIES

Agra
1. 13.2 Km. Stone,
   Shamshabad Road
   Village Naufri, Post Shyamo
   Agra
   Uttar Pradesh 283 125

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

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

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

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

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

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

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

Malur
9. Survey Nos. 15/1 & 15/2
Madivala Gram Panchayat
Village Yeshwanthpura
District Kolar
Karnataka 563 130

Medak
10. 395-412, 416, 417, 447, 449-451
Next to TSTransco Sub-station
Manoharabad, Medak
Telangana 502 336

Munger
11. Sitakund Industrial Area
Village Nandlalpur
District Munger
Bihar 811 202

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

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

Pudukkottai
14. Vadugapatti & Velur Villages
Taluk Illupur
District Pudukkottai
Tamil Nadu 621 316

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

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

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

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

PERSONAL CARE PRODUCTS FACTORIES

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

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

Manpura
3. Village Manpura
Tehsil Baddi
District Solan
Himachal Pradesh 174 101

Uluberia
4. Village Maheshpur
J. L. No. 56, P.O. Birshibpur
P.S. Uluberia
District Howrah
West Bengal 711 316

PLANT UNDER CONSTRUCTION

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

CHOUPAL SAAGARS – RURAL SERVICES CENTRES

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

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

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

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

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

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

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

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

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

Hathras

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

Itarsi

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

Jagdishpur

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

Mandsaur

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

Mhow

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

Nagda

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

Parbhani

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

Pilibhit

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

Ratlam

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

Sehore

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

Ujjain

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

Vidisha

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

Wardha

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

Washim

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

Yavatmal

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

Shareholder Referencer

Service of Documents

In conformity with the regulatory requirements, the Notice of the 114th Annual General Meeting of the Company and the Report and Accounts 2025 will be sent through electronic mode to those Shareholders who have registered their e-mail address with the Company or the Depositories. Physical copies of the Notice and the Report and Accounts will be provided to the Shareholders upon request.

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

Dividend

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

Shareholders who have not yet opted for remittance of dividend through electronic mode and wish to avail the same, are required to provide their bank details, including IFSC ('Indian Financial System Code') and MICR ('Magnetic Ink Character Recognition') Number, to the respective Depository Participants ('DPs'), if the shares are held in the dematerialised form, or to ISC in respect of shares held in the certificate form. Shareholders holding shares in the certificate form may use the prescribed Form No. ISR-1 for this purpose, which is available on the Company's corporate website at **https://www.itcportal.com/form** or can be furnished by ISC on request.

Pursuant to the Income-tax Act, 1961, dividend income is taxable in the hands of the Shareholders and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication with detailed information and instructions regarding tax on the Final Dividend for the financial year ended 31st March, 2025 will be sent to the Shareholders in due course.

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

During the financial year 2024-25, unclaimed dividend for the financial year 2016-17 aggregating ₹ 21,78,75,280/- and 1,25,06,626 shares in respect of which dividend entitlements remained unclaimed for seven consecutive years, were transferred by the Company to the Investor Education and Protection Fund established by the Central Government ('IEPF'), pursuant to the regulatory requirements.

Shareholders may claim their unclaimed dividend for the years prior to and including the financial year 2016-17 and the shares from the IEPF Authority by applying in the prescribed Form No. IEPF-5. Steps for filing the said form are available on the Company's corporate website at **https://www.itcportal.com/iepf-5.pdf** .

The due dates for transfer of unclaimed dividend and the shares to the IEPF for the subsequent financial years are given in the table below. Attention in particular is drawn that the unclaimed dividend for the financial year 2017-18 and the shares in respect of which dividend entitlements will remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 27th August, 2025. Separate communication for this purpose has been sent to the concerned Shareholders advising them to write to ISC to claim their dividend and notices in this regard have also been published in the newspapers. Details of such unclaimed dividend and the shares are available on the Company's corporate website at **http://info-dividend-shares.itcportal.com/popup_new.aspx** and **http://info-dividend-shares.itcportal.com/popupiepf.aspx** , respectively.

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

Financial Year	Dividend Identification No.	Date of declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31/03/2025		Due date for transfer of dividend and shares to IEPF
				(₹)	%	
2017-18	88th	27th July, 2018	62,85,22,11,487	22,32,40,565	0.36	27th August, 2025 *
2018-19	89th	12th July, 2019	70,48,72,63,716	18,76,02,069	0.27	12th August, 2026
2019-20	90th	4th September, 2020	1,24,76,63,21,288	28,95,51,685	0.23	5th October, 2027
2020-21	Interim Dividend	11th February, 2021	61,52,68,08,755	15,29,36,875	0.25	15th March, 2028
	91st (Final Dividend)	11th August, 2021	70,77,62,73,691	17,44,80,432	0.25	13th September, 2028
2021-22	Interim Dividend	3rd February, 2022	64,69,47,59,808	15,63,90,790	0.24	7th March, 2029
	92nd (Final Dividend)	20th July, 2022	77,02,07,16,603	18,33,03,125	0.24	22nd August, 2029
2022-23	Interim Dividend	3rd February, 2023	74,48,40,89,766	17,76,33,532	0.24	8th March, 2030
	93rd (Final Dividend)	11th August, 2023	1,18,06,67,41,295	29,60,38,191	0.25	11th September, 2030
2023-24	Interim Dividend	29th January, 2024	77,99,49,28,801	18,42,49,251	0.24	5th March, 2031
	94th (Final Dividend)	26th July, 2024	93,63,61,16,085	34,19,55,705	0.37	26th August, 2031
2024-25	Interim Dividend	6th February, 2025	81,33,18,23,752	18,19,96,257	0.22	10th March, 2032

* *ISC will be able to entertain any claim in respect of the same only up to 26th August, 2025.*

Unclaimed Shares

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

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2024	6,356	53,17,832
Number of Shareholders who approached the Company during the year for transfer of shares from the Unclaimed Suspense Account	64	1,64,342
Number of Shareholders to whom shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	77	1,67,304
Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF	5,490	36,72,438
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2025	789	14,78,090 *

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

Depository Services

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

National Securities Depository Limited
Naman Chambers
Plot C-32, G-Block, 3rd Floor
Bandra Kurla Complex, Bandra East
Mumbai 400 051
Telephone no. : 022-4886 7000
Facsimile no. : 022-2497 6351
e-mail : info@nsdl.com
Website : www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, 'A' Wing, 25th Floor
Mafatlal Mills Compound
N. M. Joshi Marg, Lower Parel
Mumbai 400 013
Telephone no. : 08069144800
Facsimile no. : 022-2300 2035
e-mail : helpdesk@cdslindia.com
Website : www.cdslindia.com

Address for Correspondence with ISC

Investor Service Centre
ITC Limited
37 Jawaharlal Nehru Road
Kolkata 700 071
Telephone nos. : 1800-345-8152 (toll free), 033-2288 6426 / 0034
Facsimile no. : 033-2288 2358
e-mail : isc@itc.in
Website : www.itcportal.com
Shareholder Service Portal : https://eform.itcportal.com

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

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

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Report of the Board of Directors

&

Management Discussion and Analysis

For the Financial Year Ended 31st March, 2025

SOCIO-ECONOMIC ENVIRONMENT

Global growth slowed down from 3.5% in 2023 to 3.3%[1] in 2024 and remained appx. 40 bps below long-term trend rate[2]. Amongst Advanced Economies which grew at 1.8% (Vs. 1.7% in 2023), uptick in EU (0.9% in 2024 Vs. 0.4% in 2023) was offset by a relatively slower pace of growth in US & Japan. Emerging Markets & Developing Economies grew at a subdued rate of 4.3% (Vs. 4.7% in 2023), largely due to structural weakness in China. Rising geopolitical tensions, evolving global trade dynamics and extreme weather events have rendered the global macroeconomic environment highly uncertain and volatile.

Aggregate global economic growth, as per recent IMF estimates, is expected to decelerate sharply by 50 bps to 2.8% in 2025. Advanced Economies are expected to grow at a slower pace of 1.4% with US GDP growth projected to decelerate by 100 bps to 1.8% in 2025. Growth in Emerging Markets and Developing Economies is estimated to decelerate by 60 bps to 3.7% in 2025.

India continues to remain the fastest growing large economy in the world - a relatively bright spot amidst the challenging global operating environment. The pace of growth, however, moderated from 9.2% in FY 2023-24 to 6.5% in FY 2024-25. While headline inflation (CPI) remained within the RBI's target range at 4.6%, food inflation witnessed a sharp uptick (FY 2024-25: 7.3% YoY). The impact of inflationary pressures on household savings weighed on consumption expenditure, particularly in urban markets; however, demand in rural markets was relatively resilient. The weakness in consumption was reflected, inter alia, in the muted volume growth of the FMCG sector.

[1] *IMF WEO April '25*

[2] *Average Global Real GDP growth from 2010 to 2019*

While growth in Industry witnessed deceleration at 5.6% (Vs. 10.8% in FY 2023-24), Services sector grew at 7.3% and the Agri sector witnessed an uptick at 4.6% (Vs. 2.7% in FY 2023-24).

India's macro-economic variables are expected to remain stable in the year ahead, with GDP growth for FY 2025-26 expected to be appx. 6.5%. Consumption expenditure is expected to pick up progressively led by continued recovery in rural demand backed by a good monsoon, along with improvement in urban demand as inflation stabilises and tax cuts announced in the Union Budget boost disposable incomes. The cumulative impact of pick-up in capex in the second half of FY 2024-25 and front loading of Government capex outlay in FY 2025-26, along with interest rate cuts and liquidity support from RBI, would also be supportive of growth.

The Indian economy is poised to grow rapidly in the years ahead driven by structural factors such as a favourable demographic profile, increasing affluence, rapid urbanisation, accelerated digital adoption and the entrepreneurial spirit of its people. Government of India's thrust on strengthening the country's physical and digital public infrastructure, focus on enhancing the competitiveness of the manufacturing sector, indirect/direct taxation and financial sector reforms, along with measures to promote ease of doing business, are expected to power the economy going forward. While higher capital expenditure outlays and focus on infrastructure are expected to drive growth and competitiveness of domestic manufacturing, focus on agri-related schemes is expected to boost farmers' welfare and rural consumption demand, spurring a virtuous consumption-investment-employment cycle.

Policy interventions focused on supporting sustainable livelihoods and fostering inclusive growth remain critical in sustaining and accelerating India's economic growth path.

[The Indian economy is poised to grow rapidly in the years ahead driven by structural factors such as a favourable demographic profile, increasing affluence, rapid urbanisation, accelerated digital adoption and the entrepreneurial spirit of its people.]

Structural support would need to be provided to sectors with potential for large economic-multiplier impact. In this regard, the development of robust domestic agri and wood-based value chains hold special importance in the Indian context, given their enormous potential to contribute to national objectives.

India is amongst the leading producers in the world of several agri-commodities, including milk, rice, wheat, sugarcane, cotton, pulses, spices and fruits & vegetables. India's agri exports have witnessed strong performance in recent years; touching a peak of US$ 53 billion in FY 2022-23, moderating to US$ 50 billion in FY 2024-25 due to trading restrictions on agri-commodities amidst concerns over food security and inflation on the back of geopolitical tensions and climate emergencies. However, India's share of global agri-trade remains low at only about 3%. Enhancing agricultural productivity and value addition to international standards, while simultaneously improving market linkages, remain critical to enhance competitiveness of the agri sector and drive significant increase in farmers' income.

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

In this regard, the Government's focus on promoting Farmer Producer Organisations (FPOs) holds immense potential to catalyse agricultural transformation by leveraging economies of scale, enabling sustainable agriculture, supporting market-led production and creating larger market access. Government interventions encouraging private and public investment in post-harvest activities including aggregation, modern storage, efficient supply chain, primary and secondary processing, marketing and branding, along with measures to harness the power of agri-tech across the agri value chain are steps in the right direction and will go a long way in unlocking the full potential of the agri sector.

Your Company has adopted targeted collaborative models to multiply the scale and impact of its agri and rural interventions. This collaborative approach, as opposed to a traditional transactional approach, can contribute meaningfully towards building next generation agriculture that is climate resilient and capable of supporting gainful livelihoods. Digitalisation of agriculture also offers the potential to increase productivity and foster structural changes across the value chain thereby enabling efficient use of resources. Your Company had launched ITCMAARS (Metamarket for Advanced Agriculture and Rural Services), that combines the power of cutting-edge digital technologies with NextGen agri practices. This initiative continues to be scaled up rapidly and currently covers over 2.1 million farmers and over 2,050 FPOs, across 11 states and over 18,000 villages. This 'phygital' ecosystem continues to empower the farming community and FPOs by delivering personalised and dynamic advisory services as well as hyperlocal offerings including market linkages, agri inputs and credit enablement. Further details on this transformative initiative are provided in the Agri Business section of this report.

It is pertinent to note that a substantial quantum of food is wasted along the chain in India, depending on the season and the inherent perishability of the crop. Higher levels of

Your Company's ITCMAARS (Metamarket for Advanced Agriculture and Rural Services) combines the power of cutting-edge digital technologies with NextGen agri practices. Currently covers over 2.1 million farmers and over 2,050 FPOs, across 11 states and over 18,000 villages.

food processing in the economy can create a much larger pull for quality agri-commodities, thereby reducing farm wastages and raising farm incomes. This would require focused investments in developing product-specific climate-controlled infrastructure as well as in branded products that benefit large agri-value chains. Corporate participation is essential not only to invest in requisite infrastructure, but also to provide assured market linkages to farmers. A strong focus on India's food processing sector can play a pivotal role in catalysing a large multiplier effect, leading to significant job creation, enhanced rural incomes and sustainable management of food inflation.

Similarly, the Agro-forestry sector, as a source of raw material for wood-based industry, is woefully constrained by policies that not only impede job creation in India but also promote avoidable imports. There is a need for appropriate policy interventions and regulatory changes at national level to utilise full potential of agro forestry in the country.

Your Company's interventions across operating segments are aligned to the national priorities of enhancing competitiveness of Indian agriculture and industry, generating large-scale employment opportunities and supporting sustainable livelihoods, driving import substitution, creating national brands to maximise value capture in India, increasing Indian agri exports and promoting sustainable business practices. For instance, 'ITC Mission Millets', which leverages enterprise strengths in agriculture, food and hospitality to implement multi-dimensional interventions in this area, has resulted in significant increase in awareness and demand for millets. Investments made by your Company continue to be guided by the national objectives of 'Make in India' and 'Doubling Farmers' Income' and the overarching theme of 'Aatma Nirbhar Bharat' that seeks to make the country stronger, resilient and more competitive.

As reported in earlier years, your Company's collaboration with NITI Aayog, aimed at boosting agricultural and allied activities in 27 Aspirational Districts across eight states, started in July 2022. The multi-year project covering a wide range of activities, was successfully completed in the first quarter of the year, with the Government taking forward the farmer capability modules and the design elements of model villages promoted by your Company. The farmer training modules prepared by your Company are now being used by district Krishi Vigyan Kendras (KVKs) in all 27 districts. During the year, the KVKs themselves trained over 3,500 Government agricultural department officials who in turn cascaded the training in over 9,500 villages. Agricultural departments are promoting 1,350 hub villages in these districts for demonstration of best practices.

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

Your Company had earlier collaborated with CGIAR's 'Climate Change and Food Security Programme' to create a template for Climate Smart Villages (CSVs), under the Climate Smart Agriculture (CSA) programme. The template has since been further strengthened by your Company basis the field experiences and now covers over 7,000 villages across 12 states covering over 21.80 lakh acres, supporting farmers in the management of risks arising from erratic weather events.

Including the acreage in CSVs, the Climate Smart Agriculture (CSA) programme now covers over 31.70 lakh acres in 19 states. Further, as per the

[The Climate Smart Agriculture (CSA) programme now covers over 31.70 lakh acres in 19 states.]

studies done by reputed ICAR - Agricultural Technology Application Research Institute, Kanpur, the CSA practices promoted in Rice and Wheat crops together have demonstrated reduction of costs up to 21%, improvement in yields up to 8% and consequently, increase in incomes up to 23% as compared to conventional practices.

In Kapurthala District, Punjab, your Company under its flagship programme of 'ITC Mission Sunehra Kal' has, over the last seven years, implemented solutions that have effectively substituted the burning of paddy stubble by farmers. During the year, the programme covered nearly 2.84 lakh acres with appx. 96% of the area (2.73 lakh acres) witnessing total stoppage of stubble burning, thereby avoiding appx. 2.14 lakh tonnes of carbon release into the atmosphere.

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

It is your Company's belief that businesses can bring about transformational change by pursuing innovative business models that synergise the creation of sustainable livelihoods and the preservation of natural capital while enhancing shareholder value. This 'Triple Bottom Line' approach to creating larger 'stakeholder value', as opposed to merely focusing on uni-dimensional 'shareholder value' creation, is the driving force that defines your Company's sustainability vision and its growth path into the future.

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

Your Company sustained its 'AA' rating by MSCI-ESG for the seventh successive year - the highest amongst global tobacco companies. Based on its ESG score as assessed by S&P Global Corporate Sustainability Assessment (CSA), your Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row – a reflection of being a sustainability leader in the industry and a recognition of its continued commitment to people and planet.

Your Company is a pioneer in the green building movement, with 17 buildings having received Platinum certification by USGBC (US Green Building Council)/IGBC (Indian Green Building Council). To continuously reduce your Company's energy footprint, green features continue to be integrated in all new and old constructions including manufacturing units, warehouses and office complexes.

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

Your Company continues to pursue a low carbon growth strategy through extensive decarbonisation programmes across its value chains whilst also developing adaptation plans across its sites. Your Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being

The focus on creating unique business models that generate substantial livelihoods across the value chains has led to your Company's Businesses supporting nearly nine million sustainable livelihoods, many of whom belong to the weaker sections of society.

‘water positive’ (for 23 years), ‘carbon positive’ (for 20 years), and ‘solid waste recycling positive’ (for 18 years). With its bold Sustainability 2.0 agenda, your Company is setting the bar even higher and remains committed to making a meaningful contribution across all the three sectors of the economy – Agri, Manufacturing and Services. Further details on this subject are available in the Sustainability 2.0 section of this Report.

FINANCIAL PERFORMANCE

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

– The **FMCG-Others** Segment delivered a resilient performance amidst weak demand conditions and heightened competitive intensity. Further, the impact of sharp escalation in key input costs, viz. edible oil, maida, potato, cocoa, packaging inputs especially in the second half of the year, exerted pressure on margins, which was partially offset through focused cost management interventions, judicious pricing actions and premiumisation. Competitive marketing and trade investments were sustained during the year despite heightened inflationary pressures towards supporting growth and market standing.

– In the **FMCG-Cigarettes** Segment, strategic portfolio/market interventions continued to be made, with focus on competitive belts and to counter illicit trade, to drive volume-led growth and reinforce market standing. Differentiated and premium offerings continue to perform well. Severe cost escalation in leaf tobacco was partially mitigated through mix enrichment.

– The **Agri Business Segment** delivered robust performance during the year. The value-added agri portfolio recorded strong growth driven by scale up of exports of spices and coffee. While operations remained constrained due to continuation of trading restrictions on certain agri-commodities, the Business demonstrated execution agility in leveraging opportunities in rice exports in the second half of the year when restrictions were eased. Strong customer relationships and focus on new business development aided strong growth in leaf tobacco exports. Superior grade/crop mix and strategic cost management initiatives enabled expansion in margins, despite steep escalation in green leaf tobacco costs.

– The **Paperboards, Paper & Packaging** Segment continued to witness a challenging operating environment, with low-priced Chinese and Indonesian supplies in global markets including India, soft domestic demand conditions, leading to subdued realisations. Segment margins were impacted by the unprecedented surge in wood costs. The Business continued to sharpen focus on portfolio augmentation, export customer/market development and structural cost management to mitigate near term challenges, while enhancing resilience for the future. The Packaging and Printing Business continues to be acknowledged as a ‘first choice packaging partner’ by several reputed FMCG companies in the country for providing superior and cost-effective packaging solutions. The Business continues to aggressively pursue new business development across various segments.

Continuing Operations: In FY 2024-25, Gross Revenue and EBITDA stood at ₹ 73464.55 crores and ₹ 24024.83 crores respectively. Profit Before Exceptional items and Tax at ₹ 26000.86 crores, grew by 1.4% over previous year. Profit After Tax grew by 0.9% to ₹ 20091.85 crores (previous year ₹ 19910.23 crores). Earnings Per Share for the year stood at ₹ 16.07 (previous year ₹ 15.98).

Discontinued Operations: Pursuant to the Scheme of Arrangement (‘the Scheme’) amongst your Company and ITC Hotels Limited (‘ITCHL’) and their respective shareholders and creditors for demerger of the **Hotels Business** of your Company into ITCHL,

Your Company sustained its ‘AA’ rating by MSCI-ESG for the seventh successive year. It has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row. Till date, nine units of your Company have achieved Platinum level certification under the Alliance for Water Stewardship (AWS) Standard which is a credible, globally recognised framework for ensuring sustainable water management.

which became effective from 1st January 2025, the Hotels Business (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held by your Company in Hospitality entities[3], have been transferred to ITCHL on a going concern basis. Accordingly, the operations of the Hotels Business of your Company (excluding ITC Grand Central, Mumbai) have been classified as 'Discontinued Operations' for the year ended 31st March, 2025.

– The Hotels Business posted its highest ever Revenue and operating profits on the back of strong growth in RevPar, for the 9 months ended 31st December 2024. The Profit Before Exceptional items and Tax for the 9 months ended 31st December 2024 stood at ₹ 572.52 crores (₹ 445.04 crores for the same period in previous year; ₹ 691.22 crores for FY 2023-24). Profit After Tax from Discontinued operations for FY 2024-25 stood at ₹ 15103.76 crores (previous year ₹ 511.74 crores), including an exceptional gain on demerger of ₹ 15163.06 crores (FY 2023-24 - ₹ 7.57 crores). *Refer Note 29(x) to the financial statements.*

Overall Profit After Tax for FY 2024-25 (including Profit from Discontinued Operations) stood at ₹ 35195.61 crores (previous year ₹ 20421.97 crores). Total Comprehensive Income for the year stood at ₹ 34266.23 crores (previous year ₹ 22703.03 crores).

The Directors of your Company are pleased to recommend a Final Dividend of ₹ 7.85 per share for the financial year ended 31st March, 2025. Together with the Interim Dividend of ₹ 6.50 per share paid on 7th March 2025, the total Dividend for the financial year ended 31st March, 2025 amounts to ₹ 14.35 per share (previous year Dividend of ₹ 13.75 per share). Total cash outflow on account of Dividend (including Interim Dividend of ₹ 8133.11 crores paid in March 2025) will be ₹ 17956.69 crores.

[3] *Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited, Srinivasa Resorts Limited, International Travel House Limited, Gujarat Hotels Limited and Maharaja Heritage Resorts Limited*

VALUE-ADDED AND CONTRIBUTION TO EXCHEQUER

Over the last five years, the Value-Added by your Company, i.e., the value created by the economic activities of your Company and its employees, aggregated over ₹ 315000 crores, of which over ₹ 211000 crores accrued to the Exchequer.

Including the share of dividends paid and retained earnings attributable to government owned institutions, your Company's contribution to the Central and State Governments represented appx. 75% of its Value-Added during the year.

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

FOREIGN EXCHANGE EARNINGS

Your Company continues to view foreign exchange earnings as a priority. All Businesses in your Company's portfolio are mandated to engage with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth. Foreign exchange earnings of the ITC Group over the last ten years aggregated nearly US$ 9.5 billion, of which agri exports constituted appx. 60%. Earnings from agri exports, which effectively link small farmers with international markets, are an indicator of your Company's contribution to the rural economy.

During FY 2024-25, your Company and its subsidiaries earned ₹ 10445 crores in foreign exchange. The direct foreign exchange earned by your Company amounted to ₹ 7708 crores, mainly on account of exports of agri-commodities. Your Company's expenditure in foreign currency amounted to ₹ 3426 crores, comprising purchase of raw materials, spares and other expenses of ₹ 3280 crores and import of capital goods of ₹ 147 crores.

Over the last five years, the Value-Added by your Company, i.e., the value created by the economic activities of your Company and its employees, aggregated over ₹ 315000 crores, of which over ₹ 211000 crores accrued to the Exchequer. Your Company has, over the years, consistently ranked amongst the Top 3 Indian corporates in the private sector in terms of Contribution to Exchequer.

PROFITS, DIVIDENDS AND RETAINED EARNINGS

(₹ in crores)

PROFITS	2024 - 25	2023 - 24
a) Profit before exceptional items and tax from continuing operations	26000.86	25632.12
b) Exceptional Items (refer note 29 (i) to the Standalone Financial Statements)	527.96	–
c) Profit before tax from continuing operations	26528.82	25632.12
d) Tax expense		
– Current Tax	5990.17	5516.91
– Deferred Tax	446.80	204.98
e) Profit for the year from continuing operations	20091.85	19910.23
f) Profit for the year from discontinued operations	15103.76	511.74
g) Profit for the year (e + f)	35195.61	20421.97
h) Other Comprehensive Income	(929.38)	2281.06
i) Total Comprehensive Income	34266.23	22703.03
STATEMENT OF RETAINED EARNINGS		
a) At the beginning of the year	34488.10	33687.70
b) Add: Profit for the year	35195.61	20421.97
c) Add: Other Comprehensive Income (net of tax)	(23.66)	(17.18)
d) Add: Transfer from Share Options Outstanding Account on lapse	1.00	1.67
e) Less: Dividends		
– Final Dividend of ₹ 7.50 (2024: ₹ 6.75) per share	9363.54	8388.91
– Special Dividend of Nil (2024: ₹ 2.75) per share	–	3417.70
– Interim Dividend of ₹ 6.50 (2024: ₹ 6.25) per share	8133.11	7799.45
– Income Tax on Dividend paid (refund)	(19.45)	–
f) Less: Transfer to General Reserve	4448.06	–
g) At the end of the year	**47735.79**	**34488.10**

FMCG CIGARETTES

Your Company's leadership position in the cigarette industry continues to be driven by its unwavering focus on nurturing a future-ready portfolio of world-class products anchored on its integrated seed to smoke value chain, superior consumer insights, robust innovation pipeline and world-class product development capabilities. The Business continues to make strategic portfolio and market interventions, with focus on competitive belts and to counter illicit trade, to drive growth and reinforce market standing. Differentiated variants and premium segment continue to perform well leveraging mainstream trademarks & innovation. These interventions, coupled with the recent stability in taxes enabling some claw back of volumes from illicit trade, resulted in volume led growth during the year.

A punitive and discriminatory taxation / regulatory regime over the years has led to significant operating challenges for the legal cigarette industry in the country. The recent stability in taxes coupled with deterrent action on illegal and contraband cigarettes, has helped the legal industry in partially recovering its lost volumes, leading to higher demand for Indian tobaccos and bolstering revenue to the exchequer from the tobacco sector.

Your Company continues to counter illicit trade and reinforce market standing by fortifying the product portfolio through innovation, democratising premiumisation across segments and enhancing product availability backed by superior on-ground execution. The recent amendment to the Central Goods and Services Tax Act, 2017, to include an enabling provision for implementing 'Track and Trace' mechanism, is also expected to strengthen the efforts of enforcement agencies towards controlling illicit cigarette trade.

The year continued to witness steep increase in the prices of leaf tobacco, which was partly mitigated through a combination of product mix enrichment, strategic cost management and judicious pricing actions. During the current crop year, global supply chains are normalising, leading to moderation in leaf tobacco prices after a sharp increase over the last couple of years.

[Foreign exchange earnings of the ITC Group over the last ten years aggregated nearly US$ 9.5 billion, of which agri exports constituted appx. 60%. Earnings from agri exports, which effectively link small farmers with international markets, are an indicator of your Company's contribution to the rural economy.]

The Business also strengthened its presence in focus markets with the launch of several differentiated offerings across segments leveraging its institutional strengths, demonstrating agility in responding to evolving market dynamics. Several innovative variants have been introduced recently under the 'Classic', 'Gold Flake', 'American Club' and 'Flake' trademarks amongst others.

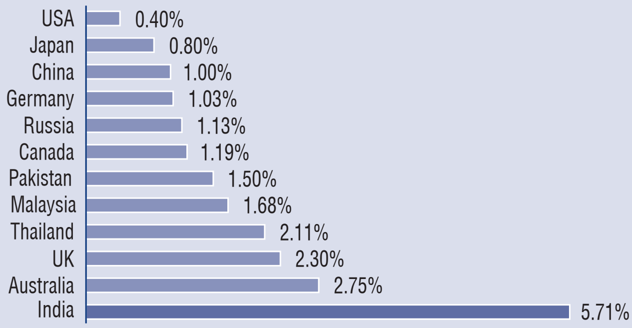
Your Company has further strengthened its direct reach in target markets across trade channels and also augmented the stockist network to service rural and semi-urban markets efficiently. Your Company's investments towards building a differentiated portfolio coupled with agile and last mile focused micro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

Globally, cigarettes constitute the dominant form of tobacco use. In the Indian context, tobacco use comprises a diverse range of chewing and smoking formats that are available at multiple price points consequent to punitive and discriminatory taxation on cigarettes. While India is the world's second largest consumer of tobacco, legal cigarettes constitute only 10% of overall tobacco consumption in India, as against a global average of 90%. It is pertinent to note that India accounts for less than 2% of global cigarette consumption despite having 18% of the world's population - making India's per capita cigarette consumption amongst the lowest in the world.

Over the years, high and discriminatory taxes on Cigarettes, while aimed at reducing consumption, have had unintended consequences of fuelling the growth of smuggled and domestically manufactured tax-evaded cigarettes, causing a shift to other lightly taxed/tax-evaded forms of tobacco products, comprising illicit cigarettes, bidi, chewing tobacco, gutkha, zarda, snuff, etc. Consequently, while the share of legal cigarettes in total tobacco consumption has declined from 21% in 1981-82 to a mere 10%, aggregate tobacco consumption in the country has increased over the same period. Despite accounting for 1/10th of the tobacco consumed in the country, duty-paid cigarettes contribute more than 4/5th of the revenue generated from the tobacco sector.

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

Tax per 2000 Cigarettes as a percentage of Per Capita GDP

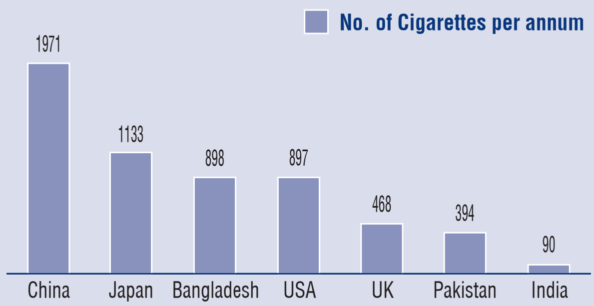


Source: Tax data – WHO Global Health Observatory, 2024 (Cigarette tax data for 2022); Per Capita GDP – World Bank (Data for the year 2022)

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

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

Per Capita Consumption of Cigarettes



Source: The Tobacco Atlas – 7th Edition, 2022

Over the years, high and discriminatory taxes on Cigarettes, while aimed at reducing consumption, have had unintended consequences of fuelling the growth of smuggled and domestically manufactured tax-evaded cigarettes, causing a shift to other lightly taxed/tax-evaded forms of tobacco products, comprising illicit cigarettes, bidi, chewing tobacco, gutkha, zarda, snuff, etc.

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

Period	Increase in Tax Rate	Increase in Tax Revenue Collection
FY 2012-13 to FY 2016-17 (CAGR)	15.7%	4.7%
Apr 2018 to Jan 2020 over Jul 2017 to Mar 2018	–	10.2%
Oct 2020 to Mar 2021 over Aug 2019 to Jan 2020	13.0%	1.8%
FY 2020-21 to 2022-23 (CAGR)	–	16.0%

Punitive taxes on the legal cigarette industry in earlier years have resulted in rapid growth of illicit cigarette trade – making India the 4th largest illicit cigarette market globally according to Euromonitor estimates. Over the years, this has created attractive tax arbitrage opportunities for unscrupulous players indulging in illicit cigarette trade accounting for about 1/3rd of the legal industry.

During the year, there were extensive media reports on the multitude of cases of evasion of taxes/duties by dealers in illicit cigarettes which were unearthed by raids conducted by Directorate of Revenue Intelligence (DRI) and other enforcement agencies. 'Illicit markets: A Threat to Our National Interests', a study published by FICCI-TARI in September 2022, noted that *"The consumption of illegal cigarettes in India has increased, signalling a shift from legal products to cheaper substitutes or illicit products, which have no or little tax element in them. When taxes are raised beyond a certain optimum level, consumers gravitate towards cheaper alternatives or illicit supplies, which are normally smuggled or tax evaded goods"*. It is estimated that illicit trade causes an annual revenue loss of appx. ₹ 21000 crores to the Exchequer. With respect to other tobacco products as well, the revenue losses are significant since about 68%[4] of the total tobacco consumed in the country remains outside the tax net.

The Directorate of Revenue Intelligence (DRI), in its report "Smuggling in India 2023-24" acknowledges the high incidence of taxes in India providing opportunities for illicit trade of cigarettes. The report states: "*Cigarette smuggling in India has become a growing concern, posing serious challenges to the public health, the economy, and law enforcement. With high domestic taxes and import duties on tobacco products, intended to curb tobacco consumption and safeguard public health, smuggling has become a profitable venture of criminal networks. The illegal trade in cigarette not only undermines government policies aimed at reducing tobacco use but also results in significant revenue loss".*

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

It is pertinent to note that smuggled international brands of cigarettes do not bear any of the pictorial or textual warnings mandated by Indian laws or, bear much smaller pictorial/textual warnings as per the tobacco laws of the countries from where these cigarettes originate. As reported in prior years, findings from research conducted by IMRB International, an independent market research organisation, show that the lack of pictorial warnings on

[4] *Report on the impact of current tax framework on the tobacco sector in India and suggestions for its improvement - 2014, by ASSOCHAM and KPMG.*

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packets of smuggled international brands of cigarettes or their diminutive size creates a perception in the consumers' mind that these illicit cigarettes are 'safer' than domestic duty-paid cigarettes that carry the 85% pictorial warnings. The combination of low prices to consumers due to tax evasion and the misleading perception created by the absence of statutory pictorial warnings provides significant buoyancy to illicit cigarette volumes.

India is among the top three tobacco growing countries in the world. Tobacco plays a significant role in the Indian economy on account of its considerable contribution to the agricultural, industrial and export sectors[5]. Illicit cigarette trade also has a deleterious impact on farmers and farm workers engaged in the tobacco value chain.

It may be noted that several major tobacco producing countries, including the USA, have established regulatory frameworks taking into consideration the economic interests of their tobacco farmers. The punitive and discriminatory taxation & regulatory regime on cigarettes in India over the years, has adversely affected the livelihood of Indian tobacco farmers with corresponding gains to those countries that have opted for moderate and equitable tobacco regulations. These developments coupled with lower export incentives in India and relative weakness of currencies in certain competing geographies have, in the past, had a debilitating impact on millions of livelihoods, dependent on the tobacco value chain in India. However, recent stability in taxes on cigarettes backed by deterrent actions of enforcement agencies has enabled the legal cigarette industry to partially combat illicit trade and claw back volumes, thereby improving demand for Indian tobaccos.

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

The extremely stringent regulations along with the discriminatory and steep taxation on cigarettes have had numerous negative, albeit unintended repercussions. These include:

– rapid growth in illicit cigarette volumes, which resulted in sub-optimisation of the revenue potential of the tobacco sector and significant loss to the Exchequer. It is estimated that on account of illicit cigarettes alone, revenue loss to the Government is appx. ₹ 21000 crores per annum.

– widespread availability of illicit cigarettes and other tobacco products of dubious quality and hygiene to consumers at extremely affordable prices. As a result, despite accounting for 1/10th of the tobacco consumed in the country, duty-paid cigarettes contribute more than 4/5th of the revenue generated from the tobacco sector.

– a large component of tobacco consumption in the country, aggregating around 68%, remaining outside the tax net.

– persistent negative impact on the livelihood of tobacco farmers and others dependent on tobacco. Studies by the Central Tobacco Research Institute (CTRI) indicate that on account of agro-climatic conditions, there is no equally remunerative alternate crop that can be grown in the FCV tobacco growing regions of the country.

Your Company continues to engage with policy makers for a framework of pragmatic, equitable, non-discriminatory, evidence-based regulations and taxation policies that balance the economic imperatives of the country and

[5] *Report on Tobacco Control in India, Ministry of Health & Family Welfare, GoI, 2004 (Jointly supported by Centers for Disease Control and Prevention, USA and the World Health Organisation).*

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

tobacco control objectives, cognising for the unique tobacco consumption pattern in India. Stability in taxes is critical to address the interests of all stakeholders of this industry, including tobacco farmers, consumers and the Exchequer.

Manufacturing facilities of the Business continue to set new benchmarks in the areas of quality, sustainability, supply chain responsiveness and productivity, driven through investments in new technology induction, digital technologies, innovation, and ensuring product & process excellence. Cutting-edge technologies in the areas of Industry 4.0 and Data Sciences are being leveraged to build a smart manufacturing environment of connected systems. These initiatives, coupled with innovative capabilities, in-house design and development expertise, have further improved the speed-to-market for launch of new and differentiated offers of the Business.

It is extremely satisfying to report that your Company continues to be recognised for its operational excellence. The Bengaluru, Pune and Munger units won the 'Apex Prize for Operational Excellence' at the Integrated Manufacturing Excellence Initiative (IMExI) Awards organised by Kaizen Hansei Institute, a wing of Kaizen Institute of India.

In line with your Company's commitment to the 'Triple Bottom Line' philosophy, the Business continued to focus its efforts for resource conservation and adoption of best-in-class technologies and processes. Sustainability initiatives of the Business continue to receive industry recognition, with the Kidderpore unit receiving the 'National Energy Leader Award' at the CII National Award for Excellence in Energy Management, and the Munger Unit being awarded the 'Winner' Award under the Best Energy Efficient Organisation (Large Sector) at the CII National Energy Efficiency Circle Competition. The 21 MW wind farm in Karnataka received the 'Best Performing Wind Farm Award' from Indian Wind Power Association in its geographical zone. Additionally, the Pune unit secured the coveted 'Sarvashreshtha Suraksha Puraskar' awarded by National Safety Council of India demonstrating its commitment to safety.

As a testimony to the success of digital initiatives on HR practices, the Business was honoured with the prestigious CII National HR Award for Excellence in Digital Practices.

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

FMCG – OTHERS

The FMCG - Others Segment delivered a resilient performance amidst subdued demand conditions and significant increase in competitive intensity from local/regional players. Costs of several major inputs such as edible oil, wheat, maida, potato and cocoa witnessed sharp escalation, especially in the second half of the financial year, weighing on margins. The inflationary pressures were partially mitigated through focused cost management, portfolio premiumisation, supply chain agility, digital interventions and calibrated pricing actions. Trade and marketing investments were sustained at competitive levels during the year towards supporting growth and market standing. Additionally, the Notebooks portfolio was impacted by sharp deflation in paper prices on account of cheap imports of paper, leading to heightened competitive intensity with opportunistic play by local/regional brands.

Your Company's FMCG Businesses recorded Segment Revenue of ₹ 21981.57 crores (previous year ₹ 20966.83 crores), with Segment EBITDA at ₹ 2163.92 crores (previous year ₹ 2338.50 crores).

A consumer-centric approach, driven by purpose-led brands, a future-ready portfolio including value-added adjacencies and agility in execution backed by smart

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

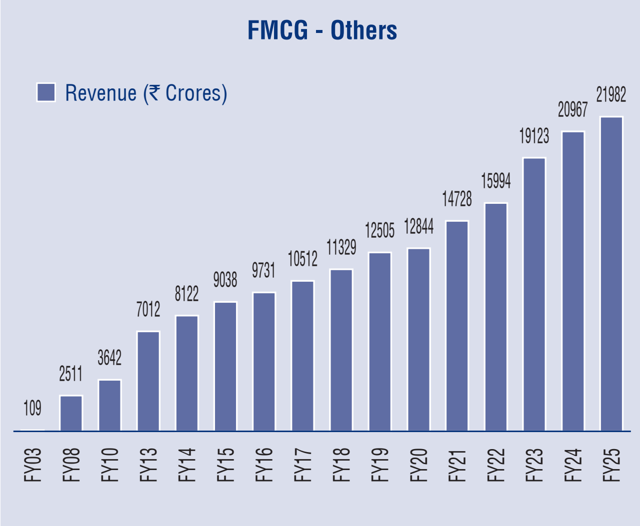
omni-channel capability and excellence in supply chain, remains at the core of your Company's strategy to rapidly scale-up the FMCG Businesses.

Across your Company's FMCG Businesses, the power of digital is being leveraged to drive superior consumer insights & innovation, deepen consumer engagement and enhance brand loyalty. Strategic interventions continue to be made towards delivering delightful brand experiences seamlessly using an 'Always On' approach across touchpoints through personalised journeys mapped to individual needs, preferences and context.

Your Company continues to leverage deep consumer insights and cutting-edge R&D capabilities to address present and emergent consumer need spaces. Over 100 new products anchored on the vectors of Health & Nutrition, Hygiene, Protection & Care, Convenience & On-the-Go, Indulgence etc., were launched across target markets during the year, leveraging the R&D platforms of your Company's Life Sciences and Technology Centre (LSTC) and agile product development teams across Businesses.

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

The FMCG Businesses comprising Branded Packaged Foods, Personal Care Products, Education and Stationery Products, Incense Sticks (Agarbattis) and Safety Matches have grown at an impressive pace over the past several years.



Your Company's vibrant portfolio of over 25 world-class Indian brands, largely built through an organic growth strategy leveraging institutional synergies in a relatively short period of time, represents an annual consumer spend of over ₹ 34000 crores and reach over 260 million households in India. These home-grown, purpose-led Indian brands, powered by agile innovation, support the competitiveness of domestic value chains, especially in the agri space, thereby ensuring creation and retention of value within the country.

Your Company's FMCG brands have achieved impressive market standing[6] in a relatively short span of time in their respective categories viz. Aashirvaad is No. 1 in Branded Atta, Bingo! is No. 1 in the Bridges segment of Snack Foods, Sunfeast is No. 1 in the Cream Biscuits segment, Classmate is No. 1 in Notebooks, YiPPee! is No. 2 in Noodles and Mangaldeep is No. 2 in Incense Sticks.

Your Company remains focused on rapidly scaling up the FMCG Businesses anchored on strong growth platforms and a future-ready portfolio. It is pertinent to note that the

[6] *Source: Nielsen, Kantar Household Panel*

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chosen categories, which are largely characterised by low household penetration levels and/or low per capita consumption, offer significant headroom for long-term growth. This is borne out by several reports which highlight that your Company's total addressable market expansion potential is amongst the highest in the Indian FMCG space. In this context, it is noteworthy that a key element of your Company's growth strategy is to foray into value-added adjacencies and categories of the future by leveraging the 25+ powerful mother brands it has established over the years. Recent examples of such brand extensions include Aashirvaad to Dairy, Ready-to-Eat, Vermicelli, Rava, Besan, Indian breads, Salt and Spices; Sunfeast to Dairy Beverages and Cakes; Bingo! to Namkeens; ITC Master Chef to Frozen Snacks and Cooking pastes; Classmate to Writing instruments; Savlon to Sanitisers, Wipes and Disinfectant sprays etc. Simultaneously, the FMCG Businesses continue to make strategic investments in building categories of the future and establishing your Company's 'right to win' by progressively scaling up nascent categories where beachheads have been created. In line with the ITC Next Strategy of building a future-ready portfolio, accelerating growth and enhancing competitiveness, several value accretive acquisitions were announced during the year viz. M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo). These interventions are expected to augment your Company's presence and market standing in high-growth and future-facing businesses.

The FMCG Businesses continue to expand their export footprint leveraging the equity of their world-class brands – with a reach now spanning over 70 countries. Your Company is also exploring strategic opportunities in proximal markets as a potential vector of growth going forward.

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

Your Company continues to counter the impact of inflationary headwinds through proactive measures across all nodes of operations and deliver competitively superior performance leveraging its institutional strengths and harnessing advantages of scale, smart buying initiatives and world-class talent in a consumer-centric, agile and innovative manner.

Notwithstanding the short-term challenges, the structural drivers of long-term growth such as rising disposable incomes and consumer awareness, low levels of penetration of consumer goods, favourable demographics, increasing urbanisation and growing preference for trusted brands remain firmly in place. Your Company remains confident of rapidly scaling up its FMCG Businesses on the back of a strong future-ready portfolio powered by purpose-led brands, world-class quality, deep consumer insights, cutting-edge innovation and an agile, resilient and efficient supply chain. Your Company's institutional strengths – strong backward linkages with the

In line with the ITC Next Strategy of building a future-ready portfolio, accelerating growth and enhancing competitiveness, several value accretive acquisitions were announced during the year viz. M/s. Sresta Natural Bioproducts (24 Mantra Organic Foods), Mother Sparsh Baby Care (Mother Sparsh) and Ample Foods (Prasuma & Meatigo). These interventions are expected to augment your Company's presence and market standing in high-growth and future-facing businesses.

Agri Business, deep and wide multi-channel distribution network, cuisine knowledge resident in ITC Hotels Limited (a group entity), industry-leading packaging knowhow and access to robust R&D platforms nurtured by LSTC – will continue to be leveraged to serve as unique sources of competitive advantage for the FMCG Businesses.

Branded Packaged Foods

The Branded Packaged Foods industry witnessed severe headwinds during the year due to subdued consumer demand and unprecedented inflationary pressure across several key inputs viz. edible oil, wheat, maida, potato, cocoa, packaging inputs etc. In this backdrop, your Company sustained its position as one of India's largest and fastest growing branded packaged foods businesses, leveraging a robust portfolio of brands, a slew of first-to-market products, regionally curated offerings, supported by an efficient supply chain and distribution network.

The Branded Packaged Foods Businesses remain focused on addressing emerging consumer preferences through innovations anchored on the vectors of health, nutrition, wellness, immunity, naturals, indulgence and convenience. Several innovative and first-to-market products were launched during the year, leveraging your Company's institutional strengths including superior consumer insights, innovation capabilities of the Life Sciences and Technology Centre (LSTC) and cuisine expertise resident in ITC Hotels Limited, a group entity. While fortifying core portfolio, the Businesses continued to scale-up presence in value-added adjacencies leveraging powerful mother brands and invest in categories of the future.

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

– In the Staples Business, 'Aashirvaad' delivered robust growth on an elevated base, consolidating its market leadership position. The value-added Atta portfolio, consisting of Multigrain, Select and Sugar Release Control Atta posted healthy growth driven by superior value proposition. Millet products ('Atta with Millets', 'Gluten Free Flour', 'Ragi Flour'), Organic portfolio ('Organic Atta' and 'Organic Dals'), 'Aashirvaad Vermicelli', 'Aashirvaad Rava' (Suji Rava, Bansi Rava, Samba Rava) and 'Ready to Cook Chapati' continued to witness strong growth. 'Aashirvaad Besan', with the unique proposition of smooth & lump-free batter, was extended to more markets and continues to scale up rapidly. With the objective of catering to regional preferences, a differentiated range of Atta was launched in Mumbai ('Premium MP Sehori', 'MP Sehori', 'MP Lokwan' and 'Khapli' variants). The Vermicelli range was expanded with the launch of 'Roasted Short Vermicelli' in Tamil Nadu. 'Aashirvaad Soya Chunks', with the proposition of 'Juicy and Tasty' as the differentiator was launched and has seen positive consumer response. With superior product development, purposeful marketing inputs, consumer activations and region-specific interventions supported by manufacturing excellence and sharply targeted media investments, especially across digital platforms, your Company is confident of further fortifying Aashirvaad's position as a preferred 'centre-of-plate' choice amongst Indian households, catering to all future-ready 'staple' needs of consumers.

  'Aashirvaad Salt' continued to post robust growth in focus markets during the year, supported by its distinctive positioning of "Iodine Assured salt for a Smarter India".

  In the Spices category, your Company continued to deliver strong growth with its endeavour to provide

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consumers unique and personalised experiences that meet their taste preferences and reflect regional flavours and ethos. During the year, the Business grew on the back of distribution expansion in focus states, sharp region-specific communication, and an enhanced portfolio with innovative new offerings. The 'Sunrise' brand strengthened its market leadership position in the core market of West Bengal and made significant gains in newer launch markets of the Northeast region and Bihar. The brand continued to delight consumers by introducing unique and differentiated products catering to regional tastes and preferences, such as 'Sunrise Soya Curry Masala', 'Sunrise Chinese Fried Rice Masala', 'Sunrise Schezwan Masala' and augmenting the portfolio with novel products such as 'Sunrise Peri Peri Masala' & 'Sunrise Restaurant Magic Masala' for new age consumers. 'Aashirvaad Spices' continues to enhance its presence in new gen channels and core markets to enable a full portfolio play along with expansion of the blended portfolio. The brand's range of whole spices, launched in the previous year, also witnessed rapid scale-up across online platforms. Aashirvaad has appointed Natural Star Nani as the brand ambassador to strengthen the brand's alignment with cultural values such as the appreciation for cinema, culinary traditions, and a profound connection to the region's unique customs and beliefs.

On April 17, 2025, your Company signed a Share Purchase Agreement to acquire 100% of the share capital of Sresta Natural Bioproducts Private Limited ('SNBPL'), an Indian company primarily engaged in the business of manufacture and sale of organic packaged food products under the '24 Mantra Organic' brand in the domestic as well as in international markets. SNBPL's portfolio comprises a wide range of 100+ organic products spanning branded grocery staples, spices and condiments, edible oils, beverages, etc. SNBPL has a strong international presence with a deep connect with the Indian diaspora. SNBPL's vertically integrated supply chain promotes sustainable livelihoods for its network of appx. 27,500 farmers spread across appx. 1.4 lakh acres of certified organic land in 10 states. The strong network of farmers and certified organic sourcing capability are key sources of competitive advantage for the company. The acquisition reinforces your Company's commitment to build a portfolio of future-facing winning brands that addresses the evolving needs of Indian consumers and will unlock value creation opportunities by leveraging your Company's institutional strengths to drive synergies in areas such as product development & innovations, sourcing, manufacturing, supply chain and distribution.

– The Biscuits category witnessed resilient performance amidst a challenging operating environment. The Business continues to strengthen its core portfolio with investments behind powerful brand ideas, superior products, cultural marketing with local insights and unique innovations to drive growth. The 'Sunfeast Dark Fantasy' range of differentiated cookies sustained its leadership position in the premium segment. 'Mom's Magic' range of cookies witnessed healthy growth during the year. The 'Bounce' range of cream biscuits was augmented with scale up of 'Bounce Day & night' - a delicious dark choco biscuit with soft vanilla cream. 'Sunfeast Supermilk' biscuit harnessing the goodness of 'Naatu Maatu Paal' continued to be scaled up in target markets. The portfolio mix was further enriched with the launch of 'Sunfeast Wowzers', a 14-layered cracker enrobed with cream (currently available in Cheese and Lemon variants) and 'Evening Marie' - a differentiated Marie with a savoury twist, in select markets. The Business also introduced a portfolio of Super Premium Cookies under 'Sunfeast Baked Creations' with globally sourced ingredients to leverage the advent of emerging niche spaces in the Quick-commerce channel.

Towards further deepening consumer engagement, the brand launched several meaningful and

The 'Sunrise' brand strengthened its market leadership position in the core market of West Bengal and made significant gains in newer launch markets of the Northeast region and Bihar.

clutter-breaking campaigns during the year. The Dark Fantasy brand, synonymous with turning everyday moments into extraordinary experiences, launched its 'Big Fantasies' campaign leveraging cutting edge technology to deliver fantastical experiences to consumers on ground. Mom's Magic further strengthened its core philosophy of 'Iss Dil Ke Aage Sabki Har Hain' with the launch of the 'Will of Change' digital campaign which puts a spotlight on the deep-seated societal bias that denies daughters their inheritance rights and advocates a shift towards equality, with mothers as the pillars of change.

– 'Bingo!' Snacks delivered resilient performance during the year and strengthened its product portfolio with the launch of exciting variants of snacks/namkeens. During the year, Bingo! forayed into the Popped Chips segment with the launch of three exciting variants - 'Sour Cream & Herbs', 'Salt n Pepper' and 'Indian Spice Mix', with 30% less fat proposition for consumers indulging in mindful snacking. Leveraging the 'Hot & Spicy/Korean' trend, the Bingo! Snacks portfolio was augmented with a slew of differentiated offerings straddling across product categories including 'Bingo! Tedhe Medhe Xtraa Teekha', 'Bingo! Mad Angles Red Alert' and 'Bingo! Nachos Korean Flavour'. Other launches during the year include an innovative Pink Salt flavoured 'Bingo! Original Style Pink Salt Chips' and Millet based offering under 'Bingo! Tedhe Medhe Pudina Twist'. Having forayed into traditional snacks through Bingo! Tedhe Medhe Namkeens in the recent past, the Business continues to register robust growth in the segment. Bingo! remains the market leader in the Bridges segment across the country, and in the potato chips segment in South India. With a view to reinforce its leadership position and build consumer engagement, 'Bingo! Tedhe Medhe' launched an exciting on-pack consumer offer with attractive prizes; the campaign was well received with over 13 million entries.

– YiPPee! sustained its position as a strong No. 2 brand in the Instant Noodles segment amidst heightened competitive intensity. The Business continued to strengthen its portfolio through a combination of product laddering across multiple price points, wider assortment to cater to diverse consumer cohorts and scale up of differentiated offerings. The portfolio was further augmented with the launch of 2 exciting flavours in the Korean Noodles segment. Further, the brand also forayed into Pasta Masala segment in 2 flavours – Masala and Cheese. The brand refreshed its communication outreach with popular Indian cricketers Jasprit Bumrah, Surya Kumar Yadav and Rahul Dravid as celebrity brand endorsers. Investments in several high decibel campaigns were stepped up to connect with regional culture codes to generate positive consumer buzz and increase visibility across focus markets such as South region, UP, MP, Bihar and Odisha.

– The Frozen Foods Business operating under Brands 'ITC Master Chef', 'Farmland' and 'Aashirvaad' continued to grow at an accelerated pace, powered by a range of delicious and innovative products catering to 'any time' snacking and meal occasions. The launch of no-onion-no-garlic 'ITC Master Chef Sabudana Tikki' made from 'sendha namak', suitable for fasting occasions and innovative products like Chicken Kievs has helped to further strengthen the product portfolio in Retail and Food Service channels. The Business directly distributes to over 200+ towns leveraging emerging and traditional channels and smart digital marketing to expand consumer franchise. The frozen portfolio now comprises of over 80+ Indian and Western Snacks, Parathas, Naans, Prawns and Vegetables.

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During the year, your Company signed Definitive Agreements for acquisition of 100% of the share capital of Ample Foods Private Limited (AFPL) in one or more tranches. AFPL's flagship brand, 'Prasuma', is a leading player in the frozen, chilled and ready to cook foods space in India and is a specialist in oriental cuisine (viz. momos, baos, Korean fried chicken), high-quality delicatessens and raw meats, etc., sells a wide assortment of 170+ products, backed by unparalleled innovation expertise in developing 'Good-for-You' products. This acquisition will further fortify your Company's presence in these future-facing categories, with current annual market size of over ₹ 10000 crores and poised for rapid growth in the years ahead.

– On April 4, 2025, your Company completed the first tranche of acquisition in AFPL to the extent of 43.75% of the shareholding of the company, in line with the Definitive Agreements.

– 'Aashirvaad Svasti' - fresh dairy portfolio continued its strong growth momentum during the year, led by strengthening its premium milk variant 'Select' and driving significant growth in value-added products (Curd, Lassi, Mishti Doi & Ghee) through superior & differentiated offerings. The fresh dairy portfolio is currently available across Bihar, West Bengal & Jharkhand markets and it continues to enhance market penetration through rapid scale-up of its distribution network. The Business rolled out a new premium variant 'Shahi Lassi' under 'Aashirvaad' brand which elicited excellent consumer response in the launch markets. Ghee portfolio was further augmented with the launch of a health-focused product proposition, 'Cow Ghee with 90% low cholesterol'.

– The Beverages portfolio has been refreshed with launch of innovative offerings to address the evolving consumer needs. During the year, the Business entered the Ethnic beverages segment, a growing space, with the launch of region-specific offers around product formats of badam milk, lassi and buttermilk under the mother brand 'Aashirvaad'. The core portfolio of Dark Fantasy milkshakes has been further augmented with the launch of a new unique product 'Vanilla milkshake with white chocolate'.

– The Confectionery Business continued to nurture its range of premium portfolio by leveraging 'Fantastik Chocostick', 'Jelimals' and 'Candyman Fruitee Fun 3 in 1 chews'. The Business strengthened its leadership in the wafer rolls category with the launch of 'Sunfeast Dark Fantasy' crème filled choco wafer rolls. The offerings have received excellent consumer response while the clutter-breaking communication has enabled strong brand recall among target groups.

– 'Fabelle' chocolates continue to receive excellent response from discerning consumers, setting new benchmarks in the luxury and premium chocolate segments. During the year, your Company opened an exclusive Fabelle store at Bengaluru airport, expanding the availability of the luxury range of chocolates beyond the luxury boutiques at ITC Hotels and Quick-Commerce channel. The 'Sunfeast Fantastik' range of chocolates, comprising Choco Almond and Fruit & Nut variants launched in the previous year, was scaled up across markets after receiving excellent feedback from consumers in launch markets. The product range was further augmented during the year with the launch of 'Sunfeast Fantastik! 4D', a unique product offering four indulgent layers of crunchy wafer, milk choco, soft caramel and nutty peanuts in every bite. The product, endorsed by celebrities Sreeleela & Siddhant Chaturvedi, has elicited strong consumer traction.

– Exports remain a key focus area for the Branded Packaged Foods Businesses. In addition to Aashirvaad Atta exports, which is already a clear market leader across several markets, the Business has been continuously sighting opportunities to

Exports remain a key focus area for the Branded Packaged Foods Businesses. In addition to Aashirvaad Atta exports, which is already a clear market leader across several markets, the Business has been continuously sighting opportunities to scale up exports of value added adjacencies. The Business is also witnessing green shoots in exports of other categories such as Biscuits, Noodles and Snacks.

scale up exports of value added adjacencies. The Business is also witnessing green shoots in exports of other categories such as Biscuits, Noodles and Snacks, leveraging the equity of its core brands such as Aashirvaad, Sunfeast Dark Fantasy, Sunfeast Moms Magic, Sunfeast YiPPee!, Bingo! and Kitchens of India.

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

In line with your 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 aged over 40. The portfolio has been curated using natural and proprietary ingredients developed at LSTC. Anchored on the vectors of better digestion, strength and energy building, your Company launched a range of products such as 'Jaggery Ragi Cookies', 'Millet Oats Kheer mix', 'Millet Oats Upma mix' and 'Millet Chana Mixture' during the year. The recent acquisition of 24 Mantra Organic would also further augment the Business' portfolio of nutrition-led healthy food products.

The Businesses continue to use a data driven approach to make sharp targeted brand investments, clutter-breaking communication and deepen consumer engagements across all touch points, along with focused market development efforts to reinforce market standing across operating categories. Several campaigns launched during the year received wide recognition and won prestigious awards across leading platforms. 'Aashirvaad Atta' won Gold at Effie's for its innovative 'Atta – Rap' campaign in the Food, Snacks & Desserts category, and Bronze at E4M in the Regional Campaign category. At the E4M IDMA Awards, the Bingo AI Meme Gallery received a Silver for Best Use of User Generated Content and Bronze for Leveraging Social Media to Boost ROI and Engagement; 'Sunfeast Dark Fantasy' won Silver for Best Digital Innovation with its 'Biting into a Million Fantasies' campaign. 'Sunfeast YiPPee!' secured a Bronze at Effie Awards for the 'Better World - Create Magic' campaign, under Positive Change - Environmental Brands category. At the E4M IMA South Awards, ITC Mission Millets won Gold in Best Use of Integrated Marketing – FMCG, Bingo Mad Angle Song won Gold in Branded Content - Food & Beverages, Bingo Meme Premier League won Silver in Occasion/Festive Based or Seasonal Marketing – FMCG along with Aashirvaad Masala Karam winning Bronze in Best Use of TV – FMCG. From advancing nutritional and sustainable food practices with the 'Mission Millets' campaign to empowering farmers and consumers alike, the Business earned a Gold SABRE in the Marketing to Consumer (New Product) category.

The year marked a major step in advancing the Business' digital maturity journey. With the vision of having a connected digital ecosystem, the Business has launched Real Time Consumer Data Platform. With the objective of consistently engaging with consumers, the Business is also building 'always-on' brand experience digital platforms, rooted in the respective brand philosophies. In this context, the Business went live with www.letsboing.com for the Bingo! portfolio – an always on comedy content and experiences platform which takes the consumer through a fun journey of value exchanges through a curated selection of amusing local news, newsmakers, memes, and horoscopes, all presented in the distinctive Bingo! flavour. During the year, the Business also launched an 'all things food & recipe' content website - www.foodiesonly.in; with an endeavour to become a go-to website for recipes, tips & tricks, menu planners, masterclasses for home-chefs etc. The platform has generated excellent consumer traction and has been one of the largest and fastest platforms in terms of garnering consumer traffic.

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

11 ICMLs are operational in locations proximal to large demand centres, enabling delivery of fresher products, reduction in distance to market and delayering of operations. The capacity utilisation at these ICMLs continues to be ramped up while contributing to a progressive increase in workforce diversity and inclusion with each new investment. During the year, the Business also commenced operations at the new confectionery manufacturing facility at Jammu.

With its relentless focus on quality and manufacturing excellence, your Company received over 100 prestigious external awards & accolades in the areas of Safety, Sustainability, Quality & Food Safety, Manufacturing Excellence, Cost Competitiveness, Manufacturing & Supply Chain and HR from prestigious institutions such as the Confederation of Indian Industry (CII), Integrated Manufacturing Excellence Initiative (IMexl), etc. These accolades are testament to your Company's unwavering commitment to providing products with the highest levels of quality while reducing environmental impact of the same.

To counter input cost volatility and support long-term profitability, your Company has implemented several strategic cost management initiatives in areas such as supply chain optimisation, smart procurement and productivity improvement through automation, leveraging new-age technologies such as Industry 4.0, Artificial Intelligence/Machine Learning, advanced visual analytics and smart utilities. These measures are instrumental in countering significant input cost volatility witnessed during the year, as well as offsetting gestation costs of new initiatives and strategic brand development investments in emerging categories. Going forward, these strategic initiatives will aid the Business in further enhancing its competitive positioning in the industry.

The food processing industry has immense potential to boost agriculture by improving market linkages, resource efficiency and exports. The development of the food processing sector is vital for addressing food security, controlling inflation, improving nutrition, and preventing wastage, thereby enhancing farmer incomes. Acknowledging the large economic multiplier impact of the food processing industry, and growth opportunities in the Indian market, your Company has made substantial investments in this sector and remains focused on establishing itself as the leading player in the branded packaged foods industry.

Your Company's strong farm linkages, procurement efficiencies, world-class brands and deep & wide multi-channel distribution network, with growing presence in new gen channels such as e-Commerce, Modern Trade, On-the-go and Institutional sales, continues to deliver competitive advantage through superior product availability, visibility and freshness. Recent investments in establishing a world-class distributed manufacturing footprint have created a solid foundation to secure structural advantage over time. Cutting-edge R&D platforms of your Company's LSTC are driving agile innovation and faster turnaround times for introduction of differentiated & first-to-market products catering to constantly evolving consumer needs. Investments in leading-edge digital technologies and platforms continue to be stepped up across the value chain to drive competitive advantage.

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Your Company is well poised to strengthen its position as one of the fastest growing food companies and the 'most trusted provider of food products' in the Indian market. Your Company remains confident of rapidly scaling up the Branded Packaged Foods Businesses leveraging the strong growth platforms nurtured over the years in chosen categories which offer immense headroom for growth, address opportunities in value added adjacencies by leveraging mother brands and nurture new vectors of growth where beachheads have been created.

Personal Care Products

The Personal Care industry witnessed a challenging year, marked by muted demand conditions, heightened competition and unprecedented volatility in commodity prices which intensified margin pressures. The premium segment, however, continued to grow faster, reflecting an ongoing shift towards value-added offerings, brand-driven differentiation and increased demand for high-quality, ingredient-led & sustainable products.

Despite headwinds in the operating environment, your Company's Personal Care Business achieved robust volume growth led by rapid scale-up in new gen channels (E-commerce/Q-commerce & Modern Trade). Strategic partnership with key accounts, channel specific packs & launches and agile execution continue to drive growth. The premium portfolio remains a significant growth driver, reinforcing your Company's focus on delivering superior consumer experiences through innovative offerings and differentiated value propositions.

In the Personal Wash segment, 'Fiama' continued its robust growth trajectory, in both gel bars and shower gels. The Business augmented its product portfolio with the launch of 'Fiama Moisturising Bars with Japanese Hokkaido Milk' in 3 variants, offering moisture rich indulgence, non-sticky nourished skin and mood uplifting fragrances. Beyond product innovation, Fiama expanded its Virtual Therapy platform with the MINDS Foundation. During the year, the brand also collaborated with Filmfare for an exclusive 'Fiama presents Best Portrayal of Mental Health in Cinema' Award which was a first in the industry. With a focus on premiumisation and innovation, Fiama is well-positioned to drive continued growth.

The 'Vivel' portfolio continued to strengthen its core association with aloe vera and natural ingredients, with the launch of Sandal Soap, Aloe Vera based Bodywash & a new range of naturals based Handwash liquids. Vivel's repositioning of 'Magic of Soft Touch', is anchored on the benefit of soft skin and highlights heartfelt emotions that can be sparked by a gentle touch, creating cherished memories and stories. The brand continued to strengthen its association with Women Empowerment with its collaboration with Azad Foundation, through 'Parvaz', a year-long leadership training programme that fosters women's empowerment and enables young women leaders to be catalysts of change in their communities.

'Savlon' delivered strong growth leveraging initiatives such as 'Savlon Lao Shaan Badhao'. As a testament to the Business' focus on innovation, Savlon was recognised with the NIQ BASES Breakthrough innovation award by Nielsen, making it one of 15 winners out of 40000 new launches across the country. Post pandemic, the brand has been successfully transitioning its proposition from 'protection' to 'caring protection', strengthening its differentiation and creating a base for sustained growth momentum.

In the Home Care segment, the 'Nimyle' range of products continued to expand rapidly across geographies and channels. The brand provides a markedly differentiated proposition to consumers with a 100% natural action which is safe for kids and pets. To further enhance shelf presence and consumer affinity, the product packaging was revamped during the year. The brand also launched 'Nimyle Clean Equal Mission' - a first-of-its kind educative module for children across schools, designed to foster cleaning at homes as a shared responsibility, by raising awareness and inspiring action among the next generation. Anchored in its core values and a clear brand proposition,

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Nimyle remains committed to deepen consumer connect and expand availability across touchpoints.

During the year, 'Engage' continued to strengthen its position in a dynamic and evolving fragrance market. In recent years, the brand has pivoted based on the emerging consumer preference for perfumes & gifting, with both premium and mass perfume offerings growing well. Innovation and superior fragrance profiles remain central to the brand's strategy for scaling up consumer traction. During the year, the 'Spirit' range of deos, with olfactive profiles of Oudh, Musk, fruity & floral was launched. The premium L'amante range was extended with differentiated variants such as Oudh, Fern, Soie and Fluer. During the year, a new range of gift packs known as Vibes was introduced, providing a premium gifting experience. The brand stepped up consumer engagement to drive fragrance education with 'Engage Scents & Senses' with influencers & perfume experts and amplified its digital content. Leveraging robust R&D capabilities and in-house manufacturing, the Business continues to deliver high-quality fragrances that resonate with discerning consumers.

In the Skincare portfolio, the 'Digital-first' brand 'Dermafique' continued to leverage an AI-powered smart skin advisor to provide personalised skin health analysis, empowering individuals to know their skin better and adopt solutions suited to the unique skincare needs of Indian consumers. During the year, offline expansion gained momentum with entry into new large-format stores, eliciting promising consumer response. Sustained consumer education on customised skin health remains a core focus as Dermafique seeks to build for the future with data, science, and differentiated storytelling.

The Business achieved a major milestone this year with the commissioning of the state-of-the-art Neemgarh plant, situated in Uluberia, West Bengal. This modern, digitally-enabled facility marks the first Personal Care Products plant in one of its most salient markets. This site also houses the largest varieties of Neem plants in the world, with 50 neem ecotypes sourced from across India; your Company has tied up with a renowned university for conducting primary research on these, to help deepen knowledge on Neem with a view to facilitate development of new products. This facility also enhances the Business' ability to serve high-potential eastern and north-eastern markets with greater agility, optimised costs and reduced lead time.

Your Company continues to strengthen its commitment to sustainability with meaningful progress across packaging and consumer engagement. Fiama has expanded its use of 50% recycled plastic across all PET bottle SKUs of shower gels and hand wash, with clear on-pack callouts to build consumer awareness. To further promote refill adoption, refill pouches made with recyclable plastic have also been introduced and are proposed to be scaled across variants.

Your Company continued to earn widespread recognition across national and international forums for its innovative product design, impactful communication, and purpose-led brand initiatives. Fiama's Mental Wellbeing Survey was honoured with the SABRE South Asia Diamond for excellence in PR, while the recyclable Fiama Handwash pouch won the prestigious Global DOW Innovation Award. Savlon Swasth India Mission received a Silver at the London International Awards for its impactful use of social media in Health and Wellness and secured multiple accolades at the Effie Awards and ET Brand Equity Brand Disruption Awards, including Golds for Influencer Marketing and Viral Content. Vivel was awarded a Bronze at the APAC EFFIES and a Gold at the ET Sharks Awards for its tech-enabled campaign. Engage, Dermafique, and Nimyle were also celebrated across forums like ET Digi+, Fulcrum, and Entrepreneur India Awards. These awards are a testament to the brands' growing consumer franchise across target segments.

The Business received 14 INDIASTAR 2024 awards for excellence in packaging and its commitment to inclusivity was recognised with the FICCI Women Empowerment

The Personal Care Business achieved a major milestone this year with the commissioning of the state-of-the-art Neemgarh plant, situated in Uluberia, West Bengal. This modern, digitally-enabled facility marks the first Personal Care Products plant in one of its most salient markets. This site also houses the largest varieties of Neem plants in the world, with 50 neem ecotypes sourced from across India.

Award. Further, the Haridwar Unit was also felicitated with the CII Quality Circle Competition Winner Award in the Northern Region.

The Business, with its purpose-led brands serving discerning consumers in a dynamically evolving environment, is well poised to seize future opportunities on the back of innovations, impactful communications, institutional R&D strength & formulations, state-of-the-art manufacturing, packaging know-how and multi-channel distribution.

Education and Stationery Products

The Education and Stationery Products industry witnessed heightened competitive intensity with the widespread resurgence of regional players on the back of sharp moderation in input prices, accentuated by cheap imports of paper. Against this challenging operating environment, the Business delivered a resilient performance with the flagship brand 'Classmate' sustaining its market leadership position in the Notebooks segment. The Business continues to leverage your Company's institutional strengths which provide unique sources of competitive advantage such as paper manufacturing expertise including the capabilities of your Company's Life Sciences and Technology Centre to enhance product superiority & differentiation in the core notebooks category and drive premiumisation, multi-channel distribution infrastructure and brand building expertise.

In keeping with its proposition of 'Enjoy Learning', the Classmate brand continues to provide differentiated offerings through technology via eduGAMES Infinity, that provides students the opportunity to play and learn new skills. During the year, the Business accelerated the adoption of 'Classmate Pulse' through targeted activations focused on new consumer cohorts and also strengthened the 'Paperkraft' portfolio with the launch of a new range of notebooks with discrete design themes. The 'Classmate Interaktiv' Notebook portfolio continues to witness encouraging consumer response driven by wide range of offerings that enable 'Do It Yourself' activities, immersive technologies such as augmented reality and playful covers.

The Writing Instruments portfolio is being further strengthened through superior writing systems and product designs, enhancing differentiation through strategic tie-ups and by expanding the portfolio with innovative launches, bringing playfulness around the brand proposition of 'Enjoy Learning'. To further strengthen the premium portfolio, the Business introduced a set of revamped designs elevated by premium finishes and aesthetics under its range of Mathematical Instruments.

'Classmate All Rounder', an inter-school initiative to promote holistic learning in line with the National Education Policy 2020, continued to gain strong momentum in its third edition, with participation from top schools across the country. The initiative has engaged nearly one million students across 33 cities since inception.

The multi-channel capability of your Company's strong distribution network was leveraged to enhance availability and drive sales. The Business sustained its leadership position on e-Commerce platforms through consistent availability of a wide assortment of products, backed by focused interventions to enhance consumer traction. Consumer engagement was further augmented through Classmateshop.com, a D2C platform that provides consumers the opportunity to 'Personalise & Capture' memories on Classmate notebooks. The myClassmate app, a gamified app focused on developing co–curricular skills and make learning engaging and enjoyable, has garnered nearly 2.5 million downloads.

Equipped with state-of-the-art technology and a newly installed quality lab, the dedicated manufacturing facility at Vijayawada is enabling the Business develop differentiated notebook formats, drive cost reduction and enhance capabilities to exploit opportunities in overseas markets.

In keeping with its proposition of 'Enjoy Learning', the Classmate brand continues to provide differentiated offerings through technology via eduGAMES Infinity, that provides students the opportunity to play and learn new skills.

The Classmate and Paperkraft range of notebooks leverage your Company's world-class fibre line at Bhadrachalam - India's first ozone treated elemental chlorine free facility - and embody the environmental capital built by your Company in its paper business. The Business also continues to scale-up the Paperkraft range (FSC®-C181115) of notebooks using Forest Stewardship Council® (FSC®) certified paper (FSC®-C064218), made at your Company's paper mill at Bhadrachalam.

With over 300 million students, India has one of the largest education systems in the world. The Indian Education and Stationery Products industry holds immense potential driven by growing literacy, increasing enrolment ratios, the Government's continued thrust on the education sector and a favourable demographic profile of the country's population. Your Company's Education and Stationery Products Business, with its strong brands, robust product portfolio, collaborative linkages with small & medium enterprises and superior distribution network, is well poised to sustain its leadership position in the industry.

Incense Sticks (Agarbattis) and Safety Matches

The Incense Sticks (Agarbattis) category witnessed robust growth during the year with your Company's flagship brand 'Mangaldeep' further strengthening its market standing across formats including Agarbattis, Dhoop and Sambrani. Anchored in deep consumer insights and spiritual relevance, Mangaldeep offers a unique product experience that combines traditional devotional appeal with modern sensibilities. The Business successfully navigated an inflationary cost environment through judicious mix enhancement and strategic cost optimisation, thereby sustaining profitability and volume growth.

The Brands visibility and engagement were enhanced through a high impact thematic campaign – "Dil Se Karo Baat, Bhagwan Ke Sath" – which struck a powerful chord with consumers across the country. The campaign was completed by targeted marketing interventions across channels, further deepening Mangaldeep's spiritual connect.

Responding to evolving consumer preferences, the Business expanded its product portfolio through several impactful launches. Notably, the new sub-brand 'Fusion' was introduced with contemporary fragrances such as Sambrani & Oud, Sandal & Vetiver and Lavender & Sage each blending traditional aroma with a modern twist. The 'Scent' sub-brand was also extended with new offerings in premium dry dhoop sticks and cones, delivering 'perfume like' experiences true to its positioning.

Catering to the emerging wellness segment, the Business launched 'Pranah', a premium range inspired by earth-sourced aromatherapy. This included scented candles, incense sticks, and cones, harmonising natural inspiration with scientific wellness benefits.

To further strengthen consumer engagement, the brand undertook large-scale on-ground activations during the Maha Kumbh Mela in Prayagraj. These included immersive spiritual experiences, participation in sacred rituals, and bhajan evenings. The Jalbatti initiative — a symbolic and sustainable ceremonial offering — added a powerful dimension to consumer connection and received extensive media coverage. On the digital front, augmented reality-based experiences brought the sanctity of Kumbh into homes, further enhancing brand resonance.

The Mangaldeep mobile app was also relaunched with a modernised, intuitive user interface. Redesigned with Watch, Read & Listen content streams, gamified elements and improved navigation, the app reinforces Mangaldeep's ambition of being a holistic spiritual companion.

In a pioneering step towards inclusive innovation, Mangaldeep continues to collaborate with over 150 visually impaired fragrance evaluators under the Sixth Sense initiative. This unique programme empowers differently-abled individuals to co-create fragrances,

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helping the brand deliver long-lasting and sensorially rich offerings while fostering inclusive growth.

Over the years, the Business has implemented several measures to enhance the competitiveness of the agarbatti value chain in India. This includes scaling up bamboo procurement through local sources, working closely with manufacturers and state nodal agencies to promote bamboo plantation and indigenous bamboo stick manufacturing. Mangaldeep remains at the forefront of driving bamboo stick manufacturing, enabling import substitution while advancing national priorities of employment generation, rural livelihood enhancement, and inclusive economic growth.

In the Safety Matches industry, the Business strengthened its market leadership position by leveraging the brand 'Homelites' – built on differentiated positioning of stronger, longer and karborised sticks. The Business continues to focus on scaling up the share of value-added products in its portfolio and enhancing supply chain efficiency by sourcing products manufactured closer to markets.

Leveraging its world-class brands and innovative & superior product offerings, your Company remains confident of scaling up its Agarbattis & Safety Matches portfolio, and strengthen its position in the segment.

TRADE MARKETING & DISTRIBUTION

Your Company's Trade Marketing & Distribution (TM&D) vertical continues to strengthen its multi-channel go-to-market capabilities towards ensuring effective market servicing and product availability. Proactive interventions continue to be made towards addressing emerging trends such as the rapid growth of new gen channels (Modern Trade, e-Commerce, Quick-Commerce) and increasing demand for premium products.

The dynamic interplay of varied and evolving consumer preferences, multiplicity of channels including rapid acceleration in new gen channels, diverse demographic profiles & socio-economic factors, and a vast geographical landscape pose a high degree of complexity for distribution of FMCG products in India. Recognising the multifaceted nature of these challenges, TM&D continues to sharpen channel-specific strategies to efficiently service consumer demand across the country. Valuable insights 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.

The rapid growth of Modern Trade, e-Commerce and Quick-Commerce channels, coupled with the emergence of several new players, has necessitated the deployment of tailored market/outlet specific strategies to seize the emerging opportunities. Omni-channel presence in urban markets enabled accelerated growth while shopper marketing insights and agile supply chain capabilities were leveraged to enhance operational and execution efficiencies.

The surge in internet usage, particularly through smartphones, amongst convenience-seeking consumers, widespread adoption of digital payments, wide assortment of products and faster deliveries continue to drive the rising salience of e-Commerce and Quick Commerce channels. Your Company's 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. This was augmented by development of exclusive pack assortments, channel-specific business plans and 'Digital First' brands. Joint Business Plans executed in coordination with these platforms coupled with agile supply chain initiatives have further fortified your Company's market standing in e-Commerce and Quick Commerce channels. Growth in the premium portfolio was accelerated through increased visibility, focus on target cohorts and jointly curated campaigning, including collaborating on topical events across accounts. Digitally enabled sales have grown rapidly in recent years and, together with Modern Trade, now account for 31% of your Company's FMCG[7] portfolio (Vs. 17% in FY 2019-20).

[7] *Excluding Education and Stationery Products*

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Your Company's multi-channel distribution network, which facilitates availability of its products in nearly seven million retail outlets of which more than one-third are serviced directly, was further strengthened during the year with the addition of new markets and outlets to its direct servicing base. Market coverage was stepped up by more than 2x of pre-pandemic levels. TM&D's wide and deep distribution network and cutting-edge digital capabilities render the FMCG Businesses with significant competitive strength.

In the General Trade channel, your Company continued to demonstrate resilient performance through focused market approach and differentiated product assortment. During the year, urban markets witnessed heightened competitive intensity from regional/local players and accelerated channel shift with the increasing salience of Modern Trade, e-Commerce and Quick Commerce. Automation, data-led insighting and machine-learning enabled solutions continue to be increasingly leveraged to drive last mile productivity and performance across markets. Further, emerging technologies like Generative AI are being increasingly leveraged to automate operations and enhance efficiency. Customised servicing based on outlet potential and retail engagement programmes have been deployed to stimulate demand for your Company's products with enhanced focus on premium grocery outlets. Specific interventions were undertaken to drive premiumisation in General Trade outlets with store level missions led by sharper data analytics.

In rural markets, your Company continued to deploy market-specific interventions to enhance direct coverage on the basis of socio-economic indicators and market potential. This has been supported through a hub and spoke distribution model with the continued expansion of rural stockists network to 1.4x over the last three years. Leveraging the synergies arising out of the deep rural connect of your Company's Agri Business, extensive consumer activations were undertaken in high potential rural areas during the year aided by concerted market development activities and further enhancements to the digital ecosystem for the stockist channel. These initiatives have substantially enhanced the availability of your Company's range of products in rural markets.

The Food Service and Institutional channels continued to witness robust growth during the year leveraging existing partnerships and your Company's wide product range. Strategic partnerships unlocked new routes-to-market, catering to specialised segments including 'on-the-go' consumption, direct marketing and QSRs. Customised product portfolios continue to be deployed for identified high potential segments of railways, airports and airlines to strengthen presence in this channel.

TM&D remains at the forefront of leveraging cutting-edge digital technologies and building a digital ecosystem to draw actionable insights for sharp-focused interventions, augment sales force capability, drive productivity, improve market servicing 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 analytics are being increasingly leveraged to enable speedy and accurate data capture, enable real-time informed decision making and aid in optimisation of trade & marketing inputs to enhance visibility and sales. The machine learning models have been augmented to sharpen outlet level SKU recommendations. Use cases for self-service analytics tools have increased to analyse data and present insights which are digitally integrated into business decisions, resulting in intelligent digitalisation of business processes.

The digitally powered eB2B platform of your Company, UNNATI, has been rapidly scaled up during the year, covering nearly eight lakh outlets. UNNATI facilitates sharp and direct engagement with retailers, superior analytics, personalised recommendations of hyperlocal baskets based on consumer purchase insights, and deeper brand engagement.

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To cater to the digital payments and financing needs of customers and retailers, your Company has entered into strategic collaborations with banks and Fintech partners. These solutions have been seamlessly integrated with the UNNATI platform to digitally empower and unlock business growth for your Company's trade partners.

The scale and diversity of your Company's distribution network remains pivotal in enhancing market presence, gaining valuable insights into consumer & trade behaviour and facilitating the execution of product launches across geographies. In order to effectively leverage new routes-to-markets and meet the assortment needs of new gen channels, your Company executed over 100 new product launches across target markets besides extending the availability of several existing products in the portfolio.

Several interventions were undertaken by TM&D during the year to drive structural improvement in operational effectiveness and productivity. During the year, your Company continued to leverage the integrated planning and supply chain tool, powered by best-in-class algorithms for inventory optimisation and productivity enhancement to significantly improve supply chain agility and market servicing through enhanced forecast accuracy. The supply chain network was redesigned to enhance the premium portfolio availability both in existing and target markets across urban and rural markets. TM&D continues to augment warehousing infrastructure leveraging cutting-edge technologies to cater to the growing scale of your Company's FMCG Businesses.

In line with your Company's commitment to the 'Triple Bottom Line', TM&D continued to focus its efforts for adoption of renewable energy sources in its operations. As part of your Company's Sustainability 2.0 agenda, TM&D is rapidly expanding its Green Logistics efforts for mid mile and last mile deliveries in key cities across the country. Collaborations with multiple Original Equipment Manufacturers (OEMs) and fleet aggregators facilitated adoption of Electrical Vehicles (EV) in TM&D operations. The number of EV trips increased by 3x over the previous year.

TM&D's distribution highway is a source of sustainable competitive advantage for your Company's FMCG Businesses and is well-positioned to support the rapid scale-up of operations in the ensuing years leveraging its best-in-class systems and processes, an agile and responsive supply chain, and a synergistic relationship with its channel partners.

PAPERBOARDS, PAPER AND PACKAGING

Paperboards & Specialty Papers

After achieving record highs in FY 2022-23, the domestic industry has faced significant challenges over the past two years. The industry contended with a difficult operating environment, characterised by low-priced supplies of paperboards and paper from China and Indonesia in global markets, including India, as well as weak demand conditions, resulting in subdued realisations.

On the inputs front, wood prices witnessed sharp escalation during the year, with wood availability and quality being significantly sub-optimal on account of lower plantations during the pandemic period and higher demand from competing Wood Based Industries (WBI).

The cumulative impact of subdued realisations, excess supply in domestic markets led by unprecedented increase in low-priced imports into India from China, Indonesia etc., sharp surge in wood costs, and currency-led volatility exerted pressure on margins during the year. The Business was able to partially mitigate the impact of these challenges by leveraging structural advantages of the integrated business model, stepped-up end-user engagements, Digital interventions and increase in salience of exports and Plastic substitution (PlaSub) products.

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The Business has also undertaken several initiatives to address the challenges of wood availability and surge in costs, including inter alia, opportunity based wood imports, evaluation of leased plantation models, and acceleration in plantations in collaboration with industry stakeholders. Your Company is pioneering a first ever initiative in Indian Wood Based Industry using satellite imaging for plantation monitoring and wood assessment to monitor pulpwood plantations and assess future harvestable wood quantity available in various catchments.

The Business sustained its leadership position in the Value-Added Paperboard (VAP) segment through focused innovations and development of customised solutions for end-use industries. The Business also consolidated its leadership position in the eco-labelled products and premium recycled paperboards segments.

During the year, the Specialty Papers segment witnessed robust growth driven by capacity augmentation in Décor paper. Market standing in the segment continues to be driven by product mix enrichment and diversification of the customer base. The domestic industry remained under pressure due to cheap supplies from China. The levy of Anti-dumping duty on Décor paper has partially provided a level playing field for domestic industry, which is critical towards fostering domestic value chains and enabling import substitution.

During the year, your Company signed a Business Transfer Agreement to acquire the Pulp and Paper Undertaking ('CPP') of Aditya Birla Real Estate Limited ('ABREL') at Lalkuan (Nainital, Uttarakhand). Commissioned in 1984, CPP is a well-established player in the Indian Paper industry with an installed capacity of 4.8 Lakh tonnes per annum. CPP is a one-of-a-kind asset with a strong strategic fit with your Company's Paperboards & Specialty Papers Business. The acquisition (which is expected to be completed in about six months) 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 Business expects to drive structural improvement in profitability of CPP through several value unlock interventions such as capacity debottlenecking, product quality upgrade, efficiency improvement leveraging TPM/Digital initiatives, supply chain optimisation, costs and procurement efficiencies. The acquisition is also expected to strengthen the market standing of your Company's Paperboards and Specialty Papers Business and engender new opportunities in the domestic and international markets. The acquisition aligns with your 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. The strong linkages to afforestation and livelihood creation pursued by both the entities will also contribute meaningfully to national priorities.

The paperboards and packaging industry is poised for transformative change in the medium term. Customers are increasingly seeking solutions that are bio-degradable, substitute single use plastic and meet stakeholder & regulatory expectations across industries including food serving & delivery, pharmaceutical, beauty and electronics.

The Business has adopted a multi-tiered strategy to build solutions that will replace single use plastics and meet emergent consumer needs. Within the sustainable products portfolio – '*Platform 1'* comprises a range of recyclable, compostable and barrier coated boards and includes the 'Filo' series - 'FiloBev' (for beverage cups), 'FiloServe' (for QSR, bakeries, food retail) & 'FiloPack' (packaging for sweets and deep freeze applications). 'FiloBev Mini' (for economic cup variant for short servings) was developed during the year and has quickly gained market share in focus markets. The Filo series has been certified compostable by the Central Institute of Petrochemicals Engineering & Technology (CIPET) and the manufacturing unit at Bollaram has been registered as a

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compostable products manufacturer. The state-of-the-art Coater machine set up during the year has enabled the business to quickly penetrate this fast-evolving space which holds immense growth potential, supported by the R&D capabilities of your Company's Life Sciences & Technology Centre, and through external collaborations with global specialists. The range of products in this segment is witnessing strong growth momentum both in domestic and international markets. '*Platform 2'* comprises a range of first-to-market Fusion boards that are fully recyclable and replace plastic 'foam' board. End-use applications include indoor display solutions involving replacement of plastic signboards and shelves.

'Platform 3' offers futuristic packaging solutions comprising premium Moulded Fibre Products (MFP) made from renewable natural fibres such as wood, bamboo, bagasse, waste paper etc. Your Company's wholly-owned subsidiary, ITC Fibre Innovations Limited (IFIL), forayed into the fast-growing MFP space with the commissioning of a state-of-the-art MFP manufacturing facility in Badiyakhedi, Madhya Pradesh in March 2024. During the year, IFIL has substantially stabilised operations and scaled up commercial shipments. Going forward, IFIL will leverage the expertise of the Business in fibre value chain, manufacturing excellence and strong sustainability credentials to rapidly scale-up business with continued focus on developing innovative plastic substitution solutions.

Your Company's Packaging Board Centre of Excellence was institutionalised during the year to further drive customer engagement on technical aspects, improve product performance and focus on new-gen product development.

The Business continues to procure wood, a key raw material, from sustainable sources. Research on clonal development has resulted in introduction of high-yielding and disease-resistant clones that are adaptable to a wide variety of agro-climatic conditions. This has not only aided in increasing farmer incomes but has also enabled greater consistency in farmer earnings. In this context, your Company's Life Sciences & Technology Centre is engaged in developing higher yielding second generation clones with enhanced pest and disease resistant attributes. The Business continues to focus on scaling up wood sourcing from core areas and has increased plantations in core area during the year. In addition, initiatives such as bund plantations and scaling up plantations in new catchment areas in Odisha and Chhattisgarh have enabled procurement of nearly 10% of total wood requirement of the Business from such new areas, with further potential for increasing cost-effective access to fibre in the future. Business has achieved highest ever plantation area of ~65000 ha (growth of appx. 30%) during the year.

Your Company has the distinction of being the first in India to have obtained the Forest Stewardship Council-Forest Management (FSC®-FM) certification (FSC®-C102390), which confirms compliance with the highest international benchmarks of plantation management across the dimensions of environmental responsibility, social benefit, and economic viability. Till date, your Company has received FSC®-FM certification for over 1.49 lakh acres of plantations involving over 25000 farmers. During the year, nearly 4.85 lakh tonnes of FSC®-certified wood was procured from these certified plantations. Your Company sustained its position as the leading supplier of FSC®-certified paper and paperboards (FSC®-C064218) in India.

Your Company's Paperboards & Specialty Papers Business is a pioneer in the adoption of Digital technologies. In recent years, the Business has embarked upon a comprehensive Digital Transformation Programme across the vectors of manufacturing, supply chain and support services to achieve operational excellence, enable decarbonisation of operations, drive improvement in profitability and improve safety across the value chain. The multi-dimensional digital interventions encompass Industrial IoT for Smart Operations, Integrated Data Platform, AI/ML algorithms for manufacturing process optimisation, AI/ML based image analytics and IoT based

Your Company's Paperboards & Specialty Papers Business is a pioneer in the adoption of Digital technologies. The multi-dimensional digital interventions encompass Industrial IoT for Smart Operations, Integrated Data Platform, AI/ML algorithms for manufacturing process optimisation, AI/ML based image analytics and IoT based crop monitoring & advisory, and computer vision-based solutions to improve workforce safety.

crop monitoring & advisory, and computer vision-based solutions to improve workforce safety. The Business continues to collaborate with partners from the start-up ecosystem, as well as established solution providers, in building scalable solutions that are custom fit to business requirements. The Business' Digital App Suite has more than forty applications across themes of automated data reporting, image and video analytics, intelligent root cause analysis, smart simulation, numerical optimisation, advanced AI models, low-code/no-code applications, process digital twins, etc. The Business was the Global winner at the BRICS Industrial Innovation Contest under the theme of 'Intelligent Manufacturing using AI/ML' and the Asia-Pacific Regional winner at the Gartner's Eye for Innovation Awards under the categories of 'Advanced Manufacturing', and 'Energy, Power and Utilities'.

The Business also embarked upon a Supply Chain Transformation Project 'OJAS', establishing a dedicated supply chain vertical to enhance customer service and realise value from supply chain optimisation. This initiative has led to significant improvements in On-Time-In-Full (OTIF), reductions in Order to Delivery Time (ODLT), and other customer service delivery metrics.

The Business has adopted the principles of Total Productive Maintenance (TPM), Lean and Six Sigma for over a decade and continues to reap substantial benefits through several Business Excellence initiatives.

All manufacturing units of the Business continue to recycle nearly 100% of the solid waste generated during operations by converting the same into lime, fly ash bricks, cement, grey boards, egg trays etc. In addition, the Business recycled around 1.1 lakh tonnes of waste paper during the year, thereby sustaining positive solid waste recycling footprint of the Business.

In line with the objective of enhancing the share of renewable energy in its operations, the Business has implemented several initiatives including investments in a green boiler, high efficiency circulating fluidised bed boiler, solar & wind energy and increased usage of bio-fuel. The recently commissioned state-of-the-art and future-ready High Pressure Recovery Boiler at the Bhadrachalam mill is progressively enhancing energy efficiency and reducing the carbon footprint of the unit's operations by significantly lowering coal consumption by appx. 25%. These investments are a testament to your Company's commitment towards embedding sustainability in its operations and supporting the 'Make in India' initiative. With these initiatives, renewable sources presently account for more than 50% of total energy consumed at the four manufacturing units of the Business.

The Business continues to strengthen its safety management processes, adopt globally recognised best practices and ensure that facilities are designed, constructed, operated and maintained in an inherently safe manner. Business continues to deploy various measures including the use of Data Analytics Tools to identify risk prone areas for proactive mitigation of incidents, video analytics, digitally enabled systems such as Mobile based app, 'Gensuite', etc.

The manufacturing facilities at Bhadrachalam, Kovai, Tribeni and Bollaram continue to receive industry recognition for their green credentials and safety standards in line with the focus on sustainable business practices. The Bhadrachalam unit is the first pulp & paper plant and the second in the country overall, to be rated 'GreenCo Platinum+' by CII, as part of the Green Company rating system. The Kovai unit has also been rated GreenCo Platinum+ by CII. The Kovai unit is the first site in India and the first paper mill in the world to achieve the highest platinum rating under the 'Alliance for Water Stewardship Standards'. Bhadrachalam unit

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also received Alliance for Water Stewardship Platinum certification. Bhadrachalam mill was also awarded the 'Excellent Energy Efficient unit' at National Awards for Energy Management, 2024. The Kovai Unit was awarded for Excellence in water Management, 2024, under the 'Beyond the Fence' category.

With structural drivers of demand in the Indian economy remaining strong over the medium term, paperboards demand is expected to remain robust. Enabling factors include India's emerging demographic trends, urbanisation, rising middle class, continued substitution of plastic with greener alternatives and India emerging as the Global manufacturing hub. End-user segments such as Pharmaceuticals, Apparel, QSR, FMCG, consumer durables and e-Commerce are projected to register strong growth. Writing & Printing paper demand is also expected to remain firm on the back of demand from the publishing and notebooks industries driven by the Government's thrust on primary and secondary education.

While cheap imports from China as well as from ASEAN countries remain a potential threat in the short run, the Business remains confident of leveraging its competitive strengths to mitigate the impact thereof. Representations continue to be made at appropriate forums for suitable measures to safeguard domestic industry. Directorate General of Trade Remedies (DGTR), Ministry of Commerce and Industry, India has also initiated an Anti-Dumping investigation on Virgin Paperboard originating from China and Chile. Indian Paper Manufacturers Association (IPMA), National Industry body has also approached Ministry of Commerce for considering imposition of Minimum Import Price (MIP) on import of paperboards into India.

Your Company continues to engage with policy makers to address key industry challenges including increasing wood availability through collaborative public-private plantation models to strengthen the competitiveness of domestic industry and arrest the rapid increase of low priced imports of paper & paperboard into the country.

Over the years, your Company has continued to lay thrust on structural interventions to provide sustainable competitive advantage across the value chain with significant structural cost savings and enhanced productivity across all key operating nodes to enhance the margin profile of its portfolio.

The integrated nature of your Company's business model - comprising access to high-quality, cost competitive and renewable fibre supply chain, continued development of high yielding and disease-resistant clonal saplings, enhancing energy efficiency, continuous improvement through product & process innovation, in-house pulp manufacturing capability, imported pulp substitution, world-class product quality, state-of-the-art manufacturing facilities, increasing usage of data analytics and Industry 4.0 technologies along with robust forward linkages with the Education and Stationery Products Business and the Packaging and Printing Business - is a key source of competitive advantage for your Company's Paperboards & Specialty Papers Business. Your Company is confident of further consolidating its leadership position in the Indian Paper and Paperboards industry leveraging recent investments in innovation platforms anchored on the development of sustainable products and cutting-edge digital technologies to set new benchmarks in customer satisfaction, operational excellence, and sustainability.

Packaging and Printing

Your Company's Packaging and Printing Business is a leading provider of value-added, differentiated and innovative packaging solutions leveraging its comprehensive capability-set spanning multiple technology platforms for cartons and laminates, supported by in-house cylinder making and blown film manufacturing lines. The recent capacity addition at Nadiad, Gujarat, with state-of-the-art equipment to cater to markets in the Western region, has further augmented the Business' capabilities in Cartons packaging. Capacity

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utilisation at the facility was progressively ramped up during the year.

The Business caters to the packaging requirements of leading players across several industry segments viz. Food & Beverage, Personal Care, Home Care, Footwear, Consumer Electronics & Electricals, QSR, Pharma, Liquor and Tobacco. The Business continues to be acknowledged as a 'first choice packaging partner' by several reputed FMCG companies in the country for providing superior and cost-effective packaging solutions. The Business also provides strategic support to your Company's FMCG Businesses and Cigarettes Business by facilitating faster turnaround for new launches, innovative & sustainable packaging solutions, design changes and ensuring security of supplies.

Amidst sluggish consumer demand and heightened competitive intensity in the packaging and printing industry, the Business continues to aggressively pursue new business development across various segments. During the year, the Business acquired several key accounts, creating a sound base for robust growth going forward.

The Business continues to craft innovative packaging solutions leveraging its deep understanding of end-user needs and the capabilities of your Company's Life Sciences and Technology Centre. The Business further scaled up the flagship 'InnovPack' campaign targeting specific end-use segments with potential for rapid adoption of sustainable packaging and plastic substitution solutions. Along with a pipeline of solutions developed through molecular science research, such as 'Bioseal' (compostable coating to replace plastics), 'Oxyblock' (recyclable coating solution to enhance barrier properties in packaging) and 'Germ free coating' (solution for microbial free packaging surface addressing the consumer consciousness towards hygiene and safety), the Business continued to focus on developing several innovative solutions towards 'Reducing, Reusing and Recycling' of plastic substrates; these are under various stages of commercialisation.

The Business has consistently demonstrated execution excellence vis-à-vis key operational parameters by implementing various operational excellence tools and projects. These initiatives focus on improving efficiency, reducing waste, and enhancing quality, supported by employee skill development. The Business amplified and sustained these benefits through deployment of new-age Industry 4.0 technologies and digital facilitation by establishing a core foundation of IT-OT integration across all units.

During the year, the Business received the prestigious WorldStar and AsiaStar awards in the categories of pack premiumisation and sustainability. The Business also received several national level awards such as the IFCA Star Award and SIES SOP Star Award for its excellence in Packaging. The Business was also recognised as the Packaging Company of the Year 2024 - Folding Cartons (Large Volumes) & Packaging Convertor of the Year 2024 (Foods & Beverages) by PrintWeek.

All four units of the Business are certified under the Integrated Management System, consisting of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. Cartons Packaging lines at Tiruvottiyur and Haridwar units received the 'Grade A' and the Nadiad unit received 'Grade AA' - Brand Reputation Compliance Global Standards (BRCGS) certifications for global standards in packaging materials, a key accreditation for supplies to the packaged foods industry. All key units of the Business have Sedex certifications for social ethical compliances; with the Business also receiving the Ecovadis Bronze certification for sustainability performance.

Notwithstanding the recent headwinds in the sector, the Indian packaging industry is positioned for significant growth in the near term, considering the low per capita packaging consumption of appx. 10 kgs per annum in India as against per capita consumption of 60 to 100 kgs per annum in Advanced Economies. Demand for consumer linked packaging in India is expected to be further benefited by rising affluence,

[Your Company's Packaging and Printing Business further scaled up the flagship 'InnovPack' campaign targeting specific end-use segments with potential for rapid adoption of sustainable packaging and plastic substitution solutions.]

favourable demographics and growing share of Modern Trade and e-Commerce. Growing awareness of decarbonisation and heightened regulatory attention on plastic packaging are expected to drive growth in sustainable packaging, including recyclable and circular solutions.

With world-class technology across a diverse range of platforms, leadership in sustainable packaging solutions and best-in-class quality management systems, the Packaging and Printing Business has established itself as a one-stop packaging solutions provider to several industry segments viz. Food & Beverage, Personal Care, Home Care, QSR, Footwear, Consumer Electronics, Pharma and Tobacco. With focused investments in skill development and a distributed manufacturing footprint, the Business is well positioned to grow its marquee customer base while continuing to service the requirements of your Company's FMCG Businesses.

AGRI BUSINESS

Leaf Tobacco

Global demand for leaf tobacco exceeded supply during the year, due to supply disruptions in major sourcing regions caused by adverse weather events and international manufacturers rebuilding depleted inventory levels from previous years' crop shortages. Despite growth in Indian Flue Cured Virginia (FCV) tobacco crop production during the year, the surge in global demand caused heightened competitive intensity amongst leaf exporters resulting in sharp rise in FCV procurement prices for the third consecutive year.

The Business continued to leverage its deep customer relationships, crop development expertise, superior product quality, world-class processing facilities and strong sustainability credentials to strengthen its position as a reliable supply chain partner for global customers besides accessing new customers/markets. During the year, the Business continued to increase its share of business with international buyers of Indian Burley tobacco by facilitating increased crop production, adopting Weather Resilient Tobacco Production Systems and strengthening crop competitiveness leveraging its sustainable tobacco programme. Deeper farmer & customer engagement, operational agility and supply chain efficiency enabled the Business to deliver enhanced value to customers and consolidate its pre-eminent position as the largest Indian exporter of unmanufactured tobacco.

The Business has enhanced focus across the tobacco value chain on the key vectors of Quality, Consistency, Compliance, Climate risk mitigation and Sustainability. To deliver on these parameters, sustained investments are being made in your Company's Green Leaf Threshing plants (GLT) at Anaparthi, Chirala and Mysuru towards capacity enhancement, delivering world-class quality and upgrading processing technology. Crop & region-specific agronomic practices are being implemented at scale to meet new and emerging customer needs.

The Business continues to set benchmarks in leaf threshing operations through focused initiatives and innovative technological & digital solutions such as real time chemistry measurement & analysis (chemosensory evaluation) for finished goods, Historian AI/ML engine for advanced data analytics, AI based NTRM (Non-Tobacco Related Matter) removal system, automation of material handling, etc.

Strategic cost management remains a key focus area for the Business. Digital tools such as AI/ML powered real-time price discovery system continue to be scaled up facilitating efficient leaf tobacco buying across auction platforms. Several other digital initiatives, implemented across the value chain in recent years, have led to improved operating efficiencies in areas of crop development, leaf procurement and supply chain.

Synergistic R&D initiatives with focus on varietal development, climate smart farming techniques, farm level digital interventions and usage of water efficient

The Leaf Tobacco Business continued to leverage its deep customer relationships, crop development expertise, superior product quality, world-class processing facilities and strong sustainability credentials to strengthen its position as a reliable supply chain partner for global customers besides accessing new customers/markets.

technologies are being scaled up towards enhancing productivity & product quality, reducing cultivation costs, strengthening resilience and capacity building of the farm value chain to increase crop security and enhance farmer incomes.

The Business has stepped up its engagement with farmers to implement integrated energy management initiatives spanning energy conservation, increasing alternative fuel usage and energy plantations towards achieving fuel self-sufficiency in the curing process of FCV tobacco. The Business implemented several decarbonisation measures for farms, GLTs, and supply chain operations throughout the year. The electrical energy needs of all three GLTs are substantially met from renewable sources in line with your Company's philosophy of adopting a low-carbon growth path. In addition to these initiatives, your Company is taking up integrated watershed management programmes to ensure availability of water for irrigation during critical phases of the crop cycle.

In recognition of its commitment to the highest standards of Sustainability, EHS & Quality, the Business received several awards during the year including the 'SEEM National Energy Management award' with Platinum rating for Excellence in Energy Conservation for Chirala GLT, 'Silver Category in Industrial Safety Leadership Award' from Confederation of Indian Industry (CII) for Anaparthi GLT, 'Excellence Energy Efficient Unit' for Mysuru GLT from CII, as well as various awards from the Quality Circle Forum of India and CII for operational excellence, etc.

While the recent stability in taxes on cigarettes and supply shortages in global markets has led to an increase in the demand for Indian leaf tobacco during the year, it is imperative to address certain structural factors to facilitate sustained growth and competitiveness of leaf tobacco exports from India. Punitive taxation on the legal cigarette industry has over the years resulted in rapid increase in illicit cigarette trade which has in turn adversely impacted demand for Indian leaf tobacco as illicit products do not use leaf tobacco grown in India. Lower export incentives in India and high import duty/tariffs levied in several markets, including the USA and Europe, also continue to weigh on the competitiveness of Indian leaf tobacco exports.

As stated in earlier years, a more balanced regulatory and taxation regime that cognises for the unique tobacco consumption pattern prevalent in India and the economic realities of the country remains critical to support the Indian tobacco farmer and the 46 million livelihoods dependent on tobacco. It is also imperative that the Indian leaf tobacco sector receives necessary policy support, including restoring export incentives to earlier levels, to enhance the competitiveness of unmanufactured tobacco exports from India and contribute to increase in farmer incomes. According to an ASSOCHAM TARI[8] Study, the tobacco sector in India contributes substantial socio-economic benefits in terms of agricultural employment, farm incomes, revenue generation and foreign exchange earnings. Your Company continues to engage with policy makers on these matters.

The Business will continue to provide strategic sourcing support to your Company's Cigarettes Business and fortify its leadership position as a major exporter of quality Indian tobacco, thereby catalysing the multiplier impact of increased farmer incomes on the rural economy. With its strong R&D capability, unique crop development & extension expertise, sustainability leadership, digital expertise, state-of-the-art processing facilities and deep understanding of customer & farmer needs, your Company is well positioned to meet the current and emerging requirements of global customers and sustain its position as a world-class leaf tobacco organisation.

Other Agri Commodities

Amidst persistent geopolitical tensions, climate uncertainties and macroeconomic challenges, concerns over global food security and inflation have intensified. Various policy measures implemented by the Government of India, including stock limits and export restrictions,

[8] *ASSOCHAM TARI Study (2019)*

A more balanced regulatory and taxation regime that cognises for the unique tobacco consumption pattern prevalent in India and the economic realities of the country remains critical to support the Indian tobacco farmer and the 46 million livelihoods dependent on tobacco.

continued to pose myriad challenges to your Company's Agri Business during the year.

The Business continued to map risks and opportunities arising out of the unfolding global trade dynamics and build adaptive capacity to enhance resilience of its business models. In spite of the challenging operating environment, your Company leveraged its strong farm linkages, extensive sourcing expertise, enabling traceable, attribute-based and identity-preserved sourcing of commodities, multi-modal logistics capability, agile supply chain operations, deep customer relationships, and focus on scaling up the Value-Added Agri Products (VAAP) portfolio, to drive robust growth during the year. Easing food inflationary pressures and higher inventories of food grains have enabled partial lifting of certain trade restrictions towards the end of the year, which augurs well for the year ahead.

As reported in earlier years, the scope and scale of operations of your Company's Agri Business have grown manifold over the years and currently encompasses over 3.5 million tonnes of annual throughput in 22 states and over 20 agri-value chains. The strategic focus of the Business continues to be on accelerating growth by rapidly scaling up its Value-Added Agri Products (VAAP) portfolio, straddling multiple value chains comprising Spices, Coffee, Frozen Marine Products and Processed Fruits, amongst others.

– Your Company further consolidated its position as a preferred supply chain partner to buyers in spices such as Chilli, Cumin, Turmeric, and Coriander. The Business enhanced its presence in 'food safe' markets, viz., the USA, EU, and UK, by leveraging its institutional strengths, such as identity-preserved sourcing expertise, strong backward integration, supply chain control, and customer-centric strategies.

  The Business continues to scale up its Organic and Integrated Crop Management (ICM) programmes, expanding organic cultivation across multiple states to meet the growing demand for certified organic products. Committed to sustainable farm management practices backed by Rainforest Alliance and Global GAP accreditation, your Company has successfully leveraged ITCMAARS to strengthen farmer connections, improve traceability, and drive sustainable agricultural practices. During the year, the Business significantly expanded its value-added portfolio, achieving substantial growth in organic, steam-sterilised, and processed powder segments. The Business remains committed to execution excellence - capacity utilisation at the state-of-the-art spices processing facility in Andhra Pradesh has been further scaled up; the Business continues to maintain its unblemished track record in terms of complying with stringent food safety parameters. The proportion of custom-made products in the overall portfolio has increased considerably, underscoring your Company's strategic focus on premium offerings. The Business has successfully broadened its customer base across various markets, showcasing strong customer acquisition capabilities and a commitment to building lasting relationships. Additionally, the Business has gained market share in the export market, reinforcing its position as the leading Indian exporter of whole and value-added spices.

– During the year, international coffee prices surged primarily due to lower supply in global markets by leading coffee producers viz. Brazil and Vietnam. Driven by strong demand, Indian coffee exports witnessed robust growth.

  Your Company leveraged its strategic sourcing presence in major coffee-growing regions of India and deepened its focus on certified and sustainably sourced coffees to expand its market share in exports. The Business strengthened its footprint across key international markets, particularly in Europe and the Middle East, by leveraging its long-standing customer relationships, strong sustainability credentials and agile execution. Continued expansion of certified

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acreage and investments in traceable and sustainable supply chains demonstrate the Business' commitment to responsible sourcing and future-readiness.

Your Company continues to be one of India's leading exporters of value-added frozen marine products, with strong capabilities in processing individually quick-frozen (IQF), raw, and cooked products, adhering to the highest safety and hygiene standards demanded by discerning markets such as the US, EU, and Japan. The Business strengthened its position in the 'Aquaculture Stewardship Council (ASC) certified shrimp' segment, reinforcing its leadership in sustainable seafood and aligning with customers' responsible procurement goals.

During the year, the Indian shrimp industry faced a challenging environment marked by volatile farm gate prices and supply chain headwinds. Despite these challenges, your Company expanded its reach through market development in countries such as Greece, Israel, and Malaysia, and by launching strategic product extensions, in line with its portfolio diversification goals.

– Your Company continues to enhance its capabilities in the Medicinal and Aromatic Plant Extracts (MAPE) segment by strengthening backward integration, cultivation programmes, and its portfolio of plant-based extracts. Focusing on Ayurvedic ingredients like ashwagandha, turmeric, and marigold, the Business deepened farmer engagement to ensure traceability and quality compliance. Your Company's MAPE farm in Madhya Pradesh continues to play a pivotal role in varietal selection trials, seed production, and establishing standardised package of practices, enhancing the Business' technical capabilities. The Business also initiated organic cultivation to meet the growing demand for certified organic extracts in premium export markets and is developing unique value-added products leveraging the research platforms of the Life Sciences and Technology Centre of your Company.

Your Company continues to drive agricultural transformation at scale through ITCMAARS (Metamarket for Advanced Agriculture and Rural Services), a pioneering 'Phygital' platform that integrates digital capabilities with on-ground engagement. ITCMAARS is a crop-agnostic full-stack AgriTech platform, that has been steadily enhancing procurement efficiency, optimising supply chains, and creating new avenues for value generation while delivering meaningful benefits to the farming community. Using Farmer Producer Organisations (FPOs) for physical engagement and a super app for digital services, ITCMAARS is catalysing farmer impact at scale.

The ITCMAARS super app, which farmers can download on their phones, acts as a single point resource for farmers, providing personalised agricultural services through a plug and play model. This digital platform provides AI/ML driven personalised climate-smart crop advisories, intelligent nudges, customised soil nutrition, vernacular and voice enabled Generative AI, satellite sensing and real-time image recognition tools for the farming community. The physical layer enables access to cutting edge agricultural techniques such as biological agri inputs, nano fertilizers, drones, precision farming technologies, scientific quality assaying, market linkages and seamless access to formal credit at villages through FPOs and partners.

This initiative now spans across more than 2,050 FPOs encompassing over 2.1 million connected farmers across 11 states. Operating across more than 10 crop value chains, the platform partners with over 100 leading institutions, including banks, agri-input companies, Indian Council of Agricultural Research (ICAR), and agri-tech startups. The ITCMAARS super app, available in 8 regional languages, has emerged as India's highest-rated agriTech app. The 'KrishiMitra' voice assistant, the world's first Gen AI-based chatbot for farmers, has significantly boosted digital adoption through vernacular and voice-based interactions.

[Your Company leveraged its strategic sourcing presence in major coffee-growing regions of India and deepened its focus on certified and sustainably sourced coffees to expand its market share in exports.]

As India's regulatory and consumer landscape increasingly demands traceability and sustainability, ITCMAARS is laying the foundation for 'Trust Systems at Scale', enabling the farming community to meet evolving standards such as the EU Deforestation Regulation (EUDR) and sustainably produced certification requirements. With a vision to empower millions of farmers and unlock new value pools across the agri-inputs, outputs, and services domains, your Company remains deeply committed to leveraging ITCMAARS to deliver enhanced productivity, improved market access, and resilient incomes for India's farming communities.

Over the years, your Company has invested significantly in building competitively superior agri-commodity sourcing expertise comprising multiple business models, wide geographical spread and customised infrastructure. Your company is rapidly building expertise in data-science led decision support systems to deepen its sourcing capability. AI/ML models dynamically respond to evolving conditions across multiple sourcing dimensions and support the sourcing experts in making optimal decisions around temporal and spatial vectors. These capabilities and infrastructure have created structural advantages by facilitating competitive sourcing of agri raw materials for your Company's Branded Packaged Foods Businesses.

– The Business continued to play a pivotal role in securing benchmark-quality wheat to support the growing requirements of the 'Aashirvaad' atta portfolio. Leveraging a wide sourcing network, robust crop development initiatives, and digital tools, the Business ensured timely and cost-efficient procurement of critical grades of wheat. During the year, procurement was scaled through direct farm linkages and FPOs, with a significant share of wheat sourced via digitally enabled platforms. Crop development efforts were intensified to improve climate resilience, enhance yields, and secure premium varieties to provide consumers with best-in-class product quality and experience.

– During the year, farmer-driven milk procurement network in Bihar, West Bengal, and Jharkhand was strengthened to meet the growing demands of your Company's Fresh Dairy portfolio under the 'Aashirvaad Svasti' brand and the 'Sunfeast' Dairy Beverages in Punjab. The Business expanded the use of digital tools, including automated collection systems, GPS-enabled logistics, and direct farmer payments, to bring greater transparency across the value chain. Tailored dairy extension services covering animal nutrition, health, and productivity enhancement were scaled up, improving yields and reinforcing farmer loyalty. These efforts have enhanced farmer profitability while ensuring sustained delivery of superior-quality milk aligned with brand requirements. The capability to source superior attribute-specific milk has enabled your Company to expand its Fresh Dairy portfolio with several innovative offerings.

– The Business continues to scale-up sourcing of spices to meet the growing requirements of Sunrise and Aashirvaad brands.

– Going forward, the organic sourcing capabilities, farm linkages and traceability would also become a source of competitive advantage for the organic portfolio of your Company's FMCG Businesses.

The Business strengthened its collaborations with leading research institutions across India to build cost-effective, high-yielding, and resilient Agri-value chains. By mapping climate hotspots and focusing on regenerative agriculture, your Company introduced location-specific seed varieties and tailored agricultural practices in key states. This approach is aimed at enhancing crop intelligence, reducing GHG emissions, and improving soil health. Additionally, efforts to increase farm income were supported through the development of customised Agri-inputs, laying the foundation for sustainable, future-ready food products. Your Company continued developing the millets value chain, promoting climate-resilient, nutrient-dense crops through public-private

The Agri Business strengthened its collaborations with leading research institutions across India to build cost-effective, high-yielding, and resilient Agri-value chains. By mapping climate hotspots and focusing on regenerative agriculture, your Company introduced location-specific seed varieties and tailored agricultural practices in key states.

partnerships in Maharashtra and Andhra Pradesh with Indian Institute of Millets Research (IIMR).

Driving the transformation towards NextGen Agriculture, your Company has significantly accelerated digital adoption across the Agri landscape, empowering farmers with advanced, tech-enabled solutions. At the forefront is your Company's 'phygital' innovation ITCMAARS which delivers hyperlocal, personalised recommendations at scale through predictive advisory models powered by IoT and data analytics. This integrated ecosystem has the potential to unlock several evolving opportunities that can help reimagine the future of the agri sector and propel the Business to create new and scalable revenue streams, whilst also benefitting farmers.

To further enhance rural livelihoods, your Company's focus on Value-Added Agri Products (VAAP) and crop diversification is catalysing a shift from conventional production-centric models to demand-driven, value-rich agri-value chains. Strategic investments in state-of-the-art export infrastructure are linking Indian farmers to global markets, driving growth and inclusivity.

Through a wide spectrum of initiatives including climate-resilient farming, natural resource management, competitive value chain development, cutting-edge digital interventions and robust market linkages, your Company is enabling Indian agriculture to scale new horizons while advancing national priorities and delivering sustainable impact.

NOTES ON SUBSIDIARIES

The following may be read in conjunction with the Consolidated Financial Statements of your Company prepared in accordance with Indian Accounting Standard 110. Shareholders desirous of obtaining the Report and Accounts of your Company's subsidiaries may obtain the same upon request. Further, the Report and Accounts of the subsidiary companies is also available under the 'Investor Relations' section of your Company's website, www.itcportal.com, in a downloadable format. Your Company's Policy for determination of a material subsidiary, as adopted by your Board, in conformity with Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, can be accessed on your Company's corporate website at https://www.itcportal.com/material-subsidiary-policy. Presently, your Company does not have any material subsidiary.

Surya Nepal Private Limited

Nepal's GDP grew by 3.7% during the fiscal year ended July 2024, on a low base of 2% in the previous year, led mainly by uptick in agriculture, hydro power and tourism sectors. However, growth in the Nepalese economy continues to be challenging amidst subdued economic activities resulting from weak consumer demand and sluggish private and public sector investments.

The economy saw a modest recovery this fiscal year with an accommodative monetary policy and consumer price inflation moderating to 4.6% for the first 9 months of the fiscal year as compared to 5.9% in the previous year. Inward remittances, which significantly contribute to economic growth, stand at appx. 25% of the national GDP, grew by 10.0% in the first 9 months, albeit at a slower pace than the previous year. Strong inward remittances, low interest rates and moderate inflation are expected to lead to gradual recovery in private consumption and consumer demand.

The Government of Nepal has recently introduced several reforms to enhance investments, strengthen governance, public service delivery, ease of doing business etc., which are steps in the right direction. Further measures aimed at encouraging domestic and foreign investments, incentivising the manufacturing sector to enable import substitution and job creation, supporting the hospitality sector with its large economic multiplier effect, on-ground implementation of reforms and promulgation of industry-friendly policies remain key imperatives for achieving sustained economic growth.

The legal cigarette industry provides livelihoods to over five lakh individuals involved in tobacco cultivation, manufacturing & trade and makes a significant contribution to the revenue collection of the Government of Nepal. Despite its far-reaching economic impact, the legal cigarette industry continues to face significant challenges from an increasingly punitive and discriminatory taxation and regulatory regime. The company continues to engage with policy makers for equitable, pragmatic, evidence-based regulations and taxation policies that balance the economic imperatives of the country and tobacco control objectives.

The company demonstrated resilient performance during the year despite subdued consumer demand. The Cigarettes business reinforced its market standing by leveraging its robust portfolio, superior product quality and wide distribution network. A differentiated and innovative offering under 'Surya Fusion' brand was launched during the year, which further fortified the company's product portfolio.

The company's manufacturing systems continued to set new benchmarks in responsiveness, quality and productivity. Various initiatives, such as the manufacture of new product formats, and process automation were implemented during the year. Relentless focus on developing world-class products anchored on innovation and benchmarked to international quality standards remain the key sources of sustainable competitive advantage for the company.

During the year, the company leveraged its distribution reach to scale up availability of 'Sunfeast Dark Fantasy Choco Fills' biscuits, which had been launched in the previous year. Focused investments towards brand building supplemented the distribution scale up and enabled the brand to achieve premium positioning in the market. 'Sunfeast Dark Fantasy Mocha Fills', launched during the year, also elicited positive consumer response.

In the Confectionery business, the company augmented its product range through new launches such as 'Sunfeast Dark Fantasy Choco Rolls', 'Toffichoo Coffee Delite' and 'Minto Honey Lemon Ginger'. Focused investments continue to be made towards enhancing market standing. Capacity utilisation at the company's state-of-the-art manufacturing facility in Biratnagar is also being progressively ramped up.

The company's wholly owned subsidiary, Surya Nepal Ventures Private Limited, engaged in manufacturing and sales of agarbattis, continued to strengthen its market standing leveraging its differentiated product portfolio, sharply focused marketing investments and best-in-class product availability across target markets. The company entered the dhoop segment under the 'Mangaldeep' brand during the year. The product range has received encouraging consumer response.

The company continues to make multi-dimensional contributions towards building the societal and economic capital of Nepal. In line with applicable regulations and CSR policy, the company carried out initiatives under four distinct CSR Platforms, namely, Surya Nepal *Asha*, Surya Nepal *Prakriti*, Surya Nepal *Adharshila* and Surya Nepal *Gatha* during the year. Key interventions include:

- providing assistance to farmers in areas proximal to the company's operations,
- creation of agri-infrastructure such as vermicompost pits, harvesting sheds etc.,
- providing training to improve productivity and enhance income generation for farmers through animal husbandry,
- improvement in the quality of education in public schools in the vicinity of the company's operating locations,
- development of public infrastructure in the catchment areas of operating locations,
- assistance in various environment preservation measures like urban plantation and preservation of biodiversity,
- support in organising the largest Nepali literature festival and assistance in promotion and revival of the local Nepali folk musical instrument – 'Sarangi' through various training programs and workshops.

During the year, the company recorded Revenue from Operations of NRs. 5293 crores (previous year NRs. 4979 crores) and Net Profit of NRs. 1172 crores (previous year NRs. 1118 crores) on a consolidated basis.

The company declared a dividend of NRs. 273 per equity share of NRs. 50[9] each for the year ended 15th July, 2024 (31st Asadh, 2081), amounting to NRs. 1101 crores (previous year NRs. 563 per equity share of NRs. 100 each amounting to NRs. 1135 crores).

The company continues to be one of the largest contributors to the exchequer in Nepal and is well-positioned to consolidate its leadership position by leveraging its robust portfolio of products, deep & wide distribution network, best-in-class manufacturing facilities and

[9] *One Ordinary equity share of the company having face value of NRs 100/- was sub-divided to 2 Ordinary equity shares having face value of NRs. 50/- each during the year.*

execution excellence. The company continues to explore opportunities to rapidly scale-up the newer FMCG businesses and evaluate emerging opportunities in this space.

ITC Infotech India Limited and its subsidiaries

The global IT industry continued to be impacted by heightened uncertainty and volatility in the macro-economic environment, exacerbated by geo-political dynamics. As per NASSCOM estimates, the Indian IT Services industry grew by 4.3% in FY 2024-25 led by AI, cloud-native technologies and cybersecurity services.

Against the backdrop of subdued industry growth, the company delivered robust performance with consolidated revenues growing by 13.8% over the previous year. The company remained aligned with the changing business priorities of its customers and achieved strong growth in key customer accounts by collaborating in their development and transformation initiatives. Clients are increasingly seeking strategic partners to streamline their portfolio of services and enhance cost efficiencies. The company continues to effectively address such requirements by leveraging its integrated global service delivery structure and strengthening operational efficiencies through a structured delivery excellence framework, employing a metrics-driven approach.

The company continues to invest in institutionalising delivery excellence and building future-ready capabilities in key focus areas. During the year, the company formed a Technology Center of Excellence (CoE) in Bengaluru to serve as an incubation centre to build capabilities in next generation technologies, and a state-of-the-art Global AI Centre of Excellence in Kolkata to develop cutting-edge solutions. The company has also invested in building its AI capabilities and created GenAI powered platforms & accelerators, offering unique proposition to clients.

In recent years the company has focused on building offerings and creating assets around capabilities like 'CIO 360 - Run the Business' platform, Hotels-in-a-Box and Digital Manufacturing, S4/HANA, Digital Workplace, Hyper Automation, Adobe D2C, ServiceNow and Cybersecurity.

Towards enhancing its Cloud service capabilities, the company acquired Blazeclan Technologies Private Limited (Blazeclan), a leading Cloud consulting firm, during the year. Blazeclan has well-established capabilities in Cloud transformation, with expertise in Cloud Migration, Digital Services, Digital Cloud Consulting and Data Analytics & Insights across AWS, Azure and GCP platforms. The company has created a new 'Cloud services' line combining cloud professionals from both companies to provide high quality, scalable and secure cloud solutions and assist clients in their digital modernisation and transformation journeys.

The company's investments in building technology-led solutions and offerings in future-focused areas were acknowledged in global benchmarking reports by leading analyst firms. During the year, the company was recognised as 'Disruptor' across several Avasant RadarView™ service provider benchmarking reports, including 'Digital CX Services', 'Data Management and Advanced Analytics', 'End-user Computing', 'Digital Workplace', 'Intelligent Automation' and 'Travel, Transportation & Hospitality Digital Services'. The company was recognised as 'Rising Star' in the 'Data Modernisation Services-Midsize' and 'Advanced BI & Reporting Modernisation-Midsize' quadrant in ISG provider lens™ research report on Advanced Analytics and AI services.

Attracting, training and retaining high-quality talent, particularly in niche and future-focused technologies remain a key priority for the company to succeed in the global IT Services industry. The company continues to foster an employee-centric and high-performance work culture driving holistic well-being and growth as part of its comprehensive employee value proposition. Leadership strength continues to be built through curated leadership development programs and strengthen employee competencies through domain & technology-led training and career development programs. The company has initiated an extensive AI training programme covering over 9,000 employees to create an AI-proficient workforce.

During the year, the company's consolidated Revenue from Operations stood at ₹ 4244.83 crores (previous year ₹ 3730.23 crores). Net Profit for the year was ₹ 449.82 crores (previous year ₹ 463.13 crores) after considering costs related to the Blazeclan acquisition, and investments towards business growth and capability building.

For the year under review:

a. ITC Infotech India Limited recorded Revenue from Operations of ₹ 3204.32 crores (previous year ₹ 2869.29 crores) and Net Profit of ₹ 466.62 crores (previous year ₹ 382.21 crores). The company paid a total dividend of ₹ 53.75 per Equity Share of ₹ 10/- each aggregating ₹ 488.32 crores (previous year ₹ 55.50 per Equity Share of ₹ 10/- each aggregating ₹ 488.40 crores).

b. ITC Infotech Limited, UK, a wholly-owned subsidiary of the company, recorded Revenue of GBP 28.80 million (previous year GBP 34.11 million) and Net Profit of GBP 1.33 million (previous year GBP 1.49 million).

c. ITC Infotech (USA), Inc., a wholly-owned subsidiary of the company, together with its wholly-owned subsidiary Indivate Inc., recorded Revenue of US$ 160.71 million (previous year US$ 158.58 million) and Net Profit of US$ 6.53 million (previous year US$ 6.69 million).

d. In the recent past, ITC Infotech India Limited has also set up subsidiary companies in Brazil, Mexico, France, Germany, Italy, Malaysia and Saudi Arabia. Please refer to Form AOC-1 (Statement containing salient features of the financial statements of Subsidiaries / Associate companies / Joint Ventures), forming part of the Report and Accounts, for details on financial performance of these companies.

e. The consolidated results of the company include Revenue of ₹ 98.43 crores and Net Loss of ₹ 3.38 crores recorded by Blazeclan Technologies Private Limited and its wholly owned subsidiaries post 1st October, 2024, i.e. the date of acquisition. Consequent to the acquisition, 10 wholly owned subsidiaries of Blazeclan across several countries including Singapore, Australia, Malaysia, Belgium, New Zealand, USA, Canada and Philippines have become step down subsidiaries of the company.

Going forward, ITC Infotech seeks to augment its portfolio of technology offerings across select industry verticals, develop new platforms & accelerators and strengthen its alliance ecosystem through partnerships with hyperscalers and platform providers in identified capability areas such as GenAI, Digital, Data & Analytics, Cloud, Infrastructure Services and ERP Systems. Strategic interventions are planned towards building a robust talent supply chain with focus on employee-centricity and fostering a high-performance culture.

The company is well poised to craft the next horizon of growth in the years ahead driven by focused strategies to identify go to market opportunities, building capabilities through platforms and offerings and capacity building to drive scale.

Technico Agri Sciences Limited

During the year under review, potato production in India stood at 57 million MT, representing a decline of 5% over the previous year. Lower potato production resulted in a significant rise in potato prices during the year.

Leveraging its institutional strengths and strong brand value, the company continued to enhance its market standing by entering new potato growing markets and expanding presence in existing ones. The company's second greenhouse facility, located at Panchkula, was commissioned during the year to augment capacity and service the growing demand from institutional customers.

The company's leadership in production of early generation seed potatoes and strength in agronomy continue to support the 'Bingo!' range of potato chips of your Company and in servicing the seed potato requirements of the farmer base of your Company's Agri Business.

The company's Revenue from Operations stood at ₹ 383.68 crores (previous year ₹ 323.95 crores) with Net Profit of ₹ 83.76 crores (previous year ₹ 37.81 crores). Total Comprehensive Income for the year stood at ₹ 83.71 crores (previous year ₹ 37.82 crores).

The company continues to leverage its deep domain expertise, strengthen relationships with global seed breeders and farmers to introduce high yield and climate resilient seed varieties to fortify its leadership position in the seed potato industry.

Technico Pty Limited and its subsidiaries

The company continues to focus on upgradation and commercialisation of its TECHNITUBER® Seed Technology and customising the agronomy practices for deployment across various geographies. Further, the company is also engaged in the marketing of TECHNITUBER® seed produced at the facilities of its subsidiary in China and Technico Agri Sciences Limited, India, a wholly-owned subsidiary of your Company, to global customers. For the year under review:

a. Technico Pty Limited, Australia registered a turnover of Australian Dollars (A$) 2.86 million (previous year A$ 1.69 million) and a Net Profit of A$ 1.51 million (previous year A$ 0.81 million).

b. Technico Technologies Inc., Canada has wound down its seed business operations and is exploring other business opportunities in Canada.

c. Technico Asia Holdings Pty Limited, Australia, and Technico Horticultural (Kunming) Co. Limited, China – there were no significant events to report with respect to the above companies.

Wimco Limited

The company's business activities comprise fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling including conveyor solutions and engineering services for the FMCG and Pharmaceutical industries.

During the year, the company monetised the value of certain identified assets relating to the engineering business thereby strengthening its Balance Sheet.

The company's Revenue from Operations for the year stood at ₹ 2.60 crores (previous year: ₹ 3.47 crores) with a Net Profit of ₹ 1.45 crores (previous year loss of ₹ 1.88 crores). Total Comprehensive Income for the year stood at ₹ 1.45 crores (previous year (-) ₹1.93 crores).

North East Nutrients Private Limited

Your Company holds 76% equity stake in North East Nutrients Private Limited, which has set up a food processing facility in Mangaldoi, Assam, to cater to the biscuits market in Assam and other north-eastern states.

The company continues to focus on consistently improving operational efficiency and productivity. In recognition of its high standards of quality, the company received three Gold Awards at the Convention on Quality Concepts 2024, organised by the Quality Circle Forum of India, Durgapur Chapter. The company also received one Gold and one Silver Award at the National POKA-YOKE competition and a Silver Award in the FACE Food Safety & Quality Kaizen Competition, 2024 organised by CII.

The company's Revenue from Operations for the year stood at ₹ 158.87 crores (previous year ₹ 154.07 crores), while Net Profit for the year was ₹ 13.63 crores (previous year ₹ 14.90 crores). Total Comprehensive Income for the year stood at ₹ 13.60 crores (previous year ₹ 14.89 crores).

For FY 2024-25, the Board of Directors of the company has recommended a final dividend of ₹ 2.00 per equity share of ₹ 10 each, aggregating ₹ 14.60 crores (previous year final dividend of ₹ 2.00 per equity share of ₹ 10 each, aggregating ₹ 14.60 crores).

ITC IndiVision Limited

The company is engaged in manufacture and export of nicotine and nicotine derivative products. The company's manufacturing facility, situated near Mysuru has the capability to produce purest nicotine derivatives conforming to US and EU pharmacopoeia standards. The company undertook extensive product development initiatives, customer trials and business development efforts and is well poised to rapidly scale up business going forward.

During the year, the company recorded Total Income of ₹ 10.51 crores (previous year ₹ 1.19 crores) and Net Loss of ₹ 55.56 crores (previous year loss of ₹ 31.12 crores), primarily on account of gestation costs and depreciation.

ITC Fibre Innovations Limited (IFIL)

The company manufactures Moulded Fibre Products made from renewable natural fibres such as wood and offers sustainable solutions across industries including food service & delivery, FMCG and electronics.

Commercial production at the company's state-of-the-art manufacturing facility at Badiyakhedi, Madhya Pradesh commenced in March 2024.

During the year, the company obtained multiple certifications affirming that its products are food contact safe and environment friendly and conform with the requirements under US Food and Drug Administration, German Federal Institute for Risk Assessment and Indian FSSAI regulations. These certifications enable IFIL to differentiate its offerings with both domestic and international customers. The commercial sales were scaled up during the year post extensive product development efforts and customer trials. Going forward, IFIL will leverage the expertise of the Business in fibre value chain, manufacturing excellence and strong sustainability credentials to rapidly scale-up business with continued focus on developing innovative plastic substitution solutions. During the year ended 31st March 2025, the company recorded Total Income of ₹ 4.61 crores (previous year ₹ 1.26 crores) with Net Loss of ₹ 21.41 crores (previous year loss of ₹ 3.56 crores), primarily on account of gestation costs and depreciation.

Russell Credit Limited

The company recorded Total Income of ₹ 71.91 crores (previous year ₹ 60.91 crores) and Net Profit of ₹ 47.49 crores (previous year ₹ 39.39 crores). Growth in Total Income was driven by higher surplus liquidity and increase in yield of the funds deployed on account of higher market interest rates.

During the year, the company transferred its investments in EIH Limited and HLV Limited to your Company at their respective cost of acquisition which led to reversal of the mark-to-market gain on the said investments. As a result, Total Comprehensive Income for the year stood at (-) ₹ 484.29 crores (previous year ₹ 442.67 crores).

Temporary surplus liquidity of the company is mainly deployed in bonds, debt mutual funds, bank fixed deposits, certificate of deposits, etc. The company continues to closely monitor its investments in line with market interest rate movements and explore opportunities to make strategic investments for the ITC Group.

For FY 2024-25, the company declared final dividend of ₹ 0.36 per Equity Share of ₹ 10 each, aggregating ₹ 23.27 crores (previous year final dividend of ₹ 0.30 per Equity Share of ₹ 10 each, aggregating ₹ 19.39 crores).

Gold Flake Corporation Limited

The company holds 50% equity stake in ITC Filtrona Limited.

During the year, the company recorded Total Income of ₹ 25.11 crores (previous year ₹ 24.82 crores) and Net Profit of ₹ 23.80 crores (previous year ₹ 23.12 crores). The company declared interim dividend of ₹ 14.10 per Equity Share of ₹ 10 each, aggregating ₹ 22.56 crores (previous year ₹ 14.10 per Equity Share of ₹ 10 each, aggregating ₹ 22.56 crores).

Greenacre Holdings Limited

The company provides maintenance services for commercial office buildings, EPC (engineering, procurement, construction) management services as well as project management consultancy services.

During the year, the company recorded Total Income of ₹ 13.46 crores (previous year ₹ 11.61 crores) and Net Profit of ₹ 7.23 crores (previous year ₹ 2.82 crores).

ITC Integrated Business Services Limited

The company is in the business of providing support to the Business Shared Services operations of your Company and its related entities.

During the year, the company recorded Total Income of ₹ 21.50 crores (previous year ₹ 12.78 crores) and Net Profit of ₹ 1.41 crores (previous year ₹ 0.60 crore).

MRR Trading & Investment Company Limited

The company, a wholly-owned subsidiary of ITC Integrated Business Services Limited, holds tenancy rights in a commercial building located in Mumbai and also provides estate maintenance services. During the year, the company recorded Total Income of ₹ 7.58 lakh (previous year ₹ 7.38 lakh) and Net Profit of ₹ 0.41 lakh (previous year ₹ 0.66 lakh).

Pavan Poplar Limited

The operations of the company continue to be adversely impacted pursuant to the Order of the Honourable High Court of Uttarakhand at Nainital in February 2014 dismissing the Writ Petition filed by the company against the Order of the District Magistrate authorising the State authorities to take possession of the land leased to the company. The company had filed an appeal against the aforementioned order of the Honourable High Court in 2014, which has been pending adjudication.

Considering the time and resources involved, the company has since withdrawn the said appeal with the approval of the Honourable High Court on 7th March 2025. During the year, the company recorded Total Income of ₹ 0.18 crore (previous year ₹ 0.14 crore) and Net loss of ₹ 0.03 crore (previous year loss of ₹ 0.03 crore).

Prag Agro Farm Limited

The operations of the company continue to be adversely impacted pursuant to the Order of the Honourable High Court of Uttarakhand at Nainital in February 2014 dismissing the writ petition filed by the company against the Order of the District Magistrate authorising the State authorities to take possession of the land leased to the company. The company had filed an appeal against the aforementioned order of the Honourable High Court in 2014, which has been pending adjudication.

Considering the time and resources involved, the company has since withdrawn the said appeal with the approval of the Honourable High Court on 7th March 2025. During the year, the company recorded Total Income of ₹ 0.10 crore (previous year ₹ 0.10 crore) and Net loss of ₹ 0.09 crore (previous year loss of ₹ 0.02 crore).

NOTES ON JOINT VENTURES

ITC Filtrona Limited (formerly known as ITC Essentra Limited) – a joint venture of Gold Flake Corporation Limited

The company delivered resilient performance during the year amidst continued volatility in the supply chain for certain input materials.

The company sustained its leadership position in the industry consolidating its status as the preferred supply chain partner for several well-known national brands. The company continues to leverage its core strengths of focused innovation, best-in-class quality, consistent delivery and strong customer relationships.

The company continues to partner with its customers and invest in technology upgradation and capability building towards sustaining its position as the ‘innovation and quality benchmark’ in the Indian cigarette filter industry.

During the year ended 31st March, 2025, the company’s Revenue from Operations stood at ₹ 761.34 crores (previous year ₹ 743.45 crores). Net Profit during the year stood at ₹ 83.85 crores (previous year ₹ 80.80 crores).

The Board of Directors of the company has recommended a dividend of ₹ 125 per equity share of ₹ 10 each for the year ended 31st March, 2025 (previous year ₹ 100 per equity share).

Logix Developers Private Limited (LDPL)

Logix Developers Private Limited is a joint venture between your Company and Logix Estates Private Limited for developing a luxury hotel-cum-service apartment complex at the company’s leasehold site located at Sector 105 in New Okhla Industrial Development Authority (NOIDA).

Your Company presently holds 27.9% equity stake in LDPL. As reported in prior years, your Company reiterated its position with the JV partner that it was committed to developing a luxury hotel-cum-service apartment complex as envisaged under the JV Agreement and that it was not interested in progressing with any alternative project plans proposed by the JV partner. However, the JV partner refused to progress the project and instead expressed its intent to exit from the JV by selling its stake to your Company. Subsequently, the JV partner proposed that both parties should find a third party to sell the entire shareholding in LDPL. In view of these developments, your Company had filed a petition before the erstwhile Company Law Board submitting that the affairs of the JV entity were being conducted in a manner that was prejudicial to the interest of your Company and the JV entity. The matter is currently before the National Company Law Tribunal (NCLT). The JV partner had also filed a petition before the Honourable Delhi High Court for winding up the JV company, which was transferred to the NCLT by the Honourable Delhi High Court. The matter was heard before the NCLT on several occasions in the past but could not be concluded. On 21st January, 2020, the matter was assigned to a new bench, post which hearings on the matter are being held.

In July 2022, LDPL received a communication from NOIDA authorities intimating cancellation of the sub-lease for the land on which the project was to be constructed on account of non-payment of lease instalments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. The company is evaluating all options to pursue its rights in the matter. Consequently, as a matter of prudence, the company had derecognised the leasehold land/assets as well as adjusted/reversed the lease liabilities towards NOIDA in accordance with the terms of the sub-lease deed, in its financial statements for the year ended 31st March 2022.

During the year ended 31st March, 2025, the company recorded a Net Profit of ₹ 0.25 crore (previous year ₹ 0.22 crore). The Net Worth of the company stood at ₹ 5.57 crores as at 31st March, 2025 (previous year ₹ 5.32 crores).

Your Company's total investment in LDPL was ₹ 41.95 crores. Your Company had made provision of the entire investment amount as diminution in the carrying value of investment in the previous years and consequently the carrying value of your Company's investment in LDPL as at 31st March, 2025, is Nil.

The financial statements of LDPL for the year ended 31st March, 2025, are yet to be approved by its Board of Directors. In the absence of audited financial statements of LDPL, the Consolidated Financial Statements of your Company for the year ended 31st March, 2025, have been prepared based on the financial statements prepared by the management of LDPL.

NOTES ON ASSOCIATES

ITC Hotels Limited

ITC Hotels Ltd. (ITCHL) was incorporated as a wholly-owned subsidiary of your Company in July, 2023. The Board of Directors of your Company and ITC Hotels Limited, had on 14th August, 2023 approved, subject to necessary statutory and regulatory approvals, the Scheme of Arrangement amongst your Company and ITC Hotels Limited and their respective shareholders and creditors ('Scheme') for demerger of the Hotels Business (as defined in the Scheme) of your Company on a going concern basis. The Scheme was approved by the Honourable National Company Law Tribunal, Kolkata Bench vide its order dated 4th October, 2024.

Pursuant to the Scheme, the Hotels Business of your Company (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held in hospitality entities i.e. Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited, Srinivasa Resorts Limited, International Travel House Limited, Gujarat Hotels Limited and Maharaja Heritage Resorts Limited have been transferred to ITCHL on a going concern basis from the Effective Date i.e., 1st January 2025. ITCHL issued and allotted equity shares to the shareholders of your Company as per the share entitlement ratio provided in the Scheme and consequently your Company holds 39.88% stake in ITCHL as at 31st March 2025. Consequently, ITCHL has become an Associate of your Company.

ITCHL is amongst the fastest growing hospitality chains in the country with over 140 properties and 13,300 rooms under multiple brands catering to different market segments. ITCHL is recognised for its portfolio of world-class properties, iconic bouquet of brands, cuisine expertise and service excellence. Anchored on the ethos of 'Responsible Luxury', ITCHL is a global exemplar in sustainable hospitality.

The company delivered robust performance during the year clocking record high revenue and profits. Room revenues recorded strong growth driven by broad-based performance across segments. Occupancy and Average Daily rate (ADR) witnessed robust growth on the back of sustained demand across key markets and smart revenue management.

ITCHL continues to pursue an 'asset-right' growth strategy to drive growth while reducing capital intensity of operations by focusing on strong partnerships with asset owners, leveraging brand credentials and providing operational expertise. A substantial part of incremental room additions is expected to accrue through management and franchising contracts going forward. The company is also progressing investments towards scaling up its portfolio of owned hotel rooms. A greenfield project is underway at Puri, Odisha and a new block is under construction at the existing Welcomhotel in Bhubaneshwar. ITCHL also seeks to leverage its strategic land bank to enhance the portfolio of owned hotels.

The hospitality sector in India is poised to grow rapidly in the years ahead driven by growing per capita income, rapid urbanisation, increasing societal aspirations and low room supply penetration. ITCHL is well placed to craft its next horizon of growth as a pure-play hospitality entity leveraging your Company's institutional strengths, strong brand equity and goodwill.

Delectable Technologies Private Limited

Delectable Technologies Private Limited (Delectable) is, inter alia, engaged in the sale of FMCG products leveraging app-based technology through vending machines, primarily installed across office locations.

The total investment of the Company in Delectable stands at ₹ 11 crores for a 39.3% stake, on a fully diluted basis.

Delectable has significantly scaled down its operations during the year. Your Company has divested its holding in Delectable in May 2025.

Sproutlife Foods Private Limited

Sproutlife Foods Private Limited (Sproutlife) operates in the fast growing, nutrition-led health food space with a diversified product portfolio across multiple categories including protein bars, breakfast cereals, nutraceuticals etc. under the 'Yogabar' brand.

During the year, your Company invested ₹ 30 crores in Sproutlife, consequent to which your Company's stake now stands at 47.50% (previous year 44.74%) on a fully diluted basis. Cumulative investment in Sproutlife stands at ₹ 255 crores as at 31st March, 2025.

Sproutlife continues to register robust growth across its target markets in its core categories of Bars, Muesli and Oats; product portfolio was augmented during the year with the launch of protein drinks and whey protein.

Mother Sparsh Baby Care Private Limited

Mother Sparsh Baby Care Private Limited (Mother Sparsh) is a premium ayurvedic and natural baby care brand, which is focused on baby personal care, health & hygiene and expert baby care. With high quality products, Mother Sparsh aims to serve the needs of informed new-age mothers who are making conscious decisions to switch to superior products for their babies.

The company recorded robust growth during the year on the back of increasing consumer franchise for its differentiated product range and entry into the quick commerce channel.

As at 31st March 2025, your Company held 26.5% stake in Mother Sparsh on a fully diluted basis at a cumulative investment value of ₹ 45 crores.

In April 2025, your Company executed Definitive Agreements to acquire the balance 73.5% stake in one or more tranches over a time period of about two to three years subject to fulfilment of prescribed terms and conditions.

ATC Limited (an associate of Gold Flake Corporation Limited)

The company is a contract manufacturer of cigarettes. The company continues to deliver superior quality products to its customers while maintaining high levels of flexibility and agility in its manufacturing operations.

During the year, the company received the 'National Award for Outstanding Industrial Relations 2023-24' from All India Organisation of Employers in the MSME category and the 'Silver Prize in Manufacturing Small Sector' at the Federation of Indian Chambers of Commerce and Industry (FICCI) Awards for Excellence in Quality Systems 2024. The company was also recognised as an 'Energy Efficient Unit' by Confederation of Indian Industry (CII) and accredited with Social Accountability Management System Standard SA 8000:2014 by DNV.

Associates of Russell Credit Limited

Russell Investments Limited, Divya Management Limited and Antrang Finance Limited

The above companies are associates of Russell Credit Limited. These companies are NBFCs registered with the Reserve Bank of India and continue to explore opportunities for strategic investments.

For further details on performance of the above-mentioned associate companies, please refer to Form AOC-1 (Statement containing salient features of the financial statements of Subsidiaries / Associate companies / Joint Ventures), forming part of the Report and Accounts.

INTERNAL FINANCIAL CONTROLS

The Corporate Governance Policy guides the conduct of affairs of your Company and clearly delineates the roles, responsibilities and authorities at each level of its three-tiered governance structure and key functionaries involved in governance. The ITC Code of Conduct commits management to financial and accounting policies, systems and processes. The Corporate Governance Policy and the ITC Code of Conduct stand widely communicated across the enterprise at all times and together with the Strategy of Organisation, Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company's Financial Statements.

Such Financial Statements are prepared on the basis of the Material Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance and Material Accounting Policies uniformly across your Company. The Accounting Policies are reviewed and updated from time to time. These, in turn, are supported by a set of Divisional policies and Standard Operating Procedures (SOPs) that have been established for individual Businesses.

Your Company uses Enterprise Resource Planning (ERP) systems as a business enabler and also to maintain its books of accounts. The SOPs, in tandem with transactional controls built into the ERP systems, ensure appropriate segregation of duties, tiered approval mechanisms and maintenance of supporting records. The Information Management Policy reinforces the control environment. The systems, SOPs and controls are reviewed by Divisional management and audited by Internal Audit, whose findings and recommendations are reviewed by the Audit Committee and tracked through till implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial information; complying with applicable statutes; safeguarding assets from unauthorised use; ensuring that transactions are carried out with adequate authorisation and complying with Corporate Policies and Processes. Such controls have been assessed during the year, after taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India. Based on the results of such assessment carried out by management, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed. Nonetheless, your Company recognises that any internal control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

RISK MANAGEMENT

As a diversified enterprise, your Company continues to focus on a system-based approach to business risk management. The management of risk is embedded in the corporate strategies of developing a portfolio of world-class businesses that best match organisational capability with opportunities in domestic and international markets, developing capabilities and competencies for the future in order to enhance competitiveness and win in the markets of tomorrow. Accordingly, management of risk has always been an integral part of your Company's 'Strategy of Organisation' and straddles its planning, execution and reporting systems & processes. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

– The Corporate Governance Policy, approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting by Internal Audit.

– The Risk Management Committee, constituted by the Board, monitors and reviews the strategic risk management plans of your Company as a whole and provides necessary directions on the same.

– The Corporate Risk Management Cell, through focused interactions with Businesses, facilitates the identification and prioritisation of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks.

– A combination of centrally issued policies and Business-specific procedures bring robustness to the process of ensuring that business risks are effectively addressed.

- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique or relatively high risk profiles.
- Foreign currency exposures continue to be managed within the framework of the Forex Manual.
- A strong and independent Internal Audit function at the Corporate level carries out risk focused audits across all Businesses, enabling identification of areas where risk management processes may need to be strengthened. The Audit Committee of the Board reviews Internal Audit findings and provides strategic guidance on internal controls. The Audit Compliance Review Committee closely monitors the internal control environment within your Company including implementation of the action plans emerging out of internal audit findings.
- At the Business level, Divisional Auditors continuously verify compliance with laid down policies and procedures and help plug control gaps by assisting operating management in the formulation of control procedures.
- A robust and comprehensive framework of strategic planning and performance management ensures realisation of business objectives based on effective strategy implementation. The annual planning exercise requires all Businesses to clearly identify their top risks and set out a mitigation plan with agreed timelines and accountabilities. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation measures have been implemented.

Your Company endeavours to continuously sharpen its Risk Management systems and processes in line with a rapidly changing business environment. All Businesses of your Company have adopted the ISO 31000 Risk Management Standard; risk management systems and processes prevalent in the Businesses have been independently assessed to be compliant with the same. The centrally anchored initiative of conducting independent external reviews of key business processes with high 'value at risk' continued during the year. These interventions continue to provide further assurance on the robustness of risk management practices prevalent in your Company.

Recognising Digital as a megatrend shaping the future, your Company remains focused on building a dynamic 'Future-Tech' enterprise powered by advanced digital technologies and infrastructure across the value chain. Your Company's digital transformation journey is also resulting in changes in its risk profile marked by a heightened cyber threat environment. The cybersecurity landscape is constantly evolving, characterised by a diverse array of threats that target individuals, organisations, and critical infrastructure. Cybercriminals are employing increasingly sophisticated tactics, such as ransomware, phishing and advanced persistent threats, to exploit vulnerabilities and gain unauthorised access to sensitive data.

Your Company has a multi-tiered cybersecurity defence strategy that includes firewalls, antivirus and anti-malware systems to prevent, detect and respond to cyber incidents. These defence mechanisms are implemented at various access and data processing points, including endpoints, data centres, network perimeters and cloud instances. To further enhance user awareness, your Company has established a comprehensive digital cybersecurity training program for all employees.

The Cyber Security Committee of your Company, chaired by the Chief Digital and Information Officer (CDIO), establishes best practices, monitors the cybersecurity posture, and defines strategic priorities to ensure secure and reliable services in a rapidly evolving digital landscape. Your Company's cybersecurity practices are guided by several international frameworks and standards, such as NIST and ISO 27001.

During the year, your Company operationalised the Advanced Cyber Security Operations Centre (SOC) equipped with state-of-the-art capabilities including AI-driven threat intelligence from multiple sources. Tabletop exercises have been conducted to improve incident response capabilities for the Cyber Security Incident Response team, under the leadership of the Chief Information Security Officer (CISO). Further, the SOC is being augmented with behavioural anomaly detection capabilities to enhance threat detection.

In response to the progressive migration of workloads to the Cloud, your Company has adopted a zero trust architecture and has established a digital-ready, cloud-secure wide area network - ITC Digibahn. This network ensures that all authorised users can access fast, reliable, and secure connections from any location, on any device, at any time. Your Company is also upgrading both endpoint and email security by adopting best-in-class technologies to enhance protection against external threats.

The growing integration and convergence of Information Technology (IT) and Operational Technology (OT) within Industrial Control Systems significantly increases the risk of cyber-attacks. Accordingly, a comprehensive OT Security policy has been established across all Businesses and an assessment of IT and OT security maturity is conducted at least once in two years.

The use of Artificial Intelligence (AI) is becoming increasingly prevalent in various business domains. In this regard, your Company has adopted a range of security best practices, including an approved list of generative AI tools and platforms, a data management framework, mandatory proof of concept (POC) requirements, data privacy controls, ethical AI usage guidelines, and user awareness training.

India ranks among the most vulnerable countries in the world in terms of climate change impact. As part of its Sustainability 2.0 vision, your Company is pursuing a multi-pronged climate strategy that entails extensive decarbonisation and building resilience against climate risk across the value chain.

Your Company's low carbon growth approach focuses on increasing the share of renewable energy, improving energy productivity, construction of green buildings, greening logistics, optimising 'distance-to-market' and promoting regenerative agriculture practices in agri-value chains, thus enabling transition to a net zero economy. Simultaneously, your Company is actively working towards climate-proofing its operations and agricultural value chains by using state-of-the-art climate risk modelling techniques and developing site-specific risk mitigation strategies. Your Company's approach towards water stewardship is aligned with the Alliance for Water Stewardship Standard, a globally recognised framework for assessing the efficacy of water management across water stressed sites. Further, your Company recognises that the preservation and nurturing of biodiversity is crucial for long-term sustainability of its business and is committed to conducting its operations in a manner that protects, conserves and enriches biodiversity in line with the Board-approved Policies on Biodiversity Conservation and Deforestation.

Your Company sources several commodities for use as inputs in its Businesses and engages in agri-commodity trading as part of its Agri Business. In respect of commodities sourced for use as inputs in its Businesses, your Company has well laid out strategies to manage risks arising out of the inherent price volatility associated with such commodities. This includes robust mechanisms for monitoring market dynamics towards making informed sourcing decisions, well defined inventory holding norms based on considerations such as seasonality and the strategic nature of the commodity concerned, long-term contracts with suppliers and continuous diversification of the supplier base to secure supply of critical items at competitive costs. Multiple sourcing models, wide geographical spread, extensive sourcing and supply chain network and associated infrastructure in key growing areas coupled with deep-rooted farmer linkages and use of digital technologies ensure sourcing of high quality agri-commodities at competitive costs.

In respect of agri-commodity trading, your Company has a well-defined policy to manage risks associated with sourcing of such commodities. This includes:

– segregation of duties and robust internal controls through a system of checks and balances embedded in the organisation and governance structure
– clearly defined limits for trading positions (long and short) and net cash loss for specific commodities/ commodity groups
– mitigation of price, liquidity and counter party risks through hedging on commodity exchanges (mainly NCDEX) for certain commodities, as applicable. Correlation between prices prevailing in the physical market and those on the commodity exchange is analysed regularly to ensure effectiveness of hedging
– robust monitoring and review mechanisms of net open positions and 'value at risk'

– ECGC cover for exports (covering commercial & political risks) and credit insurance for large domestic customers.

The combination of policies and processes as outlined above adequately addresses the various risks associated with sourcing of commodities for your Company's Businesses.

Your Company's strategy of backward integration in sourcing of agri-commodities such as wheat, potato, fruit pulp, spices, milk and leaf tobacco; in-house manufacturing of paperboards, paper and packaging (including pulp production and print cylinder making facilities); wood procurement from the economic vicinity of the Bhadrachalam unit, facilitates access to critical inputs at benchmark quality and competitive cost besides ensuring security of supplies. Further, each of your Company's Businesses continuously focuses on product mix enrichment and yield improvement towards protecting margins and insulating operations from spikes in input prices.

The Risk Management Committee met thrice during the year and was updated on the status and effectiveness of the risk management plans. The Audit Committee was also updated on the effectiveness of your Company's Risk Management systems and policies.

The risk management practices of your Company, as reviewed through the Risk Management Cell and Internal Audit processes, have been found to be relevant and commensurate with the size and complexity of its operations.

AUDIT AND SYSTEMS

Your Company believes that strong internal control systems that are commensurate with the scale, scope and complexity of its operations are concomitant to the principle of governance that freedom of management should be exercised within a framework of appropriate checks and balances.

Your Company remains committed to ensuring a mature and effective internal control environment that, inter alia, provides assurance on orderly and efficient conduct of operations, security of assets, prevention and detection of frauds/errors, accuracy and completeness of accounting records and compliance with various regulatory requirements as applicable.

Your Company's independent and robust Internal Audit processes, both at the Business and Corporate levels, provide assurance on the adequacy and effectiveness of internal controls, compliance with business processes and procedures, internal policies and regulatory requirements. The role of Internal Audit is to enhance and protect organisational value by providing risk-based assurance, advice and insight, while enabling continuous improvement of your Company's internal control systems.

The Internal Audit function, comprising professionally qualified accountants, engineers, and Information Technology (IT) specialists, is well-equipped and resourced to provide audit assurances at the highest levels. Targeted learning and development programmes on contemporary topics are periodically organised to enhance knowledge and skill set of the audit team.

The scope and coverage of Internal Audit remains contemporary and cognises, inter alia, for the rapid digitalisation of your Company's business operations. In recent years, Internal Audit has enhanced focus on systems and controls pertaining to your Company's digital assets including brand websites, social media handles, mobile and cloud applications, IT-OT integration, and protection of sensitive personal data and information.

Information security and cybersecurity have assumed critical significance with the accelerated adoption of digital technologies. In this context, periodical reviews are conducted focusing on assessment of controls pertaining to confidentiality, integrity and availability of business information and systems covering general IT controls and security of your Company's IT Infrastructure. All systems and policies relating to Information Management are regularly reviewed and benchmarked to ensure they remain contemporary. Furthermore, all critical IT systems undergo pre-implementation audit before being deployed in the operating environment, thereby providing assurance regarding the rigour of implementation and operational readiness.

Aligned with your Company's 'Digital First' strategy, the Internal Audit function has evolved into an agile, multi-skilled and technology-enabled function. Processes within Internal Audit function are continuously enhanced for greater effectiveness and productivity by utilising best-in-class tools for audit analytics, intelligent automation, adoption of new open-source tools and AI-enabled BOTs. Utilisation of the recently implemented Digital Audit Management System, a tool for end-to-end digitisation of audit life cycle, was scaled up during the year; key enhancements such as 'Agile Audit' module were introduced to improve efficiency and monitoring across the assurance process lifecycle. An integrated advanced data analytics tool has been adopted to enhance auditors' capabilities with low-code/no-code scripting, automated data extraction, and analysis of both structured and unstructured data. In addition, several off-the-shelf tools were introduced for IT security checks, code reviews and vulnerability assessments of your Company's websites, apps, and social media handles.

Qualified engineers within the Internal Audit function review the design, planning and execution of all ongoing projects that involve significant expenditure. This ensures that project management controls are robust and yield 'value for money'. The Internal Audit function also leverages state-of-the-art industry-specific tools and technology to conduct comprehensive project audits.

Your Company's Internal Audit processes are certified as complying with ISO 9001:2015 Quality Standards. Further, systems and processes are in accordance with the Standards on Internal Audit (SIA) issued by The Institute of Chartered Accountants of India.

The Audit Committee of your Board met twelve times during the year. The Terms of Reference of the Audit Committee, inter alia, include reviewing the effectiveness of the internal control environment, evaluating your Company's internal financial controls & risk management systems, and monitoring the implementation of action plans arising from significant Internal Audit findings. Material observations, as defined in the Terms of Reference, are reviewed at the highest level by the Audit Compliance and Review Committee (ACRC) and the Audit Committee.

HUMAN RESOURCE DEVELOPMENT

Your Company's thought, strategy and action are inspired by a larger purpose of being an exemplary Indian enterprise that not only delivers superior competitive performance, but also embeds sustainability and inclusiveness at the core of its Businesses. This approach enables your Company to delight consumers and customers with a vibrant portfolio of industry leading products and services while generating enduring value for the Indian economy and the larger community of stakeholders. The talent management strategy of your Company is designed to attract, retain and develop human capital that enables your Company to sustain its position as one of India's most valuable corporations, whilst continuing with its mission of building a responsible 'Future-Tech' enterprise. Your Company's employees relentlessly strive to deliver world-class performance, collaborating with each other and discharging their role as 'trustees' of all stakeholders. Your Company is committed to perpetuating vitality – its growth as a value generating engine and also as an exemplary institution – so that it continues to succeed in its relentless pursuit of creating enduring value.

Your Company's Human Resources development approach spans four key organisational dimensions of Architecture, Alignment, Agility and Ability which are supported through strategies crafted in areas such as talent acquisition, engagement, diversity & inclusion, capability building, employee relations, performance & rewards and employee well-being. Through its various talent initiatives and processes, your Company strives to deliver the value proposition of 'Building Winning Businesses, Building Business Leaders and Creating Value for India'. The talent development practices help create, foster and strengthen the capability of human capital to deliver critical outcomes on the vectors of strategic impact, operational efficiency and capital productivity while reimagining consumer experience, driving business model transformation and enhancing employee experience.

Your Company's 'Strategy of Organisation' is designed to promote agility through a culture and practice of distributed leadership enabled by a three-tier governance structure. This is manifested in market and consumer facing Businesses, which are driven by empowered, cluster-based teams and supported by shared assets and capabilities, enabling strategic relevance, speed, responsiveness, and operational excellence. This approach allows Businesses, through their Management Committees, to focus, develop and execute Business Plans relevant to their product-market spaces while leveraging the institutional strengths of your Company and harvesting internal synergies.

The year under review witnessed some softening of the employment market, reflected in lower attrition and a more measured approach to remuneration decisions in several industry sectors. While flexible work arrangements are now prevalent across industry, there has been a moderation in application, reflecting a gradual shift towards an equilibrium. Several global organisations, with presence in India, have also chosen to review their Diversity agenda. The adoption and integration of digitisation and automation tools to enhance productivity continues. Companies remain committed to prioritising employee well-being & mental health support.

Your Company's unique employer equity as an exemplary Indian enterprise creating world-class brands, building business leaders and generating economic, social and environmental capital for the Indian economy, continues to play a pivotal role in the attraction and retention of high-quality talent. The management trainee programme, augmented with recruitment of experienced talent from the market, is an integral part of building a deep pipeline. Your Company continues to draw the finest management, technical and commercial talent from premier institutions in the country and is ranked amongst the leading companies in these institutions. Intensive engagement with the country's premier academic institutions over the years to communicate your Company's talent proposition through case-study competitions, knowledge-sharing programmes by senior managers, on-ground exposure and factory visits for students and the annual internship programmes have all contributed to creating a compelling proposition for the best candidates to aspire for a career with your Company. Your Company continues to enthuse talent with high-impact roles, competitive and performance driven remuneration with an emphasis on long-term incentives, a wealth of learning opportunities, a commitment to enhancing diversity, equity & inclusion, an employee-centric climate, well-being focused infrastructure and support that promotes fellowship and commitment amongst employees.

Your Company's talent development approach is founded on the belief that learning initiatives must remain synergistic and aligned to business outcomes. Your Company provides managers with contemporary and relevant learning and development support through a combination of self-paced e-learning modules, classroom programmes and application projects with emphasis on experiential learning, on-the-job assignments and exposure to nationally and globally renowned faculty. Deep functional expertise is fostered at early stages of an employee's career through immersion in complex problem-solving assignments requiring the application of domain expertise. These interventions have helped your Company build and sustain a culture of application-focused continuous learning, innovation and collaboration. Managers are assessed on your Company's behavioural competency framework and provided with learning and development support to address areas identified for improvement. Key talent is provided critical experiences in high-impact roles and mentored by senior managers, promoting the development of a steady pool of high-quality talent.

Your Company has identified three capability vectors for making Businesses future-ready – Leadership Development, Business Critical Functional Competencies, and Organisation Identity & Pride. As a part of leadership development initiatives, the Reflections 360 programme provides leaders with feedback from team members, peers and managers, enabling self-driven personal development. This is supplemented by immersive workshops and personalised one-on-one coaching being made available for senior managers.

This approach ensures relevance and impact, thereby enhancing the capability index of your Company's human capital. Globally benchmarked curriculum are tailored to your Company's context, especially in the domains of Digital Fluency, Data Science, Industrial Analytics, Brand Marketing and Manufacturing strategy. All these interventions are delivered through subject matter experts, domestic and international, and supplemented with business-critical application projects. Periodic induction programmes, anchored by senior leaders, enable new entrants to appreciate your Company's Vision, Mission, Culture, Values and Strategies while fostering pride in affiliation with your Company.

Your Company continues to strengthen its performance management system and its culture of accountability through widespread adoption of the system of Management-by-Objectives. Performance planning through clearly defined goals, outcome-based assessment, and alignment of rewards for achievement of results have all contributed to a robust culture of ownership and accountability. 'Career Conversations' and succession planning processes have contributed to helping employees realise their potential, craft their careers while recognising their strengths and areas of development and ensuring a sound workforce planning system.

In the spirit of continuous improvement, your Company maintains a practice of periodically assessing employee engagement through an entity-wide survey. The recent survey results of 2024 continue to indicate an improving trend, on a strong base, with scores increasing in the range of 10 to 16 percentage points on key dimensions. 96% of employees reported a deep sense of pride and association with your Company, 94% reported a belief in your Company's overarching goals & leadership and 94% are optimistic of the future. These engagement levels reflect in your Company's superior standing on employee turnover. During the year, a range of engagement programmes were sustained including initiatives such as leadership outreach through extensive communication, recognition programmes acknowledging exceptional contributions of employees and teams, career conversations and investments in employee wellbeing.

The year witnessed the Cigarettes Business receiving the Platinum Award for 'Best Practices in Digitisation in HR' among Large Manufacturing Sector Companies at the 8th CII National HR Competition 2024. The Personal Care Business and Foods Business were conferred FICCI's Women Empowerment Award 2024, under the category - 'Impactful Care Ecosystem for Employees'. The Life Sciences and Technology Centre (LSTC) won the CII Award on 'Excellence for Women in STEM 2024'. LSTC was the only organisation in the Life Sciences Sector to be recognised in top 25 companies by CII in this category.

Your Company's efforts to enhance Diversity, Equity and Inclusion are founded on the conviction that a diverse workforce contributes to rich discourse, promotes holistic perspectives, fosters creative solutions and is integral to serving customers better while creating value for all stakeholders. Your Company's policy on Diversity, Equity and Inclusion articulates and institutionalises this conviction through concerted actions spanning three vectors, i.e., Representation, Inclusion & Enablement and Commitment & Assurance. Your Company is committed to enhancing gender diversity and participation of the differently abled in the workforce.

Measures to enhance diversity include ensuring sufficient representation of women in selection pools and deployment of the differently abled across suitable opportunities in the value chain. Through progressive policies offering flexible work arrangements, extended child-care leave, travel support for infants and care-givers, secure transport, paternity leave, same gender partner medical benefits, infrastructure support coupled with various sensitisation programmes, Employee Resource Groups, development interventions tailored for women talent, and the commitment and sponsorship of leaders; your Company provides an enabling environment to further its Diversity, Equity and Inclusion goals. To ensure a safe and progressive work environment, Internal Committees have been institutionalised as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The focused efforts across these dimensions have resulted in a 72% increase in women managers in your Company since FY 2021-22.

Your Company continued its practice of active leadership outreach to employees. Periodic communication with the ITC community through 'StudioOne Townhalls' led by the Chairman, provided employees avenues to hear from and engage with leaders about your Company's vision, strategy and milestones. This was supplemented by a more personalised engagement through the 'StudioOne Xchange' initiative. The Chairman and other members of the Corporate Management Committee interacted with managers across Businesses in small groups, sharing your Company's vision and strategies while also inviting suggestions and feedback. Your Company believes that alignment of all employees to a shared vision and purpose is vital for winning in the marketplace. It also recognises the mutuality of interests with key stakeholders and is committed to continue building harmonious employee relations. Your Company remains dedicated to an Employee Relations climate of partnership and mutuality while ensuring operations are competitive, flexible and responsive. The Employee Relations philosophy of your Company, anchored in the tenets of Scientific Management, Industrial Democracy, Human Relations and Employee well-being, has contributed towards building a robust platform which has aided the conclusion of collective bargaining agreements at several of its manufacturing units, ensuring smooth commencement of operations at greenfield locations and the execution of productivity improvement practices.

In its relentless pursuit of excellence and value creation, your Company offers an abundance of opportunities for employees to grow and thrive in an environment of trust, empowerment and continuous learning. The access to best-in-class resources, technology and infrastructure, the prospect of building businesses rooted in value chains in India, the deployment of deep consumer insights to create and shape Indian brands are the defining hallmarks of 'The ITC Way'. This unique blend of a high-performance culture coupled with care and respect for people remain vital to realising your Company's vision of sustaining its position as one of India's most valuable and admired corporations.

WHISTLEBLOWER POLICY

Your Company's Whistleblower Policy, approved by the Board, encourages Directors and employees to promptly bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and/or reputation. The Policy requires the Company to investigate such incidents, when reported, in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. Anonymous complaints are also entertained if the same is backed by specific allegations & verifiable facts, and is accompanied with supporting evidence. It is your Company's Policy to ensure that no complainant is victimised or harassed for bringing such incidents to the attention of the Company, and to keep the information disclosed during the course of the investigation as confidential. The practice of the Whistleblower Policy is overseen by the Audit Committee and no employee was denied access to the Committee during the year. The Whistleblower Policy is available on the Company's corporate website at https://www.itcportal.com/whistleblower-policy .

During the year, your Company received 24 complaints in terms of the Whistleblower Policy, of which investigation in respect of 15 complaints was completed; in most of the cases, no evidence was found in support of the allegations made. Appropriate action, where necessary, was taken.

SUSTAINABILITY 2.0

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

Your Company's innovative business models synergise the building of economic, environmental and social capital, thus embedding sustainability at the core of its corporate strategy. Today, this strategy has not only contributed to building strong businesses of the future as well as a portfolio of winning world-class brands, but also in making your Company a global exemplar in 'Triple Bottom Line' performance. Your Company is the only enterprise in the world of comparable dimensions to have achieved and sustained the three key global indices of environmental sustainability of being 'water positive' (for 23 years), 'carbon positive' (for 20 years), and 'solid waste recycling positive' (for 18 years).

Your Company is actively working towards *Sustainability 2.0*, an agenda which reimagines sustainability under the pressing challenges of climate change and social inequity. Sustainability 2.0 calls for inclusive strategies that can support sustainable livelihoods, pursue newer ways to fight climate change, enable the transition to a net zero economy, work towards ensuring water security for all and create an effective circular economy for post-consumer packaging waste. It also entails protecting and restoring biodiversity and ecosystem services through adoption of nature-based solutions. Your Company believes that agility in thought and action, meaningful public-private-people partnerships and Responsible Competitiveness will act as core enablers of this new agenda. Your Company has the potential to make a large-scale impact not only from an economic standpoint, but also from the perspective of supporting livelihoods and social enablement because of its presence across several critical sectors of the economy. With its bold Sustainability 2.0 agenda, your Company is setting the bar higher and remains committed to making meaningful contribution to the Nation's future while retaining its status as a sustainability exemplar. The 2030 Sustainability 2.0 ambitions include:

Climate Change

– Enhancing the share of renewable energy usage to 50% of total energy consumption by 2030.

– Meeting 100% of purchased grid electricity requirements from renewable sources by 2030.

– Reducing specific energy consumption by 30% and specific Greenhouse Gases (GHG) emissions by 50% by 2030 as compared to the FY 2018-19 baseline.

– Sustain and enhance carbon sequestration by expanding forestry projects through your Company's Social and Farm Forestry programme and other such initiatives covering over 1.5 million acres by 2030.

Water Stewardship

– Achieving 40% reduction in specific water consumption by 2030 as compared to the FY 2018-19 baseline.

– Creation of rainwater harvesting potential equivalent to over five times the net water consumption by 2030.

– Certification of all sites in high water stressed areas as per the international water stewardship standard by Alliance for Water Stewardship (AWS) by 2035 and eight sites by 2024.

– Improve crop water-use efficiency in agri-value chains through demand side management interventions and enable savings of 2,000 million kl of water by 2030.

Plastic Waste and Circular Economy

– 100% of your Company's Packaging to be Reusable, Recyclable or Compostable/Biodegradable by 2028.

– Sustain plastic neutrality (attained in FY 2021-22) by enabling sustainable management of waste in excess of the amount of packaging utilised.

Sustainable Agriculture

– Promote climate smart agriculture approach in core Agri Business catchments across four million acres by 2030.

Biodiversity Conservation

– Revive & sustain ecosystem services and products provided by nature, through adoption of nature-based solutions and biodiversity conservation covering over one million acres by 2030.

Sustainable Livelihoods

– Supporting sustainable livelihoods for 10 million people by 2030.

Your Company's Businesses are actively working towards achieving your Company's Sustainability 2.0 vision. During FY 2024-25, your Company enhanced the share of its renewable energy to nearly 52%. Commendable progress has been made in line with 2030 targets relating to specific energy, specific GHG emissions and specific water consumption across Businesses as well. In line with its commitment, your Company continued to remain plastic neutral during FY 2024-25 by sustainably managing more plastic packaging waste than the amount of plastic packaging utilised. During the year, your Company's large-scale programmes on Sustainable Agriculture were augmented to cover 3.17 million acres. Through its deep engagement in agriculture, manufacturing and services, as well as its extensive distribution infrastructure and large-scale programmes under ITC Mission Sunehra Kal, your Company supports nearly nine million sustainable livelihoods across its operations and value chains. A detailed performance dashboard against 2030 commitments is included in your Company's annual Sustainability Report, 2025 and will be available in due course.

In addition to the 2030 targets, your Company 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, your 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.

To achieve its Sustainability 2.0 vision, your Company continues to strengthen its management approach which is guided by a comprehensive set of sustainability policies and is being implemented across the organisation. Your Company has put in place robust mechanisms for engaging with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. Your Company will continue to update these systems and processes in line with evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.

Your Company's 21st Sustainability Report published during the year detailed the progress made across all dimensions of the 'Triple Bottom Line' for FY 2023-24. This report was prepared in conformance with 'In Accordance – Comprehensive' criteria of the Global Reporting Initiative (GRI) standards and is third-party assured to 'Reasonable Level' as per International Standard on Assurance Engagements (ISAE) 3000. The report continues to be aligned to the requirements of the Integrated Reporting Framework as well. In addition to the Sustainability Report, your Company published its first Nature Report in line with the recommendations of Taskforce on Nature-related Financial Disclosures (TNFD).

Your Company's Sustainability Report for FY 2024-25 is being prepared and will be made available on your Company's corporate website in due course. In addition, the Business Responsibility & Sustainability Report (BRSR), as mandated by the Securities and Exchange Board of India (SEBI) for the year under review is annexed to the Report and Accounts. The BRSR maps the sustainability performance of your Company against the nine principles forming part of the National Guidelines on Responsible Business Conduct (NGRBC) issued by the Ministry of Corporate Affairs, Government of India.

During the year, your Company sustained its 'AA' rating by MSCI-ESG for the seventh consecutive year, the highest rating among global tobacco majors. Based on its ESG score as assessed by S&P Global Corporate Sustainability Assessment (CSA), your Company has also been included in the Dow Jones Sustainability Emerging Markets Index for the fifth year in a row. In FY 2023-24, your Company entered the prestigious '**A List**' for **CDP Water** with a '**Leadership Level**' score of '**A**', which is higher than the Asia and Global average of 'C'. For CDP Climate, your Company had achieved '**Leadership Level**' score **of** '**A** -' in FY 2023-24, which is higher than the Asia and Global average of 'C'. Your Company's CDP scores for FY 2024-25 are still awaited.

Contribution to the United Nations Sustainable Development Goals (UN SDGs)

Your Company's Sustainability strategies and Social Investment Programmes & interventions, in addition to their alignment with national priorities, are also well positioned to contribute to the achievement of India's commitment under the UN SDGs. For instance, your Company's programme on Climate Smart Agriculture is aligned to the Government's National Mission for Sustainable Agriculture, and also contributes to the achievement of multiple SDGs, including SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 1 (No Poverty), SDG 2 (Zero Hunger) and SDG 12 (Responsible Consumption and Production). Your Company's multi-dimensional environmental and social interventions which have been scaled up over the years contribute favourably to all 17 UN SDGs. A comprehensive statement linking your Company's interventions to the SDGs including corresponding targets will be available in your Company's Sustainability Report for FY 2024-25.

Building Climate Resilience

Your Company recognises the urgent need to combat climate change for building a more secure future and the role it can play in enabling a net-zero economy. To address the risks of climate change, your Company's climate strategy places equal emphasis on transitioning to a low carbon economy and adapting to the worst impacts of climate change.

Your Company is pursuing a low carbon growth strategy through extensive decarbonisation programmes across its value chain. These include increasing the share of renewable energy, continuous reduction of specific energy, construction of green buildings, greening logistics & optimising distance-to-market, and promoting regenerative agriculture practices in agri-value chains. Your Company is also conducting Life-Cycle Analysis (LCA) studies for developing a portfolio of innovative and sustainable products in line with growing consumer preference for climate friendly products.

Additionally, in order to address short-medium term as well as long-term physical risks of climate change, your Company is working with climate experts to conduct comprehensive climate risk and vulnerability assessments using climate models across its key agri value chains and operating locations (factories and warehouses). These assessments utilise latest AI-enabled climate modelling tools for projecting the extent of risk from climate hazards related to changes in temperature, precipitation, sea level rise, flooding and other extreme weather events over decadal time frames covering the period till 2100 under various Shared Socioeconomic Pathways (SSPs) scenarios (SSP1-2.6, SSP2-4.5 and SSP5-8.5). Detailed farm-level studies have been conducted to understand the potential adverse impacts of climate change on your Company's key agri-value chains. These risk assessments help further calibrate the climate resilience measures that are being implemented across your Company's value chains. For major crops like wheat, pulpwood and leaf tobacco among others, there is significant and sustained work being done by your Company on the development of climate-tolerant varieties as well as dissemination of climate-resilient and regenerative agronomic practices in the growing areas. Around 140 locations across your Company's own operations and the extended value chain have been assessed for climate risk. Based on the findings of these assessments, detailed site-specific studies are being undertaken for developing contextual location-specific adaptation plans and strategies.

Energy Conservation and Renewable Energy

As a responsible corporate citizen, your Company has made a commitment to reduce dependence on energy from fossil fuels. Accordingly, appropriate green features are being incorporated in all factories, warehouses and office complexes with many of them certified at the highest level by either the US Green Building Council (USGBC) or Indian Green Building Council (IGBC). During the year, despite significant increase in scale of operations, your Company sourced nearly 52% of its total energy requirements from renewable sources such as biomass, wind and solar. Your Company has been investing in expanding renewable footprint across both thermal and electrical energy. The recently commissioned state-of-the-art and future-ready High Pressure Recovery Boiler at the Bhadrachalam mill of your Company's Paperboards & Specialty Papers Business replaced conventional soda recovery boilers thereby reducing carbon footprint through lower coal consumption. In addition to this, your Company installed capacity of over 174 MW[10] of solar and wind power across the country to meet its electrical energy requirements.

Your Company continues its efforts towards meeting 100% of purchased grid electricity requirements from renewable sources by 2030 and sustaining 50% renewable energy share in its total energy consumption based on a mix of energy conservation and renewable energy investments, despite significant enhancement in its scale of operations going forward.

GHG and Carbon Sequestration

The GHG inventory of your Company for FY 2024-25 compiled according to the ISO 14064 Standard has been assured by an independent third party. The GHG inventory covers emissions from your Company's operations and GHG removals from your Company's large-scale forestry programmes. Your Company's Social and Farm Forestry initiatives, besides sequestering carbon from the atmosphere, help towards utilisation of degraded wasteland, prevent soil erosion, enhance organic matter content in soil and increase ground water recharge.

[10] *Excluding renewable energy assets transferred to ITC Hotels Limited post demerger.*

Towards Water Security for All

With water scarcity increasingly becoming an area of global and national concern, your Company continues to focus on an integrated water management approach that includes water conservation and harvesting initiatives at its units – while at the same time working towards meeting the water security needs of all stakeholders at the local watershed level. Several interventions have been rolled out to improve water-use efficiencies such as adopting latest technologies and increasing reuse and recycling practices within the fence while also working with farmers and other community members towards improving water-use efficiencies.

Demand side management is a critical component of your Company's Water Stewardship programme. Recognising the critical imperative of reducing water use, especially in agriculture, your Company continues to work with farmers to achieve 'more crop per drop' and improve farmer incomes. Over 18 lakh acres have been covered during the year across 12 states through micro irrigation technologies and crop-specific agronomical practices. Basis parameters established earlier, there has been potential water savings of over 1,400 million kl during the year. These interventions are spread across 15 crops including four key agri value chains – wheat, tobacco, pulpwood and spices, and result in water savings up to 50% as compared to conventional practices. The water-use efficient practices promoted also help in reducing GHG emissions as compared to the conventional practices followed.

The demand side measures are implemented along with augmenting supply at the sub-catchment level through various interventions of rainwater harvesting based on the recommendations of hydro-geological studies. The supply side interventions include enhancing capture and storage of rainwater (within soil surface and storage structures) and recharging aquifers. In the process, traditional water bodies are restored and wetland eco-systems are conserved. To have a long-lasting impact and balance out the competing demands on water resources, your Company has also extended work to river basin level in water stressed catchments. Based on the work done by your Company in four river basins viz. Maharashtra (Ghod basin), Madhya Pradesh (Kolans basin), Tamil Nadu (Upper Bhawani basin) and Telangana (Murreru basin), water positive status was achieved in all the basins by end of the year as against water deficit estimated in the baseline studies. In South Pennar river basin of Karnataka, work has been initiated in the field, basis the recommendations from the river basin study done by Indian Institute of Science (IISc), Bengaluru. This is being pursued through a Public Private Partnership with Karnataka Government and Vyakti Vikas Kendra for restoring the water bodies in the river basin.

Considering the increasing water stress in urban catchments, your Company is implementing water security programmes in Bengaluru and Chennai catchments. These programmes focus on restoring urban water bodies as well as tanks and their connectors, groundwater recharge and promotion of roof water harvesting and usage of water efficient taps. These measures are aimed at addressing challenges of groundwater depletion and also mitigating risks arising out of flooding during heavy rains.

Your Company also conducts efficacy studies to assess the impact of the watershed work carried out, and to ensure that maximum benefits accrue in the long-term. As on 31st March, 2025, your Company's integrated watershed development projects covering over 1.8 million acres of land have created a total rainwater harvesting potential of over 59.90 million kl. In total, over 60 million kl of rainwater has been harvested, including within the fence, which is over five times the net water consumed by your Company's operations in FY 2024-25. With this, your Company has achieved its 2030 Sustainability 2.0 target of creating rainwater harvesting potential equivalent to over five times the net water consumption.

In addition, your Company is spearheading the implementation of Alliance for Water Stewardship (AWS) Standard which is a credible, globally applicable and recognised framework for ensuring sustainable water management within the wider water catchment context.

During the year, two units of your Company i.e., Paper unit at Bhadrachalam and Branded Packaged Foods unit at Kapurthala, received the AWS Platinum level certification, the highest recognition for water stewardship awarded by AWS. Till date, nine units of your Company have achieved Platinum level certification under the AWS Standard, thereby exceeding the commitment of getting eight sites certified by 2024.

Pioneering the Green Building Movement in India

In order to continuously reduce your Company's energy footprint, green features are being integrated in all new and old constructions including manufacturing units, warehouses and office complexes. Your Company is a pioneer in the green building movement, with 17 buildings having received Platinum certification by USGBC (US Green Building Council)/IGBC (Indian Green Building Council).

Several of your Company's factories and office complexes have received the Green Building certification from IGBC and the Leadership in Energy & Environmental Design (LEED®) certification from USGBC. The data centre at Bengaluru, ITC Sankhya, is the first data centre in the world to receive the LEED Platinum® certification by USGBC. Large infrastructure investments such as the ITC Green Centre at Guntur and the ITC Green Centre at Bengaluru (both LEED Platinum® certified) continue to demonstrate your Company's commitment to green buildings. Virginia House, Kolkata and ITC Centre, Kolkata – the headquarters of your Company, are also certified at the highest 'LEED Platinum®' rated Green Building by USGBC.

Enabling a Circular Economy

Your Company continues to make significant progress in improving the circularity of waste generated in operations. The focus is on reducing waste through constant monitoring, improvement of efficiencies in material utilisation and adequate waste segregation thereby improving recycling rates. During the year, your Company achieved over 99% recycling of waste generated in course of its operations. This has prevented waste from reaching landfills, with the associated problems of soil & groundwater contamination and GHG emissions, all of which can adversely impact public health. In addition, your Company's Paperboards & Specialty Papers Business recycled nearly 85,000 tonnes of externally sourced post-consumer waste paper, thereby creating yet another positive environmental footprint.

Your Company aims to go beyond the requirements of Plastic Waste Management Rules, 2022 to ensure that over the next decade, 100% of packaging is reusable, recyclable or compostable/biodegradable. Your Company is working towards optimising packaging in a way that reduces the environmental impact arising out of post-consumer packaging waste without affecting product integrity. This is being addressed in a comprehensive manner by optimising packaging design, introducing recycled content in packaging, identifying alternative packaging material with lower environmental impact and supporting development of suitable end-of-life solutions for packaging waste.

Your Company has successfully implemented multiple large-scale models of solid waste management across the country. These models, based on principles of circular economy, are scalable, replicable and sustainable, and have enabled your Company to sustain its plastic neutral status since FY 2021-22. The approach is centred around treating waste as a resource and ensuring that minimal waste goes to landfill, which can be achieved only when waste is segregated at source. The initiatives focus on educating citizens on segregating waste at source into dry & wet streams and ensuring that value is derived from these resources and in the process, support sustainable livelihood for waste collectors. These models operate on a public-private partnership basis, with active involvement of Urban Local Bodies (ULBs), civil society and the informal sector of waste collectors.

Your Company has exceeded its commitment on plastic neutrality for the third consecutive year by collecting and sustainably managing 76,000 tonnes of plastic waste, which is more than the plastic packaging utilised by your Company. Your Company has been obtaining independent third-party assurance of its plastic neutrality status since FY 2022-23.

Your Company's waste recycling programme, 'WOW – Well-Being Out of Waste', enables the creation of a clean & green environment and promotes sustainable livelihoods for waste collectors. During the year, the programme continued to be executed in Bengaluru, Mysuru, Hyderabad, Coimbatore, Chennai, Delhi, Dindigul, major towns of Telangana and several districts of Andhra Pradesh. The quantum of dry waste collected during the year was about 67,100 MT from over 1,760 wards. The programme has covered over 2.9 crore citizens in over 72 lakh households, 71 lakh school children and around 2,240 corporates since its inception. It has promoted sustainable livelihood for over 17,900 waste collectors by facilitating an effective collection system in collaboration with Municipal Corporations. The intervention has also created over 150 social entrepreneurs who are involved in optimising value capture from the collected dry waste.

Your Company, in partnership with Kashtakari Panchayat and SWaCH Pune, runs an inclusive and decentralised waste management model in Pune to specifically focus on collection and recycling of low value Multi-Layered Plastic (MLP) packaging. Through a mobile collection system operating across 12 city wards and the Pune Cantonment Board, over 750 waste pickers collect MLP waste daily, receiving direct payments. The initiative processes over 130 MT of flexible plastics monthly, and has cumulatively recycled nearly 4,100 MT since 2019. The program not only boosts incomes for informal workers (contributing to ~12–15% of their earnings) but also provides formal employment to 43 individuals, showcasing a replicable model that combines environmental stewardship with social equity.

Further, a separate community-driven programme on decentralised Solid Waste Management (SWM), including closed loop Green Temple programme in collaboration with Swachh Bharat Mission, is operational in 34 districts across 12 states covering about 24.62 lakh additional households during the year, taking the cumulative coverage to nearly 75.21 lakh households. This programme deals with both wet and dry waste and focuses on minimising waste to landfill by managing waste at source. Under the programme, more than 6.7 lakh MT of waste was collected during FY 2024-25, out of which around 4.2 lakh MT of wet waste was composted, and 1.8 lakh MT of dry waste recycled, and thus 87% of the total waste was avoided from being sent to landfills. Further, home composting was practiced by over 1.93 lakh households (8.3 lakh households till date).

As liquid waste is emerging as a growing challenge especially in rural areas, during the year, your Company has also initiated pilots of different decentralised solutions like soak pits, in line treatment, waste stabilisation ponds and vertical filters in nine States.

Your Company's partnership with Uttar Pradesh Urban Development Department (UDD) is enabling implementation of SWM programme in 85 ULBs across 75 districts of the State, reaching out to over 49 lakh households till date. Your Company's partnership with Lohiya Swachh Bihar Abhiyan (LSBA), Rural Development Department, Government of Bihar continued to promote decentralised SWM in 456 villages of Ganga region ('Ganga Gram') across 12 districts of Bihar. During the year, refresher training and handholding support was provided to 3,100 Panchayat officials of these 456 Ganga Gram villages through a cascade approach, who then initiated focused waste management activities in their villages and covered over 4.6 lakh households.

Your Company had also collaborated with Department of Drinking Water and Sanitation (DDWS), Government of India, and India Sanitation Coalition (ISC), FICCI, to develop 36 Gram Panchayats (GPs) across 10 states as Lighthouses, demonstrating best practices in sanitation and waste management, which will be adopted by other GPs gradually. The partnership is part of the DDWS's plan of creating 75 Lighthouse Gram Panchayats across India. Till March 2025, of the 36 GPs, 28 GPs were declared Model by Government, with the balance 8 GPs on track to become Model in the coming months.

Your Company's approach of involving Self Help Groups (SHGs) as service providers for Gram Panchayats in SWM and the use of Swachhata Mitra App for monitoring waste management in partnership with Bihar Government has got high appreciation as best practices.

Your Company's 'YiPPee! Better World programme' is aimed at creating awareness about plastic waste and ways to reduce, recycle and reuse it among students. During the year, the intervention reached out to 14 lakh children across 4,175 schools. This programme along with Company's Social Investments Programme has provided schools with over 1,850 benches and tables and 350 sports kits made from recycled plastic.

Preserving and Nurturing Biodiversity

Given the linkages between agriculture and the essential ecosystem services that nature provides, your Company recognises that the preservation and nurturing of biodiversity is crucial for long-term sustainability of its businesses. It is therefore committed to conducting its operations in a manner that protects, conserves and enriches biodiversity in line with the Board-approved Policies on Biodiversity Conservation and Deforestation.

For both greenfield and brownfield operations, processes are in place for assessing any actual or potential biodiversity related risk or impact including conducting environmental impact assessments wherever required by environmental regulations. Moreover, location-specific exposure including proximity to Key Biodiversity Areas is assessed periodically. Basis these assessments, key nature-related risks that are material to your Company's businesses/ locations are identified, and mitigation plans are developed and implemented. Location specific risks covered in these assessments include water stress, climate risks including extreme weather events like droughts and floods, land-use changes, soil quality and productivity, among others. Your Company also recognises the potential of nature-based solutions for carbon sequestration and building climate resilience, and prioritises actions to minimise impacts across ecosystems and manage dependencies in a sustainable manner. Your Company also has large scale programmes in place for ensuring deforestation-free leaf tobacco and wood value chains. For more information, refer to the Corporate Social Responsibility section.

Sustainable Supply Chain and Responsible Sourcing

Your Company, with its diverse and expanding portfolio of businesses, is working towards scaling up its sustainable supply chain initiatives as part of its Sustainability 2.0 Vision. Your Company has a Board-approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers' that together lay down the foundation for your Company's engagement with its suppliers. In line with this policy, your Company engages with its supply chain members for building their capacity, assessing sustainability risks, and supporting them in building resilience against such risks. The policy also encourages suppliers to work towards resource-use efficiency, including sustainable natural resource management, GHG emission reduction and sustainable waste management. For focused engagement with key suppliers, your Company has created a framework for identifying its critical suppliers. Till FY 2024-25, more than 800 Tier-1 suppliers have been trained on ESG including 100% critical Tier-1 suppliers. Additionally, appx. 70% critical Tier-1 suppliers have been assessed on ESG aspects by a third party.

For key agri value chains, your Company has implemented large scale sustainable and Climate Smart Agriculture programmes. Till date, 31.7 lakh acres and over 12 lakh farmers including 1.87 lakh women farmers have been covered under your Company's Climate Smart Agriculture programme. Your Company also supports farmers with adoption of sustainable farm certifications like Rainforest alliance (RFA), Forest Stewardship Council® (FSC®), Global Agricultural Practices (G.A.P) for identifying and addressing environmental risks and human rights related issues. For more information, refer to the Corporate Social Responsibility section.

ITC's Nutrition Strategy - 'Help India Eat Better'

In the context of India's Triple burden of malnutrition, there is an urgent need to pivot towards healthier lifestyles which requires access to safe, sustainable and nutritious food.

Your Company's Branded Packaged Foods Businesses have developed a 4-pillar model that uniquely combines the strategic commitments to deliver on its nutrition strategy – 'Help India Eat Better'. The strategy has been developed to create an ecosystem and guide the organisation towards supporting the dream of a healthier nation via value-added products, sustainable food system initiatives, empowered people and healthy communities. This also includes focus on diet diversity, food fortification, leveraging traditional systems of knowledge and use of millets. The strategy is also in line with Government of India initiatives such as Mission Poshan 2.0, Anemia Mukt Bharat, Kuposhan Mukt Bharat, Surakshit Matritva Abhiyan and the Aspirational Districts Programme. Robust science-based nutrition targets have also been developed and are continuously tracked and communicated to your Company's stakeholders.

The meticulous implementation of evolving scientific principles and technological advancements by your Company's research and development teams enables development of 'better for you' portfolio. Your Company also achieved the first rank in ATNI India Index 2023 amongst 20 of the largest Indian food & beverage manufacturers as assessed by the globally recognised Access to Nutrition Initiative (ATNI). The index is published every 2-3 years and evaluates companies on their governance and management, production and distribution of healthy products, influence on consumer choices, and policies and actions targeting priority populations at high risk of malnutrition.

Promoting Thought Leadership in Sustainability

To ensure wider adoption of the 'Triple Bottom Line' philosophy across the Industry, your Company established the 'CII – ITC Centre of Excellence for Sustainable Development' (CESD) in 2006 in collaboration with the Confederation of Indian Industry (CII). With a vision to drive transformation towards sustainable development, the Centre plays a focal role in Government Industry dialogues on national regulations, articulate stakeholder discourses on global policies, put forth Indian industry's stand on macro-economic issues and accentuate the need for sustainable and inclusive transformation. Major highlights from the year include:

Building Climate Resilience and Low Carbon Economy

- The CII Climate Action Charter (CCAC) provides a platform for Indian businesses to map Climate Change as a material risk across value chains and develop long-term actions to build resilience. The Charter has been designed to provide impetus for collective action by Indian businesses to drive solutions for a just, equitable and resilient transition, and currently, has close to 500 signatories across industry sectors.
- CII-led delegation participated in the 29th Conference of the Parties (COP29), held in Baku, Azerbaijan, from November 11-22, 2024. The report, 'CII at COP29 Negotiations: Indian Industry Expectations', launched at the Conference, emphasises a balanced approach that incorporates both mitigation and adaptation, acknowledging the need for a more equitable and effective climate finance framework to close the climate finance gap and facilitate climate-resilient growth.
- The Centre in collaboration with CEEW (Council for Energy, Environment and Water) launched the report on 'Building Climate Resilience for Indian Industry' at the 19th Sustainability Summit. The report has developed a Physical Climate Risk Assessment Framework (PCRAF) to assess and quantify climate risks for Indian businesses and their value chains.
- In collaboration with Ministry of Environment, Forest and Climate Change (MoEFCC), the Centre is actively contributing to the formulation of the National Inventory of Greenhouse Gases related to the Industrial Processes and Product Use (IPPU) sector as part of India's fourth National Communications (NATCOM) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 1st Biennial Transparency Report under the NATCOM project, guided by the Ministry of Environment, Forest and Climate Change.

Advancing Creation of a Circular Economy

- The India Plastics Pact (IPP), launched in September 2021, is uniting businesses, NGOs, and citizens behind four ambitious time-bound targets to help realise a vision of a world where plastic is valued and doesn't pollute the environment. The Pact is the first in Asia and joins a global network of 13 Plastics Pacts. 53 organisations are signatories to the Pact and have committed to the Pact's 2030 Targets for a circular plastics economy. Some of the key reports launched by IPP during the year include:
  - Roadmap for managing films and flexible packaging in India
  - Design for recycling guidance for films and flexible packaging and Landscape assessment: Reuse models in India.
- The Centre partnered with the Ministry of Environment, Forest and Climate Change (MoEFCC) for streamlining implementation of environmental reforms, thereby fostering circular economy, transparency and enhancing natural resource management. During the

year the Centre partnered with Bureau of Indian Standards (BIS) to develop standards related to waste management, sustainability, environmental management and ecological priorities. The Centre also worked with the Central Pollution Control Board to resolve challenges related to Extended Producer Responsibility (EPR) obligations under the rules for plastics, e-waste, battery and hazardous waste management.

- During the year, CII signed an MoU with the All-India Plastics Manufacturing Association to encourage action, knowledge sharing, and awareness between larger businesses and MSMEs.
- Since 2020, CII has been working across various sectors and has successfully supported over 260 sites in achieving SuP-free (single-use plastic-free) certification.
- During the year, the Centre hosted the first edition of the CII Circular Economy Conference and launched the CII Sustainable Plastic Packaging Awards for recognising upstream innovations and changes in design of plastic packaging by businesses, driving the transition towards a circular plastics economy in India.

Nature Positive Actions

- The India Business and Biodiversity Initiative (IBBI) participated in consultation meetings for updating the National Biodiversity Strategy and Action Plan (NBSAP), and for adoption of National Biodiversity Targets (NBTs) in alignment with the Global Biodiversity Framework (GBF). At COP16 to the Convention on Biological Diversity (CBD) in Cali, Colombia, India launched its updated National Biodiversity Strategy and Action Plan (NBSAP).
- IBBI was designated by the MoEFCC as the responsible agency for Target 15 of India's updated NBSAP. Target 15 focuses on sustainable production, supply chains, and disclosure of risks, aiming to ensure businesses manage biodiversity risks effectively.

Enhancing solutions for Clean Air

- 'India CEO Forum for Clean Air' is a dedicated platform aiming to galvanise Indian businesses to take forward clean air agenda in India and promote focused actions through collective leadership of Industry sub-sectors. The Forum led by 123 business leaders, contribute towards making the air quality in India better through the Crop Residue Management (CRM) and through city-level awareness activities. In the last six years the programme has led to saving of 12 million kg fine Particulate Matter (PM2.5).
- To enhance the ecosystem for Electric Vehicle (EV), CII facilitated industry inputs for 3 key Working Groups under the newly formed National EV Task Force of the Ministry of Heavy Industries (MHI).

Facilitating an Enabling Ecosystem for ESG Reporting

- As part of SEBI's Industry Standards Forum (ISF), CII formed a Core Group and held consultations to develop Standards for Reporting on Business Responsibility and Sustainability Reporting (BRSR) Core. The recommendations made by CII on the SEBI Consultation Paper – 'Recommendations of the Expert Committee for Facilitating Ease of Doing Business with respect to BRSR' were accepted by the regulatory body.
- To help Indian organisations navigate ESG compliances and go beyond compliance, CESD launched SaaS based ESG Subscription Service at the 19th Sustainability Summit.
- The Eco Edge initiative of the Centre aims at integrating sustainability in the value chains of companies. The focus areas include Decarbonisation, Circularity, Health & Safety, and Human Rights. The programme evaluates the performance of sourcing companies and their value chain partners. During the year, more than 200 suppliers' sustainability performance was assessed through the Eco Edge programme for the automotive and energy sectors. For further adoption the Eco Edge Online Assessment Tool was also launched.

Knowledge Exchange and Excellence in Sustainability

- The 19th Sustainability Summit, Centre's flagship annual event, was organised with the theme of Driving Change for a Sustainability Conscious World. The Summit deliberated on tangible actions in driving sustainable change and highlighted inspiring actions that exemplify the power of innovation, development, and cooperation in shaping a prosperous future for all.

- Through the CII–ITC Sustainability Awards, 35 organisations were recognised for excellence in sustainable business practices. The Awards are a part of the continued efforts of the Centre to create awareness on sustainability practices and to create capacities in business.
- To help industry manage climate risk, leverage market opportunities and become climate resilient, CII instituted a CAP 2.0° (Climate Action Programme) to build capacity of industry and recognise best practices and innovation on climate action. The CAP 2.0° awards are the first one in India to recognise industry's efforts on climate change mitigation and adaptation. The awards in its 3rd edition recognised 21 organisations for their pioneering work in managing climate change.
- The Centre trained nearly 400 professionals from 300+ organisations on sustainable business practices through 25 sessions conducted during the year.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's overarching commitment towards creating significant and sustainable societal value is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic and social empowerment based on grassroots capacity building. Your Company has a comprehensive CSR Policy outlining programmes, projects and activities that your Company undertakes to create a significant positive impact on identified stakeholders. All these programmes fall within the purview of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The key tenets of your Company's CSR interventions are:

– deep engagement in identified core operational geographies to promote holistic development and interventions designed in order to respond to the most significant development challenges of your Company's stakeholder groups.

– strengthening capabilities of Implementation Partners / Community Based Organisations (CBOs) in all project catchments for participatory planning, ownership and sustenance of interventions.

– facilitating the development agenda in a manner that is inclusive and empowers women, the poor and marginalised communities including persons with disability in the vicinity of your Company's factories and agri-catchments, thereby significantly improving Human Development Indices (HDI).

– ensuring behavioural change through focus on demand generation for all interventions, thereby enabling participation, contribution and asset creation for the community.

– pursuing the Prototype-Pilot-Scale-Amplification approach to incorporate innovative and differentiated design elements in a structured manner, whilst also striving for amplification of successful interventions by partnering with Government and Collaboratives.

Your Company's stakeholders are confronted with multi-dimensional and inter-related concerns, at the core of which is the challenge of securing sustainable livelihoods. Your Company undertakes periodic stakeholder engagements in the form of community need assessments, impact assessments and other evaluations. During the year, your Company undertook 48 such community engagements across 14 states where your Company's Social Investments Programme is being implemented, for the purpose of understanding grievances if any, of the community members. Further, over 3,000 household surveys were also conducted during the year. Accordingly, interventions under your Company's Social Investments Programme have been appropriately designed to build capacities and promote sustainable livelihoods.

Your Company's Social Investments Programme follows the Two Horizon approach that focuses on inclusive growth and holistic development of households; with women and poor & vulnerable communities at the core. In addition to being beneficiaries of several programmes, women are also influencers and active participants in grassroot institutions. Several such women also act as change makers in the society.

The Two Horizon approach provides an integrated and affirmative response to development by transforming lives and landscapes. Whilst Horizon-I focuses on strengthening and sustaining livelihoods of communities (primarily agriculture and allied sector livelihoods); Horizon-II focuses on building capabilities and capacities to empower communities for a better life for the future.

The footprint of your Company's CSR projects is spread across 24 states/Union Territories covering over 300 districts.

Your Company's CSR interventions were conferred with three prestigious awards and recognitions during FY 2024-25:

– First Prize in FICCI Sustainable Agriculture Awards 2024 in the 'Natural Resource Management and Climate Resilient Agriculture' category for the Climate Smart Village Programme

– IIT Madras CSR Awards 2024 under the theme 'Technology-Driven Inclusive Social Impact' for deployment of technology in Climate Smart Agriculture

– 'Gold' Prize in Financial Express Green Sarathi Award 2024, in the Water Stewardship category

Natural Resources Management - Water Stewardship Programme

The Water Stewardship programme aims to facilitate water security for all dependents in the factory catchments and to drought-proof the agri-catchments to minimise risks to agricultural livelihoods arising from drought and moisture stress. The programme is aligned to Jal Shakti Abhiyan, the flagship initiative of Government of India for water conservation. The programme promotes the development and management of local water resources in moisture-stressed areas by facilitating community participation in planning and implementing such measures, as well as building, reviving and maintaining water-harvesting structures and thus conserving the wetland ecosystems. In addition to rural and agri focus, two urban water programmes are also being implemented in Bengaluru and Chennai aimed at addressing the challenges associated with urban water. These programmes facilitate revival of urban water bodies, targeted recharge of shallow aquifers and promotion of practices like roof water harvesting and water efficient taps.

To address the magnitude of water stress, your Company has also extended water stewardship work to river basin level interventions so that the competing demands from neighbouring areas of our catchments are addressed and a more holistic and sustainable impact created. Work done in four river basins till date in Maharashtra (Ghod basin), Madhya Pradesh (Kolans basin), Tamil Nadu (Upper Bhawani basin) and Telangana (Murreru basin) have resulted in the basins achieving water positive status, as against the water deficit estimated in baseline studies. Work has started in the fifth basin in Karnataka (South Pennar basin), based on the recommendations from the river basin study done through Indian Institute of Science (IISc).

The coverage of water stewardship programme currently extends to 59 districts of 17 states. During the year, the area under watershed increased by over 1.78 lakh acres, taking the cumulative coverage area to 18.16 lakh acres. Over 3,500 water-harvesting structures including ground water recharge structures were built during the year, creating 5.83 million kl of rainwater harvesting potential. The total number of water-harvesting structures reached to over 35,900 and the net water storage potential to over 59.90 million kl. In addition, as part of demand management intervention, your Company continues to work with farmers to achieve 'more crop per drop' by promoting agronomic practices and micro irrigation techniques targeted towards saving water in cultivation and improving farmer incomes. Over 18 lakh acres across more than 15 crops in 12 states have been covered during the year as part of demand management. Studies have been conducted by ICAR's Agricultural Technology Application Research Institute, Kanpur, Indian Institute of Rice Research, Tamil Nadu Agricultural University and Vasantdada Sugar Institute to estimate water savings in rice, wheat, sugarcane, coconut and banana in your Company's programme locations. Basis these studies and other research documents, it is estimated that the demand management practices promoted by your Company have led to potential water savings to the tune of over 1,400 million kl during the year. To improve water use efficiency, prototypes and pilots also have been initiated to test efficacy of technologies like organic hydrogel, mobile drip system and smart irrigation switches.

Additionally, your Company is continuing existing partnerships and forging new ones with multiple state Government departments for Water Stewardship. Your Company has signed three new partnerships during the year with:

- Water Resource Department, Government of Maharashtra for Securing Godavari, Krishna and Tapi river basins flowing in Maharashtra by promoting Water Literacy among the Water User Associations in 60 irrigation projects across 20 districts in these basins which will improve water resources.
- Department of Rural Development & Panchayat Raj (RDPR), Government of Karnataka and Vyakti Vikas Kendra India, for Water Resources Development in South Pennar river basin to work on water stewardship programme in 12 Taluks and 238 Gram Panchayats in Bengaluru Urban, Bengaluru Rural, Kolar & Chikkaballapur districts of Karnataka.
- Watershed Development and Soil Conservation Department, Government of Rajasthan, to promote sustainable livelihoods based on a watershed development project in 22 Gram Panchayats of Bundi and Jhalawar districts covering an area of 44,000 acres.

Driven by your Company's Water Stewardship programme, three Cigarette units at Pune, Bengaluru & Saharanpur, three Branded Packaged Foods units at Mysuru, Pune & Kapurthala, two Paperboards units at Kovai & Bhadrachalam and GLT unit at Mysuru have received AWS certifications in Platinum category till date.

Natural Resources Management - Biodiversity

The focus of the programme is on reviving ecosystem services provided to agriculture such as natural regulation of pests, pollination, nutrient cycling, soil health retention and genetic diversity, which have witnessed considerable erosion over the past few decades. The said programme is also aligned to Government of India's flagship initiatives such as National Mission for Sustainable Habitat and Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI). Biodiversity conservation is done through restoration of degraded village commons and native species tree planting in the catchments. During the year, your Company's biodiversity conservation initiative covered over 1.76 lakh acres in 40 districts across 10 states, taking the cumulative area under biodiversity conservation to over 6.47 lakh acres. While the conservation work is being carried out in village commons, this intervention significantly benefits the agricultural activity in the vicinity of these plots through soil moisture retention, carbon sequestration and by acting as host to insects and birds beneficial to agriculture. Two technical studies done earlier by 'The Energy and Resources Institute' (TERI) & 'IORA Ecological Solutions' have recorded improvement in carbon stocks, i.e., carbon sequestered by trees, as well as floral and faunal biodiversity compared to control areas. The project on mangroves conservation, which are important biodiversity reservoirs in coastal areas has been further strengthened. Initiated in Andhra Pradesh in FY 2023-24, another 1,000 acres was conserved during the year, thus taking the cumulative area to 1,500 acres. Alongside mangroves conservation, olive ridley turtle conservation was also taken up, wherein the eggs laid by turtles are protected from natural predators by moving them to hatcheries established along the coast and then releasing the hatchlings into sea. During the year, 9,200 turtle eggs were successfully hatched and released into the sea.

To increase the coverage for pastureland development and biodiversity conservation, your Company has a partnership with AP Panchayat Raj and Rural Development Department to improve livelihoods and conserve village commons in nine districts. Your Company also has a partnership with Wasteland & Pastureland Development Board (WPDB), Rajasthan targeting coverage of 2.5 lakh acres across eight districts. Till date, 1.75 lakh acres have been covered across 6,200 villages leveraging Government resources. In the partnership with Forest Department of Maharashtra, efforts towards soil and moisture conservation in the forest and fringe areas of Pune district was progressed with Department staff trained by your Company in planning and implementing the watershed work. Post training, Forest Department took up soil and moisture conservation works and tree plantation covering over 11,000 acres.

Climate Smart Agriculture

The Climate Smart Agriculture programme attempts to de-risk farmers from erratic weather events through the promotion and adaptation of a climate resilient approach premised on dissemination of relevant package of practices, adoption of appropriate mechanisation and provision of institutional services. The said programme is also aligned to Government of India's flagship initiative of The National Innovations in Climate Resilient Agriculture (NICRA) and other schemes for the welfare of farmers including Pradhan Mantri Kisan Samman Nidhi (PM-KISAN) Yojana. Currently, 31.70 lakh acres spread over 100 districts across 19 states and 12 lakh farmers including over 1.87 lakh women farmers are covered under the programme. As per the studies done by reputed ICAR - Agricultural Technology Application Research Institute, Kanpur, the CSA practices promoted in rice and wheat crops together has demonstrated reduction of upto 21% in costs and upto 8% and 23% improvement in yields and incomes respectively as compared to conventional practices followed.

In pursuit of your Company's long-term sustainability objective of increasing Soil Organic Carbon (SOC), more than 6,300 compost units were constructed during the year, taking the total number till date to over 67,300 units. In addition to promotion of Climate Smart Agri practices at scale, in core agricultural catchments, your Company also has a Climate Smart Village (CSV) programme, wherein support is provided to majority of the village population to enable adaptation to climate risks, and mitigating the same through knowledge dissemination, natural resources management, livelihood diversification and institutional support. 7,000 CSVs covering major crop value chains are currently part of the programme. To provide additional support to farmers in dealing with climate risks, during the year, 17.65 lakh linkages were facilitated for farmers with six major Government schemes, taking the cumulative to over 42 lakhs.

Details of Climate Smart Agriculture interventions are also provided in the section on 'Socio-Economic Environment'.

Your Company continued work on two partnerships, one with Rajiv Gandhi Mission for Watershed Management covering 35 districts of Madhya Pradesh for Climate Smart Watersheds, and the other with Farmer Welfare and Agriculture Development, Department of Madhya Pradesh covering 6 districts. During the year, training was conducted by ITC for the officials, post which they have initiated work in 8,200 villages.

During the year, knowledge was disseminated through 13,500 Farmer Field Schools and over 17,600 Choupal Pradarshan Khets (CPKs). 1,850 Agri Business Centres (ABC) including 620 exclusive women ABCs delivered extension services, arranged agri-credit linkages, established collective input procurement and provided agricultural equipment for hire.

Your Company, with its presence across multiple commodities and geographies including the e-Choupal network and agri extension programmes network, undertook an initiative to facilitate formation of new Farmer Producer Organisations (FPOs) and/or strengthening existing FPOs, thus enhancing farm incomes, rural livelihood and partnering in other relevant rural development initiatives. During the year, your Company supported additional 390 FPOs taking the cumulative number to 2,050 FPOs.

The 'Adarsh Gram Programme' pioneered by your Company's Agri Business presently covers 484 model villages in the states of Andhra Pradesh and Karnataka. Under this initiative, your Company supports villages to become economically, ecologically and socially sustainable. Your Company is also addressing the human rights and farm safety challenges in these villages by educating the farmers, labour & community, providing access to Personal Protective Equipment (PPE) kits and adopting smart technologies like drones for spraying activities on the farms.

Off-farm Livelihood Diversification - Livestock Development

The purpose of the programme is to improve income and de-risk livelihoods of rural households by strengthening animal dependant livelihood options. Capability building on improved package of practices, breed improvement, provision of extension services and creation of rural entrepreneurs to provide doorstep services are the key components. Programme is aligned to Government of India's National Livestock Mission (NLM). The programme covered livelihoods linked to large ruminants (cow & buffalo), small ruminants (goat & sheep), piggery, fishery, poultry and apiary in 16 states and 42 districts. During the year, about 1.34 lakh artificial inseminations (AIs) were carried out which led to the birth of over 0.47 lakh high yielding progeny and indigenous breeds. Cumulatively, the figures for AIs and calving stand at over 30.90 lakhs and 10.90 lakhs respectively. Under the programme, 1,870 women trained as 'Pashu Sakhis' have provided extension services to animal owners of the villages.

Your Company is also working with dairy farmers in Bihar, Jharkhand and West Bengal to improve productivity of animals through several extension services and to facilitate higher milk production. Qualified teams comprising veterinarians and para-veterinarians have been deployed to facilitate animal nutrition, animal health services, training and capacity building towards improving productivity, clean milk production and promoting commercial dairy farming among farmers. During the year, about 38,000 animals of over 19,000 dairy farmers across 416 villages in nine districts of Bihar, three districts of West Bengal and two districts in Jharkhand were supported through cattle feed distribution, training programmes on clean milk production, mastitis control and animal husbandry services like deworming, ectoparasite control, etc.

On-farm Livelihood Diversification – Tree plantations

Your Company's pioneering initiative through the Social Forestry programme covered over 37,300 acres during the year. The said programme is also aligned to Government of India's National Afforestation Programme objectives. It is currently spread across 16 districts in six states cumulatively covering 5.28 lakh acres in over 7,400 villages and 1.90 lakh poor households. Integral to the Social Forestry programme are the Agro-Forestry and Bund plantation models that help small and marginal farmers to cultivate field crops and trees together in the same field and realise benefits of both annual income from crops and lumpsum income from trees once in four years. These two models cumulatively extended to over 2.68 lakh acres (part of total Social Forestry area) and enabled food, fodder and wood security. To create an additional income source and improve resilience towards climate change, fruit and other commercial species tree plantations have also been initiated with farmers, which have covered over 40,000 acres till date.

Together with your Company's Farm Forestry programme, this initiative has covered around 13.2 lakh acres till date and generated over 240 million-person days of livelihood for rural households, including women, poor tribal and marginal farmers. Further, fast growing, high yielding and disease resistant hybrid clones and saplings of eucalyptus pulpwood developed by your Company deliver significantly higher productivity vis-a-vis earlier clones. The clones have been developed to grow under varying ecological conditions, thereby building resilience and contributing towards increasing income for the farming community.

Besides enhancing farm level employment, generating incomes and increasing green cover, these large-scale initiatives also contribute meaningfully to the nation's endeavour to create additional carbon sinks for tackling climate change.

In addition to the above, the Social and Farm Forestry initiative of your Company, through a multiplier effect, has led to improvement in pulpwood and fuelwood availability in Andhra Pradesh, Telangana, Karnataka and Odisha.

Women Empowerment

During the year, this initiative in catchment geographies provided a range of gainful livelihood opportunities to over 2.67 lakh poor women, taking the cumulative coverage to over 4.51 lakhs through livelihood interventions for Self Help Groups (SHGs), women in agriculture and allied services, cadre of service providers in the community and ultra-poor women. This initiative is also aligned to National Rural Livelihoods Mission's objective of empowering and creating Lakhpati Didis.

Targeting Hardcore Poor programme focusing on empowering ultra-poor women through mentoring, skilling to run enterprises and asset support for the same has covered about 40,680 women in your Company's core catchments through a two-year graduation intervention. Studies have shown that the income of these ultra-poor women has increased by more than five-fold. Aided by the programme, there is also a substantial improvement in Human Development Indicators. Currently, the programme is operational in 10 districts in eight states.

As an amplification strategy, the financial literacy and inclusion project, in partnership with Madhya Pradesh State Rural Livelihood Mission (MPSRLM) and CRISIL Foundation continued in its second phase of partnership covering all 52 districts of Madhya Pradesh. Basis the learnings in MP, the programme continued to expand to other states also, now covering over 98,900 existing SHGs with 10 lakh members. The Financial Literacy programme has cumulatively covered over 3.9 lakh SHGs benefiting over 38.50 lakh women spread across 80 districts in 15 states. Over 31 lakh scheme linkages for trained women have also been facilitated with access to bank accounts and Government social security schemes till date with the support of self-sustaining cadre of Yojana Sakhis, who also earn by charging fees from women for creating these linkages.

Your Company's 'Aashirvaad Raho 4 Kadam Aage' programme is encouraging women empowerment by providing skills related to food processing sector as well as on other livelihood opportunities. Spread across four states, the programme has covered over 30,700 women beneficiaries.

Education

The Primary Education programme aligned with National Education Policy 2020, aims to provide children from weaker sections of society access to education with focus on learning outcomes and retention. Operational in 50 districts of 15 states, the programme covered over 6.57 lakh children during the year, taking the cumulative coverage to over 21.80 lakh children. Further, 125 Supplementary Learning Centres (SLCs) has remained operational during the year, mainstreaming more than 4,000 out-of-school children into the formal education system, taking the cumulative number to over 16,800.

Considering importance of Early Childhood Care and Education (ECCE) as per National Education Policy 2020, building capabilities of Anganwadi Sevikas on ECCE has also been one of the focus areas. Your Company has partnered with Women Development and Child Welfare Department in Andhra Pradesh to strengthen capacity of over 55,600 Anganwadi Sevikas across all the 26 districts. Through a cascade approach, the Sevikas have reached out to 4.16 lakh children during the year. Your Company is also having a similar partnership in Saharanpur, Uttar Pradesh, for improving ECCE (Poshan Bhi, Padhai Bhi) of children by combining nutrition and education interventions and has covered 50,000 children in the district.

Over 640 Government primary schools and Anganwadis were provided infrastructure support comprising boundary walls, additional classrooms including operationalising smart classrooms, solarisation, sanitation units and furniture, taking the total number of Government primary schools and Anganwadis covered till date to over 4,100. Infrastructure support to Government schools has helped in increasing enrolment, particularly of girls, in schools. To ensure sustainable operations and maintenance of infrastructure provided, more than 1,480 School Management Committees and 1,370 Child Cabinets & Water and Sanitation (WATSAN) Committees were operational in various schools during the year with active involvement of students and teachers.

To address the issue of drop out, especially of girls in secondary and senior secondary level, a pilot intervention continued in Pudukkottai, Munger and Kolkata covering 2,500 girl students. Mentoring for career intentionality, building 21st century skilling and mainstreaming out of school girls through National Open Schooling System are the major aspects of this intervention.

Your Company's 'Bounce of Joy' programme is aimed to foster holistic development and create a positive impact on children's lives through physical fitness including sports. Execution of the programme is done by collaborating with schools for training of Physical Education (PE) teachers to help them foster holistic development amongst students through sports like football. Through the trained teachers, the programme has reached out to 43,450 students across 140 schools in two states.

Your Company's 'Sunfeast Bigger Fantasies' programme has covered 55,970 children from 60 schools across two states encouraging and nurturing their innate curiosity and ability to think laterally. 1,500 Young instructors were trained, who in turn engaged with these children to encourage creative thinking & expression, and peer learning & collaboration. 60 creativity fairs were also conducted with active participation from students.

Skilling & Vocational Training

This programme, aligned to Pradhan Mantri Kaushal Vikas Yojana provides training in market linked skills to youth from marginalised sections including differently abled, to enable them to engage in decent livelihoods. 15,600 youth across 34 districts in 16 states were trained under different courses during the year, of which nearly 52% were female. Cumulatively, around 1.27 lakh youth have been trained under the skilling programme. To scale up the skilling programme, your Company has also initiated pilots for potential pathways of skilling in the community itself (1,700 trained in the year) and leveraging other skill training partners in the ecosystem (893 in the year).

Further, the programme for skilling differently abled youth running in Karnataka and West Bengal last year, was expanded to Maharashtra, Uttar Pradesh and Odisha by establishing new centres and also leveraging the existing centres of implementing partners. During the year, 850 youth (cumulatively over 1,000) were trained and over 530 have already been placed. Further, your Company's Sixth Sense programme, focused on making an impact on the lives of visually challenged, covered 150 such individuals across five cities.

Sanitation

Your Company continues to adopt a multi-pronged approach towards improving public health and hygiene across 30 districts and 13 states. The programme focuses on ensuring sustainability of Open Defecation Free (ODF) habitations and then making them ODF+ through improved hygiene, sanitation and waste management practices which is aligned with Swachh Bharat Mission 2.0.

Water, Sanitation and Hygiene (WASH) programme was implemented in schools that included construction of sanitation units in schools, separate for girls and boys, and also focused on driving behaviour change among over 1.13 lakh school students through 2,300 WASH campaigns.

Your Company's 'Savlon Swasth India Mission' programme has been a front runner in driving behavioural change in hand hygiene through innovative experiential training in primary schools. The Mission rooted in the belief of 'Swasth Bacche, Mazboot Desh' drove a range of initiatives to aid and enable the country in its fight against preventable infections that create huge economic burden on the country.

The programme, focused on spreading awareness for habit building of hand hygiene through interactive sessions across India, covered 16,770 schools and reached out to about 32 lakh children during the year.

Waste Management

Your Company's initiatives focus on creating replicable, scalable and sustainable models of municipal and rural waste management that can be implemented across the country to ensure that minimal waste goes to landfills. Details of these models are provided in the section on 'Building a Circular Economy for Post-Consumer Packaging' above.

Health & Nutrition

Your Company is adopting a holistic approach towards Community Healthcare, focusing on two major components - preventive health care and curative services. Community healthcare is initiated to address the challenges of awareness, availability, accessibility and affordability. The objective of the initiative is to improve health and nutrition by strengthening institutional capacity, supplementing existing infrastructure, promoting greater convergence with existing Government schemes like National Health Mission, leveraging technology and increasing access to basic primary and secondary healthcare services.

A two-pronged approach aligned to Government's POSHAN Abhiyan was adopted under Maternal and Child Health and Nutrition (MCHN) programme:

- Focusing on first '1,000 days of life' in high malnutrition catchments covering mothers and children, and

- Addressing anaemia at scale among all age groups through screening under Anaemia Mukt Bharat (AMB), Rashtriya Bal Suraksha Karyakaram (RBSK) and thereafter, loop closure through awareness creation and linkages with Government schemes.

Capacity building of frontline resources like Anganwadi Sevikas and ASHA workers is an integral part of the intervention and 16,000 were trained during the year on engagement with community, making effective 'six home visits' and localised nutrition promotion.

Screening of over two lakh women and children for anaemia was done in partnership with Government for baselining and identifying priority areas for interventions. A 4E approach of identifying hotspots (Exploration); awareness on dietary diversity and hygiene (Education); promoting nutrition gardens and consumption of locally grown '5 Food Groups' through nutri-groups (Encouraging); and building capabilities of ASHA and Anganwadi Sevikas on identification and management of anaemia (Empower) was adopted to address the issue.

Around 15.24 lakh people spread across 21 districts in nine states were covered during the year, under your Company's MCHN initiative aimed at improving the health-nutrition status of women, adolescents and children. This included the partnerships with the Directorate of Women and Child Development, Assam for eight districts including seven aspirational districts, and another with the Child Development Services and Nutrition Department Saharanpur, Uttar Pradesh.

Project Samposhan was undertaken during the year to sensitise the community on nutritional value of fruits and vegetables, leveraging their existing agriculture expertise to cultivate sustainable and healthy food. 40 youth trained as Poshan Sathis engaged with over 1,000 rural households and trained them on farming system for nutrition and setting up nutrition gardens. SHGs and farmer collectives were also strengthened to create local ecosystem for nutrition products. Iodine deficiency is considered as one of the most common causes of preventable mental impairment and constitutes a significant public health problem. Under the 'Aashirvaad Smart India' intervention, over seven lakh people were reached out through awareness on iodine deficiency disorders and healthy eating.

As part of the community healthcare programme 'ITC Swaasth Kiran' initiative was launched during FY 2021-22 in Saharanpur and Munger districts. Under the initiative, during the year, thirteen Mobile Medical Units (MMU) were functional (seven in Saharanpur & six in Munger). These MMUs have provided free medical consultation and medicines to the rural community at their doorstep. During the year, nearly 2.22 lakh individual engagements were done with community members across 796 villages, 58% of which were with women. Further, 43,400 diagnostic tests were conducted and 1,130 referrals made during the year. With the involvement of the Rogi Kalyan Samitis, upgradation of 23 Primary Health Centres (PHCs) based on Indian Public Health Standard was also done, taking the cumulative to 37 in five states. This has helped in increased footfall of patients, including higher number of institutional deliveries.

Understanding the need for high-quality doorstep eye care for the community, your Company also continued its innovative layered eyecare intervention in Saharanpur in Uttar Pradesh, as part of which four Mobile Vision Units (MVU) were operational in services in rural Saharanpur. These MVUs equipped with high end ophthalmic equipment can screen and diagnose eye ailments such as Cataract, Diabetic Retinopathy, Glaucoma and other diseases. During the year, more than 1.76 lakh community members have been screened, of which 16,589 cases were referred to the MVUs, and thereafter 1,082 cataract surgeries done at Dr. Shroff's Charity Eye Hospital in Saharanpur, who are the partner for this intervention.

Your Company continued to enhance awareness on various health related issues like menstrual & personal hygiene, reproductive health and diarrhoea through a network of 366 women Village Health Champions (VHCs). These VHCs engaged with the community for promoting behaviour change and selling relevant health products to the community, thereby also earning a livelihood. The programme was operational in two districts of Madhya Pradesh and six districts of Uttar Pradesh, covering nearly 1.45 lakh women during the year.

To make potable water available to local communities in Andhra Pradesh and Karnataka, Reverse Osmosis (RO) water purification plants were set up in villages where the water quality was poor. With the establishment of 36 new RO plants during the year, a total of 205 RO plants are operational providing safe drinking water to over 2.5 lakh rural population.

ITC Sangeet Research Academy

The ITC Sangeet Research Academy (ITC SRA), established in 1977, is an embodiment of your Company's sustained commitment to a priceless national heritage. Your Company's pledge towards ensuring enduring excellence in Classical music education continues to drive ITC SRA in furthering its objective of preserving and propagating Hindustani Classical Music based on the age-old principle of 'Guru Shishya Parampara'.

The Academy is modelled as a professionally run institution that epitomises the teaching of Hindustani Raga Music. Through its eminent Gurus, it imparts intensive training and quality education in Hindustani Classical music to its scholars. The present Gurus of the Academy are Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Vidushi Subhra Guha, Pandit Uday Bhawalkar, Shri Omkar Dadarkar, Shri Abir Hossain and Shri Brajeswar Mukherjee. Pandit Uday Bhawalkar was conferred the Rashtriya Kalidas Samman by Government of Madhya Pradesh in November 2024 for the year 2022-23.

The Academy's focus continues to be on nurturing exceptionally gifted students selected from across the country through a system of multi-level auditions. Several scholars of the Academy have performed at various music festivals and have also been recipient of prestigious awards and accolades. Additionally, the Academy has presented its scholars and young musicians in ITC Mini Sangeet Sammelans, concerts and Baithaks in locations such as Jabalpur, Hubli, Dharwad, Sirsi, Lucknow, Jodhpur, Dehradun, Goa, Pune and Bangalore enabling the Academy to fulfil its avowed objective of preserving and propagating Hindustani Classical Music.

On the occasion of India's 78th Independence Day, ITC SRA composed a special piece of music as a tribute to the nation, which was presented on 15th August. The video 'Desh Ek Raag' was based on Raag Desh and featured scholars of the Academy. The year also marked its first Thumri Festival in March 2025 featuring renowned artists of the genre as well as scholars of the Academy. Creation of the next generation of masters of Hindustani Classical music for the propagation of a precious legacy continues to be the Academy's objective.

Forging Multi-Stakeholder Partnerships

Your Company's Social Investments Programme lays continuous emphasis on building partnerships of value for driving innovation & gaining contemporary knowledge while effectively amplifying and executing programmes.

Your Company has over the years formed Knowledge Partnerships with several national & international organisations/agencies to maintain contemporariness and leverage latest knowledge/technical know-how to continuously improve the quality of programmes.

Public-Private Partnerships (PPP), aimed at pooling resources, and partnership with Governments are effectively leveraged to scale-up and amplify programmes implemented in your Company's catchment areas. During the year, three new PPPs were signed.

The meaningful contribution made by your Company's Social Investments Programme to address some of the country's key development challenges, has been possible in significant measure, due to your Company's partnerships with implementation partners such as AFPRO, Anudip Foundation, Bandhan Konnagar, Cheshire Disability Trust, DHAN Foundation, Don Bosco Tech Society, DSC, Dr. Reddy's Foundation, Educate Girls, FES, FINISH, IGD, KHPT, MYKAPS, MYRADA, Makkala Jagriti, Manav Vikas Sansthan, NCHSE, Pratham, SEWA Bharat, SMGVS, Umang, WASH Institute, Water for People, Youth4Jobs and Youth Invest amongst others. These partnerships, which bring together the best-in-class management practices of your Company and the development experience and mobilisation skills of implementation partners, will continue to provide innovative grassroot solutions to some of India's most challenging problems of development in the years to come.

CSR Expenditure

The annual report on Corporate Social Responsibility activities, as required under Sections 134 and 135 of the Companies Act, 2013 read with Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Rule 9 of the Companies (Accounts) Rules, 2014, is provided in the Annexure forming part of this Report.

Environment, Health & Safety

Your Company's Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across all your Company's units by optimising natural resource usage and providing a safe and healthy workplace. Systemic efforts continue to be made towards natural resource conservation by continuously improving resource-use efficiencies.

Your Company believes that a safe and healthy work environment is a pre-requisite for ensuring employee well-being and adopting best practices in occupational health & safety bears a direct impact on overall performance. With an aim to percolate safety deeper into your Company's operational practices and achieve the 'Zero Accident' goal, your Company has adopted a comprehensive EHS strategy founded on two pillars: 'Safety by Design' and 'Safety by Culture'.

Safety

Your Company sustained focus on 'Safety by Design' by continuously striving to improve safety performance and incorporating best-in-class engineering standards for all investments in the built environment. Designs for all new greenfield & brownfield project investments are scrutinised to ensure compliance with relevant standards and codes on safety. Periodic Environment, Health & Safety audits continue to be carried out in operational units to verify compliance with relevant standards.

To drive a culture of safety, your Company, in addition to comprehensive focus on training, continues to hold structured conversations with workers on 'Safe and Unsafe' Acts. These are supplemented by adoption of keystone behaviours that inculcates individual ownership for safe behaviour. Your Company has also made use of Design Thinking principles for seamless integration of safety in business operations. These initiatives are bringing in positive behavioural changes.

Several national awards and certifications received by various units reaffirm your Company's commitment to provide safe and healthy workplace to all.

R&D, QUALITY AND PRODUCT DEVELOPMENT

Your Company's state-of-the-art Life Sciences and Technology Centre (LSTC) in Bengaluru is at the core of driving science-led product innovation to build and support your Company's portfolio of world-class products and brands. Over the years, LSTC has emerged as a robust innovation engine that is a key enabler of the 'ITC Next' growth strategy. Reinforced with world-class infrastructure, resourced with a diverse team of over 400 highly qualified scientists, LSTC continues to drive various initiatives to provide differentiation and competitive edge to your Company's brands and products.

Driving purposeful innovations that fulfil the needs of the Indian consumer through superior offerings remains the key objective of LSTC. Centres of Excellence across domains viz. Biosciences, Agri-sciences & Materials sciences enabled building capabilities over the years to cater to the constantly evolving needs of consumers. Focused research across identified domains viz. Health & Wellness, Formulation Design, Sustainable Materials & Packaging, Agro-forestry and Crop Science has enabled the teams to harness contemporary advances in relevant core areas to translate 'proofs of concept' to novel product opportunities. Bearing testimony to LSTC's innovation capabilities while building the intellectual assets for your Company, over 800 patent applications have been filed till date. Robust risk management practices are in place to ensure that your Company's intellectual properties remain adequately protected and to ensure mitigation of information and infrastructure risk.

Research programmes and projects are structured through close alignment with the various Businesses of your Company resulting in a robust innovation pipeline. Additionally, in line with your Company's relentless focus on operational excellence and quality, each Business is mandated to continuously innovate on materials, processes and systems to enhance their competitiveness.

Your Company has been a forerunner in introducing first-to-market innovative products for Indian consumers. In today's operating scenario of geopolitical tensions and inflationary pressures, LSTC scientists and product development teams continue to enable various ITC businesses to deliver a range of differentiated, superior quality products at competitive costs. Innovative science-based Platform projects have been developed to solve a range of consumer and technical product challenges. Novel technologies are continuously being leveraged to drive creation of healthier foods through systematic reduction in salt, sugar and fat without compromising on sensory attributes. Leading edge technology platforms in Personal Health & Hygiene, Health & Wellness continue to power innovation and develop next generation product offerings to serve emerging consumer needs. LSTC's unique competencies in Sustainable Materials and Packaging have enabled development of packaging options with high degree of recycled plastics content and novel barrier coating solutions to create next generation environmentally friendly packaging solutions.

In Agro-Forestry and Crop Science, your Company's scientists have established different cutting-edge tools & technology platforms for improving tree & crop species of your Company's interests (like yield, quality, abiotic & biotic stress) for securing the raw material. Ongoing research has major emphasis on developing climate resilient crops and pulp wood species in order to address the security of raw material supplies across your Company's value chains and also ensuring enhanced farmer profitability. Research on wheat and potato varietal securitisation are at advanced stages of deployment to achieve flexibility in sourcing of raw material, create region-specific blends and ensure robust agro-climatic adaptability for growing and sourcing raw materials closer to the factories at competitive costs, in addition to reducing the carbon footprint. Future-ready, alternate value chains that mitigate risks arising out of disruptions to existing sourcing models continue to be explored. LSTC has deployed various digital transformation tools at farm level to bring in predictive capability with agility. LSTC, in collaboration with the Agri and Branded Packaged Foods Businesses, endeavours to ensure that science-based ideas are fully integrated across the value chain from farm to fork.

Infrastructure and capabilities are strengthened continuously keeping in pace with the global developments in science and technology. Expanding capabilities include spreading the acreage of new tree clones with superior properties, developing modern instrumentation for testing very low levels of actives or contaminants, measuring barrier properties (air and water permeability) of coated paper substrate, etc.

Rigorous systems, processes and industry best practices are continuously upgraded to secure quality certifications of the highest levels – a key enabler in delivering products that follow the highest standards in quality, safety and efficacy to the Indian consumer. All branded packaged foods manufacturing units of your Company not only have ISO quality certification but also follow the highest standards under the integrated food quality management system-FSSC 22000; these systems ensure adherence to internationally accepted quality standards in producing safe and high-quality food. All manufacturing units of the Branded Packaged Foods Businesses (including contract manufacturing units) operate in compliance with stringent food safety and quality standards. Your Company's food quality assurance laboratories are accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL) under ISO 17025, a global standard for testing and calibrating labs, which guarantees quality. Additionally, the quality of all FMCG products of your Company is monitored through best-in-class customer-centric 'Quality Control and Quality Assurance Processes' and 'Product Quality Ratings Systems' (PQRS) enhancing competitive superiority of your Company's product offerings.

In its quest to continuously enhance efficiency and be future-ready, LSTC is developing and deploying cutting-edge digital tools for quality performance analytics, benchmarking and strengthen quality management systems. Going forward, LSTC will continue to identify growth opportunities leveraging your Company's diverse core competencies and R&D insights emerging from close consumer interactions and contemporary science & technology.

PROCEEDINGS INITIATED BY THE ENFORCEMENT DIRECTORATE

In the proceedings initiated by the Enforcement Directorate in 1997, the appropriate authority after hearing arguments on behalf of your Company has passed several orders in favour of your Company and dropped some of the show cause notices issued by the Directorate. In respect of some of the remaining notices, your Company filed writ petitions challenging their validity. The Honourable Calcutta High Court heard some of these writ petitions to completion, and the proceedings in respect of these notices were quashed. The remaining writ petitions and notices are pending adjudication/hearing.

Meanwhile, some of the prosecutions launched by the Enforcement Directorate have been quashed by the Honourable Calcutta High Court; while the remaining have been challenged before the High Court and are pending.

TREASURY OPERATIONS

Your Company's treasury operations continued to focus on deployment of surplus liquidity and management of foreign exchange exposures within a well-defined risk management framework.

During the year market interest rates declined sharply across both short and long term maturities. The Reserve Bank of India (RBI) adopted an accommodative monetary policy stance, cutting the repo rate by a cumulative 50 basis points since April 2024 on the back of easing inflation and to boost economic activity. In addition, the RBI deployed several liquidity management tools, which pushed the banking system liquidity from a deficit position between November 2024 and February 2025 to a surplus by the end of the financial year. The decline in interest rates for longer maturities was further aided by robust demand from Foreign Portfolio Investors following the inclusion of Indian Government Securities in the JP Morgan Emerging Markets Bond Index and an improving fiscal position.

Investment decisions relating to deployment of surplus liquidity continued to be guided by the tenets of Safety, Liquidity and Return. Treasury operations focused on proactive rebalancing of portfolio duration and mix, in line with the evolving interest rate environment. Further, continuous review and monitoring of credit worthiness, including engagement with market participants, ensured that the investment portfolio was not exposed to undue credit risks.

In the currency market, the Indian Rupee (INR) witnessed significant volatility during the year. While the INR remained relatively stable during the first half of the year supported by strong domestic fundamentals and healthy capital inflows, the second half saw considerable two-way movements. The weakness in the INR was primarily attributed to the strengthening of the USD relative to all major currencies, driven by concerns over potential tariff hikes by the US Government. Additionally, higher capital outflows during this period weighed on the INR. However, the INR witnessed a rebound towards the end of the year on the back of a narrowing trade deficit and a weakening USD amidst heightened global trade uncertainties. Robust foreign exchange reserves and strategic interventions in the currency markets by the RBI also provided support to the INR.

As in earlier years, commensurate with the size of the temporary surplus liquidity under management, treasury operations continue to be supported by appropriate internal control systems, and independent check of 100% of transactions by your Company's Internal Audit Department.

Your Company adopted proactive risk management approach and actively managed foreign currency exposures through appropriate hedging strategies and market instruments to protect business margins.

DEPOSITS

Your Company's erstwhile Public Deposit Scheme closed in the year 2000. As at 31st March, 2025, there were no deposits due for repayment except in respect of two deposit holders aggregating ₹ 20000 which have been withheld on the basis of directives received from the government agencies.

There was no failure to make repayments of Fixed Deposits on maturity and the interest due thereon in terms of the conditions of your Company's erstwhile Schemes.

Your Company has not accepted any deposit from the public/members under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

DIRECTORS

Changes in Directors

During the year, Ms. Pushpa Subrahmanyam and Mr. Chandra Kishore Mishra were appointed, with your approval, as Independent Directors of the Company for a period of five years with effect from 2nd April, 2024 and 14th September, 2024, respectively. In the opinion of the Board, Ms. Subrahmanyam and Mr. Mishra possess the required integrity, expertise and experience for appointment as Independent Directors of your Company.

Mr. Atul Singh representing Tobacco Manufacturers (India) Limited ('TMI'), a subsidiary of British America Tobacco p.l.c., Dr. Alok Pande representing the Specified Undertaking of the Unit Trust of India ('SUUTI') and Mr. Siddhartha Mohanty representing the Life Insurance Corporation of India ('LIC') were appointed, with your approval, as Non-Executive Directors of your Company for a period of three years with effect from 2nd April, 2024, 27th July, 2024 and 1st January, 2025, respectively.

Mr. Sunil Panray, who is representing TMI, was re-appointed, with your approval, as a Non-Executive Director for a period of five years with effect from 20th December, 2024. Further, Messrs. Sumant Bhargavan and Supratim Dutta were re-appointed, with your approval, as Wholetime Directors of the Company for a period of two years from 12th July, 2025 and three years from 22nd July, 2025, respectively.

Mr. Shyamal Mukherjee will complete his present term as an Independent Director of your Company on 10th August, 2026. The Board of Directors of your Company ('the Board'), on the recommendation of the Nomination & Compensation Committee, has recommended for the approval of the Members, the re-appointment of Mr. Mukherjee as an Independent Director of your Company for a period of five years with effect from 11th August, 2026. Appropriate resolution seeking your approval to the above is appearing in the Notice convening the 114th Annual General Meeting ('AGM') of your Company.

Mr. Shilabhadra Banerjee completed his term as an Independent Director of your Company with effect from close of work on 29th July, 2024, and Mr. Arun Duggal and Ms. Meera Shankar completed their respective terms as Independent Directors with effect from close of work on 14th September, 2024. Mr. Rahul Jain, representing SUUTI, and Mr. Mukesh Gupta, representing LIC, stepped down from the Board with effect from 31st May, 2024 and 27th October, 2024, respectively. Your Directors place on record their appreciation for the contribution made by Messrs. Banerjee, Duggal, Jain, Gupta and Ms. Shankar during their respective tenure with your Company.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 ('the Act') read with Articles 94 and 95 of the Articles of Association of your Company, Messrs. Hemant Malik and Atul Singh will retire by rotation at the ensuing AGM and being eligible, offer themselves for re-election. Your Board has recommended their re-election.

Number of Board Meetings

Six meetings of the Board were held during the year ended 31st March, 2025.

Attributes, Qualifications & Independence of Directors and their Appointment

The Corporate Governance Policy of your Company requires that the Non-Executive Directors be drawn from amongst eminent professionals, with experience in business / finance / law / public administration and enterprises. The Nomination & Compensation Committee has laid down the criteria for determining qualifications, positive attributes and independence of Directors (including Independent Directors). In case of appointment of Independent Directors, the Nomination & Compensation Committee evaluates the balance of skills, knowledge and experience on the Board, and also the role and capabilities of an Independent Director of the Company.

Further, in terms of the Policy on Board Diversity, the Board is required to have balance of skills, competencies, experience and diversity of perspectives appropriate to the Company. Diversity for this purpose is considered from a number of aspects including, but not limited to, educational & cultural background, nature of professional, administrative & industry experience, skills, knowledge and gender representation. The skills, expertise and competencies of the Directors as identified by the Board, along with those available in the present mix of the Directors of the Company, are provided in the 'Report on Corporate Governance' forming part of the Report and Accounts.

In terms of the applicable regulatory requirements read with the Articles of Association of your Company, the strength of the Board shall not be fewer than six nor more than eighteen. Directors are appointed / re-appointed with the approval of the Members for a period of three to five years or a shorter duration, in accordance with retirement guidelines and as may be determined by the Board from time to time. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the Members. One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election.

The Independent Directors of your Company have confirmed that (a) they meet the criteria of independence prescribed under Section 149 of the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), (b) they are independent of the management of the Company, and (c) they are not aware of any circumstance or situation which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfil the conditions prescribed under the Act and the Listing Regulations, and are independent of the management of the Company.

Remuneration Policy

Details of the Company's Policy on remuneration of Directors, Key Managerial Personnel and other employees are provided in the 'Report on Corporate Governance' forming part of the Report and Accounts.

Evaluation of Board, Board Committees and individual Directors

Your Company has a structured process for performance evaluation of the Board, Board Committees and individual Directors. The Nomination & Compensation Committee, as reported in earlier years, has formulated the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation, and also specified that such evaluation will be done by the Board.

In keeping with ITC's belief that it is the collective effectiveness of the Board that impacts Company's performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed, inter alia, against the roles and responsibilities of the Board as provided under the Act, the Listing Regulations and the Company's Governance Policy. The parameters for Board performance evaluation have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as to fulfil expectations of other stakeholders through strategic supervision of the Company; such parameters include securing alignment of the Company's goals with the nation's economic, ecological and social priorities, ensuring that the Company has a clearly defined strategic direction for realisation of its vision, and supporting the Company's management to meet challenges arising from the operating & policy environment in the country. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by the respective Committee Chairmen with the Board. Individual Directors are evaluated in the context of the role played by each Director as a member of the Board at its meetings, in assisting the Board in realising its role of strategic supervision of the functioning of the Company in pursuit of its purpose and goals. The peer group ratings of the individual Directors are collated by the Chairman of the Nomination & Compensation Committee and made available to the Chairman of the Company.

While the Board evaluated its performance against the parameters laid down by the Nomination & Compensation Committee, the evaluation of individual Directors was carried out against the laid down parameters in order to ensure objectivity. The parameters for performance evaluation of individual Directors, inter alia, include ability to provide thought leadership across the role spectrum and contribution to Board cohesion, governance & organisational processes. Reports on the functioning and performance of Board Committees during the year were placed before the Board. The Independent Directors Committee of the Board also reviewed the performance of the Chairman, other non-Independent Directors and the Board, pursuant to Schedule IV to the Act and Regulation 25 of the Listing Regulations.

KEY MANAGERIAL PERSONNEL

During the year, there were no changes in the Key Managerial Personnel of your Company.

AUDIT COMMITTEE & AUDITORS

The composition of the Audit Committee is provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Statutory Auditors

Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), were re-appointed with your approval as the Auditors of your Company for a period of five years till the conclusion of the 118th AGM. The Board, on the recommendation of the Audit Committee, has recommended for the approval of the Members, the remuneration of SRBC for the financial year 2025-26. Appropriate resolution seeking your approval to the remuneration of SRBC is appearing in the Notice convening the 114th AGM of your Company.

Cost Auditors

Your Board, as recommended by the Audit Committee, appointed the following Cost Auditors for the financial year 2025-26:

(i) Messrs. ABK & Associates, Cost Accountants, for audit of Cost Records maintained by your Company in respect of 'Wood Pulp' and 'Paper and Paperboard' products.

(ii) Messrs. S. Mahadevan & Co., Cost Accountants, for audit of Cost Records maintained in respect of all applicable products of your Company, other than 'Wood Pulp' and 'Paper and Paperboard' products.

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolutions seeking your ratification to the remuneration of the aforesaid Cost Auditors are appearing in the Notice convening the 114th AGM of your Company.

The Company maintains necessary cost records as specified by the Central Government under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditors

Messrs. S. N. Ananthasubramanian & Co., Company Secretaries ('SNA'), were appointed by the Board as the Secretarial Auditors of your Company to conduct secretarial audit for the financial year ended 31st March, 2025.

The Report of the Secretarial Auditors, pursuant to Section 204 of the Act, is provided in the Annexure forming part of this Report. The Secretarial Auditors have confirmed that the Company has complied with the applicable laws and that there are adequate systems and processes in the Company commensurate with its size and scale of operations to monitor and ensure compliance with the applicable laws.

The Board has approved, on the recommendation of the Audit Committee and subject to the approval of the Members, appointment of SNA as the Secretarial Auditors of your Company to conduct secretarial audit for a period of five financial years commencing from the financial year 2025-26. Appropriate resolution seeking your approval to the appointment of SNA is appearing in the Notice convening the 114th AGM of your Company.

CHANGES IN SHARE CAPITAL

During the year, 2,93,98,310 Ordinary Shares of ₹ 1/- each, fully paid-up, were issued and allotted upon exercise of 29,39,831 Options under the Company's Employee Stock Option Schemes. Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2025, stands increased to ₹ 1251,41,19,781/- divided into 1251,41,19,781 Ordinary Shares of ₹ 1/- each. The Ordinary Shares issued during the year rank pari passu with the existing Ordinary Shares of the Company.

EMPLOYEE STOCK OPTION SCHEMES

Disclosures with respect to Stock Options, as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits and

Sweat Equity) Regulations, 2021 ('the Regulations'), are available in the Notes to the Financial Statements of the Company. The said disclosures forming part of the Financial Statements can also be accessed on the Company's corporate website http://www.itcportal.com under the section 'Investor Relations'. During the year, there has been no change in the Company's Employee Stock Option Schemes.

The Secretarial Auditors have certified that the Employee Stock Option Schemes of the Company have been implemented in accordance with the Regulations and the resolutions passed by the Members in this regard.

INVESTOR SERVICE CENTRE

The Investor Service Centre of the Company ('ISC') provides in-house share registration and related services to the shareholders and investors. By consistently adapting to emerging trends and leveraging digital technologies, ISC remains steadfast in its commitment to delivering best-in-class services to the shareholders and investors, while ensuring compliance with the applicable statutory requirements. ISC is accredited with ISO 9001:2015 certification and is also registered with the Securities and Exchange Board of India as a Category II Share Transfer Agent.

The 'Investor Relations' section on the Company's corporate website http://www.itcportal.com serves as a user-friendly online resource for shareholders and investors, offering comprehensive guidance on share-related matters. Additionally, shareholders at their convenience can access a range of share-related services through the dedicated service portal at https://eform.itcportal.com .

RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by your Company with its related parties during the financial year were in accordance with the provisions of the Companies Act, 2013 and the Listing Regulations. All such contracts or arrangements were approved by the Audit Committee. No material contracts or arrangements with related parties within the purview of Section 188(1) of the Act were entered into during the year under review. Further, the prescribed details of related party transactions of your Company in Form No. AOC – 2, in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in the Annexure to this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 of the Companies Act, 2013, your Directors confirm having:

a) followed in the preparation of the Annual Accounts, the applicable accounting standards with proper explanation relating to material departures, if any;

b) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;

c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;

d) prepared the Annual Accounts on a going concern basis;

e) laid down internal financial controls to be followed by your Company and that such internal financial controls were adequate and were operating effectively; and

f) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSOLIDATED FINANCIAL STATEMENTS

Your Company's Board of Directors is responsible for the preparation of the consolidated financial statements of your Company and its Subsidiaries ('the Group'), Associates and Joint Venture entities, in terms of the requirements of the Companies Act, 2013 (the Act) and in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act.

The respective Boards of Directors of the companies included in the Group and of its associates and joint venture entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Such financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of your Company, as aforestated.

OTHER INFORMATION

Compliance with the conditions of Corporate Governance

The certificate from the Company's Statutory Auditors, Messrs. S R B C & CO LLP, confirming compliance with the conditions of Corporate Governance as stipulated under the Listing Regulations, is annexed.

Going Concern status

There was no significant or material order passed during the year by any regulator, court or tribunal impacting the going concern status of your Company or its future operations.

Annual Return

The Annual Return of your Company is available on its corporate website at https://www.itcportal.com/investor/disclosures-under-SEBI.aspx .

Particulars of loans, guarantees or investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 4, 5, and 9 to the Financial Statements. No guarantees were outstanding as at the year end.

Particulars relating to Conservation of Energy and Technology Absorption

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption are also provided in the Annexure to this Report.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

Employees

The total number of employees as on 31st March, 2025 stood at 22,041.

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report.

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forming part of this Report, is available on the Company's corporate website www.itcportal.com .

Dividend Distribution Policy

The Dividend Distribution Policy of your Company may be accessed on its corporate website at https://www.itcportal.com/about-itc/policies/dividend-distribution-policy.pdf .

Key Financial Ratios

Key Financial Ratios for the financial year ended 31st March, 2025, are provided in the Annexure forming part of this Report.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements that involve risks and uncertainties. When used in this Report, the words 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'will' and other similar expressions as they relate to your Company and/or its Businesses are intended to identify such forward-looking statements. Your Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto.

CONCLUSION

Your Company's 'Triple Bottom Line' philosophy has over the years spurred the creation of innovative business models that synergise the building of economic, environmental and social capital. It is now universally evident that enterprises of the future will not only have to be agile, consumer-centric, innovative and digital-first but also purpose-driven and responsibly competitive. In line with its superordinate goal of serving larger national priorities and creating value for all stakeholders, your Company's paradigm of 'Responsible Competitiveness' focuses on building extreme competitiveness in a manner that replenishes the environment and supports sustainable livelihoods.

The strategic Vision of creating multiple drivers of growth through the pursuit of market opportunities that best match institutional strengths, has resulted in the development of strong Businesses of the future anchored on a portfolio of purpose-led brands, future-ready products and world-class quality. Today, your Company is the leading FMCG marketer in India, a pioneering trailblazer in farmer and rural empowerment through its Agri Business, the clear market leader in the Indian Paperboards and Packaging industry, and a global exemplar in sustainability. ITC Hotels Ltd.–a group entity–is a pre-eminent hotel chain and a globally acclaimed icon in green hoteliering. Since the turn of the millennium, your Company's non-cigarettes businesses[11] have grown nearly 40-fold and presently constitute about two-thirds of Net Segment Revenue. At the heart of this transformation lies the power of synergy, with seamless access for your Company's newer Businesses/initiatives to the deep and varied capabilities resident across different parts of the enterprise, and its world-class talent pool.

An extensive strategy reset has been undertaken in recent years to architect the structural drivers that will power the ITC Next strategy of building a Future-Ready, Consumer-Centric, Climate Positive and Inclusive organisation to drive the next horizon of growth & competitiveness.

The FMCG Businesses have delivered strong performance in recent years and are well poised to be rapidly scaled up across the three growth platforms i.e., fortifying the core, addressing value-added adjacent opportunities leveraging mother brands and nurturing new vectors of growth. Multi-dimensional interventions, including strategic acquisitions in high-growth and future-facing categories, have been made to accelerate growth, enhance competitiveness and market standing of the FMCG Businesses.

Focused interventions made in the recent past have also augmented your Company's multi-channel go-to-market capability, resulting in manifold expansion in the reach and availability of its products. Over the last five years, market coverage has grown by more than 2x, facilitating availability of products in nearly seven million retail outlets of which more than one-third are serviced directly. Sharp-focused investments have augmented capability in new gen channels such as e-Commerce, Quick Commerce and Modern Trade, resulting in strong growth in sales and enhanced market standing. In addition, investments towards accelerating agile and purposeful innovation, optimising supply chain efficiencies, accelerated digital adoption, and strategic partnerships have significantly enhanced competitiveness. The impact of these multi-dimensional interventions is evident in the substantial margin expansion of 560 bps in Segment EBITDA witnessed between FY 2018-19 and FY 2023-24 even in the face of heightened competitive intensity and inflationary pressures.

[11] *Excluding the Hotels Business, which was demerged during the year into ITC Hotels Limited*

The FMCG Businesses will continue to leverage your Company's institutional strengths as a key source of sustainable competitive advantage viz. strong backward linkages with the Agri Business, a deep & wide multi-channel distribution network, cuisine knowledge resident in ITC Hotels Limited (a group entity), packaging knowhow and the robust R&D platforms nurtured by LSTC. Structural advantages arising out of distributed manufacturing footprint, anchored on state-of-the-art ICMLs strategically located proximal to large demand centres, will be increasingly leveraged to drive rapid growth of the FMCG Businesses. With enhanced scale and margin expansion, the FMCG Businesses are expected to make increasingly higher contributions to your Company's profit pool, thereby setting the stage for further value enhancement opportunities.

The Agri Business has been a strong backbone and a key source of competitive advantage for your Company's FMCG and Cigarettes Businesses. The scope and scale of operations have grown manifold over the years and currently encompass nearly 3.5 million tonnes of annual volume throughput in 22 states and over 20 agri-value chains. In recent years, the Business has pivoted its strategic focus towards rapidly scaling up its Value-Added Agri Products portfolio to accelerate growth and margins. With policy enablers in place, your Company is scaling up NextGen agriculture value chains that are digitally enabled and climate smart, and re-structuring the back end into a robust network of FPOs. This will further strengthen the sourcing network and facilitate the development of customised supply chains for traceable and identity-preserved sourcing of agri-commodities and in augmenting the product portfolio with the addition of value-added products such as staples for the Food Service segment, medicinal and aromatic plant extracts etc. Towards enhancing the competitiveness of domestic agri-value chains, fostering new business models and augmenting value creation opportunities, your Company has successfully scaled up ITCMAARS – a crop-agnostic 'phygital' full stack AgriTech platform integrating NextGen agri-technologies and solutions – to seamlessly deliver hyperlocal and personalised solutions to the farming community whilst creating new and scalable revenue streams and strengthening sourcing efficiencies.

The Paperboards, Paper and Packaging Businesses have made significant progress in recent years in terms of enhanced scale and profitability improvement. While the current year performance was impacted by low priced Chinese & Indonesian supplies in global markets including India, soft domestic demand conditions and unprecedented surge in wood prices, strategic interventions continue to be made in areas spanning plantations, sharpening the product portfolio and thrust on structural cost management. Representations continue to be made at appropriate forums through Industry associations for suitable measures to safeguard domestic industry and development of economically viable alternatives for plantations on degraded forest land. Strategic investments have been stepped up in areas such as pulp import substitution, proactive capacity augmentation in Value-Added Paperboards segment, decarbonisation of operations, deployment of Industry 4.0 technologies and towards nurturing robust innovation platforms. Your Company has also recently entered into a Business Transfer Agreement to acquire the Pulp and Paper Undertaking of Aditya Birla Real Estate Limited (Century Pulp and Paper), which is expected to 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 focus going forward is to fortify market leadership in the fast-growing Value-Added Paperboards segment by augmenting scale, driving cutting-edge innovation to rapidly scale-up single use plastic substitutes as a new vector of growth, building structural advantage through product mix enrichment and scaling up the use of emergent technologies such as Industry 4.0 to enhance operational efficiency, reduce wastage and costs.

Your Company continues to build a dynamic 'Future-Tech' enterprise powered by state-of-the-art digital technologies and infrastructure ('Mission DigiArc') across the value chain adding significant impetus to digital marketing, digital commerce, digital products and digital operations. Your Company today, is a pioneer in adoption of cutting-edge digital technologies across strategic impact areas spanning Consumer Experience, Business Model Transformation, Smart Operations and Employee Experience.

Sustainability continues to be a critical focus area. Your Company is actively pursuing its bold Sustainability 2.0 agenda comprising multi-dimensional interventions in decarbonisation, building green infrastructure, scaling up carbon sequestration, promoting climate-smart and regenerative agriculture, restoring biodiversity through nature-based solutions, enhancing water stewardship, creating an effective circular economy and sustainable packaging solutions, building climate resilience & adaptive capacity of value chains and developing inclusive value chains that can support 10 million livelihoods by 2030.

Disruptive business models and value propositions anchored at the intersection of future frontiers of Digitalisation and Sustainability form an integral part of your Company's strategic roadmap going forward. NextGen business models such as ITCMAARS in the agri-ecosystem, tech-enabled cloud kitchens in the food service space, sustainable paperboards and packaging solutions customised for end-use with focus on single use plastic substitutes, are being progressed to actualise these opportunities. Value-accretive acquisitions, joint venture and collaborations continue to be proactively pursued towards accelerating growth and value creation.

The resilience, agility and adaptive capacity demonstrated by your Company is a testament to the talent, determination and untiring efforts of its pool of dedicated professionals, associates and partners. Your Company's diverse talent pool of professional entrepreneurs, 'proneurs', have the unique opportunity to nurture categories, products and brands from ideation to execution. This talent pool is being harnessed not only to create winning products and services for today, but also to seize larger opportunities as they emerge from the expanding horizons of your Company's Businesses.

Your Company's Board and employees are inspired by the Vision of sustaining your Company's position as one of India's most admired and valuable companies, creating enduring value for all stakeholders, including the shareholders and the Indian society. The vision of enlarging your Company's contribution to the Indian economy is driven by its 'Nation First: Sab Saath Badhein' credo anchored on the core values of Trusteeship, Transparency, Empowerment, Accountability and Ethical Citizenship, which are the cornerstones of your Company's Corporate Governance philosophy.

Inspired by this Vision, driven by Values and powered by internal Vitality, your Directors and employees look forward to the future with confidence and stand committed to creating an even brighter future for all stakeholders.

On behalf of the Board

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

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

Kolkata
22nd May, 2025

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES OF THE COMPANY

1. **CSR Policy - Brief outline and Overview**

   a. **Brief outline of the CSR Policy:**

   It is ITC's Policy to direct its CSR Programmes, inter alia, towards achieving one or more of the following – poverty alleviation; promoting education and skill development; promoting healthcare including preventive healthcare; providing sanitation and drinking water; ensuring environmental sustainability; enabling climate resilience; undertaking rural development projects; creating livelihoods for people, especially those from disadvantaged sections of society; protecting national heritage, art and culture; preserving and promoting music and sports; and providing relief and assistance to victims of disasters and calamities.

   In pursuit of the above, ITC has identified the following focus areas for its CSR Programmes based on comprehensive need assessment surveys of its stakeholders:

   (i) Create **sustainable livelihoods and alleviate poverty** through water stewardship and management of other natural resources, sustainable agriculture and climate smart practices, on-farm livelihoods like afforestation, off-farm livelihoods like livestock development, nano / micro-enterprises and women empowerment;

   (ii) Build **capabilities for tomorrow** through interventions in education, skilling and **healthy habitations** through sanitation, school WASH (Water, Sanitation & Hygiene) and waste management;

   (iii) **Promote healthcare, including preventive healthcare**, and improve critical nutritional & health status of at-risk population through interventions to strengthen mother & child health, nutrition, and affordable access to basic healthcare services;

   (iv) Protect **national heritage, art & culture**, and preserve & promote music and sports; and

   (v) Provide relief and assistance to victims of **disasters and calamities**.

   The CSR Policy of the Company may be accessed on its corporate website at **https://www.itcportal.com/about-itc/policies/corporate-social-responsibility-policy.aspx**

   b. **Role of the CSR and Sustainability Committee:**

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

   c. **CSR Programmes / Projects:**

   The two most important stakeholders for ITC's CSR programmes / projects are:

   - Rural communities, primarily in the Company's Agri Business areas.
   - Communities residing in close proximity to the Company's production units.

   The Company's stakeholder profile is varied, calling for an integrated approach to development comprising several layers of interventions which are summarised below, in line with Schedule VII to the Companies Act, 2013:

   i. Promoting Preventive Healthcare, Sanitation & Poverty Alleviation (Schedule VII – i):

      - Health and Nutrition: Focus on preventive aspects through emphasis on Maternal and Child Health and Nutrition (MCHN) through awareness and counselling by leveraging institutions like Anganwadis, Accredited Social Health Activist (ASHA) workers and network of women Village Health Champions (VHCs). Also, strengthen healthcare related services by supplementing primary & secondary infrastructure, upgrading Primary Health Centres (PHC), and providing access to healthcare through mobile services & other interventions.
      - Waste Management and Circular Economy: Create a clean and healthy environment through awareness & behaviour change for inculcating individual & community responsibility, facilitate source segregation & recycling of dry and wet waste including plastics, management of liquid waste and enable sustainable livelihoods and well-being of rag pickers & waste collectors.

- Sanitation: Promote a hygienic environment through prevention of open defecation and reduce incidence of waterborne diseases. The focus of the intervention is on enhancing awareness and impacting behaviour change on Water, Sanitation & Hygiene (WASH). Also, facilitate health impacting social and civic infrastructure initiatives like improved sanitation and hygiene in the neighbourhood of the Company's catchments.
- Poverty Alleviation: Support the needy and poor through interventions that enable income diversification & generation and also provide access to basic needs like clothing, food, etc., as needed.

ii. Promoting Education, Vocational Skills and Livelihood Enhancement (Schedule VII – ii):

- Education: Provide children with access to education including Early Child Care Education with focus on enrolment, learning retention, foundational skills and improved pedagogy. Also, work with government to enhance capacities of institutions like Anganwadis.
- Skills: Build and upgrade skills of youth with the emerging needs of the job market across sectors as also entrepreneurial opportunities.
- On-farm and Off-farm livelihoods: Enhance incomes of farmers and their families by widening income generation opportunities through social and agro-forestry, fruit plantations and livestock development covering both large and small ruminants, including poultry and fisheries. Also, facilitate capability building through comprehensive package of extension services.

iii. Economic Empowerment of Women (Schedule VII – iii):

Provide a range of gainful employment and individual & group entrepreneurial opportunities to women by empowerment and capacity building programmes, strengthening digital and financial literacy, and also providing access to loans, grants, insurance & social security.

iv. Ensuring Environmental Sustainability (Schedule VII – iv):

- Water Stewardship: Promote local management of water resources by facilitating community-based participation in planning & executing watershed projects and soil & moisture conservation, river-basin level interventions, and also identifying & enabling extensive use of water efficient practices in agriculture & urban catchments and use of treated water.
- Biodiversity: Strengthen eco-system services provided by nature including provisioning and regulatory services focussed on restoring commons and mangroves.
- CII-ITC Centre of Excellence for Sustainable Development: Enable other businesses / organisations in India to create enduring value on a sustainable basis by embedding the imperatives of sustainable development in their strategies & processes.

v. Protection of National Heritage, Art & Culture (Schedule VII – v):

Revive and restore vanishing musical sub-genres by enlisting the goodwill of some of the finest musicians through institutions like the ITC Sangeet Research Academy (ITC SRA), which was established in 1977 as an embodiment of the Company's sustained commitment to a priceless national heritage.

vi. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports (Schedule VII – vii):

Promote sports for the holistic development of children by working closely with schools.

vii. Research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (Schedule VII – ix-b):

Leverage the technical expertise of premier institutions through partnerships and support innovation and R&D activities in the areas of science, technology, engineering, environment, agriculture and health aimed at promoting Sustainable Development Goals (SDGs).

viii. Rural Development (Schedule VII – x):

- Sustainable and Climate Smart Agriculture: Introduce advanced knowledge & technologies through package of practices, increase awareness of farmers on optimum use of natural resources in order to increase farm incomes, minimise cost of cultivation, reduce emissions and make agriculture resilient to increasing climate challenges.
- Knowledge Empowerment: Enable farmers and farmer collectives to make informed choices by providing relevant and real-time information on local weather reports, customised knowledge & best practices on farming and farm management, commodity prices, market linkages and risk management.

- Institutional Support: Encourage sustainable agricultural practices through various extension platforms to enable access to relevant farm mechanisation technologies & implements, as also institutional support mechanisms and linkages to government schemes, especially for small farm holdings, in order to enhance farm productivity and farm-based incomes.

ix. Disaster Assistance (Schedule VII – xii):

Provide relief especially to the poor and vulnerable sections of society who face severe disruption to their livelihoods in the event of disasters and calamities.

2. **Composition of the CSR and Sustainability Committee as on 31st March, 2025:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR and Sustainability Committee held during the year	Number of meetings of CSR and Sustainability Committee attended during the year
1.	S. Puri (Chairman of the Committee)	Chairman & Managing Director	3	3
2.	C. K. Mishra [1]	Independent Director		N.A.
3.	S. Mohanty [2]	Non-Executive Director		N.A.
4.	S. Mukherjee [1]	Independent Director		N.A.
5.	A. Pande [3]	Non-Executive Director		1
6.	S. Panray	Non-Executive Director		3
7.	N. Rao	Independent Director		1
8.	A. Singh [4]	Non-Executive Director		3

[1] *Appointed as Member w.e.f. 27th October, 2024.*
[2] *Appointed as Member w.e.f. 1st January, 2025.*
[3] *Appointed as Member w.e.f. 27th July, 2024.*
[4] *Appointed as Member w.e.f. 2nd April, 2024.*

3. Provide the web-link(s) where composition of the CSR and Sustainability Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: **https://www.itcportal.com/sustainability/corporate-social-responsibility.aspx**

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Executive Summary – Impact Assessment of ITC's CSR Programmes for the financial year 2024-25

Brief Description	ITC implements its CSR Programmes across the country under a Two Horizon approach aimed at holistic development of communities.
Thematic Areas / Programmes	The specific themes covered under the Two Horizon approach include: **Horizon – I: Creating Sustainable livelihoods for today** • Water Stewardship • Climate Smart Agriculture (CSA) • On-Farm Livelihood Diversification: Social Forestry • Off-Farm Livelihood Diversification: Livestock Development **Horizon – II: Creating Capabilities for Tomorrow** • Support to Education • Skilling of Youth • Public Health: Sanitation and Waste Management • Public Health: Maternal and Child Health and Nutrition (MCHN) • Women Empowerment: Targeted Hardcore Poor (THP) Programme and Financial Literacy Programme

Projects Covered	60 projects having budget of more than ₹ 1 crore each during the financial year 2022-23 were grouped under nine thematic interventions and were then taken up for impact assessment. The purpose of these assessments was to assess the impact of the projects and incorporate the learnings from the findings into the programmes as relevant.
Projects Duration	FY 2022-23
States	The assessments covered interventions in the States of Andhra Pradesh, Assam, Bihar, Delhi, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Rajasthan, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.
Impact Assessment Agencies	These impact assessments were done by the following 12 external agencies selected through competitive bidding process, and assigned specific projects / geographies for assessment: • Blue Sky Sustainable Business, Bengaluru • Catalyst Management Services Private Limited, Bengaluru • CRISIL Limited, Mumbai • Ingrain Technologies, Hyderabad • Kantar, Bengaluru • Price Waterhouse Chartered Accountants LLP, Gurugram • Renalysis Consultants Private Limited, Ahmedabad • Sambodhi Research and Communications Private Limited, Noida • SoStakes Services Private Limited, Bengaluru • Surge Impact Foundation, Hyderabad • Sutra Consulting Private Limited, Bhubaneswar • Synergy Technofin Private Limited, New Delhi
Period of Study	FY 2024-25
Methodology	The agencies took up studies through mixed method approach covering quantitative and qualitative data collection. A statistically significant sample size was covered under each project. In the aggregate, over 15,000 samples were covered across interventions and control areas.

The major impacts recorded by the impact studies are as follows –

Horizon – I

Overall, the projects assessed under Horizon - I were found to be relevant, effective, efficient and sustainable. They have not only contributed to higher incomes for farmers, but also enabled climate adaptation and conservation of natural resources.

Water Stewardship:

- The study conducted in Telangana revealed that access to irrigation resulted in increase in gross cropped area by up to 8% over baseline and improved yields because of application of tank silt in field. Due to increased availability of water, around 20% of programme farmers also engaged in fish cultivation, resulting in their earnings increasing by over 15%.

Climate Smart Agriculture (CSA):

- In Andhra Pradesh, Karnataka and Tamil Nadu, study revealed that compared to control, yield of Paddy and Maize was 21% and 16% higher respectively for programme farmers, while cultivation costs was 24% less in Paddy. Cultivation costs for Maize remained same over control.

- In Telangana, study revealed that Direct Seeding of Rice (DSR) practice resulted in 21% reduction in cultivation costs, 36% higher net income and 15% savings in water for programme farmers compared to control. 84% of programme farmers continued DSR in the subsequent years and 70% increased the area under DSR on their own.

Social Forestry:

- In Karnataka and Andhra Pradesh, average plantation costs reduced by 20% as against 18% increase in case of control, which was due to cost-effective practices including better resource management.
- In Telangana, small farmer friendly agro-forestry model plantations (both trees and crops cultivated together) led to up to 70% higher income for programme farmers over control who only grew trees.
- In Odisha, 29% of the programme farmers involved in plantation earned net income of above ₹ 81,000/- per household, as against 12% in control group.

Livestock Development:

- In Madhya Pradesh, evaluation showed that the trainings on animal husbandry practices resulted in adoption of proper cowsheds by 77% of programme farmers (40% in control group). Adoption of recommended practices has led to improvement of animal health, with 88% of programme farmers reporting no health issues for their livestock (15% in control group) and 89% programme farmers reported zero calf mortality (26% in control group). As a result, 82% of programme farmers earned above ₹ 7,000/- per month per household, against 34% in control group.

Horizon – II

Projects evaluated under Horizon - II were found to be of high relevance and impacting lives of children, youth, women and communities residing in ITC catchments.

Support to Education:

- Water, Sanitation and Hygiene (WASH) interventions in schools evaluated in Himachal Pradesh, Maharashtra, Punjab, Uttarakhand and Uttar Pradesh showed improvement in handwashing stations (49% at baseline to 92%). Safety-related upgrades included improved boundary walls (66% to 91%) and roof repairs (21% to 56%). Classrooms in Himachal Pradesh showed reduction in chipped paint (33% to nil), and murals were there in 66%. All schools surveyed had an active child cabinet, promoting student participation in school governance and leadership.
- The Supplementary Learning Centres (SLCs) designed to improve learning outcome and mainstreaming of out of school children into formal schooling showed strong impact. 82% of students remained enrolled for over a year, with 97% reporting daily attendance. 91% achieved the highest reading level (Story Level) against only 2% in control group, and 67% solving division problems also against only 13% in control.
- Early Childhood Care and Education (ECCE) intervention evaluated in Andhra Pradesh against baseline revealed 81% improvement in communicating and expressing thoughts & feelings more effectively, which previously was limited to single words and short phrases. Sharing skills improved by 79% and cooperation skills increased by 73%, enabling children to work collaboratively towards common goals. 98% of the parents acknowledged regular involvement in their children's learning and development.
- Primary Education programme evaluated in Andhra Pradesh, Tamil Nadu and Telangana showed children from the programme group having improved reading skills (71% against 37% control); comfort with reading texts (75% against 17% control); and math problem-solving skills (66% against 47% control), attributed to personalised, engaging educational strategies that addressed students' individual needs.

Skilling of Youth:

- Study done in Andhra Pradesh, Assam, Telangana, Tamil Nadu and West Bengal revealed 98% of the youth surveyed from programme group passed the third-party assessment earning certification from the National Skill Development Cooperation. After training, 86% of the certified candidates were placed or self-employed, earning an initial average monthly income of ₹ 10,105/-. Their average income rose from ₹ 10,105/- to ₹ 12,053/- over time, demonstrating career progression and sustainable income growth post-training. The programme included 66% female participants indicating focus on increasing women participation.

Waste Management:

- Bihar (Rural - Ganga Gram) and Uttar Pradesh (Urban) programmes were studied which are implemented in collaboration with Lohiya Swachh Bihar Abhiyan (Bihar) and Urban Development Department (Uttar Pradesh) respectively. Post intervention, awareness about household responsibility for waste management increased from 54% during baseline to 94% and regular segregation of waste by households improved from 37% to 72%.
- Another study in rural waste management projects in Andhra Pradesh, Maharashtra and Karnataka revealed adoption of composting (household and cluster) to the extent of 87% in Guntur, 85% in Mysuru and 47% in Pune, with the balance being covered through village level composting. Due to decentralisation, waste diversion to landfill was reduced, leading to reduction in GHG emissions. About 1,121 tonnes of carbon emission is estimated to have been avoided in Mysuru annually, and in Guntur the estimate is 1,045 tonnes.
- In Well-being Out of Waste (WOW) programme in Bengaluru, 96% of surveyed households practiced source segregation, with 95% of them noticing improved cleanliness / waste management in their area from what it was at the time of inception, indicating the positive impact of the programme.

Maternal and Child Health and Nutrition (MCHN):

- In the MCHN programme implemented in collaboration with the Government of Assam, 84% ASHA and Anganwadi Sevikas reported enhancement in their capabilities. Training of frontline workers resulted in 95% counselling coverage in breastfeeding preparedness. There was improvement in delivery of health and nutrition services with 84% adolescents receiving Iron Folic Acid (IFA) tablets (control 29%), 68% receiving deworming (control 29%) and 94% receiving dietary diversity counselling in schools (control 65%).

Women Empowerment:

- In the Targeted Hardcore Poor (THP) programme in Madhya Pradesh, Uttar Pradesh and Uttarakhand, 100% surveyed women reported that the programme has helped them to develop business. 85% felt capable of managing their business without external support. 87% women were earning over ₹ 10,000/- per month post intervention. 99% reported that their business or livelihood has positively influenced their family's financial well-being, with 97% being able to now arrange regular meals for families, and 67% affording medical care. Additionally, 98% women have expressed confidence in their ability to make decisions.
- In the Financial Literacy (FL) and inclusion programme in Madhya Pradesh, in collaboration with the Madhya Pradesh State Rural Livelihood Mission, approximately 98% women learnt essential financial skills from the training (25% in control group). 89% of the programme group women took loans from their SHGs. Increased economic empowerment was also witnessed post the intervention, with 80% SHG women having started their own businesses, 73% experiencing income increase, and 93% gaining knowledge of digital payments with 86% now also doing digital transactions.

Complete Impact Assessment Reports are available on the Company's website at
https://www.itcportal.com/sustainability/impact-studies.aspx

5. (a) Average net profits of the Company as per Section 135(5)	:	**₹ 23,034.82 crores**
(b) Two percent of the average net profits of the Company as per Section 135(5)	:	**₹ 460.70 crores**
(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	:	**Nil**
(d) Amount required to be set off for the financial year, if any	:	**Nil**
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]	:	**₹ 460.70 crores**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : **₹ 434.81 crores**

(b) Amount spent in Administrative Overheads : **₹ 23.07 crores**

(c) Amount spent on Impact Assessment, if applicable : **₹ 3.62 crores**

(d) Total amount spent for the Financial Year [(a)+(b)+(c)] : **₹ 461.50 crores**

(e) CSR amount spent or unspent for the Financial Year:

Total Amount spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 461.50 crores	Not Applicable	Not Applicable	Not Applicable		

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profits of the Company as per Section 135(5)	₹ 460.70 crores
(ii)	Total amount spent for the Financial Year	₹ 461.50 crores
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	₹ 0.80 crore
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	₹ 1.97 crores *

** Includes excess amounts of ₹ 0.59 crore and ₹ 0.58 crore spent during the financial years 2022-23 and 2023-24, respectively, and carried forward.*

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in Unspent CSR Account under Section 135(6) (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2023-24	Nil	Nil	Nil	Not Applicable			
2	2022-23	₹ 23.10 crores	₹ 5.21 crores	₹ 17.89 crores	NIL		₹ 5.21 crores	NIL
3	2021-22	₹ 3.90 crores	Nil	Nil	Not Applicable			

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ✔ No

If Yes, enter the number of Capital assets created / acquired **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
1	2	3	4	5	6		
Not Applicable							

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profits as per Section 135(5): **Not Applicable**

On behalf of the Board

S. PURI *Chairman – CSR and Sustainability Committee*
(DIN : 00280529)

Kolkata, India
22nd May, 2025

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

Annexure to the Report of the Board of Directors

FORM NO. MR - 3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
ITC Limited
CIN: L16005WB1910PLC001985
Virginia House, 37 J. L. Nehru Road
Kolkata 700 071

We have conducted Secretarial Audit of compliance with the applicable statutory provisions and adherence to good corporate practices by **ITC Limited** (hereinafter called 'the Company') for the **financial year ended 31st March, 2025**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books and papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended 31st March, 2025**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the **financial year ended 31st March, 2025** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review**;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review**;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 - **The Company's in-house Investor Service Centre is registered with the SEBI as Category II Share Transfer Agent**;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable as there was no reportable event during the financial year under review**;

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not applicable as there was no reportable event during the financial year under review**; and

   (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Management has identified and confirmed the following laws as being specifically applicable to the Company:

   (a) The Tobacco Board Act, 1975 and the Rules and Regulations made thereunder;

   (b) The Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 and the Rules made thereunder, and other laws relating to manufacture and sale of Tobacco;

   (c) The Food Safety and Standards Act, 2006 and the Rules and Regulations made thereunder;

   (d) The Drugs and Cosmetics Act, 1940 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;

(ii) Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited ('the Stock Exchanges').

We report that during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that:

(i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors, including Women Independent Directors. Changes in the composition of the Board of Directors that took place during the year under review, were carried out in compliance with the provisions of the Act;

(ii) Adequate notice is given to all Directors to convene the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting;

(iii) All the decisions of the Board and Committees thereof were carried through unanimously.

We further report that based on review of the compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which are commensurate with its size and operations, to monitor and ensure compliance with the applicable Laws, Rules, Regulations and Guidelines.

We further report that during the financial year under review, no event has occurred having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., except as follows:

I. The Scheme of Arrangement amongst ITC Limited and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 for demerger of the Company's Hotels Business into ITCHL ('Scheme') was approved by the Shareholders of the Company at their meeting held on 6th June, 2024, and by the National Company Law Tribunal, Kolkata Bench, on 4th October, 2024. The Scheme became effective from 1st January, 2025.

   Consequent to the Scheme becoming effective, ITCHL ceased to be a subsidiary and became an associate of the Company. Further, Landbase India Limited, Srinivasa Resorts Limited, Bay Islands Hotels Limited, Fortune Park Hotels Limited and WelcomHotels Lanka (Private) Limited ceased to be subsidiary companies, Maharaja Heritage Resorts Limited ceased to be a joint venture company, and International Travel House Limited and Gujarat Hotels Limited ceased to be associates of the Company.

II. Issue and allotment of 2,93,98,310 Ordinary Shares of ₹ 1/- each, fully paid-up, upon exercise of Stock Options under the Employee Stock Option Schemes of the Company, from time to time.

III. Acquisition of 1,413 Compulsorily Convertible Preference Shares of ₹ 10/- each of Sproutlife Foods Private Limited ('Sproutlife'), an associate company, on 25th September, 2024, consequent to which the Company's shareholding in Sproutlife aggregated 47.50% of its share capital on a fully diluted basis.

IV. Acquisition of entire share capital (comprising 4,20,60,166 Equity Shares of ₹ 10/- each) of its step-down subsidiary, Greenacre Holdings Limited ('GHL') from Russell Credit Limited ('RCL'), a wholly owned subsidiary ('WOS') of the Company on 29th November, 2024 at book value; consequently, GHL became a direct WOS of the Company with effect from the said date.

V. Acquisition of 2.44% of the share capital (comprising 1,52,32,129 Equity Shares of ₹ 2/- each) of EIH Limited ('EIH') and 0.53% of the share capital (comprising 34,60,829 Equity Shares of ₹ 2/- each) of HLV Limited ('HLV') from RCL on 18th December, 2024 at book value, consequent to which the Company's shareholding in EIH and HLV aggregated 16.13% and 8.11% of their paid-up share capital, respectively.

VI. Execution of Definitive Agreements on 6th February, 2025 to acquire 100% of the share capital of Ample Foods Private Limited (along with its wholly owned subsidiary, Chao Chao Foods Private Limited) and Meat and Spice Private Limited.

VII. Execution of Business Transfer Agreement with Aditya Birla Real Estate Limited ('ABREL') for acquisition of ABREL's pulp and paper business operating under the name of 'Century Pulp and Paper', along with the assets, liabilities, contracts, employees etc., as a going concern on a slump sale basis.

This Report is to be read with our letter of even date which is annexed as **Annexure - A** and forms an integral part of this Report.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 I COP No.: 1774
ICSI UDIN: F004206G000298665

8th May, 2025
Thane

Annexure - A

To,
The Members,
ITC Limited
CIN: L16005WB1910PLC001985
Virginia House, 37 J. L. Nehru Road
Kolkata 700 071

Our Secretarial Audit Report for the financial year from **1st April 2024 to 31st March 2025** of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the Management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations, and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance as to whether the statements prepared, documents or records in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.
8. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For S. N. ANANTHASUBRAMANIAN & Co.
Company Secretaries
ICSI Unique Code: P1991MH040400
Peer Review Cert. No.: 5218/2023

S. N. Ananthasubramanian
Founding Partner
FCS: 4206 I COP No.: 1774
ICSI UDIN: F004206G000298665

8th May, 2025
Thane

Enduring Value

Annexure to the Report of the Board of Directors
For the Financial Year Ended 31st March, 2025

Form No. AOC-2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

(a) Name(s) of the related party and nature of relationship	Russell Credit Limited (RCL), a wholly owned subsidiary		
(b) Nature of contracts / arrangements / transactions	Transfer of Equity Shares of Greenacre Holdings Limited (GHL), a wholly owned subsidiary of RCL	Inter-se transfer of Equity Shares of EIH Limited (EIH), a listed entity	Inter-se transfer of Equity Shares of HLV Limited (HLV), a listed entity
(c) Duration of the contracts / arrangements / transactions	Not Applicable		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Purchase of 4,20,60,166 Equity Shares of GHL of ₹ 10/- each from RCL at book value of ₹ 42.10 crores.	Purchase of 1,52,32,129 Equity Shares of EIH of ₹ 2/- each from RCL at book value of ₹ 111.22 crores.	Purchase of 34,60,829 Equity Shares of HLV of ₹ 2/- each from RCL at book value of ₹ 10.93 crores.
(e) Justification for entering into such contracts or arrangements or transactions	The aforesaid shares have been acquired from RCL as part of restructuring within the group. Since the transaction is between the Holding Company and its wholly owned subsidiary, there is no potential conflict with the interests of the Company and its shareholders arising from the said transaction.	The aforesaid shares have been acquired from RCL in order to consolidate shareholding of EIH and HLV under the Company. Since the transactions are between the Holding Company and its wholly owned subsidiary, there is no potential conflict with the interests of the Company and its shareholders arising from the said transactions.	
(f) Date of approval by the Board	24th October, 2024		
(g) Amount paid as advances, if any	Nil		
(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	Not Applicable		

2. Details of material contracts or arrangements or transactions at arm's length basis

(a) Name(s) of the related party and nature of relationship	NONE
(b) Nature of contracts / arrangements / transactions	
(c) Duration of the contracts / arrangements / transactions	
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	
(e) Date(s) of approval by the Board, if any	
(f) Amount paid as advances, if any	

On behalf of the Board

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

Place: Kolkata
Date: May 22, 2025

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

Enduring Value

Annexure to the Report of the Board of Directors

INFORMATION UNDER SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE REPORT OF THE BOARD OF DIRECTORS

CONSERVATION OF ENERGY:

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy in line with ITC's 2030 Goals. These goals include reduction in specific energy by 30% and specific GHG by 50% along with increasing renewable energy share to 50% and sourcing 100% of purchased electricity from renewables. The Company regularly tracks its performance against these key performance indicators. The Company invests in energy conservation and renewable energy projects along with exploring innovative technologies to bring alignment with the goals. These investments are done in phases by taking into account future expansion plans, evolving regulatory frameworks, techno-commercial feasibility and socio-political aspects.

a) Steps taken or impact on conservation of energy:

Some of the energy conservation measures adopted across the Company are outlined below:

I. Retrofitting of boiler to reduce power consumption in fans and fuel handling system in Paper Business.
II. Installation of static electricity discharge nets in Air Handling Units (AHUs) to eliminate electrostatic disturbance thereby improving heat transfer efficiency in Foods Business.
III. Installation of Automatic Tube Cleaning System (ATCS) to reduce scaling thereby improving chiller efficiency in Packaging and Printing Business.
IV. Installation of air preheater and thermic booster systems in Packaging and Printing Business.
V. Installation of closed loop condensate recovery system in Foods Business.
VI. Installation of thermo-compressor in Agri Business.
VII. Installation of Variable Frequency Drives (VFDs) for various pumps, agitators, blowers, and chillers across Businesses.
VIII. Replacement of air conditioners, chiller, cooling tower, battery chargers, transformer, UPS, motors, agitator, blower, fans and pumps with higher efficiency ones across Businesses.
IX. Improvement in energy usage efficiency in lighting systems by changing over to efficient lighting solutions such as Light Emitting Diodes (LEDs) across Businesses.
X. Process improvements to enhance productivity and reduce specific energy consumption across Businesses.

These investments have resulted in energy savings of over 40 TJ during the year.

b) Steps taken for utilising alternate sources of energy:

Some of the renewable energy initiatives undertaken during the year are as follows:

I. Commissioning of 10.8 MWp onsite solar photovoltaic power plants across ITC Units.
II. Commissioning of biomass boiler in the newly built personal care factory in West Bengal.
III. Continued use of renewable electricity from existing wind/solar power plants and utilization of biomass in existing biomass boilers across Businesses.

These investments have helped ITC increase its renewable electricity capacity to 174 MW [1]. These investments along with investments in renewable thermal energy have helped ITC achieve an overall renewable energy share of 52% despite significant increase in production across Businesses.

c) **Capital investment on energy conservation equipment: 1,584 lakhs INR**

[1] Excluding 51 MW of renewable energy assets transferred to ITC Hotels Limited post demerger. Total commissioned capacity including that of ITC Hotels Limited is 225MW.

TECHNOLOGY ABSORPTION:

a) Efforts made towards technology absorption:

I. As a part of Industry 4.0 initiative, various technological innovations are being implemented. Key highlights are presented below:

a. Foods Business's 'Focus Factory' initiative is aimed at building robust digital infrastructure to enable real time monitoring of operational parameters and utilise it towards advanced data analytics such as Artificial Intelligence and Machine Learning. Some of the key projects implemented during the year are:

i. Reduction in moisture content of atta to maintain quality.
ii. Reduction in variations of weight in atta and snacks.
iii. Vision system to detect short-pack and nut density for biscuits.
iv. Condition based monitoring of critical equipment to reduce unplanned downtime.

b. Installed advanced data management system to capture real-time operations data across businesses that helps in building machine learning tools. These tools help in improving quality; increasing throughput and energy performance; reducing material consumption and costs.

II. Installed state-of-the art equipment such as induction heating, headbox, shoe press etc. across the paper machines to enhance productivity and quality.
III. Installed state-of-the-art spectrophotometer to reduce shade variations in décor grade paper.
IV. New process and product technologies on personal hygiene, skin care and fragrances developed through in-house Research & Development in the Personal Care Products Business.
V. Induction of contemporary technologies and continuous improvement across businesses, towards reducing process variability, cycle time and wastages while enhancing manufacturing flexibility, productivity and capability across Businesses.

b) Benefits derived:

I. Cycle time reduction and productivity enhancement
II. World-class quality and differentiated products
III. Addressing market specific end-use applications
IV. Conservation of resources and improved efficiencies

c) The expenditure incurred on Research and Development:

	For the year ended 31st March, 2025
Expenditure on R&D:	**(₹ in Lakhs)**
i) Capital	1,395.62
ii) Revenue	18,768.49
Total	**20,164.10**
Total R&D Expenditure (as a % of Gross Revenue)	**0.27%**

On behalf of the Board

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

Kolkata, India
22nd May, 2025

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

Enduring Value

Annexure to the Report of the Board of Directors
For the Financial Year Ended 31st March, 2025

A. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Directors & Key Managerial Personnel	Designation	Ratio of Remuneration to Median Remuneration of all Employees	Increase in Remuneration over Last Year (%)
		Based on remuneration paid	
S Puri	Chairman & Managing Director	377 : 1	0
S Dutta	Executive Director & Chief Financial Officer	132 : 1	21
H Malik	Executive Director	99 : 1	148 *
B Sumant	Executive Director	174 : 1	(3)
H Bhargava	Independent Director	14 : 1	(7)
A M Bharucha	Independent Director	9 : 1	2572 *
C K Mishra [1]	Independent Director	9 : 1	–
S Mohanty [2]	Non-Executive Director	0 : 1	–
S Mukherjee	Independent Director	13 : 1	(8)
A Nayak	Independent Director	13 : 1	(10)
A Pande [3]	Non-Executive Director	1 : 1	–
S Panray	Non-Executive Director	13 : 1	(9)
N Rao	Independent Director	12 : 1	(12)
A K Seth	Independent Director	13 : 1	(7)
A Singh [4]	Non-Executive Director	1 : 1	–
P Subrahmanyam [5]	Independent Director	1 : 1	–
S Banerjee [6]	Independent Director	12 : 1	(16)
A Duggal [7]	Independent Director	13 : 1	(14)
M Gupta [8]	Non-Executive Director	13 : 1	(11)
R Jain [9]	Non-Executive Director	3 : 1	2288 *
M Shankar [7]	Independent Director	13 : 1	(14)
R K Singhi	Executive Vice President & Company Secretary	47 : 1	4

** Not comparable since the previous year's remuneration was for part of the year.*

[1] Appointed Independent Director w.e.f. 14.09.2024
[2] Appointed Non-Executive Director w.e.f. 01.01.2025
[3] Appointed Non-Executive Director w.e.f. 27.07.2024
[4] Appointed Non-Executive Director w.e.f. 02.04.2024
[5] Appointed Independent Director w.e.f. 02.04.2024
[6] Ceased to be Independent Director w.e.f. 30.07.2024
[7] Ceased to be Independent Director w.e.f. 15.09.2024
[8] Ceased to be Non-Executive Director w.e.f. 27.10.2024
[9] Ceased to be Non-Executive Director w.e.f. 31.05.2024

Notes

1) The number of permanent employees as on 31st March, 2025 was 22,041
2) Compared to the financial year 2023-24, the figures for the financial year 2024-25 reflect that:
   (i) Median remuneration of employees - Increased by 7%
   (ii) Average remuneration of employees - Increased by 5%
   (iii) Average remuneration of employees excluding Key Managerial Personnel (KMPs) - Increased by 5%
   (iv) Remuneration of KMPs - Decreased by 11%
3) Remuneration of Directors, KMPs and other employees is in accordance with the Company's Remuneration Policy

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - Available on the Company's corporate website **www.itcportal.com** .

On behalf of the Board

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

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

Kolkata
22nd May, 2025

Annexure to the Report of the Board of Directors
For the Financial Year Ended 31st March, 2025

KEY FINANCIAL RATIOS

[Pursuant to Schedule V(B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Key Financial Ratios for the Company:

		FY25	FY24
(i)	Operating Profit Margin (%)	35.4	38.0
(ii)	Net Profit Margin (%)[1]	26.7	29.4
(iii)	Debtors Turnover	20.7	24.7
(iv)	Inventory Turnover	5.3	6.0
(v)	Current Ratio	3.0	2.9
(vi)	Return on Net Worth[1]	29.2	29.2

Notes:

1. **Net Profit Margin** and **Return on Net Worth** ratios have been computed based on Profit After Tax (before exceptional items).
2. **Interest Coverage Ratio** and **Debt-Equity ratio** are not relevant for the Company as it has negligible debt.
3. Ratios for FY25 have been computed based on numbers for Continuing Operations pursuant to the demerger of the Hotels Business undertaking. Accordingly, the ratios for FY24 are not strictly comparable.

On behalf of the Board

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

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

Kolkata
22nd May, 2025

Annexure to the Report of the Board of Directors

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of ITC Limited

1. The Corporate Governance Report prepared by ITC Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and paras C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2025 and the said Report will be submitted by the Company to the Stock Exchanges as part of the Annual Report.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors is also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
   - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
   - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
   - iii. Obtained and read the Register of Directors as on March 31, 2025 and verified that atleast one independent woman director was on the Board of Directors throughout the year;
   - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 01, 2024 to March 31, 2025:
     - (a) Board of Directors;
     - (b) Audit Committee;
     - (c) Annual General Meeting (AGM);
     - (d) Nomination and Remuneration Committee;
     - (e) Stakeholders Relationship Committee;
     - (f) Risk Management Committee
   - v. Obtained necessary declarations from the directors of the Company.
   - vi. Obtained and read the policy adopted by the Company for related party transactions.
   - vii. Obtained the schedule of related party transactions during the year and balances at the year-end.
   - viii. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
   - ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2025, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

per Arvind Sethi
Partner
Membership Number: 89802
UDIN: 25089802BMNPUI7326

Place of Signature: Kolkata
Date: May 22, 2025

CEO and CFO Compliance Certificate

We, S. Puri, Chairman & Managing Director, and S. Dutta, Director & Chief Financial Officer, certify that :

a) We have reviewed the Financial Statements including the Statement of Cash Flows for the year ended 31st March, 2025 and to the best of our knowledge and belief :

   i) these Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii) these Statements together present a true and fair view of the Company's affairs and are in compliance with the Indian Accounting Standards, applicable laws and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2025 are fraudulent, illegal or violative of the ITC Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the Auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) i) There has not been any significant change in the internal controls over financial reporting during the year under reference;

   ii) There has not been any significant change in the material accounting policies during the year requiring disclosure in the notes to the Financial Statements; and

   iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control systems over financial reporting.

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

Kolkata, India
May 20, 2025

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

Enduring Value

Standalone Balance Sheet as at 31st March, 2025

	Note	As at 31st March, 2025 (₹ in Crores)			As at 31st March, 2024 (₹ in Crores)		
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	3A		16445.49			22015.50	
(b) Capital work-in-progress	3B		1067.79			1077.97	
(c) Investment Property	3C		399.89			373.09	
(d) Goodwill	3D		577.20			577.20	
(e) Other Intangible assets	3E		2024.04			2055.74	
(f) Intangible assets under development	3F		2.91			9.07	
(g) Right-of-use assets	3G		541.86			721.69	
(h) Financial Assets							
(i) Investments	4	20701.17			22821.94		
(ii) Loans	5	6.28			2.63		
(iii) Others	6	1522.90	22230.35		372.88	23197.45	
(i) Other non-current assets	7		963.73	44253.26		1229.22	51256.93
Current assets							
(a) Inventories	8		15061.01			12631.51	
(b) Financial Assets							
(i) Investments	9	15285.91			11916.88		
(ii) Trade receivables	10	3910.77			3311.45		
(iii) Cash and cash equivalents	11	222.06			197.63		
(iv) Bank Balances other than (iii) above	12	2962.32			6020.06		
(v) Loans	5	8.96			9.10		
(vi) Others	6	1261.20	23651.22		849.86	22304.98	
(c) Other current assets	7		1043.71	39755.94		1134.18	36070.67
TOTAL ASSETS				**84009.20**			**87327.60**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	13		1251.41			1248.47	
(b) Other Equity			66648.73	67900.14		70984.83	72233.30
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	–			1.76		
(ii) Lease liabilities	15	117.45			261.95		
(iii) Other financial liabilities	16	87.89	205.34		109.87	373.58	
(b) Provisions	17		225.23			221.45	
(c) Deferred tax liabilities (Net)	18		2556.35	2986.92		2083.66	2678.69
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	14	1.76			1.52		
(ii) Lease liabilities	15	37.54			46.74		
(iii) Trade Payables	19						
(A) total outstanding dues of micro and small enterprises; and		178.24			206.85		
(B) total outstanding dues of creditors other than micro and small enterprises		4311.58			4282.70		
(iv) Other financial liabilities	16	1448.69	5977.81		1659.33	6197.14	
(b) Other current liabilities	20		6070.02			5389.75	
(c) Provisions	17		46.53			68.72	
(d) Current Tax Liabilities (Net)	21		1027.78	13122.14		760.00	12415.61
TOTAL EQUITY AND LIABILITIES				**84009.20**			**87327.60**

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 22, 2025

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 Profit and Loss for the year ended 31st March, 2025

		Note	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
I	Revenue From Operations	22A, 22B	74236.07	67292.60
II	Other Income	23	3454.31	3529.76
III	**Total Income (I+II)**		**77690.38**	**70822.36**
IV	**EXPENSES**			
	Cost of materials consumed		23440.12	21055.85
	Purchases of Stock-in-Trade		8936.22	6039.81
	Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates	24	(640.50)	(370.09)
	Excise duty		4912.55	4664.48
	Employee benefits expense	25	3416.73	3200.93
	Finance costs	26	36.35	34.39
	Depreciation and amortization expense		1441.93	1357.20
	Other expenses	27	10146.12	9207.67
	Total expenses (IV)		**51689.52**	**45190.24**
V	**Profit before exceptional items and tax (III-IV)**		**26000.86**	**25632.12**
VI	Exceptional Items	29(i)	527.96	–
VII	**Profit before tax (V+VI)**		**26528.82**	**25632.12**
VIII	**Tax expense:**			
	Current Tax	28	5990.17	5516.91
	Deferred Tax	28	446.80	204.98
IX	**Profit for the year from continuing operations (VII-VIII)**		**20091.85**	**19910.23**
X	Profit before exceptional items and tax from discontinued operations		572.52	691.22
XI	Exceptional Items of discontinued operations		15163.06	(7.57)
XII	Tax expense of discontinued operations	28	631.82	171.91
XIII	**Profit for the year from discontinued operations (X+XI-XII)**	29(x)	**15103.76**	**511.74**
XIV	**Profit for the year (IX+XIII)**		**35195.61**	**20421.97**
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss:			
	– Remeasurements of the defined benefit plans	29(vii)	(27.41)	(22.97)
	– Equity instruments through other comprehensive income		(999.57)	2515.06
	– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		0.23	(10.46)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	28	85.34	(228.72)
	B (i) Items that will be reclassified to profit or loss:			
	– Exchange differences on net investment in foreign operations	29(x)	(40.55)	–
	– Debt instruments through other comprehensive income		72.07	17.91
	– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(8.22)	19.71
	(ii) Income tax relating to items that will be reclassified to profit or loss	28	(11.27)	(9.47)
XV	**Other Comprehensive Income [A(i+ii) + B(i+ii)]**		**(929.38)**	**2281.06**
XVI	**Total Comprehensive Income for the year (XIV+XV)**		**34266.23**	**22703.03**
XVII	Earnings per equity share (Face Value ₹ 1.00 each):	29(ii)		
	For Continuing Operations			
	(a) Basic (in ₹)		16.07	15.98
	(b) Diluted (in ₹)		16.05	15.94
	For Discontinued Operations			
	(a) Basic (in ₹)		12.08	0.41
	(b) Diluted (in ₹)		12.06	0.41
	For Continuing and Discontinued Operations			
	(a) Basic (in ₹)		28.15	16.39
	(b) Diluted (in ₹)		28.11	16.35

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 22, 2025

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, 2025

Enduring Value

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, 2025	1248.47	2.94	1251.41
For the year ended 31st March, 2024	1242.80	5.67	1248.47

B. Other Equity (₹ in Crores)

	Reserves and Surplus							Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	
Balance as at 1st April, 2024	**2.48**	**14842.78**	**507.59**	**0.30**	**363.05**	**17585.31**	**34488.10**	**(10.02)**	**3163.40**	**1.29**	**40.55**	**70984.83**
Profit for the year	–	–	–	–	–	–	35195.61	–	–	–	–	35195.61
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	(23.66)	58.73	(917.92)	(5.98)	(40.55)	(929.38)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**35171.95**	**58.73**	**(917.92)**	**(5.98)**	**(40.55)**	**34266.23**
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
Transfer from Share Options Outstanding Account 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 [Refer Note 29(x)]	–	–	–	–	–	(22033.37)	–	–	–	–	–	(22033.37)
Transfer from retained earnings [Refer Note 29(x)]	–	–	–	–	–	4448.06	(4448.06)	–	–	–	–	–
Derecognised pursuant to Scheme of Demerger [Refer Note 29(xv)(A)]	–	–	(22.89)	–	–	–	–	–	–	–	–	(22.89)
Balance as at 31st March, 2025	**2.48**	**15834.70**	**422.76**	**0.30**	**363.05**	**–**	**47735.79**	**48.71**	**2245.48**	**(4.54)**	**–**	**66648.73**
Balance as at 1st April, 2023	**2.48**	**13065.62**	**741.45**	**0.30**	**363.05**	**17585.31**	**33687.70**	**(23.42)**	**885.48**	**2.48**	**40.55**	**66351.00**
Profit for the year	–	–	–	–	–	–	20421.97	–	–	–	–	20421.97
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	(17.18)	13.40	2277.92	6.92	–	2281.06
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**20404.79**	**13.40**	**2277.92**	**6.92**	**–**	**22703.03**
Issue of equity shares under ITC Employee Stock Option Schemes	–	1437.16	–	–	–	–	–	–	–	–	–	1437.16

Standalone Statement of Changes in Equity for the year ended 31st March, 2025

B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus							Items of Other Comprehensive Income				Total
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve	
Dividends												
– Final Dividend (2022-23 - ₹ 6.75 per share)	–	–	–	–	–	–	(8388.91)	–	–	–	–	(8388.91)
– Special Dividend (2022-23 - ₹ 2.75 per share)	–	–	–	–	–	–	(3417.70)	–	–	–	–	(3417.70)
– Interim Dividend (2023-24 - ₹ 6.25 per share)	–	–	–	–	–	–	(7799.45)	–	–	–	–	(7799.45)
Transfer from Share Options Outstanding Account on exercise and lapse	–	340.00	(342.50)	–	–	–	1.67	–	–	–	–	(0.83)
Transferred to initial carrying amount of hedged items (net of tax)	–	–	–	–	–	–	–	–	–	(8.11)	–	(8.11)
Recognition of share based payment	–	–	108.64	–	–	–	–	–	–	–	–	108.64
Balance as at 31st March, 2024	**2.48**	**14842.78**	**507.59**	**0.30**	**363.05**	**17585.31**	**34488.10**	**(10.02)**	**3163.40**	**1.29**	**40.55**	**70984.83**

The Board of Directors of the Company have recommended Final Dividend of ₹ 7.85 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2025 (previous year: Final Dividend ₹ 7.50 per Ordinary Share) amounting to ₹ 9823.58 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: ₹ 6.25 per Ordinary Share) paid on 7th March, 2025, the total Equity Dividend for the financial year ended 31st March, 2025 is ₹ 14.35 per Ordinary Share (previous year: ₹ 13.75 per Ordinary Share).

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

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

Share Options Outstanding Account: This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

Capital Redemption Reserve: This Reserve has been transferred to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

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

General Reserve: This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

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

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

Equity Instruments through Other Comprehensive Income: This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to 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 contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation whose functional currency is other than Indian Rupee. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 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 22, 2025

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

Enduring Value

Standalone Statement of Cash Flows for the year ended 31st March, 2025

	For the year ended 31st March, 2025 (₹ in Crores)		For the year ended 31st March, 2024 (₹ in Crores)	
A. Cash Flow from Operating Activities				
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**26528.82**		**25632.12**
PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS		**15735.58**		**683.65**
ADJUSTMENTS FOR:				
Depreciation and amortization expense	1668.88		1647.82	
Share based payments to employees	130.00		103.10	
Finance costs	44.84		45.73	
Interest Income	(1423.52)		(1592.41)	
Dividend Income	(1019.59)		(990.35)	
Net gain on sale of property, plant and equipment, lease termination	(105.37)		(54.07)	
Inventory write-offs/write-downs (net of reversals)	223.23		149.62	
Doubtful and bad debts	11.53		9.23	
Doubtful and bad advances, loans and deposits	1.87		25.03	
Impairment of investment in associate	11.00		–	
Gain recognised on divestment of shares held in joint venture	–		(9.49)	
Gain recognised on fair valuation of net assets distributed pursuant to Scheme of Demerger [Refer Note 29(x)]	(15617.37)		–	
Net gain arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income	(1396.92)		(784.82)	
Foreign currency translations and transactions - Net	4.36	(17467.06)	(6.28)	(1456.89)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		24797.34		24858.88
ADJUSTMENTS FOR:				
Trade receivables, advances and other assets	(839.29)		(887.87)	
Inventories	(2695.45)		(2187.23)	
Trade payables, other liabilities and provisions	1332.98	(2201.76)	17.30	(3057.80)
CASH GENERATED FROM OPERATIONS		22595.58		21801.08
Income tax paid (net of refunds)		(5844.57)		(5682.85)
NET CASH FROM OPERATING ACTIVITIES		**16751.01**		**16118.23**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment, Intangibles, ROU asset etc.	(1788.64)		(2647.23)	
Sale of property, plant and equipment	157.77		100.85	
Purchase of current investments	(59298.75)		(64931.45)	
Sale/redemption of current investments	59961.52		67992.14	
Investment in subsidiaries	(866.08)		(1050.35)	
Investment in associates	(29.99)		(86.26)	
Investment in joint venture	–		(0.90)	
Purchase of non-current investments	(390.52)		(2745.51)	
Sale/redemption of non-current investments	390.19		2622.86	
Dividend received	1019.59		990.35	
Interest received	986.69		1016.53	
Investment in bank deposits (original maturity more than 3 months)	(5217.10)		(3578.11)	
Redemption/maturity of bank deposits (original maturity more than 3 months)	5920.74		4446.34	
Investment in deposit with financial institution	(1200.00)		–	
Maturity of deposit with financial institution	500.00		–	
Loans given	(17.39)		(12.22)	
Loans realised	13.45		10.51	
NET CASH FROM INVESTING ACTIVITIES		**141.48**		**2127.55**

Enduring Value

Standalone Statement of Cash Flows for the year ended 31st March, 2025

	For the year ended 31st March, 2025 (₹ in Crores)		For the year ended 31st March, 2024 (₹ in Crores)	
C. Cash Flow from Financing Activities				
Proceeds from issue of share capital	797.33		1442.83	
Repayment of non-current borrowings	(1.52)		(1.26)	
Principal payment of lease liabilities	(47.48)		(56.64)	
Interest paid	(44.84)		(46.02)	
Net increase in statutory restricted accounts balances	8.09		12.12	
Dividend paid	(17496.65)		(19606.06)	
Dividend distribution tax refund received	19.45		–	
NET CASH USED IN FINANCING ACTIVITIES		**(16765.62)**		**(18255.03)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**126.87**		**(9.25)**
OPENING CASH AND CASH EQUIVALENTS		**197.63**		**206.88**
LESS: ON DEMERGER [Refer Note 29(x)]		**(102.44)**		**–**
CLOSING CASH AND CASH EQUIVALENTS		**222.06**		**197.63**

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, 2025	As at 31st March, 2024
Cash and cash equivalents as above	222.06	197.63
Unrealised gain/(loss) on foreign currency cash and cash equivalents	...	...
Cash and cash equivalents (Note 11)	222.06	197.63

3. Net Cash Flow from Operating Activities includes an amount of ₹ 442.68 Crores (2024 - ₹ 436.16 Crores) spent towards Corporate Social Responsibility.

4. Disclosure of change arising from financing activities in respect of lease liabilities - Refer Note 15.

The accompanying notes 1 to 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 22, 2025

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, BSE Limited and The Calcutta Stock Exchange Limited.

The Company is a diversified conglomerate with businesses spanning Fast-Moving Consumer Goods (Cigarettes & Cigars, Foods, Personal Care Products, Education & Stationery Products, Safety Matches and Agarbattis), 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 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.

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 are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Company with finite lives are as follows:

Trademarks/Know How, Business and Commercial Rights	10 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	5 Years
Customer Relationships	8 Years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Investment Property

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight-line method so as to amortise the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

1. Material Accounting Policies (Contd.)

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 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.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to

1. Material Accounting Policies (Contd.)

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. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods includes Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

Government Grant

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

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

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

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

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

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

Dividend Distribution

Dividends paid (including income tax thereon, if any) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by 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

1. Material Accounting Policies (Contd.)

recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. In respect of other employees, provident funds are deposited with the Government administered funds and recognised as expense.

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

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

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

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

Employee Share Based Compensation

Stock Options

Equity settled Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ('ITC ESOS'), as may be decided by the Nomination & Compensation Committee / Board. 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 is recognised based on the fair value of Stock Options as on the grant date.

The fair value of Stock Options 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 and recognised as a financial liability for ITCHL SP ESOS. The fair value of Stock Options, net of recoveries, granted to employees on deputation and to employees of the group companies is considered as capital contribution / investment.

The Company generally recovers the fair value of Stock Options 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.

Stock Appreciation Linked Reward (SAR) Plan

Cash Settled SAR units are granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan ('ITC ESARP'), 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 ITC ESARP 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 ITC ESARP units granted to employees on deputation and to employees of the group companies, the Company generally recovers the fair value of ITC ESARP 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 option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those

1. Material Accounting Policies (Contd.)

leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude is ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

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

Company as a Lessor

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

Taxes on Income

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

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

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

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

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

Claims

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

Provisions

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

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

Operating Segments

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

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

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

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

Financial and Management Information Systems

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

Notes to the Standalone Financial Statements

2. Use of estimates and judgements

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

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

A. Judgements in applying accounting policies

The judgements, apart from those involving estimations (see note B below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortised over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

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

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

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

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

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

3. **Actuarial Valuation:**

   The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in Other Comprehensive Income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in 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, 2023	Additions	Withdrawals and adjustments#	As at 31st March, 2024	Additions	Withdrawals and adjustments#	Transferred pursuant to Scheme of Demerger*	As at 31st March, 2025
3A. Property, Plant and Equipment[1]								
Land[2]	2018.10	4.13	17.57	2004.66	58.31	3.92	930.28	1128.77
Buildings	9105.41	929.54	42.04	9992.91	401.44	62.65	3563.11	6768.59
Leasehold Improvements	12.61	9.13	–	21.74	0.83	0.16	7.56	14.85
Plant and Equipment	17805.06	2101.72	157.53	19749.25	1224.89	186.02	2427.80	18360.32
Furniture and Fixtures	980.68	65.05	7.02	1038.71	35.67	6.47	806.17	261.74
Vehicles	156.26	24.12	22.04	158.34	23.61	18.46	48.99	114.50
Office Equipment	30.62	6.53	0.88	36.27	9.55	1.30	1.31	43.21
Railway Sidings	1.73	–	–	1.73	–	–	–	1.73
TOTAL	**30110.47**	**3140.22**	**247.08**	**33003.61**	**1754.30**	**278.98**	**7785.22**	**26693.71**
3B. Capital work-in-progress	**1681.47**	**2471.14**	**3074.64**	**1077.97**	**1738.49**	**1715.95**	**32.72**	**1067.79**
3C. Investment Property[3]	**410.63**	**–**	**(41.40)**	**452.03**	**1.75**	**(51.67)**	**–**	**505.45**
3D. Goodwill[4]	**577.20**	**–**	**–**	**577.20**	**–**	**–**	**–**	**577.20**
3E. Other Intangible assets (acquired)								
Assets with indefinite life[4]								
Trademarks	1889.78	–	–	1889.78	–	–	–	1889.78
Assets with finite life								
Trademarks	30.57	–	–	30.57	–	–	–	30.57
Computer Software	300.33	49.69	1.84	348.18	25.51	4.65	58.95	310.09
Know How, Business and Commercial Rights	43.89	12.51	–	56.40	3.77	–	3.77	56.40
Customer Relationships	35.21	–	–	35.21	–	–	–	35.21
TOTAL	**2299.78**	**62.20**	**1.84**	**2360.14**	**29.28**	**4.65**	**62.72**	**2322.05**
3F. Intangible assets under development	**15.13**	**52.40**	**58.46**	**9.07**	**21.17**	**25.68**	**1.65**	**2.91**
3G. Right-of-use assets^								
Land	516.63	9.09	0.19	525.53	0.07	0.32	95.16	430.12
Buildings	297.59	85.40	39.54	343.45	63.14	90.41	102.69	213.49
Plant and Equipment	48.63	–	6.80	41.83	–	9.86	–	31.97
TOTAL	**862.85**	**94.49**	**46.53**	**910.81**	**63.21**	**100.59**	**197.85**	**675.58**

Includes amounts transferred to Investment Property on its recognition
* Refer Note 29(x)
& includes ₹ 226.95 Crores (2024 - ₹ 290.62 Crores) relating to discontinued operations.
^ Also refer Note 29(viii)

Notes:

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

(₹ in Crores)

Particulars	As at 31st March, 2024			2024	As at 31st March, 2025			2025
	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	3.59	1.15	2.44	0.06	1.82	1.07	0.75	0.55
Plant and Equipment	267.22	183.41	83.81	14.24	285.90	196.72	89.18	12.95
TOTAL	**272.29**	**184.56**	**87.73**	**14.30**	**289.20**	**197.79**	**91.41**	**13.50**

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 72.55 Crores (2024 - ₹ 129.01 Crores).

2. Land includes certain lands at Munger with Gross Block ₹ 1.16 Crores (2024 - ₹ 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, 2023	For the year[&]	On Withdrawals and adjustments[#]	Upto 31st March, 2024	For the year[&]	On Withdrawals and adjustments[#]	Transferred pursuant to Scheme of Demerger*	Upto 31st March, 2025	As at 31st March, 2025	As at 31st March, 2024
3A. Property, Plant and Equipment[1]										
Land[2]	–	–	–	–	–	–	–	–	1128.77	2004.66
Buildings	1364.95	234.28	9.96	1589.27	244.18	12.41	414.86	1406.18	5362.41	8403.64
Leasehold Improvements	8.73	0.33	–	9.06	0.81	0.14	5.14	4.59	10.26	12.68
Plant and Equipment	7604.87	1188.01	124.26	8668.62	1212.84	155.64	1131.94	8593.88	9766.44	11080.63
Furniture and Fixtures	540.82	82.82	6.00	617.64	70.84	5.13	521.74	161.61	100.13	421.07
Vehicles	76.95	16.31	14.84	78.42	15.49	11.30	26.72	55.89	58.61	79.92
Office Equipment	21.79	2.96	0.82	23.93	3.18	1.10	1.24	24.77	18.44	12.34
Railway Sidings	1.04	0.13	–	1.17	0.13	–	–	1.30	0.43	0.56
TOTAL	**9619.15**	**1524.84**	**155.88**	**10988.11**	**1547.47**	**185.72**	**2101.64**	**10248.22**	**16445.49**	**22015.50**
3B. Capital work-in-progress	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1067.79**	**1077.97**
3C. Investment Property[3]	**58.37**	**13.53**	**(7.04)**	**78.94**	**15.39**	**(11.23)**	**–**	**105.56**	**399.89**	**373.09**
3D. Goodwill[4]	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**577.20**	**577.20**
3E. Other Intangible assets (acquired)										
Assets with indefinite life[4]										
Trademarks	–	–	–	–	–	–	–	–	1889.78	1889.78
Assets with finite life										
Trademarks	23.58	3.14	–	26.72	2.28	–	–	29.00	1.57	3.85
Computer Software	199.79	32.34	1.84	230.29	35.18	4.65	47.75	213.07	97.02	117.89
Know How, Business and Commercial Rights	27.20	4.00	–	31.20	4.28	–	0.13	35.35	21.05	25.20
Customer Relationships	11.79	4.40	–	16.19	4.40	–	–	20.59	14.62	19.02
TOTAL	**262.36**	**43.88**	**1.84**	**304.40**	**46.14**	**4.65**	**47.88**	**298.01**	**2024.04**	**2055.74**
3F. Intangible assets under development	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.91**	**9.07**
3G. Right-of-use assets ^										
Land	29.23	8.02	–	37.25	7.45	0.03	12.74	31.93	398.19	488.28
Buildings	95.64	52.26	16.59	131.31	48.74	85.94	6.71	87.40	126.09	212.14
Plant and Equipment	22.07	5.29	6.80	20.56	3.69	9.86	–	14.39	17.58	21.27
TOTAL	**146.94**	**65.57**	**23.39**	**189.12**	**59.88**	**95.83**	**19.45**	**133.72**	**541.86**	**721.69**

3. The fair value of the investment property is ₹ 1647.41 Crores (2024 - ₹ 1166.02 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, 2025	For the year ended 31st March, 2024
Rental Income etc. from investment property	156.54	138.90
Direct Operating Expenses arising from investment property that generated rental income during the year[$]	19.45	14.75
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% (2024 - 10%) and long-term growth rates ranging between 5% to 6% (2024 - 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, 2024					As at 31st March, 2025				
	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	870.57	149.72	25.69	31.99	1077.97	803.32	172.34	61.25	30.88	1067.79
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**870.57**	**149.72**	**25.69**	**31.99**	**1077.97**	**803.32**	**172.34**	**61.25**	**30.88**	**1067.79**

Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2024					As at 31st March, 2025				
	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	7.62	1.45	–	–	9.07	2.34	0.57	–	–	2.91
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**7.62**	**1.45**	**–**	**–**	**9.07**	**2.34**	**0.57**	**–**	**–**	**2.91**

Note: There are no projects in CWIP and IAUD, which are overdue or have exceeded their cost compared to their original plan as at 31st March, 2025 and 31st March, 2024.

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		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	1014.50	8,80,00,000	616.18
Landbase India Limited^	10	–	–	31,70,00,000	325.57
Surya Nepal Private Limited (Ordinary Shares)	Nepalese Rupee (NRS) 50	2,37,88,800	10.15	2,37,88,800	10.15
Srinivasa Resorts Limited^	10	–	–	1,63,20,477	18.53
Fortune Park Hotels Limited^	10	–	–	4,50,008	0.45
Bay Islands Hotels Limited^	100	–	–	11,875	0.12
WelcomHotels Lanka (Private) Limited^	No par value	–	–	66,58,32,260	1952.35
Wimco Limited	1	18,50,81,193	3.50	18,50,81,193	3.50
Technico Pty Limited (Ordinary Shares) *(₹ 16.29 Crores impaired)*	No par value	1,00,15,502	31.88	1,00,15,502	31.88
Technico Agri Sciences Limited	10	3,79,62,800	121.00	3,79,62,800	121.00
ITC Integrated Business Services Limited	10	75,00,000	7.50	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 *(cost ₹ 5.99 Crores, fully impaired)*	10	55,10,004	–	55,10,004	–
Prag Agro Farm Limited *(cost ₹ 12.82 Crores, fully impaired)*	1	1,28,00,020	–	1,28,00,020	–
ITC Fibre Innovations Limited	10	29,00,00,000	290.00	20,00,00,000	200.00
ITC Hotels Limited^	1	–	–	83,00,00,000	83.00
Greenacre Holdings Limited	10	4,20,60,166	42.10	–	–
In Associates (at cost)					
Quoted					
ITC Hotels Limited^	1	83,00,00,000	4298.32	–	–
International Travel House Limited^	10	–	–	39,14,233	21.87
Gujarat Hotels Limited^	10	–	–	17,33,907	1.94
Carried over			6668.94		4244.03

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			6668.94		4244.03
INVESTMENT IN EQUITY INSTRUMENTS (Contd.)					
Unquoted					
Delectable Technologies Private Limited [Refer Note 29(xiv)] *[₹ 3.60 Crores (2024 - NIL) impaired]*	10	2,386	–	2,386	3.60
Mother Sparsh Baby Care Private Limited [Refer Note 29(xiii)]	10	100	0.96	100	0.96
Sproutlife Foods Private Limited [Refer Note 29(vi)(b)]	10	2,443	40.33	2,443	40.33
In Joint Ventures (at cost)					
Unquoted					
Maharaja Heritage Resorts Limited^	100	–	–	1,80,000	1.80
Logix Developers Private Limited [Refer Note 29(ix)] *[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 [Refer Note 29(i)]	2	10,08,53,602	3565.17	8,56,21,473	3848.69
HLV Limited [Refer Note 29(i)]	2	5,34,13,884	64.20	4,99,53,055	130.13
Tourism Finance Corporation of India Limited	10	25,000	0.42	25,000	0.43
VST Industries Limited	10	5,236	0.14	476	0.17
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
Mirage Advertising and Marketing Limited	10	–	–	12,488	–
Blupin Technologies Private Limited (at fair value through profit or loss)	10	400	3.64	400	3.82
INVESTMENT IN PREFERENCE SHARES					
In Subsidiaries (at amortised cost unless stated otherwise)					
Unquoted					
WelcomHotels Lanka (Private) Limited (at cost)^ (Cumulative Non-Convertible Redeemable Preference Shares)	No par value	–	–	38,33,73,340	1527.42
Carried over			10343.85		9801.43

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			10343.85		9801.43
INVESTMENT IN PREFERENCE SHARES (Contd.)					
Wimco Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	5,00,000	5.00	–	–
ITC IndiVision Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	2,20,00,000	220.00	2,20,00,000	220.00
In Associates (at cost)					
Unquoted					
Delectable Technologies Private Limited [Refer Note 29(xiv)] (Compulsorily Convertible Cumulative Preference Shares) *[₹ 7.40 Crores (2024 - NIL) impaired]*	10	7,759	–	7,759	7.40
Mother Sparsh Baby Care Private Limited [Refer Note 29(xiii)] (Compulsorily Convertible Cumulative Preference Shares)	10	3,837	44.04	3,837	44.04
Sproutlife Foods Private Limited [Refer Note 29(vi)(b)] (Compulsorily Convertible Preference Shares)	10	10,984	214.67	9,571	184.67
In Others (at fair value through profit or loss)					
Unquoted					
Blupin Technologies Private Limited (Compulsorily Convertible Cumulative Preference Shares)	100	3,232	29.33	2,980	35.52
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	9.51
Zero Coupon Government Stock - 22-Aug-2025	100	–	–	25,35,000	23.31
Zero Coupon Government Stock - 15-Dec-2025	100	–	–	36,34,800	32.83
Zero Coupon Government Stock - 17-Dec-2025	100	–	–	6,02,300	5.42
Zero Coupon Government Stock - 22-Feb-2026	100	–	–	25,35,000	22.52
Zero Coupon Government Stock - 15-Jun-2026	100	10,20,000	9.47	10,20,000	8.89
Zero Coupon Government Stock - 22-Aug-2026	100	63,54,400	58.14	63,54,400	54.55
Zero Coupon Government Stock - 15-Dec-2026	100	10,20,000	9.15	10,20,000	8.58
Zero Coupon Government Stock - 22-Feb-2027	100	40,11,000	35.44	40,11,000	33.20
Zero Coupon Government Stock - 15-Jun-2027	100	31,17,000	27.01	31,17,000	25.32
Zero Coupon Government Stock - 22-Aug-2027	100	48,54,400	41.37	48,54,400	38.70
Carried over			11037.47		10555.89

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			11037.47		10555.89
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (Contd.)					
Unquoted					
Government Securities - cost ₹ 70000.00			0.01		0.01
National Savings Certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)			...		...
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	432.13
7.19% - Series A - 31-Jul-2025	10,00,000	–	–	150	15.18
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	5,00,000	52.62
India Infrastructure Finance Company Limited					
7.36% - Series II - 22-Jan-2028	1,000	3,00,000	31.04	3,00,000	31.38
8.26% - Series V B - 23-Aug-2028	10,00,000	1,175	121.05	1,175	121.96
8.46% - Series VI B - 30-Aug-2028	10,00,000	1,300	135.79	1,300	137.27
8.48% - Series VII B - 05-Sep-2028	10,00,000	1,780	184.24	1,780	185.83
Indian Railway Finance Corporation Limited					
7.07% - Series 102 - 21-Dec-2025	1,000	–	–	70,498	7.13
7.15% - Series 100 - 21-Aug-2025	10,00,000	–	–	250	25.28
7.19% - Series 99 - 31-Jul-2025	10,00,000	–	–	2,250	225.26
7.34% - Series 86A - 19-Feb-2028	1,000	1,00,000	10.39	1,00,000	10.51
8.48% - Series 89A - 21-Nov-2028	10,00,000	1,250	129.22	1,250	130.20
8.55% - Series 94A - 12-Feb-2029	10,00,000	130	13.49	130	13.60
National Bank for Agriculture and Rural Development					
7.07% - Series 1A - 25-Feb-2026	10,00,000	–	–	2,000	203.14
Carried over			11784.54		12217.46

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			11784.54		12217.46
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
National Highways Authority of India					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	–	–	2,600	260.23
7.14% - Series I A - 11-Jan-2026	1,000	–	–	8,06,381	81.19
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	180.62	17,49,943	181.40
8.50% - Series II A - 05-Feb-2029	1,000	5,00,000	53.87	5,00,000	54.74
8.75% - Series II B - 05-Feb-2029	1,000	2,50,000	27.26	2,50,000	27.77
National Housing Bank					
8.46% - Series V - 30-Aug-2028	10,00,000	800	82.44	800	83.07
Power Finance Corporation Limited					
7.16% - Series 136 - 17-Jul-2025	10,00,000	–	–	600	60.63
8.46% - Series 107B - 30-Aug-2028	10,00,000	500	51.53	500	51.92
8.54% - Series 2A - 16-Nov-2028	1,000	3,50,000	38.00	3,50,000	38.73
REC Limited					
7.17% - Series 5A - 23-Jul-2025	10,00,000	–	–	850	85.88
8.46% - Series 3B - 29-Aug-2028	10,00,000	1,190	124.54	1,190	125.96
8.46% - Series 2A - 24-Sep-2028	1,000	3,50,000	37.81	3,50,000	38.52
8.54% - Series 4B - 11-Oct-2028	10,00,000	50	5.17	50	5.21
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	99.36	10,000	99.06
7.62% - Series 23 I - 31-Jan-2028	1,00,000	19,000	189.02	19,000	188.72
7.62% - Series 24 H - 10-May-2029	1,00,000	20,000	199.89	20,000	200.00
8.22% - Series PMAYG-PB-2 - 13-Dec-2028	10,00,000	1,550	157.83	1,550	158.48
Carried over			13281.88		14208.97

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			13281.88		14208.97
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
Small Industries Development Bank of India					
7.43% - Series I - 31-Aug-2026	1,00,000	5,000	49.68	5,000	49.50
7.44% - Series II - 04-Sep-2026	1,00,000	5,000	49.69	5,000	49.52
7.68% - Series IX - 10-Aug-2027	1,00,000	30,000	299.92	30,000	299.99
7.79% - Series IV - 19-Apr-2027	1,00,000	30,000	300.15	30,000	299.90
7.79% - Series VI - 14-May-2027	1,00,000	25,000	249.82	25,000	249.86
7.83% - Series V - 24-Nov-2028	1,00,000	40,500	404.89	40,500	404.91
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	313	313.00
7.72% - Series II (with first Call option 18-Oct-2026)	1,00,00,000	400	400.00	400	400.00
Zero Coupon Bonds - Secured, Redeemable & Non-Convertible					
LIC Housing Finance Limited					
Tranche 416 - 25-Apr-2025	10,00,000	–	–	10,000	1144.67
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
Aditya Birla Sun Life Mutual Fund	10	2,19,98,900	26.37	2,19,98,900	24.84
DSP Mutual Fund	10	4,99,97,500	58.99	4,99,97,500	55.04
Nippon India Mutual Fund	10	1,49,99,250	18.20	1,49,99,250	17.09
SBI Mutual Fund	10	21,19,89,401	255.96	23,69,88,151	269.91
Exchange Traded Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	1	5,50,00,000	68.84	13,25,00,000	154.00
Edelweiss Mutual Fund	1,000	–	–	33,03,209	395.25
Nippon India Mutual Fund	10	12,84,26,359	915.01	6,50,00,000	778.38
Carried over			16692.40		19114.83

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current Investments (Contd.)					
Brought forward			16692.40		19114.83
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Aditya Birla Sun Life Mutual Fund	10	86,52,07,440	1050.21	84,29,49,728	945.75
Axis Mutual Fund	10	12,39,16,078	148.99	16,74,27,323	185.66
Bandhan Mutual Fund	10	4,24,53,511	54.21	–	–
DSP Mutual Fund	10	4,76,41,228	58.00	4,76,41,228	53.08
HDFC Mutual Fund	10	2,24,75,231	27.62	–	–
ICICI Prudential Mutual Fund	10	64,66,52,376	786.80	54,91,10,334	615.29
Kotak Mahindra Mutual Fund	10	59,85,34,837	728.62	59,85,34,837	669.83
Nippon India Mutual Fund	10	28,00,48,239	334.51	24,38,33,990	269.43
SBI Mutual Fund	10	56,98,58,756	687.00	75,82,85,035	846.11
INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (at fair value through profit or loss)					
Unquoted					
Chiratae Ventures India Fund IV	1,00,000	1,421	20.53	1,279	18.74
Fireside Ventures Investments Fund I	1,00,000	1,182	37.61	1,289	42.29
Fireside Ventures Investments Fund II	1,000	1,87,606	31.10	1,79,000	28.37
Fireside Ventures Investments Fund III	1,00,000	1,000	9.49	560	4.42
India Foundation Fund Series I	100	8,39,020	8.37	4,73,457	4.80
Roots Ventures I	100	9,36,923	21.86	9,63,113	23.34
Avaana Sustainability Fund	1,000	41,178	3.85	–	–
Aggregate amount of quoted investments			**13763.75**		**12824.99**
Aggregate amount of unquoted investments			**6937.42**		**9996.95**
Total			**20701.17**		**22821.94**

Aggregate market value of quoted investments ₹ 25924.28 Crores (2024 - ₹ 12915.49 Crores).
Aggregate amount of impairment in value of investments ₹ 88.05 Crores (2024 - ₹ 77.05 Crores).

^ Also refer Note 29(x)

Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under the 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 cash flows.

** Exchange Traded / Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cash flows 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.

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
5. Loans				
Other Loans - Employees				
– Unsecured, considered good	8.96	6.28	9.10	2.63
TOTAL	**8.96**	**6.28**	**9.10**	**2.63**

	Current	Non-Current	Current	Non-Current
6. Other Financial Assets				
Security Deposits*	21.89	22.42	28.49	72.59
Bank deposits with more than 12 months maturity	–	1250.00	–	300.00
Others				
Deposits other than Security Deposits	451.92	250.48	8.16	0.29
Interest accrued on Loans, Deposits, Investments etc.	277.70	–	403.25	–
Other Receivables**	509.69	–	409.96	–
TOTAL	**1261.20**	**1522.90**	**849.86**	**372.88**

* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2024 - ₹ 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, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
7. Other Assets				
Capital Advances	–	68.33	–	194.32
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	0.48	702.34	0.71	790.91
– Others	6.26	117.60	0.97	162.10
Advances to related parties (Refer Note 31)	–	–	21.30	–
Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.)	885.31	75.46	965.13	81.89
Other Receivables *	151.66	–	146.07	–
TOTAL	**1043.71**	**963.73**	**1134.18**	**1229.22**

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

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
8. Inventories*		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	10265.38	8494.87
Work-in-progress	405.30	322.10
Finished goods (manufactured)	2363.72	2115.45
Stock-in-trade (goods purchased for resale)	1277.45	979.40
Stores and spares	644.84	623.96
Intermediates - Tissue paper and Paperboards	104.32	95.73
TOTAL	**15061.01**	**12631.51**
The above includes goods in transit as under:		
Raw materials (including packing materials)	255.00	159.15
Stock-in-trade (goods purchased for resale)	8.36	2.89
Stores and spares	3.03	2.05
TOTAL	**266.39**	**164.09**

The cost of inventories recognised as an expense includes ₹ 224.54 Crores (2024 - ₹ 151.49 Crores) in respect of write-offs / write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 1.31 Crores (2024 - ₹ 1.87 Crores) have been made owing to subsequent increase in net realisable value.

Inventories of ₹ 886.65 Crores (2024 - ₹ 670.06 Crores) are expected to be recovered after more than twelve months.

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

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
9. Current Investments (at fair value through profit or loss, unless stated otherwise)					
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	–	–
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 CERTIFICATES OF DEPOSIT					
Unquoted					
Axis Bank Limited - 18-Jul-2024	5,00,000	–	–	42,000	2039.00
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	–	–
HDFC Bank Limited - 18-Jul-2024	5,00,000	–	–	10,000	485.47
HDFC Bank Limited - 25-Jul-2025	5,00,000	3,000	145.04	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Exchange Traded Funds					
Nippon India Mutual Fund	10	–	–	58,69,560	70.52
Unquoted					
Liquid/Overnight Funds					
LIC Mutual Fund	1,000	–	–	2,31,584	100.18
Carried over			1586.96		2695.17

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			1586.96		2695.17
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Ultra Short Term Funds					
Aditya Birla Sun Life Mutual Fund	100	1,86,63,673	1015.34	1,86,63,673	940.65
ICICI Prudential Mutual Fund	10	1,74,13,815	51.09	–	–
Kotak Mahindra Mutual Fund	10	23,75,47,122	1036.62	23,75,47,122	963.52
SBI Mutual Fund	1,000	2,47,159	147.37	2,47,159	136.90
Low Duration Funds					
Aditya Birla Sun Life Mutual Fund	100	87,701	6.24	87,701	5.78
Axis Mutual Fund	1,000	14,17,525	449.84	14,17,525	416.27
Bandhan Mutual Fund	10	7,34,11,386	284.06	7,34,11,386	263.71
DSP Mutual Fund	10	17,22,63,805	334.81	17,22,63,805	311.47
ICICI Prudential Mutual Fund	100	1,40,07,103	755.44	1,40,07,103	699.32
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	21,18,791	753.41	19,73,814	650.49
Money Market Funds					
Aditya Birla Sun Life Mutual Fund	100	40,95,539	150.50	40,95,539	139.49
Axis Mutual Fund	1,000	20,57,053	291.12	20,57,053	269.73
Bandhan Mutual Fund	10	4,22,87,680	180.89	4,22,87,680	167.70
DSP Mutual Fund	10	28,79,974	15.33	–	–
HDFC Mutual Fund	1,000	7,47,666	427.20	7,47,666	396.04
Kotak Mahindra Mutual Fund	1,000	6,53,754	290.46	6,53,754	269.36
Nippon India Mutual Fund	1,000	6,60,345	272.04	6,60,345	252.20
SBI Mutual Fund	10	6,33,58,708	276.12	6,33,58,708	256.09
UTI Mutual Fund	1,000	84,377	25.81	–	–
Carried over			8505.49		8833.89

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			8505.49		8833.89
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Floating Rate Funds					
Aditya Birla Sun Life Mutual Fund	100	1,94,01,569	678.34	1,94,01,569	627.15
HDFC Mutual Fund	10	10,07,90,662	501.54	10,07,90,662	461.93
Nippon India Mutual Fund	10	6,22,64,756	288.73	6,22,64,756	265.83
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	2,31,36,440	105.31
Kotak Mahindra Mutual Fund	10	1,94,81,292	109.13	1,02,55,708	52.81
Nippon India Mutual Fund	10	1,95,36,507	109.27	1,02,78,225	52.81
SBI Mutual Fund	10	5,40,50,081	179.96	5,40,50,081	165.74
Banking & PSU Debt Funds					
Axis Mutual Fund	1,000	31,86,227	833.77	31,86,227	770.87
Bandhan Mutual Fund	10	14,17,61,931	341.56	14,17,61,931	316.53
Corporate Bond Funds					
HDFC Mutual Fund	10	1,58,86,798	51.67	–	–
ICICI Prudential Mutual Fund	10	4,30,40,789	131.43	4,30,40,789	121.08
Kotak Mahindra Mutual Fund	1,000	2,98,810	114.92	2,98,810	105.58
SBI Mutual Fund	10	6,63,37,836	103.48	–	–
Current Portion of Non-current Investments					
INVESTMENT IN PREFERENCE SHARES					
In Subsidiaries (at amortised cost)					
Unquoted					
Wimco Limited (Cumulative Non-Convertible Redeemable Preference Shares)	100	–	–	5,00,000	5.00
Carried over			12105.01		11884.53

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			12105.01		11884.53
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Quoted					
Government of India Zero Coupon Government Stock					
Zero Coupon Government Stock - 22-Feb-2025	100	–	–	34,00,000	32.35
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	–	–
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	–	–
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	–	–
Carried over			13449.84		11916.88

Notes to the Standalone Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
9. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			13449.84		11916.88
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
Power Finance Corporation Limited					
7.16% - Series 136 - 17-Jul-2025	10,00,000	600	60.12	–	–
REC Limited					
7.17% - Series 5A - 23-Jul-2025	10,00,000	850	85.21	–	–
Zero Coupon Bonds - Secured, Redeemable & Non-Convertible					
LIC Housing Finance Limited					
Tranche 416 - 25-Apr-2025	10,00,000	10,000	1211.85	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
SBI Mutual Fund	10	2,49,98,750	29.58	–	–
Exchange Traded Funds (at fair value through other comprehensive income) **					
Edelweiss Mutual Fund	1,000	33,03,209	425.60	–	–
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	10	1,98,53,868	23.71	–	–
Aggregate amount of quoted Investments			**3644.76**		**102.87**
Aggregate amount of unquoted Investments			**11641.15**		**11814.01**
Total			**15285.91**		**11916.88**

Aggregate market value of quoted Investments ₹ 3648.50 Crores (2024 - ₹ 102.50 Crores).

* Investments in Fixed Maturity Plans (FMPs) that are intended to be held by the Company till maturity are classified as amortised cost. The underlying instruments in the portfolio of these FMPs have minimal churn and are held to receive contractual cash flows.

** Exchange Traded / Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cash flows 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, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
10. Trade receivables (Current)		
Considered good – Secured	50.90	51.44
Considered good – Unsecured	3859.87	3260.01
Which have significant increase in Credit Risk	–	–
Credit impaired	154.36	161.19
Less: Allowance for credit impairment [Refer Note 32]	154.36	161.19
TOTAL	**3910.77**	**3311.45**

Trade receivables ageing schedule

(₹ 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	2292.71	7.70	0.54	–	–	3910.77
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	0.25	3.36	12.81	0.16	31.18	47.76
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**	**2293.34**	**14.26**	**15.75**	**2.84**	**129.12**	**4065.13**
Less: Allowance for credit impairment							154.36
TOTAL							**3910.77**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1405.64	1862.76	37.83	5.22	–	–	3311.45
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	0.13	5.24	1.29	1.28	35.86	43.80
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	1.03	3.27	2.98	0.65	109.46	117.39
SUB-TOTAL	**1405.64**	**1863.92**	**46.34**	**9.49**	**1.93**	**145.32**	**3472.64**
Less: Allowance for credit impairment							161.19
TOTAL							**3311.45**

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
11. Cash and cash equivalents [@]		
Balances with Banks		
Current accounts	220.00	192.48
Cheques, drafts on hand	1.08	1.85
Cash on hand	0.98	3.30
TOTAL	**222.06**	**197.63**

@ 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, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
12. Bank Balances other than cash and cash equivalents		
Earmarked balances*	264.71	268.81
In deposit accounts**	2697.61	5751.25
TOTAL	**2962.32**	**6020.06**

* Includes balances towards unpaid dividend, unspent corporate social responsibility.

** Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ 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	12,51,41,19,781	1251.41	12,48,47,21,471	1248.47
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	12,48,47,21,471	1248.47	12,42,80,17,741	1242.80
Add: Issue of Shares on exercise of Options	2,93,98,310	2.94	5,67,03,730	5.67
As at end of the year	**12,51,41,19,781**	**1251.41**	**12,48,47,21,471**	**1248.47**

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

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (%)	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)
Tobacco Manufacturers (India) Limited	2,54,14,95,863	20.31	2,54,14,95,863	20.36
Life Insurance Corporation of India	1,94,17,50,542	15.52	1,89,68,61,285	15.19
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.79	97,45,31,427	7.81

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 Options

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2024 (No. of Shares)
Ordinary Shares of ₹ 1.00 each	7,43,49,690	8,99,46,120

Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of vesting in respect of Options.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options : 30% vests

On completion of 24 months from the date of grant of the Options : 30% vests

On completion of 36 months from the date of grant of the Options : 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further details of ITC Employee Stock Option Schemes are provided in Note 29(xv).

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (₹ in Crores) Current	Non-Current	As at 31st March, 2024 (₹ in Crores) Current	Non-Current
14. Borrowings				
Unsecured				
Deferred payment liabilities				
Sales tax deferment loans*	1.76	–	1.52	1.76
TOTAL	**1.76**	**–**	**1.52**	**1.76**

*Interest free deferral period of 14 years and repayable by 2025-26.

The repayment schedule is summarised as under:

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
In the first year	1.76	1.52
In the second year	–	1.76
TOTAL	**1.76**	**3.28**

	As at 31st March, 2025 (₹ in Crores) Current	Non-Current	As at 31st March, 2024 (₹ in Crores) Current	Non-Current
15. Lease liabilities*				
Lease liabilities	37.54	117.45	46.74	261.95
TOTAL	**37.54**	**117.45**	**46.74**	**261.95**

* Refer Note 29(viii)

Movement of Lease liabilities during the year

Particulars	**31st March, 2025**	31st March, 2024
Opening Lease liabilities	308.69	320.13
New leases recognised	24.29	69.45
Remeasurements and withdrawals	(3.87)	(24.25)
Interest expense on Lease liabilities	21.76	25.84
Payment of Lease liabilities (including interest)	(69.24)	(82.48)
Transferred pursuant to Scheme of demerger [Refer Note 29(x)]	(126.64)	–
Closing Lease liabilities	**154.99**	**308.69**

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
16. Other financial liabilities		
Non-current		
Others (Includes payable towards employee benefits, retention money payable towards property, plant and equipment etc.)	87.89	109.87
TOTAL	**87.89**	**109.87**
Current		
Interest accrued	1.92	2.01
Unpaid dividend*	259.28	251.19
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.30	0.30
Others (Includes payable towards employee benefits, property, plant and equipment, derivatives, contingent consideration on business combination etc.)	1187.19	1405.83
TOTAL	**1448.69**	**1659.33**

* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of a pending legal dispute with a bank for which the Company has filed a suit.

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
17. Provisions				
Provision for employee benefits				
Retirement benefits [Refer Note 29(vii)]	42.29	148.04	60.70	148.79
Other benefits	4.24	77.19	8.02	72.66
TOTAL	**46.53**	**225.23**	**68.72**	**221.45**

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
18. Deferred tax liabilities (Net)		
Deferred tax liabilities	3053.77	2618.85
Less: Deferred tax assets	497.42	535.19
TOTAL	**2556.35**	**2083.66**

(₹ 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@	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
On cash flow hedges	0.43	–	(4.85)	0.05	2.84	–	(1.53)
Other timing differences	674.07	882.80	(67.56)	–	(0.75)	(27.92)	1460.64
Total deferred tax liabilities	**2618.85**	**972.80**	**(72.41)**	**0.05**	**2.09**	**(467.61)**	**3053.77**
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
Other timing differences	283.31	19.01	–	–	–	(31.87)	270.45
Total deferred tax assets	**535.19**	**16.35**	**3.75**	**–**	**–**	**(57.87)**	**497.42**
Deferred tax liabilities (Net)	**2083.66**	**956.45**	**(76.16)**	**0.05**	**2.09**	**(409.74)**	**2556.35**
2023-24							
Deferred tax liabilities/assets in relation to:							
On fiscal allowances on property, plant and equipment, investment property etc.	1721.61	122.13	–	–	–	–	1843.74
On Excise Duty/National Calamity Contingent Duty on closing stock	117.93	(17.32)	–	–	–	–	100.61
On cash flow hedges	0.84	–	(2.49)	(2.74)	4.82	–	0.43
Other timing differences	306.59	125.83	241.65	–	–	–	674.07
Total deferred tax liabilities	**2146.97**	**230.64**	**239.16**	**(2.74)**	**4.82**	**–**	**2618.85**
On employees' separation and retirement etc.	132.63	(22.40)	11.30	–	–	–	121.53
On provision for doubtful debts/advances	52.48	4.62	–	–	–	–	57.10
On State and Central taxes etc.	70.07	3.18	–	–	–	–	73.25
Other timing differences	270.66	12.65	–	–	–	–	283.31
Total deferred tax assets	**525.84**	**(1.95)**	**11.30**	**–**	**–**	**–**	**535.19**
Deferred tax liabilities (Net)	**1621.13**	**232.59**	**227.86**	**(2.74)**	**4.82**	**–**	**2083.66**

* includes ₹ 509.65 Crores (2024 - ₹ 27.61 Crores) relating to discontinued operations.

@ Refer Note 29(x)

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
19. Trade Payables (Current)		
Total outstanding dues of Micro and Small Enterprises	178.24	206.85
Total outstanding dues of creditors other than Micro and Small Enterprises	4311.58	4282.70
TOTAL	**4489.82**	**4489.55**

Trade Payables ageing schedule

(₹ 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	57.67	–	–	–	–	**57.67**
Undisputed Dues – Others	844.49	167.23	0.05	1.61	–	**1013.38**
Disputed Dues – Micro and Small Enterprises	–	–	–	–	–	**–**
Disputed Dues – Others	–	–	–	–	0.28	**0.28**
SUB-TOTAL	**902.16**	**167.23**	**0.05**	**1.61**	**0.28**	**1071.33**
Accrued Payables (not due)						
– Micro and Small Enterprises						120.57
– Others						3297.92
TOTAL						**4489.82**

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Dues – Micro and Small Enterprises	31.86	–	–	–	–	**31.86**
Undisputed Dues – Others	639.77	26.35	1.69	–	–	**667.81**
Disputed Dues – Micro and Small Enterprises	–	–	–	–	–	**–**
Disputed Dues – Others	–	–	–	–	0.28	**0.28**
SUB-TOTAL	**671.63**	**26.35**	**1.69**	**–**	**0.28**	**699.95**
Accrued Payables (not due)						
– Micro and Small Enterprises						174.99
– Others						3614.61
TOTAL						**4489.55**

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, 2025. 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, 2025	31st March, 2024
(a)	Principal amount remaining unpaid to any supplier as at the end of the accounting year		
	– On account of trade payables	178.24	206.85
	– On account of liabilities other than trade payables	19.85	36.41
	TOTAL	**198.09**	**243.26**
(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, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
20. Other liabilities (Current)		
Statutory Liabilities	4688.79	4398.88
Advances received from customers	1357.07	828.69
Others (includes deferred revenue, accruals etc.)	24.16	162.18
TOTAL	**6070.02**	**5389.75**

Notes to the Standalone Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
21. Current Tax Liabilities (Net)		
Current taxation (net of advance payment)	1027.78	760.00
TOTAL	**1027.78**	**760.00**

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
22A. Revenue from operations		
Sale of Products	73290.34	66506.84
Sale of Services	174.21	150.20
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty of ₹ 4944.00 Crores (2024 - ₹ 4733.29 Crores)]	73464.55	66657.04
Other Operating Revenues#	771.52	635.56
TOTAL	**74236.07**	**67292.60**

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

\# Includes Government grants of ₹ 294.82 Crores (2024 - ₹ 234.71 Crores) on account of Fiscal and Export Incentives etc.

22B. Gross Revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	32631.27	30596.59
– Branded Packaged Food Products	18270.38	17219.23
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	3704.90	3739.03
Agri Business		
– Unmanufactured Tobacco	3547.28	2612.06
– Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya etc.)	8518.36	5810.33
Paperboards, Paper and Packaging		
– Paperboards and Paper	5958.96	5871.71
– Packaging and Printed Materials	667.27	664.25
Others		
– Others (ITC Grand Central Hotel, Mumbai)	166.13	143.84
TOTAL	**73464.55**	**66657.04**

* 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, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
23. Other income		
Interest income	1413.80	1591.68
Dividend income	1016.41	989.22
Other non-operating income	1024.10	948.86
TOTAL	**3454.31**	**3529.76**
Interest income:		
a) Deposits with banks etc. - carried at amortised cost	377.40	537.66
b) Financial assets:		
– mandatorily measured at FVTPL	127.53	211.95
– measured at amortised cost	561.33	554.29
– measured at FVTOCI	334.62	287.72
c) Others (from statutory authorities etc.)	12.92	0.06
TOTAL	**1413.80**	**1591.68**
Dividend income:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	10.31	9.43
b) Other investments	1006.10	979.79
TOTAL	**1016.41**	**989.22**
Other non-operating income:		
Net foreign exchange gain/(loss)	(0.98)	(3.82)
Net gain/(loss) arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income (Refer Note 32)*	863.95	781.25
Gain recognised on divestment of shares held in joint venture	–	9.49
Impairment of investment in associate [Refer Note 29(xiv)]	(11.00)	–
Others (including income from leases etc.)	172.13	161.94
TOTAL	**1024.10**	**948.86**

* Includes ₹ 125.93 Crores (2024 - ₹ 149.37 Crores) being net gain/(loss) on sale of investments.

Notes to the Standalone Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
24. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		
Opening inventories		
Finished goods (manufactured)	2115.45	2063.30
Work-in-progress	322.10	263.47
Stock-in-Trade (goods purchased for resale)	979.40	700.11
Intermediates - Tissue paper and Paperboards	95.73	115.09
Less: Closing 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: Inventory on account of discontinued operations [Refer Note 29(x)]	2.39	(0.62)
TOTAL	**(640.50)**	**(370.09)**

25. Employee benefits expense		
Salaries and wages	2873.83	2714.86
Contribution to Provident and other funds	169.65	144.81
Share based payments to employees [Includes cash-settled share based payments ₹ 8.42 Crores (2024 - ₹ 32.06 Crores)]*	140.37	135.16
Staff welfare expenses	275.91	245.82
	3459.76	3240.65
Less: Recoveries made/reimbursements received	43.03	39.72
TOTAL	**3416.73**	**3200.93**

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

26. Finance costs		
Interest expense:		
– On Lease liabilities	13.27	14.50
– On financial liabilities measured at amortised cost	12.91	8.40
– Others (to statutory authorities etc.)	10.17	11.49
TOTAL	**36.35**	**34.39**

Notes to the Standalone Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
27. Other expenses		
Power and fuel	942.47	929.54
Consumption of stores and spare parts	390.49	358.90
Contract processing charges	1208.50	1046.72
Rent	273.22	243.28
Rates and taxes	168.13	179.28
Insurance	124.93	115.84
Repairs	395.11	384.53
Maintenance and upkeep	206.70	177.32
Outward freight and handling charges	1891.85	1582.34
Warehousing charges	270.30	244.35
Advertising/Sales promotion	1319.94	1374.19
Corporate Social Responsibility expense [Refer Note 29(iii)]	443.68	388.53
Commission to selling agents etc.	61.01	38.15
Doubtful and bad debts	11.77	9.64
Doubtful and bad advances, loans and deposits	1.87	25.03
Information technology services	351.71	304.34
Travelling and conveyance	325.39	301.14
Training and development	25.68	23.53
Legal and professional fees	223.10	206.01
(Gain)/Loss on sale of property, plant and equipment - Net	(108.26)	(58.86)
Miscellaneous expenses	1618.53	1333.87
TOTAL	**10146.12**	**9207.67**
Miscellaneous expenses include:		
(1) Auditors' remuneration and expenses*		
Audit fees	3.80	3.85
Tax audit fees	0.78	0.85
Fees for limited review	1.62	1.62
Fees for other services [1]	0.97	0.43
Reimbursement of expenses	0.26	0.19
(2) Cost auditors' fees	0.12	0.12

* Excluding taxes.

1. (a) Auditors' remuneration excludes remuneration for services amounting to ₹ 1.90 Crores (2024 - ₹ 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, ₹ 0.15 Crore (2024 - ₹ 0.25 Crore) has been paid to the Statutory Auditors in respect of certification fees relating to demerger of hotels business which are included in discontinued operations [Refer Note 29(x)].

Notes to the Standalone Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ 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	6003.26	5993.95
Adjustments/(credits) related to previous years - Net	(13.09)	(477.04)
Total current tax	**5990.17**	**5516.91**
Deferred tax		
Deferred tax for the year	441.96	196.38
Adjustments/(credits) related to previous years - Net	4.84	8.60
Total deferred tax	**446.80**	**204.98**
TOTAL	**6436.97**	**5721.89**
(ii). Amount recognised in profit or loss relating to discontinued operations		
Current tax for the year	122.17	144.30
Deferred tax for the year	509.65	27.61
TOTAL	**631.82**	**171.91**

B. Amount recognised in other comprehensive income

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

On items that will not be reclassified to profit or loss		
Remeasurements gains/(losses) on defined benefit plans	3.75	5.79
Equity instruments through other comprehensive income	81.65	(237.14)
Related to designated portion of hedging instruments in cash flow hedges	(0.06)	2.63
	85.34	**(228.72)**
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	2.07	(4.96)
Debt instruments through other comprehensive income	(13.34)	(4.51)
	(11.27)	**(9.47)**
TOTAL	**74.07**	**(238.19)**

C. Amount recognised directly in equity

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

Deferred tax		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	0.05	(2.74)
TOTAL	**0.05**	**(2.74)**

D. Reconciliation of effective tax rate

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

Profit before tax from continuing operations	26528.82	25632.12
Income tax expense calculated @ 25.168% (2024 - 25.168%)	6676.77	6451.09
Effect of tax relating to uncertain tax positions	41.03	34.90
Effect of different tax rate on certain items	(125.08)	(115.87)
Effect of income not taxable	(56.16)	(64.65)
Other differences	(91.34)	(115.14)
TOTAL	**6445.22**	**6190.33**
Adjustments recognised during the year in relation to the current tax of prior years*	(8.25)	(468.44)
Income tax recognised in profit or loss relating to continuing operations	**6436.97**	**5721.89**
Profit before tax from discontinued operations	15735.58	683.65
Income tax expense calculated @ 25.168% (2024 - 25.168%)	3960.33	172.06
Effect of excess of fair value over carrying value of net assets distributed (non-cash), pursuant to the Scheme of Demerger	(3930.59)	–
Effect of addition to the value of investment in ITCHL	602.79	–
Other differences	(0.71)	(0.15)
Income tax recognised in profit or loss relating to discontinued operations	**631.82**	**171.91**

The tax rate of 25.168% (22% + surcharge @10% and cess @4%) used for the year 2024-25 and 2023-24 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

* The Company had, in the previous year, reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Hon'ble Supreme Court received during the previous year. This has resulted in a credit of ₹ 468.44 Crores in the Current Tax expense for the year ended 31st March, 2024.

29. Additional Notes to the Financial Statements

(i) The Company on 18th December, 2024 acquired 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. The fair value gain of ₹ 527.96 Crores upon acquisition has been disclosed as an 'Exceptional Item'.

(ii) Earnings per share:

	2025	2024
Earnings per share has been computed as under:		
(a) i) Profit for the year from continuing operations (₹ in Crores)	20091.85	19910.23
ii) Profit for the year from discontinued operations (₹ in Crores)	15103.76	511.74
iii) Profit for the year (₹ in Crores)	35195.61	20421.97
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,50,23,78,226	12,46,10,58,425
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	1,86,64,293	2,80,92,231
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,52,10,42,519	12,48,91,50,656
(e) Earnings per share (Face Value ₹ 1.00 per share)		
For Continuing Operations		
– Basic [(ai) / (b)]	16.07	15.98
– Diluted [(ai) / (d)]	16.05	15.94
For Discontinued Operations		
– Basic [(aii) / (b)]	12.08	0.41
– Diluted [(aii) / (d)]	12.06	0.41
For Continuing and Discontinued Operations		
– Basic [(aiii) / (b)]	28.15	16.39
– Diluted [(aiii) / (d)]	28.11	16.35

(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 - ₹ 460.70 Crores (2024 - ₹ 403.47 Crores) being 2% of the average Net Profits of the Company.

Expenditure incurred during the year is ₹ 461.50 Crores (2024 - ₹ 404.05 Crores) comprising employee benefits expense of ₹ 17.82 Crores (2024 - ₹ 15.52 Crores) and other expenses of ₹ 443.68 Crores (2024 - ₹ 388.53 Crores), of which ₹ 49.42 Crores (2024 - ₹ 30.60 Crores) is accrued for payment as on 31st March, 2025. Such CSR expenditure does not include any spends on construction / acquisition of assets. Amount available for set off in succeeding financial years is ₹ 1.97 Crores (2024 - ₹ 1.93 Crores).

Such CSR expenditure of ₹ 461.50 Crores (2024 - ₹ 404.05 Crores) excludes ₹ 6.98 Crores (2024 - ₹ 10.89 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 ₹ 187.68 Crores (2024 - ₹ 170.37 Crores).

(v) During the year, the following contributions were made by the Company in compliance with Section 182 of the Companies Act, 2013: Bharatiya Janata Party ₹ 39.00 Crores (2024 – Nil), Indian National Congress ₹ 4.00 Crores (2024 – Nil).

(vi) Contingent liabilities and commitments:

(a) Contingent liabilities

Claims against the Company not acknowledged as debts ₹ 917.02 Crores (2024 - ₹ 963.29 Crores), including interest on claims, where applicable, estimated to be ₹ 299.11 Crores (2024 - ₹ 314.23 Crores). These comprise:

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

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 627.02 Crores (2024 - ₹ 645.81 Crores), including interest on claims, where applicable, estimated to be ₹ 267.27 Crores (2024 - ₹ 288.56 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 237.21 Crores (2024 - ₹ 264.79 Crores), including interest on claims, where applicable, estimated to be ₹ 20.22 Crores (2024 - ₹ 18.72 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 39.40 Crores (2024 - ₹ 41.27 Crores), including interest on claims, where applicable, estimated to be ₹ 0.46 Crore (2024 - ₹ 0.29 Crore).
- Other matters ₹ 13.39 Crores (2024 - ₹ 11.42 Crores), including interest on other matters, where applicable, estimated to be ₹ 11.16 Crores (2024 - ₹ 6.66 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 ₹ 912.50 Crores (2024 - ₹ 896.78 Crores).
- Uncalled liability on partly paid-up shares and other investments is ₹ 50.50 Crores (2024 - ₹ 50.86 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, 2025 (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.
- 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. 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 operated under the name of ‘Century Pulp and Paper’, as a going concern on a slump sale basis for a lumpsum consideration of up to ₹ 3500.00 Crores on a cash-free debt-free basis, payable as per the terms and conditions laid down in the BTA. The transaction is expected to be consummated in about 6 months from date of signing of BTA, subject to receipt of statutory approvals and fulfilment of the conditions laid down in the BTA.

(vii) **Employee Benefit Plans**

Description of Plans

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

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

(a) Defined Benefit Plans:

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

Risk Management

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

Investment Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Interest Rate Risk: The present value of Defined Benefit Plan liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.

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

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

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

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

			For the year ended 31st March, 2025 (₹ in Crores)			For the year ended 31st March, 2024 (₹ 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	33.54	34.56	13.50	37.63	33.48	12.87
	2	Past Service Cost	–	–	–	–	–	–
	3	Net Interest Cost	(4.09)	(1.45)	11.09	(3.65)	(1.95)	11.06
	4	**Total expense recognised in the Statement of Profit and Loss**	**29.45**	**33.11**	**24.59**	**33.98**	**31.53**	**23.93**
	–	**Remeasurements recognised in Other Comprehensive Income**						
	5	Return on plan assets (excluding amounts included in Net interest cost)	(9.03)	(3.10)	–	(21.85)	(3.45)	–
	6	Effect of changes in demographic assumptions	–	–	–	1.65	0.74	0.42
	7	Effect of changes in financial assumptions	9.38	8.94	3.00	25.08	17.30	6.00
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
	9	Effect of experience adjustments	12.18	6.11	(0.07)	(26.79)	23.27	0.60
	10	**Total remeasurements included in Other Comprehensive Income**	**12.53**	**11.95**	**2.93**	**(21.91)**	**37.86**	**7.02**
	11	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)**	**41.98**	**45.06**	**27.52**	**12.07**	**69.39**	**30.95**

The current service cost, past service cost and net interest cost for the year, as applicable, pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 25 and in the expenses of discontinued operations. 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**		70.50	36.16	–	88.39	36.53	–
III	**Net Asset/(Liability) recognised in Balance Sheet**							
	1	Present Value of Defined Benefit Obligation	799.61	452.71	162.73	898.65	496.77	171.48
	2	Fair Value of Plan Assets	786.95	437.77	–	919.95	458.76	–
	3	Status [Surplus/(Deficit)]	(12.66)	(14.94)	(162.73)	21.30	(38.01)	(171.48)
	4	Restrictions on Asset Recognised	–	–	–	–	–	–

Notes to the Standalone Financial Statements

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

(₹ in Crores)

			As at 31st March, 2025		As at 31st March, 2024	
	5	**Net Asset/(Liability) recognised in Balance Sheet**	**Current**	**Non-current**	Current	Non-current
		– Pension	(12.66)	–	21.30	–
		– Gratuity	(14.94)	–	(38.01)	–
		– Leave Encashment	(14.69)	(148.04)	(22.69)	(148.79)

			For the year ended 31st March, 2025 (₹ in Crores)			For the year ended 31st March, 2024 (₹ 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	898.65	496.77	171.48	878.89	439.40	154.53
	2	Current Service Cost	33.54	34.56	13.50	37.63	33.48	12.87
	3	Past Service Cost	–	–	–	–	–	–
	4	Interest Cost	57.38	31.61	11.09	62.89	31.13	11.06
	5	Remeasurement gains/(losses)						
	a.	Effect of changes in demographic assumptions	–	–	–	1.65	0.74	0.42
	b.	Effect of changes in financial assumptions	9.38	8.94	3.00	25.08	17.30	6.00
	c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
	d.	Effect of experience adjustments	12.18	6.11	(0.07)	(26.79)	23.27	0.60
	6	Curtailment Cost/(Credits)	–	–	–	–	–	–
	7	Settlement Cost/(Credits)	–	–	–	–	–	–
	8	Liabilities transferred pursuant to Scheme of Demerger	(106.95)	(70.26)	(20.47)	–	–	–
	9	Effects of transfer In/(Out)	(0.02)	–	–	(0.07)	–	–
	10	Benefits Paid	(104.55)	(55.02)	(15.80)	(80.63)	(48.55)	(14.00)
	11	**Present Value of DBO at the end of the year**	**799.61**	**452.71**	**162.73**	**898.65**	**496.77**	**171.48**

(₹ in Crores)

V	**Best Estimate of Employers' Expected Contribution for the next year**	**As at 31st March, 2025**	**As at 31st March, 2024**
	– Pension	56.91	41.28
	– Gratuity	71.98	96.95

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

			For the year ended 31st March, 2025 (₹ in Crores)			For the year ended 31st March, 2024 (₹ 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	919.95	458.76	–	854.51	423.43	–
	2	Interest Income	61.47	33.06	–	66.54	33.08	–
	3	Remeasurement Gains/(Losses) on plan assets	9.03	3.10	–	21.85	3.45	–
	4	Actual Company Contributions	22.10	67.42	–	57.75	47.35	–
	5	Assets transferred pursuant to Scheme of Demerger	(121.03)	(69.55)	–	–	–	–
	6	Effects of transfer In/(Out)	(0.02)	–	–	(0.07)	–	–
	7	Benefits Paid	(104.55)	(55.02)	–	(80.63)	(48.55)	–
	8	**Plan Assets at the end of the year**	**786.95**	**437.77**	**–**	**919.95**	**458.76**	–

			As at 31st March, 2025	As at 31st March, 2024
VII	**Actuarial Assumptions**			
			Discount Rate (%)	Discount Rate (%)
	1	Pension	6.75	7.00
	2	Gratuity	6.75	7.00
	3	Leave Encashment	6.75	7.00

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, 2025	As at 31st March, 2024
VIII	**Major Category of Plan Assets as a % of the Total Plan Assets**			
	1	Government Securities/Special Deposit with RBI	14.33%	15.32%
	2	High Quality Corporate Bonds	11.58%	11.62%
	3	Insurer Managed Funds*	61.88%	61.69%
	4	Mutual Funds	7.74%	6.83%
	5	Cash and Cash Equivalents	4.47%	4.54%
	6	Term Deposits	–	–

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

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

Notes to the Standalone Financial Statements

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, 2025 (₹ in Crores)			For the year ended 31st March, 2024 (₹ 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	799.61	452.71	162.73	898.65	496.77	171.48
2	Fair Value of Plan Assets	786.95	437.77	–	919.95	458.76	–
3	Status [Surplus/(Deficit)]	(12.66)	(14.94)	(162.73)	21.30	(38.01)	(171.48)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	9.03	3.10	–	21.85	3.45	–
5	Experience Adjustment of obligation [(Gain)/Loss]	12.18	6.11	(0.07)	(26.79)	23.27	0.60

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, 2025	DBO as at 31st March, 2024
1	Discount Rate + 100 basis points	1333.62	1479.71
2	Discount Rate - 100 basis points	1500.30	1664.94
3	Salary Increase Rate + 1%	1501.98	1658.44
4	Salary Increase Rate – 1%	1336.49	1483.91

(₹ in Crores)

	Maturity Analysis of the Benefit Payments	As at 31st March, 2025	As at 31st March, 2024
1	Year 1	211.40	203.80
2	Year 2	210.80	266.30
3	Year 3	138.61	206.05
4	Year 4	112.82	131.17
5	Year 5	143.09	108.20
6	Next 5 Years	473.50	570.92

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 and in the expenses of discontinued operations : ₹ 136.41 Crores (2024 - ₹ 113.44 Crores).

(viii) Leases:

As a Lessee

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

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 15 respectively. The total cash outflow for leases for the year is ₹ 429.30 Crores (2024 - ₹ 414.06 Crores) [including payments of ₹ 355.34 Crores (2024 - ₹ 324.74 Crores) in respect of short-term/low-value leases and variable lease payments of ₹ 4.72 Crores (2024 - ₹ 6.84 Crores)].

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

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

(₹ in Crores)

Term	As at 31st March, 2025	As at 31st March, 2024
Not later than three years	112.04	166.40
Later than three years and not later than ten years	65.85	159.66
Later than ten years and not later than twenty-five years	34.30	211.92
Later than twenty-five years and not later than fifty years	17.02	201.71
Later than fifty years	19.24	184.74

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, 2025	As at 31st March, 2024
1st year	49.43	18.53
2nd year	38.84	18.39
3rd year	24.43	8.33
4th year	0.91	0.84
5th year	0.94	0.88
Beyond 5 years	26.00	26.62

(ix) Under the terms of the Joint Venture Agreement (JVA), Logix Developers Private Limited (LDPL) (CIN: U70101DL2010PTC207640) was to develop a luxury hotel-cum-service apartment complex. However, Logix Estates Private Limited, Noida, the JV partner communicated its intention to explore alternative development plans to which the Company reiterated that it was committed only to the project as envisaged in the JVA. The JV partner refused to progress the project and instead expressed its intent to exit the JV by selling its stake to the Company and subsequently proposed that both parties should find a third party to sell the entire shareholding in LDPL. The resultant deadlock has stalled the project. The Company's petition that the affairs of the JV are being conducted in a manner that is prejudicial to the interest of the Company and the JV entity, as also a petition for winding up of LDPL filed by Logix Estates, are currently before the Hon'ble National Company Law Tribunal, Delhi Bench.

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

New Okhla Industrial Development Authority (NOIDA), vide letter dated 6th July, 2022, cancelled the sub-lease for the land on which the project was to be constructed on account of non-payment of lease installments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. Upon cancellation of the sub-lease, LDPL is evaluating all options to pursue its rights.

The financial statements of LDPL for the year ended 31st March, 2025 are yet to be approved by its Board of Directors.

(x) The Hon'ble National Company Law Tribunal, Kolkata Bench, vide Order dated 4th October, 2024, sanctioned the Scheme of Arrangement amongst the Company and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('the Scheme') for demerger of the Hotels Business of the Company (as defined in the Scheme) into ITCHL; certified copy of the Order was received on 16th December, 2024. Upon fulfilment of all the conditions stated in the Scheme, including filing of the aforesaid Order with the Registrar of Companies, West Bengal, the Scheme became effective from 1st January, 2025, being the Appointed Date and the Effective Date of the Scheme.

With effect from the Appointed Date, the Hotels Business of the Company (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held by the Company in Hospitality entities viz., Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited, Srinivasa Resorts Limited, International Travel House Limited, Gujarat Hotels Limited and Maharaja Heritage Resorts Limited were transferred to ITCHL on a going concern basis. Consequently, the carrying/book value of the net assets of the Demerged Undertaking (as defined in the Scheme) amounting to ₹ 10694.76 Crores was transferred to ITCHL on a going concern basis.

Pursuant to the Scheme, ITCHL allotted 125,11,71,040 Equity Shares of ₹ 1/- each on 11th January, 2025 to the shareholders of the Company (as on the Record Date i.e., 6th January, 2025) and therefore it has ceased to be a subsidiary of the Company. The Company's shareholding in ITCHL stands at 39.88% of its paid-up share capital and consequently, ITCHL has become an Associate of the Company.

As provided in the Scheme, the Company has accounted for the aforesaid demerger in its books of accounts in accordance with the Indian Accounting Standards (Ind AS) and generally accepted accounting principles in India. The fair value of the net assets of the Demerged Undertaking distributed to the shareholders of the Company, amounting to ₹ 22033.37 Crores has been debited to General Reserve in the Statement of Changes in Equity. For this purpose, Retained Earnings amounting to ₹ 4448.06 Crores has been transferred to General Reserve.

The carrying/book value of the net assets of the Demerged Undertaking [refer details in (a) below] to the extent of the Company's continued holding in ITCHL amounting to ₹ 4215.32 Crores has been added to the value of investment in ITCHL (Refer Note 4).

The excess of fair value of the net assets distributed to the shareholders of the Company and addition to the value of investment in ITCHL over the carrying value of net assets of the Demerged Undertaking and consequential adjustments of ₹ 63.44 Crores [refer details in (b) below] pursuant to the Scheme, has been recognised as an exceptional gain in the Statement of Profit and Loss amounting to ₹ 15163.06 Crores [net of demerger related expenses of ₹ 454.31 Crores (2024 - ₹ 7.57 Crores)].

In terms of the requirements of Ind AS, the operations of the Hotels Business of the Company (excluding ITC Grand Central, Mumbai) have been classified as 'Discontinued Operations' for the year ended 31st March, 2025 and comparative information in the Statement of Profit and Loss has been presented accordingly.

Brief particulars of the Demerged Undertaking/Discontinued Operations are given as under:

(a) Carrying value of net assets of the Demerged Undertaking transferred as on the Appointed Date:

	Amount (₹ in Crores)
Property, plant and equipment, intangible assets (including capital work-in-progress and intangible assets under development) and right-of-use assets	5911.20
Investments	4185.01
Other non-current assets	1592.88
Inventories	42.72
Trade Receivables	179.83
Cash and Cash equivalents	102.44
Other current assets	74.36
Total Assets (A)	**12088.44**
Deferred tax liabilities (Net)	409.74
Lease liabilities	126.64
Trade Payables	326.15
Other liabilities	531.15
Total Liabilities (B)	**1393.68**
Net Assets transferred (A-B)	**10694.76**

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

(b) Consequential adjustments in 'Other Equity'

	Amount (₹ in Crores)
Share Options Outstanding Account derecognised [Refer Note 29(xv)(A)]	22.89
Gain arising on net investment in foreign operations reclassified from Other Comprehensive Income to Statement of Profit and Loss	40.55

(c) Profit from Discontinued Operations

(₹ in Crores)

	For the year ended 31st March, 2025#	For the year ended 31st March, 2024
Revenue from Operations	2277.73	2887.97
Total Income	2296.94	2896.58
Total Expenses	1724.42	2205.36
Profit before Exceptional Items and Tax	**572.52**	**691.22**
Exceptional Items	15163.06	(7.57)
Tax Expense*	631.82	171.91
Profit from Discontinued Operations	**15103.76**	**511.74**

Figures in relation to operations of the Hotels Business are for the nine-month period from 1st April, 2024 to 31st December, 2024.

* Tax expenses for the year ended 31st March, 2025 includes ₹ 602.79 Crores (2024 - Nil) relating to deferred tax liability recognised on addition to the value of investment in ITCHL.

(d) Net Cashflows attributable to the Discontinued Operations

(₹ in Crores)

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net Cash from Operating Activities	475.25	958.18
Net Cash used in Investing Activities	(1898.95)	(1057.62)
Net Cash used in Financing Activities	(8.75)	(11.60)

(xi) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2024 amending the following Ind AS, which are effective for annual periods beginning on or after 1st April, 2024:

– Ind AS 116 'Leases' - This amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

– Ind AS 117 'Insurance Contracts' – It is a comprehensive new accounting standard which replaces Ind AS 104 'Insurance Contracts'. It applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features.

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

(xii) The Company on 17th April, 2025, entered into Share Purchase Agreements (SPA) to acquire 100% of the equity share capital of Messrs. Sresta Natural Bioproducts Private Limited, an Indian company primarily engaged in the business of manufacturing and sale of organic packaged food products under the '24 Mantra Organic' brand, for a consideration of up to ₹ 472.50 Crores on a cash-free debt-free basis, subject to customary adjustments and fulfilment of various terms and conditions as specified in the SPA.

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

(xiii) 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, subject to fulfilment of prescribed terms and conditions. The Company held 26.50% of the share capital (on a fully diluted basis) of Mother Sparsh as at 31st March, 2025 (Refer Note 4). Mother Sparsh is a premium ayurvedic and natural personal care start-up, with focus on baby personal care, health & hygiene and expert baby care.

(xiv) The Company on 13th May, 2025, divested its entire shareholding of 7,759 Compulsorily Convertible Preference Shares of ₹ 10/- each and 2,386 Equity Shares of ₹ 10/- each held in Delectable Technologies Private Limited ('DTPL'), consequent to which DTPL ceased to be an associate company with effect from the said date.

(xv) **Employee Stock Option Schemes**

A. Information in respect of Options granted under the Company's Employee Stock Option Schemes ('Schemes'):

Sl. No.			ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders' approval	:	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes *(Adjusted for Bonus Shares issued in terms of Shareholders' approval)*	:	Options equivalent to 37,89,18,503 Ordinary Shares of ₹1.00 each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹1.00 each
3.	Vesting Schedule	:	The vesting period for conversion of Options is as follows: • On completion of 12 months from the date of grant of the Options : 30% vests • On completion of 24 months from the date of grant of the Options : 30% vests • On completion of 36 months from the date of grant of the Options : 40% vests	
4.	Pricing Formula	:	The Pricing Formula, as approved by the Shareholders of the Company, is such price, as determined by the Nomination & Compensation Committee, which is no lower than the closing price of the Company's Share on National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'market price' as defined from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Options have been granted at 'market price' as defined under the aforesaid Regulations. In terms of the Scheme of Demerger [Refer Note 29(x)], the Nomination & Compensation Committee has approved fair and reasonable adjustments to the exercise price of outstanding stock options as on the Record Date i.e., 6th January, 2025, in a manner considered appropriate, and in compliance with the applicable laws and regulations. Accordingly, the disclosures given in this note for the financial year ended 31st March, 2025 reflect the adjusted exercise price/market price, wherever applicable. In addition, eligible employees have been granted Stock Options under ITC Hotels Special Purpose Employee Stock Option Scheme ('ITCHL SP ESOP Scheme') [Refer Note 29(xv)(B)] in terms of the Scheme of Demerger. Consequently, balance in Share Options Outstanding Account of the Company amounting to ₹ 22.89 Crores has been derecognised.	
5.	Maximum term of Options granted	:	Five years - the exercise period commences from the date of vesting of the Options granted and expires at the end of five years from the date of vesting.	
6.	Source of Shares	:	Primary	
7.	Variation in terms of Options	:	None	

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

Sl. No.			ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
8.	Method used for accounting of share-based payment plans and effect of employee share based plans on the entity's profit or loss for the period and on its financial position	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per fair value method for the financial year 2024-25 is ₹ 130.00 Crores (2024 - ₹ 103.10 Crores); for the group entities, such compensation cost is ₹ 7.27 Crores (2024 - ₹ 5.54 Crores) [Refer Note 25].	
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹1.00 each upon payment of the exercise price during the exercise period.	
10.	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:	Weighted average exercise price per Option	: ₹ 4835.02 (adjusted consequent to Scheme of Demerger to ₹ 4573.99)
			Weighted average fair value per Option	: ₹ 1121.49 (adjusted consequent to Scheme of Demerger to ₹ 1060.95)
11.	Option movements during the year	:	**ITC Employee Stock Option Scheme - 2006**	**ITC Employee Stock Option Scheme - 2010**
	a) Options outstanding at the beginning of the year	:	1,97,814	87,96,798
	b) Options granted during the year	:	–	14,80,700
	c) Options cancelled and lapsed during the year	:	–	1,00,512
	d) Options vested and exercisable during the year	:	22,810	12,90,425
	e) Options exercised during the year	:	67,242	28,72,589
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	:	6,72,420	2,87,25,890
	g) Options outstanding at the end of the year (a+b-c-e)	:	1,30,572	73,04,397
	h) Options exercisable at the end of the year	:	1,26,852	42,72,467
	i) Money realised by exercise of the Options during the year (₹ in Crores)	:	16.62	780.71

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

12. Summary of the status of Options:

Particulars		As at 31st March, 2025		As at 31st March, 2024	
		No. of Options	Weighted Average Exercise Prices (₹) (adjusted as applicable)	No. of Options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	:	89,94,612	3040.61	1,32,09,479	2655.20
Add: Granted during the year	:	14,80,700	4835.02	15,16,450	4530.73
Less: Lapsed during the year	:	1,00,512	3621.31	60,944	2739.44
Less: Exercised during the year	:	29,39,831	2712.16	56,70,373	2544.51
Outstanding at the end of the year	:	74,34,969	3325.29	89,94,612	3040.61
Options exercisable at the end of the year	:	43,99,319	2686.93	60,51,382	2657.61

13. Weighted average share price of Shares arising upon exercise of Options : The weighted average share price of Shares, arising upon exercise of Options during the year ended 31st March, 2025 was ₹ 467.68 (2024 - ₹ 455.45). This was based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee).

14. Summary of Options outstanding, scheme-wise:

Particulars		As at 31st March, 2025			As at 31st March, 2024		
		No. of Options Outstanding	Range of Exercise Prices (₹) (adjusted as applicable)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life
ITC Employee Stock Option Scheme - 2006	:	1,30,572	1606.33 – 3276.52	2.78	1,97,814	1698.00 – 3463.50	3.19
ITC Employee Stock Option Scheme - 2010	:	73,04,397	1606.33 – 4575.39	4.17	87,96,798	1698.00 – 4534.50	3.37

15. A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted : The fair value of each Option is estimated using the Black Scholes Option Pricing model.

Weighted average exercise price per Option : ₹ 4835.02 (adjusted consequent to Scheme of Demerger to ₹ 4573.99)

Weighted average fair value per Option : ₹ 1121.49 (adjusted consequent to Scheme of Demerger to ₹ 1060.95)

The significant assumptions used to ascertain the above : The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:

(i) Risk-free interest rate	6.65%
(ii) Expected life	4.60 years
(iii) Expected volatility	22.33%
(iv) Expected dividends	2.84%
(v) The price of the underlying shares in market at the time of Option grant *(One Option = Ten Ordinary Shares)*	₹ 4835.02

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 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 granted to	:	As provided below:

(a) Directors and Senior managerial personnel

	Name	Designation	No. of Options granted during the financial year 2024-25
1	S. Puri	Chairman & Managing Director	1,34,500
2	S. Dutta	Executive Director & Chief Financial Officer	65,250
3	H. Malik	Executive Director	65,250
4	B. Sumant	Executive Director	65,250
5	S. Kaul	Group Head - ITD, MAB, Start-up Ventures, LS&T & Quality	18,750
6	A. K. Rajput	President - Corporate Affairs	18,750
7	S. Sivakumar	Group Head - Agri Business, IT, Sustainability, CSR & EHS	18,750
8	R. K. Singhi	Executive Vice President & Company Secretary	13,050

The aforesaid Options were granted at the exercise price of ₹ 4836.50 per Option (adjusted grant price consequent to the Scheme of Demerger: ₹ 4575.39 per Option), being the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:	None
(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	None

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

In terms of the Scheme of Demerger [Refer Note 29(x)], 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 ₹ 1.00 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 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 2024-25 is ₹ 1.95 Crores (2024 - Nil) [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, 2025	
	No. of Options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	–	–
Add: Granted during the year	7,09,895	1871.68
Less: Lapsed during the year	–	–
Less: Exercised during the year	–	–
Outstanding at the end of the year	**7,09,895**	**1871.68**
Options exercisable at the end of the year	4,33,614	1519.46
Options vested and exercisable during the year	4,33,614	1519.46

(xvi) Information in respect of Stock Appreciation Linked Reward ('SAR') Plan:

Sl. No.	Particulars		Details
1	Nature and extent of Stock Appreciation Linked Reward Plan that existed during the year along with general terms and conditions	:	ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan). Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting of SAR units subject to the terms and conditions specified in the Plan.
2	Settlement Method	:	Cash – Settled
3	Vesting period and maximum term of SAR granted	:	Over a period of five years from the date of grant in accordance with the Plan.
4	Method used to estimate the fair value of SAR granted	:	Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market price etc. The number of SAR units outstanding as at 31st March, 2025 is 1,24,850 (2024 - 9,31,606) and the weighted average fair value at measurement date is ₹ 1513.00 (2024 – ₹ 1103.96) 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 2024-25 is ₹ 8.42 Crores (2024 - ₹ 32.06 Crores) and ₹ 0.41 Crore (2024 - ₹ 1.43 Crores) for group entities (Refer Note 25). The amount carried in the Balance Sheet as a non – current financial liability is Nil (2024 - ₹ 13.76 Crores) and as a current financial liability is ₹ 16.35 Crores (2024 - ₹ 71.14 Crores) (Refer Note 16).

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

(xvii) Financial Ratios:

Ratio	Numerator	Denominator	31st March, 2025	31st March, 2024
Current Ratio (in times)	Current Assets	Current Liabilities	3.03	2.91
Return on Equity Ratio (in %)	Profit for the year (before exceptional items)	Average Shareholder's Equity	29.19	29.22
Inventory Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Inventory	5.31	5.98
Trade Receivables Turnover Ratio (in times)	Gross Revenue from sale of products and services	Average Trade Receivables	20.72	24.66
Trade Payables Turnover Ratio (in times)	COGS + Other Expenses – Non Cash Expenditure	Average Trade Payables	9.75	8.39
Net Capital Turnover Ratio (in times)	Gross Revenue from sale of products and services	Working Capital (Current Assets – Current Liabilities)	2.76	2.94
Net Profit Ratio (in %)	Profit for the year (before exceptional items)	Gross Revenue from sale of products and services	26.72	29.42
Return on Capital Employed (in %)	Profit before exceptional items, interest and taxes	Average Capital Employed	38.79	37.97
Return on Investment (in %)	Income from investment	Time weighted average Investment	9.67	8.91

Debt-Equity Ratio and Debt Service Coverage Ratio are not relevant for the Company as it has negligible debt.

Note: Ratios for the financial year ended 31st March, 2025 have been computed based on numbers for Continuing Operations pursuant to the demerger of the Hotels Business. Accordingly, the ratios for the financial year ended 31st March, 2024 are not strictly comparable.

(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 22, 2025. 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)

	2025			2024		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment Revenue - Gross						
FMCG - Cigarettes	32631.27	–	32631.27	30596.59	–	30596.59
FMCG - Others	21975.28	6.29	21981.57	20958.26	8.57	20966.83
FMCG - Total	**54606.55**	**6.29**	**54612.84**	**51554.85**	**8.57**	**51563.42**
Agri Business	12065.64	7688.16	19753.80	8422.39	7369.44	15791.83
Paperboards, Paper and Packaging	6626.23	1796.58	8422.81	6535.96	1808.44	8344.40
Others	166.13	1.24	167.37	143.84	1.42	145.26
Segment Total	**73464.55**	**9492.27**	**82956.82**	**66657.04**	**9187.87**	**75844.91**
Eliminations			(9492.27)			(9187.87)
Gross Revenue from sale of products and services			**73464.55**			**66657.04**
2. Segment Results						
FMCG - Cigarettes			20024.87			19089.17
FMCG - Others			1579.66			1778.55
FMCG - Total			**21604.53**			**20867.72**
Agri Business			1478.03			1254.43
Paperboards, Paper and Packaging			911.49			1377.60
Others			64.02			53.09
Segment Total			**24058.07**			**23552.84**
Eliminations			1.75			(196.05)
Total			**24059.82**			**23356.79**
Unallocated corporate expenses net of unallocated income			(1310.30)			(1067.88)
Profit before interest etc. and taxation			**22749.52**			**22288.91**
Finance Costs			(36.35)			(34.39)
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			3287.69			3377.60
Exceptional items [Refer Note 29(i)]			527.96			–
Profit before tax			**26528.82**			**25632.12**
Tax expense			(6436.97)			(5721.89)
Profit for the year from continuing operations			**20091.85**			**19910.23**
Profit for the year from discontinued operations [Refer Note 29(x)]			**15103.76**			**511.74**
Profit for the year			**35195.61**			**20421.97**

3. Other Information	2025		2024	
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities
FMCG - Cigarettes	9929.46	5516.37	9160.85	5248.89
FMCG - Others	12911.68	2442.96	12500.83	2501.71
FMCG - Total	**22841.14**	**7959.33**	**21661.68**	**7750.60**
Agri Business	6956.68	2221.65	5024.81	1380.10
Paperboards, Paper and Packaging	9656.83	1361.09	9413.71	1257.39
Others	149.52	60.69	134.99	29.22
Segment Total	**39604.17**	**11602.76**	**36235.19**	**10417.31**
Discontinued operations [Refer Note 29(x)]	–	–	6548.66	1128.07
Unallocated Corporate Assets/Liabilities	44405.03	4506.30	44543.75	3548.92
Total	**84009.20**	**16109.06**	**87327.60**	**15094.30**

30. Segment Reporting (Contd.)

(₹ in Crores)

	2025		2024	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	320.52	266.20	537.90	257.28
FMCG - Others	515.80	584.26	670.77	559.95
FMCG - Total	**836.32**	**850.46**	**1208.67**	**817.23**
Agri Business	104.07	67.41	60.92	70.61
Paperboards, Paper and Packaging	381.84	390.18	726.15	359.65
Others	5.42	5.78	8.78	5.49
Segment Total	**1327.65**	**1313.83**	**2004.52**	**1252.98**
Discontinued operations [Refer Note 29(x)]	171.28	226.95	312.60	290.62
Unallocated	343.35	128.10	300.78	104.22
Total	**1842.28**	**1668.88**	**2617.90**	**1647.82**

	2025 Non Cash expenditure other than depreciation	2024 Non Cash expenditure other than depreciation
FMCG - Cigarettes	41.67	4.68
FMCG - Others	131.17	110.19
FMCG - Total	**172.84**	**114.87**
Agri Business	43.24	52.81
Paperboards, Paper and Packaging	32.53	34.66
Others	0.18	0.19
Segment Total	**248.79**	**202.53**

GEOGRAPHICAL INFORMATION

	2025	2024
1. Revenue from external customers		
– Within India	65635.22	60333.03
– Outside India	7829.33	6324.01
Total	**73464.55**	**66657.04**
2. Non-current assets		
– Within India	22022.91	28059.48
– Outside India	...	–
Total	**22022.91**	**28059.48**

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) Pursuant to the Scheme of Demerger and in terms of applicable Accounting Standards (Ind AS), the Company has reported its Hotels Business (excluding ITC Grand Central, Mumbai) as 'Discontinued Operations' [Refer Note 29(x)]. Accordingly, 'Hotels' no longer forms a reportable segment of the Company. The segment information of ITC Grand Central, Mumbai which has been retained with the Company in terms of the Scheme of Demerger, have been disclosed under a new 'Others' segment.

(3) 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

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

(5) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.

(6) As stock options and stock appreciation linked reward units 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.

(7) 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
   - Greenacre Holdings Limited (up to 28.11.2024)

b) 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

c) Technico Agri Sciences Limited

d) Wimco Limited

e) Pavan Poplar Limited

f) Prag Agro Farm Limited

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., Brazil
   - 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. (w.e.f. 23.07.2024)
   - Blazeclan Technologies Private Limited and its subsidiaries (w.e.f. 01.10.2024)
     - Cloudlytics Technologies Private Limited
     - Blazeclan Technologies PTE Ltd., Singapore
     - Blazeclan Technologies SDN. BHD., Malaysia
     - Blazeclan Technologies Pty. Ltd., Australia
       - Blazeclan Technologies Limited, New Zealand
     - Blazeclan Europe SRL., Belgium
     - Blazeclan Technologies Inc., Canada
     - Blazeclan Technologies LLC, USA
     - Blazeclan Americas Inc., USA
     - 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) Greenacre Holdings Limited (w.e.f. 29.11.2024)

o) ITC Hotels Limited (up to 31.12.2024)

p) Srinivasa Resorts Limited (up to 31.12.2024)

q) Fortune Park Hotels Limited (up to 31.12.2024)

r) Bay Islands Hotels Limited (up to 31.12.2024)

s) WelcomHotels Lanka (Private) Limited, Sri Lanka (up to 31.12.2024)

t) Landbase India Limited (up to 31.12.2024)

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

i) Associates & Joint Ventures:

Associates

a) Gujarat Hotels Limited (up to 31.12.2024)

b) International Travel House Limited (up to 31.12.2024)

c) Delectable Technologies Private Limited

d) Sproutlife Foods Private Limited

e) ITC Hotels Limited and its subsidiaries (w.e.f. 01.01.2025)
   - Srinivasa Resorts Limited
   - Fortune Park Hotels Limited
   - WelcomHotels Lanka (Private) Limited, Sri Lanka
   - Landbase India Limited

   – being associates of the Company, and

f) Tobacco Manufacturers (India) Limited (of which the Company is an associate) and the subsidiaries of its ultimate parent company (British American Tobacco p.l.c.)

31. Related Party Disclosures (Contd.)

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

Joint Venture
Maharaja Heritage Resorts Limited (up to 31.12.2024)

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
C.K. Mishra#	Non-Executive Director (w.e.f. 14.09.2024)
S. Mohanty	Non-Executive Director (w.e.f. 01.01.2025)
S. Mukherjee#	Non-Executive Director
A. Nayak#	Non-Executive Director
A. Pande	Non-Executive Director (w.e.f. 27.07.2024)
S. Panray	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
A. Singh	Non-Executive Director (w.e.f. 02.04.2024)
P. Subrahmanyam#	Non-Executive Director (w.e.f. 02.04.2024)
S. Banerjee#	Non-Executive Director (up to 29.07.2024)
A. Duggal#	Non-Executive Director (up to 14.09.2024)
M. Gupta	Non-Executive Director (up to 26.10.2024)
R. Jain	Non-Executive Director (up to 30.05.2024)
M. Shankar#	Non-Executive Director (up to 14.09.2024)

Independent Directors

Company Secretary
R. K. Singhi

Members - Corporate Management Committee
S. Puri
S. Dutta
S. Kaul
H. Malik
A. Rajput
S. Sivakumar
B. Sumant

b) Related Parties of KMP:

I) Close Members of KMP:
N. Singhi (wife of R. K. Singhi)
Y. Singhi (son of R. K. Singhi)

II) Entities in which KMP/close member of 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) ITC Hotels Limited Employees Superannuation Scheme (up to 31.12.2024)
m) Sunrise Spices Limited Employees Gratuity Fund

31. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2025

(₹ 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	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
1.	Sale of Goods/Services	378.00	360.26	1495.62	1410.78	87.91	100.55							1961.53	1871.59
2.	Purchase of Goods/Services	491.40	472.27	175.65	169.79	637.68	639.27			2.67	0.76			1307.40	1282.09
3.	Acquisition cost of Property, Plant and Equipment	4.64	32.94											4.64	32.94
4.	Sale of Property, Plant and Equipment	–	0.40					–	0.21					–	0.61
5.	Investment Purchased from Subsidiary[1]	164.25	22.12											164.25	22.12
6.	Investment in Subsidiaries/Associate	823.97	1050.35	29.99	65.04									853.96	1115.39
7.	Value of Share-based Payment														
7A.	Capital Contribution for Share-based Payments	(0.68)	(0.83)											(0.68)	(0.83)
7B.	Recovery for Share-based Payments	4.30	5.87	3.37	0.96	0.08	0.14							7.75	6.97
7C.	Reimbursement for Share-based Payments			2.37	–									2.37	–
8.	Rent Received	38.19	27.94	1.32	0.73									39.51	28.67
9.	Rent Paid*	7.76	13.26	3.46	4.06			0.72	0.87	0.07	0.27			12.01	18.46
10.	Remuneration of Managers on Deputation reimbursed	0.38	2.44	6.54	6.45									6.92	8.89
11.	Remuneration of Managers on Deputation recovered	53.22	52.71	9.90	9.37	1.61	1.71							64.73	63.79
12.	Contribution to Employees' Benefit Plans											169.05	154.28	169.05	154.28
13.	Dividend Income	1006.89	980.45	2.39	0.45									1009.28	980.90
14.	Dividend Payments			4455.87	5700.89			8.59	9.28					4464.46	5710.17
15.	Interest Income	20.25	18.19											20.25	18.19
16.	Expenses Recovered	19.47	21.50	113.43	6.84	0.20	0.27							133.10	28.61
17.	Expenses Reimbursed	8.43	6.33	15.30	0.27	0.03	0.01	0.02	0.03					23.78	6.64
18.	Advances Received during the year	282.29	89.33	1690.64	981.64									1972.93	1070.97
19.	Adjustment/Payment towards Refund of Advances	103.49	27.73	1417.65	1333.30									1521.14	1361.03
20.	Adjustment/Receipt towards Refund of Deposit	0.48						–	0.05	–	0.05			0.48	0.10
21.	Remuneration to KMP														
21A.	– Short term benefits							56.77	60.59					56.77	60.59
21B.	– Other long-term incentives							26.00	40.34					26.00	40.34
21C.	– Post employment benefits[2]														
21D.	– Share-based Payments[3]														
22.	Outstanding Balances#														
	i) Receivables	55.02	82.30	47.13	29.56	17.10	6.24							119.25	118.10
	ii) Advances Given											–	21.30	–	21.30
	iii) Deposits Given	0.12	0.60					0.01	0.01	0.03	0.03			0.16	0.64
	iv) Advances Taken	267.36	88.56	640.75	367.76									908.11	456.32
	v) Deposits Taken				0.04										0.04
	vi) Payables	7.54	11.77	29.92	5.77	7.03	9.65					27.60	38.01	72.09	65.20
23.	Commitments	–	0.38											–	0.38

^ includes transactions with close member of KMP & entities in which KMP/close member of 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.

1. Denotes inter-se transfer of investments by a subsidiary to the Company at book value;
2. Post employment benefits are actuarially determined on overall basis and hence not separately provided. Payments made on settlement of leave liability upon retirement - Nil (2024 - ₹ 1.50 Crores) has not been included in the above;
3. During the year, the Company granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. The Company has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons in the previous years under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Further, in terms of the Scheme of Demerger, ITCHL has granted stock options to the eligible employees of the Company under the ITC Hotels Special Purpose Employee Stock Option Scheme [Refer Note 29(xv) (B)]. Since such Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ESAR Units, and accordingly the said grants have not been considered as 'remuneration'. However, in accordance with Ind AS -102, the Company has recorded employee benefits expense by way of share-based payments to employees at ₹ 140.37 Crores for the year ended 31st March, 2025 (2024 - ₹ 135.16 Crores), of which ₹ 32.69 Crores (2024 - ₹ 30.85 Crores) is attributable to Executive Directors and KMPs.
4. All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis other than those mentioned in Note 1 above for which requisite approvals of the Board of Directors have been obtained.
5. In addition to the above, the Company has transferred assets (₹ 12088.44 Crores) and liabilities (₹ 1393.68 Crores) to ITC Hotels Limited consequent to Scheme of Arrangement for demerger of the Hotels Business of the Company into ITC Hotels Limited. Refer Note 29(x) for details of the same.

Enduring Value

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	2025	2024
1.	**Sale of Goods/Services**		
	British American Tobacco (GLP) Limited	1445.27	1070.96
	Surya Nepal Private Limited	328.39	322.94
2.	**Purchase of Goods/Services**		
	ITC Filtrona Limited	637.68	639.27
	ITC Infotech India Limited	218.92	209.95
	North East Nutrients Private Limited	173.12	168.16
3.	**Acquisition cost of Property, Plant and Equipment**		
	ITC Infotech India Limited	3.64	32.47
	ITC Integrated Business Services Limited	0.95	–
4.	**Investment Purchased from Subsidiary**		
	Russell Credit Limited	164.25	22.12
5.	**Investment in Subsidiaries/Associate**		
	WelcomHotels Lanka (Private) Limited	334.97	704.37
	ITC Infotech India Limited	399.00	–
	ITC Fibre Innovations Limited	90.00	199.99
6.	**Value of Share Based Payment**		
6A.	*Capital Contribution for Share Based Payments*		
	ITC Infotech India Limited	(0.68)	(0.83)
6B.	*Recovery for Share-based Payments*		
	ITC Hotels Limited	2.69	–
	Surya Nepal Private Limited	1.57	1.33
	Fortune Park Hotels Limited	0.80	1.11
6C.	*Reimbursement for Share-based Payments*		
	ITC Hotels Limited	2.37	–
7.	**Rent Received**		
	ITC Infotech India Limited	32.78	22.95
8.	**Rent Paid**		
	Landbase India Limited	5.68	7.59
	Gujarat Hotels Limited	3.29	4.06
	Technico Agri Sciences Limited	1.60	1.47
9.	**Remuneration of Managers on Deputation reimbursed**		
	Gujarat Hotels Limited	4.90	6.45
	ITC Hotels Limited	1.64	–

	RELATED PARTY TRANSACTIONS SUMMARY	2025	2024
10.	**Remuneration of Managers on Deputation recovered**		
	ITC Infotech India Limited	15.72	15.51
	Fortune Park Hotels Limited	7.09	7.82
11.	**Contribution to Employees' Benefit Plans**		
	IATC Provident Fund	45.10	43.07
	ITC Defined Contribution Pension Fund	34.42	6.10
	ITC Employees Gratuity Fund	33.57	13.51
	ITC Pension Fund	20.75	56.40
	ITC Management Staff Gratuity Fund	20.33	21.10
12.	**Dividend Income**		
	ITC Infotech India Limited	488.32	488.40
	Surya Nepal Private Limited	405.52	418.14
13.	**Dividend Payments**		
	Tobacco Manufacturers (India) Limited	3558.09	4690.90
	Myddleton Investment Company Limited	680.84	765.94
14.	**Interest Income**		
	ITC IndiVision Limited	19.80	17.74
15.	**Expenses Recovered**		
	ITC Hotels Limited	95.17	–
16.	**Expenses Reimbursed**		
	ITC Hotels Limited	15.10	–
	ITC Infotech India Limited	4.21	0.05
17.	**Advances Received during the year**		
	British American Tobacco (GLP) Limited	1689.92	881.77
	Surya Nepal Private Limited	282.29	89.21
18.	**Adjustment/Payment towards Refund of Advances**		
	British American Tobacco (GLP) Limited	1417.65	1034.64
19.	**Adjustment/Receipt towards Refund of Deposit**		
	Russell Credit Limited	0.24	–
	Greenacre Holdings Limited	0.24	–

	RELATED PARTY TRANSACTIONS SUMMARY	2025	2024
20.	**Remuneration to KMP** #		
20A	*Short term benefits*		
	S. Puri	13.94	13.06
	B. Sumant	5.73	5.74
	H. Malik	5.13	4.38
	S. Dutta	5.12	5.08
20B	*Other long-term incentives*		
	S. Puri	8.82	13.37
	B. Sumant	5.00	6.69
	S. Dutta	4.29	4.15
	H. Malik	3.37	2.67
21.	**Outstanding Balances**		
(i)	*Receivables*		
	Surya Nepal Private Limited	47.93	65.87
	ITC Hotels Limited	18.99	–
	British American Tobacco (GLP) Limited	17.23	23.70
	ITC Filtrona Limited	17.10	5.77
(ii)	*Deposits Given*		
	Russell Credit Limited [1]	0.12	0.36
	N. Singhi	0.03	0.03
(iii)	*Advances Taken*		
	British American Tobacco (GLP) Limited	639.92	367.65
	Surya Nepal Private Limited	267.36	88.56
(iv)	*Payables*		
	ITC Hotels Limited	21.47	–
	Employee Trust - Gratuity Funds	14.94	38.01
	Employee Trust - Pension Funds	12.66	–

In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of share-based payments [refer Note 31.3], of which ₹ 32.69 Crores (2024 - ₹ 30.85 Crores) is attributable to Executive Directors and KMPs:

S. Puri ₹ 11.71 Crores (2024 - ₹ 10.90 Crores), B. Sumant ₹ 5.91 Crores (2024 - ₹ 5.52 Crores), S. Dutta ₹ 5.49 Crores (2024 - ₹ 3.08 Crores), H. Malik ₹ 3.22 Crores (2024 - ₹ 1.81 Crores) and R. K. Singhi ₹ 1.11 Crores (2024 - ₹ 0.87 Crore).

1 The maximum indebtedness during the year was ₹ 0.36 Crore (2024 - ₹ 0.36 Crore).

Enduring Value

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 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 2,93,98,310 Ordinary Shares (2024 – 5,67,03,730 Ordinary Shares) of ₹ 1.00 each amounting to ₹ 2.94 Crores (2024 – ₹ 5.67 Crores) towards its employee stock options. The securities premium stood at ₹ 15834.70 Crores as at 31st March, 2025 (2024 - ₹ 14842.78 Crores).

2. Categories of Financial Instruments

(₹ in Crores)

	Particulars	Note	As at 31st March, 2025		As at 31st March, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A.	**Financial assets**					
a)	**Measured at amortised cost**					
i)	Cash and cash equivalents	11	222.06	222.06	197.63	197.63
ii)	Bank Balances other than (i) above	12	2962.32	2962.32	6020.06	6020.06
iii)	Investment in Bonds/ Debentures, Preference Shares & Government or Trust Securities	4, 9	7419.15	7484.91	7384.61	7238.15
iv)	Investment in Mutual Funds	4, 9	389.10	392.57	366.88	362.91
v)	Loans	5	15.24	13.84	11.73	11.24
vi)	Trade receivables	10	3910.77	3910.77	3311.45	3311.45
vii)	Other financial assets	6	2744.19	2738.46	1220.16	1173.66
	Sub-total		**17662.83**	**17724.93**	**18512.52**	**18315.10**
b)	**Measured at Fair value through OCI**					
i)	Investment in Equity Shares	4	3629.98	3629.98	3979.47	3979.47
ii)	Investment in Mutual Funds	4, 9	5309.12	5309.12	4912.78	4912.78
	Sub-total		**8939.10**	**8939.10**	**8892.25**	**8892.25**
c)	**Measured at Fair value through Profit or Loss**					
i)	Investment in Mutual Funds	9	10518.05	10518.05	9355.06	9355.06
ii)	Investment in Bonds/Debentures, Certificates of Deposit	9	1586.96	1586.96	2524.47	2524.47
iii)	Investment in Venture Capital Funds	4	132.81	132.81	121.96	121.96
iv)	Investment in Equity & Preference Shares	4	32.97	32.97	39.34	39.34
	Sub-total		**12270.79**	**12270.79**	**12040.83**	**12040.83**
d)	**Derivatives measured at fair value**					
i)	Derivative instruments not designated as hedging instruments	6	15.71	15.71	2.05	2.05
ii)	Derivative instruments designated as hedging instruments	6	24.20	24.20	0.53	0.53
	Sub-total		**39.91**	**39.91**	**2.58**	**2.58**
	Total financial assets		**38912.63**	**38974.73**	**39448.18**	**39250.76**

32. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

	Particulars	Note	As at 31st March, 2025		As at 31st March, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
B.	**Financial liabilities**					
a)	**Measured at amortised cost**					
i)	Sales tax deferment loans	14	1.76	1.76	3.28	2.90
ii)	Trade payables	19	4489.82	4489.82	4489.55	4489.55
iii)	Lease liabilities	15	154.99	154.99	308.69	308.69
iv)	Other financial liabilities	16	1512.37	1496.69	1750.52	1730.19
	Sub-total		**6158.94**	**6143.26**	**6552.04**	**6531.33**
b)	**Measured at fair value**					
	Derivative instruments not designated as hedging instruments	16	8.40	8.40	1.43	1.43
	Derivative instruments designated as hedging instruments	16	3.16	3.16	4.60	4.60
	Contingent Consideration	16	12.65	12.65	12.65	12.65
	Sub-total		**24.21**	**24.21**	**18.68**	**18.68**
	Total financial liabilities		**6183.15**	**6167.47**	**6570.72**	**6550.01**

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 ₹ 39755.94 Crores (2024 – ₹ 36070.67 Crores) including Current Investments, Cash and cash equivalents and Bank Balances other than cash and cash equivalents of ₹ 18470.29 Crores (2024 – ₹ 18134.57 Crores) against an aggregate Current liability of ₹ 13122.14 Crores (2024 – ₹ 12415.61 Crores). As part of its surplus liquidity management operations, the Company may sell instruments that are held at amortised cost. Such sales may be infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). During the year, the net loss arising on such sale amounted to Nil (2024 – ₹ 16.37 Crores) (Refer Note 23).

Non-current liabilities (other than derivatives and lease liabilities) due between one year to three years amounted to ₹ 87.89 Crores (2024 – ₹ 110.07 Crores) and Non-current liabilities (other than derivatives and lease liabilities) due after three years amounted to Nil (2024 – ₹ 1.56 Crores) on the reporting date. Derivative liabilities are current in nature. The maturity analysis of undiscounted lease liabilities are disclosed under Note 29(viii).

Further, while the Company's total equity stands at ₹ 66648.73 Crores (2024 – ₹ 70984.83 Crores), the amount carried in the Balance Sheet as non-current borrowings is Nil (2024 – ₹ 1.76 Crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

A. Foreign Currency Risk

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

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, 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
As at 31st March, 2024	**USD**	**Euro**	**GBP**	**JPY**	**Others**	**Total**
Financial Assets	608.02	74.58	27.00	–	1.66	711.26
Financial Liabilities	77.59	22.61	1.18	2.02	0.98	104.38

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, 2025		As at 31st March, 2024	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	19.28	222.17	13.59	98.15
Euro	US Dollar	14.45	–	11.15	–
CHF	US Dollar	0.01	–	0.15	–
GBP	US Dollar	0.01	–	0.02	–
JPY	US Dollar	29.45	–	36.03	–

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

(In Million)

Not designated under Hedge Accounting		As at 31st March, 2025		As at 31st March, 2024	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	28.05	100.59	–	45.35
Euro	US Dollar	0.25	21.28	1.24	9.94
CAD	US Dollar	–	0.15	–	0.22
CHF	US Dollar	1.10	–	0.14	3.56
GBP	US Dollar	–	5.99	–	2.98
KWD	US Dollar	0.15	–	0.06	–
JPY	US Dollar	148.75	–	203.75	–
SEK	US Dollar	0.36	–	0.52	–
SGD	US Dollar	0.11	–	–	–

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

(In Million)

		As at 31st March, 2025		As at 31st March, 2024	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	4.00	36.50	–	–

Hedges of foreign currency risk and derivative financial instruments

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

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

32. Financial Instruments and Related Disclosures (Contd.)

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

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

(₹ in Crores)

Particulars	2025	2024
At the beginning of the year	1.29	2.48
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(15.31)	(6.43)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(3.94)	(3.45)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(9.45)	(17.73)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(1.81)	(1.40)
Less: Amounts transferred to initial cost of non-financial assets	(0.20)	10.85
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on Ineffectiveness	–	–
(Less)/Add: Deferred tax	1.96	0.41
At the end of the year	**(4.54)**	**1.29**
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	**(1.63)**	**2.19**

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, 2025	As at 31st March, 2024
Within one year	(4.54)	1.31
Between one and three years	–	(0.02)
Total	**(4.54)**	**1.29**

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, 2025 would decrease/increase by ₹ 5.08 Crores (2024 - ₹ 1.71 Crores) and other equity as at 31st March, 2025 would decrease/increase by ₹ 16.06 Crores (2024 - ₹ 4.91 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 bonds/debentures, certificates of deposit, commercial papers are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

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

C. Other Price Risk

The Company is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2025 is ₹ 3629.98 Crores (2024 - ₹ 3979.47 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

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

Credit Risk

Company's deployment in debt instruments are primarily in Government securities, fixed deposits with highly rated banks and companies, bonds issued by Government institutions, public sector undertakings, mutual fund schemes of leading fund houses and certificates of deposit/commercial papers issued by highly rated banks and financial institutions. Of this, investments that are held at amortised cost stood at ₹ 12455.86 Crores (2024 - ₹ 13802.74 Crores). With respect to the Company's investing activities, debt mutual fund schemes and counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Central/State Government, Government institutions/public sector undertakings with investment grade/sovereign credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Company's payment terms generally ranges from advance (generally settled within the operating cycle) to a credit period of up to 180 days, depending upon specific circumstances and industry practices. Credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. There is no significant financing component and/or remaining performance obligation in respect of its transaction with the customers for sale of goods and services. The Company's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 3910.77 Crores (2024 - ₹ 3311.45 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, 2025	31st March, 2024
Opening Balance	203.76	210.44
Add: Provisions made (net)	11.98	9.68
Less: Utilisation for impairment/de-recognition	17.02	16.36
Less: Transferred pursuant to Scheme of Demerger [Refer Note 29(x)]	2.96	–
Closing Balance	**195.76**	**203.76**

Notes to the Standalone Financial Statements

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, 2025	As at 31st March, 2024
A. Financial assets			
a) Measured at amortised cost			
i) Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities	2	7484.91	7238.15
ii) Investment in Mutual Funds	1	392.57	362.91
iii) Loans*	3	4.88	2.14
iv) Other Financial assets*	3	1517.17	326.38
Sub-total		**9399.53**	**7929.58**
b) Measured at Fair value through OCI			
i) Investment in Equity Shares – Quoted	1	3629.93	3979.42
ii) Investment in Equity Shares – Unquoted	3	0.05	0.05
iii) Investment in Mutual Funds	1	5309.12	4912.78
Sub-total		**8939.10**	**8892.25**
c) Measured at Fair value through Profit or Loss			
i) Investment in Mutual Funds	1	10518.05	9355.06
ii) Investment in Bonds/Debentures, Certificates of Deposit	2	1586.96	2524.47
iii) Investment in Venture Capital Funds	2	132.81	121.96
iv) Investment in Equity & Preference Shares	3	32.97	39.34
Sub-total		**12270.79**	**12040.83**
d) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	15.71	2.05
ii) Derivative instruments designated as hedging instruments	2	24.20	0.53
Sub-total		**39.91**	**2.58**
Total financial assets		**30649.33**	**28865.24**
B. Financial Liabilities			
a) Measured at amortised cost			
i) Sales tax deferment loans*	3	–	1.38
ii) Lease liabilities*	3	117.45	261.95
iii) Other Financial liabilities*	3	72.21	89.54
Sub-total		**189.66**	**352.87**
b) Measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	8.40	1.43
ii) Derivative instruments designated as hedging instruments	2	3.16	4.60
iii) Contingent Consideration	3	12.65	12.65
Sub-total		**24.21**	**18.68**
Total financial liabilities		**213.87**	**371.55**

* 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, 2025			31st March, 2024		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL
Opening Balance	39.34	0.05	12.65	39.34	0.05	12.65
Additions during the year	3.00	–	–	–	–	–
Sale/Transfer/Settlement during the year	–	–	–	–	–	–
Gain/(Loss) during the year recognised in Other Income	(9.37)	–	–	–	–	–
Gain/(Loss) during the year recognised in Other Comprehensive Income	–	–	–	–	–	–
Closing Balance	**32.97**	**0.05**	**12.65**	**39.34**	**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, 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 22, 2025

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

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, 2025, the Statement of Profit and Loss, including 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, 2025, 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, 2025. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
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. The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for	Our audit procedures included the following: • Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue. • Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>evaluation of performance. There is a risk of revenue being recorded before control is transferred.

Refer Note 1 to the Standalone Ind AS Financial Statements - Material Accounting Policies and Note 22A/22B.</td><td>• Tested the effectiveness of such controls over revenue cut off at year-end.
• On sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.
• Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.
• Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.
• Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</td></tr>
<tr><td colspan="2">Accounting for demerger of Hotels business</td></tr>
<tr><td>The Company, in the current year, has given effect to the scheme of demerger of Hotels business (demerged undertaking) into ITC Hotels Limited (ITCHL) pursuant to the Scheme of Arrangement ('Scheme'). The Scheme was approved by the Hon'ble National Company Law Tribunal, Kolkata bench vide its order dated October 04, 2024 and the appointed date and the effective date of the Scheme is January 01, 2025.

By virtue of this scheme being effective in the current year, the said demerged undertaking has been disclosed as discontinued operations till the effective date of the demerger.

At the appointed and effective date, the Hotels business of the Company (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the investments held by the Company in Hospitality entities as defined in the Scheme were transferred to ITCHL on a going concern basis in accordance with the approved Scheme.

Demerger is a significant non-routine transaction and requires determination of fair value of demerged undertaking for the purposes of accounting as per Ind AS which involves significant judgements and estimates which are sensitive to underlying assumptions (forecast of future cash flows, growth rate, weighted average cost of capital, discount rates etc). These judgements/estimates could have an impact on the recognition of the amount of liability for assets to be distributed to shareholders at fair value and the consequential gain as recognised in the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:
• Obtained and read the Scheme and final order passed by the Hon'ble National Company Law Tribunal to understand its key terms and conditions.
• Evaluated the design and tested the operating effectiveness of the internal financial controls (including management review controls) relevant for recording the impact of the Scheme and related disclosures.
• Tested the Management's working for identification of specific assets and liabilities of the demerged undertaking and relevant impact in the reserves as per the Scheme.
• Assessed the appropriateness of accounting treatment of this demerger and compared with applicable Indian Accounting Standards (Ind AS) and the approved accounting treatment in the Scheme.
• Obtained the report of the management's expert for determination of fair value of demerged undertaking. Evaluated the competence and objectivity of the management's expert.
• Involved our valuation specialist to review the appropriateness of methodology and key assumptions considered by management to determine fair value of the demerged undertaking.
• Assessed the adequacy and appropriateness of the disclosures made with respect to the accounting of the transaction as required by the applicable Ind AS.</td></tr>
</table>

Key audit matters	How our audit addressed the key audit matter
Due to the magnitude and complexity of the transaction, and considering the assumptions and estimates required to be made by the management for the purpose of accounting and presentation/disclosures in the standalone Ind AS financial statements, this is considered as a key audit matter. Refer Note 29(x) to the standalone Ind AS financial statements.	

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, 2025 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, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 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, 2025 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(vi)(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: 25089802BMNPUK4099

Place of Signature: Kolkata
Date: May 22, 2025

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, 2025.

(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 8 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 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	30.63	1987-2018	Appellate Authority – upto commissioners'/ Revisional Authorities Level
		27.21	2005-2018	Appellate Authority – Tribunal Level
		240.44	1994-2017	High Court
Customs Act, 1962	Customs Duty	6.11	2012-2024	Appellate Authority – upto commissioners'/ Revisional Authorities Level
		16.23	2015-2021	Appellate Authority – Tribunal Level
		5.23	2006-2009	High Court
Central Excise Act, 1944	Excise Duty	0.29	1996-2015	Appellate Authority – upto commissioners'/ Revisional Authorities Level
		51.93	1986-2018	Appellate Authority – Tribunal Level
		4.68	2004-2012	High Court
Finance Act, 1994	Service Tax	22.39	2004-2017	Appellate Authority – Tribunal Level
		5.53	2005-2007	High Court
Entry Tax Laws	Entry Tax	1.09	2009-2017	Appellate Authority – upto commissioners'/ Revisional Authorities Level
		18.50	2011-2018	Appellate Authority – Tribunal Level
		87.06	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	86.68	2017-2023	Appellate Authority – upto commissioners'/ Revisional Authorities Level
		3.28	2017-2019	Appellate Authority – Tribunal Level
		5.64	2017-2020	High Court
Mandi Laws	Mandi Fees & Cess	0.85	2021-2022	Mandi Board
		1.36	2001-2022	High Court
Municipal, Local Bodies and Property Tax Laws	Municipal, Local Bodies and Property Taxes & Charges	15.76	2001-2024	High Court
Stamp Duty Laws	Stamp Duty	4.22	2004-2016	Registrar / Appellate Authority
		0.07	2007-2008	High Court
The Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	0.43	2012-2020	Appellate Authority – Tribunal Level
		1.32	1982-1990	High Court
Employees' State Insurance Act, 1948	Employees' State Insurance	0.02	2007-2008	Principal Labour Court
		0.06	1995-1996	High Court

Out of the total disputed dues aggregating ₹ 691.96 Crores as above, ₹ 532.65 Crores pertain to matters which have been stayed for recovery by the relevant authorities.

* Net of amount paid under protest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(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(xvii) 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: 25089802BMNPUK4099

Place of Signature: Kolkata
Date: May 22, 2025

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, 2025 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, 2025, 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: 25089802BMNPUK4099

Place of Signature: Kolkata
Date: May 22, 2025

Guide to Subsidiaries / Joint Ventures / Associates

Subsidiaries of ITC Limited

Surya Nepal Private Limited, Nepal

Shareholding

59% held by ITC Limited.

Nature of Business

Manufacture and sale of cigarettes & branded packaged food products.

Subsidiary

Surya Nepal Ventures Private Limited, a wholly owned subsidiary, is engaged in the business of manufacture and sale of agarbattis.

North East Nutrients Private Limited

Shareholding

76% held by ITC Limited.

Nature of Business

Manufacture and sale of packaged food products from its food processing facility based in Assam.

ITC Infotech India Limited (I3L)

Shareholding

100% held by ITC Limited.

Nature of Business

Information technology services and solutions.

Subsidiaries

I3L owns 100% of the shareholding of :

ITC Infotech (USA), Inc. (I2A)

ITC Infotech Limited, UK

ITC Infotech Do Brasil LTDA., Brazil

ITC Infotech France SAS

ITC Infotech GmbH, Germany

ITC Infotech Malaysia SDN. BHD.

ITC Infotech de México, S.A. de C.V. (I2MX)*

ITC Infotech Arabia Limited, Saudi Arabia

ITC Infotech Italia s.r.l., Italy and

Blazeclan Technologies Private Limited (BTPL)

*Ownership includes shareholding by I2A, which holds one share in I2MX.

I2A owns 100% of the shareholding of Indivate Inc. incorporated as a New Jersey Corporation.

On 1st October 2024, I3L acquired 100% of the equity share capital of BTPL which is primarily engaged in the business of providing end-to-end cloud based solutions and services. BTPL owns 100% of the shareholding of:

Cloudlytics Technologies Private Limited

Blazeclan Technologies PTE Ltd., Singapore

Blazeclan Technologies SDN. BHD., Malaysia

Blazeclan Technologies Pty. Limited, Australia

Blazeclan Europe SRL., Belgium

Blazeclan Technologies Inc., Canada

Blazeclan Technologies LLC, USA

Blazeclan Americas Inc., USA and

Blazeclan Technologies Corporation, Philippines (BTC)#

#Ownership include shareholding by two Directors of BTC, who hold one share each in BTC.

Blazeclan Technologies Pty. Limited, Australia, owns 100% of the shareholding of Blazeclan Technologies Limited, New Zealand.

All the above entities, other than Indivate Inc., are engaged in the information technology services business. Indivate Inc. is principally engaged in providing business consulting services and opportunity based trading of FMCG products.

Russell Credit Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Investment company. Its activities are primarily confined to making long-term investments in strategic thrust areas for ITC, namely FMCG, Paper, Paperboards & Packaging, Agri Business and Information Technology.

Greenacre Holdings Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Engaged in property infrastructure maintenance, and providing engineering, procurement & construction management and project management consultancy services.

Gold Flake Corporation Limited (GFCL)

Shareholding

100% held by ITC Limited.

Nature of Business

General trading.

Joint Venture

ITC Filtrona Limited, India, is a 50% joint venture of GFCL with Filtrona Products International Limited, UK.

Nature of Business

Manufacture and sale of cigarette filter rods.

ITC Integrated Business Services Limited (IIBSL)

Shareholding

100% held by ITC Limited.

Nature of Business

Providing support to the Business Shared Services operations of ITC Limited and its related entities.

Subsidiary

IIBSL owns 100% shareholding in MRR Trading & Investment Company Limited, which provides estate maintenance services.

Technico Pty Limited, Australia (Technico)

Shareholding

100% held by ITC Limited.

Nature of Business

An agri-biotechnology company primarily engaged in commercialisation of seed potatoes with TECHNITUBER® technology.

Subsidiaries

Technico has two wholly owned subsidiaries, namely Technico Technologies Inc., Canada and Technico Asia Holdings Pty Limited, Australia.

Technico Asia Holdings Pty Limited has a wholly owned subsidiary, Technico Horticultural (Kunming) Company Limited, China.

These companies support Technico in the production and commercialisation of seed potatoes in different geographies.

Technico Agri Sciences Limited

Shareholding

100% held by ITC Limited.

Nature of Business

An agri-biotechnology company primarily engaged in rapid multiplication and commercialisation of seed potatoes with TECHNITUBER® technology & sourcing/supply of commercial potatoes.

ITC IndiVision Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Manufacture and sale of nicotine and nicotine derivative products from its facility in Karnataka.

Wimco Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Fabrication & assembly of machinery for tube filling, cartoning, wrapping, conveyor solutions and engineering services.

Pavan Poplar Limited & Prag Agro Farm Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Agro-forestry and other related activities.

ITC Fibre Innovations Limited

Shareholding

100% held by ITC Limited

Nature of Business

Manufacture and sale of moulded fibre products from its facility in Madhya Pradesh.

Major Associate of the Group

ITC Hotels Limited (ITCHL)

Shareholding

39.88 % held by ITC Limited.

Nature of Business

ITCHL is engaged in Hospitality business.

During the year, the Hotels Business of the Company was demerged into ITCHL with effect from 1st January, 2025.

ITCHL is amongst the fastest growing hospitality chains in the country with 140+ properties and over 13,000 rooms under six distinctive brands – 'ITC Hotels' in the Luxury segment, 'Mementos' in the Luxury Lifestyle segment, 'Welcomhotel' in the Upper Upscale & Upscale segment, 'Storii' in the Boutique Premium segment, 'Fortune' in the Mid-market to Upscale segment and 'WelcomHeritage' in the Leisure & Heritage segment.

Note: The full list of the Group's Associates appears on page 282.

Principles of Consolidation

The Group's interests in its subsidiaries, associates and joint ventures are reflected in the Consolidated Financial Statements (CFS) in accordance with the relevant Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013.

Subsidiaries (Ind AS 110)

Line by line consolidation of the Statement of Profit and Loss and Balance Sheet is done by aggregating like items of assets, liabilities, income and expenses.

The excess/deficit of the cost to ITC Limited of its investments in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill/capital reserve in the CFS. The goodwill is disclosed as an asset and capital reserve as a reserve in the Consolidated Balance Sheet.

Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interest; likewise the non-controlling interests in the net assets of the consolidated subsidiaries is identified and presented separately within Equity in the Consolidated Balance Sheet.

Inter-Company transactions within the Group (both Balance Sheet and Profit or loss items) are eliminated for arriving at the Group CFS.

CFS is prepared applying uniform accounting policies of ITC Limited to the Group companies.

Associates and Joint Ventures (Ind AS 28)

An investment in associate and joint venture is initially recognised at cost on the date of the investment, and is inclusive of any goodwill/capital reserve embedded in the cost.

Only share of net profits/losses and other comprehensive income of associates/joint ventures is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in associates/joint ventures is adjusted by the share of net profits/losses and other comprehensive income in the Consolidated Balance Sheet.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/Associate companies/Joint Ventures

Part A: Subsidiaries

(₹ in Crores)

	Name of the Subsidiary	ITC Infotech India Limited	ITC Infotech (USA), Inc.	ITC Infotech Limited	Indivate Inc.	ITC Infotech Do Brasil LTDA.	ITC Infotech France SAS	ITC Infotech GmbH	ITC Infotech Malaysia SDN. BHD.
1.	The date since when subsidiary was acquired	21-Aug-2000	17-Jun-1993	26-Jan-1993	18-Nov-2016	10-Oct-2022	08-Feb-2023	10-Mar-2023	03-Feb-2023
2.	Financial Year ending on	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025
3.	Reporting Currency	Indian Rupee	US Dollar	British Pound	US Dollar	Brazilian Real	Euro	Euro	Malaysian Ringgit
	Exchange Rate on the last day of the financial year	–	85.4750	110.7025	85.4750	14.8859	92.0900	92.0900	19.2625
4.	Share Capital	90.85	155.56	7.59	0.85	3.87	27.63	26.25	15.41
5.	Reserves & Surplus	1602.74	111.42	98.41	21.77	2.14	10.73	33.09	3.28
6.	Total Assets	2734.86	412.04	161.27	44.20	8.39	71.01	106.90	25.48
7.	Total Liabilities (excluding Total Equity)	1041.27	145.06	55.27	21.58	2.38	32.65	47.56	6.79
8.	Investments (excluding Investments made in subsidiaries)	239.61	–	–	–	–	–	–	–
9.	Turnover	3332.67	1312.36	318.71	108.44	15.96	82.11	135.96	53.77
10.	Profit/(Loss) before tax	611.97	90.36	17.54	26.34	1.56	8.23	11.39	3.53
11.	Provision for tax	(145.35)	(18.11)	(2.86)	–	(0.50)	(2.12)	(3.65)	(0.96)
12.	Profit/(Loss) after tax	466.62	72.25	14.68	26.34	1.06	6.11	7.74	2.57
13.	Proposed Dividend @	488.32	64.56	22.75	42.74	–	–	–	–
14.	% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

@ includes dividend paid during the year

Note: Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.

Enduring Value

Part A: Subsidiaries (Contd.)

(₹ in Crores)

Name of the Subsidiary	ITC Infotech Arabia Limited	ITC Infotech de México, S.A. de C.V.	ITC Infotech Italia s.r.l.	Blazeclan Technologies Private Limited#	Blazeclan Technologies Pty. Limited#	Blazeclan Technologies Limited#	Blazeclan Americas Inc.#	Blazeclan Technologies PTE Limited#
1. The date since when subsidiary was acquired	17-Dec-2023	17-Apr-2023	23-Jul-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024
2. Financial Year ending on	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025
3. Reporting Currency	Saudi Riyal	Mexican Peso	Euro	Indian Rupee	Australian Dollar	New Zealand Dollar	US Dollar	Singapore Dollar
Exchange Rate on the last day of the financial year	22.7875	4.2075	92.0900	–	53.8100	48.8875	85.4750	63.7100
4. Share Capital	36.46	15.38	9.21	11.03	…	…	0.02	…
5. Reserves & Surplus	3.07	1.47	(1.46)	66.99	3.50	0.62	0.61	11.51
6. Total Assets	89.46	18.56	15.86	142.26	26.16	1.42	1.47	33.73
7. Total Liabilities (excluding Total Equity)	49.93	1.71	8.11	64.24	22.66	0.80	0.84	22.22
8. Investments (excluding Investments made in subsidiaries)	–	–	–	–	–	–	–	–
9. Turnover	86.08	20.36	4.14	120.43	54.86	2.12	4.38	51.81
10. Profit/(Loss) before tax	3.85	1.55	0.41	(25.65)	4.20	0.52	0.56	2.66
11. Provision for tax	(0.78)	(0.40)	(0.19)	2.81	(1.21)	(0.14)	(0.09)	(0.36)
12. Profit/(Loss) after tax	3.07	1.15	0.22	(22.84)	2.99	0.38	0.47	2.30
13. Proposed Dividend@	–	–	–	–	–	–	–	–
14. % of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

@ includes dividend paid during the year

ITC Infotech India Limited acquired Blazeclan Technologies Private Limited and its subsidiaries with effect from 1st October, 2024. However, the figures relating to items of Statement of Profit and Loss of these companies, as disclosed above are for the full financial year.

Note: Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.

Part A: Subsidiaries (Contd.)

(₹ in Crores)

	Name of the Subsidiary	Blazeclan Technologies SDN. BHD.#	Blazeclan Technologies Corporation#	Blazeclan Europe SRL.#	Blazeclan Technologies LLC#	Blazeclan Technologies Inc.#	Cloudlytics Technologies Private Limited#	Surya Nepal Private Limited	Surya Nepal Ventures Private Limited
1.	The date since when subsidiary was acquired	01-Oct-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024	01-Oct-2024	20-Aug-2002	03-Jul-2023
2.	Financial Year ending on	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	13-Mar-2025	13-Mar-2025
3.	Reporting Currency	Malaysian Ringgit	Philippine Peso	Euro	US Dollar	Canadian Dollar	Indian Rupee	Nepalese Rupee	Nepalese Rupee
	Exchange Rate on the last day of the financial year	19.2625	1.4919	92.0900	85.4750	59.6675	–	0.6250	0.6250
4.	Share Capital	...	1.60	0.04	...	...	0.01	126.00	13.81
5.	Reserves & Surplus	1.46	0.09	(0.64)	0.63	(1.53)	(1.34)	701.83	1.37
6.	Total Assets	8.18	3.12	2.49	2.16	2.20	0.26	1226.98	17.82
7.	Total Liabilities (excluding Total Equity)	6.72	1.43	3.09	1.53	3.73	1.59	399.15	2.64
8.	Investments (excluding Investments made in subsidiaries)	–	–	–	–	–	–	10.80	0.28
9.	Turnover	17.64	0.52	6.12	...	2.24	0.28	3320.65	18.06
10.	Profit/(Loss) before tax	0.12	0.02	(0.05)	(0.03)	(0.60)	0.02	1056.08	2.50
11.	Provision for tax	(0.02)	(0.01)	0.03	–	0.51	...	(324.91)	(0.51)
12.	Profit/(Loss) after tax	0.10	0.01	(0.02)	(0.03)	(0.09)	0.02	731.17	1.99
13.	Proposed Dividend@	–	–	–	–	–	–	687.96	0.35
14.	% of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	59.00	59.00

@ includes dividend paid during the year

\# ITC Infotech India Limited acquired Blazeclan Technologies Private Limited and its subsidiaries with effect from 1st October, 2024. However, the figures relating to items of Statement of Profit and Loss of these companies, as disclosed above are for the full financial year.

Note: Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.

Part A: Subsidiaries (Contd.)

(₹ in Crores)

Name of the Subsidiary	Technico Pty Limited	Technico Agri Sciences Limited	Technico Technologies Inc.	Technico Asia Holdings Pty Limited	Technico Horticultural (Kunming) Co. Limited	Russell Credit Limited	Greenacre Holdings Limited	Wimco Limited
1. The date since when subsidiary was acquired	17-Aug-2007	17-Aug-2007	17-Aug-2007	17-Aug-2007	17-Aug-2007	26-Sep-1997	09-Nov-1994*	01-Jul-2005
2. Financial Year ending on	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025
3. Reporting Currency	Australian Dollar	Indian Rupee	Canadian Dollar	Australian Dollar	Chinese Yuan Renminbi	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	53.8100	–	59.6675	53.8100	11.7681	–	–	–
4. Share Capital	104.87	37.96	6.47	19.83	22.38	646.48	42.06	18.51
5. Reserves & Surplus	(50.62)	172.48	0.03	(14.57)	3.46	299.64	22.65	(22.11)
6. Total Assets	64.62	484.52	6.82	5.26	26.22	966.06	83.20	5.71
7. Total Liabilities (excluding Total Equity)	10.37	274.08	0.32	–	0.38	19.94	18.49	9.31
8. Investments (excluding Investments made in subsidiaries)	–	52.03	–	–	–	802.87	47.79	4.03
9. Turnover	20.43	396.19	0.20	–	6.51	71.91	13.46	3.70
10. Profit/(Loss) before tax	10.83	101.21	0.01	...	1.01	58.98	8.27	1.45
11. Provision for tax	(2.66)	(17.45)	–	–	–	(11.49)	(1.04)	–
12. Profit/(Loss) after tax	8.17	83.76	0.01	...	1.01	47.49	7.23	1.45
13. Proposed Dividend @	26.95	30.37	–	2.58	–	23.27	–	–
14. % of shareholding	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

* became a direct wholly owned subsidiary of the Company with effect from 29th November, 2024

@ includes dividend paid during the year

Note: Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.

Part A: Subsidiaries (Contd.)

(₹ in Crores)

Name of the Subsidiary	Gold Flake Corporation Limited	ITC Integrated Business Services Limited	MRR Trading & Investment Company Limited	North East Nutrients Private Limited	Prag Agro Farm Limited	Pavan Poplar Limited	ITC IndiVision Limited	ITC Fibre Innovations Limited
1. The date since when subsidiary was acquired	29-Jan-1982	17-May-2012	23-Dec-1998	06-Feb-2014	01-Jul-2005	01-Jul-2005	29-Jul-2020	03-Mar-2023
2. Financial Year ending on	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025
3. Reporting Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	–	–	–	–	–	–	–	–
4. Share Capital	16.00	7.50	0.05	73.00	1.28	5.51	120.00	290.00
5. Reserves & Surplus	16.33	3.09	(0.02)	43.36	(0.46)	(5.27)	(90.87)	(24.99)
6. Total Assets	35.01	13.35	0.05	125.10	0.87	0.27	402.02	290.13
7. Total Liabilities (excluding Total Equity)	2.68	2.76	0.02	8.74	0.05	0.03	372.89	25.12
8. Investments (excluding Investments made in subsidiaries)	13.37	691.46	–	30.40	–	–	–	28.41
9. Turnover	25.11	21.50	0.08	160.80	0.10	0.18	10.51	4.61
10. Profit/(Loss) before tax	24.07	1.80	0.01	13.79	(0.09)	(0.03)	(63.00)	(25.65)
11. Provision for tax	(0.28)	(0.39)	...	(0.16)	...	...	7.43	4.24
12. Profit/(Loss) after tax	23.79	1.41	0.01	13.63	(0.09)	(0.03)	(55.57)	(21.41)
13. Proposed Dividend @	22.56	–	–	14.60	–	–	–	–
14. % of shareholding	100.00	100.00	100.00	76.00	100.00	100.00	100.00	100.00

@ includes dividend paid during the year

Notes:

i) No subsidiary was liquidated or sold during the year. However, consequent to the Scheme of Arrangement amongst the Company and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('the Scheme') for demerger of the Hotels Business of the Company into ITCHL becoming effective from 1st January, 2025, ITCHL, Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited and Srinivasa Resorts Limited ceased to be subsidiaries of the Company.

ii) All subsidiaries of the Company have commenced commercial operations.

iii) Turnover includes Other Income and Other Operating Revenue. Profit/(Loss) figures do not include Other Comprehensive Income.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures

Name of Associates/Joint Ventures	Logix Developers Private Limited#	ITC Filtrona Limited	Russell Investments Limited	Divya Management Limited	Antrang Finance Limited	ATC Limited	Delectable Technologies Private Limited$	Mother Sparsh Baby Care Private Limited	Sproutlife Foods Private Limited	ITC Hotels Limited
1. Latest audited Balance Sheet Date	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025	31-Mar-2025
2. Date on which the Associate or Joint Venture was associated or acquired	27-Sept-2011	30-Jun-1994	14-May-1988	23-Nov-2007	21-Jan-2008	18-Jan-1995	17-Sep-2020	27-Oct-2022	04-May-2023	01-Jan-2025
3. Shares of Associate/Joint Venture held by the Company on the year end										
Number	77,66,913	22,50,000	42,75,435	41,82,915	43,24,634	1,94,775*	10,145^	3,937~	13,427&	83,00,00,000
Amount of Investment in Associate/ Joint Venture@@ (₹ in Crores)	–	146.42	44.91	8.27	5.52	8.28	–	36.71	198.94	4262.73
Extent of Holding %	27.90	50.00	25.43	33.33	33.33	47.50	39.32@	26.50@	47.50@	39.88
4. Description of how there is significant influence	Joint Venture	Joint Venture	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate
5. Reason why the Associate/Joint Venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
6. Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crores)	1.55	146.01	45.51	7.19	5.43	8.08	0.19	(3.46)	7.12	4264.04
7. Profit/(Loss) for the year (₹ in Crores)	0.26	83.84	5.53	1.13	0.95	0.54	(2.70)	(13.18)	(69.42)	637.64
i. Considered in Consolidation (₹ in Crores)	0.07	41.92	1.41	0.38	0.32	0.26	(1.06)	(3.49)	(32.21)	102.83
ii. Not considered in Consolidation (₹ in Crores)	0.19	41.92	4.12	0.75	0.63	0.28	(1.64)	(9.69)	(37.21)	534.81

\# Financial Statements are as certified by the management of Logix Developers Private Limited (Logix).The Group has impaired the carrying value of investment in Logix. [Refer Note 30(vii) to the Consolidated Financial Statements (CFS)].

* Comprises 55,650 Equity Shares fully paid-up and 1,39,125 Equity Shares partly paid-up [Refer Note 4 to the Consolidated Financial Statements (CFS)].

$ Financial Statements are as certified by the management of Delectable Technologies Private Limited (Delectable) [Refer Note 30(ii)(d) to the CFS].

^ Comprises 2,386 Equity Shares fully paid-up and 7,759 Compulsorily Convertible Cumulative Preference Shares (CCPS) fully paid-up. The Group has impaired the carrying value of investment in Delectable. [Refer Note 4 to the CFS].

~ Comprises 100 Equity Shares fully paid-up (investment ₹ 0.73 Crore) and 3,837 CCPS fully paid-up (investment ₹ 35.98 Crores) [Refer Note 4 to the CFS]. Net worth attributable to the Company's shareholding includes proportionate share of CCPS classified as Borrowings in terms of the Ind AS requirements in the financial statements of the investee company.

& Comprises 2,443 Equity Shares fully paid-up (investment ₹ 28.17 Crores) and 10,984 CCPS fully paid-up (investment ₹ 170.77 Crores) [Refer Note 4 to the CFS].

@ on a fully diluted basis.

@@ Represent investment value as per CFS.

Notes:

i) Logix Developers Private Limited is yet to commence commercial operations.

ii) The Company on 13th May, 2025 divested its entire shareholding held in Delectable, consequent to which Delectable ceased to be an associate of the Company with effect from the said date. [Refer Note 30(xiii) to the CFS]

iii) No associate or joint venture was liquidated or sold during the year. However, consequent to the Scheme for demerger of the Hotels Business of the Company into ITCHL becoming effective from 1st January, 2025, Maharaja Heritage Resorts Limited ceased to be joint venture of the Company, and International Travel House Limited & Gujarat Hotels Limited ceased to be associates of the Company.

On behalf of the Board

	R. K. SINGHI	S. DUTTA	S. PURI
	Company Secretary	*Director & Chief Financial Officer*	*Chairman & Managing Director*
Kolkata, May 22, 2025	*(Membership No. : FCS3770)*	*(DIN : 01804345)*	*(DIN : 00280529)*

Enduring Value

Consolidated Financial Statements

Enduring Value

Consolidated Balance Sheet as at 31st March, 2025

	Note			As at 31st March, 2025 (₹ in Crores)			As at 31st March, 2024 (₹ in Crores)
ASSETS							
Non-current assets							
(a) Property, Plant and Equipment	3A		17428.89			23082.33	
(b) Capital work-in-progress	3B		1087.60			2851.14	
(c) Investment Property	3C		322.40			340.93	
(d) Goodwill	3D		896.93			779.73	
(e) Other Intangible assets	3E		2724.74			2678.11	
(f) Intangible assets under development	3F		3.31			9.64	
(g) Right-of-use assets	3G		581.89			939.12	
(h) Investment accounted for using the equity method	4		4711.78			549.73	
(i) Financial Assets							
(i) Investments	4	13720.54			17619.87		
(ii) Loans	5	7.60			4.05		
(iii) Others	6	1557.57	15285.71		408.99	18032.91	
(j) Deferred tax assets (Net)	7		87.98			72.19	
(k) Income Tax Assets (Net)	22A		50.24			44.93	
(l) Other non-current assets	8		1015.93	44197.40		1379.86	50760.62
Current assets							
(a) Inventories	9		15637.56			14152.88	
(b) Biological assets other than bearer plants	10		198.58			150.00	
(c) Financial Assets							
(i) Investments	11	16287.50			12944.42		
(ii) Trade receivables	12	4719.67			4025.82		
(iii) Cash and cash equivalents	13	620.00			625.89		
(iv) Bank Balances other than (iii) above	14	3392.36			6591.79		
(v) Loans	5	9.51			9.81		
(vi) Others	6	1656.25	26685.29		1181.74	25379.47	
(d) Other current assets	8		1371.85	43893.28		1383.19	41065.54
TOTAL ASSETS				**88090.68**			**91826.16**
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	15		1251.41			1248.47	
(b) Other Equity			68778.64			73258.53	
Attributable to owners of the parent			70030.05			74507.00	
Non-controlling interests			367.89	70397.94		382.97	74889.97
Liabilities							
Non-current liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	–			1.76		
(ii) Lease liabilities	17	137.21			230.61		
(iii) Other financial liabilities	18	301.34	438.55		433.96	666.33	
(b) Provisions	19		303.11			288.30	
(c) Deferred tax liabilities (Net)	7		2582.46			2141.44	
(d) Other non-current liabilities	20		34.51	3358.63		149.72	3245.79
Current liabilities							
(a) Financial Liabilities							
(i) Borrowings	16	91.26			9.52		
(ii) Lease liabilities	17	56.07			61.54		
(iii) Trade Payables	21						
(A) total outstanding dues of micro and small enterprises; and		180.64			207.23		
(B) total outstanding dues of creditors other than micro and small enterprises		4626.66			4590.60		
(iv) Other financial liabilities	18	1921.50	6876.13		2179.00	7047.89	
(b) Other current liabilities	20		6148.27			5594.72	
(c) Provisions	19		80.06			106.91	
(d) Current Tax Liabilities (Net)	22B		1229.65	14334.11		940.88	13690.40
TOTAL EQUITY AND LIABILITIES				**88090.68**			**91826.16**

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements.

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

Arvind Sethi
Partner
(Membership No.: 89802)

Kolkata, May 22, 2025

On behalf of the Board

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

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

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

Consolidated Statement of Profit and Loss for the year ended 31st March, 2025

		Note	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
I	Revenue From Operations	23A, 23B	81612.78	73891.43
II	Other Income	24	2529.69	2693.22
III	**Total Income (I+II)**		**84142.47**	**76584.65**
IV	**EXPENSES**			
	Cost of materials consumed		23757.33	21288.44
	Purchases of Stock-in-Trade and Biological Assets		8947.04	6060.13
	Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets	25	(725.65)	(367.77)
	Excise duty		6289.44	5959.49
	Employee benefits expense	26	6169.78	5548.53
	Finance costs	27	45.06	39.11
	Depreciation and amortization expense		1646.32	1518.05
	Other expenses	28	11196.63	10152.82
	Total expenses (IV)		**57325.95**	**50198.80**
V	Share of profit / (loss) of Associates and Joint Ventures		110.42	14.43
VI	**Profit before exceptional items and tax (III-IV+V)**		**26926.94**	**26400.28**
VII	Exceptional Items		–	–
VIII	**Profit before tax (VI+VII)**		**26926.94**	**26400.28**
IX	**Tax expense:**			
	Current Tax	29	6509.61	6017.21
	Deferred Tax	29	380.86	192.25
X	**Profit for the year from continuing operations (VIII-IX)**		**20036.47**	**20190.82**
XI	Profit before exceptional items and tax from discontinued operations		525.84	747.17
XII	Exceptional Items of discontinued operations		15128.81	(7.57)
XIII	Tax expense of discontinued operations	29	638.64	179.06
XIV	**Profit for the year from discontinued operations (XI+XII-XIII)**	30(viii)	**15016.01**	**560.54**
XV	**Profit for the year (X+XIV)**		**35052.48**	**20751.36**
	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss:			
	– Remeasurements of the defined benefit plans	30(v)	(26.13)	(20.74)
	– Equity instruments through other comprehensive income		(1043.31)	2957.51
	– Effective portion of gains / (losses) on designated portion of hedging instruments in a cash flow hedge		0.23	(10.46)
	– Share of other comprehensive income in Associates and Joint Ventures		(3.41)	15.21
	(ii) Income tax relating to items that will not be reclassified to profit or loss	29	59.58	(268.53)
	B (i) Items that will be reclassified to profit or loss:			
	– Exchange differences on translating the financial statements of foreign operations		352.94	256.53
	– Debt instruments through other comprehensive income		72.81	18.00
	– Effective portion of gains / (losses) on designated portion of hedging instruments in a cash flow hedge		(12.98)	16.93
	– Share of other comprehensive income in Associates and Joint Ventures		(14.45)	–
	(ii) Income tax relating to items that will be reclassified to profit or loss	29	(10.14)	(8.79)
XVI	**Other Comprehensive Income [A(i+ii)+B(i+ii)]**		**(624.86)**	**2955.66**
XVII	**Total Comprehensive Income for the year (XV+XVI)**		**34427.62**	**23707.02**
	Profit for the year			
	Attributable to:			
	Owners of the parent		34746.63	20458.78
	Non-controlling interests		305.85	292.58
	Other Comprehensive Income			
	Attributable to:			
	Owners of the parent		(624.87)	2955.66
	Non-controlling interests		0.01	...
	Total Comprehensive Income for the year			
	Attributable to:			
	Owners of the parent		34121.76	23414.44
	Non-controlling interests		305.86	292.58
XVIII	Earnings per equity share (Face Value ₹ 1.00 each):	30(i)		
	For Continuing Operations			
	(a) Basic (in ₹)		15.78	15.98
	(b) Diluted (in ₹)		15.76	15.94
	For Discontinued Operations			
	(a) Basic (in ₹)		12.01	0.44
	(b) Diluted (in ₹)		11.99	0.44
	For Continuing and Discontinued Operations			
	(a) Basic (in ₹)		27.79	16.42
	(b) Diluted (in ₹)		27.75	16.38

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements.

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

Arvind Sethi
Partner
(Membership No.: 89802)

Kolkata, May 22, 2025

On behalf of the Board

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

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

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

Consolidated Statement of Changes in Equity for the year ended 31st March, 2025

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, 2025	1248.47	2.94	1251.41
For the year ended 31st March, 2024	1242.80	5.67	1248.47

B. Other Equity (₹ in Crores)

	Reserves and Surplus											Items of Other Comprehensive Income				Attributable to owners of the parent	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45–IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidy Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations			
Balance as at 1st April, 2024	**5.46**	**14813.95**	**72.67**	**175.72**	**81.45**	**0.23**	**507.59**	**13.90**	**363.05**	**17672.57**	**36172.49**	**(9.76)**	**3700.36**	**(4.50)**	**(306.65)**	**73258.53**	**382.97**	**73641.50**
Profit for the year	–	–	–	–	–	–	–	–	–	–	34746.63	–	–	–	–	34746.63	305.85	35052.48
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	–	–	–	–	(22.47)	59.40	(990.75)	(9.54)	338.49	(624.87)	0.01	(624.86)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**34724.16**	**59.40**	**(990.75)**	**(9.54)**	**338.49**	**34121.76**	**305.86**	**34427.62**
Issue of equity shares under ITC Employee Stock Option Schemes	–	794.39	–	–	–	–	–	–	–	–	–	–	–	–	–	794.39	–	794.39
Dividends																		
– Final Dividend (2023-24 - ₹ 7.50 per share)	–	–	–	–	–	–	–	–	–	–	(9363.54)	–	–	–	–	(9363.54)	(285.57)	(9649.11)
– Interim Dividend (2024-25 - ₹ 6.50 per share)	–	–	–	–	–	–	–	–	–	–	(8133.11)	–	–	–	–	(8133.11)	–	(8133.11)
Dividend distribution tax refund received	–	–	–	–	–	–	–	–	–	–	19.45	–	–	–	–	19.45	–	19.45
Transfer from Equity Instruments through Other Comprehensive Income on sale of equity shares	–	–	–	–	–	–	–	–	–	–	(0.33)	–	0.33	–	–	–	–	–
Recognition of share based payment	–	–	–	–	–	–	137.27	–	–	–	–	–	–	–	–	137.27	–	137.27
Transfer from Share Option Outstanding Account on exercise and lapse	–	197.53	–	–	–	–	(199.21)	–	–	–	1.68	–	–	–	–	–	–	–
Transferred to initial carrying amount of hedged items (net of tax)	–	–	–	–	–	–	–	–	–	–	–	–	–	0.15	–	0.15	–	0.15
Fair value of demerged undertaking distributed to the shareholders of the Company [Refer Note 30(viii)]	–	–	–	–	–	–	–	–	–	(22033.37)	–	–	–	–	–	(22033.37)	–	(22033.37)
Transfer from retained earnings [Refer Note 30(viii)]	–	–	–	9.50	–	–	–	–	–	4448.06	(4457.56)	–	–	–	–	–	–	–
Derecognised pursuant to Scheme of Demerger [Refer Note 30(viii) and 30(xiv)(A)]	(0.09)	28.83	(71.78)	–	–	(0.09)	(22.89)	0.08	–	(3.85)	46.90	–	–	–	–	(22.89)	(35.37)	(58.26)
Balance as at 31st March, 2025	**5.37**	**15834.70**	**0.89**	**185.22**	**81.45**	**0.14**	**422.76**	**13.98**	**363.05**	**83.41**	**49010.14**	**49.64**	**2709.94**	**(13.89)**	**31.84**	**68778.64**	**367.89**	**69146.53**
Balance as at 1st April, 2023	**5.46**	**13036.79**	**72.67**	**167.84**	**81.45**	**0.23**	**741.45**	**13.90**	**363.05**	**17672.57**	**35340.23**	**(23.23)**	**1004.46**	**(1.23)**	**(563.18)**	**67912.46**	**383.53**	**68295.99**
Profit for the year	–	–	–	–	–	–	–	–	–	–	20458.78	–	–	–	–	20458.78	292.58	20751.36
Other Comprehensive Income (net of tax)	–	–	–	–	–	–	–	–	–	–	(15.95)	13.47	2696.77	4.84	256.53	2955.66	...	2955.66
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20442.83**	**13.47**	**2696.77**	**4.84**	**256.53**	**23414.44**	**292.58**	**23707.02**

Consolidated Statement of Changes in Equity for the year ended 31st March, 2025

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

	Reserves and Surplus											Items of Other Comprehensive Income				Attributable to owners of the parent	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45–IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidy Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations			
Issue of equity shares under ITC Employee Stock Option Schemes	–	1437.16	–	–	–	–	–	–	–	–	–	–	–	–	–	1437.16	–	1437.16
Dividends																		
– Final Dividend (2022-23 - ₹ 6.75 per share)	–	–	–	–	–	–	–	–	–	–	(8388.91)	–	–	–	–	(8388.91)	(293.14)	(8682.05)
– Special Dividend (2022-23 - ₹ 2.75 per share)	–	–	–	–	–	–	–	–	–	–	(3417.70)	–	–	–	–	(3417.70)	–	(3417.70)
– Interim Dividend (2023-24 - ₹ 6.25 per share)	–	–	–	–	–	–	–	–	–	–	(7799.45)	–	–	–	–	(7799.45)	–	(7799.45)
Transfer from Equity Instruments through Other Comprehensive Income on sale of equity shares	–	–	–	–	–	–	–	–	–	–	0.87	–	(0.87)	–	–	–	–	–
Recognition of share based payment	–	–	–	–	–	–	108.64	–	–	–	–	–	–	–	–	108.64	–	108.64
Transfer from Share Option Outstanding Account on exercise and lapse	–	340.00	–	–	–	–	(342.50)	–	–	–	2.50	–	–	–	–	–	–	–
Transferred to initial carrying amount of hedged items (net of tax)	–	–	–	–	–	–	–	–	–	–	–	–	–	(8.11)	–	(8.11)	–	(8.11)
Transfer from retained earnings	–	–	–	7.88	–	–	–	–	–	–	(7.88)	–	–	–	–	–	–	–
Balance as at 31st March, 2024	**5.46**	**14813.95**	**72.67**	**175.72**	**81.45**	**0.23**	**507.59**	**13.90**	**363.05**	**17672.57**	**36172.49**	**(9.76)**	**3700.36**	**(4.50)**	**(306.65)**	**73258.53**	**382.97**	**73641.50**

The Board of Directors of the Company have recommended Final Dividend of ₹ 7.85 per Ordinary Share of ₹ 1/- each for the financial year ended 31st March, 2025 (previous year: Final Dividend ₹ 7.50 per Ordinary Share) amounting to ₹ 9823.58 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: ₹ 6.25 per Ordinary Share) paid on 7th March, 2025, the total Equity Dividend for the financial year ended 31st March, 2025 is ₹ 14.35 per Ordinary Share (previous year: ₹ 13.75 per Ordinary Share).

Capital Reserve and Capital Reserve on Consolidation: These Reserves represent the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

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

Special Reserve under Section 45-IC of the RBI Act, 1934: This Reserve represents profits transferred before declaration of dividend by a Company which is registered as NBFC (Non-Banking Financial Company) with the Reserve Bank of India (RBI).

Employees Housing Reserve under Nepal labour laws: This Reserve represents the amounts set aside for providing employees' housing as per the provisions of the erstwhile Labour Act, 2048 of Nepal, which has since been replaced by the Labour Act, 2074.

Subsidy Reserve: This Reserve represents subsidies received from government authorities for capital investment and amounts taken over by the Group consequent to business combinations.

Share Options Outstanding Account: This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or lapse of vested options.

Capital Redemption Reserve: This Reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

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

General Reserve: This Reserve has been created by an appropriation from one component of equity (generally Retained Earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

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

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

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

Effective portion of Cash Flow Hedges: This Reserve represents the cumulative effective portion of changes in Fair Value of hedging instrument that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Group's accounting policy.

Exchange differences on translating the financial statements of foreign operations: This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements.

In terms of our report attached
For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003
Arvind Sethi
Partner
(Membership No.: 89802)
Kolkata, May 22, 2025

On behalf of the Board

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

Enduring Value

Consolidated Statement of Cash Flows for the year ended 31st March, 2025

	For the year ended 31st March, 2025 (₹ in Crores)		For the year ended 31st March, 2024 (₹ in Crores)	
A. Cash Flow from Operating Activities				
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**26926.94**		**26400.28**
PROFIT BEFORE TAX FROM DISCONTINUED OPERATIONS		**15654.65**		**739.60**
ADJUSTMENTS FOR:				
Depreciation and amortization expense	1950.58		1816.39	
Share based payments to employees	133.79		107.30	
Finance costs	50.01		45.96	
Interest Income	(1510.46)		(1710.51)	
Dividend Income	(12.14)		(11.13)	
Net gain on sale of property, plant and equipment, lease termination	(135.69)		(57.04)	
Inventory write-offs/write-downs (net of reversals)	235.05		156.12	
Doubtful and bad debts	11.64		14.81	
Doubtful and bad advances, loans and deposits	1.95		24.61	
Impairment of investment in joint venture and associate	7.87		0.06	
Gain recognised on divestment of shares held in joint venture	–		(9.84)	
Share of (profit)/loss of associates and joint ventures	(121.77)		(27.61)	
Gain recognised on fair valuation of net assets distributed pursuant to Scheme of Demerger [Refer Note 30(viii)]	(15583.12)		–	
Net gain arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income	(896.84)		(840.17)	
Foreign currency translations and transactions - Net	6.78	(15862.35)	(13.38)	(504.43)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		26719.24		26635.45
ADJUSTMENTS FOR:				
Trade receivables, advances and other assets	(1022.80)		(933.64)	
Inventories and biological assets other than bearer plants	(2975.38)		(2544.87)	
Trade payables, other liabilities and provisions	1256.18	(2742.00)	141.48	(3337.03)
CASH GENERATED FROM OPERATIONS		23977.24		23298.42
Income tax paid (net of refunds)		(6350.20)		(6119.56)
NET CASH FROM OPERATING ACTIVITIES		**17627.04**		**17178.86**
B. Cash Flow from Investing Activities				
Purchase of property, plant and equipment, Intangibles, ROU asset etc.	(2278.70)		(3562.53)	
Sale of property, plant and equipment	175.42		107.48	
Purchase of current investments	(65999.55)		(72237.17)	
Sale/redemption of current investments	66919.64		75201.73	
Investment in associates	(29.99)		(65.04)	
Purchase of non-current investments	(373.69)		(2870.12)	
Sale/redemption of non-current investments	390.91		2627.78	
Payment towards business combination [Refer Note 30(xix)]	(280.45)		–	
Dividend received from associates and joint venture	25.53		24.52	
Dividend received from others	12.14		11.13	
Interest received	1072.28		1138.35	
Investment in bank deposits (original maturity more than 3 months)	(6256.85)		(4612.10)	
Redemption/maturity of bank deposits (original maturity more than 3 months)	6931.16		5800.00	
Investment in deposit with financial institution	(1200.00)		–	
Maturity of deposit with financial institution	500.00		–	
Loans given	(17.55)		(12.55)	
Loans realised	13.88		11.29	
NET CASH (USED IN)/FROM INVESTING ACTIVITIES		**(395.82)**		**1562.77**

Consolidated Statement of Cash Flows for the year ended 31st March, 2025

	For the year ended 31st March, 2025 (₹ in Crores)		For the year ended 31st March, 2024 (₹ in Crores)	
C. Cash Flow from Financing Activities				
Proceeds from issue of share capital	797.33		1442.83	
Proceeds from current borrowings	89.50		8.00	
Repayment of current borrowings	(52.50)		–	
Repayment of non-current borrowings	(1.52)		(1.57)	
Principal payment of lease liabilities	(65.52)		(66.89)	
Interest paid	(50.01)		(46.25)	
Net increase in statutory restricted accounts balances	8.09		12.12	
Dividend paid	(17782.22)		(19899.20)	
Dividend distribution tax refund received	19.45		–	
NET CASH USED IN FINANCING ACTIVITIES		**(17037.40)**		**(18550.96)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**193.82**		**190.67**
OPENING CASH AND CASH EQUIVALENTS		**596.58**		**405.91**
LESS: ON DEMERGER [Refer Note 30(viii)]		**(199.74)**		**–**
CASH AND CASH EQUIVALENTS ACQUIRED ON BUSINESS COMBINATION [Refer Note 30(xix)]		**31.72**		**–**
CLOSING CASH AND CASH EQUIVALENTS		**622.38**		**596.58**

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, 2025	As at 31st March, 2024
Cash and cash equivalents as above	622.38	596.58
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(2.38)	29.31
Cash and cash equivalents (Note 13)	620.00	625.89

3. Net Cash Flow from Operating Activities includes an amount of ₹ 456.51 Crores (2024 - ₹ 450.50 Crores) spent towards Corporate Social Responsibility.
4. Disclosure of change arising from financing activities in respect of lease liabilities - Refer Note 17.

The accompanying notes 1 to 33 are an integral part of the Consolidated Financial Statements.

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

Kolkata, May 22, 2025

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 Consolidated Financial Statements

Group Information

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

1. Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

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

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

Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint ventures and associates.

Subsidiaries are entities controlled by the Group. Associates are entities over which the Group exercise significant influence but does not control. Joint Ventures ("JV") are entities in which the Group has the ability to exercise control jointly with one or more uncontrolled entities and the parties have proportionate interests in the assets and liabilities of the JV entity.

Control, significant influence and joint control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee's activities and significantly affect the Group's returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS.

An investment in an associate or a JV is initially recognised at cost on the date of the investment, and inclusive of any goodwill/capital reserve embedded in the cost, in the

1. Material Accounting Policies (Contd.)

Balance Sheet. The proportionate share of the Group in the net profits/losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. While preparing CFS, appropriate adjustments are made to subsidiaries/associates/JVs financial statements to ensure conformity with the Group's accounting policies.

Operating Cycle

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

Property, Plant and Equipment

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

Cost is inclusive of inward freight, import duties & non-refundable taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of PP&E is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of PP&E is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use, which is generally on commissioning. Items of PP&E are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight-line basis. Land is not depreciated.

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

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

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

Goodwill and Other Intangible Assets

Goodwill

Goodwill arising on Business Combination is carried at cost less any accumulated impairment losses. The Group also presents the excess of the Group's investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired as goodwill arising on consolidation.

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

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

Other Intangible Assets

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

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.

1. Material Accounting Policies (Contd.)

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 accumulated impairment losses.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight-line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized. However, it is annually tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are included in the 'Depreciation and amortization expense' in the Statement of Profit and Loss.

The estimated useful lives of intangible assets of the Group with finite lives are as follows:

Trademarks / Know How, Business and Commercial Rights	10 Years (unless shorter useful life is required based on contractual or legal terms)
Computer Software	3-5 Years
Customer Relationships / Contracts	5 Years
Business Alliances / Partnerships	7 Years
Software Tools	6 Years

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Investment Property

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight-line method so as to amortize the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated. The estimates useful lives of investment properties are same as those disclosed as 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.

Notes to the Consolidated Financial Statements

1. Material Accounting Policies (Contd.)

Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

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

Foreign Currency Transactions

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

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

For the preparation of the consolidated financial statements:

(a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end;

(b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are recognised in other comprehensive income and accumulated in Foreign Currency Translation Reserve and attributed to non-controlling interests proportionately.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss.

Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the resulting gain/loss is recognised as per the hedge accounting principles stated below.

The Group complies with the principles of hedge accounting where derivative contracts and/or non-derivative financial assets/liabilities that are permitted under applicable accounting standards are designated as hedging instruments. At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of hedging instruments that qualify as fair value hedges are recognised in the Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. Such fair value changes are recognised in the line item relating to the hedged item in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument is derecognised, expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is included in the Statement of Profit and Loss from that date.

(ii) Cash flow hedges

The effective portion of changes in the fair value of hedging instrument that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedge Reserve'. The gains/losses relating to the ineffective portion are recognised immediately in the Statement of Profit and Loss.

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

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

1. Material Accounting Policies (Contd.)

at that time remain in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains/losses accumulated in equity are recognised immediately in the Statement of Profit and Loss.

Investment in Associates and Joint Ventures

Investment in associates and joint ventures are accounted for using the 'equity method' less accumulated impairment, if any.

Financial instruments, Financial assets, Financial liabilities and Equity instruments

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

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

Financial Assets

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

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

Financial assets are classified as those measured at:

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

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

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

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

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

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

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

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

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and

Notes to the Consolidated Financial Statements

1. Material Accounting Policies (Contd.)

Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves are reclassified within equity.

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

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption/settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for goods supplied and services rendered, net of returns and estimates of variable consideration such as discounts to customers. Revenue from the sale of goods includes Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods and services is recognised when the Group performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

Government Grant

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

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

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

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

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

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

Dividend Distribution

Dividends paid (including income tax thereon, if any) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by the shareholders.

Employee Benefits

Short-term employee benefits are expensed in the period in which the employee renders the related service on an undiscounted basis. A liability is recognised for the amount expected to be paid within twelve months, if the Company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

The Group makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts.

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Group recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. In respect of other employees, provident funds are deposited with the Government administered funds and recognised as expense.

1. Material Accounting Policies (Contd.)

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

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

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

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

Employee Share Based Compensation

Stock Options

Equity settled Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ('ITC ESOS'), as may be decided by the Nomination & Compensation Committee / Board. 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 is recognised based on the fair value of Stock Options as on the grant date.

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

The Group generally recovers the fair value of Stock Options from such group companies, as applicable. It may, if recommended by the Corporate Management Committee and approved by the Audit Committee, decide not to seek such recovery in respect of value of Stock Options from such companies, who need to conserve financial capacity to sustain their business and growth plans and where the quantum of reimbursement is not material - the materiality threshold being ₹ 5 Crores for each entity for a financial year.

Stock Appreciation Linked Reward (SAR) Plan

Cash Settled SAR units are granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan ('ITC ESARP') , 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 ITC ESARP units granted is recognised as employee benefits expense in the Statement of Profit and Loss over the period in which the performance and / or service conditions are fulfilled for employees of the Group. In case of ITC ESARP units granted to employees on deputation and to employees of the group companies, the Group generally recovers the fair value of ITC ESARP units from the concerned group companies.

Stock options granted by a subsidiary

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

These Options have been recognised as cash-settled options and accordingly, a liability is initially measured at fair value on the grant date and is subsequently remeasured at each reporting period, until settled. The fair value of the Options granted is recognised in the Statement of Profit and Loss over the period in which the performance and / or service conditions are fulfilled for employees of the Group.

Leases

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

Group as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight-line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low value leases (i.e., where the value of the underlying asset, when new, in order of magnitude is ₹ 5 lakhs or less) are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease.

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

Group as a Lessor

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

Taxes on Income

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

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

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

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

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

Claims

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

Provisions

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

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

Operating Segments

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

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

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

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

2. Use of estimates and judgements

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

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

A. Judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see note B below), that the Group have made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the consolidated financial statements:

1. **Control:**

   The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power/rights and consequently the practical ability to direct the relevant activities of its investees unilaterally. In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

   The Company is a settlor for certain trusts, i.e., ITC Sangeet Research Academy, ITC Education and Health Care Trust and ITC Rural Development Trust. The Group while considering the nature and insignificant variability of its return has concluded that it does not 'control' these trusts.

2. **Significant influence:**

   The Group assessed whether or not it has significant influence on its investees based on its practical ability to participate in the financial and operating policy decisions of the investee, though it is not in control or in joint control of these policies. Based on such assessment, the Group determined that the entities listed in the notes to the financial statements are the only entities over which the Group has significant influence, and accordingly recognised as associates.

3. **Joint Control:**

   (i) The Group holds 27.90% of the equity share capital of Logix Developers Private Limited, a company intended for the purpose of developing a luxury hotel-cum-service apartment complex. The Group has concluded that the key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 72.10% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

   (ii) The Group holds 50% of the equity share capital of ITC Filtrona Limited, a company involved in manufacture and sale of filter rods. The Group has concluded that the key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

4. **Useful life of Intangible Assets:**

   The Group is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortised over their useful economic life. Refer notes to the financial statements.

Notes to the Consolidated Financial Statements

2. Use of estimates and judgements (Contd.)

B. Key sources of estimation uncertainty

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

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

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

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

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

3. **Actuarial Valuation**:

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

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

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

(₹ in Crores)

Particulars	Gross Block										
	As at 31st March, 2023	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2024	Additions	Acquired through business combinations@	Withdrawals and adjustments#	Transferred pursuant to Scheme of Demerger*	Foreign Currency Translation Reserve adjustments	As at 31st March, 2025
3A. Property, Plant and Equipment[1]											
Land[2]	2111.01	20.18	17.85	–	2113.34	74.34	–	3.92	1012.21	–	1171.55
Buildings	9504.71	1068.85	11.62	–	10561.94	1191.57	–	2.71	4527.11	18.38	7242.07
Leasehold Improvements	17.21	17.15	3.05	0.03	31.34	3.13	–	0.16	7.56	–	26.75
Plant and Equipment	18431.75	2410.68	166.09	0.17	20676.51	1879.75	0.32	205.73	2972.00	11.83	19390.68
Furniture and Fixtures	999.77	78.15	9.88	0.04	1068.08	551.84	–	7.37	1342.80	12.61	282.36
Vehicles	185.71	29.03	25.69	0.14	189.19	28.68	–	19.63	62.74	0.07	135.57
Office Equipment	43.68	12.32	2.92	0.01	53.09	13.33	–	2.23	1.42	0.11	62.88
Railway Sidings	1.73	–	–	–	1.73	–	–	–	–	–	1.73
TOTAL	**31295.57**	**3636.36**	**237.10**	**0.39**	**34695.22**	**3742.64**	**0.32**	**241.75**	**9925.84**	**43.00**	**28313.59**
3B. Capital work-in-progress	**2984.71**	**3252.02**	**3528.66**	**143.07**	**2851.14**	**2157.40**	**–**	**3669.20**	**301.65**	**49.91**	**1087.60**
3C. Investment Property[3]	**410.63**	**–**	**(0.95)**	**–**	**411.58**	**1.75**	**–**	**4.79**	**–**	**–**	**408.54**
3D. Goodwill[4]											
Goodwill on Consolidation	202.53	–	–	–	202.53	–	144.66	–	27.46	–	319.73
Goodwill acquired through business combinations	577.20	–	–	–	577.20	–	–	–	–	–	577.20
TOTAL	**779.73**	**–**	**–**	**–**	**779.73**	**–**	**144.66**	**–**	**27.46**	**–**	**896.93**
3E. Other Intangible assets (acquired)											
Assets with indefinite life[4]											
Trademarks	1889.78	–	–	–	1889.78	–	–	–	–	–	1889.78
Assets with finite life											
Trademarks	30.82	–	–	–	30.82	–	–	–	–	–	30.82
Computer Software	339.86	56.47	1.84	–	394.49	27.44	–	6.15	59.79	0.03	356.02
Know How, Business and Commercial Rights	789.23	15.57	–	–	804.80	3.77	–	–	3.77	–	804.80
Customer Relationships/Contracts	35.21	–	–	–	35.21	–	32.20	–	–	–	67.41
Business Alliances/Partnerships	–	–	–	–	–	–	59.69	–	–	–	59.69
Software Tools	–	–	–	–	–	–	75.71	–	–	–	75.71
TOTAL	**3084.90**	**72.04**	**1.84**	**–**	**3155.10**	**31.21**	**167.60**	**6.15**	**63.56**	**0.03**	**3284.23**
3F. Intangible assets under development	**18.59**	**57.84**	**66.79**	**–**	**9.64**	**21.41**	**–**	**26.09**	**1.65**	**–**	**3.31**
3G. Right-of-use assets^											
Land	718.50	9.55	0.19	24.22	752.08	0.16	–	0.32	347.99	12.13	416.06
Buildings	267.53	132.51	49.90	0.09	350.23	78.11	6.92	105.31	49.17	0.57	281.35
Plant and Equipment	48.63	–	6.80	–	41.83	–	–	9.86	–	–	31.97
Vehicles	2.92	0.96	0.99	–	2.89	3.99	–	1.75	–	0.09	5.22
TOTAL	**1037.58**	**143.02**	**57.88**	**24.31**	**1147.03**	**82.26**	**6.92**	**117.24**	**397.16**	**12.79**	**734.60**

Includes amounts transferred to Investment Property on its recognition.
* Refer Note 30(viii)
@ Refer Note 30(xix)
& includes ₹ 304.98 Crores (2024 - ₹ 298.34 Crores) relating to discontinued operations.
^ Also refer Note 30(ix)

Notes:

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

(₹ in Crores)

Particulars	As at 31st March, 2024			2024	As at 31st March, 2025			2025
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	0.94	0.25	0.69	0.02	0.94	0.28	0.66	0.03
Plant and Equipment	260.13	179.85	80.28	13.81	281.04	193.23	87.81	12.59
TOTAL	**261.07**	**180.10**	**80.97**	**13.83**	**281.98**	**193.51**	**88.47**	**12.62**

b) The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 206.69 Crores (2024 - ₹ 195.73 Crores)

2. Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2024 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization											Net Book Value	
	Upto 31st March, 2023	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2024	For the year[&]	Acquired through business combinations[@]	On Withdrawals and adjustments[#]	Transferred pursuant to Scheme of Demerger*	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2025	As at 31st March, 2025	As at 31st March, 2024
3A. Property, Plant and Equipment[1]													
Land[2]	–	–	–	–	–	–	–	–	–	–	–	1171.55	2113.34
Buildings	1460.02	246.72	6.10	–	1700.64	268.82	–	2.57	458.24	0.21	1508.86	5733.21	8861.30
Leasehold Improvements	11.60	0.54	2.21	0.01	9.94	1.92	–	0.14	5.14	–	6.58	20.17	21.40
Plant and Equipment	8028.34	1251.42	136.27	0.08	9143.57	1313.53	0.19	186.40	1175.87	0.70	9095.72	10294.96	11532.94
Furniture and Fixtures	554.30	84.10	8.51	0.03	629.92	111.12	–	5.83	566.84	0.96	169.33	113.03	438.16
Vehicles	91.00	20.33	17.70	0.08	93.71	19.44	–	12.17	34.45	0.05	66.58	68.99	95.48
Office Equipment	32.19	4.24	2.49	–	33.94	5.63	–	1.98	1.29	0.03	36.33	26.55	19.15
Railway Sidings	1.04	0.13	–	–	1.17	0.13	–	–	–	–	1.30	0.43	0.56
TOTAL	**10178.49**	**1607.48**	**173.28**	**0.20**	**11612.89**	**1720.59**	**0.19**	**209.09**	**2241.83**	**1.95**	**10884.70**	**17428.89**	**23082.33**
3B. Capital work-in-progress	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1087.60**	**2851.14**
3C. Investment Property[3]	**58.37**	**12.11**	**(0.17)**	**–**	**70.65**	**12.57**	**–**	**(2.92)**	**–**	**–**	**86.14**	**322.40**	**340.93**
3D. Goodwill[4]													
Goodwill on Consolidation	–	–	–	–	–	–	–	–	–	–	–	319.73	202.53
Goodwill acquired through business combinations	–	–	–	–	–	–	–	–	–	–	–	577.20	577.20
TOTAL	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**896.93**	**779.73**
3E. Other Intangible assets (acquired)													
Assets with indefinite life[4]													
Trademarks	–	–	–	–	–	–	–	–	–	–	–	1889.78	1889.78
Assets with finite life													
Trademarks	23.75	3.16	–	–	26.91	2.29	–	–	–	–	29.20	1.62	3.91
Computer Software	232.73	35.00	1.84	–	265.89	38.72	–	6.15	48.34	–	250.12	105.90	128.60
Know How, Business and Commercial Rights	89.31	78.69	–	–	168.00	79.13	–	–	0.13	–	247.00	557.80	636.80
Customer Relationships/Contracts	11.79	4.40	–	–	16.19	6.41	–	–	–	–	22.60	44.81	19.02
Business Alliances/Partnerships	–	–	–	–	–	4.26	–	–	–	–	4.26	55.43	–
Software Tools	–	–	–	–	–	6.31	–	–	–	–	6.31	69.40	–
TOTAL	**357.58**	**121.25**	**1.84**	**–**	**476.99**	**137.12**	**–**	**6.15**	**48.47**	**–**	**559.49**	**2724.74**	**2678.11**
3F. Intangible assets under development	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3.31**	**9.64**
3G. Right-of-use assets^													
Land	36.29	9.92	–	1.18	47.39	8.97	–	0.03	28.54	0.71	28.50	387.56	704.69
Buildings	103.24	61.55	26.31	0.08	138.56	66.78	6.56	100.51	2.88	0.19	108.70	172.65	211.67
Plant and Equipment	22.07	5.29	6.80	–	20.56	3.69	–	9.86	–	–	14.39	17.58	21.27
Vehicles	1.10	1.28	0.99	0.01	1.40	1.59	–	1.88	–	0.01	1.12	4.10	1.49
TOTAL	**162.70**	**78.04**	**34.10**	**1.27**	**207.91**	**81.03**	**6.56**	**112.28**	**31.42**	**0.91**	**152.71**	**581.89**	**939.12**

3. The fair value of the investment property is ₹ 1352.64 Crores (2024 - ₹ 1020.05 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, 2025	For the year ended 31st March, 2024
Rental Income etc. from investment property	134.91	128.29
Direct Operating Expenses arising from investment property that generated rental income during the year[$]	14.67	13.32
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% (2024 - 10%) and long-term growth rates ranging between 5% to 6% (2024 - 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.

Capital work-in-progress (CWIP) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2024					As at 31st March, 2025				
	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	1500.46	584.89	241.36	524.43	2851.14	816.26	172.86	61.78	36.70	1087.60
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**1500.46**	**584.89**	**241.36**	**524.43**	**2851.14**	**816.26**	**172.86**	**61.78**	**36.70**	**1087.60**

Completion schedule for Projects in Capital work-in-progress, which are overdue or has exceeded its cost compared to its original plan

(₹ in Crores)

Particulars	As at 31st March, 2024				As at 31st March, 2025			
	To be completed in				To be completed in			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
MXD - COL	1710.78	–	–	–	–	–	–	–

Intangible assets under development (IAUD) ageing schedule

(₹ in Crores)

Particulars	As at 31st March, 2024					As at 31st March, 2025				
	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	8.19	1.45	–	–	9.64	2.34	0.97	–	–	3.31
Projects temporarily suspended	–	–	–	–	–	–	–	–	–	–
TOTAL	**8.19**	**1.45**	**–**	**–**	**9.64**	**2.34**	**0.97**	**–**	**–**	**3.31**

Note: There are no projects in IAUD, which are overdue or have exceeded their cost compared to their original plan as at 31st March, 2025 and 31st March, 2024.

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	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025			As at 31st March, 2024		
		Number	(₹ in Crores)		Number	(₹ in Crores)	
4. Non-current investments							
INVESTMENT IN EQUITY INSTRUMENTS							
In Associates (carrying amount determined using the equity method of accounting)							
Quoted							
International Travel House Limited^	10	–			39,14,233		
Cost of acquisition (including goodwill of ₹ 11.89 Crores)			–			21.87	
Add/(Less) : Group Share of Profits/(Losses)			–	–		60.46	82.33
Gujarat Hotels Limited^	10	–			17,33,907		
Cost of acquisition (including goodwill of ₹ 1.16 Crores)			–			1.94	
Add/(Less) : Group Share of Profits/(Losses)			–	–		19.43	21.37
ITC Hotels Limited^	10	83,00,00,000			–		
Cost of acquisition			4174.04			–	
Add/(Less) : Group Share of Profits/(Losses)			88.69	4262.73		–	–
Unquoted							
Delectable Technologies Private Limited [Refer Note 30(xiii)]	10	2,386			2,386		
Cost of acquisition (including goodwill of ₹ 3.30 Crores)			3.60			3.60	
Add/(Less) : Group Share of Profits/(Losses)			(0.43)			(0.18)	
Add/(Less) : Provision for Impairment			(3.17)	–		–	3.42
Mother Sparsh Baby Care Private Limited [Refer Note 30(xii)]	10	100			100		
Cost of acquisition (including goodwill of ₹ 1.03 Crores)			0.96			0.96	
Add/(Less) : Group Share of Profits/(Losses)			(0.23)	0.73		(0.14)	0.82
Sproutlife Foods Private Limited [Refer Note 30(iii)(b)]	10	2,443			2,443		
Cost of acquisition (including goodwill of ₹ 27.53 Crores)			40.33			40.33	
Add/(Less) : Group Share of Profits/(Losses)			(12.16)	28.17		(6.04)	34.29
ATC Limited							
Fully paid	100	55,650			55,650		
Cost of acquisition (net of capital reserve of ₹ 0.16 Crore)			0.83			0.83	
Add/(Less) : Group Share of Profits/(Losses)			2.11	2.94		1.92	2.75
₹ 70.00 per share paid	100	1,39,125			1,39,125		
Cost of acquisition (including goodwill of ₹ 0.30 Crore)			2.92			2.92	
Add/(Less) : Group Share of Profits/(Losses)			2.42	5.34		2.31	5.23
Russell Investments Limited	10	42,75,435			42,75,435		
Cost of acquisition (net of capital reserve of ₹ 0.30 Crore)			4.27			4.27	
Add/(Less) : Group Share of Profits/(Losses)			40.64	44.91		43.54	47.81
Carried over				4344.82			198.02

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			4344.82		198.02
INVESTMENT IN EQUITY INSTRUMENTS (Contd.)					
Divya Management Limited	10	41,82,915		41,82,915	
Cost of acquisition (including goodwill of ₹ 1.09 Crores)			6.93		6.93
Add/(Less) : Group Share of Profits/(Losses)			1.34 8.27		0.96 7.89
Antrang Finance Limited	10	43,24,634		43,24,634	
Cost of acquisition (including goodwill of ₹ 0.10 Crore)			4.40		4.40
Add/(Less) : Group Share of Profits/(Losses)			1.12 5.52		0.80 5.20
In Joint Ventures (carrying amount determined using the equity method of accounting)					
Unquoted					
Maharaja Heritage Resorts Limited^	10	–		1,80,000	
Cost of acquisition (including goodwill of ₹ 0.13 Crore)			–		–
Add/(Less) : Group Share of Profits/(Losses)			– –		– –
Logix Developers Private Limited [Refer Note 30(vii)]	10	77,66,913		77,66,913	
Cost of acquisition (including goodwill of ₹ 23.84 Crores)			42.07		42.07
Add/(Less) : Group Share of Profits/(Losses)			(40.52)		(40.59)
Add/(Less) : Provision for Impairment			(1.55) –		(1.48) –
ITC Filtrona Limited	10	22,50,000		22,50,000	
Cost of acquisition			38.85		38.85
Add/(Less) : Group Share of Profits/(Losses)			107.57 146.42		88.09 126.94
In Others (at fair value through other comprehensive income unless stated otherwise)					
Quoted					
VST Industries Limited	10	5,236	0.14	476	0.17
HLV Limited	2	5,34,13,884	64.20	5,36,97,884	139.88
EIH Limited	2	10,08,53,602	3565.17	10,08,53,602	4533.38
Tourism Finance Corporation of India Limited	10	25,000	0.42	25,000	0.43
Unquoted					
Adyar Property Holding Company Private Limited	100	311	0.03	311	0.03
Andhra Pradesh Gas Power Corporation Limited	10	8,04,000	–	8,04,000	–
Bihar Hotels Limited	2	8,00,000	0.04	8,00,000	0.04
Jupiter Township Limited	1	–	–	150	...
Lotus Court Limited (Class G Shares)	48,000	2	2.34	2	2.34
Mirage Advertising and Marketing Limited	10	–	–	12,488	–
Blupin Technologies Private Limited (at fair value through profit or loss)	10	400	3.64	400	3.82
Woodlands Multispeciality Hospital Limited	10	13,605	0.01	13,605	0.01
Carried over			8141.02		5018.15

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	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			8141.02		5018.15
INVESTMENT IN PREFERENCE SHARES					
In Associates (carrying amount determined using the equity method of accounting)					
Unquoted					
Delectable Technologies Private Limited [Refer Note 30(xiii)]					
(Compulsorily Convertible Cumulative Preference Shares)	10	7,759		7,759	
Cost of acquisition [including goodwill of ₹ 6.78 Crores]			7.40		7.40
Add / (Less) : Group Share of Profits / (Losses)			(2.75)		(1.94)
Add / (Less) : Provision for Impairment			(4.65) –		– 5.46
Mother Sparsh Baby Care Private Limited [Refer Note 30(xii)]					
(Compulsorily Convertible Cumulative Preference Shares)	10	3,837		3,837	
Cost of acquisition [including goodwill of ₹ 41.61 Crores]			44.04		44.04
Add / (Less) : Group Share of Profits / (Losses)			(8.06) 35.98		(4.66) 39.38
Sproutlife Foods Private Limited [Refer Note 30(iii)(b)]					
(Compulsorily Convertible Cumulative Preference Shares)	10	10,984		9,571	
Cost of acquisition [including goodwill of ₹ 156.86 Crores (2024 - ₹ 128.43 Crores)]			214.68		184.68
Add / (Less) : Group Share of Profits / (Losses)			(43.91) 170.77		(17.84) 166.84
In Others (at fair value through profit or loss)					
Unquoted					
Blupin Technologies Private Limited					
(Compulsorily Convertible Cumulative Preference Shares)	100	3,232	29.33	2,980	35.52
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	9.51
Zero Coupon Government Stock - 22-Aug-2025	100	–	–	25,35,000	23.31
Zero Coupon Government Stock - 15-Dec-2025	100	–	–	36,34,800	32.83
Zero Coupon Government Stock - 17-Dec-2025	100	–	–	6,02,300	5.42
Zero Coupon Government Stock - 22-Feb-2026	100	–	–	25,35,000	22.52
Zero Coupon Government Stock - 15-Jun-2026	100	10,20,000	9.47	10,20,000	8.89
Zero Coupon Government Stock - 22-Aug-2026	100	63,54,400	58.14	63,54,400	54.55
Carried over			8444.71		5422.38

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			8444.71		5422.38
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (Contd.)					
Zero Coupon Government Stock - 15-Dec-2026	100	10,20,000	9.15	10,20,000	8.58
Zero Coupon Government Stock - 22-Feb-2027	100	40,11,000	35.44	40,11,000	33.20
Zero Coupon Government Stock - 15-Jun-2027	100	31,17,000	27.01	31,17,000	25.32
Zero Coupon Government Stock - 22-Aug-2027	100	48,54,400	41.37	48,54,400	38.70
Unquoted					
Government Securities - cost ₹ 70000.00		–	0.01	–	0.01
National Savings Certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)			...		...
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	432.13
7.19% - Series A - 31-Jul-2025	10,00,000	–	–	150	15.18
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	5,00,000	52.62
India Infrastructure Finance Company Limited					
7.36% - Series II - 22-Jan-2028	1,000	3,00,000	31.04	3,00,000	31.38
8.26% - Series V B - 23-Aug-2028	10,00,000	1,175	121.05	1,175	121.96
8.46% - Series VI B - 30-Aug-2028	10,00,000	1,300	135.79	1,300	137.27
8.48% - Series VII B - 05-Sep-2028	10,00,000	1,780	184.24	1,780	185.83
Indian Railway Finance Corporation Limited					
7.07% - Series 102 - 21-Dec-2025	1,000	–	–	70,498	7.13
7.15% - Series 100 - 21-Aug-2025	10,00,000	–	–	250	25.28
7.19% - Series 99 - 31-Jul-2025	10,00,000	–	–	2,250	225.26
7.34% - Series 86A - 19-Feb-2028	1,000	1,00,000	10.39	1,00,000	10.51
8.48% - Series 89A - 21-Nov-2028	10,00,000	1,250	129.22	1,250	130.20
8.55% - Series 94A - 12-Feb-2029	10,00,000	130	13.49	130	13.60
Carried over			9304.75		6986.61

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	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			9304.75		6986.61
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
National Bank for Agriculture and Rural Development					
7.07% - Series 1A - 25-Feb-2026	10,00,000	–	–	2,000	203.14
National Highways Authority of India					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	–	–	2,600	260.23
7.14% - Series I A - 11-Jan-2026	1,000	–	–	8,06,381	81.19
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	180.62	17,49,943	181.40
8.50% - Series II A - 05-Feb-2029	1,000	5,00,000	53.87	5,00,000	54.74
8.75% - Series II B - 05-Feb-2029	1,000	2,50,000	27.26	2,50,000	27.77
National Housing Bank					
8.46% - Series V - 30-Aug-2028	10,00,000	800	82.44	800	83.07
Power Finance Corporation Limited					
7.16% - Series 136 - 17-Jul-2025	10,00,000	–	–	600	60.63
8.46% - Series 107B - 30-Aug-2028	10,00,000	500	51.53	500	51.92
8.54% - Series 2A - 16-Nov-2028	1,000	3,50,000	38.00	3,50,000	38.73
REC Limited					
7.17% - Series 5A - 23-Jul-2025	10,00,000	–	–	850	85.88
8.46% - Series 3B - 29-Aug-2028	10,00,000	1,190	124.54	1,190	125.96
8.46% - Series 2A - 24-Sep-2028	1,000	3,50,000	37.81	3,50,000	38.52
8.54% - Series 4B - 11-Oct-2028	10,00,000	50	5.17	50	5.21
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
HDFC Bank Limited					
7.80% - Series US005 - 02-Jun-2025	1,00,000	–	–	10,000	99.88
National Bank for Agriculture and Rural Development					
7.62% - Series 24 H - 10-May-2029	1,00,000	20,000	199.89	20,000	200.00
7.62% - Series 23 I - 31-Jan-2028	1,00,000	19,000	189.02	19,000	188.72
7.49% - Series 24 B - 15-Oct-2026	1,00,000	10,000	99.36	10,000	99.06
7.53% - Series 25 E - 24-Mar-2028	1,00,000	2,000	20.03	–	–
7.80% - Series 24 E - 15-Mar-2027	1,00,000	5,000	50.17	–	–
8.22% - Series PMAYG-PB-2 - 13-Dec-2028	10,00,000	1,550	157.83	1,550	158.48
Carried over			10872.29		9281.14

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			10872.29		9281.14
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
REC Limited					
7.64% - Series 225 - 23-Jul-2026	1,00,000	2,500	25.00	–	–
Small Industries Development Bank of India					
7.43% - Series I - 31-Aug-2026	1,00,000	5,000	49.68	7,000	69.32
7.44% - Series II - 04-Sep-2026	1,00,000	5,000	49.69	5,500	54.49
7.68% - Series IX - 10-Aug-2027	1,00,000	30,000	299.92	30,000	299.99
7.79% - Series IV - 19-Apr-2027	1,00,000	30,000	300.15	30,000	299.90
7.79% - Series VI - 14-May-2027	1,00,000	25,000	249.82	25,000	249.86
7.83% - Series V - 24-Nov-2028	1,00,000	40,500	404.89	40,500	404.91
Perpetual Bonds - Unsecured, Subordinated & Non-Convertible#					
State Bank of India					
7.72% - Series I (with first Call option on 03-Sep-2026)	1,00,00,000	313	313.00	313	313.00
7.72% - Series II (with first Call option on 18-Oct-2026)	1,00,00,000	400	400.00	400	400.00
Zero Coupon Bonds - Secured, Redeemable & Non-Convertible					
LIC Housing Finance Limited					
Tranche 416 - 25-Apr-2025	10,00,000	–	–	11,250	1,288.06
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
Aditya Birla Sun Life Mutual Fund	10	2,19,98,900	26.37	2,19,98,900	24.84
DSP Mutual Fund	10	4,99,97,500	58.99	4,99,97,500	55.04
Nippon India Mutual Fund	10	1,49,99,250	18.20	1,49,99,250	17.09
SBI Mutual Fund	10	21,19,89,401	255.96	23,69,88,151	269.91
Exchange Traded Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	1	11,25,00,000	140.81	19,00,00,000	220.83
Edelweiss Mutual Fund	1,000	–	–	33,03,209	395.25
Nippon India Mutual Fund	10	12,94,26,359	927.92	6,60,00,000	790.36
Carried over			14392.69		14433.99

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	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
4. Non-current investments (Contd.)					
Brought forward			14392.69		14433.99
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Aditya Birla Sun Life Mutual Fund	10	87,97,85,691	1067.65	85,75,27,978	961.88
Axis Mutual Fund	10	13,50,74,285	162.41	17,85,85,530	198.03
Bandhan Mutual Fund	10	4,24,53,511	54.21	–	–
DSP Mutual Fund	10	4,76,41,228	58.00	4,76,41,228	53.08
HDFC Mutual Fund	10	2,24,75,231	27.62	–	–
ICICI Prudential Mutual Fund	10	64,66,52,376	786.80	54,91,10,334	615.29
Kotak Mahindra Mutual Fund	10	59,85,34,837	728.62	59,85,34,837	669.83
Nippon India Mutual Fund	10	28,00,48,239	334.51	24,38,33,990	269.43
SBI Mutual Fund	10	56,98,58,756	687.00	75,82,85,035	846.11
INVESTMENT IN ALTERNATIVE INVESTMENT FUNDS (at fair value through profit or loss)					
Unquoted					
Avaana Sustainability Fund	1,000	41,178	3.85	–	–
Chiratae Ventures India Fund IV	1,00,000	1,421	20.53	1,279	18.74
Fireside Ventures Investments Fund I	1,00,000	1,182	37.61	1,289	42.29
Fireside Ventures Investments Fund II	1,000	1,87,606	31.10	1,79,000	28.37
Fireside Ventures Investments Fund III	1,00,000	1,000	9.49	560	4.42
India Foundation Fund Series I	100	8,39,020	8.37	4,73,457	4.80
Roots Ventures I	100	9,36,923	21.86	9,63,113	23.34
Aggregate amount of quoted investments			**13908.24**		**13946.19**
Aggregate amount of unquoted investments			**4524.08**		**4223.41**
Total			**18432.32**		**18169.60**

Aggregate market value of quoted investments ₹ 26104.35 Crores (2024 - ₹ 13953.49 Crores).
Aggregate amount of impairment in value of investments ₹ 9.37 Crores (2024 - ₹ 1.48 Crores).

^ Also refer note 30(viii)

* 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 cash flows.

** Exchange Traded / Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cash flows except for meeting redemption and rebalancing requirements. Investment in such funds are classified as FVTOCI as cash flows from these investments are realised on maturity or upon sale.

Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under the Reserve Bank of India guidelines. These have been classified as debt instruments by the Company based on the substantive characteristics of the contract.

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
5. Loans				
Others Loans - Employees				
– Unsecured, considered good	9.51	7.60	9.81	4.05
TOTAL	**9.51**	**7.60**	**9.81**	**4.05**

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
6. Other financial assets				
Security Deposits*	25.24	30.52	32.25	79.03
Bank deposits with more than 12 months maturity	–	1276.54	–	329.65
Others				
Advances	9.36	–	3.58	–
Deposits other than Security Deposits	451.93	250.51	10.76	0.31
Interest accrued on Loans, Deposits, Investments etc.	293.98	–	422.76	–
Other Receivables**	875.74	–	712.39	–
TOTAL	**1656.25**	**1557.57**	**1181.74**	**408.99**

* Include deposits to Directors and Key Management Personnel ₹ 0.01 Crore (2024 - ₹ 0.01 Crore) (Refer Note 32).

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

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
7. Deferred tax*		
Deferred tax liabilities (Net)	2582.46	2141.44
Less: Deferred tax assets (Net)	87.98	72.19
TOTAL	**2494.48**	**2069.25**

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

2024-25	Opening Balance	Recognised in profit or loss*	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Acquired through business combination#	Transferred pursuant to demerger@	Effect of foreign exchange	Closing Balance
Deferred tax liabilities/assets in relation to:									
On fiscal allowances on property, plant and equipment, investment property etc.	1886.62	114.33	–	–	–	–	(444.71)	–	1556.24
On Excise Duty/National Calamity Contingent Duty on closing stock	100.61	(7.91)	–	–	–	–	–	–	92.70
On cash flow hedges	(1.52)	–	(6.05)	0.05	2.84	–	–	–	(4.68)
Other timing differences	781.63	821.10	(42.06)	–	(0.75)	–	(31.02)	0.07	1528.97
Total deferred tax liabilities	**2767.34**	**927.52**	**(48.11)**	**0.05**	**2.09**	**–**	**(475.73)**	**0.07**	**3173.23**
On fiscal allowances on property, plant and equipment etc.	5.46	12.07	–	–	–	–	–	–	17.53
On employees' separation and retirement etc.	156.93	(19.17)	3.42	–	–	–	(16.83)	0.12	124.47
On provision for doubtful debts/advances	64.52	(2.31)	–	–	–	–	(2.68)	0.03	59.56
On State and Central taxes etc.	73.25	15.81	–	–	–	–	(10.16)	–	78.90
On unabsorbed tax losses and depreciation	22.78	12.97	–	–	–	–	–	(0.06)	35.69
Other timing differences	362.30	14.55	–	–	–	3.12	(32.69)	0.50	347.78
Total deferred tax assets before MAT credit entitlement	**685.24**	**33.92**	**3.42**	**–**	**–**	**3.12**	**(62.36)**	**0.59**	**663.93**
Total deferred tax liabilities before MAT credit entitlement (Net)	**2082.10**	**893.60**	**(51.53)**	**0.05**	**2.09**	**(3.12)**	**(413.37)**	**(0.52)**	**2509.30**
Less: MAT credit entitlement	12.85	1.97	–	–	–	–	–	–	14.82
Total deferred tax liabilities (Net)	**2069.25**	**891.63**	**(51.53)**	**0.05**	**2.09**	**(3.12)**	**(413.37)**	**(0.52)**	**2494.48**

Notes to the Consolidated Financial Statements

(₹ in Crores)

7. Deferred tax* (Contd.)

2023-24	Opening Balance	Recognised in profit or loss*	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Acquired through business combination	Transferred pursuant to demerger[@]	Effect of foreign exchange	Closing Balance
Deferred tax liabilities/assets in relation to:									
On fiscal allowances on property, plant and equipment, investment property etc.	1740.53	146.09	–	–	–	–	–	–	1886.62
On Excise Duty/National Calamity Contingent Duty on closing stock	117.93	(17.32)	–	–	–	–	–	–	100.61
On cash flow hedges	(0.41)	–	(3.19)	(2.74)	4.82	–	–	–	(1.52)
Other timing differences	324.99	175.69	280.90	–	–	–	–	0.05	781.63
Total deferred tax liabilities	**2183.04**	**304.46**	**277.71**	**(2.74)**	**4.82**	**–**	**–**	**0.05**	**2767.34**
On fiscal allowances on property, plant and equipment etc.	7.22	(1.76)	–	–	–	–	–	–	5.46
On employees' separation and retirement etc.	158.23	(12.08)	10.72	–	–	–	–	0.06	156.93
On provision for doubtful debts/advances	60.57	3.93	–	–	–	–	–	0.02	64.52
On State and Central taxes etc.	70.07	3.18	–	–	–	–	–	–	73.25
On unabsorbed tax losses and depreciation	4.26	18.62	–	–	–	–	–	(0.10)	22.78
Other timing differences	295.20	66.98	–	–	–	–	–	0.12	362.30
Total deferred tax assets before MAT credit entitlement	**595.55**	**78.87**	**10.72**	**–**	**–**	**–**	**–**	**0.10**	**685.24**
Total deferred tax liabilities before MAT credit entitlement (Net)	**1587.49**	**225.59**	**266.99**	**(2.74)**	**4.82**	**–**	**–**	**(0.05)**	**2082.10**
Less: MAT Credit Entitlement	10.51	2.34	–	–	–	–	–	–	12.85
Total deferred tax liabilities (Net)	**1576.98**	**223.25**	**266.99**	**(2.74)**	**4.82**	**–**	**–**	**(0.05)**	**2069.25**

* includes ₹ 510.77 Crores (2024 - ₹ 31.00 Crores) relating to discontinued operations.

@ Refer Note 30(viii)

\# Refer Note 30(xix)

The Group has losses of ₹ 46.46 Crores (2024 - ₹ 58.04 Crores) for which no deferred tax assets have been recognised. A part of these losses will expire between financial years 2025-26 to 2041-42.

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	**Non-Current**	Current	Non-Current
8. Other assets				
Capital Advances	–	73.49	–	292.17
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	0.50	726.37	0.78	813.46
– Others	6.26	118.15	0.97	163.30
Advances to related parties (Refer Note 32)	–	8.62	21.30	9.54
Other Advances (including advances with statutory authorities, prepaid expenses, employees etc.)	1100.54	79.23	1130.65	99.06
Other Receivables*	264.55	10.07	229.49	2.33
TOTAL	**1371.85**	**1015.93**	**1383.19**	**1379.86**

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

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
9. Inventories*		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	10511.11	8727.39
Work-in-progress	414.60	1334.72
Finished goods (manufactured)	2580.62	2297.12
Stock-in-trade (goods purchased for resale)	1348.07	1048.58
Stores and spares	678.84	649.34
Intermediates - Tissue paper and Paperboards	104.32	95.73
TOTAL	**15637.56**	**14152.88**

The above includes goods in transit as under:

Raw materials (including packing materials)	255.30	159.15
Finished Goods (manufactured)	3.01	–
Stock-in-trade (goods purchased for resale)	8.36	2.89
Stores and spares	3.68	2.45
TOTAL	**270.35**	**164.49**

The cost of inventories recognised as an expense includes ₹ 236.36 Crores (2024 - ₹ 157.99 Crores) in respect of write offs/write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 1.31 Crores (2024 - ₹ 1.87 Crores) have been made owing to subsequent increase in net realisable value.

Inventories of ₹ 886.65 Crores (2024 - ₹ 1551.68 Crores) are expected to be recovered after more than twelve months.

10. Biological assets other than bearer plants		
Balance at the beginning of the year	150.00	142.97
Biological assets acquired during the year	12.39	1.55
Cost incurred during the year	208.87	178.30
Changes in fair value*	112.14	60.64
Transfer of Biological assets to Inventories	(8.74)	(12.54)
Biological assets sold during the year	(276.12)	(220.85)
Effect of foreign exchange translation	0.04	(0.07)
Balance at the end of the year	**198.58**	**150.00**

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

The Group had 2,87,54,144 numbers of TECHNITUBER® seed potatoes (2024 - 2,22,58,649 numbers).

There were 132187 MT of field generated seed potatoes (2024 - 102762 MT). During the year, output of agricultural produce (potatoes) is 13633 MT (2024 - 13390 MT).

In October 2024 - 23917 MT (October 2023 - 20827 MT) of seed potatoes were planted and in February/March 2025 - 148918 MT (February/March 2024 - 126806 MT) of seed potatoes were harvested as a result of quantitative biological transformation.

Estimated amount of contracts remaining to be executed for acquisition/development of biological assets is ₹ 1.95 Crores (2024 - Nil).

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise)					
INVESTMENT IN EQUITY INSTRUMENTS					
In Others					
Quoted					
Ultra Tech Cement Limited	10	3	...	3	...
Unquoted					
SKH Metals Limited	10	40,000	...	40,000	...
Patheja Brothers Forgings and Stampings Limited	10	50,000	...	50,000	...
Jind Textiles Limited	10	5,00,000	...	5,00,000	...
Taib Capital Corporation Limited	10	2,45,000	...	2,45,000	...
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES					
Quoted					
Tax Free Bonds - Secured, Redeemable & Non-Convertible					
National Highways Authority of India					
8.50% - Series II A - 05-Feb-2029	1,000	1,04,000	10.86	1,04,000	10.95
REC Limited					
8.12% -Series 2 - 27-Mar-2027	1,000	60,000	6.10	60,000	6.16
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	–	–
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 CERTIFICATE OF DEPOSITS					
Unquoted					
Axis Bank Limited - 18-Jul-2024	5,00,000	–	–	42,000	2039.00
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	–	–
HDFC Bank Limited - 18-Jul-2024	5,00,000	–	–	10,000	485.47
Carried over			1458.88		2541.58

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			1458.88		2541.58
INVESTMENT IN CERTIFICATE OF DEPOSITS (Contd.)					
HDFC Bank Limited - 25-Jul-2025	5,00,000	3,000	145.04	–	–
HDFC Bank Limited - 18-Dec-2025	5,00,000	1,000	47.39	–	–
Kotak Mahindra Bank Limited - 07-June-2024	5,00,000	–	–	500	24.65
Small Industries Development Bank of India - 27-Feb-2025	5,00,000	–	–	1,000	46.72
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Unquoted					
Treasury Bill issued by Nepal Rastra Bank		2	11.09	–	–
National Savings Certificates (pledged with Mandi Samiti) (cost ₹ 2000.00)			...		...
National Savings Certificate (cost ₹ 10000.00)			...		...
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Exchange Traded Funds					
Nippon India Mutual Fund	10	–	–	58,69,560	70.52
Unquoted					
Liquid/Overnight Funds					
Aditya Birla Sun Life Mutual Fund	100	22,485	0.94	–	–
Axis Mutual Fund	1,000	3,93,385	95.97	7,81,331	208.45
DSP Mutual Fund	1,000	5,267	1.93	–	–
HDFC Mutual Fund	100	3,198	1.61	3,91,114	184.02
ICICI Prudential Mutual Fund	100	–	–	9,58,246	34.20
Kotak Mahindra Mutual Fund	1,000	10,976	5.75	5,697	2.78
LIC Mutual Fund	1,000	–	–	2,31,584	100.18
Nippon India Mutual Fund	100	8,39,206	11.51	–	–
Nippon India Mutual Fund	1,000	–	–	3,41,195	199.82
SBI Mutual Fund	1,000	16,616	6.67	49,240	16.98
UTI Mutual Fund	1,000	26,505	11.26	34,046	13.41
Ultra Short Term Funds					
Aditya Birla Sun Life Mutual Fund	100	2,02,77,140	1103.49	2,05,33,961	1035.28
Axis Mutual Fund	10	9,61,441	1.47	12,41,530	1.76
ICICI Prudential Mutual Fund	10	1,74,13,815	51.09	–	–
Kotak Mahindra Mutual Fund	10	26,25,58,620	1146.73	26,25,58,620	1065.78
SBI Mutual Fund	1,000	3,05,559	182.05	2,47,159	136.90
Carried over			4282.87		5683.03

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			4282.87		5683.03
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Low Duration Funds					
Aditya Birla Sun Life Mutual Fund	100	87,701	6.24	87,701	5.78
Axis Mutual Fund	1,000	14,17,525	449.84	14,71,091	432.01
Bandhan Mutual Fund	10	7,34,11,386	284.06	7,34,11,386	263.71
DSP Mutual Fund	10	17,22,63,805	334.81	17,22,63,805	311.47
ICICI Prudential Mutual Fund	100	1,44,38,457	778.70	1,47,04,689	733.99
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	21,51,415	765.01	19,81,985	653.18
Money Market Funds					
Aditya Birla Sun Life Mutual Fund	100	40,95,539	150.50	40,95,539	139.49
Axis Mutual Fund	1,000	24,20,455	342.13	20,57,053	269.73
Bandhan Mutual Fund	10	5,51,82,275	231.89	4,22,87,680	167.70
DSP Mutual Fund	10	28,79,974	15.33	–	–
HDFC Mutual Fund	1,000	7,64,367	436.74	7,64,367	404.89
ICICI Prudential Mutual Fund	1,000	1,26,050	4.75	–	–
Kotak Mahindra Mutual Fund	1,000	7,11,902	316.31	6,53,754	269.36
Nippon India Mutual Fund	1,000	6,60,345	272.04	6,60,345	252.20
SBI Mutual Fund	10	6,65,47,323	290.02	6,65,47,323	268.97
UTI Mutual Fund	1,000	1,20,014	30.81	–	–
Floating Rate Funds					
Aditya Birla Sun Life Mutual Fund	100	1,95,98,885	685.24	1,95,98,885	633.54
HDFC Mutual Fund	10	10,07,90,662	501.54	10,07,90,662	461.93
Nippon India Mutual Fund	10	6,22,64,756	288.73	6,22,64,756	265.83
Short Duration Funds					
Aditya Birla Sun Life Mutual Fund	10	1,32,84,152	66.77	–	–
DSP Mutual Fund	10	2,31,36,440	114.32	2,31,36,440	105.31
Kotak Mahindra Mutual Fund	10	1,94,81,292	109.13	1,02,55,708	52.81
Nippon India Mutual Fund	10	2,41,72,593	135.21	1,02,78,225	52.81
SBI Mutual Fund	10	5,40,50,081	179.96	5,43,84,698	166.77
Carried over			11227.79		11594.51

Notes to the Consolidated Financial Statements

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025		As at 31st March, 2024	
		Number	(₹ in Crores)	Number	(₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			11227.79		11594.51
INVESTMENT IN DEBT MUTUAL FUNDS (Contd.)					
Banking & PSU Debt Funds					
Axis Mutual Fund	1,000	31,86,227	833.77	31,86,227	770.87
Bandhan Mutual Fund	10	14,17,61,931	341.56	14,17,61,931	316.53
Corporate Bond Funds					
HDFC Mutual Fund	10	1,58,86,798	51.67	–	–
ICICI Prudential Mutual Fund	10	4,30,40,789	131.43	4,37,28,847	123.02
Kotak Mahindra Mutual Fund	1,000	2,99,599	115.22	3,03,233	107.14
SBI Mutual Fund	10	8,30,72,281	128.86	–	–
Current Portion of Non-Current Investment					
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)					
Quoted					
Government of India Zero Coupon Government Stock					
Zero Coupon Government Stock - 22-Feb-2025	100	–	–	34,00,000	32.35
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	–	–
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	–	–
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	–	–
Small Industries Development Bank of India					
7.11% - Series IV - 27-Feb-2026	10,00,000	250	24.87	–	–
Carried over			13657.44		12944.42

	Face Value ₹ (Fully Paid unless stated otherwise)	As at 31st March, 2025 Number	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 Number	As at 31st March, 2024 (₹ in Crores)
11. Current Investments (at fair value through profit or loss, unless stated otherwise) (Contd.)					
Brought forward			13657.44		12944.42
INVESTMENT IN BONDS IN THE NATURE OF DEBENTURES (Contd.)					
National Bank for Agriculture and Rural Development					
7.07% - Series 1A - 25-Feb-2026	10,00,000	2,000	201.52	–	–
National Highways Authority of India					
7.11% - Series NHAI - II A - 18-Sep-2025	10,00,000	2,600	260.14	–	–
7.14% - Series I A - 11-Jan-2026	1,000	8,06,381	80.90	–	–
Power Finance Corporation Limited					
7.16% - Series 136 - 17-Jul-2025	10,00,000	600	60.12	–	–
REC Limited					
7.17% - Series 5A - 23-Jul-2025	10,00,000	850	85.21	–	–
Zero Coupon Bonds - Secured, Redeemable & Non-Convertible					
LIC Housing Finance Limited					
Tranche 416 - 25-Apr-2025	10,00,000	11,250	1363.35	–	–
Taxable Bonds - Unsecured, Redeemable & Non-Convertible					
HDFC Bank Limited					
7.80% - Series US005 - 02-Jun-2025	1,00,000	10,000	99.93	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Quoted					
Fixed Maturity Plans (at amortised cost)*					
SBI Mutual Fund	10	2,49,98,750	29.58	–	–
Exchange Traded Funds (at fair value through other comprehensive income) **					
Edelweiss Mutual Fund	1,000	33,03,209	425.60	–	–
Unquoted					
Target Maturity Index Funds (at fair value through other comprehensive income) **					
Axis Mutual Fund	10	1,98,53,868	23.71	–	–
INVESTMENT IN DEBT MUTUAL FUNDS					
Aggregate amount of quoted investments			**3938.02**		**119.98**
Aggregate amount of unquoted investments			**12349.48**		**12824.44**
Total			**16287.50**		**12944.42**

Aggregate market value of quoted investments ₹ 3941.75 Crores (2024 - ₹ 119.60 Crores).

* Investments in Fixed Maturity Plans (FMPs) that are intended to be held by the Company till maturity are classified as amortised cost. The underlying instruments in the portfolio of these FMPs have minimal churn and are held to receive contractual cash flows.

** Exchange Traded/Target Maturity Index Funds follow a passive buy and hold investment strategy to receive contractual cash flows except for meeting redemption and rebalancing requirements. Investment in such funds are classified as FVTOCI as cash flows from these investments are realised on maturity or upon sale.

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
12. Trade receivables (Current)		
Considered good - Secured	49.71	55.06
Considered good - Unsecured	4669.96	3970.76
Which have significant increase in Credit Risk	–	–
Credit impaired	176.13	188.13
Less: Allowance for credit impairment [Refer Note 33]	176.13	188.13
TOTAL	**4719.67**	**4025.82**

Trade receivables ageing schedule

(₹ in Crores)

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

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024					Total
		Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	1851.02	2109.43	59.95	5.33	0.02	0.07	4025.82
Undisputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Undisputed Trade Receivables – credit impaired	–	2.68	10.24	7.85	4.71	43.61	69.09
Disputed Trade Receivables – considered good	–	–	–	–	–	–	–
Disputed Trade Receivables – which have significant increase in credit risk	–	–	–	–	–	–	–
Disputed Trade Receivables – credit impaired	–	1.03	3.27	2.98	0.65	111.11	119.04
SUB-TOTAL	**1851.02**	**2113.14**	**73.46**	**16.16**	**5.38**	**154.79**	**4213.95**
Less: Allowance for credit impairment							188.13
TOTAL							**4025.82**

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
13. Cash and cash equivalents[@]		
Balances with Banks		
Current accounts	414.99	477.01
Deposit accounts	202.60	138.66
Cheques, drafts on hand	1.08	2.00
Cash on hand	1.33	8.22
TOTAL	**620.00**	**625.89**

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

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

14. Bank Balances other than cash and cash equivalents		
Earmarked balances*	264.84	268.94
In deposit accounts**	3127.52	6322.85
TOTAL	**3392.36**	**6591.79**

* includes balances towards unpaid dividend, unspent corporate social responsibility.

** Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (₹ in Crores)
15. Equity Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	12,51,41,19,781	1251.41	12,48,47,21,471	1248.47
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	12,48,47,21,471	1248.47	12,42,80,17,741	1242.80
Add: Issue of Shares on exercise of Options	2,93,98,310	2.94	5,67,03,730	5.67
As at end of the year	**12,51,41,19,781**	**1251.41**	**12,48,47,21,471**	**1248.47**

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

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2025 (%)	As at 31st March, 2024 (No. of Shares)	As at 31st March, 2024 (%)
Tobacco Manufacturers (India) Limited	2,54,14,95,863	20.31	2,54,14,95,863	20.36
Life Insurance Corporation of India	1,94,17,50,542	15.52	1,89,68,61,285	15.19
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.79	97,45,31,427	7.81

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 Options

	As at 31st March, 2025 (No. of Shares)	As at 31st March, 2024 (No. of Shares)
Ordinary Shares of ₹ 1.00 each	7,43,49,690	8,99,46,120

Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from the date of vesting in respect of Options.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options : 30% vests
On completion of 24 months from the date of grant of the Options : 30% vests
On completion of 36 months from the date of grant of the Options : 40% vests

The Options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Further details of ITC Employee Stock Option Schemes are provided in Note 30(xiv).

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
16. Borrowings				
Unsecured				
Loans from Banks				
– Working Capital Loan	89.50	–	8.00	–
Deferred payment liabilities				
– Sales tax deferment loans*	1.76	–	1.52	1.76
TOTAL	**91.26**	**–**	**9.52**	**1.76**

* Interest free deferral period of 14 years and repayable by 2025-26.

The repayment schedule is summarised as under:

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
In the first year	1.76	1.52
In the second year	–	1.76
TOTAL	**1.76**	**3.28**

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
17. Lease liabilities*				
Lease liabilities	56.07	137.21	61.54	230.61
TOTAL	**56.07**	**137.21**	**61.54**	**230.61**

* Refer Note 30(ix)

Movement of Lease liabilities during the year

Particulars	**31st March, 2025**	31st March, 2024
Opening Lease liabilities	292.15	267.23
New leases recognised	43.36	116.74
Remeasurements and withdrawals	(4.28)	(24.95)
Interest expense on Lease liabilities	21.26	21.97
Payment of Lease liabilities (including interest)	(86.78)	(88.86)
Foreign Currency Translation Reserve adjustment	0.47	0.02
Acquired through Business Combination [Refer Note 30(xix)]	0.45	–
Transferred pursuant to Scheme of Demerger [Refer Note 30(viii)]	(73.35)	–
Closing Lease liabilities	**193.28**	**292.15**

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
18. Other financial liabilities		
Non-current		
Others (Includes payable towards employee benefits, retention money payable towards property, plant and equipment, deposits, contingent consideration on asset acquisition etc.)	301.34	433.96
TOTAL	**301.34**	**433.96**
Current		
Interest accrued	1.92	2.01
Unpaid dividend *	259.28	251.19
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon **	0.30	0.30
Others (Includes payable towards employee benefits, property, plant and equipment, derivatives, contingent consideration on business combination/asset acquisition etc.)	1660.00	1925.50
TOTAL	**1921.50**	**2179.00**

* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013 or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of a pending legal dispute with a bank for which the Company has filed a suit.

	As at 31st March, 2025 (₹ in Crores)		As at 31st March, 2024 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
19. Provisions				
Provision for employee benefits				
Retirement benefits [Refer Note 30(v)]	62.51	206.83	79.85	199.28
Other benefits	17.55	95.99	27.06	88.73
Provision for standard assets	–	0.29	–	0.29
TOTAL	**80.06**	**303.11**	**106.91**	**288.30**

Notes to the Consolidated Financial Statements

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
20. Other liabilities		
Non-current		
Advances received from customers*	34.51	149.72
TOTAL	**34.51**	**149.72**
Current		
Statutory liabilities	4851.37	4542.71
Advances received from customers*	1264.18	886.17
Others (includes deferred revenue, accruals etc.)	32.72	165.84
TOTAL	**6148.27**	**5594.72**

* Includes revenue received in advance.

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
21. Trade Payables (Current)		
Total outstanding dues of Micro and Small Enterprises	180.64	207.23
Total outstanding dues of creditors other than Micro and Small Enterprises	4626.66	4590.60
TOTAL	**4807.30**	**4797.83**

Trade Payables ageing schedule

(₹ in Crores)

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

Notes to the Consolidated Financial Statements

Trade Payables ageing schedule (Contd.)

(₹ in Crores)

	Not Due	Outstanding for following periods from due date of payment as at 31st March, 2024				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Dues - Micro and Small Enterprises	32.24	–	–	–	–	**32.24**
Undisputed Dues - Others	662.21	77.78	1.72	0.01	–	**741.72**
Disputed Dues - Micro and Small Enterprises	–	–	–	–	–	**–**
Disputed Dues - Others	–	–	–	–	0.28	**0.28**
SUB-TOTAL	**694.45**	**77.78**	**1.72**	**0.01**	**0.28**	**774.24**
Accrued Payables (not due)						
– Micro and Small Enterprises						174.99
– Others						3848.60
TOTAL						**4797.83**

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
22A. Income Tax Assets (Net)		
Income Tax Assets (net of provisions)	50.24	44.93
TOTAL	**50.24**	**44.93**

	As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
22B. Current Tax Liabilities (Net)		
Current taxation (net of advance payment)	1229.65	940.88
TOTAL	**1229.65**	**940.88**

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
23A. Revenue from operations		
Sale of Products	76827.15	69772.93
Sale of Services	4115.61	3577.60
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty/Health Risk Tax of ₹ 6304.37 Crores (2024 - ₹ 6051.32 Crores)]	80942.76	73350.53
Other Operating Revenues#	670.02	540.90
TOTAL	**81612.78**	**73891.43**

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

\# Includes Government grants of ₹ 306.47 Crores (2024 - ₹ 246.17 Crores) on account of Fiscal and Exports incentives etc.

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
23B. Gross Revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	35893.57	33667.97
– Branded Packaged Food Products	18282.42	17227.82
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	3722.85	3764.65
Agri Business		
– Unmanufactured Tobacco	3380.76	2447.20
– Other Agri Products and Commodities (Wheat, Rice, Spices, Coffee, Soya, Potato etc.)	8863.24	6076.60
Paperboards, Paper and Packaging		
– Paperboards and Paper	5957.90	5868.06
– Packaging and Printed Materials	617.98	606.68
Others		
– Others (Information Technology services, ITC Grand Central Hotel, Mumbai etc.)	4224.04	3691.55
TOTAL	**80942.76**	**73350.53**

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

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
24. Other income		
Interest income	1488.76	1696.75
Dividend income	10.91	10.03
Other non-operating income	1030.02	986.44
TOTAL	**2529.69**	**2693.22**
Interest income:		
a) Deposits with banks etc. - carried at amortised cost	439.81	618.08
b) Financial assets:		
– mandatorily measured at FVTPL	132.56	214.03
– measured at amortised cost	560.61	564.35
– measured at FVTOCI	342.32	294.85
c) Others (from statutory authorities etc.)	13.46	5.44
TOTAL	**1488.76**	**1696.75**
Dividend income:		
Equity instruments measured at FVTOCI held at the end of reporting period	10.91	10.03
TOTAL	**10.91**	**10.03**
Other non-operating income:		
Net foreign exchange gain/(loss)	(6.88)	0.01
Net gain/(loss) arising on financial instruments measured at amortised cost/fair value through profit or loss/fair value through other comprehensive income (Refer Note 33)*	893.56	828.59
Gain recognised on divestment of shares held in joint venture	–	9.84
Impairment of investment in associate and joint venture	(7.87)	(0.06)
Others (including income from leases etc.)	151.21	148.06
TOTAL	**1030.02**	**986.44**

* Includes ₹ 131.30 Crores (2024 - ₹ 181.82 Crores) being net gain/(loss) on sale of investments.

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
25. Changes in inventories of finished goods, Stock-in-Trade, work-in-progress, intermediates and Biological Assets		
Opening inventories and Biological Assets		
Finished goods (manufactured)	2297.12	2268.64
Work-in-progress	1334.72	961.08
Stock-in-Trade (goods purchased for resale)	1048.58	760.37
Intermediates - Tissue paper and Paperboards	95.73	115.09
Biological Assets	150.00	142.97
Less: Closing inventories and Biological Assets		
Finished goods (manufactured)	2580.62	2297.12
Work-in-progress	414.60	1334.72
Stock-in-Trade (goods purchased for resale)	1348.07	1048.58
Intermediates - Tissue paper and Paperboards	104.32	95.73
Biological Assets	198.58	150.00
Less: Effects of foreign exchange fluctuation taken to Foreign Currency Translation Reserve	(0.03)	(89.31)
Less: Inventory on account of discontinued operations [Refer Note 30(viii)]	1005.64	(220.92)
TOTAL	**(725.65)**	**(367.77)**

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
26. Employee benefits expense		
Salaries and wages	5377.96	4852.33
Contribution to Provident and other funds	344.12	297.85
Share based payments to employees [Includes cash-settled share based payments ₹ 15.54 Crores (2024 - ₹ 32.68 Crores)]*	150.16	139.20
Staff welfare expenses	305.22	265.81
	6177.46	**5555.19**
Less: Recoveries made/reimbursements received	7.68	6.66
TOTAL	**6169.78**	**5548.53**

* Refer Note 30(xiv), 30(xv) and 30(xvi)

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
27. Finance costs		
Interest expense:		
– On Lease liabilities	16.31	15.33
– On financial liabilities measured at amortised cost	16.10	9.00
– Others (to statutory authorities etc.)	12.65	14.78
TOTAL	**45.06**	**39.11**

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
28. Other expenses		
Power and fuel	975.35	952.90
Consumption of stores and spare parts	397.38	365.04
Contract processing charges	1312.94	1120.30
Rent	307.20	274.30
Rates and taxes	180.89	193.25
Insurance	188.55	165.06
Repairs	411.90	397.93
Maintenance and upkeep	223.14	300.49
Outward freight and handling charges	1928.59	1617.89
Warehousing charges	315.10	286.22
Advertising / Sales promotion	1331.69	1385.64
Corporate Social Responsibility [Refer Note 30(xvii)]	457.51	401.97
Commission to selling agents etc.	56.66	35.40
Doubtful and bad debts	11.70	14.35
Doubtful and bad advances, loans and deposits	1.95	24.61
Information technology services	262.87	207.35
Travelling and conveyance	463.96	423.78
Training and development	33.97	29.71
Legal and professional fees	723.81	693.85
(Gain) / Loss on sale of property, plant and equipment - Net	(138.76)	(62.26)
Miscellaneous expenses	1750.23	1325.04
TOTAL	**11196.63**	**10152.82**

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
29. Income tax expenses		
A (i). Amount recognised in profit or loss relating to continuing operations		
Current tax		
Income tax for the year	6522.46	6479.43
Adjustments/(credits) related to previous years - Net	(12.85)	(462.22)
Total current tax	**6509.61**	**6017.21**
Deferred tax		
Deferred tax for the year	378.07	202.83
Adjustments/(credits) related to previous years - Net	4.76	(8.24)
MAT credit entitlement	(1.97)	(2.34)
Total deferred tax	**380.86**	**192.25**
TOTAL	**6890.47**	**6209.46**
(ii). Amount recognised in profit or loss relating to discontinued operations		
Current tax for the year	127.87	148.06
Deferred tax for the year	510.77	31.00
TOTAL	**638.64**	**179.06**

B. Amount recognised in other comprehensive income

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

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	3.42	5.21
Related to designated portion of hedging instruments in cash flow hedges	(0.06)	2.63
Equity instruments through other comprehensive income	56.22	(276.37)
	59.58	**(268.53)**
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	3.27	(4.26)
Debt instruments through other comprehensive income	(13.41)	(4.53)
	(10.14)	**(8.79)**
TOTAL	**49.44**	**(277.32)**

	For the year ended 31st March, 2025 (₹ in Crores)	For the year ended 31st March, 2024 (₹ in Crores)
29. Income tax expenses (Contd.)		
C. Amount recognised directly in equity		
The income tax (charged)/credited directly to equity during the year is as follows:		
Deferred tax		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	0.05	(2.74)
TOTAL	**0.05**	**(2.74)**
D. Reconciliation of effective tax rate		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from continuing operations	26926.94	26400.28
Income tax expense calculated @ 25.168% (2024 - 25.168%)	6776.97	6644.42
Effect of tax relating to uncertain tax positions	41.27	39.08
Effect of different tax rate on certain items	(59.72)	(118.92)
Difference in tax rates of subsidiary companies	56.73	53.01
Effect of income not taxable	(65.69)	(73.46)
Other differences	150.75	132.42
TOTAL	**6900.31**	**6676.55**
Adjustments recognised during the year in relation to the current tax of prior years*	(9.84)	(467.09)
Income tax recognised in profit or loss relating to continuing operations	**6890.47**	**6209.46**
Profit before tax from discontinued operations	15654.65	739.60
Income tax expense calculated @ 25.168% (2024 - 25.168%)	3939.96	186.14
Effect of excess of fair value over carrying value of net assets distributed (non-cash), pursuant to the Scheme of Demerger	(3921.97)	–
Effect of addition to the value of investment in ITCHL	602.79	–
Difference in tax rates of subsidiary companies	(4.63)	0.08
Other differences	22.49	(7.16)
Income tax recognised in profit or loss relating to discontinued operations	**638.64**	**179.06**

The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the year 2024-25 and 2023-24 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

* The Group had in the previous year, reassessed its provisions relating to uncertain tax positions for earlier years based on a favourable order of the Hon'ble Supreme Court received during the previous year. This has resulted in a credit of ₹ 468.44 Crores in the Current Tax expense for the year ended 31st March, 2024.

Notes to the Consolidated Financial Statements

30. Additional Notes to the Consolidated Financial Statements

(i) Earnings per share:

Earnings per share has been computed as under:	2025	2024
(a) i) Profit for the year from continuing operations attributable to owners of the parent (₹ in Crores)	19732.74	19900.83
ii) Profit for the year from discontinued operations attributable to owners of the parent (₹ in Crores)	15013.89	557.95
iii) Profit for the year attributable to owners of the parent (₹ in Crores)	34746.63	20458.78
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,50,23,78,226	12,46,10,58,425
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	1,86,64,293	2,80,92,231
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,52,10,42,519	12,48,91,50,656
(e) Earnings per share (Face Value ₹ 1.00 per share)		
For Continuing Operations		
– Basic [(ai) / (b)]	₹ 15.78	₹ 15.98
– Diluted [(ai) / (d)]	₹ 15.76	₹ 15.94
For Discontinued Operations		
– Basic [(aii) / (b)]	₹ 12.01	₹ 0.44
– Diluted [(aii) / (d)]	₹ 11.99	₹ 0.44
For Continuing and Discontinued Operations		
– Basic [(aiii) / (b)]	₹ 27.79	₹ 16.42
– Diluted [(aiii) / (d)]	₹ 27.75	₹ 16.38

(ii) (a) The subsidiaries (which along with ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2025	Percentage of ownership interest as at 31st March, 2024
ITC Infotech India Limited	India	100	100
ITC Infotech Limited@	UK	100	100
ITC Infotech (USA), Inc.@	USA	100	100
Indivate Inc. [a subsidiary of ITC Infotech (USA), Inc.]	USA	100	100
ITC Infotech Do Brasil LTDA.@	Brazil	100	100
ITC Infotech Malaysia SDN. BHD.@	Malaysia	100	100
ITC Infotech France SAS@	France	100	100
ITC Infotech GmbH@	Germany	100	100
ITC Infotech de Mexico, S.A. de C.V.@ [including shareholding by ITC Infotech (USA), Inc.]	Mexico	100	100
ITC Infotech Arabia Limited@	Saudi Arabia	100	100
ITC Infotech Italia s.r.l. (w.e.f. 23.07.2024)@	Italy	100	–
Blazeclan Technologies Private Limited (w.e.f. 01.10.2024)@	India	100	–
Cloudlytics Technologies Private Limited (w.e.f. 01.10.2024)*	India	100	–
Blazeclan Technologies Pty. Limited (w.e.f. 01.10.2024)*	Australia	100	–

Notes to the Consolidated Financial Statements

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2025	Percentage of ownership interest as at 31st March, 2024
Blazeclan Technologies Limited (w.e.f. 01.10.2024)* [a 100% subsidiary of Blazeclan Technologies Pty. Limited]	New Zealand	100	–
Blazeclan Americas Inc. (w.e.f. 01.10.2024)*	USA	100	–
Blazeclan Technologies PTE Limited (w.e.f. 01.10.2024)*	Singapore	100	–
Blazeclan Technologies SDN. BHD. (w.e.f. 01.10.2024)*	Malaysia	100	–
Blazeclan Technologies Corporation (BTC) (w.e.f. 01.10.2024)* [including shareholding by two Directors of BTC]	Philippines	100	–
Blazeclan Europe SRL. (w.e.f. 01.10.2024)*	Belgium	100	–
Blazeclan Technologies LLC (w.e.f. 01.10.2024)*	USA	100	–
Blazeclan Technologies Inc. (w.e.f. 01.10.2024)*	Canada	100	–
Surya Nepal Private Limited	Nepal	59	59
Surya Nepal Ventures Private Limited (a 100% subsidiary of Surya Nepal Private Limited)	Nepal	59	59
Technico Agri Sciences Limited	India	100	100
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
Srinivasa Resorts Limited (upto 31.12.2024)#	India	–	68
Fortune Park Hotels Limited (upto 31.12.2024)#	India	–	100
Landbase India Limited (upto 31.12.2024)#	India	–	100
Bay Islands Hotels Limited (upto 31.12.2024)#	India	–	100
WelcomHotels Lanka (Private) Limited (upto 31.12.2024)#	Sri Lanka	–	100
Russell Credit Limited	India	100	100
Greenacre Holdings Limited	India	100	100
Wimco Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
ITC Integrated Business Services Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of ITC Integrated Business Services Limited)	India	100	100
North East Nutrients Private Limited	India	76	76
Prag Agro Farm Limited	India	100	100
Pavan Poplar Limited	India	100	100
ITC IndiVision Limited	India	100	100
ITC Fibre Innovations Limited	India	100	100
ITC Hotels Limited (upto 31.12.2024)#	India	–	100

@ subsidiaries of ITC Infotech India Limited

* subsidiaries of Blazeclan Technologies Private Limited [Refer Note 30(xix)]

Refer Note 30(viii)

The financial statements of all subsidiaries, considered in the Consolidated Financial Statements, are drawn upto 31st March, other than for Surya Nepal Private Limited and Surya Nepal Ventures Private Limited where it is upto 13th March, based on the local laws of Nepal.

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

(b) Interests in Joint Ventures:

The Group's interests in jointly controlled entities (incorporated Joint Ventures) are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2025	Percentage of ownership interest as at 31st March, 2024
Logix Developers Private Limited [Refer Note 30(vii)]	India	27.90	27.90
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50
Maharaja Heritage Resorts Limited (upto 31.12.2024)#	India	–	50

Refer Note 30(viii)

The financial statements of all Joint Ventures, considered in the Consolidated Financial Statements, are drawn upto 31st March.

(c) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2025	Percentage of ownership interest as at 31st March, 2024
Gujarat Hotels Limited (upto 31.12.2024)#	India	–	45.78
International Travel House Limited (upto 31.12.2024)#	India	–	48.96
Russell Investments Limited*	India	25.43	25.43
Divya Management Limited*	India	33.33	33.33
Antrang Finance Limited*	India	33.33	33.33
ATC Limited (an associate of Gold Flake Corporation Limited)	India	47.50	47.50
Delectable Technologies Private Limited [Refer Note 30(xiii)]	India	39.32@	39.32@
Mother Sparsh Baby Care Private Limited [Refer Note 30(xii)]	India	26.50@	26.50@
Sproutlife Foods Private Limited [Refer Note 30(iii)(b)]	India	47.50@	44.74@
ITC Hotels Limited (w.e.f. 01.01.2025)#	India	39.88	–

Refer Note 30(viii)
* associates of Russell Credit Limited
@ on a fully diluted basis

The financial statements of all Associates, considered in the Consolidated Financial Statements, are drawn upto 31st March.

(d) These Consolidated Financial Statements are based, insofar as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of Indian Accounting Standard - 110 (Ind AS 110) on "Consolidated Financial Statements" and Indian Accounting Standard - 28 (Ind AS 28) on "Investments in Associates and Joint Ventures" by each of the included entities other than in respect of the following entities which have been considered on the basis of financial statements as certified by the management of the respective companies and provided to the Group:

Notes to the Consolidated Financial Statements

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

(a) Associate: Delectable Technologies Private Limited [Refer Note 30(xiii)]

(b) Joint venture: Logix Developers Private Limited [Refer Note 30(vii)]

(c) Entities which ceased to be subsidiaries, associates or joint venture of the Group (w.e.f. 1st January, 2025) pursuant to Scheme of Demerger [Refer Note 30(viii)]:

- Subsidiaries: ITC Hotels Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited and Srinivasa Resorts Limited
- Associates: International Travel House Limited and Gujarat Hotels Limited
- Joint Venture: Maharaja Heritage Resorts Limited

(iii) Contingent liabilities and commitments:

(a) Contingent liabilities:

Claims against the Group not acknowledged as debts, are ₹ 1112.76 Crores (2024 - ₹ 1077.71 Crores), including interest on claims, where applicable, estimated to be ₹ 332.02 Crores (2024 - ₹ 324.08 Crores), including share of associates ₹ 105.82 Crores (2024 - ₹ 0.15 Crore). These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 680.90 Crores (2024 - ₹ 679.10 Crores), including interest on claims, where applicable, estimated to be ₹ 292.10 Crores (2024 - ₹ 294.54 Crores), including share of associates ₹ 40.82 Crores (2024 - ₹ 0.12 Crore).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 252.47 Crores (2024 - ₹ 266.56 Crores), including interest on claims, where applicable, estimated to be ₹ 21.29 Crores (2024 - ₹ 18.72 Crores), including share of associates ₹ 15.26 Crores (2024 - ₹ 0.03 Crore).
- Third party claims arising from disputes relating to contracts aggregating ₹ 85.87 Crores (2024 - ₹ 41.27 Crores), including interest on claims, where applicable, estimated to be ₹ 0.46 Crore (2024 - ₹ 0.29 Crore), including share of associates ₹ 46.47 Crores (2024 - Nil).
- Other matters aggregating ₹ 93.52 Crores (2024 - ₹ 90.78 Crores), including interest on other matters, where applicable, estimated to be ₹ 18.17 Crores (2024 - ₹ 10.53 Crores), including share of associates ₹ 3.27 Crores (2024 - Nil).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income Tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. In all these proceedings, the authorities applied an input-output ratio allegedly submitted by SNPL in the year 1990-91 and arrived at a theoretical production and demanded tax/duty on the differential production/turnover. This, despite the fact that SNPL's cigarette factory was under 'physical control' of the Excise authorities and cigarettes produced were duly accounted for and certified as such by the Excise authorities.

  The Revenue Authorities for the first time raised excise demands for the financial years 1993-94 and 1994-95, claiming that SNPL could have produced more cigarettes according to the input-output ratio submitted in the year 1990-91. SNPL challenged these excise demands before the Hon'ble Supreme Court of Nepal through a writ petition. A division bench of the Hon'ble Supreme Court of Nepal decided the matter in favour of SNPL (the "Division Bench Judgement") and rejected the above basis of theoretical production. The Ministry of Finance of Nepal filed a review petition before the Full Bench of Hon'ble Supreme Court of Nepal seeking review of the judgement of Division Bench. The Full Bench after hearing both the sides at length upheld the judgement of Division Bench by its order dated October 29, 2009.

  Similar demands had been raised for other financial years viz., Excise Demands for FY 1998-99 to FY 2002-03 and Income Tax Demand for FY 2001-02, which were also challenged by SNPL before the Hon'ble Supreme Court of Nepal by way of writ petitions and the Court was pleased to allow all the writ petitions setting aside the demands.

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

Further, the Inland Revenue Department had decided administrative review petitions in favour of SNPL setting aside Value Added Tax demands for the financial years 2001-02 and 2007-08 and Income Tax demand for the FY 2005-06 following the aforesaid decisions of the Hon'ble Supreme Court of Nepal.

During the pendency of the aforementioned review petition before the Hon'ble Supreme Court of Nepal and thereafter, the Revenue Authorities raised demands and issued a SCN, in the same subject matter of theoretical production for different years (as listed below), which were also challenged by SNPL by way of writ petitions before Hon'ble Supreme Court of Nepal between the years 2007 to 2010:

1. Excise demand letters for ₹ 17.38 Crores [Nepalese Rupee (NRs.) 27.80 Crores] relating to the financial years 2003-04 to 2006-07.
2. Value Added Tax (VAT) demand letters for ₹ 10.93 Crores (NRs. 17.49 Crores) relating to financial years 2002-03 to 2006-07.
3. Income Tax demand letters for ₹ 13.45 Crores (NRs. 21.52 Crores) relating to financial years 2002-03 and 2003-04.

SNPL's writ petitions with regard to various tax demands and a SCN mentioned hereinabove were disposed of by the Hon'ble Supreme Court of Nepal on 15th April, 2021 holding that SNPL should avail the alternate remedy by way of appeal to the Inland Revenue Department (IRD). The Administrative Review Petitions relating to above demands are currently pending for disposal with the Inland Revenue Department.

The Management considers that all the demands listed above have no legal or factual basis; accordingly, the Management is of the view that there is no liability that is likely to arise, particularly in light of the fact that the issue underlying these demands has already been settled by the Hon'ble Supreme Court of Nepal in favour of SNPL.

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

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for are ₹ 1048.96 Crores (2024 - ₹ 1189.36 Crores) for the Group, which includes share of associates ₹ 70.00 Crores (2024 - ₹ 0.49 Crore) and share of joint ventures ₹ 1.63 Crores (2024 - ₹ 5.14 Crores).
- Uncalled liability on partly paid-up shares and other investments is ₹ 25.35 Crores (2024 - ₹ 25.72 Crores).
- The Group on 19th April, 2023, executed transaction documents for acquisition of 100% of the share capital (on a fully diluted basis) of Sproutlife Foods Private Limited ('Sproutlife') over a time period of about three to four years. The Group held 47.50% of the share capital (on a fully diluted basis) of Sproutlife as on 31st March, 2025 (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.
- The Group on 6th February, 2025, executed transaction documents for acquisition of 100% of the share capital of Ample Foods Private Limited ('Ample Foods') over a time period of about three years. Consequently, the Group acquired 43.75% stake in Ample Foods on 4th April, 2025 for a consideration of ₹ 131.25 Crores. The Group's stake in Ample Foods will increase to 62.50% by April, 2027 through secondary purchase of ₹ 56.00 Crores. The consideration for acquisition of balance stake of 37.50% will be determined based on pre-agreed valuation criteria and fulfilment of applicable terms and conditions.
- The Group on 31st March, 2025, entered into a Business Transfer Agreement (BTA) with Aditya Birla Real Estate Limited for acquisition of the Undertaking pertaining to manufacture, distribution and sale of pulp and paper products operated under the name of 'Century Pulp and Paper', as a going concern on a slump sale basis for a lumpsum consideration of up to ₹ 3500.00 Crores on a cash-free debt-free basis, payable as per the terms and conditions laid down in the BTA. The transaction is expected to be consummated in about 6 months from date of signing of BTA, subject to receipt of statutory approvals and fulfilment of the conditions laid down in the BTA.

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

(iv) Research and Development expenses for the year amount to ₹ 187.87 Crores (2024 - ₹ 170.47 Crores).

(v) **Employee Benefit Plans**

The Group has adopted Indian Accounting Standard-19 (Ind AS 19) on ‘Employee Benefits’. These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

Description of Plans

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

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

(a) Defined Benefit Plans:

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method as at year end. The Group makes regular contributions to these Defined Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

Risk Management

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

Investment Risk: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government securities. A decrease in yields will increase the fund liabilities and vice-versa.

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

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

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

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

			For the year ended 31st March, 2025 (₹ in Crores)				For the year ended 31st March, 2024 (₹ in Crores)			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
I	**Components of Employer Expense**									
	–	**Recognised in the Statement of Profit and Loss**								
	1	Current Service Cost	35.39	43.31	1.09	20.63	39.35	42.82	0.54	18.78
	2	Past Service Cost	–	0.38	(0.37)	1.16	2.93	–	0.05	0.06
	3	Net Interest Cost	(3.87)	(1.19)	0.75	12.61	(3.62)	(1.47)	0.49	12.55
	4	**Total expense recognised in the Statement of Profit and Loss**	**31.52**	**42.50**	**1.47**	**34.40**	**38.66**	**41.35**	**1.08**	**31.39**
	–	**Remeasurements recognised in Other Comprehensive Income**								
	5	Return on plan assets (excluding amounts included in net interest cost)	(9.50)	(3.47)	–	–	(23.16)	(3.61)	–	–
	6	Effect of changes in demographic assumptions	–	(0.07)	0.21	(0.14)	1.65	0.94	0.34	0.49
	7	Effect of changes in financial assumptions	8.63	9.26	1.08	3.16	25.89	18.64	0.14	6.37
	8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	9	Effect of experience adjustments	13.51	3.41	1.96	(1.91)	(30.13)	22.27	0.09	0.82
	10	**Total re-measurements included in Other Comprehensive Income**	**12.64**	**9.13**	**3.25**	**1.11**	**(25.75)**	**38.24**	**0.57**	**7.68**
	11	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)**	**44.16**	**51.63**	**4.72**	**35.51**	**12.91**	**79.59**	**1.65**	**39.07**

The current service cost, past service cost and net interest cost for the year, as applicable, pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 26 and in the expenses of discontinued operations. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

			Pension Partially Funded	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded	Pension Partially Funded	Gratuity Funded	Gratuity Unfunded	Leave Encashment Unfunded
II	**Actual Returns**		73.27	41.11	–	–	92.17	41.22	–	–
III	**Net Asset/(Liability) recognised in Balance Sheet**									
	1	Present Value of Defined Benefit Obligation	848.86	533.90	15.44	191.25	947.48	576.05	7.70	197.25
	2	Fair Value of Plan Assets	820.23	508.50	–	–	955.52	525.06	–	–
	3	Status [Surplus/(Deficit)]	(28.63)	(25.40)	(15.44)	(191.25)	8.04	(50.99)	(7.70)	(197.25)
	4	Restrictions on Asset Recognised	–	–	–	–	–	–	–	–
	5	Net (Liability) recognised in Balance Sheet	**(37.25)**	**(25.40)**	**(15.44)**	**(191.25)**	**(22.80)**	**(51.38)**	**(7.70)**	**(197.25)**
		a. Current	(15.28)	(25.03)	(0.99)	(21.21)	(1.23)	(47.14)	(1.15)	(30.33)
		b. Non-Current	(21.97)	(0.37)	(14.45)	(170.04)	(21.57)	(4.24)	(6.55)	(166.92)
	6	Net Asset recognised in Balance Sheet	**8.62**	**–**	**–**	**–**	**30.84**	**0.39**	**–**	**–**
		a. Current	–	–	–	–	21.30	–	–	–
		b. Non-Current	8.62	–	–	–	9.54	0.39	–	–

Notes to the Consolidated Financial Statements

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

			For the year ended 31st March, 2025 (₹ in Crores)				For the year ended 31st March, 2024 (₹ in Crores)			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
IV	**Change in Defined Benefit Obligation (DBO)**									
	1	Present Value of DBO at the beginning of the year	947.48	576.05	7.70	197.25	925.28	509.40	6.96	176.54
	2	Current Service Cost	35.39	43.31	1.09	20.63	39.35	42.82	0.54	18.78
	3	Past Service Cost	–	0.38	(0.37)	1.16	2.93	–	0.05	0.06
	4	Interest Cost	59.90	36.46	0.75	12.61	65.39	36.14	0.49	12.55
	5	Re-measurement gains/(losses):								
	a.	Effect of changes in demographic assumptions	–	(0.07)	0.21	(0.14)	1.65	0.94	0.34	0.49
	b.	Effect of changes in financial assumptions	8.63	9.26	1.08	3.16	25.89	18.64	0.14	6.37
	c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	d.	Effect of experience adjustments	13.51	3.41	1.96	(1.91)	(30.13)	22.27	0.09	0.82
	6	Curtailment Cost/(Credits)	–	–	–	–	–	–	–	–
	7	Settlement Cost/(Credits)	–	–	–	–	–	–	–	–
	8	Liabilities transferred pursuant to Scheme of Demerger	(106.95)	(73.69)	(1.30)	(21.76)	–	–	–	–
	9	Liabilities assumed in business combination	–	–	4.60	2.23	–	–	–	–
	10	Effects of transfer In/(Out)	0.51	–	0.08	–	0.01	0.02	–	–
	11	Benefits Paid	(109.61)	(61.21)	(0.36)	(21.98)	(82.89)	(54.18)	(0.91)	(18.36)
	12	**Present Value of DBO at the end of the year**	**848.86**	**533.90**	**15.44**	**191.25**	**947.48**	**576.05**	**7.70**	**197.25**

		As at 31st March, 2025 (₹ in Crores)	As at 31st March, 2024 (₹ in Crores)
V	**Best Estimate of Employers' Expected Contribution for the next year**		
	– Pension	56.91	42.02
	– Gratuity	82.52	106.85

Notes to the Consolidated Financial Statements

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

			For the year ended 31st March, 2025 (₹ in Crores)				For the year ended 31st March, 2024 (₹ in Crores)			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
VI	**Change in Fair Value of Assets**									
	1	Plan Assets at the beginning of the year	955.52	525.06	–	–	888.56	480.39	–	–
	2	Assets transferred pursuant to Scheme of demerger	(121.03)	(72.77)	–	–	–	–	–	–
	3	Interest Income	63.77	37.65	–	–	69.01	37.61	–	–
	4	Re-measurement Gains/(Losses) on plan assets	9.50	3.47	–	–	23.16	3.61	–	–
	5	Actual Group Contributions	22.10	76.30	–	–	57.75	57.63	–	–
	6	Benefits Paid	(109.61)	(61.21)	–	–	(82.89)	(54.18)	–	–
	7	Effects of transfer in/(out)	(0.02)	–	–	–	(0.07)	–	–	–
	8	**Plan Assets at the end of the year**	**820.23**	**508.50**	**–**	**–**	**955.52**	**525.06**	**–**	**–**

			As at 31st March, 2025	As at 31st March, 2024
			Discount Rate (%)	Discount Rate (%)
VII	**Actuarial Assumptions**			
	1	Pension	6.75	7.00
	2	Gratuity	6.75	7.00
	3	Leave Encashment	6.75	7.00

The estimates of future salary increases, generally between 4% to 6% for the Holding Company (being the largest component of the Group), considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

			As at 31st March, 2025	As at 31st March, 2024
VIII	**Major Category of Plan Assets as a % of the Total Plan Assets**			
	1	Government Securities/Special Deposit with RBI	13.87%	14.94%
	2	High Quality Corporate Bonds	11.26%	11.39%
	3	Insurer/Citizen Investment Trust Managed Funds*	62.87%	62.50%
	4	Mutual Funds	7.59%	6.73%
	5	Cash and Cash Equivalents	4.41%	4.44%
	6	Term Deposits	–	–

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

The fair value of Government Securities, Corporate Bonds and Mutual Funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the participating companies.

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

IX Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

			For the year ended 31st March, 2025 (₹ in Crores)				For the year ended 31st March, 2024 (₹ in Crores)			
			Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
			Partially Funded	Funded	Unfunded	Unfunded	Partially Funded	Funded	Unfunded	Unfunded
X	**Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)**									
	1	Present Value of Defined Benefit Obligation	848.86	533.90	15.44	191.25	947.48	576.05	7.70	197.25
	2	Fair Value of Plan Assets	820.23	508.50	–	–	955.52	525.06	–	–
	3	Status [Surplus/(Deficit)]	(28.63)	(25.40)	(15.44)	(191.25)	8.04	(50.99)	(7.70)	(197.25)
	4	Experience Adjustment of Plan Assets [Gain/(Loss)]	9.50	3.47	–	–	23.16	3.61	–	–
	5	Experience Adjustment of obligation [(Gain)/Loss]	13.51	3.41	1.96	(1.91)	(30.13)	22.27	0.09	0.82

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, 2025	DBO as at 31st March, 2024
1	Discount Rate + 100 basis points	1507.49	1632.05
2	Discount Rate - 100 basis points	1695.17	1833.95
3	Salary Increase Rate + 1%	1690.15	1825.64
4	Salary Increase Rate – 1%	1514.17	1637.60

Maturity Analysis of the Benefit Payments

1	Year 1	236.97	231.15
2	Year 2	234.66	287.00
3	Year 3	168.65	227.42
4	Year 4	132.61	157.08
5	Year 5	163.36	123.94
6	Next 5 Years	538.85	637.88

(b) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 26 and in the expenses of discontinued operations: - ₹ 301.95 Crores (2024 - ₹ 254.14 Crores).

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

(vi) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
Parent									
	ITC Limited	86.43%	60848.04	96.20%	33718.08	39.27%	(245.50)	97.23%	33472.58
Subsidiary									
	Indian								
1	Russell Credit Limited	1.32%	930.76	0.13%	46.85	85.11%	(531.78)	(1.41%)	(484.93)
2	Greenacre Holdings Limited	0.11%	76.79	0.02%	7.23	…	…	0.02%	7.23
3	Wimco Limited	0.01%	4.48	…	1.45	…	…	…	1.45
4	Prag Agro Farm Limited	…	0.82	…	(0.09)	–	–	…	(0.09)
5	Pavan Poplar Limited	…	0.24	…	(0.03)	…	…	…	(0.03)
6	Technico Agri Sciences Limited	0.52%	369.40	0.25%	83.76	0.01%	(0.05)	0.24%	83.71
7	Srinivasa Resorts Limited#	–	–	0.01%	4.51	–	–	0.01%	4.51
8	Fortune Park Hotels Limited#	–	–	0.03%	11.19	–	–	0.03%	11.19
9	Bay Islands Hotels Limited#	–	–	0.01%	2.28	–	–	0.01%	2.28
10	Landbase India Limited#	–	–	0.03%	10.00	–	–	0.03%	10.00
11	ITC Hotels Limited#	–	–	0.01%	2.07	–	–	0.01%	2.07
12	ITC Infotech India Limited	2.01%	1411.02	1.05%	368.96	(2.23%)	13.92	1.12%	382.88
13	Blazeclan Technologies Private Limited	0.06%	44.11	(0.02%)	(8.24)	(0.07%)	0.42	(0.02%)	(7.82)
14	Cloudlytics Technologies Private Limited	…	(1.33)	…	0.01	–	–	…	0.01
15	Gold Flake Corporation Limited	0.04%	26.32	…	1.30	–	–	…	1.30
16	ITC Integrated Business Services Limited	0.01%	9.90	…	1.41	(0.01%)	0.06	…	1.47

Notes to the Consolidated Financial Statements

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

	Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
	Indian								
17	MRR Trading & Investment Company Limited	...	0.03	...	...	–	–	...	...
18	North East Nutrients Private Limited	0.12%	82.93	0.03%	10.36	...	(0.02)	0.03%	10.34
19	ITC IndiVision Limited	0.43%	300.30	(0.16%)	(55.07)	(0.01%)	0.05	(0.16%)	(55.02)
20	ITC Fibre Innovations Limited	0.38%	265.18	(0.06%)	(21.31)	...	(0.02)	(0.06%)	(21.33)
	Foreign								
1	Technico Pty Limited	0.07%	49.02	0.02%	5.58	0.03%	(0.19)	0.02%	5.39
2	Technico Technologies Inc.	0.01%	6.53	...	0.01	–	–	...	0.01
3	Technico Asia Holdings Pty Limited	...	0.04	...	...	–	–	...	...
4	Technico Horticulture (Kunming) Co. Limited	0.03%	22.26	...	1.17	–	–	...	1.17
5	WelcomHotels Lanka (Private) Limited#	–	–	(0.27%)	(95.72)	(25.06%)	156.59	0.19%	60.87
6	ITC Infotech Limited	0.15%	106.00	0.04%	14.35	–	–	0.04%	14.35
7	ITC Infotech (USA), Inc.	0.38%	266.99	0.08%	29.22	–	–	0.08%	29.22
8	Indivate Inc.	0.03%	22.62	0.07%	26.07	–	–	0.08%	26.07
9	ITC Infotech Do Brasil LTDA.	0.01%	6.01	...	1.08	–	–	...	1.08
10	ITC Infotech France SAS	0.05%	38.36	0.02%	6.03	(0.16%)	1.01	0.02%	7.04
11	ITC Infotech GmbH	0.09%	59.34	0.02%	7.63	0.08%	(0.47)	0.02%	7.16
12	ITC Infotech Malaysia SDN. BHD.	0.03%	18.69	0.01%	2.52	–	–	0.01%	2.52

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

	Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
	Foreign								
13	ITC Infotech de México, S.A. de C.V.	0.02%	16.85	…	1.20	–	–	...	1.20
14	ITC Infotech Arabia Limited	0.06%	39.53	0.01%	3.03	–	–	0.01%	3.03
15	ITC Infotech Italia s.r.l.	0.01%	7.75	…	0.75	–	–	…	0.75
16	Blazeclan Technologies Pty. Limited	…	3.50	0.01%	1.84	0.12%	(0.72)	…	1.12
17	Blazeclan Technologies Limited	…	0.62	…	0.13	0.02%	(0.14)	…	(0.01)
18	Blazeclan Americas Inc.	…	0.63	…	0.14	…	0.01	…	0.15
19	Blazeclan Technologies PTE Limited	0.02%	11.51	…	1.75	0.04%	(0.26)	…	1.49
20	Blazeclan Technologies SDN. BHD.	…	1.46	…	(0.04)	…	0.02	…	(0.02)
21	Blazeclan Technologies Corporation	…	1.69	…	0.05	–	–	…	0.05
22	Blazeclan Europe SRL.	…	(0.60)	…	0.36	0.01%	(0.07)	…	0.29
23	Blazeclan Technologies LLC	…	0.63	…	(0.02)	…	0.01	…	(0.01)
24	Blazeclan Technologies Inc.	…	(1.53)	…	0.64	(0.01%)	0.08	…	0.72
25	Surya Nepal Private Limited	0.37%	256.18	1.24%	430.37	…	0.03	1.25%	430.40
26	Surya Nepal Ventures Private Limited	0.02%	15.18	0.01%	1.99	–	–	0.01%	1.99
Non-Controlling Interest in all subsidiaries		**0.52%**	**367.89**	**0.87%**	**305.85**	**...**	**0.01**	**0.89%**	**305.86**

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

Name of the Entity		Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As a % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
Associates									
	Indian								
1	International Travel House Limited#	–	–	0.03%	9.56	0.03%	(0.18)	0.03%	9.38
2	Gujarat Hotels Limited#	–	–	…	1.65	–	–	…	1.65
3	Russell Investments Limited	0.06%	44.92	…	1.41	0.59%	(3.66)	(0.01%)	(2.25)
4	Divya Management Limited	0.01%	8.28	…	0.38	…	…	…	0.38
5	Antrang Finance Limited	0.01%	5.52	…	0.32	…	…	…	0.32
6	ATC Limited	0.01%	8.28	…	0.26	(0.01%)	0.05	…	0.31
7	Delectable Technologies Private Limited	–	–	…	(1.06)	–	–	…	(1.06)
8	Mother Sparsh Baby Care Private Limited	0.05%	36.71	(0.01%)	(3.49)	…	0.01	(0.01%)	(3.48)
9	Sproutlife Foods Private Limited	0.28%	198.94	(0.09%)	(32.21)	…	0.02	(0.09%)	(32.19)
10	ITC Hotels Limited#	6.06%	4262.73	0.29%	102.83	2.26%	(14.14)	0.26%	88.69
Joint Ventures									
	Indian								
1	ITC Filtrona Limited	0.21%	146.42	0.12%	41.92	(0.01%)	0.05	0.12%	41.97
2	Maharaja Heritage Resorts Limited#	–	–	…	0.14	–	–	…	0.14
3	Logix Developers Private Limited	–	–	…	0.07	–	–	…	0.07
Total		**100.00%**	**70397.94**	**100.00%**	**35052.48**	**100.00%**	**(624.86)**	**100.00%**	**34427.62**

Refer Note 30(viii)

(vii) 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

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

the project and instead expressed its intent to exit the JV by selling its stake to the Company and subsequently proposed that both parties should find a third party to sell the entire shareholding in LDPL. The resultant deadlock has stalled the project. The Company's petition that the affairs of the JV are being conducted in a manner that is prejudicial to the interest of the Company and the JV entity, as also a petition for winding up of LDPL filed by Logix Estates, are currently before the Hon'ble National Company Law Tribunal, Delhi Bench.

New Okhla Industrial Development Authority (NOIDA), vide letter dated 6th July, 2022, cancelled the sub-lease for the land on which the project was to be constructed on account of non-payment of lease instalments and non-fulfilment of the conditions of the sub-lease, including forfeiture of the amount deposited. Upon cancellation of the sub-lease, LDPL is evaluating all options to pursue its rights.

The financial statements of LDPL for the year ended 31st March, 2025 are yet to be approved by its Board of Directors.

(viii) The Hon'ble National Company Law Tribunal, Kolkata Bench, vide Order dated 4th October, 2024, sanctioned the Scheme of Arrangement amongst the Company and ITC Hotels Limited ('ITCHL') and their respective shareholders and creditors under Sections 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('the Scheme') for demerger of the Hotels Business of the Company (as defined in the Scheme) into ITCHL; certified copy of the Order was received on 16th December, 2024. Upon fulfilment of all the conditions stated in the Scheme, including filing of the aforesaid Order with the Registrar of Companies, West Bengal, the Scheme became effective from 1st January, 2025, being the Appointed Date and the Effective Date of the Scheme.

With effect from the Appointed Date, the Hotels Business of the Company (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the net assets of Hospitality entities viz., Fortune Park Hotels Limited, Bay Islands Hotels Limited, Landbase India Limited, WelcomHotels Lanka (Private) Limited, Srinivasa Resorts Limited, International Travel House Limited, Gujarat Hotels Limited and Maharaja Heritage Resorts Limited were transferred to ITCHL on a going concern basis. Consequently, the carrying / book value of the net assets of the Demerged Undertaking (as defined in the Scheme) amounting to ₹ 10466.83 Crores was transferred to ITCHL on a going concern basis.

Pursuant to the Scheme, ITCHL allotted 125,11,71,040 Equity Shares of ₹ 1/- each on 11th January, 2025 to the shareholders of the Company (as on the Record Date i.e., 6th January, 2025) and therefore it has ceased to be a subsidiary of the Company. The Company's shareholding in ITCHL stands at 39.88% of its paid-up share capital and consequently, ITCHL has become an Associate of the Group.

As provided in the Scheme, the Group has accounted for the aforesaid demerger in its books of accounts in accordance with the Indian Accounting Standards (Ind AS) and generally accepted accounting principles in India. The fair value of the net assets of the Demerged Undertaking distributed to the shareholders of the Company, amounting to ₹ 22033.37 Crores has been debited to General Reserve in the Statement of Changes in Equity. For this purpose, Retained Earnings amounting to ₹ 4448.06 Crores has been transferred to General Reserve.

The carrying / book value of the net assets of the Demerged Undertaking [refer details in (a) below] to the extent of the Group's continued holding in ITCHL amounting to ₹ 4174.04 Crores has been added to the value of investment in ITCHL (Refer Note 4).

The excess of fair value of the net assets distributed to the shareholders of the Company and addition to the value of investment in ITCHL over the carrying value of net assets of the Demerged Undertaking and consequential adjustments of ₹ (157.46) Crores [refer details in (b) below] pursuant to the Scheme, has been recognised as an exceptional gain in the Statement of Profit and Loss amounting to ₹ 15128.81 Crores [net of demerger related expenses of ₹ 454.31 Crores (2024 - ₹ 7.57 Crores)].

In terms of the requirements of Ind AS, the operations of the Hotels Business of the Group (excluding ITC Grand Central, Mumbai) have been classified as 'Discontinued Operations' for the year ended 31st March, 2025 and comparative information in the Statement of Profit and Loss has been presented accordingly.

Notes to the Consolidated Financial Statements

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

Brief particulars of the Demerged Undertaking / Discontinued Operations are given as under:

(a) Carrying value of net assets of the Demerged Undertaking as on the appointed date

	Amount (₹ in Crores)
Property, plant and equipment, intangible assets (including capital work-in-progress and intangible assets under development) and right-of-use assets	8368.14
Goodwill on consolidation	27.46
Investments accounted for using the equity method	112.49
Investments	127.48
Other non-current assets	1656.78
Inventories	1207.06
Trade Receivables	197.05
Cash and Cash equivalents	199.74
Other current assets	266.70
Total Assets (A)	**12162.90**
Deferred tax liabilities (Net)	417.82
Lease liabilities	73.35
Trade Payables	373.36
Other liabilities	796.17
Total Liabilities (B)	**1660.70**
Non-controlling interests (C)	**35.37**
Net Assets transferred (A-B-C)	**10466.83**

(b) Consequential adjustments in 'Other Equity'

	Amount (₹ in Crores)
Share Options Outstanding Account derecognised [Refer Note 30(xiv)(A)]	22.89
Exchange differences on translating the financial statements of foreign operations reclassified from Other Comprehensive Income to Statement of Profit and Loss	(180.35)

(c) Profit from Discontinued Operations

(₹ in Crores)

	For the year ended 31st March, 2025#	For the year ended 31st March, 2024
Revenue from Operations	2484.58	3033.90
Total Income	2517.16	3068.89
Total Expenses	2002.67	2334.90
Share of profit / (loss) of associates and joint ventures	11.35	13.18
Profit before Exceptional Items and Tax	**525.84**	**747.17**
Exceptional Items	15128.81	(7.57)
Tax Expense*	638.64	179.06
Profit from Discontinued Operations	**15016.01**	**560.54**

Figures in relation to operations of the Hotels Business are for the nine-month period from 1st April, 2024 to 31st December, 2024.

* Tax expenses for the year ended 31st March, 2025 includes ₹ 602.79 Crores (2024 - Nil) relating to deferred tax liability recognised on addition to the value of investment in ITCHL.

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

(d) Net Cashflows attributable to the Discontinued Operations

(₹ in Crores)

	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Net Cash from Operating Activities	405.77	785.33
Net Cash used in Investing Activities	(1783.14)	(911.82)
Net Cash used in Financing Activities	(5.20)	(11.76)

(ix) Leases:

As a Lessee

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

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 17 respectively. The total cash outflow for leases for the year is ₹ 480.74 Crores (2024 - ₹ 448.62 Crores) [including payments of ₹ 391.81 Crores (2024 - ₹ 357.50 Crores) in respect of short-term / low-value leases and variable lease payments of ₹ 1.31 Crores (2024 - ₹ 2.27 Crores)].

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

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

(₹ in Crores)

Term	As at 31st March, 2025	As at 31st March, 2024
Not later than three years	157.83	190.25
Later than three years and not later than ten years	68.12	137.99
Later than ten years and not later than twenty-five years	15.27	121.35
Later than twenty-five years and not later than fifty years	17.02	89.22
Later than fifty years	19.24	22.76

As a Lessor

The Group has leased out its investment properties etc. under operating lease for periods ranging upto 5 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments. The details of income from such leases are disclosed under Note 3C and Note 24. The Group does not have any risk relating to recovery of residual value of investment properties etc. at the end of leases considering the business requirements and other alternatives.

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

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, 2025	As at 31st March, 2024
1st year	17.78	1.32
2nd year	16.75	1.15
3rd year	12.17	0.66
4th year	Nil	Nil
5th year	Nil	Nil
Beyond Five Years	Nil	Nil

(x) The Ministry of Corporate Affairs (MCA) had issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2024 amending the following Ind AS, which are effective for annual periods beginning on or after 1st April, 2024:

– Ind AS 116 'Leases' - This amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

– Ind AS 117 'Insurance Contracts' - It is a comprehensive new accounting standard which replaces Ind AS 104 Insurance Contracts. It applies to all types of insurance contracts, regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features.

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

(xi) The Group, on 17th April, 2025, entered into Share Purchase Agreements (SPA) to acquire 100% of the equity share capital of Messrs. Sresta Natural Bioproducts Private Limited, an Indian company primarily engaged in the business of manufacturing and sale of organic packaged food products under the '24 Mantra Organic' brand, for a consideration of up to ₹ 472.50 Crores on a cash-free debt-free basis, subject to customary adjustments and fulfilment of various terms and conditions as specified in the SPA.

(xii) The Group, on 17th April, 2025, executed Transaction Documents i.e., Share Subscription and Share Purchase Agreement and Shareholders' Agreement, to acquire the balance 73.50% of the share capital (on a fully diluted basis) of Mother Sparsh Baby Care Private Limited ('Mother Sparsh'), an associate company, in one or more tranches over a time period of about two to three years, subject to fulfilment of prescribed terms and conditions. The Group held 26.50% of the share capital (on a fully diluted basis) of Mother Sparsh as at 31st March, 2025 (Refer Note 4). Mother Sparsh is a premium ayurvedic and natural personal care start-up, with focus on baby personal care, health & hygiene and expert baby care.

(xiii) The Group on 13th May, 2025 divested its entire shareholding of 7,759 Compulsorily Convertible Preference Shares of ₹ 10/- each and 2,386 Equity Shares of ₹ 10/- each held in Delectable Technologies Private Limited ('DTPL'), consequent to which DTPL ceased to be an associate company with effect from the said date.

Notes to the Consolidated Financial Statements

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

(xiv) **Employee Stock Option Schemes**

A. Information in respect of Options granted under the Company's Employee Stock Option Schemes ('Schemes'):

Sl. No.			ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme – 2010
1.	Date of Shareholders' approval	:	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes *(Adjusted for Bonus Shares issued in terms of Shareholders' approval)*	:	Options equivalent to 37,89,18,503 Ordinary Shares of ₹1.00 each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹1.00 each
3.	Vesting Schedule	:	The vesting period for conversion of Options is as follows: • On completion of 12 months from the date of grant of the Options : 30% vests • On completion of 24 months from the date of grant of the Options : 30% vests • On completion of 36 months from the date of grant of the Options : 40% vests	
4.	Pricing Formula	:	The Pricing Formula, as approved by the Shareholders of the Company, is such price, as determined by the Nomination & Compensation Committee, which is no lower than the closing price of the Company's Share on National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'market price' as defined from time to time under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Options have been granted at 'market price' as defined under the aforesaid Regulations. In terms of the Scheme of Demerger [Refer Note 30(viii)], the Nomination & Compensation Committee has approved fair and reasonable adjustments to the exercise price of outstanding stock options as on the Record Date i.e., 6th January, 2025, in a manner considered appropriate, and in compliance with the applicable laws and regulations. Accordingly, the disclosures given in this note for the financial year ended 31st March, 2025 reflect the adjusted exercise price/market price, wherever applicable. In addition, eligible employees have been granted Stock Options under ITC Hotels Special Purpose Employee Stock Option Scheme ('ITCHL SP ESOP Scheme') [Refer Note 30(xiv)(B)] in terms of the Scheme of Demerger. Consequently, balance in Share Options Outstanding Account of the Company amounting to ₹22.89 Crores has been derecognised.	
5.	Maximum term of Options granted	:	Five years - the exercise period commences from the date of vesting of the Options granted and expires at the end of five years from the date of vesting.	
6.	Source of Shares	:	Primary	
7.	Variation in terms of Options	:	None	
8.	Method used for accounting of share-based payment plans and effect of employee share based plans on the entity's profit or loss for the period and on its financial position	:	The employee compensation cost has been calculated using the fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per fair value method for the financial year 2024-25 is ₹ 137.27 Crores (2024 - ₹ 108.64 Crores), out of which ₹ 132.62 Crores (2024 - ₹ 106.52 Crores) relate to employee benefits expense (Refer Note 26), ₹ 1.17 Crores (2024 - ₹ 0.78 Crore) to discontinued operations, ₹ 0.20 Crore (2024 - ₹ 0.60 Crore) to property, plant and equipment and ₹ 3.28 Crores (2024 - ₹ 0.74 Crore) for group entities.	
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	:	In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹1.00 each upon payment of the exercise price during the exercise period.	

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

10.	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock	:	Weighted average exercise price per Option	: ₹ 4835.02 (adjusted consequent to Scheme of Demerger to ₹ 4573.99)
			Weighted average fair value per Option	: ₹ 1121.49 (adjusted consequent to Scheme of Demerger to ₹ 1060.95)

			ITC Employee Stock Option Scheme - 2006	**ITC Employee Stock Option Scheme - 2010**
11.	Option movements during the year			
	a) Options outstanding at the beginning of the year	:	1,97,814	87,96,798
	b) Options granted during the year	:	–	14,80,700
	c) Options cancelled and lapsed during the year	:	–	1,00,512
	d) Options vested and exercisable during the year	:	22,810	12,90,425
	e) Options exercised during the year	:	67,242	28,72,589
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	:	6,72,420	2,87,25,890
	g) Options outstanding at the end of the year (a+b-c-e)	:	1,30,572	73,04,397
	h) Options exercisable at the end of the year	:	1,26,852	42,72,467
	i) Money realised by exercise of the Options during the year (₹ in Crores)	:	16.62	780.71

12. Summary of the status of Options:

Particulars		**As at 31st March, 2025**		**As at 31st March, 2024**	
		No. of Options	**Weighted Average Exercise Prices (₹) (adjusted as applicable)**	**No. of Options**	**Weighted Average Exercise Prices (₹)**
Outstanding at the beginning of the year	:	89,94,612	3040.61	1,32,09,479	2655.20
Add: Granted during the year	:	14,80,700	4835.02	15,16,450	4530.73
Less: Lapsed during the year	:	1,00,512	3621.31	60,944	2739.44
Less: Exercised during the year	:	29,39,831	2712.16	56,70,373	2544.51
Outstanding at the end of the year	:	74,34,969	3325.29	89,94,612	3040.61
Options exercisable at the end of the year	:	43,99,319	2686.93	60,51,382	2657.61

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

13.	Weighted average share price of Shares arising upon exercise of Options	:	The weighted average share price of Shares, arising upon exercise of Options during the year ended 31st March, 2024 was ₹ 467.68 (2024 - ₹ 455.45). This was based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee).

14. Summary of Options outstanding, scheme-wise:

Particulars		As at 31st March, 2025			As at 31st March, 2024		
		No. of Options Outstanding	Range of Exercise Prices (₹) (adjusted as applicable)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life
ITC Employee Stock Option Scheme - 2006	:	1,30,572	1606.33 - 3276.52	2.78	1,97,814	1698.00 – 3463.50	3.19
ITC Employee Stock Option Scheme - 2010	:	73,04,397	1606.33 - 4575.39	4.17	87,96,798	1698.00 – 4534.50	3.37

15. A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted : The fair value of each Option is estimated using the Black Scholes Option Pricing model.

Weighted average exercise price per Option	: ₹ 4835.02 (adjusted consequent to Scheme of Demerger to ₹ 4573.99)
Weighted average fair value per Option	: ₹ 1121.49 (adjusted consequent to Scheme of Demerger to ₹ 1060.95)

The significant assumptions used to ascertain the above : The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:

(i)	Risk-free interest rate	6.65%
(ii)	Expected life	4.60 years
(iii)	Expected volatility	22.33%
(iv)	Expected dividends	2.84%
(v)	The price of the underlying shares in market at the time of Option grant	₹ 4835.02

(One Option = Ten Ordinary Shares)

16.	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. There are no market conditions attached to the grant and vest.

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

In terms of the Scheme of Demerger [Refer Note 30(viii)], one stock option of ITCHL (including fractional entitlements) has been granted to the eligible employees of the Group by ITCHL under the ITC Hotels Special Purpose Employee Stock Option Scheme ('ITCHL SP ESOP Scheme') for every ten stock options outstanding under the ITC Employee Stock Option Schemes (ITC ESOS) as on the Record Date i.e. 6th January, 2025, on the terms and conditions similar to the ITC ESOS.

Each option entitles the holder thereof to apply for and be allotted ten Equity Shares of ITCHL of ₹ 1.00 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 Nomination & Compensation Committees of the Company and ITCHL for outstanding stock options under the ITC ESOS Schemes as on the Record Date.

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

The employee compensation cost as per fair value method for the financial year 2024-25 is ₹ 2.00 Crores (2024 - Nil) [Refer Note 26].

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

Particulars	As at 31st March, 2025	
	No. of Options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	–	–
Add: Granted during the year	7,28,678	1871.89
Less: Lapsed during the year	–	–
Less: Exercised during the year	–	–
Outstanding at the end of the year	**7,28,678**	**1871.89**
Options exercisable at the end of the year	4,46,047	1521.77
Options vested and exercisable during the year	4,46,047	1521.77

(xv) Information in respect of Stock Appreciation Linked Reward ('SAR') Plan:

Sl. No.	Particulars		Details
1	Nature and extent of Stock Appreciation Linked Reward Plan that existed during the year along with general terms and conditions	:	ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan). Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting of SAR units subject to the terms and conditions specified in the Plan.
2	Settlement Method	:	Cash – Settled
3	Vesting period and maximum term of SAR granted	:	Over a period of five years from the date of grant in accordance with the Plan.
4	Method used to estimate the fair value of SAR granted	:	Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market price etc. The number of SAR units outstanding as at 31st March, 2025 is 1,24,850 (2024 - 9,31,606) and the weighted average fair value at measurement date is ₹ 1513.00 (2024 - ₹ 1103.96) per SAR unit.
5	Total cost recognised in the Statement of Profit and Loss	:	The cost has been calculated using the fair value method of accounting for SAR units issued under the ITC ESAR Plan. The employee compensation cost as per fair value method for the financial year 2024-25 is ₹ 8.84 Crores (2024 - ₹ 33.49 Crores); out of which, ₹ 8.58 Crores (2024 - ₹ 32.68 Crores) relate to employee benefits expense (Refer Note 26), ₹ 0.11 Crore (2024 - ₹ 0.40 Crore) to discontinued operations, Nil (2024 - ₹ 0.05 Crore) to property, plant and equipment and ₹ 0.15 Crore (2024 - ₹ 0.36 Crore) for group entities. The amount carried in the Balance Sheet as a non – current financial liability is Nil (2024 - ₹ 14.13 Crores) and as current financial liability is ₹ 16.62 Crores (2024 - ₹ 73.27 Crores) (Refer Note 18).

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

(xvi) Information in respect of share based payments by ITC Infotech India Limited (‘I3L’):

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

1. **Time-Based Options:** Vesting of Options would be subject to continued employment with the Company
2. **Performance-Based Options:** The Nomination and Remuneration Committee of I3L (‘I3L NRC’) may specify certain performance criteria such as growth in the Company’s revenue, EBIDTA vis-à vis peers etc. and individual performance, subject to satisfaction of which the Options would vest.

Unless otherwise decided by I3L NRC, the Options granted shall vest in accordance with the following Vesting Schedule:

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

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

Each Option entitles the holder thereof to apply for and be allotted one Equity Share of I3L of ₹ 10.00 each upon payment of exercise price.

The cost of stock options granted under I3L ESOP 2024 has been recognised as cash settled share-based payments in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Group accounts for the cost of the fair value of Options granted to the eligible employees as employee benefits expense with a corresponding increase in other financial liabilities. The fair value of the Options granted is determined using the Black Scholes Option Pricing model.

I3L has granted 6,11,537 time based stock options and 3,09,008 performance based stock options during the year at an exercise price of ₹ 1,400 and ₹ 10 respectively. These options are outstanding as at 31st March, 2025 and none of these options are exercisable as at that date.

In accordance with Ind AS 102 - Shared Based Payment, the Group has recognised an amount of ₹ 6.97 Crores (2024 - NA) under employee benefits expense (Refer Note 26).

(xvii) Amount required to be spent by the Group during the year as per Section 135 read with Section 198 of the Companies Act, 2013 - ₹ 474.52 Crores (2024 - ₹ 417.74 Crores) being 2% of the average Net Profits of the respective companies.

Expenditure incurred during the year is ₹ 475.33 Crores (2024 - ₹ 418.39 Crores) comprising employee benefits expense of ₹ 17.82 Crores (2024 - ₹ 15.52 Crores) and other expenses of ₹ 457.51 Crores (2024 - ₹ 402.87 Crores), of which ₹ 49.42 Crores (2024 - ₹ 30.60 Crores) is accrued for payment as on 31st March, 2025. Such CSR expenditure does not include any spends on construction/acquisition of assets. Amount available for set off in succeeding financial years is ₹ 1.97 Crores (2024 - ₹ 1.93 Crores).

Such CSR expenditure of ₹ 475.33 Crores (2024 - ₹ 418.39 Crores) excludes ₹ 6.98 Crores (2024 - ₹ 10.89 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit of 5% of total CSR expenditure laid down under Rule 7(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable to individual entities.

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

(xviii) In FY 2022-23, ITC Infotech India Limited (I3L) had entered into an agreement with PTC Inc., a global technology company headquartered in Boston, USA, to acquire a part of PTC’s PLM implementation services business and create a new service line focused on the adoption of PTC’s industry-leading Windchill PLM software as a service (SaaS).

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

The consideration against the above agreement is payable to PTC over a period of time by way of cash consideration and also involves contingent consideration which is subject to achievement of revenue and business targets. The contingent consideration is recognised as a level 3 input as they are dependent on achievement of revenue and business targets. The movement of the PTC liability is as below:

(₹ in Crores)

Particulars	March 31, 2025	March 31, 2024
Opening Balance	400.11	522.74
Settled		
Settlement of consideration by offset of trade receivables*	(74.85)	(29.00)
Referral Fees	(71.24)	(101.49)
Changes in fair value recognised in Other Income (Refer Note 24)	36.43	5.08
Change in fair value transferred to Hedge Reserve (Refer Note 33)	4.76	2.78
Closing Balance**	**295.21**	**400.11**

* Represents settlement of consideration for Business and Commercial Rights through standardisation projects and service credits.

** The amount carried in the Balance Sheet as a non – current financial liability is ₹ 198.39 Crores (2024 - ₹ 281.54 Crores) and as current financial liability is ₹ 96.82 Crores (2024 - ₹ 118.57 Crores) [Refer Note 18].

(xix) I3L on 1st October 2024 acquired, in an all-cash deal, 100% of the equity share capital of Blazeclan Technologies Private Limited (BTPL), an Indian company primarily engaged in the business of end-to-end cloud based solutions and services for an amount of ₹ 296.98 Crores (including deferred and contingent consideration of ₹ 16.53 Crores). This acquisition is expected to augment Group capabilities to service its customers in a multi-cloud and hybrid cloud environment with focus on the Partner eco-system to accelerate future growth. Consequent to the aforesaid acquisition, BTPL and its ten wholly owned subsidiaries, as listed below, became subsidiaries of I3L with effect from 1st October 2024:

(a) Cloudlytics Technologies Private Limited, India (CTPL)

(b) Blazeclan Technologies PTE Limited, Singapore

(c) Blazeclan Technologies SDN. BHD., Malaysia

(d) Blazeclan Technologies Pty. Limited, Australia

(e) Blazeclan Europe SRL., Belgium

(f) Blazeclan Technologies Limited, New Zealand

(g) Blazeclan Technologies Inc., Canada

(h) Blazeclan Technologies LLC, USA

(i) Blazeclan Americas Inc., USA; and

(j) Blazeclan Technologies Corporation, Philippines

Necessary applications for amalgamation of BTPL and CTPL are pending before the Hon'ble National Company Law Tribunal, Kolkata and Mumbai Benches.

The business acquisition 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 are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over

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

the fair value of identified assets acquired and liabilities assumed has been recognised as Goodwill. The Group has recognised the following assets and liabilities pursuant to the acquisition:

(₹ in Crores)

Particulars	Amount
Customer relationships / contracts	32.20
Business alliances / partnerships	59.69
Software Tools	75.71
Goodwill #	144.66
Trade receivables and Unbilled receivables	75.69
Cash and Cash equivalents (Refer Cash Flow Statement)	31.72
Borrowings	(44.50)
Trade Payables	(45.88)
Others	(32.31)
Total	**296.98**

Goodwill is attributed to expected operating synergies, assembled workforce, etc.

(xx) As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, a company using accounting software for maintaining its books of account shall use only such accounting software which has a feature of recording audit trail of each and every transaction, that creates an edit log for each change made in the books of account along with the date when such changes were made and ensuring that such audit trail cannot be disabled.

The respective companies in the Group have laid down appropriate policies to govern their Information Technology (IT) environment, including the aspects of audit trails and have established controls in respect of user access and database administration. Further, in respect of usage of cloud – based accounting software, where applicable, appropriate contractual restrictions are in place regulating access management at both application and database levels. Consequently, the Group has ensured compliance with aforesaid requirements in respect of audit trails with the exception of one associate, which is not material to the consolidated financial statements of the Group.

An associate company of the Group upgraded its accounting software to comply with the aforesaid requirements in respect of audit trail on 25th May, 2023. While the upgraded software is compliant with the aforesaid requirements, the audit trail feature did not capture details of the user ID for transactions recorded at certain locations accounting for approximately 1% of the total value of transactions for the year of that associate company; the same had since been enabled w.e.f. 12th May, 2024.

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

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

(xxiii) The consolidated financial statements were approved for issue by the Board of Directors on 22nd May, 2025. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

Notes to the Consolidated Financial Statements

31. Segment reporting

(₹ in Crores)

	2025 External	2025 Inter Segment	2025 Total	2024 External	2024 Inter Segment	2024 Total
1. Segment Revenue - Gross						
FMCG - Cigarettes	35893.57	–	35893.57	33667.97	–	33667.97
FMCG - Others	22005.27	9.85	22015.12	20992.48	9.67	21002.15
FMCG - Total	**57898.84**	**9.85**	**57908.69**	**54660.45**	**9.67**	**54670.12**
Agri Business	12244.00	7919.79	20163.79	8523.79	7600.64	16124.43
Paperboards, Paper and Packaging	6575.88	1848.70	8424.58	6474.74	1869.67	8344.41
Others	4224.04	64.07	4288.11	3691.55	65.82	3757.37
Segment Total	**80942.76**	**9842.41**	**90785.17**	**73350.53**	**9545.80**	**82896.33**
Eliminations			(9842.41)			(9545.80)
Gross Revenue from sale of products and services			**80942.76**			**73350.53**

	2025	2024
2. Segment Results		
FMCG - Cigarettes	21091.35	20071.04
FMCG - Others	1590.23	1789.91
FMCG - Total	**22681.58**	**21860.95**
Agri Business	1540.30	1278.33
Paperboards, Paper and Packaging	883.11	1372.34
Others	670.73	642.70
Segment Total	**25775.72**	**25154.32**
Eliminations	1.75	(196.06)
Total	**25777.47**	**24958.26**
Unallocated corporate expenses net of unallocated income	(1332.06)	(1106.89)
Profit before interest etc. and taxation	**24445.41**	**23851.37**
Finance Costs	(45.06)	(39.11)
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net	2416.17	2573.59
Share of profit/(loss) of Associates & Joint Ventures	110.42	14.43
Exceptional items	–	–
Profit before tax	**26926.94**	**26400.28**
Tax expense	(6890.47)	(6209.46)
Profit for the year from continuing operations	20036.47	20190.82
Profit for the year from discontinued operations	15016.01	560.54
Profit for the year	**35052.48**	**20751.36**

3. Other Information	2025 Segment Assets	2025 Segment Liabilities	2024 Segment Assets	2024 Segment Liabilities
FMCG - Cigarettes	10584.67	5729.56	9751.86	5442.84
FMCG - Others	13016.19	2432.70	12592.81	2491.34
FMCG - Total	**23600.86**	**8162.26**	**22344.67**	**7934.18**
Agri Business	7904.83	2176.93	5850.07	1467.72
Paperboards, Paper and Packaging	9908.98	1384.96	9596.76	1287.23
Others	2736.44	1101.44	2362.07	1091.82
Segment Total	**44151.11**	**12825.59**	**40153.57**	**11780.95**
Discontinued operations [Refer Note 30(viii)]	–	–	9899.97	1319.74
Unallocated Corporate Assets/Liabilities	43939.57	4867.15	41772.62	3835.50
Total	**88090.68**	**17692.74**	**91826.16**	**16936.19**

31. Segment reporting (Contd.)

(₹ in Crores)

	2025		2024	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	330.23	297.55	544.32	291.59
FMCG - Others	530.42	590.28	675.67	567.89
FMCG - Total	**860.65**	**887.83**	**1219.99**	**859.48**
Agri Business	168.68	91.14	143.61	81.47
Paperboards, Paper and Packaging	452.42	400.79	872.47	359.93
Others	336.17	133.49	46.56	109.03
Segment Total	**1817.92**	**1513.25**	**2282.63**	**1409.91**
Discontinued Operations [Refer Note 30(viii)]	432.61	304.26	877.68	298.34
Unallocated	360.10	133.07	286.83	108.14
Total	**2610.63**	**1950.58**	**3447.14**	**1816.39**

	Non Cash expenditure other than depreciation (2025)	Non Cash expenditure other than depreciation (2024)
FMCG - Cigarettes	43.83	5.31
FMCG - Others	131.21	110.61
FMCG - Total	**175.04**	**115.92**
Agri Business	50.47	58.60
Paperboards, Paper and Packaging	36.07	34.67
Others	9.56	7.00
Segment Total	**271.14**	**216.19**

GEOGRAPHICAL INFORMATION

	2025	2024
1. **Revenue from external customers**		
– Within India	66439.35	61030.88
– Outside India	14503.41	12319.65
Total	**80942.76**	**73350.53**
2. **Non current assets**		
– Within India	23825.55	29781.42
– Outside India	277.76	2314.83
Total	**24103.31**	**32096.25**

NOTES :

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

(2) Pursuant to the Scheme of Demerger and in terms of applicable Accounting Standards (Ind AS), the Group has reported its Hotels Business (excluding ITC Grand Central, Mumbai) as 'Discontinued Operations'. Accordingly, 'Hotels' no longer forms a reportable segment of the Group. The results of ITC Grand Central, Mumbai which has been retained with the Group have been disclosed under 'Others' segment.

(3) The business groups comprise the following :

FMCG :	Cigarettes	– Cigarettes, Cigars etc.
:	Others	– Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
Paperboards, Paper and Packaging		– Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
Agri Business		– Agri commodities such as wheat, rice, spices, coffee, soya, leaf tobacco and potato.
Others		– Information Technology services, ITC Grand Central Hotel, Mumbai etc.

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

FMCG :	Cigarettes	– Surya Nepal Private Limited.
:	Others	– Surya Nepal Private Limited, Surya Nepal Ventures Private Limited and North East Nutrients Private Limited.
Paperboards, Paper and Packaging		– ITC Fibre Innovations Limited
Agri Business		– Technico Agri Sciences Limited, ITC IndiVision Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited.
Others		– ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc., ITC Infotech Do Brasil LTDA., ITC Infotech France SAS, ITC Infotech GmbH, ITC Infotech Malaysia SDN. BHD., ITC Infotech de Mexico, S.A. de C.V., ITC Infotech Italia s.r.l., Blazeclan Technologies Private Limited, Cloudlytics Technologies Private Limited, Blazeclan Technologies Pty. Limited, Blazeclan Technologies Limited, Blazeclan Americas Inc., Blazeclan Technologies PTE Limited, Blazeclan Technologies SDN. BHD., Blazeclan Technologies Corporation, Blazeclan Europe SRL., Blazeclan Technologies LLC, Blazeclan Technologies Inc. and Indivate Inc., Russell Credit Limited, Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited and ITC Integrated Business Services Limited and its subsidiary MRR Trading & Investment Company Limited.

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

(6) 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.

(7) As stock options and stock appreciation linked reward units are granted to align the interests of employees with those of shareholders and also to attract and retain talent for the Group as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.

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

Notes to the Consolidated Financial Statements

32. Related Party Disclosures

1. OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:

i) **Associates & Joint Ventures:**

Associates

a) ATC Limited
b) Delectable Technologies Private Limited
c) Sproutlife Foods Private Limited
d) ITC Hotels Limited and its subsidiaries (w.e.f. 01.01.2025)
   Srinivasa Resorts Limited
   Fortune Park Hotels Limited
   WelcomHotels Lanka (Private) Limited, Sri Lanka
   Landbase India Limited
e) Gujarat Hotels Limited (up to 31.12.2024)
f) International Travel House Limited (up to 31.12.2024)
g) Russell Investments Limited
   – being associates of the Group, and
h) Tobacco Manufacturers (India) Limited (of which the Company is an associate)
   and the subsidiaries of its ultimate parent company (British American Tobacco p.l.c.)

Joint Ventures

a) ITC Filtrona Limited
b) Maharaja Heritage Resorts Limited (up to 31.12.2024)

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
C.K. Mishra#	Non-Executive Director (w.e.f. 14.09.2024)
S. Mohanty	Non-Executive Director (w.e.f. 01.01.2025)
S. Mukherjee#	Non-Executive Director
A. Nayak#	Non-Executive Director
A. Pande	Non-Executive Director (w.e.f. 27.07.2024)
S. Panray	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
A. Singh	Non-Executive Director (w.e.f. 02.04.2024)
P. Subrahmanyam#	Non-Executive Director (w.e.f. 02.04.2024)
S. Banerjee#	Non-Executive Director (up to 29.07.2024)
A. Duggal#	Non-Executive Director (up to 14.09.2024)
M. Gupta	Non-Executive Director (up to 26.10.2024)
R. Jain	Non-Executive Director (up to 30.05.2024)
M. Shankar#	Non-Executive Director (up to 14.09.2024)

Independent Directors

Company Secretary
R. K. Singhi

Members - Corporate Management Committee
S. Puri
S. Dutta
S. Kaul
H. Malik
A. Rajput
S. Sivakumar
B. Sumant

b) **Related Parties of KMP:**

I) Close Members of KMP:

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

II) Entities in which KMP/close member of 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) ITC Hotels Limited Employees Superannuation Scheme (up to 31.12.2024)
m) Sunrise Spices Limited Employees Gratuity Fund
n) Greenacre Holdings Limited Provident Fund
o) Greenacre Holdings Limited Gratuity Fund

32. Related Party Disclosures (Contd.)

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2025

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel (KMP)		Related Parties of KMP^		Employee Trusts		Total	
		2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
1.	Sale of Goods/Services	2142.36	1829.61	87.91	100.55	0.01	0.01					2230.28	1930.17
2.	Purchase of Goods/Services	196.40	196.56	637.68	639.27			2.67	0.76			836.75	836.59
3.	Sale of Property, Plant and Equipment					–	0.21					–	0.21
4.	Investment in Associates	29.99	65.04									29.99	65.04
5.	Recovery for Share-based Payments	3.37	0.96	0.08	0.14							3.45	1.10
6.	Reimbursement for Share-based Payments	2.37	–									2.37	–
7.	Rent Received	1.45	0.89									1.45	0.89
8.	Rent Paid*	3.46	4.06			0.72	0.87	0.07	0.27			4.25	5.20
9.	Remuneration of Managers on Deputation reimbursed	6.54	6.45									6.54	6.45
10.	Remuneration of Managers on Deputation recovered	9.90	9.37	1.61	1.71							11.51	11.08
11.	Contribution to Employees' Benefit Plans									176.97	163.23	176.97	163.23
12.	Dividend Income	3.03	2.02	22.50	22.50							25.53	24.52
13.	Dividend Payments	4469.63	5715.08			8.59	9.28					4478.22	5724.36
14.	Expenses Recovered	113.43	6.84	0.20	0.27							113.63	7.11
15.	Expenses Reimbursed	15.30	0.27	0.03	0.01	0.02	0.03					15.35	0.31
16.	Advances Received during the year	1690.64	981.64									1690.64	981.64
17.	Adjustment/Payment towards Refund of Advances	1417.65	1333.30									1417.65	1333.30
18.	Adjustment/Receipt towards Refund of Deposit					–	0.05	–	0.05			–	0.10
19.	Remuneration to KMP												
19A.	– Short term benefits					56.77	60.59					56.77	60.59
19B.	– Other long-term incentives					26.00	40.34					26.00	40.34
19C.	– Post employment benefits [1]												
19D.	– Share-based Payments [2]												
20.	**Outstanding Balances#**												
	i) Receivables	108.21	222.57	17.10	6.24			–	...			125.31	228.81
	ii) Advances Given									8.62	30.84	8.62	30.84
	iii) Deposits Given					0.01	0.01	0.03	0.03			0.04	0.04
	iv) Advances Taken	640.75	367.76									640.75	367.76
	v) Deposits Taken	–	0.61									–	0.61
	vi) Payables	30.22	5.86	7.03	9.65					36.40	45.77	73.65	61.28

^ includes transactions with close member of KMP & entities in which KMP/close member of 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.

1 Post employment benefits are actuarially determined on overall basis and hence not separately provided. Payments made on settlement of leave liability upon retirement - Nil (2024 - ₹ 1.50 Crores) has not been included in the above;

2 During the year, the Company granted Stock Options to eligible employees, including Executive Directors and KMPs, under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share-based Employee Benefits and Sweat Equity) Regulations, 2021]. The Company has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons in the previous years under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Further, in terms of the Scheme of Demerger, ITCHL has granted stock options to the eligible employees of the Company under the ITC Hotels Special Purpose Employee Stock Option Scheme [Refer Note 30(xiv)(B)]. Since such Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ESAR Units, and accordingly the said grants have not been considered as 'remuneration'. However, in accordance with Ind AS-102, the Group has recorded employee benefits expense by way of share-based payments to employees at ₹ 144.48 Crores for the year ended 31st March, 2025 (2024 - ₹ 140.38 Crores), of which ₹ 32.69 Crores (2024 - ₹ 30.85 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.

4. In addition to the above, the Group has transferred assets (₹ 12162.90 Crores), liabilities (₹ 1660.70 Crores) and Non-controlling interests (₹ 35.37 Crores) to ITC Hotels Limited consequent to Scheme of Arrangement for demerger of the Hotels Business of the Group into ITC Hotels Limited. Refer Note 30(viii) for details of the same.

32. Related Party Disclosures (Contd.)

3. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES
(Generally in excess of 10% of the total transaction value of the same type)

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY	2025	2024
1.	**Sale of Goods/Services**		
	British American Tobacco (GLP) Limited	1445.27	1070.96
	British American Shared Services (GSD) Limited	562.41	392.48
2.	**Purchase of Goods/Services**		
	ITC Filtrona Limited	637.68	639.27
	International Travel House Limited	96.99	121.57
3.	**Investment in Associates**		
	Sproutlife Foods Private Limited	29.99	50.01
4.	**Recovery for Share-based Payments**		
	ITC Hotels Limited	2.69	–
5.	**Reimbursement for Share-based Payments**		
	ITC Hotels Limited	2.37	–
6.	**Rent Received**		
	ITC Hotels Limited	0.78	–
	International Travel House Limited	0.65	0.88
7.	**Rent Paid**		
	Gujarat Hotels Limited	3.29	4.06
	A. Rajput	0.53	0.47
8.	**Remuneration of Managers on Deputation reimbursed**		
	Gujarat Hotels Limited	4.90	6.45
	ITC Hotels Limited	1.64	–
9.	**Remuneration of Managers on Deputation recovered**		
	International Travel House Limited	3.75	3.54
	ATC Limited	2.92	2.99
	ITC Hotels Limited	2.13	–
10.	**Contribution to Employees' Benefit Plans**		
	IATC Provident Fund	45.10	43.07
	ITC Defined Contribution Pension Fund	34.42	6.10
	ITC Employees Gratuity Fund	33.57	13.51
	ITC Pension Fund	20.75	56.40
	ITC Management Staff Gratuity Fund	26.46	29.53

	RELATED PARTY TRANSACTIONS SUMMARY	2025	2024
11.	**Dividend Income**		
	ITC Filtrona Limited	22.50	22.50
12.	**Dividend Payments**		
	Tobacco Manufacturers (India) Limited	3558.09	4690.90
	Myddleton Investment Company Limited	680.84	765.94
13.	**Expenses Recovered**		
	ITC Hotels Limited	95.17	–
	British American Tobacco (GLP) Limited	12.86	4.86
14.	**Expenses Reimbursed**		
	ITC Hotels Limited	15.10	–
15.	**Advances Received during the year**		
	British American Tobacco (GLP) Limited	1689.92	881.77
16.	**Adjustment/Payment towards Refund of Advances**		
	British American Tobacco (GLP) Limited	1417.65	1034.64
17.	**Remuneration to KMP#**		
17A.	*Short term benefits*		
	S. Puri	13.94	13.06
	B. Sumant	5.73	5.74
	H. Malik	5.13	4.38
	S. Dutta	5.12	5.08
17B.	*Other long-term incentives*		
	S. Puri	8.82	13.37
	B. Sumant	5.00	6.69
	S. Dutta	4.29	4.15
	H. Malik	3.37	2.67

	RELATED PARTY TRANSACTIONS SUMMARY	2025	2024
18.	**Outstanding Balances**		
i)	*Receivables*		
	British American Shared Services (GSD) Limited	34.42	178.91
	ITC Hotels Limited	20.87	–
	British American Tobacco (GLP) Limited	17.23	23.70
	ITC Filtrona Limited	17.10	5.77
ii)	*Advances Given*		
	Employee Trust - Pension Funds	8.62	30.84
iii)	*Deposits Given*		
	N. Singhi	0.03	0.03
	S. Dutta	0.01	0.01
iv)	*Advances taken*		
	British American Tobacco (GLP) Limited	639.92	367.65
v)	*Payables*		
	Employee Trust - Gratuity Funds	23.74	45.77
	Employee Trust - Pension Funds	12.66	–
	ITC Hotels Limited	21.76	–
	ITC Filtrona Limited	7.03	9.65
	Sproutlife Foods Private Limited	6.65	–

In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of share-based payments [refer Note 32.2], of which ₹ 32.69 Crores (2024 - ₹ 30.85 Crores) is attributable to Executive Directors & KMPs:

S. Puri ₹ 11.71 Crores (2024 - ₹ 10.90 Crores), B. Sumant ₹ 5.91 Crores (2024 - ₹ 5.52 Crores), S. Dutta ₹ 5.49 Crores (2024 - ₹ 3.08 Crores), H. Malik ₹ 3.22 Crores (2024 - ₹ 1.81 Crores) and R. K. Singhi ₹ 1.11 Crore (2024 - ₹ 0.87 Crore).

Notes to the Consolidated Financial Statements

33. Financial Instruments and Related Disclosures

A. Capital Management

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations 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 2,93,98,310 Ordinary Shares (2024 – 5,67,03,730 Ordinary Shares) of ₹ 1.00 each amounting to ₹ 2.94 Crores (2024 – ₹ 5.67 Crores) towards its employee stock options. The securities premium stood at ₹ 15834.70 Crores as at 31st March, 2025 (2024 – ₹ 14813.95 Crores).

B. Categories of Financial Instruments

(₹ in Crores)

	Particulars	Note	As at 31st March, 2025		As at 31st March, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A.	**Financial assets**					
a)	**Measured at amortised cost**					
i)	Cash and cash equivalents	13	620.00	620.00	625.89	625.89
ii)	Bank Balances other than (i) above	14	3392.36	3392.36	6591.79	6591.79
iii)	Investment in Bonds / Debentures & Government or Trust Securities	4, 11	7576.74	7615.36	7427.67	7277.90
iv)	Investment in Mutual Funds	4, 11	389.10	392.57	366.88	362.91
v)	Loans	5	17.11	15.11	13.86	12.72
vi)	Trade receivables	12	4719.67	4719.67	4025.82	4025.82
vii)	Other financial assets	6	3166.90	3159.94	1587.83	1540.34
	Sub-total		**19881.88**	**19915.01**	**20639.74**	**20437.37**
b)	**Measured at Fair value through OCI**					
i)	Investment in Equity Shares	4	3632.35	3632.35	4676.28	4676.28
ii)	Investment in Mutual Funds	4, 11	5424.86	5424.86	5020.09	5020.09
	Sub-total		**9057.21**	**9057.21**	**9696.37**	**9696.37**
c)	**Measured at Fair value through Profit or Loss**					
i)	Investment in Mutual Funds	11	11167.90	11167.90	10299.12	10299.12
ii)	Investment in Bonds / Debentures, Certificates of Deposit	11	1651.31	1651.31	2612.95	2612.95
iii)	Investment in Venture Capital Funds	4	132.81	132.81	121.96	121.96
iv)	Investment in Equity & Preference Shares	4	32.97	32.97	39.34	39.34
	Sub-total		**12984.99**	**12984.99**	**13073.37**	**13073.37**
d)	**Derivatives measured at fair value**					
i)	Derivative instruments not designated as hedging instruments	6	22.33	22.33	2.37	2.37
ii)	Derivative instruments designated as hedging instruments	6	24.59	24.59	0.53	0.53
	Sub-total		**46.92**	**46.92**	**2.90**	**2.90**
	Total financial assets		**41971.00**	**42004.13**	**43412.38**	**43210.01**

33. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

	Particulars	Note	As at 31st March, 2025		As at 31st March, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
B.	**Financial liabilities**					
a)	**Measured at amortised cost**					
i)	Cash credit facilities & loans	16	89.50	89.50	8.00	8.00
ii)	Sales tax deferment loans	16	1.76	1.76	3.28	2.90
iii)	Trade payables	21	4807.42	4807.42	4797.83	4797.83
iv)	Lease Liabilities	17	193.28	193.28	292.15	292.15
v)	Other financial liabilities	18	1902.79	1885.37	2192.79	2170.85
	Sub-total		**6994.75**	**6977.33**	**7294.05**	**7271.73**
b)	**Measured at fair value**					
i)	Derivative instruments not designated as hedging instruments	18	9.02	9.02	2.81	2.81
ii)	Derivative instruments designated as hedging instruments	18	3.16	3.16	4.60	4.60
iii)	Contingent Consideration	18	324.39	324.39	412.76	412.76
	Sub-total		**336.57**	**336.57**	**420.17**	**420.17**
	Total financial liabilities		**7331.32**	**7313.90**	**7714.22**	**7691.90**

C. Financial risk management objectives

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

Liquidity Risk

The Group's Current assets aggregate ₹ 43893.28 Crores (2024 – ₹ 41065.54 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 20299.86 Crores (2024 – ₹ 20162.10 Crores) against an aggregate Current liabilities of ₹ 14334.11 Crores (2024 – ₹ 13690.40 Crores). As part of its surplus liquidity management operations, the Group may sell instruments that are held at amortised cost. Such sales may be infrequent (even if significant in value) or insignificant in value both individually and in aggregate (even if frequent). During the year, the net loss arising on such sale amounted to Nil (2024 – ₹ 16.37 Crores) [Refer Note 24].

Non-current liabilities (other than derivatives and lease liabilities) due between one year to three years amounted to ₹ 285.71 Crores (2024 – ₹ 257.32 Crores) and Non-current liabilities (other than derivatives and lease liabilities) due after three years amounted to ₹ 15.63 Crores (2024 – ₹ 178.40 Crores) on the reporting date. Derivative liabilities are current in nature. The maturity analysis of undiscounted lease liabilities are disclosed under Note 30(ix).

Further, while the Group's total equity stands at ₹ 70397.93 Crores (2024 – ₹ 74889.97 Crores), the amount carried in the Balance Sheet as non-current borrowings is Nil (2024 – ₹ 1.76 Crores). In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

Market Risk

1. Foreign Currency Risk

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

33. Financial Instruments and Related Disclosures (Contd.)

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts (other than in functional currency), are as follows:

(₹ in Crores)

As at 31st March, 2025	USD	Euro	GBP	JPY	Others	Total
Financial Assets	1580.99	304.25	83.04	0.12	186.54	**2154.94**
Financial Liabilities*	145.94	43.73	1.74	1.78	137.42	**330.61**
As at 31st March, 2024	**USD**	**Euro**	**GBP**	**JPY**	**Others**	**Total**
Financial Assets	904.81	207.41	202.69	–	121.16	1436.07
Financial Liabilities*	91.63	29.87	1.24	2.02	14.58	139.34

*The above does not include the consideration payable to PTC Inc. towards acquisition of business and commercial rights since the same is hedged through cash flow hedge [Refer Note 30(xviii)].

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

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

(In Million)

Designated under Hedge Accounting		As at 31st March, 2025		As at 31st March, 2024	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	19.28	222.17	13.59	98.15
Euro	US Dollar	14.45	–	11.15	–
CHF	US Dollar	0.01	–	0.15	–
GBP	US Dollar	0.01	–	0.02	–
JPY	US Dollar	29.45	–	36.03	–

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

(In Million)

Not designated under Hedge Accounting		As at 31st March, 2025		As at 31st March, 2024	
Currency	**Cross Currency**	**Buy**	**Sell**	**Buy**	**Sell**
US Dollar	Indian Rupee	29.56	109.59	–	76.45
Euro	US Dollar	0.25	23.58	1.24	12.74
AUD	US Dollar	0.10	–	0.10	–
CAD	US Dollar	0.40	0.15	0.30	0.22
CHF	US Dollar	1.20	–	0.14	3.56
GBP	US Dollar	11.90	5.99	–	4.18
SEK	US Dollar	0.86	–	0.72	–
SGD	US Dollar	0.11	–	–	–
KWD	US Dollar	0.15	–	0.06	–
PLN	US Dollar	0.50	–	0.40	0.40
JPY	US Dollar	148.75	26.60	203.75	–
ZAR	US Dollar	–	37.20	–	33.10
US Dollar	Nepalese Rupee	3.51	–	2.79	–
Euro	Nepalese Rupee	1.06	–	0.01	–
GBP	Nepalese Rupee	0.03	–	–	–

Notes to the Consolidated Financial Statements

33. Financial Instruments and Related Disclosures (Contd.)

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

(In Million)

		As at 31st March, 2025		As at 31st March, 2024	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	4.00	45.90	–	–

Hedges of foreign currency risk and derivative financial instruments

Each entity comprising the Group manages its own currency risk. Within the Group, derivative instruments are largely entered into by the Company and a subsidiary. The Company and the aforesaid subsidiary has established risk management policies to hedge the volatility in cashflows arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward, futures, options contracts and certain non-derivative financial liabilities. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are primarily highly rated banks or recognised exchange(s), the risk of their non-performance is considered to be insignificant. Where derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

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

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

(₹ in Crores)

Particulars	2025	2024
At the beginning of the year	(4.50)	(1.23)
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(15.31)	(6.44)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(11.62)	(9.02)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(12.37)	(20.53)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(1.81)	(1.40)
Less: Amounts transferred to initial cost of non-financial assets	(0.20)	10.85
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	3.16	1.11
At the end of the year	**(13.89)**	**(4.50)**
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	**(1.63)**	**2.19**

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, 2025	As at 31st March, 2024
Within one year	(7.64)	0.10
Between one and three years	(6.25)	(2.50)
Beyond three years	–	(2.10)
Total	**(13.89)**	**(4.50)**

33. Financial Instruments and Related Disclosures (Contd.)

Foreign Currency Sensitivity

For every percentage point increase/decrease in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2025 would increase/decrease by ₹ 0.68 Crore (2024 - ₹ 4.30 Crores) and other equity as at 31st March, 2025 would decrease/increase by ₹ 10.30 Crores (2024 – increase/decrease by ₹ 1.10 Crores) on a pre-tax basis.

2. Interest Rate Risk

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of financial liabilities is negligible.

The Group's investments are predominantly held in Government securities, bonds/debentures, fixed deposits, certificates of deposit, commercial papers and debt mutual funds. Mark to market movements in respect of the Group's investments in bonds/debentures that are held at amortised cost are temporary and get recouped through coupon accruals. Other investments in bonds/debentures, certificates of deposit, commercial papers are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

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

3. Other Price Risk

The Group is not an active investor in equity markets; it holds certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2025 is ₹ 3632.35 Crores (2024 - ₹ 4676.28 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

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

Credit Risk

Each entity comprising the Group manages its own credit risk. The following explains the processes followed by the Company, being the largest component of the Group, to manage its credit risk: Company's deployment in debt instruments are primarily in Government securities, fixed deposits with highly rated banks and companies, bonds issued by Government institutions, public sector undertakings, mutual fund schemes of leading fund houses and certificates of deposit/commercial papers issued by highly rated banks and financial institutions. With respect to the Group's investing activities, debt mutual fund schemes and counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. As these counter parties are Central/State Government, Government institutions/public sector undertakings with investment grade/sovereign credit ratings and taking into account the experience of the Group over time, the counter party risk attached to such assets is considered to be insignificant.

The Group's investments that are held at amortised cost stood at ₹ 13069.90 Crores (2024 - ₹ 14447.05 Crores).

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

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

33. Financial Instruments and Related Disclosures (Contd.)

The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 4719.67 Crores (2024 – ₹ 4025.82 Crores).

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

(₹ in Crores)

Particulars	Expected Loss Provision	
	31st March, 2025	31st March, 2024
Opening Balance	232.19	240.86
Add: Provisions made (net)	12.12	14.81
Less: Utilisation for impairment/de-recognition	17.06	23.73
Effects of foreign exchange fluctuation	0.53	0.25
Add: Acquired through business combination [Refer Note 30(xix)]	1.13	–
Less: Transferred pursuant to Scheme of Demerger [Refer Note 30(viii)]	10.28	–
Closing Balance	**218.63**	**232.19**

D. Fair value measurement

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

(₹ in Crores)

	Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2025	As at 31st March, 2024
A.	**Financial assets**			
a)	**Measured at amortised cost**			
	i) Investment in Bonds/Debentures & Government or Trust Securities	2	7615.36	7277.90
	ii) Investment in Mutual Funds	1	392.57	362.91
	iii) Loans*	3	5.61	2.91
	iv) Other Financial assets*	3	1531.84	361.50
	Sub-total		**9545.38**	8005.22
b)	**Measured at Fair value through OCI**			
	i) Investment in Equity Shares – Quoted	1	3629.93	4673.86
	ii) Investment in Equity Shares – Unquoted	3	2.42	2.42
	iii) Investment in Mutual Funds	1	5424.86	5020.09
	Sub-total		**9057.21**	9696.37
c)	**Measured at Fair value through Profit or Loss**			
	i) Investment in Mutual Funds	1	11167.90	10299.12
	ii) Investment in Bonds/Debentures, Certificates of Deposit	2	1651.31	2612.95
	iii) Investment in Venture Capital Funds	2	132.81	121.96
	iv) Investment in Equity & Preference Shares	3	32.97	39.34
	Sub-total		**12984.99**	13073.37
d)	**Derivatives measured at fair value**			
	i) Derivative instruments not designated as hedging instruments	2	22.33	2.37
	ii) Derivative instruments designated as hedging instruments	2	24.59	0.53
	Sub-total		**46.92**	2.90
	Total financial assets		**31634.50**	30777.86

33. Financial Instruments and Related Disclosures (Contd.)

	Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2025	As at 31st March, 2024
B.	**Financial liabilities**			
a)	**Measured at amortised cost**			
	i) Sales tax deferment loans*	3	–	1.38
	ii) Other Financial liabilities*	3	102.43	130.48
	iii) Lease liabilities*	3	137.21	230.61
	iv) Loans*	3	–	–
	Sub-total		**239.64**	362.47
b)	**Measured at fair value**			
	i) Derivative instruments not designated as hedging instruments	2	9.02	2.81
	ii) Derivative instruments designated as hedging instruments	2	3.16	4.60
	iii) Contingent Consideration	3	324.39	412.76
	Sub-total		**336.57**	420.17
	Total financial liabilities		**576.21**	**782.64**

*Represents fair value of non-current financial instruments

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

(₹ in Crores)

	31st March, 2025			31st March, 2024		
	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL	Financial Assets at FVTPL	Financial Assets at FVTOCI	Financial Liabilities at FVTPL
Opening Balance	39.34	2.42	412.76	39.34	2.42	535.39
Additions during the year	3.00	–	16.53	–	–	–
Sale/Transfer/Settlement during the year	–	–	146.09	–	–	130.49
Gain/(Loss) during the year recognised in Other Income	(9.37)	–	(36.43)	–	–	(5.08)
Gain/(Loss) during the year recognised in Other Comprehensive Income	–	–	(4.76)	–	–	(2.78)
Closing Balance	**32.97**	**2.42**	**324.39**	**39.34**	**2.42**	**412.76**

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.

33. Financial Instruments and Related Disclosures (Contd.)

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable. The fair value of investment in Bonds / Debentures, Certificates of Deposit / Commercial Papers, Venture Capital Funds etc. and financial liabilities, where applicable, is determined using market observable inputs such as quotes from market participants, value published by the issuer etc.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted methodologies such as discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as best estimate of fair value.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. The sensitivity of change in the unobservable inputs used in fair valuation of Level 3 financial assets and liabilities does not have a significant impact on their value. There were no transfers between Level 1, Level 2 and Level 3 during the year.

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

Arvind Sethi
Partner
(Membership No.: 89802)

Kolkata, May 22, 2025

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

INDEPENDENT AUDITOR'S REPORT

To the Members of ITC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of ITC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising the consolidated Balance Sheet as at March 31 2025, the consolidated Statement of Profit and Loss, including Other Comprehensive Income, the consolidated Statement of Cash Flows and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2025, their consolidated profit including other comprehensive income, their consolidated cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	**How our audit addressed the key audit matter**
Revenue recognition	
Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.	Our audit procedures included the following: • Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. • Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.

Key audit matters	How our audit addressed the key audit matter
The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. Refer Note 1 to the Consolidated Ind AS Financial Statements - Material Accounting Policies and Note 23A/23B.	• Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition. • Tested the effectiveness of such controls over revenue cut off at year-end. • On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. • Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end. • Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. • Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.
Accounting for demerger of Hotels business	
The Group, in the current year, has given effect to the scheme of demerger of Hotels business (demerged undertaking) into ITC Hotels Limited (ITCHL) pursuant to the Scheme of Arrangement ('Scheme'). The Scheme was approved by the Hon'ble National Company Law Tribunal, Kolkata bench vide its order dated October 04, 2024 and the appointed date and the effective date of the Scheme is January 01, 2025. By virtue of this scheme being effective in the current year, the said demerged undertaking has been disclosed as discontinued operations till the effective date of the demerger. At the appointed and effective date, the Hotels business of the Company (along with all assets and liabilities thereof, excluding ITC Grand Central, Mumbai) and the net assets of Hospitality entities as defined in the Scheme were transferred to ITCHL on a going concern basis in accordance with the approved Scheme. Demerger is a significant non-routine transaction and requires determination of fair value of demerged undertaking for the purposes of accounting as per Ind AS which involves significant judgements and estimates which are sensitive to underlying assumptions (forecast of future cash flows, growth rate, weighted average cost of capital, discount rates etc). These judgements/estimates could have an impact on the recognition of the amount of liability for assets to be distributed to shareholders at fair value and the consequential gain as recognised in the consolidated Ind AS financial statements.	Our audit procedures included the following: • Obtained and read the Scheme and final order passed by the Hon'ble National Company Law Tribunal to understand its key terms and conditions. • Evaluated the design and tested the operating effectiveness of the internal financial controls (including management review controls) relevant for recording the impact of the Scheme and related disclosures. • Tested the Management's working for identification of specific assets and liabilities of the demerged undertaking and relevant impact in the reserves as per the Scheme. • Assessed the appropriateness of accounting treatment of this demerger and compared with applicable Indian Accounting Standards (Ind AS) and the approved accounting treatment in the Scheme. • Obtained the report of the management's expert for determination of fair value of demerged undertaking. Evaluated the competence and objectivity of the management's expert. • Involved our valuation specialist to review the appropriateness of methodology and key assumptions considered by management to determine fair value of the demerged undertaking. • Assessed the adequacy and appropriateness of the disclosures made with respect to the accounting of the transaction as required by the applicable Ind AS.

Key audit matters	How our audit addressed the key audit matter
Due to the magnitude and complexity of the transaction, and considering the assumptions and estimates required to be made by the management for the purpose of accounting and presentation/disclosures in the consolidated Ind AS financial statements, this is considered as a key audit matter. Refer Note 30(viii) to the consolidated Ind AS financial statements.	

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of their respective companies.

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2025 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of thirty-two subsidiaries, whose financial statements include total assets of ₹ 4,344.64 crores as at March 31, 2025, and total revenues of ₹ 4,087.76 crores and net cash inflows of ₹ 62.04 crores for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 7.58 crores for the year ended March 31, 2025, as considered in the consolidated Ind AS financial statements, in respect of nine associates and joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of five subsidiaries, whose financial statements and other financial information reflect total revenues of ₹ 215.22 crores and net cash inflows of ₹ 49.10 crores for the period from April 1, 2024 to December 31, 2024. Those unaudited financial statements and other unaudited financial information have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of ₹ 11.35 crores for the period from April 1, 2024 to December 31, 2024, as considered in the consolidated financial statements, in respect of two associates and a joint venture, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the Management. Our opinion, in so far as it relates to amounts and disclosures included in respect of these subsidiaries, a joint venture and associates for the period April 1, 2024 to December 31, 2024 [Refer Note 30(viii) to these consolidated Ind AS financial statements], and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, a joint venture and associates, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

These financial statements/financial information were part of the consolidated financial statements of the Holding Company for the nine months ended December 31, 2024 which were subjected to limited review by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, associate companies and joint ventures, incorporated in India, as noted in the 'Other Matters' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph we report, to the extent applicable, that:

   (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors. Insofar as the modification on maintaining an audit trail in the accounting software is concerned, refer paragraph (i) (vi) below;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

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

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated in India, is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) The modification arising from the maintenance of the audit trail on the accounting software are as stated in paragraph (i)(vi) below on reporting under Rule 11(g);

   (g) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (h) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2025 has been paid/provided by the Holding

Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 30(iii)(a) to the consolidated Ind AS financial statements;

ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2025;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2025.

iv. a) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint ventures to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, associates and joint ventures ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint ventures respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries, associates and joint ventures from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint ventures shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v) The final dividend paid by the Holding Company, its subsidiaries, associates and a joint venture incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid during the year by the Holding Company, its subsidiaries and an associate until the date of the respective audit reports of such Holding Company is in accordance with section 123 of the Act.

As stated in Note B of Statement of Changes in Equity to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, its subsidiaries and a joint venture, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, associates and joint ventures which are companies incorporated in India whose financial statements have been audited under the Act, except for the instance disclosed in note 30(xx) to the consolidated Ind AS financial statements, the Holding Company, subsidiaries and joint ventures have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint ventures did not come across any instance of audit trail feature being tampered with, in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail has been preserved by the Holding Company, subsidiaries, associates and joint ventures 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: 25089802BMNPUJ6595

Place of Signature: Kolkata
Date: May 22, 2025

Annexure 1 referred to in paragraph 1 under the heading "Report on Other legal and Regulatory Requirements" of our report of even date

Re: ITC Limited (the "Holding Company")

In terms of the information and explanations sought by us and given by the Holding Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief and based on the consideration of report of respective auditors of the subsidiary companies, associates and joint ventures incorporated in India, we state that:

(xxi) There are no qualifications or adverse remarks by the respective auditors in their report on Companies (Auditors Report) Order, 2020 of the companies included in the consolidated Ind AS financial statements. As indicated in Note 30(ii)(d) of the consolidated Ind AS financial statements, in respect of an associate and a joint venture, consolidated based on management accounts, the audit report under Companies (Auditors Report) Order, 2020 of the companies has not been issued till the date of our auditor's report.

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

per Arvind Sethi
Partner
Membership Number: 89802
UDIN: 25089802BMNPUJ6595

Place of Signature: Kolkata
Date: May 22, 2025

Annexure 2 to the Independent Auditor's Report of even date on the Consolidated Financial Statements of ITC Limited

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

In conjunction with our audit of the consolidated Ind AS financial statements of ITC Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to these consolidated Ind AS financial statements.

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

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, its associates and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these nine subsidiaries, six associates and one joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint venture incorporated in India.

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

per Arvind Sethi
Partner
Membership Number: 89802

UDIN: 25089802BMNPUJ6595

Place of Signature: Kolkata
Date: May 22, 2025

Ten Years at a Glance

Standalone Operating Results FY16 - FY25

(₹ in Crores)

Year ended 31st March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24$	FY25$
Gross Sales Value (net of rebates & discounts) #	60196	64174	67082	75309	76097	74979	90104	106625	105106	113960
Gross Revenue from sale of products & services #	51582	55002	43957	45221	46324	48151	59101	69481	66657	73465
Total Income #	53714	57434	46460	48269	49821	51776	62336	72689	70822	77690
EBITDA	13715	14578	15541	17306	17904	15523	18934	23944	23494	24025
PBT	14434	15503	16439	18444	19299	17164	19830	24677	25632	26001
Exceptional items			413		(132)			73		528
PBT after Exceptional Items	14434	15503	16852	18444	19167	17164	19830	24750	25632	26529
Tax	5106	5302	5628	5980	4031	4133	4772	5997	5722	6437
PAT	9328	10201	11223	12464	15136	13032	15058	18753	19910	20092
Interim + Proposed Dividends *	8233	6945	7577	8498	12477	13230	14172	19255	17163	17957
– Ordinary Dividend	6296	6945	7577	8498	12477	13230	14172	15837	17163	17957
– Special Dividend	1937							3418		
Earnings Per Share										
Actual (₹)	11.61	8.43	9.22	10.19	12.33	10.59	12.22	15.15	15.98	16.07
Adjusted (₹) @	7.74	8.43	9.22	10.19	12.33	10.59	12.22	15.15	15.98	16.07
Dividend Per Share										
Actual - Ordinary (₹)	6.50	4.75	5.15	5.75	10.15	10.75	11.50	12.75	13.75	14.35
Actual - Special (₹)	2.00							2.75		
Adjusted - Ordinary (₹) @	4.33	4.75	5.15	5.75	10.15	10.75	11.50	12.75	13.75	14.35
Adjusted - Special (₹) @	1.33							2.75		

$ Financials for FY24 & FY25 excludes the performance of Hotels Business transferred to ITC Hotels Limited (ITCHL) on a going concern basis pursuant to Scheme of Demerger. The same has been disclosed as 'Discontinued Operations' in the Financial Statements of the Company for FY24 & FY25.

Gross Sales Value (net of rebates & discounts) has been provided to facilitate comparison as the figures of Gross Revenue from sale of products & services and Total Income are not comparable consequent to the introduction of Goods & Services Tax with effect from 1st July 2017, which replaced Central Excise (other than National Calamity Contingent Duty on cigarettes), Value Added Tax etc.

* Including Dividend Distribution Tax, where applicable.

@ To facilitate like-to-like comparison, adjusted for 1:2 Bonus Issue in FY17.

Note: Financials for FY21 & FY22 were impacted by unprecedented disruptions in certain operating segments of the Company due to the COVID-19 pandemic.

Standalone Equity, Liabilities and Assets FY16 - FY25

(₹ in Crores)

As at 31st March	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25$
Equity †										
Share capital	805	1215	1220	1226	1229	1231	1232	1243	1248	1251
Other equity	40851	44126	50180	56724	62800	57774	60168	66351	70985	66649
Shareholders' funds (Net Worth)	41656	45341	51400	57950	64029	59005	61400	67594	72233	67900
Non-current liabilities										
Borrowings	26	18	11	8	6	5	5	3	2	–
Deferred tax liabilities (Net)	1867	1872	1918	2044	1618	1728	1667	1621	2084	2556
Non-current liabilities (others) ^	127	155	195	174	493	669	543	628	593	431
Current liabilities										
Borrowings &	16	8	7	3	2	…	1	1	2	2
Current liabilities (others) ^	6339	6822	8850	9619	9087	10173	11477	12415	12414	13120
Total Equity and Liabilities	**50031**	**54216**	**62381**	**69798**	**75235**	**71580**	**75093**	**82262**	**87328**	**84009**
Non-current assets										
Property, plant and equipment, intangible assets (including capital work-in-progress, intangible assets under development), investment property and right-of-use assets ^	16430	18417	20592	21888	23298	25521	25688	25871	26830	21059
Non-current investments	6853	8486	13494	14071	13456	12937	15657	16364	22822	20701
Non-current assets (others)	3515	2776	3792	4269	1974	1306	2806	4824	1605	2493
Current assets										
Current investments	6471	10100	9903	12507	17175	14047	11625	16357	11917	15286
Cash and cash equivalents and Other bank balances	5639	2747	2595	3769	6843	4002	3878	3831	6218	3184
Current assets (others)	11123	11690	12005	13294	12489	13767	15439	15015	17936	21286
Total Assets	**50031**	**54216**	**62381**	**69798**	**75235**	**71580**	**75093**	**82262**	**87328**	**84009**
Net Worth Per Share (₹) §	34.51	37.33	42.12	47.27	52.09	47.94	49.82	54.39	57.86	54.26

$ FY25 is after giving effect to the Scheme of Demerger of the Hotels Business into ITCHL on a going concern basis.

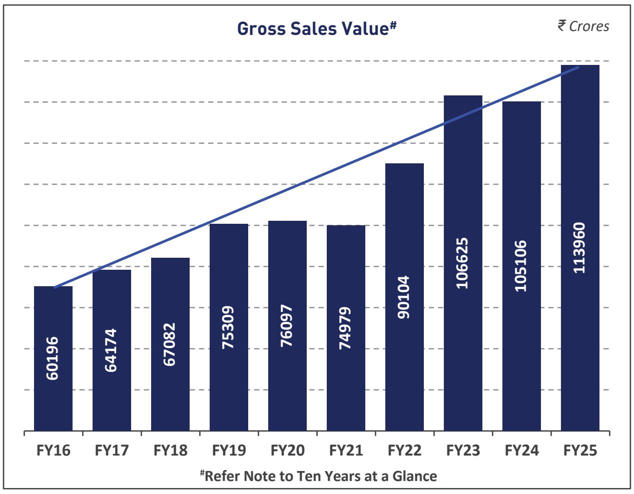
† Equity includes impact of 1:2 Bonus Issue (₹ 403 Crores) in FY17.

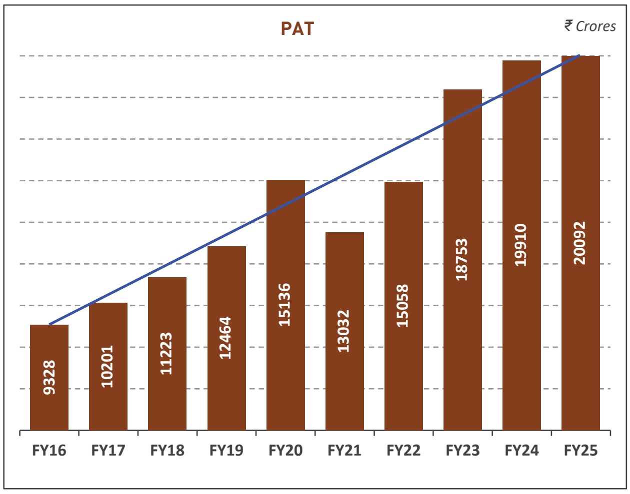
^ Includes right-of-use assets and lease liabilities from FY20 upon transition to Ind AS-116, "Leases".

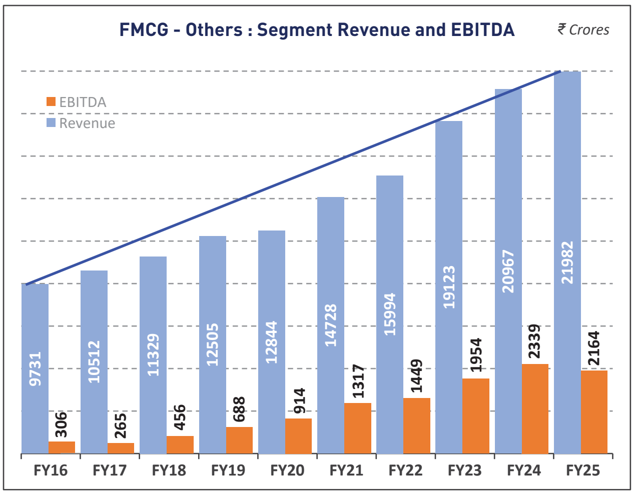
& To facilitate like-to-like comparison, figures for earlier years have been regrouped in line with amendments to Schedule III to the Companies Act, 2013.

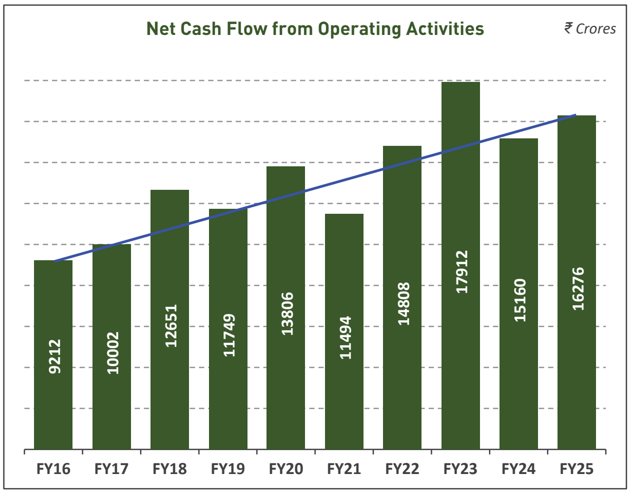
§ To facilitate like-to-like comparison, adjusted for 1:2 Bonus Issue in FY17.

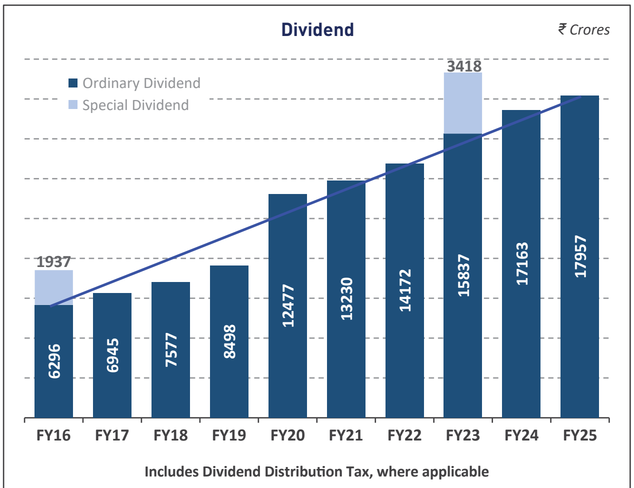
Financial Highlights

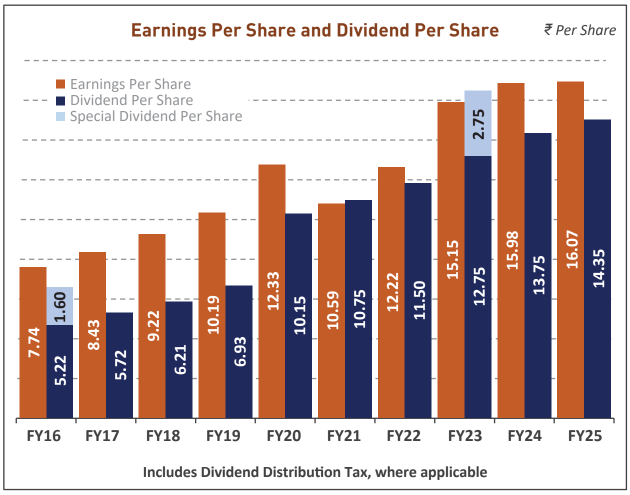












These graphs depict the standalone financial performance

Notes:

- Financials for FY24 & FY25 excludes the performance of Hotels business transferred to ITCHL on a going concern basis pursuant to Scheme of Demerger.
- Financials for FY21 & FY22 were impacted by unprecedented disruptions in certain operating segments of the Company due to the COVID 19 pandemic.
- EPS and DPS have been adjusted for impact of corporate action to facilitate like to like comparison.

Business Responsibility and Sustainability Report 2025

Glossary

ITC Divisions/ Businesses

ABD: Agri Business Division

ESPB: Education & Stationery Products Business

FBD: Foods Business Division

ITD: India Tobacco Division

MAB: Matches and Agarbattis Business

PCPBD: Personal Care Products Business Division

PPB: Packaging & Printing Business

PSPD: Paperboards & Specialty Papers Division

TM&D: Trade Marketing & Distribution

ITC Specific Terms

CAPP: Core Area Perspective Plan

CMC: Corporate Management Committee

CSAT: Customer Satisfaction

CISO: Chief Information Security Officer

CSO: Chief Sustainability Officer

FTC: Fixed Term Contract

Sustainability 2.0 Targets: Refer ITC

Sustainability Report 2025: Sustainability 2.0 Ambitions Section

ISC: Investor Service Centre

ITCMAARS: Metamarket for Advanced Agriculture and Rural Services

LSTC: Life Sciences & Technology Centre

MSK: Mission Sunehra Kal

SBU: Strategic Business Unit

SCRC: Sustainability Compliance Review Committee

SIP: Social Investments Programme

SPP: Service Provider Personnel

TPMs: Third-Party Manufacturers

WOW: Well-Being Out of Waste

General Terms

ATNI: Access to Nutrition Initiative

ASCI: Advertising Standards Council of India

AWS: Alliance for Water Stewardship

BIS: Bureau of Indian Standards

CSR: Corporate Social Responsibility

ECF: Elemental Chlorine Free

EHS: Environment, Health and Safety

ESG: Environment, Social and Governance

FPO: Farmers' Producer Organisation

FPI: Foreign Portfolio Investor

FII: Foreign Institutional Investor

FSC®: Forest Stewardship Council®

FSSAI: The Food Safety and Standards Authority of India

GAP: Good Agricultural Practices

GP: Gram Panchayat

HACCP: Hazard Analysis and Critical Control Points

ISAE: International Standard on Assurance Engagements

ISF: Industry Standards Forum

LCA: Life-Cycle Assessment

LEED®: Leadership in Energy and Environmental Design

MOU: Memorandum of Understanding

NA: Not Applicable

NGRBC: National Guidelines on Responsible Business Conduct

NOP: National Organic Programme

NPOP: National Programme for Organic Production

OHSAS: Occupational Health and Safety Assessment Series.

PAT: Perform, Achieve and Trade

PPP: Public-Private Partnership

PET: Polyethylene Terephthalate

PCR: Post Consumer Recyclate

RFA: Rainforest Alliance

SEBI: Securities and Exchange Board of India

SEDEX: Supplier Ethical Data Exchange

SC: Scheduled Caste

ST: Scheduled Tribe

SHG: Self Help Group

SOP: Standard Operating Procedure

STP: Sustainable Tobacco Programme

WASH: Water, Sanitation and Hygiene

UoM: Unit of Measurement

Section A: General Disclosures

I. Details of the Listed Entity:

1.	**Corporate Identity Number (CIN) of the Company**	L16005WB1910PLC001985
2.	**Name of the Company**	ITC Limited
3.	**Year of Incorporation**	1910
4.	**Registered office address**	Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071
5.	**Corporate office address**	
6.	**E-mail id**	enduringvalue@itc.in
7.	**Telephone**	+91 33 2288 9371
8.	**Website**	www.itcportal.com
9.	**Financial year for which reporting is being done**	2024-25
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited ('NSE'), BSE Limited ('BSE'), and The Calcutta Stock Exchange Limited ('CSE')
11.	**Paid-up capital**	₹ 1251.41 Crores (As on 31.03.2025)
12.	**Name and contact details of the person who may be contacted in case of any queries on the BRSR report**	Ms. Madhulika Sharma Chief Sustainability Officer Madhulika.sharma@itc.in +91 33 2288 9371
13.	**Reporting boundary**	This report is prepared on a standalone basis. *During the reporting period, from 1st April 2024 to 31st March 2025, the Hotels Business[1] has been demerged into ITC Hotels Limited, and accordingly, the reporting boundary for current reporting year and previous reporting year have been readjusted to exclude the data for Hotels Business. The BRSR Core attributes for the Hotels Business for the period 1st April 2024 to 31st December 2024 along with the comparative information for the previous year i.e., from 1st April 2023 to 31st March, 2024 are presented separately in Exhibit A. This Exhibit A forms an integral part of BRSR.* *The financial data included in the Report is consistent with the Company's Report and Accounts for 2025 issued on 22nd May, 2025 or derived from underlying books of accounts, as applicable.*
14.	**Name of assessment or assurance provider**	KPMG Assurance and Consulting Services LLP
15.	**Type of assessment or assurance obtained**	Reasonable Assurance for BRSR Core attributes

II. Products/Services

16. Details of business activities: (accounting for 90% of the entity's Turnover):

S. No.	Description Of Main Activity	Description Of Business Activity	% Of Turnover Of The Entity
1.	**FMCG**	Cigarettes	44.42%
		Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Personal Care Products; Education and Stationery Products; Safety Matches and Agarbattis.	29.91%
2.	**Agri-Business**	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	16.42%
3.	**Paperboards, Paper & Packaging**	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	9.02%

[1] *Except ITC Grand Central, Mumbai*

17. Products/Services sold by the entity: (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of Total Turnover Contributed
1	Cigarettes	12003, 21002, 46307	44.42%
2	Others: Branded Packaged Foods Businesses (Staples & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.	10202, 10304, 10308, 10501, 10504, 10509, 10611, 10613, 10616, 10712, 10732, 10733, 10739, 10740, 10750, 10792, 10795, 10798, 20231, 20233, 20234, 20236, 20237, 20239, 46411, 46491, 46496, 46497, 46909	29.91%
3	Agri-commodities such as wheat, rice, spices, coffee, soya and leaf tobacco.	12001, 10209, 10304, 10406, 10611, 10795, 46201, 46207, 46301, 46305, 46306, 47300, 47737, 71200	16.42%
4	Paperboards, Paper including Specialty Paper & Packaging including flexibles.	17015, 17016, 17093, 46696 17022, 17029, 22203	9.02%

III. Operations

The Company's Businesses and operations are spread across the country. Details of Plant Locations are provided under the section 'Shareholder Information' in the Company's Report and Accounts 2025.

18. Number of locations where plants and/or operations/offices of the entity are situated.

Location	Number Of Plants	Number Of Offices	Total
National	63	49	112
International	0	1	1

19. Markets served by the entity

a. Number of Locations

Location	Number
National (No. of States)	28 States and 7 Union Territories
International (No. of Countries)	114 Countries

b. What is the contribution of exports as a percentage of the total turnover of the entity?

FY 2024-25	10.66%

c. A Brief on Types of Customers

ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning FMCG, Paperboards, Paper & Packaging and Agri Businesses, covering B2C, B2B and D2C segments. ITC's world-class Indian brands in Foods, Personal Care Products, Education and Stationery Products, Matches and Agarbattis today represent a consumer spend of over Rs 34,000 crores, demonstrating the growing market standing of the Company's products.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and Workers (including Differently Abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	EMPLOYEES					
1	Permanent (D)	11,166	9,234	83%	1,932	17%
2	Other than Permanent (E)	525	369	70%	156	30%
3	**Total employees (D + E)**	**11,691**	**9,603**	**82%**	**2,088**	**18%**
	WORKERS					
4	Permanent (F)	10,875	10,197	94%	678	6%
5	Other than Permanent (G)	24,792	20,690	83%	4,102	17%
6	**Total workers (F + G)**	**35,667**	**30,887**	**87%**	**4,780**	**13%**

Note: Definition of employee clustering is as under:

i. Permanent Employees include management and non-management staff. Other than permanent employees include Fixed Term Contract (FTC) personnel (Management and Non-Management)

ii. Permanent Workers include only Workers who are on the rolls of the Company • Other than Permanent Workers include Service Provider Personnel • Trainees and apprentices have not been included in the Workforce.

Point i and ii are both mutually exclusive categories. There is a re-classification in these categories vis-à-vis last year's report.

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
	DIFFERENTLY ABLED EMPLOYEES					
1	Permanent (D)	8	6	75%	2	25%
2	Other than Permanent (E)	150	97	65%	53	35%
3	**Total employees (D + E)**	**158**	**103**	**65%**	**55**	**35%**
	DIFFERENTLY ABLED WORKERS					
4	Permanent (F)	13	10	77%	3	23%
5	Other than Permanent (G)	199	167	84%	32	16%
6	**Total workers (F + G)**	**212**	**177**	**83%**	**35**	**17%**

Refer employee clustering note under 20 a (Under Section A).

21. Participation/Inclusion/Representation of Women

	Total (A)	No. And Percentage Of Females	
		No. (B)	% (B/A)
Board of Directors	16	3	18.75%
Key Managerial Personnel*	5	0	0

**Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary*

22. Turnover rate for permanent employees and workers

In FY 2024-25, the overall attrition (voluntary separation, retirement, termination and abandonment of services) across employees was 13.7% and across workers was 5%. Gender-wise attrition stood at 13.8% for male employees, 4.5% for male workers, 13.5% for female employees and 13.7% for female workers.

	FY 2024-25			FY 2023-24			FY 2022-23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.8%	13.5%	13.7%	13.4%	14.3%	13.6%	16%	16%	16%
Permanent Workers	4.5%	13.7%	5.0%	3.3%	15.6%	4.0%	5%	17%	6%

Refer employee clustering note under table 20. a. for definitions.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/subsidiary/associate companies/joint ventures (As on 31.03.2025)

Refer Note 30(ii) of Consolidated Financial Statements forming part of Report and Accounts 2025, for details on subsidiaries, associates and joint ventures. The report is prepared on a Standalone basis.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No). Yes

(ii) Turnover of the Company for the year ended 31st March, 2025 - ₹ 73,464.55 crores

(iii) Net worth of the Company as at 31st March, 2025 - ₹ 65,607.71 crores (computed as per the Companies Act, 2013)

VII. Transparency and Disclosures Compliances

25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct.

Stakeholder Group From Whom Complaint Is Received	Grievance Redressal Mechanism In Place (Yes/No) (If Yes, Then Provide Web-Link For Grievance Redress Policy)*	FY 2024-25			FY 2023-24		
		Number Of Complaints Filed During The Year	Number Of Complaints Pending Resolution At Close Of The Year	Remarks	Number Of Complaints Filed During The Year	Number Of Complaints Pending Resolution At Close Of The Year	Remarks
Communities	Yes	7	7#	-	6	0	-
Investors and shareholders	Yes	1	0	-	0	0	-
Employees and workers	Yes	5	1	-	16	1^	-
Customers	Yes	19,813	2,505	-	21,995	2,011^	-
Value Chain Partners	Yes	0	0	-	-	-	-

**The details of grievance redressal mechanisms for each stakeholder group are provided in the table below.*

 # The process is undertaken annually in February / March, and resolution initiated in April, and hence they are still open as on 31st March 2025.

^ Resolved after March 2024.

Stakeholder Group From Whom Complaint Is Received	Grievance Redressal Mechanism In Place
Communities	The major stakeholders of ITC's Social Investments Programme (SIP) are communities for whom the programmes are implemented. ITC therefore, adopts a bottom-up approach by keeping community needs and priorities as the key driver for all its interventions. Detailed and structured community engagements are planned every 5 years to revisit the changing needs of the community and the emerging priorities, which then feed into designing of new interventions or re-designing of ongoing programmes. Additionally, annual household surveys are also undertaken to fine-tune the strategies formulated and ascertain any new needs that may come up. ITC's SIP team takes up Annual Community Engagement to capture the views, suggestions and grievances of community members pertaining to the programmes implemented by SIP team. This annual engagement is conducted typically during February/March every year, and the resolution of issues (if any) happens in the subsequent financial year. During 2024-25, 48 such community engagements were held across major States where SIP programmes are implemented. These were conducted by ITC SIP team's State level managers. Meetings were organised with community members in villages and urban catchments, wherein the NGOs

	implementing the programme were also present. All meetings were planned and reviewed by the SIP team at Head Office. From the 48 engagements, 7 cases of grievances (mainly related to requests for further interventions and scope of improvement) were reported. The SIP State teams have taken cognisance of these and appropriate actions have been incorporated in the plans for the upcoming year. In addition to the grievance redressal mechanism for communities, there are other mechanisms also by internal SIP teams and implementation partners to ensure regular engagement with community. These are done through structured monitoring field visits done by ITC Managers from Head Office, Regional levels and State levels. Also, multiple meetings are conducted by implementation partners to gather feedback and suggestions. In addition to these, impact assessments are conducted annually, with third party evaluating agencies which helps in assessing the programmes and also gathering feedback from communities.
Investors and shareholders	Yes, https://www.itcportal.com/investor/index.aspx The Company has an Investor Service Centre ('ISC') which is registered with the SEBI as a Category II Share Transfer Agent for providing in-house share registration and related services to the shareholders and investors. ISC has effective systems and processes in place to ensure prompt redressal of investor grievances, as follows: (a) ISC has a 'Complaint Identification Policy' for identification of investor complaints. ISC attends to shareholder / investor complaints within three working days, except where constrained by disputes or legal impediments. (b) The Head of ISC is responsible for redressal of investor grievances. (c) The Company has a specific e-mail ID earmarked for receiving investor complaints which is isc@itc.in (d) The 'Investor Charter' of the Company and the status of investor complaints received by the Company are available on its website at https://www.itcportal.com/about-itc/shareholder-value/investor-relations/investor-charter.aspx and https://www.itcportal.com/about-itc/shareholder-value/pdf/investor-complaint.pdf, respectively. (e) A Board Level Committee viz., the Securityholders Relationship Committee has been mandated to oversee redressal of investor grievances. (f) Details of investor complaints received by the Company are filed on a quarterly basis with the Stock Exchanges where the Company's shares are listed, and also with the SEBI on a half-yearly basis.
Employees and workers	The Company, through its Grievance Redressal Policy, seeks to address employee concerns and complaints pertaining to human rights and labour practices. A Grievance Redressal Procedure with appropriate systems and mechanisms is available across ITC Units. It aims to facilitate open and structured discussions on grievances raised on labour practices and human rights. The implementation is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees of the Businesses.
Customers	Robust systems have been put in place across ITC Businesses to continuously engage with consumers for gathering feedback and address their concerns, if any, in a timely manner. A dedicated customer interactions team is in place to address any product related query/ complaint. Several communication channels like email, telephone number and feedback forms are provided to the consumers. In addition, the Company has an online reputation management team which interacts with consumers via social media channels, and responds to their queries in real time. A Customer Relationship Management (CRM) platform has been implemented for capturing customer complaints, queries, feedback and suggestions received across channels. The CRM platform also provides consumer insights for bringing about process related changes, and system enhancements for improving the CSAT scores. • Customer can reach out to ITC via following email in ITC Portal: o webmaster@itc.in o Contactus@itc.in o itccares@itc.in • Customers can also raise their grievances via Brand-specific websites.
Value Chain Partners	As per the Company's Code of Conduct for Suppliers and Service Providers, they are expected to bring to the notice of the manager concerned at ITC, any actual or suspected breach of the Code. Suppliers and Service Providers are encouraged to report any known or suspected improper behaviour of ITC employees. Such reports are treated in a confidential manner.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

S. No.	Material Issue Identified	Indicate Whether Risk Or Opportunity (R/O)	Rationale For Identifying The Risk/Opportunity	In Case Of Risk, Approach To Adapt Or Mitigate	Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications)
1.	Climate Change & Sustainability	Risk	Climate and nature related physical and transition risks may impact business operations, sourcing, supply chain and increase compliance costs.	Risk Mitigation Strategy **Physical Risk Management:** • Use contemporary climate risk modelling tools for identifying high-risk/ vulnerable sites and agri value chains, and undertaking detailed assessments for developing locally contextual adaptation plans and undertaking measures for improving climate resilience of ITC's operations, people and value chains; • Promote climate smart agriculture, and development of heat/drought tolerant and high yielding varieties to improve productivity by adopting micro region-specific agronomic practices: - Developing region-specific package of practices and promoting climate smart farming techniques to mitigate impact of weather; - Enhancing climate resilience of farmers through capacity building programmes by leveraging ITCMAARS and the Farmers' Producer Organisation (FPO) ecosystem, supported by field demonstrations under Choupal Pradarshan Khets; - Comprehensive programmes on social forestry, soil and moisture conservation and biodiversity conservation; - Adoption of water stewardship approach to achieve water security for all stakeholders within the defined catchment areas of units located in high water stress areas. • Supply chain diversification and contingency planning; • Map risks arising out of climate crisis, build adaptive capacity and invest	**Potential impact** • As average temperatures rise, extreme weather events are expected to grow in terms of severity and frequency. These could have significant impact on the Company's operations including the health and safety of its workforce, its physical assets and agri value chains leading to complete or partial outage of operations. Further, these events may also adversely impact the availability and quality of agri raw materials and consequently, the production and sales of the Company's products; • Vagaries of weather caused by climate change may impact crop cycles, output and productivity resulting in disruption of operations/supply chain; • Availability of water for own operations as well as agri value chains may be adversely impacted by erratic precipitation patterns; • Changes in nature, biodiversity and / or ecosystem intactness (e.g., soil erosion and depletion, species diversity and composition) may adversely disrupt supply chains and operations; • Besides physical risks, transition risks associated with climate change, may impact the Company's operations: - Additional levies may be imposed by regulatory authorities for emission/ water intensive industries to address climate

S. No.	Material Issue Identified	Indicate Whether Risk Or Opportunity (R/O)	Rationale For Identifying The Risk/Opportunity	In Case Of Risk, Approach To Adapt Or Mitigate	Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications)
				in mitigative measures to strengthen resilience across the value chain; • Conduct site-specific assessments for understanding the impacts and dependencies on biodiversity and ecosystem services in order to develop specific biodiversity management plans in vulnerable areas. **Transition Risk Management:** • Continue to focus on energy conservation, improving energy efficiency and enhancing the share of renewables in ITC's total energy requirement as part of ITC's Sustainability 2.0 targets; • Strengthen governance mechanisms for reviewing performance and progress against Sustainability 2.0 targets by the Sustainability Compliance and Review Committee (SCRC); • Adopt the Life-Cycle Assessment (LCA) approach to evaluate the potential environmental impacts of products during their entire lifecycle; leverage the same for designing sustainable products and offering the same to consumers anchored on scientific and robust claims.	change, resulting in higher cost of compliance, and potential regulatory penalties and reputational risk in case of non-compliance.
2	Product and Plastic Packaging	Risk	Inability to comply with current or future regulations on plastic packaging and/ or failure to meet commitments on packaging and the environment.	**Risk Mitigation Strategy** • Pursue initiatives in line with ITC's holistic sustainable packaging strategy that entails: o No Plastics: Leveraging synergies between ITC Life Sciences and Technology Centre, paper and packaging business, and FMCG businesses for developing solutions that enable complete or partial substitution of plastics with sustainable alternatives, and exploring paper as a substrate for packaging;	**Potential impact** • Non-compliance with plastic waste management regulations could lead to imposition of environmental compensation, that may negatively impact Company's reputation. Additionally, stricter government laws around usage of plastics including bans may give rise to multiple challenges such as redesign of product packaging, shelf life and product distribution related issues;

S. No.	Material Issue Identified	Indicate Whether Risk Or Opportunity (R/O)	Rationale For Identifying The Risk/Opportunity	In Case Of Risk, Approach To Adapt Or Mitigate	Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications)
				o Less Plastics: Progressive reduction in plastic packaging intensity over time, and introducing Post-Consumer Recycled (PCR) content in plastic packaging, wherever permitted by regulations; o Better Plastics: Ensuring 100% of packaging is reusable, recyclable or compostable/ biodegradable by improving recyclability of multi-layer laminate packaging, phasing out hard to recycle plastics, and exploring alternative packaging materials with lower environmental impact including bio-based compostable plastics. • Partner with upstream players and suppliers for ensuring supply of Post-Consumer Recycled (PCR) plastic for meeting regulatory/market demand for increasing recycled content in plastic packaging; • Sustain plastic neutrality through behavioural change programmes to ensure segregation of waste at source, and creating replicable, scalable and sustainable models of plastic waste management; work with recycling partners for developing viable recycling options for Multi-Layered Plastic (MLP) packaging; • Ensure a robust compliance management system supported by internal and external process review; additionally, undertake third party assurance of underlying data related to plastic waste generation and collection.	• Disruptions in the supply chain for recycled plastic or plastic packaging substitutes as required by law, could impact the Company's ability to comply, produce and distribute products; • Inability to provide sustainable alternatives could have a negative impact on consumer sentiment.
3	Talent Management	Risk	Inability to attract and retain high quality talent in a highly competitive market.	**Risk Mitigation Strategy** • Strengthen and communicate ITC's talent proposition about 'Building Winning Businesses. Building Business Leaders Creating Value for India; • Provide meaningful and challenging roles which enrich individual capability	**Potential impact** • Lack of requisite quality of management personnel could adversely affect business operations and long-term growth prospects; • Talent attrition beyond acceptable levels may impact ability to

S. No.	Material Issue Identified	Indicate Whether Risk Or Opportunity (R/O)	Rationale For Identifying The Risk/Opportunity	In Case Of Risk, Approach To Adapt Or Mitigate	Financial Implications Of The Risk Or Opportunity (Indicate Positive Or Negative Implications)
				and act as a powerful incentive to stay, learn and grow; • Build a robust talent pipeline across responsibility levels through requisite quality in key roles, depth of bench and reliable succession plans; • Invest in capability building of managers through access to the best-in-class upskilling programmes and development interventions; • Recognise and nurture specialism so that employees who wish to focus on niche, business critical skills can continue to grow in their area of expertise; • Benchmark compensation to the relevant market periodically, ensuring strong alignment with short-term and long-term performance, particularly at senior levels and ring-fencing top talent; • Ensure the talent quotient in the Company remains healthy and vibrant through annual segmentation supported by differential rewards and progression opportunities for industry leading talent; • Energise and nurture pride in membership through frequent leadership outreach to managers; • Engage with the country's premier academic institutions to communicate the Company's talent proposition through case-study competitions, knowledge-sharing programmes by senior managers and the annual internship programmes creating a compelling proposition for the best candidates to aspire for a career with the Company; • Promote Diversity, Equity and Inclusion through supportive polices based on principles of equity; • Implement measures to ensure sufficient representation of women in selection pools and deployment of the differently-abled across suitable opportunities in the value chain towards meeting the diversity and inclusion goals of the organisation; • Agile HR practices to provide contemporary and relevant work policies to employees such as flexible work arrangements.	effectively fulfil organisational goals and customer expectations.

Section B: Management and Process Disclosures

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive to all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect and make efforts to protect and restore the environment
P7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

<table>
<tr><th>Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td colspan="10">Policy and Management Processes</td></tr>
<tr><td rowspan="2">1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td colspan="9">ITC has a comprehensive set of Board-approved Policies that cover NGRBC principles (P1 to P9) and the underlying core elements.
To achieve its Sustainability 2.0 vision, the Company continues to strengthen its management approach which is guided by a comprehensive set of Sustainability Policies that are being implemented across the organisation. The Company continues to strengthen the mechanisms of engagement with key stakeholders, identification of material sustainability issues and progressively monitoring and mitigating the impacts along the value chain of each Business. The Company will continue to update these systems and processes in line with the evolving disclosure standards and Environmental, Social and Governance (ESG) requirements.
The overall responsibility for ensuring the implementation of Sustainability Policies resides with the Divisional / Strategic Business Unit (SBU) Chief Executives and the Heads of Corporate Functions who work with their respective management teams. Various committees designated with specific responsibilities have also been constituted for operationalising these Policies. The Sustainability Compliance Review Committee comprising senior and other members of management has the overall responsibility to monitor and evaluate compliance with these Policies.
The responsibility for implementation of ITC's CSR Policy rests with the Corporate Social Investments Programme (SIP) Team.</td></tr>
<tr><td>b. Has the policy been approved by the Board? (Yes/No)</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>c. Web Link of the Policies, if available</td><td colspan="9">https://www.itcportal.com/about-itc/policies/index.aspx</td></tr>
<tr><td>2. Whether the entity has translated the policy into procedures. (Yes / No)</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Not Applicable</td><td>Yes</td><td>Yes</td></tr>
<tr><td rowspan="3">4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td><td>Yes</td></tr>
<tr><td>-</td><td>Food Safety Management System (FSSC 22000/ISO 22000/HACCP) Responsible Supply Chain Certifications like Rainforest Alliance (RFA) and Forest Stewardship Council® (FSC®)</td><td>OHSAS 18001/ ISO 45001: Occupational Health and Safety Management Systems</td><td>ISAE 3000</td><td>SA 8000: Social Accountability, United Nations Guiding Principles on Business and Human Rights, Sustainable Tobacco Programme, RFA, FSC®</td><td>ISO 14001: Environment Management System, Alliance for Water Stewardship (AWS), LEED® Certification for Green Building, LEED® Zero Carbon</td><td>NGRBC</td><td>-</td><td>ATNI Framework, FSSAI, BRCGS and Packaging Materials Global Standard, HACCP, Sedex, NPOP, NOP, Halal and Kosher</td></tr>
<tr><td colspan="9">For more information on Environment, Social, Occupational Health and Safety, Food Safety Certifications and Sustainable Farming Certifications, refer to 'Certifications' section of ITC Sustainability Report 2025.</td></tr>
</table>

5. Specific commitments, goals and targets set by the entity with defined timelines, if any. **6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.**	In line with its Sustainability 2.0 agenda, ITC has set short to medium targets for key priority areas like climate change, water stewardship, plastic waste and circular economy, sustainable agriculture, biodiversity conservation and sustainable livelihoods. In line with the above, ITC's Businesses have targets for Key Performance Indicators (KPIs) like specific energy consumption, specific greenhouse gas emissions, specific water intake and specific waste generation. In order to achieve these targets, all ITC Units have established management systems which entail regular monitoring of environmental KPIs, development of an environmental management plan, and reviewing progress on a regular basis to ensure that Businesses are on track with respect to the agreed roadmap. *For more information on annual performance against the Sustainability 2.0 targets, refer to 'Sustainability 2.0 Ambitions' section of ITC Sustainability Report 2025.*

Governance, Leadership and Oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements *(listed entity has flexibility regarding the placement of this disclosure)*

Please refer to the 'Chairman's Message' section in ITC Sustainability Report 2025

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

The CSR and Sustainability Committee of the Board, chaired by the Chairman of the Company, reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis. In addition, the CSR and Sustainability Committee and the Board of Directors also review the progress of implementation of the Company's CSR Programmes on a half-yearly basis. The composition of the CSR and Sustainability Committee as on 31st March, 2025 is given below:

Sl. No.	Name Of The Director	Designation/Nature Of Directorship	Din Of The Director
1.	S. Puri (Chairman of the Committee)	Chairman & Managing Director	00280529
2.	C. K. Mishra	Independent Director	02553126
3.	S. Mohanty	Non-Executive Director	08058830
4.	S. Mukherjee	Independent Director	03024803
5.	A. Pande	Non-Executive Director	10631871
6.	S. Panray	Non-Executive Director	09251023
7.	N. Rao	Independent Director	06954879
8.	A. Singh	Non-Executive Director	00060943

At the highest level, the Board of Directors of the Company has the primary role of trusteeship to protect and enhance shareholder value through strategic supervision of ITC. As trustees, the Board ensures that the Company has clear goals aligned to shareholder value and its growth, and also in line with its Sustainability agenda.

The Corporate Management Committee (CMC) of the Company is the management body responsible for compliance with the Sustainability Policies of the Company.

The CMC has constituted the Sustainability Compliance Review Committee (SCRC), which monitors and evaluates compliance with these Policies and places a quarterly report thereon for review by the CMC.

The Chief Executives of Divisions / Strategic Business Units (SBUs), through members of the respective Management Committees, and Heads of Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Division / SBU / Corporate Function and communication of these Policies to the employees.

In addition, the Chief Sustainability Officer (CSO) of the Company is responsible for scanning the external environment for evolving sustainability trends and regulations, monitoring the progress on sustainability targets and facilitating the Businesses & Corporate Functions in implementing the sustainability initiatives.

The CSO reports to the Group Head of Sustainability who is also a CMC Member and the Chairman of the SCRC. The CSO provides progress reportbacks on the Company's sustainability initiatives to the senior leadership of the Company.

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, as stated under (8) above, the CSR and Sustainability Committee of the Board reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. The Committee seeks to guide the Company in crafting unique models to support creation of sustainable livelihoods together with environmental re-generation. The CSR and Sustainability Committee of the Board also reviews the Business Responsibility and Sustainability Report of the Company and recommends the same to the Board for adoption, and approves the Sustainability Report of the Company.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee					Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)			
	P1	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
Performance against above policies and follow up action	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis	Any other Committee On a quarterly basis
	The Company is in compliance with the applicable laws and regulations.								

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	• ITC has a robust review mechanism supported by both external and internal audits covering the implementation of key policies. • ITC has been obtaining independent third-party assurance for its Sustainability Reports since 2004. In the reporting year, authenticity of the data and systems disclosed in the Sustainability Report 2025 has been assured by an independent third-party assurance provider; the assurance has been provided as per the International Standard for Assurance Engagements (ISAE) 3000 at the 'Reasonable Assurance' level. • ITC has computed its Green House Gas (GHG) inventory, including GHG emissions, biogenic emissions and GHG removals, in accordance with ISO 14064:2018; the GHG inventory of FY 2024-25 has been verified by an independent third-party assurance provider. • In addition to the above, relevant third-party assessments and certifications are conducted across Business Units periodically.

Section C: Principle-wise Performance Disclosure

Principle 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicator

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

<table>
<tr><th>Segment</th><th>Total Number Of Training And Awareness Programmes Held</th><th>Topics / Principles Covered Under The Training And Its Impact</th><th>%Age Of Persons In Respective Category Covered By The Awareness Programmes</th></tr>
<tr><td>Board of Directors</td><td rowspan="2">5</td><td rowspan="2">The Directors are briefed on the sustainability initiatives of the Company from time to time. The Directors are also updated on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation & economic environment and on matters affecting the Company, to enable them to take well informed and timely decisions.
During the financial year 2024-25, the Directors and KMP of the Company were briefed / updated on the following:
(a) Overview of the Company's businesses and ITC's globally acknowledged sustainability initiatives provided to newly appointed Directors.
(b) Sustainability Initiatives of the Company, including the Company's Sustainability 2.0 vision and priority areas.
(c) Overall macro-economic scenario in India.
(d) Usage of Artificial Intelligence (AI) across businesses and unlocking growth through AI and Gen AI.
(e) Periodic review of the Company's businesses.</td><td rowspan="2">100%</td></tr>
<tr><td>Key Managerial Personnel (other than Directors)</td></tr>
<tr><td>Employees other than BoD and KMPs</td><td>11*</td><td>Health and Safety,** ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes</td><td>100%*</td></tr>
<tr><td>Workers</td><td>11*</td><td>Health and Safety,** ITC Code of Conduct, Policy on Prevention of Sexual Harassment at the workplace, and Wellness programmes</td><td>100%*</td></tr>
</table>

For definitions, please refer to the note below table 20a (Under Section A).
**11 Types of training programmes conducted, wherein all Employees/Workers were covered under at least one of the topics.*
***Detailed training programmes on various health and safety sub-elements were also provided*

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary*					
	NGRBC Principle	Name Of The Regulatory/ Enforcement Agencies/ Judicial Institutions	Amount (In INR)	Brief Of The Case	Has An Appeal Been Preferred? (Yes/No)
Penalty/Fine	Nil				
Settlement					
Compounding Fee					

Non-Monetary*				
	NGRBC Principle	Name Of The Regulatory/ Enforcement Agencies/ Judicial Institutions	Brief Of The Case	Has An Appeal Been Preferred? (Yes/No)
Imprisonment	Nil			
Punishment				

**The above disclosure has been made in accordance with the Company's Policy for determination of materiality of events and information for disclosure to the Stock Exchanges, and in line with the disclosures made to the Stock Exchanges.*

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the Regulatory/Enforcement Agencies/Judicial Institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company's Code of Conduct covers aspects relating to anti-corruption and anti-bribery. In terms of the said Code, the Company believes in conducting its business in a transparent manner and does not indulge in bribery or corruption. The ITC Code of Conduct can be accessed on the Company's corporate website at
https://www.itcportal.com/about-itc/values/index.aspx#sectionb5

Further, in terms of the Company's Code of Conduct for Suppliers and Service Providers:

(a) all Suppliers and Service Providers of the Company are required to avoid any actual or potential conflicts of interest in their business dealings with the Company that could create a perception of unfairness or lead to uncompetitive favours. If any such instance arises, the Suppliers and Service Providers are also required to disclose any such situation of conflict of interest, including involvement or interest of any employee of the Company or his / her immediate family members in their business.

(b) all Suppliers and Service Providers, in their dealings with the Company, are prohibited to indulge in any form of bribery or corruption that is intended to induce or reward improper conduct or influence any decision. The Company expects and seeks confirmation in its commercial and contractual terms that Suppliers and Service Providers have not offered or promised or provided any benefit, either in cash or in kind, to any employee or any relative / associate of any employee of the Company or of any of its associate companies, in order to facilitate their existing or future business with the Company.

The said Code of Conduct for Suppliers and Service Providers can be accessed on the Company's corporate website at https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#coc-vendor

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25	FY 2023-24
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of conflict of interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25	FY 2023-24
Number of days of accounts payables	37.44	43.50

The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A

9. Open-ness of business
Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.67 %	0.29%
	b. Number of trading houses where purchases are made from	45	48
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	91.59%	83.24%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	79.60%	83.76%
	b. Number of dealers / distributors to whom sales are made	8412	6718
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	7.64%	7.41%
Share of RPTs* in	a. Purchases (Purchases with related parties / Total Purchases)	2.85%	3.26%
	b. Sales (Sales to related parties / Total Sales)	2.66%	2.79%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	0.96%
	d. Investments (Investments in related parties / Total Investments made)	19.99%	7.87%

**The financial figures for FY 2023-24 have been restated to align with the guidance provided by the Industry Standards Forum.*

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total Number Of Awareness Programmes Held	Topics/Principles Covered Under The Training	%Age Of Value Chain Partners Covered (By Value Of Business Done With Such Partners) Under The Awareness Programmes
4	• Environment, Social, Governance (ESG) Landscape: Global & Indian including National Guidelines on Responsible Business Conduct (NGRBC) Principles and SEBI's BRSR Core Value Chain Reporting Requirements • Environmental Compliance • Fair Business Practices • Corporate Governance and Ethics • Occupational Health and Safety • Fair Labour Practices and Human Rights	As part of ITC's sustainable supply chain initiative, more than 800 tier-1 suppliers have been trained including 100% critical tier- 1 suppliers on ESG as of 31st March, 2025.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the ITC Code of Conduct requires the Directors, Senior Management and employees to avoid situations in which their personal interests could conflict with the interests of the Company. The Code, inter alia, clarifies that conflict of interest may arise when (a) an employee or a family member (family member includes spouse, children, siblings and parents) has a material interest in an entity that has a business relationship with the Company or is being evaluated for a commercial transaction, or (b) an employee is in a position to benefit someone with whom he / she has a close relationship, in relation to the Company's business. However, this is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or any potential conflict must be disclosed to higher management for guidance and action as appropriate.

Further, the Directors of the Company are required to disclose to the Board whether they, directly or indirectly or on behalf of third parties, have material interest in any transaction or matter directly affecting the Company. In addition, an annual confirmation is sought from the Directors in this connection. For the financial year 2024-25, all Directors of the Company have confirmed that they did not, either directly or indirectly or on behalf of third parties, have material interest in any transaction or matter, directly affecting the Company.

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Details of investment in specific technologies to improve the environmental and social impacts of product and processes ("Specific R&D" and "Specific Capex") are as follows:

	FY 2024-25	FY 2023-24
Specific R&D to total R&D	18.6%	13.3%
Specific Capex to total Capex	28.7%	28.6%

a) R&D

LSTC - ITC's Innovation Engine

ITC's state-of-the-art Life Sciences and Technology Centre (ITC LSTC) in Bengaluru is at the core of driving science-led product innovation to support and build ITC's portfolio of world-class products and brands. It has completed five decades of industrial research and development (R&D). The research community at ITC LSTC comprises over 400 highly qualified scientists with diverse expertise base and skill sets with a mandate to work on future-ready science platforms, design differentiated products to address unique consumer needs and deliver superior benefits. The R&D programmes are designed to make impactful business outcomes, provide superlative product experience to Indian consumers at affordable price, and offer them multiple choices through a bouquet of products with world class quality. At the inception stage of designing new products and process innovation, sustainability is considered as a key guiding principle.

Future Ready Platforms for Driving Innovation across ITC Businesses

LSTC is equipped with world-class scientific infrastructure and state-of-the-art facilities to create deep knowledge base and build intellectual property for ITC through research, rapid prototyping and process development. Over 800 patents have been filed till date, bearing testimony to LSTC's innovation capabilities. In line with ITC's relentless focus on operational excellence and quality, each business is mandated to continuously innovate on materials, training, processes and systems to enhance their competitiveness. ITC has been in the frontline of introducing first-to-market innovative products for Indian consumers.

Healthy & Sustainable Food Products
• Innovative science-based platforms and superior sensory attributes continue to drive creation of healthier and superior foods. In addition, research efforts continue towards reduction in salt, sugar and fat without compromising on sensory attributes. Efforts are also underway to increase nutrients that are beneficial for health/nutrition like fibre, vitamins and minerals. • LSTC, in collaboration with Agri and Branded Packaged Foods Businesses, endeavours to ensure that contemporary science-based outcomes are fully integrated across key agri value chains from farm to fork, including wheat, potato and spices. • State of art analytical testing facilities at LSTC are deployed to ensure safety and superior quality of the products.
Sustainable Products in the Personal & Home Care Segments
• R&D-Product Development team of Personal Care Products Business (PCPB) at LSTC continues to leverage science and technology led capabilities to build future product pipeline readiness in Health & Hygiene, Personal Wash, Fragrances, Home Care and Skin Care categories. • Further, the team has been developing products with sustainable formulation, efficient processing and sustainable packaging, which include high recycled content, lower packaging weight and recyclable packaging across personal care and home care categories.
Sustainable Materials & Packaging
• ITC LSTC has developed proprietary patented innovative barrier solutions that serve as a sustainable alternative to conventional synthetic polymers. These advanced materials offer excellent barrier to oil, grease and water, making them an ideal choice for FMCG packaging. • For Quick Service Restaurant (QSR) segment, these tailored-solutions not only enhance product performance but also align with global sustainability goals by reducing dependency on conventional fossil fuel derived materials.
Agro-Forestry and Crop Sciences
• LSTC has established different cutting-edge tools and platforms with an ambitious R&D program for improving tree and crop species of interest to ITC for desired traits like yield, quality, abiotic and biotic stress. This supports securing raw materials given the rising challenges of climate change and depleting resources. • Ongoing research has major emphasis on developing climate resilient crops and pulp wood species in order to address the security of raw material supplies across the Company's value chains while ensuring enhanced farmer profitability. As an example, in the past 5 years more than 10 million saplings of new hybrids with >20% higher wood yields have been deployed in farmers' fields. This enables secured raw material supply while ensuring better farm income and enhanced carbon sequestration.

b) Capex investments

Specific Capex include investments in the areas of renewable energy, green buildings, energy efficient equipment, pollution control equipment, water management and treatment system (including rain water harvesting) etc.

For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2025.

2.a. Does the entity have procedures in place for sustainable sourcing?

Yes, there are procedures in place for sustainable sourcing. ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. The Code reflects ITC's commitment to environmental conservation, business integrity and human rights. All suppliers are encouraged to fully comply with the Code. Additionally, ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, focus of ITC's interventions in agri value chains has been largely around improving farmer livelihoods, increasing agricultural productivity, strengthening regional water security, and addressing the challenge of climate change and enhancing resilience. ITC's key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic and USDA Organic. These certifications specify environmental and social standards for agricultural practices, and help ensure sustainability, traceability and transparency.

Note: For more details on ITC's sustainable sourcing practices pertaining to key agri value chains and key value chain partners like third-party manufacturers, refer to 'Sustainable and Climate Resilient Agriculture' and 'Sustainable Supply Chain and Responsible Sourcing' sections of ITC Sustainability Report 2025.

b. If yes, what percentage of inputs were sourced sustainably?

ITC businesses, including Agri, FMCG and Paper Businesses, depend on farm and forestry-based supply chains for key raw materials. Accordingly, farmers constitute a vital part of ITC's supply chain, and the Company engages with farmers to ensure adoption of sustainable agriculture practices. ITC's key agri value chains are also certified as per global standards like Rainforest Alliance (RFA), Forest Stewardship Council®, Fairtrade, India Organic and USDA Organic.

Note: For more details on ITC's sustainable sourcing practices pertaining to key agri value chains and key value chain partners like third-party manufacturers, refer to 'Sustainable and Climate Resilient Agriculture' and 'Sustainable Supply Chain and Responsible Sourcing' sections of ITC Sustainability Report 2025.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

	Description Of Processes
Plastics (including packaging)	ITC first achieved Plastic Neutrality in FY 2021-22 by implementing an integrated solid waste management programme that incorporates unique and multi-dimensional initiatives including the Company's flagship waste management initiative 'ITC WOW – Well-Being Out of Waste'. In FY 2024-25, the Company collected and sustainably managed 76,000 tonnes of plastic waste across the Country. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to maintain the milestone of Plastic Neutrality.
	More than 99% of the solid waste generated in ITC's operations including plastic waste is sent for recycling.
E-waste	Not Applicable
Hazardous waste	Not Applicable
Other waste	All ITC Units have established systems and procedures to ensure that waste is disposed through authorised agencies in line with applicable regulations.

Note: For further details, refer to the 'Towards Circularity' section of ITC Sustainability Report 2025.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, ITC is in compliance with the requirements of Extended Producer Responsibility (EPR) under the Plastic Waste Management Rules, 2016 (as amended).

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

In line with the overall strategy to embed principles of sustainability into various stages of product or service life cycle, ITC has been conducting Life Cycle Assessments (LCA) of its products and services with an objective of evaluating the impacts and identifying areas for improvement. Over the years, LCA studies have been carried out for some of the Company's key products from Paperboards and Specialty Papers Business, Personal Care Products Business, Educational & Stationery, Matches & Agarbatti and Branded Packaged Foods Businesses for identifying additional opportunities to reduce environmental impact across the value chain under various scenarios as well as quantifying the footprint improvement of planned product/packaging design interventions. These assessments have enabled identification of levers that have led to improvements like more efficient packaging designs and enhanced loading efficiencies in transportation. Further, packaging design teams across ITC businesses use a packaging-focussed Life Cycle Assessment-based tool to assess the environmental impact of different packaging formats/designs for various FMCG products and sustainable packaging solutions offered by Paperboards and Packaging Businesses. The insights from such assessments are considered during new product development and design stages.

Details of LCAs done in the last two years is given below:

NIC code	Name Of Product/ Service	% Of Total Turnover Contributed	Boundary For Which The Life Cycle Perspective/ Assessment Was Conducted	Whether Conducted By Independent External Agency (Yes/No)	Results Communicated In Public Domain (Yes/No) If Yes, Provide The Web-Link
46496	Classmate Notebook	-	Cradle-to-grave	Yes	No
20237	Savlon Powder Handwash	-	Cradle-to-grave	Yes	No
20237	Savlon Liquid Handwash	-	Cradle-to-grave	Yes	No
20239/46491	Nimyle Floor Cleaner	-	Cradle-to-gate	Yes	No
17016	CFKE Paperboard	-	Cradle-to-gate	Yes	No
17016	OmegaBev Vio Paperboard	-	Cradle-to-Gate with end-of life	Yes	No
20238/46491	Mangaldeep Sandal Agarbatti	-	Cradle-to-Grave	Yes	No
10611	Aashirvaad Whole Wheat Atta	-	Cradle-to-Grave	No	No
10304	B Natural Mango	-	Cradle-to-Grave	No	No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

No significant social or environmental risks were identified from the LCA studies carried out.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

During FY 2024-25, the Kovai Unit of ITC's Paperboards & Specialty Papers Business sourced ~ 85,000 tonnes of waste paper from external sources, which constituted over 65% of Unit's total input materials. Additionally, ITC continues to integrate recycled plastic content in packaging across its leading brands.

<table>
<tr><th rowspan="2">Indicate Input Material</th><th colspan="2">Recycled Or Re-used Input Material To Total Material</th></tr>
<tr><th>FY 2024-25</th><th>FY 2023-24</th></tr>
<tr><td>Waste Paper used in Kovai Mill</td><td>Recycled Paper used:
~ 85,000 tonnes</td><td>Recycled Paper used:
~ 89,000 tonnes</td></tr>
<tr><td>Use of Recycled Plastic Content</td><td>Recycled plastic content used in packaging: ~300 tonnes
Few examples include:
• Fiama Shower gel and Handwash Portfolio with 50% PCR PET Bottles
• Candyman Fantastik jars with 50% PCR (Post-consumer Recycled Plastic)
• 100% PCR in PET Trays in Sunfeast Biscuit Packagings</td><td>Recycled plastic content used in packaging: ~170 tonnes
Few examples include:
• Mangaldeep Zip Lock Packs with 20% PCR (Post-consumer Recycled Plastic)
• Savlon Wet wipes with 70% PCR in PET Layer
• Engage EPS portfolio with 50% PCR PET Bottles.</td></tr>
</table>

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

During FY 2024-25, the Company collected and sustainably managed 76,000 tonnes of plastic waste across the Country. The amount of plastic waste managed exceeded the amount of plastic packaging utilised by ITC during the year, enabling the Company to sustain its plastic neutrality status for the third year in a row.

	FY 2024-25			FY 2023-24		
	Re-used	**Recycled**	**Safely Disposed**	**Re-used**	**Recycled**	**Safely Disposed**
Plastics (including packaging)	-	~34,500 tonnes	~41,500 tonnes	-	~31,000 tonnes	~39,000 tonnes
E-waste	NA	NA	NA	NA	NA	NA
Hazardous waste	NA	NA	NA	NA	NA	NA
Other waste	NA	NA	NA	NA	NA	NA

NA: Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Please refer to responses to Questions 3 and 4 above.

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of Measures for the Well-being of Employees:

Category	% Of Employees Covered By										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits*		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	9,234	9,234	100%	9,234	100%	NA	NA	9,234	100%	-	-
Female	1,932	1,932	100%	1,932	100%	1,932	100%	NA	NA	1,932	100%
Total	**11,166**	**11,166**	**100%**	**11,166**	**100%**	**1,932**	**100%**	**9,234**	**100%**	**1,932**	**100%**
Other than Permanent Employees											
Male	369	199	54%	217	59%	NA	NA	NA	NA	-	-
Female	156	81	52%	101	65%	156	100%	NA	NA	156	100%
Total	**525**	**280**	**53%**	**318**	**61%**	**156**	**100%**	**NA**	**NA**	**156**	**100%**

**The Company offers paternity leave to all eligible male employees in managerial cadre.*
Refer employee clustering note under 20a (Under Section A) for definitions

b. Details of Measures for the Well-being of Workers:

Category	% Of Workers Covered By										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits*		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	10,197	10,197	100%	10,197	100%	NA	NA	-	-	-	-
Female	678	678	100%	678	100%	678	100%	-	-	678	100%
Total	**10,875**	**10,875**	**100%**	**10,875**	**100%**	**678**	**100%**	**-**	**-**	**678**	**100%**
Other than Permanent Workers											
Male	20,690	20,690	100%	20,690	100%	NA	NA	-	-	-	-
Female	4,102	4,102	100%	4,102	100%	4,102	100%	-	-	4,102	100%
Total	**24,792**	**24,792**	**100%**	**24,792**	**100%**	**4,102**	**100%**	**-**	**-**	**4,102**	**100%**

**The Company offers paternity leave to all eligible male employees in managerial cadre*
Refer employee clustering note under 20a (Under Section A) for definitions

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format-

	FY 2024-25	FY 2023-24
Cost incurred* on well-being measures as a % of total revenue of the company	0.1%	0.1%

**Includes cost of accident insurance, health insurance, medical reimbursements, maternity leave benefit, paternity leave benefit and day-care facility cost .*

Refer employee clustering note under 20a (Under Section A) for definitions.

Note: Reporting for permanent employees and workers of the Company. The other than permanent employees and workers include those deployed through Service Providers and their wages including well-being measures are provided by the service providers.

The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of Exhibit-A.

2. Details of Retirement Benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024-25			FY 2023-24		
	No. Of Employees Covered As A % Of Total Employees	No. Of Workers Covered As A % Of Total Workers	Deducted And Deposited With The Authority (Y/N/N.A.)	No. Of Employees Covered As A % Of Total Employees	No. Of Workers Covered As A % Of Total Workers	Deducted And Deposited With The Authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	2%	17%	Y	3%	17%	Y
Others, please specify	NA	NA	NA	NA	NA	NA

All eligible employees and workers are covered under ESI
Refer employee clustering note under 20a (Under Section A) for definitions

3. Accessibility of workplaces
Are the premises / offices of the entity accessible to differently-abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

As part of its commitment to enhancing diversity, ITC places particular emphasis on representation and inclusion of differently-abled persons. Most of the divisional head-quarters have enabling infrastructure such as:
• Elevators enabled with Braille signages for persons with visual difficulty
• Ramps, tactile pavers and handrails to facilitate movement of persons with motor disability
• Accessible parking places
• Accessible washrooms

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has a Policy on Diversity, Equity and Inclusion which clearly articulates its emphasis on Equal Opportunity. The said Policy clearly states ITC's commitment towards providing equal opportunity. It also emphasizes the Company's Zero Tolerance Policy on discrimination, inter alia, on the grounds of disability. The aforesaid Policy can be accessed at https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#EqualOpportunity

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees		Permanent Workers	
Gender	**Return To Work**	**Retention Rate**	**Return To Work**	**Retention Rate**
Male	100%	92%	NA	NA
Female	98%	100%	88%	100%
Total	**99.6%**	**94%**	**88%**	**100%**

Refer employee clustering note under 20a (Under Section A) for definitions.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, ITC's Grievance Redressal Procedure is available to employees and workers. The objective of the policy is to facilitate open and structured discussion on employees' work-related grievances with the intent of ensuring that the grievance is dealt with in a fair and just manner whilst being in compliance with the Company's policies. ITC's open-door practices encourage amicable and fair resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority, and attempt to arrive at a resolution before invoking a formal grievance redressal mechanism. In Unionised Units, grievances of workmen are also taken up for discussion by Union Office Bearers and resolved through dialogue with human resources managers and other designated managers. Units also have Committees with joint representation of workers and managers, which address grievances raised by one or more workers. In addition, many Units have forums where workers interact with the unit leadership team in small groups and share any suggestions or grievances they may have, for resolution. The Company's Whistleblower Policy is also available for the permanent employees.
Other than Permanent Workers	The Whistleblower Policy of the Company encourages all employees to bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or reputation. In terms of the said Policy, the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. This Policy can be accessed on the Company's corporate website at https://www.itcportal.com/whistleblower-policy
Permanent Employees	Same as stated for Permanent Workers.
Other than Permanent Employees	Same as stated for Other than Permanent Workers.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2024-25			FY 2023-24		
	Total Employees/ Workers In Respective Category (A)	No. Of Employees/ Workers In Respective Category, Who Are Part Of Association(s) Or Union (B)	% (B/A)	Total Employees/ Workers In Respective Category (C)	No. Of Employees/ Workers In Respective Category, Who Are Part Of Association(s) Or Union (D)	% (D/C)
Total Permanent Employees	11,166	0	0%	10,608	0	0%
- Male	9,234	0	0%	8,944	0	0%
- Female	1,932	0	0%	1,664	0	0%
Total Permanent Workers	10,875	9,348	86%	10,673	9,269	87%
- Male	10,197	9,250	91%	10,084	9,187	91%
- Female	678	98	14%*	589	82	14%*

**ITC's Freedom of Association Policy is applicable to 100% of its employees and workers.*

The Policy on Freedom of Association is available on ITC Portal:

https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx#FreedomofAssociation

**A vast majority of women workers are based in manufacturing units which currently do not have union representation. These are units that were commissioned in the recent past. ITC believes that all employees are important stakeholders in the enterprise, and it is imperative to build a culture of mutual trust and respect, interdependence, and meaningful engagement. This approach helps in building, strengthening and sustaining harmonious employee relations across the organisation.*

8. Details of training given to Employees and Workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health And Safety Measures		On Skill Upgradation		Total (D)	On Health And Safety Measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No.(F)	% (F/D)
Employees										
Male	9,234	3,703	40%	6,870	74%	8,944	2,432	27%	4,217	47%
Female	1,932	630	33%	1,467	76%	1,664	514	31%	908	55%
Total	**11,166**	**4,333**	**39%**	**8,337**	**75%**	**10,608**	**2,946**	**28%**	**5,125**	**48%**
Workers										
Male	10,197	6,015	59%	4,893	48%	10,084	6,827	68%	4,055	40%
Female	678	636	94%	286	42%	589	535	91%	115	20%
Total	**10,875**	**6,651**	**61%**	**5,179**	**48%**	**10,673**	**7,362**	**69%**	**4,170**	**39%**

Note: The above includes formal Induction training upon joining and refresher trainings (Once in 3 years). Other forms of EHS trainings on the job, like safety briefings, tool box talks, drills etc. which would have covered most of the employees and workers have not been included.

9. Details of Performance and Career Development Reviews of Employees and Workers.

Category	FY 2024-25			FY 2023-24		
	Current Financial Year			Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	9,234	9,234	100%	8,944	8,944	100%
Female	1,932	1,932	100%	1,664	1,664	100%
Total	**11,166**	**11,166**	**100%**	**10,608**	**10,608**	**100%**
Workers						
Male	10,197	7,863	77%	10,084	7,327	73%
Female	678	665	98%	589	575	98%
Total	**10,875**	**8,528**	**78%**	**10,673**	**7,902**	**74%**

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, ITC has implemented occupational health and safety management system in all its Factories, Offices and Warehouses. ITC endeavours that Environment, Health & Safety (EHS) standards at all its units are ahead of applicable legislation and regulations, Standards and Codes, and are benchmarked against international best practices across sectors in which it operates. ITC's approach to occupational health & safety standards is articulated in the Board approved Environment, Health and Safety Policy. It is based on an EHS management system that emphasises on enhancing EHS performance by setting objectives and targets and continually monitoring key performance indicators.

Further, the Company promotes a culture of safety through behavioural change programmes and by providing appropriate training to employees as well as service providers' employees, while continually investing in state-of-the-art technology and in developing human capital.

EHS requirements are integrated at the design stage for all new investments. Compliance with EHS standards during the construction phase as well as in operational phase of ITC units, Warehouses and Offices is ensured by implementing project EHS management systems and through established EHS management systems with designated roles and responsibilities for competent resources, respectively.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

ITC has identified EHS Risk Management framework as one of the integral steps towards building a robust safety management system in all its factories, offices and warehouses. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its facilities. Shop floor processes in this regard include hazard spotting tours, suggestion schemes, daily briefings and periodic EHS Committee meetings in which employees participate. In addition, all ITC Units undergo periodic Environment, Health & Safety audits at the Business as well as Corporate level which endeavours to identify additional latent risks besides verifying compliance with standards. Several national awards and certifications acknowledge ITC's commitment and efforts towards providing a safe and healthy workplace to all.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. A system is in place across ITC factories and offices for workers to spot and report work-related hazards, and offer suggestions for improvements. This is further enabled through digitisation, enhancing worker participation. Necessary training is given to all employees in recognising hazards and issues. Joint inspections by management representatives and employees on the shop floor are also carried out at regular intervals, and respective corrective and preventive measures are undertaken to mitigate the identified risks. In order to create an open and transparent safety culture across ITC Units, employees are encouraged to participate and discuss safety related issues in forums like periodic EHS Committee meetings and Departmental Open Forums.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)

Yes, permanent employees and their family members have access to the Company provided or Company supported medical benefits. Workers have access to medical benefits through Company provided group insurance policies, Company funded medical support and where applicable, statutory benefits under the Employees' State Insurance Act.

11. Details of safety related incidents.

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.04	0.05
	Workers	0.16	0.09
Total recordable work-related injuries	Employees	2	3
	Workers	11	7
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**Including in the contract workforce*

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

In line with the Company's Environment, Health and Safety Policy, safety as a value-led concept has been institutionalised by inculcating a sense of ownership at all levels and driving behavioural change, leading to the creation of a cohesive safety culture. ITC has put in place comprehensive health and safety protocols for the safety and well-being of its stakeholders. ITC endeavours that EHS standards at all its units are ahead of applicable legislations, regulations, and Standards and Codes, and are benchmarked against international best practices across the diverse sectors in which it operates.

ITC continues to strengthen its safety processes, adopting globally recognised best practices, and ensuring that facilities are designed, constructed, operated and maintained in an inherently safe manner. ITC will continue to undertake efforts for creating a safe working environment and a strong safety culture by:

- Integrating safety at the design stage itself and ensuring it through design reviews, stage inspections and pre-commissioning audits, thereby strengthening the engineering control measures through 'design for safety' principles.
- Conducting pre-commissioning and periodic operational audits during construction and operational stages respectively.
- Implementing behaviour-based safety initiatives to facilitate engagement for collaborative work on improving safety performances.
- Adoption of keystone behaviours by individual units to demonstrate collective commitment and create a shared vision of safety and discipline.
- Embracing and leveraging the digital landscape for safety management system.
- Identifying solutions for strengthening the safety culture aligned with the goal of 'Zero Accidents'.

13. Number of Complaints on the following made by employees and workers.

Employees are encouraged to report work area related safety issues through various programmes.

	FY 2024-25			FY 2023-24		
	Filed During The Year	Pending Resolution At The End Of Year	Remarks	Filed During The Year	Pending Resolution At The End Of Year	Remarks
Working Conditions	0	0	-	12	1*	-
Health & Safety	0	0	-	0	0	-

**Resolved after 31st March, 2024*

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Internal audits of ITC units at Divisional as well as corporate level are being conducted on a periodic basis. Corrective and preventive measures are taken based on the findings. Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence. Accident investigation findings with corrective and preventive measures form part of the report presented to the Corporate Management Committee (monthly) and the Board of Directors (generally at every meeting). The learnings from all accidents are disseminated across the organisation at periodic intervals and a formal compliance obtained.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. In the unfortunate event of the death of an employee/worker, the Company extends financial support to family members of the employee/worker.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company ensures that statutory dues as payable by service providers for their employees are deposited on time and in full through periodic audits and controls.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.

	Total No. Of Affected Employees/Workers*		No. Of Employees/Workers That Are Rehabilitated And Placed In Suitable Employment Or Whose Family Members Have Been Placed In Suitable Employment*	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees	0	0	0	0
Workers	2	0	2	0

**Onsite Accidents*

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

ITC continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities where sought. The Company has in place a programme called 'Making New Choices' for retiring staff. In addition, the Company provides pension benefits and post-retiral medical benefits for those members of staff who qualify. Workers are provided with pension benefits, as per requirements of the relevant statute.

5. Details on assessment of value chain partners:

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers /value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

Health and safety audits conducted at ITC's own manufacturing sites cover all contract workers within ITC's operational premises. Additionally, ITC conducts third-party desktop assessment of its Critical Tier - 1* suppliers which includes key aspects on Occupational Health and Safety, amongst other assessment criteria.

**All ITC Businesses have identified Critical Tier-1 suppliers based on aspects like buy value, ESG risk exposure and importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified critical suppliers.*

% of value chain partners* (by value of business done with such partners) that were assessed	
Health and safety practices	As of 31st March, 2025, ~70% of the Company's Critical Tier-I suppliers have been assessed by a third party on ESG aspects including health and safety practices and working conditions.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

ITC's Sectoral EHS Guidelines are shared by Businesses with their value chain partners, and periodic training is given to their concerned personnel.

Periodic audits by ITC are conducted for some of its key value chain partners against the Sectoral EHS guidelines. Corrective and preventive measures are recommended based on the audit findings.

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

In line with the Board approved Policy on Stakeholder Engagement, ITC has evolved a structured framework for identifying and engaging with its key stakeholders across the value chain. ITC's engagement approach is anchored on the principles of materiality, completeness and responsiveness.

The engagement approach takes into cognisance the fact that each stakeholder group is unique and has a distinctive set of priorities. Insights gathered from stakeholder engagements, help validate the Company's performance and shape new perspectives.

Note: For details on ITC's Process of Stakeholder Engagement, refer to 'Stakeholder Engagement' section of ITC Sustainability Report 2025.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

<table>
<tr><th>Stakeholder Group</th><th>Whether Identified As Vulnerable & Marginalized Group (Yes/No)</th><th>Channels Of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</th><th>Frequency Of Engagement (Annually/Half Yearly/Quarterly/ Others – Please Specify)</th><th>Purpose And Scope Of Engagement Including Key Topics And Concerns Raised During Such Engagement</th></tr>
<tr><td>Providers of financial capital</td><td>No</td><td rowspan="9" colspan="3">For more details on consultation mechanisms and key issues discussed with the stakeholder groups, refer to 'Strengthening Relationships with All Stakeholders' section of ITC Sustainability Report 2025.</td></tr>
<tr><td>Government and regulatory authorities</td><td>No</td></tr>
<tr><td>Customers</td><td>No</td></tr>
<tr><td>Employees</td><td>No</td></tr>
<tr><td>Farmers</td><td>Yes</td></tr>
<tr><td>Value chain partners</td><td>No</td></tr>
<tr><td>Media</td><td>No</td></tr>
<tr><td>Civil Society</td><td>No</td></tr>
<tr><td>Local communities</td><td>Yes</td></tr>
</table>

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

ITC believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. In this context, the Company has laid down a four layered mechanism to deal with the aspect of stakeholder engagement.

The Board, through the CSR and Sustainability Committee, inter alia, reviews, monitors and provides strategic direction to the Company's CSR and sustainability practices towards fulfilling its Triple Bottom Line objectives. Half-yearly reports on the progress made by the Company in this regard are placed by the CMC before the CSR and Sustainability Committee. The CMC in turn has constituted the Sustainability Compliance Review Committee (SCRC), comprising senior and other members of management, which evaluates and monitors compliance with the Policy formulated in this connection. The SCRC places a quarterly report on the subject before the CMC.

The Company has a practice of periodically assessing employee engagement through a Company-wide survey. Since 2016, the Company has made concerted efforts to assess and improve engagement. The impact is visible in the consistent improvement of engagement over the years.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, the Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, the Company anchors stakeholder engagement on the following principles:

a) Materiality – Prioritised consideration of the economic, environmental and social impacts identified to be important to the stakeholders as well as the organisation.

b) Completeness – Understanding key concerns of stakeholders and their expectations.

c) Responsiveness – Responding coherently and transparently to such issues and concerns. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across Businesses and Units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across Businesses, identify material concerns and their resolution in an equitable and transparent manner. These measures have helped the Company develop strong relationships, which have stood the test of time. Select examples of how stakeholder inputs have been incorporated into ITC's policies and activities are presented below:

1. Investors: The Company engages extensively with the investor ecosystem i.e., analysts representing institutional equity investors, fund/portfolio managers in top FIIs, Domestic Mutual Funds (MFs), Foreign Portfolio Investors (FPIs), Private Insurance Companies etc. A comprehensive Investor Presentation was made to the Investor community highlighting the broad contours of demerger of the Company's Hotels Business into ITC Hotels Limited, covering inter-alia overview of the Hotels Business, key growth strategies and financial performance. The Company sustained the intensity of interaction with analysts/fund managers of FPIs, domestic MFs, Insurance cos. etc. during the year leveraging both physical and virtual meeting platforms. The Company also engaged with investors with specific focus on ESG and investor presentations on other major events such as acquisitions by the Company were made available in the public domain, through the websites of the Company and the Stock Exchanges. The Company continues to communicate quarterly performance takeaways through press releases and detailed Investor presentations along with providing clarifications to analysts and others on such financial results. Key highlights of quarterly performance are also being shared with the shareholders by e-mail. The 'Investor Relations' section of the Company's website is also being updated on an ongoing basis. The Company is well-recognised for its ESG credentials, and is acknowledged as one of the pioneers of adopting the Triple Bottom Line philosophy in India.

2. Customers & Value Chain Partners: Customers, Consumers and Value Chain Partners are some of ITC's core stakeholders. Various tech-enabled avenues have been deployed to constantly receive feedback and ideas from these stakeholders.

A specialised team, 'Team Synthesis', has progressively evolved from being a 'Customer Interactions' team to a 'Customer Experience' team to 'Stakeholder Experience Team', and now into a 'Stakeholder Experience Management Team'. In its current avatar, in addition to keeping customer centricity as the base, SOPs and policies are designed and implemented in such a manner that the experience of all stakeholders is taken into equitable consideration. This has not just helped in achieving better experience for customers as well as the employees, but has also made every stakeholder accountable for the team's and the organisation's growth. Rapidly evolving consumer needs are constantly being monitored through social listening, in-depth immersions and are being carefully synthesised to transform into relevant solutions. A few key initiatives that demonstrate the above are:

- The entire customer experience process has been incentivised for the associates, team leaders as well as for the Quality Analysts (QAs) in such a manner that each month they accumulate certain points for their monthly performance based on objective and quantitative parameters. This has given the primary stakeholders (the associates) an opportunity to perform better. The parameters include factors like ideation (KAIZEN) and initiatives taken beyond tasks to improve the process continuously.
- The scenarios related to matters like environment, product, packaging, ergonomics, quality engineering, etc. highlighted by the customers are answered as per the respective brand teams, and any new or unique scenario highlighted by the customers is shared with the respective stakeholders as a VOC (Voice of Customer).

3. Community: Presented ahead are some of the instances where inputs received from stakeholders were incorporated into interventions.

Social Investments team conducts a comprehensive **Core Area Perspective Plan (CAPP)** in ITC's catchments every 5 years to understand the need of the communities and design the interventions basis that. Participatory Rural Appraisal, Focused Group Discussions (separately with men, women and vulnerable groups), key informant interviews and household surveys are done to ascertain the needs of the community and prioritise the intervention areas under CAPP. CAPP 1.0 was developed and first done in 2015-16 and subsequently, CAPP 2.0 in 2021-22 which was across 21 factories and 7 agri locations.

In addition to CAPP every five years, sample household surveys are conducted annually to re-assess and reaffirm the continued relevance of the needs identified and also cognise for any operational changes that may be needed in the future plans. In FY 2024-25, over 3,000 households were surveyed. The survey was done engaging a mixed-method approach to collect both quantitative and qualitative data through structured questionnaires administered to households. Qualitative data was gathered through Participatory Rural Appraisals (PRA), Focused Group Discussions (FGDs) with Gram Panchayat members, and community members with representation also of marginalised groups and women members.

Forming large-scale long-term partnerships with Government to amplify reach & scale is one of the core tenets of SIP's implementation approach. These partnerships not only ensure that the Government programmes reach the community, but also enable cognisance and incorporation of the community perspective basis feedback received through consultations and interactions. During the year, new PPPs with Government and others were initiated incorporating insights from experiences in earlier phases of partnership and basis appreciation of changing context, both of which were identified through extensive consultations and discussions with all concerned stakeholders. Few such examples are shared below:

- ITC had a partnership with Water Resource Department (WRD), Government of Maharashtra to implement water use efficiency and productivity improvement through capacity building of Water User Associations (WUA) across 5 Districts in Maharashtra. Based on the success of the partnership, Water Resource Department showed keen interest for amplification of partnership to cover other Irrigation Projects of Maharashtra, which also aligned with ITC's amplification strategy. Subsequently, ITC and WRD signed the second phase of the partnership for strengthening Water User Associations across 20 Districts of Maharashtra encompassing Godavari, Krishna and Tapi river basins. For designing the second phase of the partnership, wider consultations with WUAs, District level officials as well as WRD officials were conducted and feedbacks incorporated in the design. For example, WRD field teams suggested building Department staff's capability in training the Water User Groups and Water User Associations on water use efficiency in additional crops like Banana, Grapes and Pomegranate, which has been incorporated.

- A study was conducted by Indian Institute of Science (IISc) in South Pennar river basin which included survey and assessment of area. Recommendations of the study were discussed with Government stakeholders like Rural Development Department, Municipal and Panchayat bodies, etc. Thereafter, ITC has partnered with Department of Rural Development & Panchayat Raj (RDPR), Government of Karnataka and Vyakti Vikas Kendra India, for Water Resources Development in South Pennar river basin covering 12 Taluks and 238 Gram Panchayats in Bengaluru Urban, Bengaluru Rural, Kolar & Chikkaballapur Districts of Karnataka.

- In partnership with India Sanitation Coalition (ISC), ITC participated in the Light House Initiative (LHI), a priority of Department of Drinking Water and Sanitation (DDWS) to develop Open Defecation Free Plus (ODF+) "Model Villages" in sanitation and waste management. Of the 75 villages in LHI, ITC undertook responsibility for 36 villages across 10 States. After successfully completing Phase I of LHI, DDWS has now initiated Phase II of LHI with the objective of creating "Model Blocks". ITC had discussions with Swachh Bharat Mission (SBM) District teams, took views of State Mission Directors and then with feedback of DDWS and ISC, identified 18 Blocks in 16 Districts across nine States where it will participate as part of Phase II of LHI.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

ITC's SIP adopts a bottoms-up approach to identify and address the emerging needs of the community, scaling up and strengthening existing programmes, initiating prototypes for testing newer solutions, expanding pilots to test implementation challenges, and leveraging partnerships and collaboratives for amplifying successful at scale interventions. Presented hereunder are a few instances wherein changing community needs were addressed either through modifications in the ongoing programme or by introducing entirely new interventions.

- In India, only upto 55% of agricultural area has assured irrigation and even in that, only around 19% is under micro irrigation (drip and sprinklers). This results in close to half of Indian agriculture, mostly involving small & marginal farmers, to be at the mercy of rainfall and also spend more on purchase of water for surface irrigation. This also leads to wastage of purchased water. In this backdrop, ITC worked on designing a prototype of a solution that would provide both access and efficient irrigation to the small & marginal rainfed farmers. ITC along with its partner organisations and local plumbers and mechanics developed a prototype of Mobile Drip Irrigation System. Mobile Drip Irrigation System is a combination of water tanker along with solar panel and a foldable drip irrigation system attached to the tanker which can be moved from one field to another field along with the tanker. This system is designed to enable sharing of total drip Irrigation system by farmers and thus enabling procurement as a group rather than an individual farmer investing. Initial estimates suggested savings of upto Rs.2,500/- per acre and 45% lesser water consumption as compared to the conventional system of water purchase. Post prototype testing, it is now being replicated with 50 such mobile drip units benefitting around 3,000 acres. Basis the pilot experiences, ITC has plans to scale-up the system.

- ITC has been implementing Financial Literacy (FL) programme for SHG women to create financial literacy, help them in financial planning, and facilitate access to financial products as well as leverage Government schemes. After training, SHG women in Madhya Pradesh and Uttar Pradesh expressed need for support required by them to start livelihood intervention. Based on deeper assessments of these requirements, ITC consulted expert partners to initiate the livelihood intervention. ITC thereafter initiated a structured programme during the year, wherein women from low and middle-income backgrounds were provided with entrepreneurship development training along with mentoring to start, scale & successfully manage their enterprises. In West Bengal, basis feedback received during stakeholder engagements, WINGS (Women's Initiative for Nurturing Growth and Sustainability) initiative was started to address livelihood issue of urban poor women with financial inclusion, mentoring, enterprise development and capacity building for market access as the major components.

- Liquid waste management is a growing problem in rural areas in India. To address this, ITC has initiated work with Panchayats, helping them to plan for appropriate and cost-effective Liquid Waste Management structures and also supported them in the implementation. These solutions were contextualised based on inputs from expert knowledge agencies before implementation. As a result of this, construction of 16,000 soak pits and 300 other structures like vertical chambers, waste stabilisation ponds and horizontal filters was undertaken, both in LHI and other ITC project villages, facilitated by leveraging Swachh Bharat and Panchayat Funds.

Principle 5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. Of Employees/ Workers Covered (B)	% (B/A)	Total (C)	No. Of Employees/ Workers Covered (D)	% (D/C)
Employees						
Permanent	11,166	11,166	100%	10,608	10,608	100%
Other than permanent	525	525	100%	522	522	100%
Total Employees	**11,691**	**11,691**	**100%**	**11,130**	**11,130**	**100%**
Workers						
Permanent	10,875	10,875	100%	10,673	10,673	100%
Other than permanent	24,792	24,792	100%	24,501	24,501	100%
Total Workers	**35,667**	**35,667**	**100%**	**35,174**	**35,174**	**100%**

Refer employee clustering note under 20a (Under Section A) for definitions.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage No. (B)	% (B/A)	More Than Minimum Wage No. (C)	% (C/A)	Total (D)	Equal to Minimum Wage No. (E)	% (E/D)	More than Minimum Wage No. (F)	% (F/D)
Employees										
Permanent	**11,166**	**0**	**0%**	**11,166**	**100%**	**10,608**	**0**	**0%**	**10,608**	**100%**
Male	9,234	0	0%	9,234	100%	8,944	0	0%	8,944	100%
Female	1,932	0	0%	1,932	100%	1,664	0	0%	1,664	100%
Other than Permanent	**525**	**0**	**0%**	**525**	**100%**	**522**	**129**	**24.71%**	**393**	**75%**
Male	369	0	0%	369	100%	388	97	25%	291	75%
Female	156	0	0%	156	100%	134	32	23.88%	102	76%
Workers										
Permanent	**10,875**	**295**	**3%**	**10,580**	**97%**	**10,673**	**0**	**0%**	**10,673**	**100%**
Male	10,197	61	1%	10,136	99%	10,084	0	0%	10,084	100%
Female	678	234	35%	444	65%	589	0	0%	589	100%
Other than Permanent	**24,792**	**9014**	**36%**	**15,778**	**64%**	**24,501**	**9,013**	**37%**	**15,488**	**63%**
Male	20,690	6,477	31%	14,213	69%	20,595	6,666	32%	13,929	68%
Female	4,102	2,537	62%	1,565	38%	3,906	2,347	60%	1,559	40%

Refer employee clustering note under 20a (Under Section A) for definitions.

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median Remuneration/ Salary/Wages Of Respective Category (In INR)	Number	Median Remuneration/ Salary/Wages Of Respective Category (In INR)
Board of Directors (BoD)	13	1,00,50,000	3	66,79,508
Key Managerial Personnel*	5	10,00,04,041	-	-
Employees other than BoD and KMP	9,229	10,60,502	1,932	8,96,595
Workers	10,197	5,31,788	678	1,98,197#

** Comprising Chairman & Managing Director, Wholetime Directors and Company Secretary*

 # The majority of female workers are employed in new manufacturing units. Since a significant majority of these recruits are new entrants, the median remuneration appears lower.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages paid	10%	9%

Note: Pertains to permanent employees and workers of the Company.

The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No).

Yes. ITC has a long-standing commitment to human rights and it is reflected in its Code of Conduct. The Company has policies on human rights which are applicable to its employees, suppliers and service providers. The Company continues to work towards strengthening and introducing systems to ensure sound implementation of ITC's policies on human rights and decent workplace. All ITC contracts for the construction of factories and property upgrades incorporate the environment, health, safety and human rights clauses, including workplace environment and compliance of labour practices and are supervised by ITC managers for adherence.

Human Rights related policies of the Company are available on the ITC Portal. These include ITC Code of Conduct, Policy on Freedom of Association, Policy on Prohibition of Child Labour and Prevention of Forced Labour at the Workplace, and Policy on Diversity, Equity & Inclusion. The implementation of these Policies is ensured by Divisional/SBU Chief Executives, through members of the respective Management Committees of the respective Businesses.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

ITC's open-door practices encourage amicable resolution of grievances. Employees are encouraged to first discuss the grievance with their immediate reporting authority and attempt to arrive at a resolution. If grievances persist, employees can fill up the Grievance Redressal Form and submit to the concerned HR Manager. The process of registering a grievance is by filling up a grievance form and submitting it to the concerned HR Manager which is then evaluated and analysed and a resolution is arrived and communicated to the employee. The grievance redressal guidelines and necessary forms are available on the Company intranet where employees can access the same directly. The ITC Whistleblower Policy (the Policy) encourages Directors and employees of the Company to promptly bring to the Company's attention, instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company, or actual or suspected instances of leak of unpublished price sensitive information, that could adversely impact the Company's operations, business performance and/or reputation. The Company investigates such reported incidents in an impartial manner and takes appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld. The Policy is available at https://www.itcportal.com/about-itc/values/index.aspx#sectionb5

6. Number of Complaints on the following made by employees and workers:

	FY 2024-25			FY 2023-24		
	Filed During The Year	Pending Resolution At The End Of Year	Remarks	Filed During The Year	Pending Resolution At The End Of Year	Remarks
Sexual Harassment	4	1	-	4	0	-
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other Human Rights Related Issues	0	0	-	0	0	-

Note: ITC has a zero-tolerance approach to any behaviour that constitutes sexual harassment. There are Internal Complaints Committees to examine and investigate any complaints. In the past, where investigations have indicated any violations, appropriate disciplinary actions have been taken, reinforcing the Company's stated position and helping create an environment free of any harassment.

**For further details, refer to Principle 5, Essential Indicator - Question 7*

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	5	4
Complaints on POSH as a % of female employees/workers	0.19%	0.18%
Complaints on POSH upheld	4*	4

**Including one complaint pending at the end of the year*

Note: Pertains to permanent employees and workers of the Company.

The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

ITC is committed to a workplace free from harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. ITC encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. As part of the Policy, the complainant will not suffer any harassment, retaliation or adverse employment condition upon this reporting. All employees are made aware of this Policy through regular training and awareness on the subject and confidentiality clauses are clearly stated. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS, human rights and labour practices. Additionally, ITC has a 'Code of Conduct for Suppliers and Service Providers'. This requires suppliers to comply with applicable laws, labour standards, environmental regulations, and uphold human rights and principles of ethics and integrity in their operations. All Suppliers are expected to meet the requirements of this Code. ITC also expects its Suppliers to hold their business associates to the same standards as enshrined in this Code.

10. Assessments for the year:

	% Of Your Plants And Offices That Were Assessed (By Entity Or Statutory Authorities Or Third Parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%
Others-please specify	-

Note: The Company has Policies on Human Rights which are applicable to all its employees and value chain partners. The said Policies and their implementation are directed towards adherence to applicable laws and upholding the spirit of human rights.

11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above.

Please refer to response to Question 1 of Principle 5 under leadership indicators.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

ITC's Code of Conduct for its employees as well as Suppliers and Service Providers, are adopted by the Board. The Code covers ITC's commitment to human rights aspects like self-respect and human dignity, child labour, gender friendly workplace, relationships with suppliers and customers, health & safety, environment, transparency, anti-bribery and corruption, and exemplary personal conduct. ITC constantly engages with the rightsholders and stakeholders across the supply chain for devising programmes that support Human Rights and Social Development in an integrated manner.

An illustrative example for ITC's leaf tobacco value chain is presented below. ITC coordinates Human Rights impact assessment with an independent party for its farm value chains. Sustainable Tobacco Programme 2.0 is an industry initiative to enhance agricultural supply chain due diligence and accelerate positive impacts on environmental, social and governance elements. The programme focuses on 8 themes demanding leaf suppliers' commitment on – Water, Human Rights, Crop, Soil, Climate Change, Natural Habitats, Livelihoods and Governance. The Human Rights Due Diligence focusses on identifying human rights risks and impacts covering farmers and communities. Some of the actions undertaken as an outcome of the assessment are:

Training and Awareness on Human Rights: Training and Awareness on Human Rights organised in 484 villages covering subjects such as Farm Safety, Child Labour, Wages, Fair Treatment, Freedom of Association, Water, Sanitation and Hygiene (WASH), No Discrimination and other areas pertaining to Human Rights.

Farm Safety: ITC undertakes a holistic approach that address the farm safety challenges in farming. 10,316 farmers have been provided with Personal Protective Equipment (PPE) kits for safe spraying of chemicals and Secured Storage Box for safe storage of chemicals was provided for 7,830 farmers. Technology like drones were scaled up covering 30,900 acres minimising human interference while chemical spraying, besides increasing the efficacy of operation and water saving.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The scope and coverage of Human Rights Due Diligence extends to own operations (including manufacturing locations and offices) and value chain partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of ITC's establishments are accessible to the differently abled persons (including visitors), with facilities like Persons with Disabilities (PWD) friendly entrance, wheelchair, braille systems, tactile pavers, accessible washrooms etc.

4. Details on assessment of value chain partners:

ITC's Policy on Sustainable Supply Chain and Responsible Sourcing ensures integration of sustainability in its supply chains. ITC's suppliers /value-chain partners are expected to adopt the principles enumerated in ITC's Code of Conduct for Suppliers and Service Providers. ITC reserves the right to verify compliance with the Code of Conduct for Suppliers and Service Providers at any time through appropriate audit and assessment mechanisms, including self-certification.

ITC periodically coordinates third party Human Rights impact assessment for the tobacco farm supply chain. Additionally, ITC conducts third-party desktop assessment of its Critical Tier - 1* suppliers which includes key aspects on Human Rights, Labour Rights and Occupational Health and Safety, amongst other assessment criteria.

For more details, refer to response to Question 1 (Principle 5) under leadership indicators.

	% Of Value Chain Partners* (By Value Of Business Done With Such Partners) That Were Assessed
Sexual Harassment	As of 31st March, 2025, ~70% of the Company's Critical Tier-I suppliers have been assessed by a third party on ESG aspects including human rights-related aspects.
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	
Others – please specify	

**All ITC Businesses have identified Critical Tier-1 suppliers based on aspects like buy value, ESG risk exposure and importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified critical suppliers..*

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Please refer to responses to Questions 1 and 4 of Principle 5 under Leadership Indicators.

Principle 6

Businesses should respect and make efforts to protect and restore the environment

The Purchasing Power Parity (PPP) conversion rate used in intensity ratio calculations across Principle 6 has been aligned with the guidance provided by the Industry Standards Forum for current reporting year and previous reporting year.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter (All quantities in TJ except where specified)	**FY 2024-25**	**FY 2023-24**
From renewable sources		
Total electricity consumption (A)	868	803
Total fuel consumption (B)	12,383	11,869
Energy consumption through other sources (C)	183	175
Total energy consumed from renewable sources (A+B+C)	**13,434**	**12,847**
From non-renewable sources		
Total electricity consumption (D)	757	742
Total fuel consumption (E)	11,600	11,908
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	**12,357**	**12,650**
Total energy consumed (A+B+C+D+E+F)	**25,791**	**25,497**
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations) (in Giga Joules/Crore INR)	347	379
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP) (in GJ/Million USD)	718	774
Energy intensity in terms of physical output* (in GJ/tonne of production)	23	23

**Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for energy intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for nearly 88% of ITC's total energy consumption. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2025.*

ITC's energy consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Three Units of ITC's Paperboards and Speciality Papers Business are covered under the PAT scheme. The details of Units under PAT scheme are available at https://beeindia.gov.in/en/programmesperform-achieve-trade/pat-notifications

ITC has made significant investments in reducing energy consumption and, accordingly, the performance of the Company's Units covered far exceeds the energy efficiency targets fixed under the PAT scheme. The Bhadrachalam Unit is the first pulp and paper mill and the second unit in the country overall, to be rated GreenCo Platinum+ by CII, as part of Green Company rating system.

Note: Details of the energy efficiency initiatives measures implemented during the year are included in 'Disclosure on Conservation of Energy and Technology Absorption' section of the Report of the Board of Directors & Management Discuss and Analysis in ITC Report and Accounts 2025.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in million kilolitres)		
(i) Surface water	26.3	28.2
(ii) Groundwater	4.1	4.2
(iii) Third party water	0.8	0.9
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in million kilolitres) (i + ii + iii + iv + v)	31.2	33.3
Total volume of water consumption (in million kilolitres) (Total water withdrawal – total water discharged)	10.5	11.5
Water intensity per rupee of turnover (Total water consumption/Revenue from operations) (in kilolitres/Crore INR)	142	171
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP) (in kilolitres/Million USD)	293	349
Water intensity in terms of physical output* (in kilolitres/tonne of production)	7.4	8.3

**Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for water intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for 88% of ITC's total water withdrawal. For data of other Divisions, refer to 'Water Security' section of ITC's Sustainability Report 2025.*

ITC's water withdrawal and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A

Over the years, ITC has created rainwater harvesting potential through extensive investments in its Integrated Watershed Development Projects. The programme promotes the development and management of local water resources in water-stressed areas by facilitating community participation in planning and implementing such measures, whilst building, reviving and maintaining water-harvesting structures. As on 31st March 2025, ITC's watershed development projects covering over 1.8 million acres of land created a total rainwater harvesting potential (RWH) of 59.90 million kl (cumulative), which is over five times the net water consumed by ITC's operations.

4. Provide the following details related to water discharged:

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in million kilolitres)		
(i) To Surface water	10.9	11.5
No treatment	0	0
With treatment – please specify level of treatment	Secondary	Secondary
(ii) To Groundwater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	9.7	10.3
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
Total water discharged (in million kilolitres)	**20.6**	**21.8**

ITC's water discharge data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.
Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

ITC's approach to water stewardship focuses on reducing water intake by utilising treated wastewater within the process, thereby reducing demand for fresh water. ITC Units have put in place necessary systems to comply with the Consent to Operate (CTO) conditions including Zero Liquid Discharge, where applicable. 24 units of ITC have achieved zero effluent discharge.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please Specify Unit	FY 2024-25	FY 2023-24
NOx	Tonnes	2,064	2,338
SOx	Tonnes	2,287	2,385
Particulate matter (PM)	Tonnes	553	559
Persistent organic pollutants (POP)	NA	NA	NA
Volatile Organic Compounds (VOC)	NA	NA	NA
Hazardous Air Pollutants (HAP)*	Tonnes	7.8	8

**The data is for PSPD Bhadrachalam Unit's Hydrogen Sulphide emissions (H_2S)*

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Please Specify Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	kilo tonnes of CO_2 equivalent	1,101	1,127
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	kilo tonnes of CO_2 equivalent	153	170
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	tonnes of CO_2 equivalent/ Crore INR	17	19
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	tonnes of CO_2 equivalent/Million USD	35	39
Total Scope 1 and Scope 2 emission intensity in terms of physical output*	tonnes of CO_2 equivalent/tonne of production	1.06	1.10

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

ITC's PSPD has large-scale Farm Forestry programmes promoting sustainable forest management with primary aim of securing pulpwood requirement for Business continuity. ITC also has a large-scale Social Forestry programme, which, in addition to sequestering carbon, also benefits the stakeholders by improving productivity of wasteland, and de-risking poor rural households by diversifying farm portfolios through promotion of tree-based farming. During FY 2024-25, the Farm and Social forestry programmes have together sequestered over 6.4 million tonnes of CO_2.

**Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for Scope 1 and Scope 2 emission intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for more than 80% of ITC's total Scope 1 and Scope 2 emissions. For data of other Divisions, refer to 'Climate Change' section of ITC's Sustainability Report 2025.*
ITC's GHG emissions (Scope 1 and Scope 2) data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

As part of its Sustainability 2.0 ambitions, ITC is targeting a 50% reduction in Specific GHG Emissions (% Reduction in Scope 1 & 2 emission per Unit of Production) by 2030. Accordingly, actions are being undertaken to reduce greenhouse gas emissions by investing in energy efficiency and increasing share of renewable energy.

Energy efficiency:

All ITC Units focus on energy efficiency through process improvements and investment in new technologies. Over the years, ITC has implemented measures like installation of Vapour Absorption Machines (VAM), Automation in tube cleaning system of Heating, Ventilation and Air Conditioning (HVAC), installation of variable frequency drive for pumps, blowers etc. and installation of energy efficient equipment such as chillers, AHUs, motors, fans, pumps, and agitators. In FY 2024-25, the investments in energy conservation equipment have resulted in energy savings of about 40 TJ, which is equivalent to over 5,000 tonnes of GHG emissions in the year.

In line with ITC's focus on accelerating digitalisation across Businesses, ITC's PSPD is implementing several transformative projects leveraging Industry 4.0 technologies across key business areas, to enhance productivity, reduce carbon footprint, achieve strategic cost efficiencies and superior product performance.

Some of the major projects undertaken by ITC's PSPD as part of its Digital Transformation Programme include process debottlenecking and throughput improvement for productivity and Overall Equipment Effectiveness (OEE), process capability improvement leading to reduction in defects and resource optimisation.

Renewable energy:

ITC has invested in renewable energy projects, for both renewable electricity and renewable thermal requirements. In line with ITC's continuous thrust on expanding renewable footprint across both thermal and electrical energy, this achievement was driven by the commissioning of state-of-the-art and future-ready High Pressure Recovery Boiler at the Bhadrachalam mill of the Company's Paperboards & Specialty Papers Business which replaced conventional soda recovery boilers thereby reducing carbon footprint through lower coal consumption. Similar investments of biomass boilers were also undertaken in Foods, Cigarette and Personal Care Businesses. In addition to this, ITC has installed and commissioned 174 MW[2] of solar and wind power capacity across the country to meet its electrical energy requirements. Based on the investments in renewable electricity and renewable thermal projects, ITC has been able to increase its renewable energy share to 52% despite significant increase in its output.

9. Provide details related to waste management by the entity, in the following format:

Total waste generated is mentioned in rows (A) to (H)

Parameter (in kilo tonnes)	**FY 2024-25**	**FY 2023-24**
Plastic waste (A)*	-	-
E-waste (B)	0.08	0.07
Bio-medical waste (C)	0.02	0.01
Construction and demolition waste (D)#	6.07	5.24
Battery waste (E)	0.23	0.11
Radioactive waste (F)	0	-**
Other Hazardous waste. Please specify, if any. (G)	22.55	21.86
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	693.06	693.06
Total (A+B + C + D + E + F + G + H)	**722.01**	**720.35**
Waste intensity per rupee of turnover (in MT/Crore INR) (Total waste generated/Revenue from operations)	10	11
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (in MT/million US$) (Total waste generated/Revenue from operations adjusted for PPP)	20	22
Waste intensity in terms of physical output& (in tonnes of waste generated/tonne of production)	0.63	0.64
Total waste recovered through recycling, re-using or other recovery operations		
(i) Recycled	718	716
(ii) Re-used***	-	-
(iii) Other recovery operations	-	-
Total	**718**	**716**
Total waste disposed by nature of disposal method		
(i) Incineration	1.2	0.9
(ii) Landfilling	1.6	1.3
(iii) Other disposal operations	–	–
Total	**2.8**	**2.2**

** Plastic waste is reported under Non-hazardous waste*

*** Insignificant quantity of radioactive waste was generated.*

**** Waste re-used is reported under waste recycled*

&Since ITC is a conglomerate with multiple businesses wherein physical output is reported in different units of measurement, hence the data for waste intensity in terms of physical output (tonnes of production) is reported only for PSPD which accounts for 85% of ITC's total waste generation. For data of other Divisions, refer to 'Towards Circularity' section of ITC's Sustainability Report 2025.

ITC's waste data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

Note: There is reclassification of 'Composting' waste under 'Recycled' waste and 'Incineration with energy recovery' under 'Incineration' for FY 2023-24 data, without any change in the total waste recovered and total waste disposed.

The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

[2]Excluding 51 MW of renewable energy assets transferred to ITC Hotels Limited post demerger.
Total commissioned capacity including that of ITC Hotels Limited is 225 MW.

In FY 2024-25, ITC continued to recycle over 99% of waste from its operations. In addition to this, the Company's PSPD recycled nearly 85,000 tonnes of externally sourced post-consumer waste paper, thereby creating a positive environmental footprint. The Company also collected and sustainably managed more than 100% of its post-consumer plastic packaging waste.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such waste

The Company has initiated measures across Units to ensure waste minimisation, segregation of waste at source and recycling. During the year, the recycling level reached 99%. In addition, nearly 85,000 tonnes of externally sourced post-consumer waste paper was used as raw material during the year.

ITC follows a proactive approach to manage hazardous chemicals by actively looking for alternatives, which not only helps keep its operations safe, but also ensures safest products for customers. This approach is demonstrated in pioneering practices implemented by ITC like Elemental Chlorine Free (ECF) bleaching, and ozone bleaching technology in India in its Paper Business, and switching from solvent-based inks to water-based ones in its Packaging and Printing Business.

Note: For more details, refer to 'Chemical Safety Management' section of ITC Sustainability Report 2025

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required.

S.no.	Location Of Operations/Offices	Type Of Operations	Whether The Conditions Of Environmental Approval / Clearance Are Being Complied With? (Y/N) If No, The Reasons Thereof And Corrective Action Taken, If Any
1.	Bhadrachalam	Paperboards Manufacturing	Yes

The Plant is located at a distance of 3.47 Km from the boundary of Kinnerasani Wildlife Sanctuary Eco-Sensitive Zone and ~8Km from the core zone of the Kinnerasani Wildlife Sanctuary.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name And Brief Details Of Project	EIA Notification No.	Date	Whether Conducted By Independent External Agency (Yes / No)	Results Communicated In Public Domain	Relevant Web link
Nil					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances.

ITC's existing operations/offices comply with applicable environmental regulations of the Country, and operate as per CTO conditions from the Central and State Pollution Control Boards.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres).

ITC has developed the water risk assessment methodology for identifying water stressed areas based on WRI Aqueduct's Baseline Water Stress and Central Ground Water Board's (India) groundwater block classification. Site level assessment for water stress sites is done periodically using the above assessment framework and sites for interventions are prioritised on the basis of stakeholder consultation and business needs. ITC's water stewardship goals are available in

'Sustainability 2.0 Ambitions' section of ITC's Sustainability Report 2025.

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Kolar, Kapurthala, Saharanpur, Ranjangaon, Kothagudem, Bengaluru and Kovai

(ii) Nature of operations: Manufacture of FMCG products and Paperboards & Specialty Papers

(iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in million kilolitres)		
(i) Surface water	26.3	28.1
(ii) Groundwater	0.1	0.1
(iii) Third party water	0.4	0.5
(iv) Seawater/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in million kilolitres)	26.8	28.7
Total volume of water consumption (in million kilolitres) (Total water withdrawal – Total water discharged)	7.8	8.4
Water intensity per rupee of turnover (Water consumed/turnover) (in kilolitre/crore INR)	105	125
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in million kilolitres)		
(i) Into Surface water	9.9	10.5
No treatment	0	0
With treatment – please specify level of treatment	Secondary	Secondary
(ii) Into Groundwater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) Into Seawater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	9.1	9.8
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
Total water discharged (in million kilolitres)	**19.0**	**20.3**

ITC's water withdrawal, discharge and consumption data has been assured at the 'Reasonable Level' by an independent third-party assurance provider.

2. Please provide details of total Scope 3 emissions & its intensity

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Kilo tonnes of CO_2 equivalent	1062*	244
Total Scope 3 emissions per rupee of turnover	Tonnes of CO_2 equivalent/crore INR	14	3.63

The scope of coverage for Scope 3 emission is mentioned in 'Climate Change' section of ITC's Sustainability Report 2025.

** Scope 3 emissions for FY2024-25 have increased due to expansion in the reporting boundary such as inclusion of key supply chain partners, embedded emissions of raw materials and fuels/energy, end of life of plastics etc. For details refer to the 'Climate Change' section of ITC's Sustainability Report 2025*

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

ITC's Bhadrachalam Unit has necessary systems and processes to manage and mitigate any, environmental impact related to air, water, waste, noise, soil and dust pollution. For sustainable sourcing of wood, the social and farm forestry programme was started for promoting sustainable forests management practices in the value chain. Apart from sequestering carbon, this programme provides significant environmental benefits such as improving productivity of wasteland and has greened more than 1.3 million acres till date. For conserving biodiversity, the business in collaboration with Telangana Forest Department has created a "Sarapaka Biodiversity Conservation and Development" plot in ~440 hectares of Kistasagar Reserve Forest for regreening and regenerating the natural ecosystem including flora and fauna.

ITC's Bhadrachalam Unit is the first pulp & paper plant in the country to be rated 'GreenCo Platinum+' by CII. The Unit has also achieved platinum-level certification as per Alliance for Water Stewardship (AWS) Standard. These recognitions highlight the facility's commitment to environmental conservation and its strong performance on various green parameters, including energy efficiency, renewable energy, water and waste management.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives.

The Company has undertaken a number of initiatives, and also deployed innovative technologies across its operations for improving resource efficiency and minimising environmental impact. For details, refer to 'Disclosure on Conservation of Energy and Technology Absorption' forming part of the Report of the Board of Directors & Management Discussion and Analysis in ITC Report and Accounts 2025, and 'Climate Change', 'Water Security', 'Towards Circularity', 'Chemical Safety Management', and 'Air Emissions Management' sections of ITC's Sustainability Report 2025.

5. Does the entity have a business continuity and disaster management plan?

Yes, all Business Divisions within ITC have Business Continuity Plans (BCPs) that are duly approved by the Management Committee of their respective Businesses. The BCPs have been drawn up to encompass all operational aspects and undergo testing at scheduled intervals.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

ITC has a Board approved Policy on 'Sustainable Supply Chain and Responsible Sourcing' and a 'Code of Conduct for Suppliers and Service Providers'. The Code is shared and accepted by supply chain partners and service providers. ITC has a robust process of evaluating its Suppliers and Service Providers before engaging with them, proactively making them aware of its expectations/ requirements, and seeking commitment for compliance through contractual agreements. Additionally, ITC facilitates its value chain partners in handling any adverse impacts. For example, managing hazardous chemicals is not only important within ITC factories, but also in the supply chain. Within the supply chain, farmers working with hazardous pesticides is an area of special attention. ITC's approach is to eliminate or reduce the use of hazardous pesticides. Intensive training is conducted on Integrated Pest Management (IPM), which helps adopt a holistic approach in reducing pesticide usage as well as substituting such pesticides with nature-based solutions. The training programmes also cover the safe handling of pesticides used and the responsible management of waste generated.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Key value chain partners like third-party manufacturers are encouraged to adopt management practices detailed under International Standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Environment, Health and Safety (EHS) Guidelines. Contract manufacturing agreements also include aspects of EHS. Systems are in place for monitoring and reporting on key Third-Party Manufacturers' (TPMs) environmental performance, including energy, water and waste management. ITC's leading Agri value chains are assessed for certification standards such as Forest Stewardship Council® (FSC)®, Rainforest Alliance, Sustainable Tobacco Programme (STP 2.0), G.A.P., etc. These standards, among others, also include environmental criteria. Additionally, ITC conducts third-party assessment of its Critical Tier-1* suppliers on an ongoing basis, and this assessment covers key aspects on environmental compliance and management practices. As on 31st March, 2025, ~70% of ITC's critical tier 1 suppliers have been assessed.

**All ITC Businesses have identified Critical Tier-1 suppliers based on buy value, ESG risk exposure and importance to business continuity, among others. ITC's Sustainable Supply Chain Programme is focussed on working closely with the set of identified Critical suppliers.*

8. How many Green Credits have been generated or procured:

a.	**By the listed entity**	Nil
b.	**By the top ten (in terms of value of purchases and sales, respectively) value chain partners**	

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1 a. Number of affiliations with trade and industry chambers/ associations.

ITC's Policy on Responsible Advocacy (https://www.itcportal.com/about-itc/policies/sustainability-policy.aspx) provides the framework for necessary interface with Government/Regulatory Authorities on matters concerning various sectors in which the Company operates. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and the need to balance the interests of diverse stakeholders. The Company works with apex industry institutions that are engaged in policy advocacy as well as various other forums. The Company had active affiliations with 89 such trade and industry chambers/associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name Of The Trade And Industry Chambers/Associations	Reach Of Trade And Industry Chambers/ Associations (State/National)
1	ASSOCHAM	National
2	All India Management Association	National
3	Confederation of Indian Industry	National
4	Madras Management Association	State
5	Indian Merchants Chamber of Commerce	National
6	Mahratta Chamber of Commerce, Industries & Agriculture	State
7	PHD Chamber of Commerce & Industry	National
8	Bombay Management Association	State
9	Federation of Indian Chambers of Commerce & Industry	National
10	Retailers Association of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

The Company has not engaged in any anti-competitive conduct.

Leadership Indicators

1. Details of public policy positions advocated by the entity.

S. No.	Public Policy Advocated	Method Resorted For Such Advocacy	Whether Information Available In Public Domain? (Yes/No)	Frequency Of Review By Board (Annually/Half-Yearly/Quarterly/ Others – Please Specify)	Web Link, If Available
1.	The Company's Policy on Responsible Advocacy approved by the Board provides the framework for necessary interface with Government/ Regulatory Authorities on matters concerning various sectors in which the Company operates. Sector-wise matters taken up are in line with national priorities to strengthen domestic industry, promoting sustainable agriculture and business practices.	The Company works with apex industry institutions that are engaged in policy advocacy, like the Confederation of Indian Industry, Federation of Indian Chambers of Commerce & Industry, Associated Chambers of Commerce and Industry of India, and various other forums including regional Chambers of Commerce. The Company's engagement with the relevant authorities is guided by the values of commitment, integrity, transparency and taking into consideration interests of all stakeholders.	For more details, refer to 'Report of the Board of Directors & Management Discussion and Analysis' section forming part of ITC's Report and Accounts 2025.	Annual	-

Principle 8

Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name And Brief Details Of Project	SIA Notification No.	Date Of Notification	Whether Conducted By Independent External Agency (Yes/No)	Results Communicated In Public Domain (Yes/No)	Relevant Web Link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name Of Project For Which R&R Is Ongoing	State	District	No. Of Project Affected Families (PAFs)	% Of PAFs Covered By R&R	Amount Paid To PAFs In The FY (In INR)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Details on mechanisms to receive and redress grievances of the community are provided under Question 25 (of Section A).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2024-25	FY 2023-24
Directly sourced from MSMEs/small producers	29.72%	25.76%
Directly from within India	92.86%	92.48%

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024-25	FY 2023-24
Rural	14 %	15 %
Semi-urban	10 %	11 %
Urban	18%	19%
Metropolitan	57%	54%

Note: Pertains to permanent employees and workers of the Company.
There is a reclassification of one site leading to re-statement of data for the previous reporting period.
The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Not Applicable

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

State	Aspirational District	Amount (Rs. In Lakhs)
Telangana	Bhadradri Kothagudem	2,170.16
Uttarakhand	Haridwar	526.86
Madhya Pradesh	Vidisha	294.46
Assam	Darrang	273.30
Odisha	Malkangiri	267.66
Rajasthan	Jaisalmer	263.61
Rajasthan	Baran	193.08
Bihar	Begusarai	182.89
Odisha	Koraput	154.42
Uttar Pradesh	Bahraich	146.54
Chhattisgarh	Sukma	110.00
Haryana	Nuh	97.93
Bihar	Muzaffarpur	90.40
Multiple* (12 states)	Multiple*	839.76

**Spends in balance 50 Aspirational Districts of the total 63 where ITC had CSR project spends*

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):

The Board approved Policy on Sustainable Supply Chain and Responsible Sourcing defines the supply chain partners which includes farmers. ITC is committed to collaborating with farmers to make them more sustainable and help build their adaptive capacity and resilience to emerging risks like climate change, water stress and other extreme weather events. ITC is also raising awareness and working with farmers on crop quality, safety, protection, integrity and traceability, as applicable.

b. From which marginalized /vulnerable groups do you procure?

Farmers including women farmers and small landholders have been identified as marginalised/vulnerable group.

c. What percentage of total procurement (by value) does it constitute?

During FY 2024-25, ITC consumed over 2.33 million tonnes of agri raw materials, which is nearly 68% of overall raw materials' consumption.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Nil

6. Details of beneficiaries of CSR Projects:

In the social sector, the two most important stakeholders of ITC are:

- Rural communities with whom the Company's Agri-Business has forged long and enduring partnerships; and
- Communities residing in close proximity to our manufacturing Units, situated in urban and semi-rural locations

The beneficiaries of ITC's CSR programmes mostly belong to the under privileged sections of the society and small & marginal farmers who face the challenges of securing sustainable livelihoods. These challenges are addressed through the Two Horizon strategy of making today's dominant source(s) of livelihoods sustainable; and strengthening capabilities for tomorrow.

The Two Horizon strategy ensures an integrated strategy to development involving several interventions. Presented ahead are the total number of approximate beneficiaries for key interventions and estimated proportion of beneficiaries belonging to vulnerable and marginalised groups.

CSR Projects	No. Of Beneficiaries From CSR Projects (2024-25)	% Of Beneficiaries From Vulnerable And Marginalised Groups
Climate Smart Agriculture	12 Lakhs#	SC / ST – 13%; Female – 15%
Natural Resources Management - Water Stewardship	60,200	SC / ST – 14%; Female – 27%
On-Farm Livelihood Diversification - Social Forestry	10,500	SC / ST – 21%; Female – 21%
Off-Farm Livelihood Diversification - Improved Animal Husbandry Practices	1.91 Lakhs	SC / ST – 16%; Female – 40%
Support to Education	6.57 Lakhs	Children – 100%; ~50% Girl Children
Skilling of Youth	15,600	SC / ST – 26%; Female – 52%
Improving Health & Sanitation - Waste Management	24.62 Lakhs	SC / ST – 2%
Improving Health & Sanitation - Maternal and Child Health and Nutrition	15.24 Lakhs	100% - Women, Adolescents And Children
Women Empowerment	10.10 Lakhs**	100% Women

 # Excludes farmers covered under NITI Aayog partnership programme or any other PPPs

*** Includes Self Help Group (SHG) members and Financial Literacy programme SHG members*

The table ahead presents the 2030 targets for key initiatives undertaken by SIP and progress made till FY 2024-25, which indicates that the progress is on track.

Objective	Initiatives	UoM	Target 2030	Achieved Till FY 2024-25
Horizon I - Sustainable Livelihoods Today				
Climate Smart Agriculture for climate risk assessments, climate change adaptation, and actions for sustainable improvement of yields and incomes	Climate Smart Agriculture area[1]	Lakh Acres	40.00	31.70
	Climate Smart Village Area (Sub-part of above)[1#]	Lakh Acres	30.00	21.80
Natural Resources Management to conserve and replenish natural resources critical for agriculture	Natural Resources Management - Water Stewardship	Lakh Acres	22.00	18.16
	Water harvesting structures (including ground water recharge structures)	Nos.	50,000	35,900
	Storage Potential[#*]	Million KL	60.00	59.90
	Crop Water Use Efficiency[#]	Million KL	2,000	1,400
	Bio-Diversity Conservation[#]	Lakh Acres	10.00	6.47
Livelihood Diversification to improve incomes and de-risk livelihoods from climate change	On-farm livelihood Diversification – Social Forestry[#]	Lakh Acres	6.30	5.28
	Off-farm livelihood diversification - Improved Animal Husbandry Practices	Household coverage (Lakhs)	10.00	8.90
Institutional Support for risk mitigation and reduction of costs of cultivation	Link farmers with Government schemes	No. of linkages (Lakhs)	50	42
	Agri Business Centres	Nos.	2,000	1,850
	Farmer Producer Organisations	Nos.	4,000	2,050
Horizon II - Creating Capabilities For Tomorrow				
Support to Education for improving quality of education and creating conducive learning environment	Improvement in learning outcomes – Children covered*	Nos. (Lakhs)	20.00	21.80
	Infrastructure support to Government Schools and Anganwadis*	Nos.	4,000	4,100
Skilling of youth for enabling livelihood and employability	Vocational Training – Youth trained	Nos. (Lakhs)	2.25	1.27

Objective	Initiatives	UoM	Target 2030	Achieved Till FY 2024-25
Provide access to sanitation and waste management services to improve habitats	Improving Health & Sanitation - Household Toilets constructed*	Nos.	40,000	43,840
	Improving Health & Sanitation - Waste Management*	Household coverage (Lakhs)	75	75.21
Provide healthcare and nutrition services to women and children	Beneficiaries covered under Maternal and Child Health and Nutrition*	Nos. (Lakhs)	15	15.24
Empowering women for reduction in economic and social discrimination	Women covered through livelihood and other microenterprises	Nos. (Lakhs)	5	4.51

Note:

[1]Figures on Climate Smart Village and Climate Smart Agriculture area pertains to scale in the FY

#These indicators also contribute to five of the Company's Sustainability 2030 (S 2.0) commitments

**Target 2030 to be revised during FY 2025-26*

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

A well-established system continues to be in place for dealing with consumer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. In addition, the Company's Businesses have a dedicated consumer response cell to respond to their queries and receive feedback on products so as to be able to continuously improve upon its products and services.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

All products/services of the Company contain relevant information as required under applicable laws.

3. Number of consumer complaints in respect of the following:

	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received During The Year	Pending Resolution At End Of Year		Received During The Year	Pending Resolution At End Of Year	
Data privacy	0	0	-	0	0	-
Advertising	6	2		15	1	
Cyber-security	0	0		0	0	
Delivery of essential Services*	578	169		591	135	
Restrictive Trade Practices*	-	-		967	38	
Unfair Trade Practices*	14	4		28	8	
Others*	19,215	2,330		20,394	1,829	

**Definition of complaints under various categories is given below*

Category	*Complaints Related to*
Delivery of essential services	*The Company is not engaged in the delivery of essential services. These complaints are in relation to availability of the Company's goods and services.*
Restrictive trade practices	*Quantity and weightage related, duplicate pack and complaints made on account of fraudulent calls/e-mails offering ITC's distributorship*
Unfair trade practices	*High pricing (product sold above MRP)*
Others	*Product quality related complaints and service-related complaints against distributor / retailer / salesperson*

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons For Recall
Voluntary Recalls	Nil	Not Applicable
Forced Recalls	Nil	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

A Cyber Security Committee, led by the Chief Information Security Officer (CISO), is established to focus specifically on cyber security risks. Its primary responsibility is to monitor emerging practices and technologies and provide recommendations to enhance the security of the organisation's IT systems and infrastructure. Further, the CISO actively participates in meetings of the Risk Management Committee whenever matters related to cyber security are discussed.

ITC's Information Management Policy defines the framework/policy on cyber security and risks related to data privacy.

ITC's Privacy Policy is part of Information Management Policy and is available on ITC Portal at https://www.itcportal.com/about-itc/policies/privacy-policy.aspx

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Robust systems have been put in place to identify the issues faced by the consumers and ensure timely resolution of the same. Efforts are in place to continually strengthen the quality assurance system and to improve delivery timelines.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches: Nil

b. Percentage of data breaches involving personally identifiable information of customers: Nil

c. Impact, if any, of the data breaches: Nil

Note: The above data point does not include information for Hotels Business. The data for Hotels Business has been disclosed separately as a part of the Exhibit-A.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Products/Initiative	Link
Bingo! on Instagram	https://www.instagram.com/bingo_snacks/
YiPPee! on Instagram	https://www.instagram.com/sunfeast_yippee/
Aashirvaad on Instagram	https://www.instagram.com/aashirvaad/
Sunfeast Dark Fantasy on Instagram	https://www.instagram.com/sunfeastdarkfantasy/
Mom's Magic on Instagram	https://instagram.com/sfmomsmagic/
Classmate on Instagram	https://instagram.com/classmatebyitc/
ITC: Abiding Commitment to Nation-Building	https://youtu.be/oP8d-Q8AD1w
Quarterly Media Statement	https://www.itcportal.com/investor/pdf/ITC-Press-Release-Q4-FY2025.pdf

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

All Businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling consumers to make informed purchase decisions. The Company also makes efforts to educate consumers on responsible usage of its products and services.

Note: For more information, refer to 'Product Sustainability' section of ITC's Sustainability Report 2025.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company is not engaged in providing essential services. However, the Company has necessary mechanisms in place to inform consumers if any major discontinuation happens in relation to its products and services.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

As an integral part of ITC's consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses. ITC's Businesses have an established system for monitoring customer satisfaction and it ensures that their feedback is addressed in a systematic manner.

Note: For more information on Product Information, Labelling and Consumer Feedback Management, refer to 'Product Sustainability' section of ITC Sustainability Report 2025.

Exhibit A

On account of demerger of the Hotels Business from ITC Limited on 1st January 2025 to ITC Hotels Limited, the BRSR Core attributes for Hotels Business for the period 1st April 2023-31st December 2024 are presented below:

Principle 1

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Number of days of accounts payables	95.75	98.18

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0.10%	0.38%
	b. Number of trading houses where purchases are made from	7	17
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	100%	99.69%
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	-	-
	b. Number of dealers / distributors to whom sales are made	-	-
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	-	-
Share of RPTs* in	a. Purchases (Purchases with related parties / Total Purchases)	1.88%	1.45%
	b. Sales (Sales to related parties / Total Sales)	0.55%	0.36%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	-	-
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

**The financial figures for FY 2023-24 have been restated to align with the guidance provided by the Industry Standards Forum*

Principle 3

1c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Cost incurred* on well-being measures as a % of total revenue of the company	0.4%	0.3%

**Includes cost of accident insurance, health insurance, medical reimbursements, maternity leave benefit, paternity leave benefit and day-care facility cost.*

Note: Reporting for permanent employees and workers of the Company. The other than permanent employees and workers include those deployed through Service Providers and their wages including well-being measures are provided by the service providers.

11. Details of safety related incidents.

Safety Incident/Number	Category*	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**Including the contract workforce*

Principle 5

3b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Gross wages paid to females as % of total wages paid	18%	18%

Note: Pertains to permanent employees and workers of the Company.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.2%	0.2%
Complaints on POSH upheld	1	1

Note: Pertains to permanent employees and workers of the Company.

Principle 6

The Purchasing Power Parity (PPP) conversion rate used in intensity ratio calculations across Principle 6 has been aligned with the guidance provided by the Industry Standards Forum for current reporting year and previous reporting year.

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Total energy consumed	582	740
% of energy consumed from renewable sources	46%	43%
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (in Giga Joules/Crore INR)	255	256
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (in GJ/Million USD)	529	525
Energy intensity (optional) –the relevant metric may be selected by the entity (in MJ/ m^2 built up area)	0.64	0.81

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Total volume of water consumption (in million kilolitres)	1.3	1.8
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (in kilolitres/Crore INR)	542	582
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (in kilolitres/Million USD)	1,122	1,193
Water intensity (optional) – the relevant metric may be selected by the entity (Litres/m^2 built up area)	1.35	1.84

4. Provide the following details related to water discharged:

Parameter	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
(i) To Surface water	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iii) To Seawater	0	0
No treatment	NA	NA
With treatment – please specify level of treatment	NA	NA
(iv) Sent to third-parties	0.09	0.10
No treatment	0	0
With treatment – please specify level of treatment	Tertiary	Tertiary
Total water discharged (in million kilolitres)	**0.09**	**0.10**

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity.

Parameter	Please specify unit	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Total Scope 1 emissions	kilo tonnes of CO_2 equivalent	10	14
Total Scope 2 emissions	kilo tonnes of CO_2 equivalent	50	61
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tonnes of CO_2 equivalent/ Crore INR	26	26
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tonnes of CO_2 equivalent/ Million USD	54	54
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Kg of CO_2 equivalent/m^2 built up area	65	83

9. Provide details related to waste management by the entity, in the following format:

Total waste generated is mentioned in rows (A) to (H)

Parameter (in kilo tonnes)	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Plastic waste (A)*	-	-
E-waste (B)	0.01	0.02
Bio-medical waste (C)	0.0004	0.0010
Construction and demolition waste (D)	2.7	7
Battery waste (E)	0.01	0.02
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0.003	0.005
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	2.6	3
Total (A+B + C + D + E + F + G + H)	**5.3**	**10**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	**2**	**3**
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**5**	**7**
Waste intensity (optional) – the relevant metric may be selected by the entity (kg/ m^2 built up area)	**5.8**	**10.9**
(i) Recycled	5.34	9.92
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**5.34**	**9.92**
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0**	**0**

** Plastic waste is reported under Non-hazardous waste.*

There is reclassification of 'Composting' waste under 'Recycled' waste for FY 2023-24 data, without any change in the total waste recovered and total waste disposed.

Principle 8

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Directly sourced from MSMEs/small producers	7.22%	5.60%
Directly from within India	94.67%	91.10%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2024-25 (1st April, 2024-31st December, 2024)	FY 2023-24
Rural	6%	6%
Semi-urban	2%	2%
Urban	28%	29%
Metropolitan	64%	63%

Note: Pertains to permanent employees and workers of the Company.

There is a reclassification of one site leading to re-statement of data for the previous reporting period.

Principle 9

7. Provide the following information relating to data breaches:

1	**Number of instances of data breaches**	Nil
2	**Percentage of data breaches involving personally identifiable information of customers**	Nil
3	**Impact, if any, of the data breaches**	Nil

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Independent Practitioners' Reasonable Assurance Report

To the Board of Directors of ITC Limited

Assurance report on the select sustainability disclosures in the Business Responsibility and Sustainability Report (BRSR) of ITC Limited

Assurance report on the BRSR Core Attributes (hereafter called 'Identified Sustainability Information' (ISI)) in the Business Responsibility and Sustainability Report (BRSR)[1] of ITC Limited (the 'Company'). The ISI is presented in the Business Responsibility and Sustainability Report including Exhibit-A, of the Company for the period from 1 April 2024 to 31 March 2025.

Opinion

We have performed a reasonable assurance engagement on whether the Company's select sustainability disclosures in BRSR Core Format (refer to Annexure-1) for the period from 1 April 2024 to 31 March 2025, have been prepared in accordance with the reporting criteria (refer table below).

Identified Sustainability Information (ISI) subject to assurance	Period subject to assurance	Section in the Report and Accounts 2025	Reporting criteria
BRSR Core Attributes *(refer Annexure- 1)*	*From 1 April 2024 to 31 March 2025*	*Business Responsibility and Sustainability Report (BRSR) section including the Exhibit-A to the BRSR*	- *Regulation 34(2)(f) of the Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements (SEBI LODR), Regulations 2015 read with the SEBI circular dated 12 July 2023 and master circular dated 11 November 2024.* - *Guidance notes for BRSR format issued by SEBI.* - *World Resource Institute (WRI) / World Business Council for Sustainable Development (WBCSD) Greenhouse Gas (GHG) Protocol (A Corporate Accounting and Reporting Standards).*

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, and environmental and social professionals.

In our opinion, the Company's Identified Sustainability Information covered in *Business Responsibility and Sustainability Report (BRSR) section including the Exhibit-A to the BRSR, in the Report and Accounts 2025 of ITC Limited* for the period from 1 April 2024 to 31 March 2025 is prepared, in all material respects, in accordance with the reporting criteria *and as per the Reporting Boundary set out in Section A: General Disclosures 13 of the BRSR.*

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[1] *Notified by SEBI vide Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023, and master Circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated 11 November 2024.*

Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements* issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of this report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

KPMG Assurance and Consulting Services LLP (the Firm) applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the Firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management and the Board of Directors of the Company are responsible for the other information. The other information comprises the information included in the Company's Report and Accounts 2025 (but does not include the BRSR Core attributes *including the Exhibit-A to BRSR* and assurance report thereon). The Company's Report and Accounts 2025 is expected to be made available to us after the date of this assurance report.

Our reasonable assurance on the BRSR Core attributes *including the Exhibit-A to BRSR*, does not cover the other information and we are not expressing any form of assurance conclusion thereon.

In connection with our assurance on the BRSR Core attributes *including the Exhibit-A to BRSR*, our responsibility is to read the other information identified above when it becomes available, and in doing so, consider whether other information is materially inconsistent with the BRSR Core *including the Exhibit-A to BRSR*, or our knowledge obtained in the assurance, or otherwise appears to be materially misstated.

When we read the Report and Accounts 2025, if we conclude that there is a material misstatement therein, we are required to communicate the matter to Those Charged With Governance and describe actions applicable under the applicable laws and regulations.

Intended use or purpose

The ISI and our reasonable assurance report are intended for users who have reasonable knowledge of the BRSR Core attributes *including the Exhibit-A to BRSR*, the reporting criteria and who have read the information in the ISI with reasonable diligence and understand that the ISI is prepared and assured at appropriate levels of materiality.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Identified Sustainability Information (ISI)

The management of the Company acknowledges and understands their responsibility for:

- designing, implementing and maintaining internal controls relevant to the preparation of the ISI that is free from material misstatement, whether due to fraud or error;
- selecting or establishing suitable criteria for preparing the ISI, taking into account applicable laws and regulations, if any, related to reporting on the ISI, identification of key aspects, engagement with stakeholders, content, preparation and presentation of the ISI in accordance with the reporting criteria; disclosure of the applicable criteria used for preparation of the ISI in the relevant report;
- preparing, fairly stating and properly calculating the ISI in accordance with the reporting criteria;
- ensuring the reporting criteria is available for the intended users with relevant explanations;
- establishing targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures;
- providing the details of the management personnel who takes ownership of the ISI disclosed in the report;
- ensuring compliance with law, regulation or applicable contracts;
- making judgements and estimates that are reasonable in the circumstances;
- identifying and describing any inherent limitations in the measurement or evaluation of information covered by assurance in accordance with the reporting criteria;
- preventing and detecting fraud;
- selecting the content of the ISI, including identifying and engaging with intended users to understand their information needs;
- informing us of other information that will be included with the ISI; and
- supervision of other staff involved in the preparation of the ISI.

Those Charged With Governance are responsible for overseeing the reporting process for the Company's ISI.

Inherent limitations

The preparation of the Company's BRSR information requires the management to establish or interpret the criteria, make determinations about the relevance of information to be included, and make estimates and assumptions that affect the reported information.

Measurement of certain amounts and BRSR Core attributes *including the Exhibit-A to BRSR* metrics, some of which are estimates, is subject to substantial inherent measurement uncertainty, for example, GHG Footprint, Water Footprint, Energy Footprint. Obtaining sufficient appropriate evidence to support our opinion does not reduce the uncertainty in the amounts and metrics.

Our responsibilities

We are responsible for:

- Planning and performing the engagement to obtain reasonable assurance on the sustainability disclosures in the BRSR Core, *including the Exhibit-A to BRSR,* are free from material misstatement, whether due to fraud or error, in accordance with the Reporting Criteria;
- Forming an independent opinion, based on the procedures we have performed and the evidence we have obtained; and
- Reporting our reasonable assurance opinion to the Board of Directors of the Company.

Summary of the work we performed as the basis for our opinion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our reasonable assurance opinion.

The nature, timing, and extent of the procedures selected depended on our judgement, including an assessment of the risks of material misstatement of the information covered by reasonable assurance, whether due to fraud or error. We identified and assessed the risks of material misstatement through understanding the ISI covered by reasonable assurance and the engagement circumstances. We also obtained an understanding of the internal control relevant to the ISI covered by reasonable assurance in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of internal controls. In carrying out our engagement, we:

- assessed the suitability of the criteria used by the Company in preparing the ISI covered by reasonable assurance;
- evaluated the appropriateness of reporting policies, quantification methods and models used in the preparation of the information covered by reasonable assurance and the reasonableness of estimates made by the Company;
- performed substantive testing of data related to ISI, limited to 20 operational locations of the Company (namely, Integrated Consumer Goods Manufacturing and Logistics (ICML) Mysore; ICML Kapurthala; ICML Panchla; ICML Haridwar; ICML Pune; Branded Packaged Foods business (FBD) Munger, ITC Maurya; Sheraton, New Delhi, Paperboards and Specialty Papers Division (PSPD) Tribeni; PSPD Kovai; PSPD Bhadrachalam; Personal Care Products Business Division (PCPBD) Manpura; PCPB Haridwar; India Tobacco Division (ITD) Bangalore; ITD Pune; ITD Munger; KGLT Mysore; Packaging and Printing Business (PPB)Munger; PPB Nadiad; PPB Haridwar);
- relied on the audited standalone financial statements for the year ended 31 March 2025, audited by Company's statutory auditors, for financial data included in the BRSR Core format as per Annexure-1 namely- Principle 1- E8, Principle 1 - E9, Principle 3 - E1c, Principle 8 - E4 and Principle 8 - E5; and
- evaluated the overall presentation of the information covered by reasonable assurance.

Exclusions

Our assurance scope excludes the following and therefore we do not express an opinion on the same:

- Any form of review of the commercial merits, technical feasibility, accuracy, compliance with applicable legislation for the project. We are not required to verify any of the judgements and commercial risks associated with the project, nor comment upon the possibility of the financial projections being achieved.
- The Company's statements that describe the strategy, progress on goals (other than those listed under the scope of assurance), expression of opinion, claims, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Operations of the Company other than those mentioned in the scope of assurance.
- Aspects of the BRSR and the data/information (qualitative or quantitative) other than the ISI.
- Data and information outside the defined reporting period i.e., from 1 April 2024 to 31 March 2025.

For KPMG Assurance and Consulting Services LLP

Shivananda Shetty
Partner

Date: June 13, 2025

Place: Gurugram

KPMG

Annexure – 1

BRSR Core Attributes of ITC Limited

Principle	Attribute/Area	Parameter/Metric
Principle 1 - E8	Fairness in Engaging with Customers and Suppliers	Number of days of accounts payable
Principle 1 - E9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties
Principle 3 - E1 c	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers-cost incurred as a % of total revenue of the company
Principle 3 - E11		Details of safety related incidents (LTIFR, Recordable Injuries, Fatalities, High Consequence Injuries)
Principle 5 - E3 b	Enabling Gender Diversity in Business	Gross wages paid to females as % of total wages paid by the entity
Principle 5 - E7		Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Principle 6 - E1	Energy Footprint	Total energy consumption
		Energy intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E3	Water Footprint	Provide details of water withdrawal by source
		Total water consumption
		Water consumption intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E4	Water Footprint	Water Discharge by destination and levels of Treatment
Principle 6- E7	GHG Footprint	Total Scope 1 emissions
		Total Scope 2 emissions
		GHG Emission Intensity (Scope 1+2) (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
Principle 6 - E9	Embracing circularity - waste details	Provide details related to waste generated by category of waste
		Waste intensity (per rupee of turnover, per rupee of turnover adjusted for PPP, per physical output)
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations
		For each category of waste generated, total waste disposed by nature of disposal method
Principle 8 - E4	Enabling Inclusive Development	Percentage of input material (inputs to total inputs by value) sourced from suppliers (MSMEs/small suppliers and directly within India)
Principle 8 - E5		Wages paid to persons employed in smaller towns as % of total wage cost
Principle 9 - E7	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events

ITC Infotech

ITC INFOTECH
Business-friendly Solutions

Orbit Next: Accelerating Growth

"ITC Infotech's consistent focus on a set of well-defined strategic initiatives has been pivotal in yet another top quartile performance in FY 2024-25. By securing high – impact transformation programs and deepening relationships with key clients, the Company has continued to enhance its market position and deliver measurable business value. The company approached this year with confidence laid by its strong foundation on strategic pillars of Customer Centricity, Employee Centricity and Operational Excellence, enabling the organisation to remain on course with its Orbit Next journey."

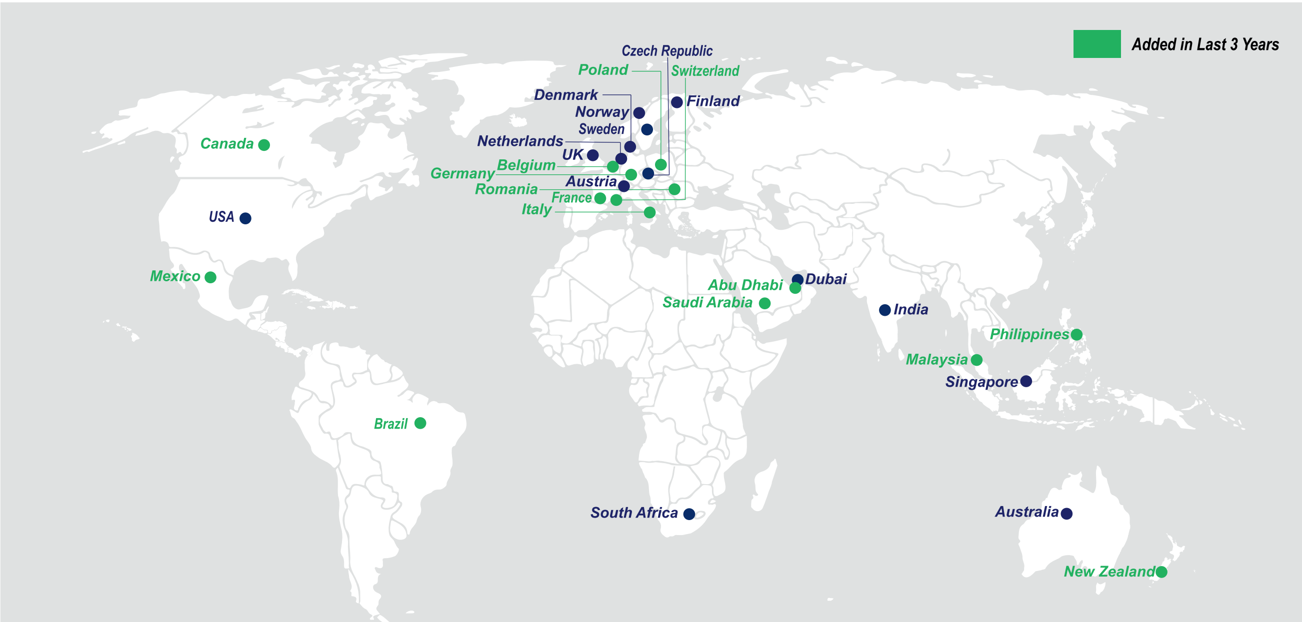
Client Transformation through AI-led Innovation

OMNIFABRIK™ Powered by ITC Infotech

KFABRIK™ | iQStudio | BlazePulse | CLOUDLYTICS | SpendEffix

In FY 2024-25, ITC Infotech remained deeply aligned to the evolving priorities of its clients, driving growth across clients by serving as a strategic partner in their transformation and value creation journeys. The company leveraged AI to further sharpen its capabilities, leading to the launch of proprietary GenAI-powered platforms - OmniFabrik and K-Fabrik and other AI-driven accelerators.

In a key milestone, the company inaugurated its first Global AI Center of Excellence (CoE) in Kolkata, India – designed to foster cutting-edge innovation and develop scalable, AI-led offerings for global clients. The company has also trained over 9,000 employees in AI capabilities, ensuring its workforce is equipped to lead in a rapidly evolving digital landscape.



Expanded Our Global Presence

Over the past few years, ITC Infotech has made strategic investments to expand its footprint across key global markets, enabling them to serve their clients with greater proximity and agility. These efforts have strengthened its presence across the Americas, Europe, the Middle East, and the Asia Pacific region. The company also opened a new subsidiary in Saudi Arabia to amplify its focus and tap into the potential in the region. The acquisition of Blazeclan Technologies has deepened its reach in high-growth Southeast Asian and ANZ markets, including Singapore, Australia, New Zealand, Malaysia, and the Philippines, unlocking newer opportunities.

Reinforcement of our Commitment to Sustainability

A key component of the Company's Orbit Next strategy is developing differentiated capabilities and solutions. In line with the strategic intent, ITC Infotech entered into a definitive agreement to acquire 100% shareholding of Blazeclan Technologies Private Limited - a leading Cloud consulting firm with deep expertise across Hyperscalers and strong data platform capabilities. This acquisition enabled the company to deliver comprehensive, end-to-end solutions across multi-cloud and hybrid cloud environments. It serves as a critical enabler to drive accelerated digital transformation for clients and reinforces ITC Infotech's position as a trusted partner in their cloud and AI first journeys.

Empowering People to Drive Strategic Growth

Powered by a bold people vision, the company continues to strengthen its employee-centric and high-performance culture, aligned with its Orbit Next strategy. Sustained investments in attracting, developing, and retaining top talent - especially in niche and future-focused technologies - are enabling the company to enhance its workforce capabilities. During FY 2024-25, ITC Infotech enhanced its talent capabilities through bespoke learning pathways, domain and technology-led upskilling, and curated leadership development programs. The company's holistic approach to career development, supported by regular employee listening mechanisms and transparent communication has led to stronger engagement, improved retention, and a workforce deeply aligned with its transformation journey.

Sustainable Impact through Social Commitment

In FY 2024–25, ITC Infotech's Sustainability programme advanced its Urban Plantation initiative by planting 18,000 saplings with a 90% survival rate, enhancing green cover and carbon sink capacity. The Urban Water Management initiative improved groundwater levels through the construction of two rainwater harvesting units and rejuvenation of a 4-acre urban lake. Additionally, 262 employees volunteered 1,362 hours across activities including lake cleaning, plantation drives, and awareness sessions, reflecting strong employee engagement in environmental stewardship.

CII-ITC Centre of Excellence for Sustainable Development

To ensure wider adoption of the 'Triple Bottom Line' philosophy across the Industry, your Company established the 'CII – ITC Centre of Excellence for Sustainable Development' (CESD) in 2006 in collaboration with the Confederation of Indian Industry (CII). The Centre continues to focus on its endeavour to promote sustainable business practices amongst Indian enterprises. The major highlights during the year include the following:

Building Climate Resilience and Low Carbon Economy

- The CII Climate Action Charter (CCAC) provides a platform for Indian businesses to map Climate Change as a material risk across value chains and build resilience. The Charter has more than 500 signatories across industry sectors.
- CII-led delegation participated in the 29th Conference of the Parties (COP29), held in Baku, Azerbaijan. A report, "CII at COP29 Negotiations: Indian Industry Expectations," launched at the Conference, emphasizes a balanced approach for both mitigation and adaptation, and discusses the imperatives for climate-resilient growth.
- The Centre in collaboration with CEEW (Council for Energy, Environment and Water) launched the report on "Building Climate Resilience for Indian Industry" at the 19th Sustainability Summit. The report has developed a Physical Climate Risk Assessment Framework (PCRAF) to assess and quantify climate risks for Indian businesses and their value chains.
- In collaboration with Ministry of Environment, Forest and Climate Change (MoEFCC), the Centre is contributing to the formulation of the National Inventory of Greenhouse Gases related to the Industrial Processes and Product Use (IPPU) sector as part of India's fourth National Communications (NATCOM) to the United Nations Framework Convention on Climate Change (UNFCCC) and the 1st Biennial Transparency Report under the NATCOM project.

Facilitating an Enabling Ecosystem for ESG

- As part of SEBI's Industry Standards Forum (ISF), CII formed a Core Group and held consultations to develop Standards for Reporting on Business Responsibility and Sustainability Reporting (BRSR) Core. The recommendations made by CII on the SEBI Consultation Paper – 'Recommendations of the Expert Committee for Facilitating Ease of Doing Business with respect to BRSR' were accepted by the regulatory body.

Nature Positive Actions

- The India Business and Biodiversity Initiative (IBBI) participated in consultation meetings for updating the National Biodiversity Strategy and Action Plan (NBSAP), and for adoption of National Biodiversity Targets (NBTs).

ITC Sangeet Research Academy

The ITC Sangeet Research Academy (ITC SRA) was established by ITC in 1977 as an independent Public Charitable Trust with the aim of 'enabling enduring excellence in the preservation, propagation and education of Hindustani classical music'.

The objective of ITC SRA is to create the next generation of masters of Hindustani Classical Music. The methodology of training is based on the age-old principles of **'Guru Shishya Parampara'.** The Academy is modelled as a professionally-run institution that epitomises the teaching of Hindustani Raga music. Through its eminent Gurus, it imparts intensive training and quality education in Hindustani classical music to its Scholars. The present Gurus of the Academy are Padma Bhushan Pandit Ajoy Chakrabarty, Padmashri Pandit Ulhas Kashalkar, Pandit Partha Chatterjee, Pandit Uday Bhawalkar, Vidushi Subhra Guha, Shri Omkar Dadarkar, Shri Abir Hossain and Shri Brajeswar Mukherjee. Pandit Uday Bhawalkar was conferred the Rashtriya Kalidas Samman by Government of Madhya Pradesh in November 2024 for the year 2022-23.

The focus of the Academy remains the nurturing of exceptionally gifted students carefully hand-picked from across India, who receive full scholarship to reside and pursue music education in the Academy's campus and in other designated locations under the tutelage of the country's most distinguished musicians. The Scholars of the Academy have excelled in many ways, receiving national scholarships given by both the Ministry of Human Resources and the Ministry of Culture, Government of India, and qualifying for other prestigious awards and accolades. They perform in very well attended music festivals organised by the Academy in Kolkata, including the prestigious ITC Sangeet Sammelan. Additionally, through collaborations with organisers, the Academy presents its Scholars and young musicians in ITC Mini Sangeet Sammelans, concerts and Baithaks in various locations like Hubli, Dharwad, Sirsi, Lucknow, Jodhpur, Dehradun, Goa, Pune, Bengaluru etc enabling the Academy to fulfil its avowed objective of preserving and propagating Hindustani Classical Music.

On the occasion of India's 78th Independence Day, ITC SRA composed a special piece of music as a tribute to the nation, which was presented on 15th August. The video Desh Ek Raag was based on Raag Desh and featured scholars of the Academy. The year also marked its first Thumri Festival in March 2025 featuring stalwarts of the genre as well as scholars of the Academy.

ITC SRA is an embodiment of your Company's sustained commitment to a priceless legacy and national heritage.

Major Awards & Certifications 2024-2025

- Mr Sanjiv Puri, Chairman & Managing Director, received the 'AIMA – JRD Tata Corporate Leadership Award 2024' for his exceptional contribution to corporate leadership and professional management
- Mr Sanjiv Puri, Chairman & Managing Director, was awarded the 'Sir Jehangir Ghandy Medal for Industrial and Social Peace' by XLRI Jamshedpur for his significant contributions to industry and society
- Mr Sanjiv Puri, Chairman & Managing Director, was recognised as the 'Best CEO' in the 'Diversified Conglomerate' category by Fortune India
- Mr Supratim Dutta, Executive Director & CFO, received the 'Group CFO of the Year - Large Enterprise Award' at the 'Economic Times CFO Awards 2025' for his strategic vision and role in the company's financial success
- ITC ranked 1st in the 'Conglomerates' sector in BW Businessworld's 'India's Most Sustainable Companies 2024' for its exemplary sustainability initiatives
- ITC received the 'India's Top Value Creator 2024 Award' in the 'Diversified' category from Dun & Bradstreet
- ITC won the Platinum Award in the 'Large Industry' category at the '2nd FICCI Sustainable Industrial Practice Awards 2024' for excellence in sustainable industrial practices
- ITC won the 'IIT Madras CSR Award 2024' in the 'Technology-Driven Inclusive Social Impact' category for Climate Smart Agriculture
- ITC's Paperboards & Specialty Papers Division (PSPD) won the first prize in the 'BRICS Industrial Innovation Contest 2024' for its 'Chemicals Consumption Reduction in Kraft Pulp Mill' project at Bhadrachalam, in the 'Intelligent Manufacturing, Intelligent Equipment' category
- ITC PSPD was the Asia-Pacific Regional winner at the 'Gartner Eye on Innovation Awards' under the categories of 'Advanced Manufacturing', and 'Energy, Power and Utilities'
- ITC's Packaging & Printing Business received the prestigious 'WorldStar' and 'AsiaStar' awards in the categories of pack premiumisation and sustainability
- ITC won the 1st prize in 'FICCI Sustainable Agriculture Awards 2024' for the Climate Smart Village Programme and Farm Level Sustainability Initiatives in Dairy Operations
- ITC's Water Stewardship initiative won the Gold Award at the 'Financial Express Green Sarathi Awards 2024'
- ITCMAARS won the Platinum Award in the 'Large Industry' category at the '1st CII Industry-Academia Partnership Awards 2024'
- ITC's FMCG Businesses clinched multiple honours at the 'SABRE Asia-Pacific Awards 2024'
  - ITC's Matches and Agarbatti Business secured the Platinum and 4 Gold awards for the Mangaldeep Sixth Sense initiative
  - ITC's Personal Care Products Business received the Diamond award for the 'Feel Good with Fiama' mental well-being campaign
  - ITC's Foods Business won the Gold award for the ITC Mission Millets campaign

Major Awards & Certifications over the Years

- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Business Leader of the Year' award by the All India Management Association
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred the 'Best CEO' award in the 'Large Companies' category by Business Today
- Mr Sanjiv Puri, Chairman & Managing Director, was conferred the 'Transformational Leader Award' by the Asian Centre for Corporate Governance and Sustainability
- ITC became the first Indian company to win the prestigious 'Global Kaizen Award' for its Panchla ICML facility at the 5th edition of the Global KAIZEN™ Awards 2023 at Lisbon, Portugal
- ITC was awarded the First Prize in the 'Best Industry for CSR Activities' category by the Ministry of Jal Shakti, Government of India, at the '3rd National Water Awards 2020'
- ITC was conferred the 'Best Governed Company' award in the Listed Segment: Large category by the ICSI at the 20th ICSI National Awards for Excellence in Corporate Governance
- Mr Sanjiv Puri, Chairman & Managing Director, was honoured with the 'Distinguished Alumnus Award of the Year 2018' conferred by IIT, Kanpur in recognition of his achievements of exceptional merit
- Mr Sanjiv Puri, Chairman & Managing Director, was ranked one of India's Most Valuable CEOs by BW Businessworld
- ITC's Life Sciences and Technology Centre was ranked 'Top Innovator' in India amongst Indian pharma and healthcare private companies
- Nine ITC units received the Platinum level certification from the Alliance for Water Stewardship, the highest global recognition for water stewardship
- ITC won the prestigious 'Porter Prize 2017' for 'Excellence in Corporate Governance and Integration' and for its exemplary contribution in 'Creating Shared Value'
- ITC's leading hygiene brand Savlon bagged 7 awards at the coveted 'Cannes Lions 2017'
- ITC's Paperboards and Specialty Papers units at Bhadrachalam, Bollaram, Kovai and Tribeni are FSC® Chain of Custody certified (FSC®-C064218)
- ITC was presented the 'World Business and Development Award' at the Rio+20 UN Summit for its Social and Farm Forestry initiative

For other awards and accolades, please refer to www.itcportal.com

Enduring Value

www.itcportal.com

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