



Enduring Value

ITC Limited

REPORT

AND

ACCOUNTS

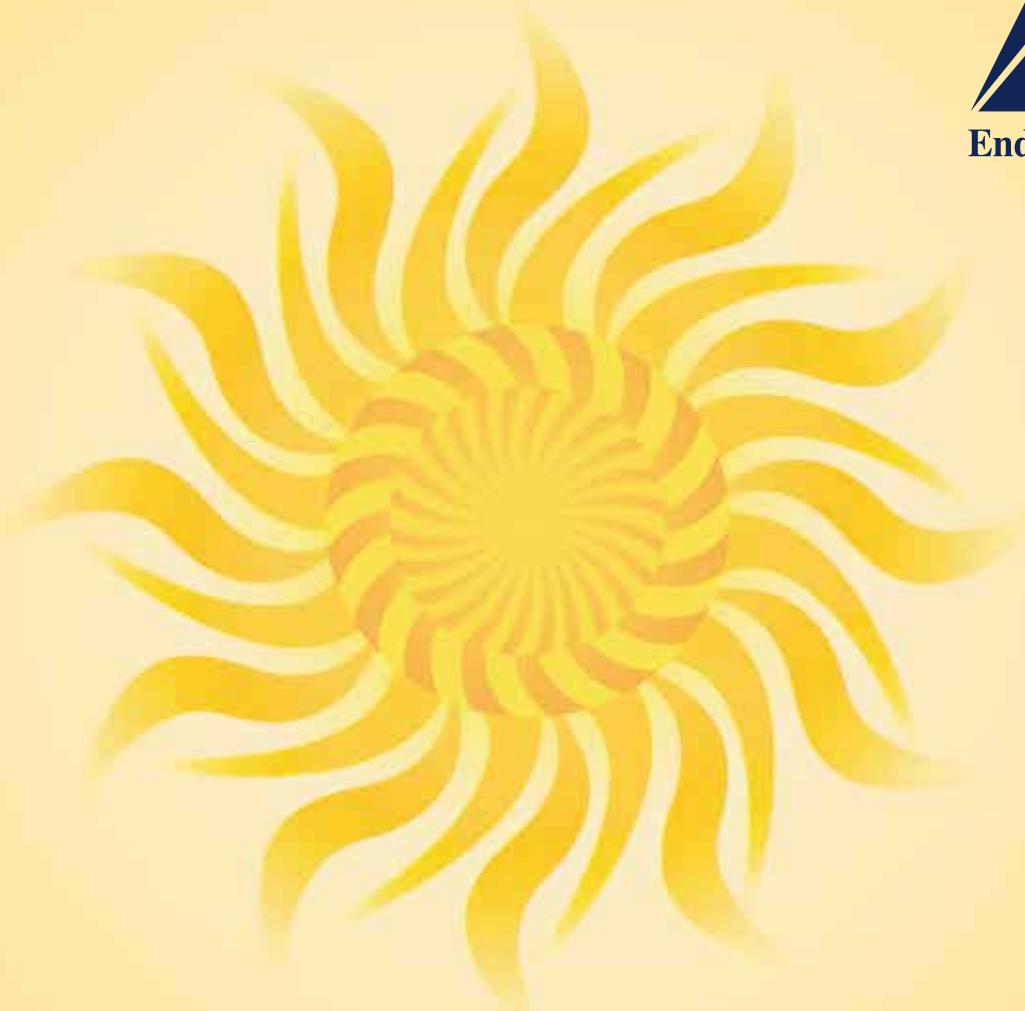
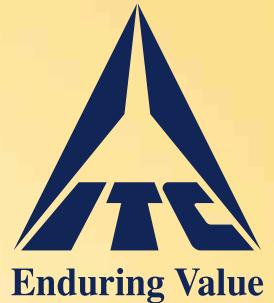
2015

CONTENTS



ITC – The Making of a National Champion

Board of Directors and Committees	01
Report on Corporate Governance	12
Shareholder Information	26
Report of the Board of Directors & Management Discussion and Analysis	36
Certificate of Compliance from Auditors	108
CEO and CFO Certification	109
Balance Sheet	110
Statement of Profit and Loss	111
Cash Flow Statement	112
Notes to the Financial Statements	114
Report of the Auditors	156
Guide to Subsidiaries, Joint Ventures & Associates	160
Salient Features of the Financial Statements of Subsidiaries, Joint Ventures & Associates (AOC-1)	163
Consolidated Financial Statements	167
Ten Years at a Glance	220
Financial Highlights	
Business Responsibility Report	I-XVI
Creating Enduring Institutions	
Business Update : ITC Infotech	
Awards & Accolades	



ITC: The Making of a National Champion

ITC's aspiration to be a National Champion is driven by its abiding Vision to put Country before Corporation and the Institution before the Individual. This vision has inspired a journey to transform ITC into a vibrant engine of growth with substantial and growing contribution to the Indian economy. It is the Company's belief that by making societal value creation a core strategic purpose, it has laid strong foundations for a future-ready corporation – an exemplary national enterprise committed to building enduring value for its stakeholders.

This commitment is manifest in many ways — in its strategy to pursue multiple drivers of growth to make a multi-dimensional contribution to economic growth; in the creation of world-class Indian brands that create, capture and retain larger value in the country; in establishing state-of-the-art brick and mortar assets that enrich the nation's industrial capability as well as livelihood generation opportunities; and in its multi-pronged social investment programmes that help in addressing some of the key challenges facing the country today, namely widespread poverty, unemployment and environmental degradation.

The Hon'ble Prime Minister's vision to build a dynamic, progressive and self-reliant India through impactful programmes such as the Make in India, Skill India, Digital India and Swachh Bharat resonates deeply with the Company's efforts to create a national institution of pride. The following pages encapsulate some of these endeavours.



Creating Multiple Drivers of Growth for the Economy

ITC's diversified portfolio of businesses, spanning FMCG, Paperboards & Packaging, Agri Business, Hotels and Information Technology, enables it to have a significant presence in all 3 sectors of the economy, namely, agriculture, manufacturing and services, providing the Company with the unique opportunity to contribute meaningfully to the growth and development of the country.

In agriculture, driven by the acclaimed ITC e-Choupal, the Company's deep farmer relationships and productivity enhancing agri-interventions have raised rural incomes, improving the quality of life and transforming village ecosystems. ITC e-Choupal has empowered more than 4 million farmers in 40,000 villages.

In manufacturing, supported by substantial investments in state-of-the-art technology, ITC has created world-class manufacturing facilities for its FMCG, Paperboards, Packaging and Printing businesses. ITC's products are manufactured in over 250 owned or outsourced units and exported to 90 countries globally, earning precious foreign exchange for the country. The Company continues to invest in India's future with 65 projects in the pipeline, including 20 factories for FMCG products, covering an area of 28 million square feet with an outlay of over Rs 25,000 crore.

In services, ITC Hotels is acknowledged worldwide for its fine art of hospitality, for being an epitome of luxury and the greenest luxury hotel chain in the world. The Company's subsidiary, ITC Infotech, is one of India's fastest growing mid-tier Information Technology companies.

It is ITC's belief that tomorrow's world belongs to those who create, nurture and own intellectual capital. Investing in contributing to the India of tomorrow, the Company has established the ITC Life Sciences & Technology Centre with state-of-the-art infrastructure and powered by an over 350-strong diverse pool of world-class scientists and technologists. In a short span of time, the competencies developed have enabled the Company to file as many as 351 unique patents, originating from India, helping build intellectual assets for our Nation.

Building World-class Indian Brands

Successful brands reflect the innovative capabilities of a nation and is a badge of honour for the country it belongs to, apart from being a sustained source of wealth creation. It has been ITC's tireless endeavour to create and nurture world-class Indian brands. Powered by deep consumer insights, cutting-edge R&D, superior agri-sourcing capabilities, internationally benchmarked manufacturing, and an extensive trade marketing and distribution infrastructure, ITC's wide spectrum of over 50 trusted FMCG brands continues to gain consumer franchise, earning significant market standing across segments. Some of the popular brands include 'Aashirvaad', 'Sunfeast Dark Fantasy', 'Sunfeast Dream Cream', 'Sunfeast Delishus', 'Sunfeast Bounce', 'Bingo!', 'Yumitos', 'YiPPee!', 'Candyman', 'mint-o', 'GumOn' and 'Kitchens of India' in the Branded Packaged Foods space; 'Classmate' and 'Paperkraft' in Education & Stationery products market; 'Essenza Di Wills',

'Fiama Di Wills', 'Vivel', 'Superia' and 'Engage' in the Personal Care Products segment; 'Wills Lifestyle' and 'John Players' in the Lifestyle Retailing Business; 'Mangaldeep' in Agarbattis and 'Aim' in Matches.

ITC's energetic brands have already garnered an annualised consumer spend of over Rs 11,000 crore. It is ITC's avowed aspiration to become India's no 1 FMCG player. The Company aims at achieving a revenue of Rs 1,00,000 crore from the new FMCG businesses by 2030.

Global Exemplar in Sustainability

ITC is today widely recognised as a global exemplar in sustainability. The Company's sustainability strategy aims to significantly enhance value creation for the nation through superior 'Triple Bottom Line' performance that builds and enriches the country's economic, environmental and societal capital. The sustainability strategy is premised on the belief that the transformational capacity of business can be very effectively leveraged to create significant societal value through a spirit of innovation and enterprise.

Its wide spectrum of sustainability initiatives and social investments are manifest in several large-scale programmes. The celebrated ITC e-Choupal initiative has empowered over 4 million Indian farmers. Integrated Watershed Development programmes bring soil and moisture conservation today to over 2,00,000 hectares. Afforestation initiatives have greened nearly 2,00,000 hectares, providing nearly 90 million person-days of employment. The Women Empowerment programme provides livelihood opportunities to over 40,000 women. The Primary Education programme has reached out to over 4,00,000 children. The Livestock Development programme has covered over 11,00,000 milch animals. It is indeed a matter of pride that ITC's businesses and value chains today provide sustainable livelihoods to around 6 million people, many of whom represent the weakest in rural India.

ITC's Skilling & Vocational Training Programme, in line with the national Skill India mission, works towards building market relevant skills among rural youth. ITC has, so far, trained over 19,000 youths and plans to cover 10,000 youths annually. ITC's Health & Sanitation programme aims at improving overall health and hygiene through prevention of open defecation and reducing incidence of water-borne diseases. ITC has constructed over 8,200 individual household toilets across the country. In addition, the Company's Wellbeing Out of Waste (WOW) initiative inculcates the habit of source segregation and waste paper recycling among school children, housewives and general public as well as industries and business enterprises. It helps conserve natural resources, generates cost-effective raw materials for the paper, plastics, metal and glass industries and creates employment. The WOW movement today extends to Hyderabad, Chennai, Bengaluru, Coimbatore and some towns of Telangana. These initiatives also contribute to the national Swachh Bharat campaign.

ITC is the only enterprise in the world of comparable dimensions to be carbon-positive (10 years in a row), sequestering twice the amount of carbon it emits; water-positive (13 consecutive years), creating twice the rainwater harvesting potential that it consumes; and solid waste recycling positive (for the last 8 years). Over 43% of the total energy requirement of the Company is met from renewable sources, a testimony to its commitment to a low carbon growth path. All ITC's premium luxury hotels have the unique distinction of being LEED® Platinum certified. ITC's Sustainability Report, which is available on www.itportal.com, provides more details of these programmes and initiatives.

FMCG: Branded Packaged Foods

ITC's Branded Packaged Foods Business is one of the fastest growing foods businesses in India. A spread of delectable offerings in Staples, Snacks & Meals, Confections and Beverages is available under several popular brands like Aashirvaad, Sunfeast, Bingo!, Yippee!, Kitchens of India, mint-o, B Natural, Candyman and GumOn.





In line with the Company's strategic objective of being the leader in the premium segment, ITC Foods offers an array of top-end products like Aashirvaad Select, Aashirvaad Atta with Multigrains and Aashirvaad Atta with Methi; Sunfeast Dark Fantasy Choco Fills and Sunfeast Dark Fantasy Choco Meltz; Sunfeast Delishus Nuts & Raisins and Sunfeast Delishus Nut Biscotti biscuits. Adding to this bouquet, the Business launched the health biscuit, Sunfeast Farmlite in two variants (Almonds and Raisins), and a new range of cookies, Sunfeast Mom's Magic (Rich Butter and Cashew & Almonds). To further its presence in the premium segment, it also entered the cakes category with the launch of the delicious Yumfills Whoopie Pie. The Business forayed into the Juices segment during the year with its new range under the B Natural brand and the gums segment with the GumOn brand.



FMCG: Branded Packaged Foods

ITC's Foods Business is able to offer value-added differentiated products by sourcing ingredients directly from farmers, given the deep rural linkages fostered by the Company's Agri Business, including the renowned e-Choupal initiative. This is manifest in brands like Aashirvaad Atta, Aashirvaad Spices, Bingo! chips and B Natural juices that source identity-preserved wheat, chillies, potato and fruits from the farmer.





ITC is well positioned to establish itself as the 'most trusted provider of food products in the Indian market' leveraging a strong portfolio of world-class Indian brands, deep understanding of the diverse tastes and preferences of Indian consumers, focus on best-in-class quality and operational excellence across the value chain. Today, Aashirvaad is the No 1 atta brand in India, Sunfeast is the leader in the cream biscuit segment and 3rd largest biscuit brand, Yippee! is the No. 2 in instant noodles, Bingo! is the 2nd largest brand in the salted snacks segment, Candyman is a leading confectionery brand and Kitchens of India is a leader in the premium Ready-to-Eat packaged foods market.



FMCG: Personal Care Products

Specially crafted for Indian preferences, ITC's personal care products portfolio offers a range of internationally benchmarked grooming and personal wash products. Anchored on extensive consumer and market research based product development, ITC's personal care brands, 'Essenza Di Wills', 'Fiama Di Wills', 'Engage', 'Vivel' and 'Superia', offer products with relevant, differentiated benefits to the discerning consumer.



Essenza Di Wills has been created to encapsulate the essence of fine living through an exclusive, internationally developed range of fine fragrances and grooming products.



Fiama Di Wills offers a range of shower gels, gel bars and skin care products exquisitely created to give gentle and effective care for timeless youthfulness.



Engage's proposition of 'playful chemistry' is represented in its increasingly popular portfolio of colognes and deodorants.



Vivel offers a wide range of bath care products designed to cater to the specific skincare needs of the Indian consumer. It is enriched with Vitamin E and rich nourishing ingredients to fulfil its promise of soft glowing skin.

Shower to Shower medicated powder protects from prickly heat and controls sweat.

Savlon provides effective anti-bacterial protection through a range of antiseptic liquid, soaps and handwash. Savlon products are known for their gentleness whilst offering effective germ protection.



With an extensive portfolio of popular and premium cigarette brands, ITC continues to focus on value creation for the consumer and innovative product design backed by state-of-the-art manufacturing technology and a robust marketing and distribution network. Several new variants like Classic Blue Leaf with Jet Flo filter, Gold Flake Gold with Quad Core Filter, Classic Ice Burst with Capsule Filter and Classic Fine Taste with Triple Solid Filter have been introduced in line with ITC's philosophy to offer world-class products to the Indian consumer.

Nicotine Gums

ITC is present in the Nicotine Replacement Therapy (NRT) space with KwikNic nicotine gums. KwikNic is available in a convenient on the go box that is equipped with tissue paper, which promotes hygienic disposal of the used gums. KwikNic is available in two flavours - Paan and Mint.



Electronic Vaping Devices

The Company has forayed into the Electronic Vaping Device (EVD) category with the launch of the 'Eon' brand. The brand is being rolled out across metros and cities.

FMCG: Lifestyle Retailing

WILLS LIFESTYLE



ITC's Lifestyle Retailing Business continues to grow its market standing by investing in brand building, enhancing product vitality and supply chain capabilities; expanding its retail footprint across the country.



Synonymous with fashion and elegance, the Wills Lifestyle range of apparels offers a premium lifestyle wardrobe for Indian men and women at over 100 exclusive specialty stores and leading departmental stores. With its high fashion imagery, rich product mix and delightful shopping experience, the brand offers a tempting choice of Wills Classic formal wear, Wills Sport relaxed wear, Wills Clublife evening wear and Wills Signature designer wear.



John Players embodies the essence of the Indian youth that is free-spirited, playful and fashionable. The brand presents smart formals, trendy casuals and edgy denims incorporating an exciting mix of colours, patterns, styling and fits. With innovation and adventure as key words, John Players Jeans promises to be the new language for the fashion forward youth. The brand has a large retail footprint of over 400 exclusive specialty stores and is also available in leading departmental stores and multi-brand outlets. John Players has featured in the top 5 Apparel Brands amongst the youth, in the Economic Times "Brand Equity's Most Exciting Brands" survey 2015.

FMCG: Education and Stationery Products

ITC's Education & Stationery Products Business offers consumers a wide range of differentiated products under the brands 'Classmate' and 'Paperkraft'. A clear market leader in the student notebooks segment, Classmate's portfolio also includes writing instruments (pens & pencils) and scholastic products (mathematical drawing instruments, scales, erasers & sharpeners). 'Colour Crew', a new sub brand of 'Classmate', offers an exciting range of superior quality student art materials which includes non-toxic oil pastels, wax crayons and sketch pens. The Business recently launched Saathi, a notebook brand in the value segment, targeted at smaller markets.



Paperkraft



The 'Paperkraft' brand is the leading provider of premium executive & office paper stationery, including notebook ranges of Green Impression and Signature Series, as well as an assortment of premium pens.

Offering the greenest range of stationery products, supported by a green wood fibre value chain that creates large-scale livelihoods in rural India, 'Classmate' and 'Paperkraft' notebooks are an embodiment of the environmental capital built by ITC in its paper business.

FMCG: Safety Matches & Incense Sticks



ITC's 'Mangaldeep' agarbattis are manufactured by small-scale and cottage units, providing livelihood opportunities for more than 14,000 people. Mangaldeep ASHA (Assistance in Social Habilitation through Agarbatti) is an ITC initiative to improve the quality of raw agarbatti production and provide better livelihood for women rollers.



Sourced from the small-scale sector, the Safety Matches Business leverages the core strength of ITC in marketing and distribution, brand building and supply chain management to offer Indian consumers high quality safety matches. ITC's range of Safety Matches includes popular brands like 'Aim' and 'Homelites'.

Hotels

With more than 100 hotels in over 70 destinations in the country, ITC Hotels has redefined the fine art of hospitality. ITC's hotel group operates under 4 brands: 'ITC Hotel' at the luxury end, 'WelcomHotel' in the 5 star segment, 'Fortune' in the mid-market to upscale segment and 'WelcomHeritage' in the heritage leisure segment. Embodying ITC Hotels' credo of 'Responsible Luxury', all ITC luxury hotels are an archetype of the culture and ethos of the region they are located in, offering unique indigenous experiences, internationally acclaimed cuisines and spa, with globally benchmarked standards in accommodation, environment and guest safety.

With a LEED® Platinum rating for all its luxury hotels, ITC Hotels is the 'Greenest Luxury Hotel Chain in the World'.



All visuals are of the recently launched ITC Grand Bharat, Gurgaon

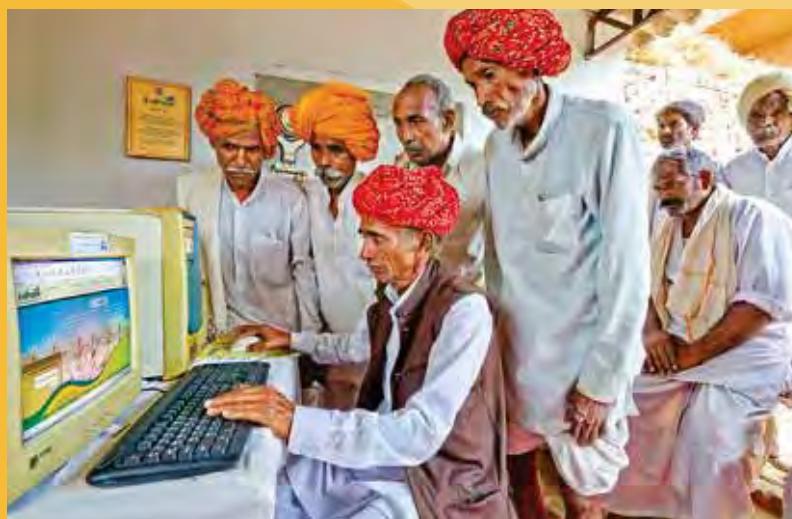


All visuals are of the recently launched ITC Grand Bharat, Gurgaon

ITC's Agri Business is one of India's largest agri business players. It is also one of India's leading exporters of agricultural commodities. The leadership position of the business is anchored in the strong and enduring partnerships it has built with farmers across the country. The Business works with farmers to improve the productivity and quality of crops and sources the finest of Grains, Oil Seeds, Pulses and a range of high-value agri products such as Fruits, Coffee and Shrimps across multiple geographies in India.



ITC's Agri Business provides a competitive edge to the Company's Foods Business by sourcing high-quality agricultural raw material directly from farmers and preserving the identity of those commodities along the supply chain, to enable manufacturing of the food products with consumer-preferred value traits.



The revolutionary ITC e-Choupal initiative of the Business delivers large-scale societal value by co-creating markets with rural communities. A unique click-and-mortar channel, it facilitates the two-way flow of goods and services in and out of villages, transforming them into vibrant economic institutions. The initiative serves more than 4 million farmers in over 40,000 villages through a network of 6,500 Internet Kiosks spread across 11 states, making ITC e-Choupal the largest digital infrastructure in rural India.

Agri Business- Leaf Tobacco



ITC pioneered the cultivation and development of Leaf Tobacco in India. Embodying the Company's "commitment beyond the market", the Leaf Tobacco Business has built enduring partnership with farmers, helping them grow quality leaf and linking them to global markets. ITC is today the largest buyer, processor and exporter of leaf tobacco in India, expanding its global footprint to 50 countries across more than 70 destinations.

Achieving enhanced productivity continues to be the focus area of research and crop development initiatives of the business. It has made substantial progress in strengthening the pipeline of new hybrid combinations for deployment in growth zones.



Paperboards and Packaging

ITC's Paperboards & Specialty Papers Business is No. 1 in Product Range, Market Reach, Environmental Performance and is the market leader in Value-Added Paperboards in India. Providing internationally competitive quality and cost, the Business caters to a wide spectrum of packaging, graphic, communication, writing, printing and specialty paper requirements.



The Business established the country's first Elemental Chlorine Free fiber line with ozone bleaching technology and is fully compliant with world-class environmental standards. It is also the first paper business in the country to be invited to be a member of the Global Forest & Trade Network (GFTN) of the Worldwide Fund for Nature (WWF). Committed to developing a sustainable raw material base, ITC's pulpwood is largely sourced from renewable plantations under its Social and Farm Forestry programmes, which provide sustainable livelihood opportunities to tribals and marginal farmers.

The Packaging and Printing Business provides contemporary and superior packaging solutions through its state-of-the-art technology and processes. With multi-locational manufacturing facilities in Chennai, Munger and Haridwar and a robust technology platform, the Business offers a diversified & value-added product range in packaging for cartons, flexibles & tobacco and caters to a wide range of customers in domestic and export markets.



The Business supplies value-added packaging to ITC's various FMCG businesses. Its plant in Chennai is India's greenest packaging facility. Backed by expertise in design, innovative product development and cutting edge technology, the Business has won several World Star awards for packaging excellence. It has also received appreciation and recognition from its customers for partnering and enhancing value through creative packaging solutions.



Information Technology

ITC Infotech is a specialised global scale full service provider of Domain, Data and Digital technology solutions, backed by a strong business and technology consulting focus. The company caters to enterprises in Supply Chain based industries (CPG, Retail, Manufacturing, Hi-Tech) and Services (Banking, Financial Services and Insurance, Airline, Hospitality) through a combination of traditional and newer business models, as a long term sustainable partner. With clients spread across 35 countries, ITC Infotech is engaged with over 60 Fortune listed companies.



The company has set up offices in 18 countries and established 10 global development centres, powered by a 6500+ strong workforce. Leading companies have placed their trust in ITC Infotech; the company's Top 10 clients have been with ITC Infotech for over 10 years, a testament to ITC Infotech's commitment to delivering enhanced business value. ITC Infotech won the 2014 European Outsourcing Award in the category "Delivering Business Value" in European Outsourcing and is featured in the Global Outsourcing 100 "Leader's Category" by the International Association of Outsourcing Professionals (IAOP) for 9 consecutive years.

R&D, Quality and Product Development



Recognising that cutting-edge R&D can foster breakthrough innovation and create powerful sources of sustainable competitive advantage, ITC continues to invest in this area, leveraging its world-class infrastructure, benchmarked processes, state-of-the-art technology and a business-focused R&D strategy.

With a team of over 350 world-class scientists, the state-of-the-art ITC Life Sciences & Technology Centre in Bengaluru is engaged in developing unique sources of competitive advantage and building future readiness by harnessing contemporary advances in science and technology, applying them in product development and leveraging cross-business synergies.



ITC's R&D capabilities are utilised to develop future products in nutrition, health and well-being. In agri sciences, its efforts are aimed at developing new crop varieties with higher yields, better quality and other traits relevant to the Company's businesses. In a short span of time, ITC has applied for over 350 patents in India itself.



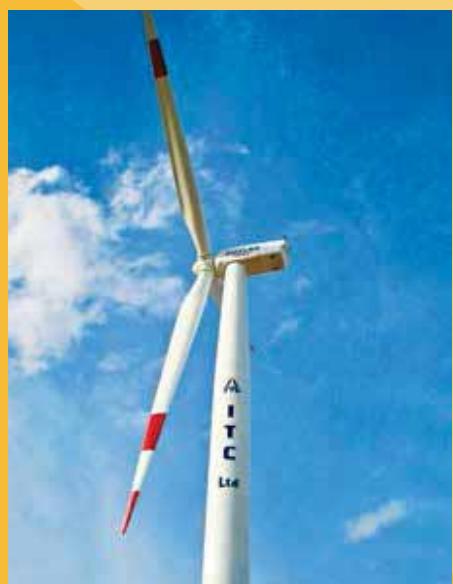
Global Exemplar in Sustainability

Sustainability lies at the heart of ITC's corporate strategy. The Company believes that businesses possess the unique transformational capacity to create enduring societal value. Inspired by the opportunity to create growing value for the Indian society, ITC has adopted a 'Triple Bottom Line' strategy that synergises creation of social and environmental capital with the generation of shareholder value.

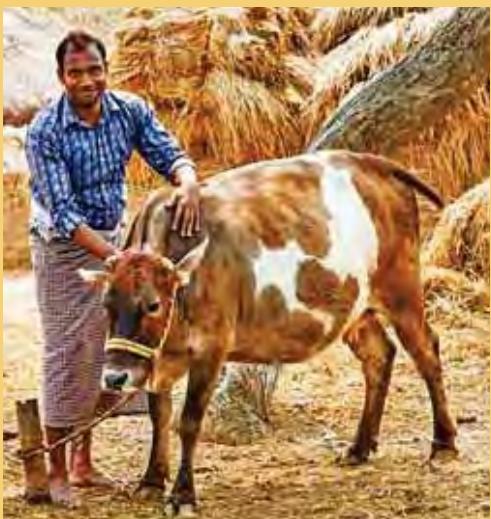


Highlights of ITC's sustainability initiatives:

- ITC is **carbon positive** (for 10 consecutive years), **water positive** (for 13 years in a row) and **solid waste recycling positive** (for 8 years in succession).
- The Company meets over **43% of its total energy requirement from renewable sources**, a testimony to its commitment to adopting a low carbon growth path.
- **All ITC's premium luxury hotels are LEED® Platinum certified**, making it the greenest luxury hotel chain in the world. ITC Grand Chola is the world's largest LEED® Platinum certified green hotel. The ITC Green Centre is the highest rated green building in the world. The recently commissioned ITC Green Centre at Manesar has also received the LEED® Platinum certification. Several of ITC's factories are LEED® certified.



- ITC's **e-Choupal initiative** has empowered 4 million Indian farmers in 40,000 villages across 11 states.
- The **Watershed Development Programme** of the Company has covered over 2,00,000 hectares, benefitting 1.6 lakh households and generating 4.73 million person days of employment.
- ITC's **Afforestation Programme** has covered nearly 2,00,000 hectares and generated nearly 90 million person days of employment.
- The Company's **Livestock Development Programme** has provided animal husbandry services to over 11,00,000 milch animals.
- ITC's **Women Empowerment Programme** has provided livelihood opportunities to over 40,000 women.
- The Company's **Primary Education Programme** has covered over 4,00,000 children.
- The **Skills and Vocational Training Programme** has covered over 19,000 youths.
- ITC's **Health and Sanitation Programme** has enabled construction of over 8,200 individual household toilets.
- The concerted efforts of the Company over several years have led to the creation of **sustainable livelihoods for around 6 million people**, many of whom represent the weakest in society.



For more details, refer to the section, **Sustainability – Contribution to the ‘Triple Bottom Line’**, in the Report of the Board of Directors, and the ITC Sustainability Report.

Building World-Class Assets for India

ITC's investments in world-class manufacturing infrastructure across India provide its businesses and brands competitive edge in terms of scale, quality and time-to-market whilst ensuring rigorous standards of safety and hygiene.



ITC is committed to investing in India's future. Currently, 65 projects are under implementation or in an advanced stage of planning. These include factories, warehouses, luxury hotels, R&D facilities, office and residential complexes.



Board of Directors

Chairman

Yogesh Chander Deveshwar

Executive Directors

Nakul Anand
Pradeep Vasant Dhobale
Kurush Noshir Grant

Non-Executive Directors

Anil Baijal	Suryakant Balkrishna Mainak
Shilabhadra Banerjee	Sunil Behari Mathur
Arun Duggal	Pillappakkam Bahukutumbi Ramanujam
Angara Venkata Girija Kumar	Sahibzada Syed Habib-ur-Rehman
Serajul Haq Khan	Meera Shankar
Robert Earl Lerwill	Krishnamoorthy Vaidyanath

Board Committees

Audit Committee

S B Mathur	Chairman
A Baijal	Member
A Duggal	Member
P B Ramanujam	Member
K Vaidyanath	Member
K N Grant	Invitee
R Tandon	Invitee
R Parasuram (Head of Internal Audit)	Invitee
Representative of the Statutory Auditors	Invitee
B B Chatterjee	Secretary

CSR and Sustainability Committee

Y C Deveshwar	Chairman
A V Girija Kumar	Member
R E Lerwill	Member
S B Mainak	Member
M Shankar	Member
B B Chatterjee	Secretary

Nomination & Compensation Committee

S H Khan	Chairman
S Banerjee	Member
Y C Deveshwar	Member
S S H Rehman	Member
M Shankar	Member
K Vaidyanath	Member
B B Chatterjee	Secretary

Securityholders Relationship Committee

A V Girija Kumar	Chairman
P V Dhobale	Member
K N Grant	Member
K Vaidyanath	Member
B B Chatterjee	Secretary

Independent Directors Committee

A Baijal	Chairman
S Banerjee	Member
A Duggal	Member
S H Khan	Member
S B Mathur	Member
P B Ramanujam	Member
S S H Rehman	Member
M Shankar	Member

Corporate Management Committee

Executive Directors

Y C Deveshwar	Chairman
N Anand	Member
P V Dhobale	Member
K N Grant	Member

Executives

A Nayak	Member
S Puri	Member
T V Ramaswamy	Member
S Sivakumar	Member
K S Suresh	Member
R Tandon	Member
B B Chatterjee	Member & Secretary

Chief Financial Officer

Rajiv Tandon

Executive Vice President & Company Secretary

Biswa Behari Chatterjee

General Counsel

Kannadiputhur Sundararaman Suresh

Investor Service Centre

37 Jawaharlal Nehru Road, Kolkata 700 071, India

Phone : 033-2288 6426/0034

Fax : 033-2288 2358

e-mail : isc@itc.in

Auditors

Deloitte Haskins & Sells
Chartered Accountants, Kolkata

Registered Office

Virginia House

37 Jawaharlal Nehru Road, Kolkata 700 071, India

Phone : 033-2288 9371

CIN : L16005WB1910PLC001985

ITC Corporate Website : www.itcportal.com

Your Directors

Y. C. Deveshwar

Y. C. Deveshwar (68), DIN: 00044171, joined ITC in 1968 and is an alumnus of the Indian Institute of Technology, Delhi and Harvard Business School. He was appointed as a Director on the Board of the Company in 1984 and became the Chief Executive and Chairman of the Board on January 1, 1996. Between 1991 and 1994, he led Air India as Chairman and Managing Director.

Under his leadership, an abiding Vision was crafted to serve larger national priorities, powering a strategy to make ITC an engine of growth for the national economy through multiple drivers of growth. He also shaped and implemented a strategy of organisation to enable the Company derive unique sources of competitive advantage from its diverse businesses leveraging the unique enterprise strengths of the organisation. Deveshwar has championed the cause for Sustainability world-wide bringing into focus the need to innovate corporate strategies that not only enhance shareholder value but add significantly to the development of natural and social capital.

Spearheading a journey of growth that has led the Harvard Business Review to rank him as the 7th Best Performing CEO in the world, his stewardship has guided ITC to become India's foremost FMCG marketer, the country's largest and greenest Paperboards and Packaging business, a globally acknowledged pioneer in farmer empowerment through its wide-reaching Agri Business, the second largest Hotel Chain in India and a trailblazer in 'green hoteliering'. The Company's wholly-owned subsidiary, ITC Infotech India Limited, is also one of India's fast-growing IT companies in the mid-tier segment. Today, ITC is a global exemplar in sustainable business practices and is the only Company in the world of comparable dimensions to be 'carbon positive', 'water positive'

and 'solid waste recycling' positive. The Company's businesses generate livelihoods for around 6 million people, many of whom represent the poorest in Rural India. The pioneering farmer empowerment initiative, ITC e-Choupal, is today the world's largest rural digital infrastructure and is a case study at the Harvard Business School besides receiving several global awards. ITC was also conferred the World Business and Development Award 2012 at the Rio+20 United Nations Summit by the United Nations Development Programme, the International Chamber of Commerce and the International Business Leaders Forum for its Social and Farm Forestry Programmes.

Deveshwar is a Director on the Central Board of the Reserve Bank of India. He is a Member of the National Foundation for Corporate Governance. He is also a member of the Board of Governors of the Indian School of Business and the former Chairman of the Society and Board of Governors of the Indian Institute of Management, Calcutta. He serves on the National Executive Committees of some of India's premier trade and industry bodies, and has served as a member of the UK-India CEOs Forum and US-India CEOs Forum instituted by the respective Governments. Deveshwar is a past President of CII.

In 2011, Deveshwar was conferred the Padma Bhushan, one of the highest civilian awards in the country by the Government of India. Amongst several other awards and recognitions during his distinguished career, Deveshwar has been honoured with the Global Leadership Award by the US-India Business Council of the US Chamber of Commerce in 2010, the Business Leader of the Year Award from All India Management Association in 2012, Business Person of the Year Award 2006 by the UK Trade & Investment, and the Sustainability Leadership Award 2007 conferred at Zurich at the

International Sustainability Leadership Symposium. He was inducted to the prestigious Hall of Pride at the Indian Science Congress in 2006. Earlier, he was also named Manager Entrepreneur of the Year 2001 by Ernst & Young. Recently, the Economic Times has conferred on Deveshwar, the Indian Visionary Business Leader Award, the Bombay Management Association has honoured him with the Management Man of the Year Award, and the Calcutta Management Association has inducted him as the first leader on the Management Hall of Fame.

Other Directorships

Name of the Company	Position
ITC Infotech India Limited	Chairman & Non-Executive Director
ITC Infotech Limited, UK*	Chairman & Non-Executive Director
ITC Infotech (USA), Inc.*	Chairman & Non-Executive Director
Surya Nepal Private Limited*	Chairman & Non-Executive Director

Committee Membership of other Companies: Nil

N. Anand

Nakul Anand (58), DIN: 00022279, was appointed a Director on the Board of ITC effective January 3, 2011. In addition to overseeing the Hospitality, Travel & Tourism businesses of ITC, he has taken over in December 2014, the responsibility for overseeing the Lifestyle Retailing Business.

An Economics Honours graduate from Delhi University with an AMP degree from Bond University, Australia, Anand

joined ITC Hotels' Management Training Programme in 1978. He has also served as the Managing Director of erstwhile ITC Hotels Limited during the period 2003-05.

In a career that spans over three decades, Anand has been acknowledged in the hotels and tourism industry for his vision and commitment. Leveraging the significant learning of sustainable excellence within ITC, he led the team at ITC Hotels to pioneer the concept of 'Responsible Luxury' in the hospitality industry, securing LEED Platinum certifications for all ITC super premium luxury hotels, making it the 'Greenest Luxury Hotel Chain in the world'. He has formulated value-based strategies to create a unique quality control model. His dynamic leadership and passion for the business is recognised and acknowledged by his peers. He is the Chairman of the CII National Tourism Committee as well as of the Federation of Associations in Indian Tourism & Hospitality. Anand is a past President of the Hotel Association of India.

Other Directorships

Name of the Company	Position
International Travel House Limited	Chairman & Non-Executive Director
Gujarat Hotels Limited	Chairman & Non-Executive Director
Landbase India Limited	Chairman & Non-Executive Director
Fortune Park Hotels Limited	Chairman & Non-Executive Director
Srinivasa Resorts Limited	Vice-Chairman & Non-Executive Director
Adyar Gate Hotels Limited	Non-Executive Director
Bay Islands Hotels Limited	Non-Executive Director
Maharaja Heritage Resorts Limited	Non-Executive Director

Committee Membership of other Companies: Nil

Your Directors

P. V. Dhabale

P. V. Dhabale (59), DIN: 00274636, was appointed a Director on the Board of ITC effective January 3, 2011. In December 2014, he has taken over the responsibility for overseeing ITC's FMCG businesses. Prior to this, Dhabale was responsible for overseeing the Paperboards, Paper and Packaging businesses of ITC and also represented the Finance and IT functions on the Board.

A Chemical Engineer from the Indian Institute of Technology, Bombay, he joined erstwhile ITC Bhadrachalam Paperboards Limited (ITC Bhadrachalam) as a Management Trainee in 1977 and became its Managing Director in 2000.

Dhabale is credited with the successful turnaround of ITC Bhadrachalam in 2001, and its exponential growth thereafter. He spearheaded the growth involving capital infusion of over US\$ 500 million through brownfield organic growth as well as acquisitions. Under his leadership, ITC's Bhadrachalam Mill emerged as the largest single-location paper mill in the country producing more than half a million tonnes of paper & paperboard. Under his stewardship, and in line with ITC's sustainability strategy, nearly 2,00,000 hectares of plantations were developed, the pioneering ECF and Ozone Bleaching Technology were introduced, ITC became a member of the Global Forest and Trade Network and successfully implemented a number of 'Clean Development Mechanism' Projects.

Dhabale is an active member of several industry bodies. He has been nominated by the Ministry of Commerce and Industry, Government of India, as Chairman of the Development Council for Pulp, Paper & Allied Industries for two years. He is a past President of the Indian Pulp and Paper Technical Association and

the Indian Paper Manufacturers Association. He has held several important portfolios in CII, particularly in the fields of Environment & Energy, and is currently Chairman, CII National Committee on Environment. Dhabale is also the founder President of the Indian School of Business – Centre for Executive Education Alumni Association, Hyderabad Chapter.

Other Directorships

Name of the Company	Position
King Maker Marketing, Inc., USA*	Non-Executive Director
Surya Nepal Private Limited*	Non-Executive Director

Committee Membership of other Companies: Nil

K. N. Grant

Kurush N. Grant (57), DIN: 00336288, was appointed a Director on the Board of ITC effective March 20, 2010. In December 2014, he has taken over the responsibility for overseeing the Paperboards, Paper and Packaging businesses of ITC and also the Finance and IT functions. Grant was responsible for overseeing ITC's FMCG businesses till November 2014. After completing his MBA in 1979, he worked with DCM as a Management Trainee before joining ITC in 1980 in the Marketing function.

During his tenure in the Company, he has handled a wide range of responsibilities in Sales, Brand Management and Product Development. He was Executive Vice President - Marketing of the Tobacco Division before becoming Divisional Chief Executive in 1999. He has been involved in the incubation and development of ITC's new initiatives in the FMCG sector.

Grant is a Member of the Executive Committee of the Indian Chamber of Commerce Calcutta. He is a past Chairman of CII - Eastern Region, the Indian Society of Advertisers, the National Readership Studies Council, FICCI and CII's FMCG Committees as well as the Audit Bureau of Circulations, India.

Other Directorships

Name of the Company	Position
Wimco Limited	Chairman & Non-Executive Director
The Tollygunge Club Limited	President, General Committee

Committee Membership of other Companies: Nil

Anil Baijal

Anil Baijal (68), DIN: 01608892, joined the ITC Board as a Non-Executive Independent Director on January 22, 2010.

Baijal joined the Union Territories Cadre of Indian Administrative Service in 1969. In a career spanning over 38 years, he held various important assignments including that of the Union Home Secretary, Chairman & Managing Director - Indian Airlines, Chief Executive Officer - Prasar Bharti Corporation, Vice-Chairman - Delhi Development Authority, Development Commissioner, Goa, and Counsellor in-charge of the Indian Aid Programme in Nepal. He retired in October 2006 as Secretary, Ministry of Urban Development, Government of India. He piloted the flagship programme - Jawaharlal Nehru Urban Renewal Mission - for improving infrastructure and basic services in the country. Baijal also served on the Board of the Company from July 2007 to August 2009.

Other Directorships

Name of the Company	Position
IDFC Bank Limited	Chairman & Non-Executive Director
IDFC Foundation	Chairman & Non-Executive Director
Terra Firma Designs Private Limited	Managing Director
International Travel House Limited	Non-Executive Director
DHFL Pramerica Life Insurance Company Limited	Non-Executive Director

Committee Membership of other Companies

Name of the Company	Committee	Position
IDFC Foundation	Audit Committee	Chairman
DHFL Pramerica Life Insurance Company Limited	Audit & Compliance Committee	Chairman

Shilabhadra Banerjee

Shilabhadra Banerjee (66), DIN: 02922331, joined the ITC Board as a Non-Executive Director on July 24, 2014 and appointed as an Independent Director on July 30, 2014.

Banerjee, a Masters in History from St. Stephen's College, Delhi, Post Graduate Diploma holder in Public Administration from the Indian Institute of Public Administration, New Delhi, and an M. Phil in Social Sciences from the University of Panjab, began his career in the Indian Administrative Service in 1971. In a career spanning over 37 years, he has held several eminent positions including that of Joint

Your Directors

Secretary in the Ministries of Petroleum & Natural Gas and Urban Development. Banerjee was Director General (Acquisition) in the Ministry of Defence and retired as Secretary, Ministry of Tourism in October 2008.

He has been a Visiting Fellow at the Queen Elizabeth House, University of Oxford, UK. Banerjee also served on the Board of the Company from February 2010 to March 2014.

Banerjee does not hold directorship of any other company.

Arun Duggal

Arun Duggal (68), DIN: 00024262, joined the ITC Board as an Independent Director on September 15, 2014.

Duggal, a Mechanical Engineer from the Indian Institute of Technology, Delhi, and an MBA from the Indian Institute of Management (IIM), Ahmedabad, is an international banker with global experience in financial strategy, M&A and capital raising. His professional career includes 26 years with Bank of America (BoA), primarily in the USA, Hong Kong and Japan, with his last assignment as Chief Executive with BoA, India, from 1998 to 2001. He was the Chief Financial Officer of HCL Technologies Limited, India, from 2001 to 2003. He has also been the Chairman of the American Chamber of Commerce, India, and on the Board of Governors of the National Institute of Bank Management. Duggal is presently Chairman of FICCI's Centre for Corporate Governance, a visiting faculty at IIM, Ahmedabad, and a Senior Advisor, Asia Pacific for Transparency International, Berlin. He is involved in several initiatives in social and educational sectors.

Other Directorships

Name of the Company	Position
ICRA Limited	Chairman & Non-Executive Director
International Asset Reconstruction Company Private Limited	Chairman & Non-Executive Director
Info Edge (India) Limited	Non-Executive Director
Dish TV India Limited	Non-Executive Director
Adani Ports and Special Economic Zone Limited	Non-Executive Director
Jubilant Energy NV, Netherlands*	Non-Executive Director
Sanlam Limited, South Africa*	Non-Executive Director
Sanlam Life Insurance Limited, South Africa*	Non-Executive Director

Committee Membership of other Companies

Name of the Company	Committee	Position
Info Edge (India) Limited	Audit Committee	Chairman
Dish TV India Limited	Audit Committee	Member
Adani Ports and Special Economic Zone Limited	Audit Committee	Member

A. V. Girija Kumar

A. V. Girija Kumar (55), DIN: 02921377, joined the ITC Board as a representative of the General Insurers' (Public Sector) Association of India on March 19, 2010. A Masters in Business Administration from Jawaharlal Nehru Technological University, he is currently General Manager with United India Insurance Company Limited.

In a career spanning over 33 years, Girija Kumar was with The New India Assurance Company Limited (New India). In New India, he worked at many centres across India, holding various positions including that of Divisional Manager, Senior Divisional Manager and Regional Chief before moving to the Corporate Office in Mumbai as Deputy General Manager overseeing techno-marketing, foreign business development and investments.

On secondment, Girija Kumar was posted as General Manager (Non-Life) - Saudi Indian Company for Cooperative Insurance in Saudi Arabia.

His responsibilities included facilitating an IPO to raise capital and completing the legal formation of the company in the Kingdom of Saudi Arabia. He joined National Insurance Company Limited (NIC) as a General Manager in 2009, served as Officiating Chairman-cum-Managing Director of NIC from March 2014 till September 2014, and as its Director till January 2015.

Girija Kumar does not hold directorship of any other company.

S. H. Khan

S. H. Khan (76), DIN: 00006170, joined the ITC Board as a Non-Executive Independent Director on October 30, 2006. Khan is a former Chairman and Managing Director of Industrial Development Bank of India (IDBI). He holds a Masters degree in Commerce and is a University gold medalist.

The professional career of Khan, spanning over 35 years, includes initial 5 years as an Officer in RBI in the Department of Banking Operations and Development.

He thereafter joined IDBI soon after its formation. He served IDBI in various capacities for over three decades and retired after a five-year tenure as its Chairman and Managing Director in 1998. By virtue of his long association with IDBI, he possesses deep knowledge of Indian industry and finance. During his tenure as Chairman, IDBI witnessed unprecedented growth in its operations and profits. He was instrumental in setting up IDBI Bank as a commercial bank, which later got merged with IDBI.

He was also associated with setting up of three important capital market entities viz. NSE, NSDL and CARE and guided their initial operations as Chairman of the Board of Directors. He has served as a member of a number of committees set up by Government / RBI on matters connected with Indian industry and finance. He also served on the Boards of several important institutions including LIC, UTI, GIC, Exim Bank, Air India and Indian Airlines.

Other Directorships

Name of the Company	Position
IDFC Limited	Non-Executive Director
Bajaj Allianz Life Insurance Company Limited	Non-Executive Director
Bajaj Allianz General Insurance Company Limited	Non-Executive Director
Bajaj Auto Limited	Non-Executive Director
Bajaj Finserv Limited	Non-Executive Director
Bajaj Holdings & Investment Limited	Non-Executive Director
JM Financial Asset Reconstruction Company Private Limited	Non-Executive Director

Your Directors

Committee Membership of other Companies

Name of the Company	Committee	Position
IDFC Limited	Audit Committee	Chairman
	Stakeholders' Relationship Committee	Chairman
Bajaj Allianz Life Insurance Company Limited	Audit Committee	Chairman
Bajaj Allianz General Insurance Company Limited	Audit Committee	Chairman
Bajaj Auto Limited	Audit Committee	Member
	Stakeholders' Relationship Committee	Member
Bajaj Finserv Limited	Audit Committee	Member
Bajaj Holdings & Investment Limited	Audit Committee	Member
	Stakeholders' Relationship Committee	Member

R. E. Lerwill

R. E. Lerwill (63), DIN: 06739219, joined the ITC Board as a representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c. (BAT), the ultimate holding company, with effect from November 18, 2013. Lerwill attended Nottingham University before qualifying as a Chartered Accountant. He later completed the Harvard Business School Advanced Management Program.

Lerwill was on the Board of BAT as a Non-Executive Director from January 2005 to April 2013 where he was Chairman of the Audit Committee and also a member of the Nominations and Remuneration Committees. Until June 2003, Lerwill was an Executive Director of Cable

and Wireless plc where he served as Finance Director between 1997 and 2002 and Chief Executive of Cable and Wireless Regional between 2000 and 2003. From 1986 to 1996 he was Group Finance Director of WPP Group plc. In both companies, he was instrumental in developing and managing major international businesses. Lerwill was Chief Executive Officer of Aegis Group plc from February 2005 to November 2008. He was also Chairman of Synergy Health plc until June 2012.

Other Directorships

Name of the Company	Position
DJI (Holdings) plc., UK*	Non-Executive Director
Payments Council Limited, UK*	Non-Executive Director
Spire Healthcare Group plc., UK*	Non-Executive Director
Impello plc., UK*	Non-Executive Director

Committee Membership of other Companies: Nil

S. B. Mainak

S. B. Mainak (59), DIN: 02531129, joined the ITC Board as a Non-Executive Director effective April 25, 2014, representing LIC. A qualified Chartered Accountant, he joined LIC as a Direct Recruit Officer in 1983 and is currently a Managing Director.

During his long tenure at LIC, Mainak acquired wide range of experience in several functions spanning Investments, Finance & Accounts and Marketing and held various positions including Senior / Branch Manager, Divisional Manager of Pension & Group Superannuation and in various capacities in the Investment department.

Mainak also had a stint in academics as Professor (Life Insurance) and Head of Finance Department in National Insurance Academy (NIA), Pune, where he was

Your Directors

instrumental in creating new teaching programmes in finance & accounts, investment, GAAP accounting and Insurance Investment and Financial Reporting Standards.

Mainak is Deputy President of the Insurance Institute of India and Member of the Governing Board of NIA. He was earlier appointed by the Government of India on the Board of Satyam Computer Services Limited as an Independent Director for restructuring the company.

In 2009, he was conferred the 'NDTV Profit Business Leadership Award', 'CNN-IBN Indian of the Year Award' and 'Dataquest IT Person of the Year Award'.

Other Directorships

Name of the Company	Position
LICHFL Asset Management Company Limited	Chairman & Non-Executive Director
LIC Nomura Mutual Fund Trustee Company Private Limited	Chairman & Non-Executive Director
National Stock Exchange of India Limited	Non-Executive Director
LIC Cards Services Limited	Non-Executive Director
Mahindra & Mahindra Limited	Non-Executive Director
LIC Housing Finance Limited	Non-Executive Director
LIC (Nepal) Limited*	Non-Executive Director
Kenindia Assurance Company Limited, Kenya*	Alternate Director

Committee Membership of other Companies: Nil

S. B. Mathur

S. B. Mathur (70), DIN: 00013239, has been on the ITC Board since July 29, 2005, first as a representative of LIC and then in his individual capacity as a Non-Executive Independent Director.

A qualified Chartered Accountant, Mathur retired from LIC in October 2004 as its Chairman. Subsequently, the Government of India appointed him the Administrator of the Specified Undertaking of the Unit Trust of India in December 2004, up to December 2007.

Mathur took over as Chairman of LIC at a time when the insurance sector had just opened up. Under his leadership, LIC successfully rose to the challenges of a competitive environment by enhancing product offerings. He joined LIC in 1967 as a Direct Recruit Officer and rose to the rank of Chairman. He held various positions in LIC including Senior Divisional Manager of Gwalior Division, Chief of Corporate Planning, General Manager of LIC (International) E.C., Zonal Manager in-charge of Western Zone and Executive Director.

Other Directorships

Name of the Company	Position
National Stock Exchange of India Limited	Chairman & Non-Executive Director
IDFC Trustee Company Limited	Chairman & Non-Executive Director
Hindustan Oil Exploration Company Limited	Chairman & Non-Executive Director
National Collateral Management Services Limited	Non-Executive Director
Havells India Limited	Non-Executive Director
DCM Shriram Industries Limited	Non-Executive Director
Infrastructure Leasing and Financial Services Limited	Non-Executive Director
UltraTech Cement Limited	Non-Executive Director
Minda Corporation Limited	Non-Executive Director
Janalakshmi Financial Services Private Limited	Non-Executive Director
Munich Re India Services Private Limited	Non-Executive Director
India Mortgage Guarantee Corporation Private Limited	Non-Executive Director

Your Directors

Committee Membership of other Companies

Name of the Company	Committee	Position
National Stock Exchange of India Limited	Stakeholder Relations Committee	Member
Hindustan Oil Exploration Company Limited	Audit Committee	Member
Havells India Limited	Audit Committee	Member
DCM Shriram Industries Limited	Audit Committee Stakeholders Relations Committee	Member Member

P. B. Ramanujam

P. B. Ramanujam (70), DIN: 00046101, has been on the Board of ITC since October 30, 1998, first as a representative of GIC and its erstwhile subsidiaries and then in his individual capacity as a Non-Executive Independent Director.

A qualified Chartered Accountant, Ramanujam has held several responsibilities in GIC covering finance, accounts, investments, reinsurance, information technology etc. He was General Manager and Director with the NIC, and the Managing Director of GIC till July 31, 2004.

Ramanujam has served as a faculty member at NIA. He was also the Chairman of the Committee appointed by the interim Insurance Regulatory Authority (IRA) for prescribing norms, rules and regulations in the area of finance. He has also been a member of three other IRA Committees on technical issues, investment matters and insurance regulatory information system. He was a member of FICCI's Reinsurance Sub-Committee, the Insurance Tariff Advisory Committee and the Advisory Committee on Finance of the Insurance Regulatory

and Development Authority (IRDA). Currently he is a member of IRDA's Reinsurance Advisory Committee for recommending regulatory changes with regard to capital structure, IPOs, mergers & acquisitions etc. of insurance companies.

Ramanujam does not hold directorship of any other company.

S. S. H. Rehman

S. S. H. Rehman (71), DIN: 00050862, was appointed as a Non-Executive Independent Director on the Board of ITC effective July 27, 2012. Rehman's illustrious career began with a tenure in the Indian Army after he graduated from the Indian Military Academy in Dehradun. He moved to the hospitality industry in 1975 and joined ITC in 1979, beginning a three decade association with the Company.

Rehman was appointed Managing Director of erstwhile ITC Hotels Limited in 1994. Subsequently, he joined the Board of ITC as an Executive Director in 1997, and over the next 12 years was responsible for several businesses - Hotels, Travel & Tourism and Foods. During this period, he ably led ITC's Hotels business in consolidating its position as one of India's leading hospitality chains.

Rehman was the founder President of the Hotel Association of India, and a founder member of the World Travel & Tourism Council, Experience India / Incredible India and has headed several industry associations including tourism committees of FICCI, ASSOCHAM and CII. Rehman has been a recipient of several awards and honours, recognising his vast contribution to Indian hospitality industry.

Rehman does not hold directorship of any other company.

Meera Shankar

Meera Shankar (64), DIN: 06374957, was appointed as a Non-Executive Independent Director on the Board of ITC effective September 6, 2012. A Post Graduate in English Literature, she joined the Indian Foreign Service in 1973 and had an illustrious career spanning 38 years. She served in the Prime Minister's Office for six years, from 1985 to 1991 working on foreign policy and security matters. Thereafter, she led the Commercial Wing in the Indian Embassy in Washington as Minister (Commerce) till 1995. She returned as Director General of the Indian Council of Cultural Relations overseeing India's cultural diplomacy. She has had extensive experience in South Asia having worked on Bangladesh, Sri Lanka and Maldives as Under Secretary and Deputy Secretary in the Ministry of External Affairs. Later, as Joint Secretary she headed divisions dealing with neighbours, Nepal and Bhutan, and the South Asian Association for Regional Cooperation (SAARC). As Additional Secretary, she handled the UN and international security issues. She served as Ambassador of India to Germany from 2005 to 2009 and then to the United States from 2009 to 2011.

Other Directorships

Name of the Company	Position
Pidilite Industries Limited	Non-Executive Director

Committee Membership of other Companies: Nil

Notes:

1. Other Directorships and Committee Memberships of Directors are as on 31st March, 2015.
 2. Other Directorships exclude Membership of Managing Committees of Chambers of Commerce/Professional Bodies.
 3. Committee Memberships cover Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies.
- * Denotes Foreign Company

K. Vaidyanath

K. Vaidyanath (65), DIN: 00044357, was appointed as a Non-Executive Director on the Board of ITC effective January 3, 2011. Prior to this appointment, he was an Executive Director on the ITC Board for 10 years from January 2001, responsible for the Company's Finance, IT, Internal Audit and Corporate Communications functions, its investment subsidiary, its Paperboards, Paper, Packaging and Information Technology businesses.

Before his elevation to the Board as an Executive Director, he was the Company's Chief Financial Officer. An MBA from XLRI, Jamshedpur, in his 35-year tenure with ITC, Vaidyanath held various positions in the Company's Finance function. He has been a recipient of the 'Best CFO' Award from Business Today and the 'Best CFO in the FMCG category' Award from CNBC-TV18.

Vaidyanath does not hold directorship of any other company.

Report on Corporate Governance

The Directors present the Company's Report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Stock Exchanges.

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 the 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 must 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, control and accountability. ITC believes that the practice of each of these creates the right

corporate culture that fulfils the true purpose of Corporate Governance.

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 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 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 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 ensures that freedom of management is exercised within a framework of checks and balances

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

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 the freedom of management should be exercised within a framework of appropriate checks and balances.

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 / Strategic Business Unit (SBU) Chief Executive assisted by the respective Divisional / SBU 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 by the Board 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 a Division or SBU, free from collective strategic responsibilities for ITC as a whole, focuses on enhancing the quality, efficiency and effectiveness of the business.

The core roles of the key entities flow from this structure. The core 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 within the organisation is available on the Company's corporate website www.itcportal.com for general information.

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, its wholly owned subsidiaries and their 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, also periodically reviews its role.

Corporate Management Committee (CMC): The primary role of the CMC is strategic management of the Company's businesses within Board approved direction / framework. The CMC operates under the strategic supervision and control of the Board.

Chairman: The Chairman is the Chief Executive of the Company. He is the Chairman of the Board and the CMC. 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 for ensuring 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 the balance of membership of the Board, subject to Board and Shareholder approvals. He presides over General Meetings of Shareholders.

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

Executive Director: The Executive Directors, as members of the CMC, contribute to the strategic management of the Company's businesses within Board approved direction / framework. Executive Directors assume overall responsibility for the strategic management including governance processes and top management effectiveness for businesses / functions

Report on Corporate Governance

reporting to them. 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. As an Executive Director accountable to the Board for a wholly owned subsidiary or its wholly owned subsidiary, he acts as the custodian of ITC's interests and is responsible for its governance in accordance with the charter approved by the Board.

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

Divisional / SBU Chief Executive Officer (CEO): The Divisional / SBU CEO for a business has the overall executive responsibility for its day-to-day operations and provides leadership to the DMC / SBU MC in its task of executive management of the business.

BOARD OF DIRECTORS

In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The ITC Board is a balanced Board, comprising Executive and Non-Executive Directors. The Non-Executive Directors include independent professionals. Executive Directors, including the Chairman, do not generally exceed one-third of the total strength of the Board.

In terms of the Articles of Association of the Company, the strength of the Board shall not be fewer than five nor more than eighteen. The present strength of the Board is sixteen, of which four are Executive Directors.

Composition of the Board as on 31st March, 2015:

Category	No. of Directors	Percentage to total no. of Directors
Executive Directors	4	25
Non-Executive Independent Directors	8	50
Other Non-Executive Directors	4	25
Total	16	100

Director	Category	No. of other Directorship(s) ¹	No. of Membership(s) [including Chairmanship(s)] of Board Committees of other companies ²
Executive Directors			
Y. C. Deveshwar	Chairman	1	Nil
N. Anand		8	Nil
P. V. Dhobale		Nil	Nil
K. N. Grant		2	Nil
Non-Executive Directors			
A. Baijal	Independent Director	5	2 [as Chairman]
S. Banerjee	Independent Director	Nil	Nil
A. Duggal	Independent Director	5	3 [including 1 as Chairman]
S. H. Khan	Independent Director	7	9 [including 4 as Chairman]
S. B. Mathur	Independent Director	12	5
P. B. Ramanujam	Independent Director	Nil	Nil
S. S. H. Rehman	Independent Director	Nil	Nil
M. Shankar	Independent Director	1	Nil
A. V. Girija Kumar	Representative of General Insurers' (Public Sector) Association of India as Investor	Nil	Nil
R. E. Lerwill	Representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company	Nil	Nil
S. B. Mainak	Representative of Life Insurance Corporation of India as Investor	6	Nil
K. Vaidyanath		Nil	Nil

1. Excludes Directorship in Foreign Companies and Membership of Managing Committees of Chambers of Commerce / Professional Bodies.

2. Denotes Membership / Chairmanship of Audit Committee and / or Stakeholders Relationship Committee of Indian Public Limited Companies.

Meetings and Attendance

The Company's Governance Policy requires the Board to meet at least six times in a year. The intervening period between two Board meetings was well within the maximum gap of 120 days prescribed under Clause 49 of the Listing Agreement with Stock Exchanges. The annual calendar of meetings is broadly determined at the beginning of each year.

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 at least seven days prior to the Board meeting.

Information placed before the Board

In addition to matters required to be placed before the Board under the Governance Policy of the Company, the following are also tabled for the Board's periodic review / information / approval:

- Internal Audit findings and External Audit Management Reports (through the Audit Committee).
- Status of safety and legal compliance.
- Risk management processes.
- Succession to senior management (through the Nomination & Compensation Committee).
- Show Cause, demand, prosecution and 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 a substantial nature, if any.
- Default, if any, in payment of dues to any major creditor.
- Write-offs / disposals (fixed assets, inventories, receivables, advances etc.) on a half-yearly basis.
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including Clause 49 of the Listing Agreement with Stock Exchanges.

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 Divisional / SBU Management Committees.

Details of Board Meetings during the financial year

During the financial year ended 31st March, 2015, seven meetings of the Board were held, as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	25th April, 2014	14	11
2	23rd May, 2014	15	14
3	29th July, 2014	15	15
4	30th July, 2014	15	14
5	31st October, 2014	16	14
6	21st January, 2015	16	16
7	27th March, 2015	16	15

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

Report on Corporate Governance

Attendance at Board Meetings and at Annual General Meeting (AGM) during the financial year

Director	No. of Board meetings attended	Attendance at last AGM
Y. C. Deveshwar	7	Yes
N. Anand	7	Yes
P. V. Dhabale	7	Yes
K. N. Grant	7	Yes
A. Baijal	6	Yes
S. Banerjee ¹	5	Yes
A. Duggal ²	3	NA
A. V. Girija Kumar	5	Yes
S. H. Khan	5	Yes
R. E. Lerwill	7	Yes
S. B. Mainak ³	5	Yes
S. B. Mathur	6	Yes
P. B. Ramanujam	7	Yes
S. S. H. Rehman	7	Yes
A. Ruys ⁴	1	NA
M. Shankar	7	Yes
K. Vaidyanath	7	Yes

1. Appointed Non-Executive Director w.e.f. 24th July, 2014.

2. Appointed Non-Executive Director w.e.f. 15th September, 2014.

3. Appointed Non-Executive Director w.e.f. 25th April, 2014.

4. Ceased to be Non-Executive Director w.e.f. 24th July, 2014.

the statute. Meetings of each Board Committee are 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 by the respective Committee Chairman. 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 of the Board provides reassurance to the Board on the existence of an effective internal control environment that ensures:

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

The role of the Committee includes the following:

- (a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- (b) To recommend the appointment, remuneration, terms of appointment and removal of Statutory Auditors, and to review the manner of rotation of Statutory Auditors;
- (c) To recommend the appointment, remuneration and removal of Cost Auditors, where necessary;
- (d) To approve transactions of the Company with related parties, including modifications thereto;
- (e) To review and monitor the Statutory Auditor's independence and performance, and effectiveness of the audit process;
- (f) To evaluate the Company's internal financial controls and risk management systems;
- (g) To review with the management the following:
 1. Annual financial statements and Auditor's Report thereon before submission to the Board for approval;
 2. Quarterly financial statements before submission to the Board for approval;

COMMITTEES OF THE BOARD

Currently, there are five Board Committees – the Audit Committee, the Nomination & Compensation Committee, the Securityholders Relationship Committee, the CSR and Sustainability Committee and the Independent Directors Committee. The terms of reference of the Board Committees are determined by the Board from time to time. The terms of reference of the Independent Directors Committee have been adopted as provided in

Report on Corporate Governance

(h) To review the following:

1. Management discussion and analysis of financial condition and results of operations;
2. Adequacy of internal control systems and the Company's statement on the same prior to endorsement by the Board, such review to be done in consultation with the management, Statutory and Internal Auditors;
3. Reports of Internal Audit and discussion with Internal Auditors on any significant findings and follow-up thereon;
4. System / manner of maintenance, storage, retrieval, display, print out and security of books of account of the Company maintained in the electronic form;
5. Functioning of Whistle Blower mechanism in the Company.

Composition

The Audit Committee presently comprises five Non-Executive Directors, four of whom are Independent Directors. The Chairman of the Committee is 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 meetings of the Audit Committee. The Head of Internal Audit, who reports to the Audit Committee, 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 Audit Committee whenever matters relating to cost audit are considered. All members of the Committee are financially literate; four 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

Details of Audit Committee Meetings during the financial year

During the financial year ended 31st March, 2015, eight

meetings of the Audit Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	9th May, 2014	4	3
2	23rd May, 2014	4	4
3	29th July, 2014	4	4
4	11th September, 2014	4	4
5	31st October, 2014	4	3
6	1st December, 2014	5	4
7	21st January, 2015	5	5
8	27th March, 2015	5	5

Attendance at Audit Committee Meetings during the financial year

Director	No. of meetings attended
S. B. Mathur	8
A. Baijal	6
A. Duggal ¹	3
P. B. Ramanujam	7
K. Vaidyanath	8

1. Appointed Member w.e.f. 31st October, 2014.

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 formulates criteria for evaluation of performance of the Independent Directors & the Board. The Committee's role also includes recommending to the Board the appointment, remuneration and removal of Directors & Corporate Management Committee Members. This Committee also has the responsibility for administering the Employee Stock Option Schemes of the Company.

Composition

The Nomination & Compensation Committee presently comprises the Chairman of the Company and five Non-Executive Directors, four of whom are Independent Directors. The Chairman of the Committee is an Independent Director.

Report on Corporate Governance

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

Details of Nomination & Compensation Committee

Meetings during the financial year

During the financial year ended 31st March, 2015, seven meetings of the Nomination & Compensation Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	25th April, 2014	5	4
2	23rd May, 2014	5	5
3	29th July, 2014	5	5
4	30th July, 2014	5	5
5	31st October, 2014	6	6
6	21st January, 2015	6	6
7	27th March, 2015	6	5

Attendance at Nomination & Compensation Committee Meetings during the financial year

Director	No. of meetings attended
S. H. Khan	5
S. Banerjee ¹	3
Y. C. Deveshwar	7
S. S. H. Rehman	7
M. Shankar	7
K. Vaidyanath	7

1. Appointed Member w.e.f. 30th July, 2014.

Remuneration Policy

ITC's remuneration policy aims at attracting and retaining high calibre talent. The remuneration policy, therefore, is market-led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly.

The Policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company is provided in the Annexure forming part of this Report.

Remuneration of Directors

Remuneration of the Chairman and other Executive Directors is determined by the Board, on the recommendation of the Nomination & Compensation Committee; remuneration of the Executive Directors is subject to the approval of the Shareholders. The Chairman and Executive Directors are entitled to performance bonus for each financial year up to a maximum of 200% and 150% of their consolidated salary, respectively, and 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.

Non-Executive Directors are entitled to remuneration by way of commission for each financial year ranging from ₹ 12,00,000/- to ₹ 20,00,000/- 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 meetings of the Board and Committees thereof, the quantum of which is determined by the Board. The sitting fees payable to Non-Executive Directors, as determined by the Board with effect from 25th April, 2014, are ₹ 1,00,000/- for each meeting of the Board, ₹ 50,000/- for each meeting of the Audit Committee, Nomination & Compensation

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

Report on Corporate Governance

Committee, CSR and Sustainability Committee and Independent Directors Committee and ₹ 10,000/- for each meeting of the Securityholders Relationship Committee. Non-Executive Directors are also entitled to coverage under Personal Accident Insurance.

Details of Remuneration paid to the Directors during the financial year ended 31st March, 2015

Director	Consolidated Salary	Perquisites and other Benefits	Performance Bonus / Commission	Sitting Fees	Total
Y. C. Deveshwar	432.00	89.21	864.00	-	1,385.21
N. Anand	86.40	61.30	129.60	-	277.30
P. V. Dhobale	86.40	22.14	129.60	-	238.14
K. N. Grant	86.40	22.49	129.60	-	238.49
A. Baijal	-	-	15.00	9.50	24.50
S. Banerjee ¹	-	-	14.75*	7.00	21.75
A. Duggal ²	-	-	-	5.00	5.00
A. V. Girija Kumar	-	-	15.00*	9.05*	24.05
S. H. Khan	-	-	15.00	7.50	22.50
R. E. Lerwill ³	-	-	5.51	9.50	15.01
S. B. Mainak ⁴	-	-	-	6.50*	6.50
S. B. Mathur	-	-	15.00	10.50	25.50
D. K. Mehrotra ⁵	-	-	8.59*	-	8.59
H. G. Powell ⁶	-	-	4.93	-	4.93
P. B. Ramanujam	-	-	15.00	11.00	26.00
S. S. H. Rehman	-	-	15.00	11.00	26.00
A. Ruys ⁷	-	-	15.00	1.50	16.50
B. Sen ⁸	-	-	6.08	-	6.08
M. Shankar	-	-	15.00	13.50	28.50
K. Vaidyanath	-	-	15.00	15.20	30.20
B. Vijayaraghavan ⁸	-	-	6.08	-	6.08

* Paid to the Institution the Director represents / represented.

1. Appointed Non-Executive Director w.e.f. 24th July, 2014.

2. Appointed Non-Executive Director w.e.f. 15th September, 2014.

3. Appointed Non-Executive Director w.e.f. 18th November, 2013.

4. Appointed Non-Executive Director w.e.f. 25th April, 2014.

5. Ceased to be Non-Executive Director w.e.f. 27th October, 2013.

6. Ceased to be Non-Executive Director w.e.f. 30th July, 2013.

7. Ceased to be Non-Executive Director w.e.f. 24th July, 2014.

8. Ceased to be Non-Executive Director w.e.f. 27th August, 2013.

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

Employee Stock Option Schemes

The Company granted 68,26,355 Options during the financial year to the eligible employees and Directors of the Company, other than Independent Directors, and eligible employees of some of its subsidiary companies.

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.

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

Shares and Options of Directors

Director	No. of Ordinary shares of ₹ 1/- each held (singly / jointly) as on 31st March, 2015	No. of Options granted during the financial year
Y. C. Deveshwar	1,72,500	2,70,000
N. Anand	2,28,000	1,35,000
P. V. Dhobale	1,10,630	1,35,000
K. N. Grant	1,81,730	1,35,000
A. Baijal	1,20,000	Nil
S. Banerjee	Nil	Nil
A. Duggal	Nil	Nil
A. V. Girija Kumar	Nil	Nil
S. H. Khan	4,87,000	Nil
R. E. Lerwill	Nil	10,000
S. B. Mainak	Nil	Nil
S. B. Mathur	3,11,000	Nil
P. B. Ramanujam	3,41,356	Nil
S. S. H. Rehman	1,03,488	Nil
M. Shankar	Nil	Nil
K. Vaidyanath	26,32,633	10,000

Note : The Options were granted at 'market price' as defined under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Report on Corporate Governance

Service Contracts, Severance Fee and Notice Period

The appointment of the Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, 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 have been issued by the Company to the Independent Directors, as required under Clause 49 of the Listing Agreement, incorporating their roles, duties, responsibilities etc., which have been accepted by them.

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

III. SECURITYHOLDERS RELATIONSHIP COMMITTEE

The Securityholders Relationship Committee of the Board (earlier known as the 'Stakeholders Relationship Committee') oversees redressal of shareholder and investor grievances and, inter alia, approves transmission of shares, sub-division / consolidation / renewal / issue of duplicate share certificates etc. and allotment of shares upon exercise of Options under the Company's Employee Stock Option Schemes.

Composition

The Securityholders Relationship Committee presently comprises four Directors. The Chairman of the Committee is a Non-Executive Director.

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

Details of Securityholders Relationship Committee Meetings during the financial year

During the financial year ended 31st March, 2015, twenty eight meetings of the Securityholders Relationship

Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	23rd April, 2014	3	2
2	30th April, 2014	3	2
3	13th May, 2014	3	2
4	23rd May, 2014	3	2
5	29th May, 2014	3	2
6	9th June, 2014	3	2
7	27th June, 2014	3	2
8	7th July, 2014	3	2
9	21st July, 2014	3	2
10	30th July, 2014	3	3
11	12th August, 2014	3	2
12	29th August, 2014	3	2
13	11th September, 2014	3	2
14	16th September, 2014	3	2
15	25th September, 2014	3	2
16	10th October, 2014	3	2
17	17th October, 2014	3	2
18	31st October, 2014	3	3
19	17th November, 2014	4	3
20	1st December, 2014	4	2
21	18th December, 2014	4	2
22	5th January, 2015	4	3
23	20th January, 2015	4	4
24	13th February, 2015	4	2
25	24th February, 2015	4	3
26	10th March, 2015	4	2
27	17th March, 2015	4	2
28	27th March, 2015	4	4

Attendance at Securityholders Relationship Committee Meetings during the financial year

Director	No. of meetings attended
A. V. Girija Kumar	21
P. V. Dhabale ¹	10
K. N. Grant	27
K. Vaidyanath	7

1. Appointed Member w.e.f. 31st October, 2014.

IV. 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 integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013.

Composition

The CSR and Sustainability Committee presently comprises the Chairman of the Company and four Non-Executive Directors, one of whom is an Independent Director. The Chairman of the Company is the Chairman of 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

Details of CSR and Sustainability Committee Meetings during the financial year

During the financial year ended 31st March, 2015, five meetings of the CSR and Sustainability Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	25th April, 2014	5	4
2	23rd May, 2014	6	5
3	31st October, 2014	5	4
4	21st January, 2015	5	5
5	27th March, 2015	5	5

Attendance at CSR and Sustainability Committee Meetings during the financial year

Director	No. of meetings attended
Y. C. Deveshwar	5
A. V. Girija Kumar	4
R. E. Lerwill	5
S. B. Mainak ¹	3
A. Ruyz ²	1
M. Shankar	5

1. Appointed Member w.e.f. 25th April, 2014.

2. Ceased to be Member w.e.f. 24th July, 2014.

V. INDEPENDENT DIRECTORS COMMITTEE

The statutory role of the Independent Directors Committee of the Board is to review the performance of non-Independent Directors, the Board and the Chairman of the Company 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 Independent Directors and the Committee Chairman are provided under the section 'Board of Directors and Committees' in the Report and Accounts.

Meetings and Attendance

Details of Independent Directors Committee Meetings during the financial year

During the financial year ended 31st March, 2015, one meeting of the Independent Directors Committee was held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	27th March, 2015	8	7

The CSR and Sustainability Committee provides strategic direction to the Company towards fulfilling its triple bottom line objectives.

Report on Corporate Governance

Attendance at Independent Directors Committee Meetings during the financial year

Director	No. of meetings attended
A. Baijal	1
S. Banerjee	1
A. Duggal	1
S. H. Khan	-
S. B. Mathur	1
P. B. Ramanujam	1
S. S. H. Rehman	1
M. Shankar	1

CORPORATE MANAGEMENT COMMITTEE

The primary role of the Corporate Management Committee is strategic management of the Company's businesses within Board approved direction / framework.

Composition

The Corporate Management Committee presently comprises all the Executive Directors and seven senior members of management. The Chairman of the Company is the Chairman of the Committee. The composition of the Corporate Management Committee is determined by the Board based on the recommendation of the Nomination & Compensation Committee.

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

Meetings and Attendance

Matters requiring the Board's attention / approval are placed in the form of notes from the relevant Executive Director / Corporate Management Committee Member, backed by comprehensive background information, alongwith Divisional / SBU Management Committee's recommendation / approval, where applicable. Agenda papers are generally circulated at least three days prior to the meeting. Minutes of Corporate Management Committee meetings are placed before the Board for its information.

Details of Corporate Management Committee Meetings during the financial year

During the financial year ended 31st March, 2015, forty two meetings of the Corporate Management

Committee were held, as follows:

Sl. No.	Date	Committee Strength	No. of Members present
1	2nd April, 2014	10	9
2	2nd April, 2014	10	9
3	16th April, 2014	10	10
4	16th May, 2014	10	10
5	13th June, 2014	10	8
6	9th & 10th July, 2014	10	10
7	24th July, 2014	10	10
8	13th & 14th August, 2014	10	9
9	1st September, 2014	10	9
10	30th September, 2014	10	8
11	21st October, 2014	10	10
12	24th November, 2014	11	9
13	17th December, 2014	11	11
14	14th January, 2015	11	11
15	4th February, 2015	11	11
16	4th February, 2015	11	11
17	5th February, 2015	11	11
18	10th February, 2015	11	11
19	11th February, 2015	11	10
20	11th February, 2015	11	10
21	12th February, 2015	11	11
22	13th February, 2015	11	11
23	17th February, 2015	11	11
24	18th February, 2015	11	10
25	18th February, 2015	11	10
26	20th February, 2015	11	10
27	20th February, 2015	11	10
28	23rd February, 2015	11	11
29	23rd February, 2015	11	11
30	25th February, 2015	11	11
31	25th February, 2015	11	11
32	25th February, 2015	11	11
33	26th & 27th February, 2015	11	11
34	26th & 27th February, 2015	11	11
35	4th March, 2015	11	10
36	4th March, 2015	11	10
37	10th March, 2015	11	11
38	10th March, 2015	11	11
39	11th March, 2015	11	11
40	11th March, 2015	11	11
41	20th March, 2015	11	11
42	20th March, 2015	11	11

Attendance at Corporate Management Committee Meetings during the financial year

Member	No. of meetings attended
Y. C. Deveshwar	42
N. Anand	37
P. V. Dhobale	41
K. N. Grant	41
B. B. Chatterjee	41
A. Nayak	42
S. Puri ¹	27
T. V. Ramaswamy	41
S. Sivakumar	41
K. S. Suresh	41
R. Tandon	39

1. Appointed Member w.e.f. 1st November, 2014.

FAMILIARISATION PROGRAMME FOR DIRECTORS

ITC believes that a Board, which is well informed / familiarised with the Company, 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 are updated on a continuing basis on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislations and economic environment, to enable them to take well informed and timely decisions.

The details of the familiarisation programme may be accessed on the Company's corporate website at <http://www.itcportal.com/about-itc/leadership/board-of-directors.aspx>.

DISCLOSURES

- Details of non-compliances, penalties, strictures by Stock Exchanges / SEBI / Statutory Authorities on any matter related to capital markets during the last three years:

None

- Inter-se relationships between Directors of the Company:

None

- Material significant related party transactions which may have potential conflict with the interests of the Company at large:

None

- Material financial and commercial transactions of senior management, where they may have had personal interest, and which had potential conflict with the interests of the Company at large:

None

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 quarterly results of the Company were announced within a month of completion of the quarter. Audited annual results alongwith the results for the fourth quarter were announced within sixty days of the end of the financial year. These results were published, inter alia, in 'The Times of India' and 'Bartaman' / 'Aajkaal' from Kolkata, and on an all India basis in major newspapers, and also in 'Luxemburger Wort', Luxembourg. As in the past, the Company will publish its quarterly, half-yearly and annual financial results and also post such results on the Company's corporate website www.itcportal.com. The Company's presentations on the results, quarterly results updates alongwith FAQs are made available on the Company's corporate website.

- The Company's corporate website provides comprehensive information on ITC's portfolio of businesses, CSR and Sustainability initiatives, EHS performance, shareholding pattern and contact details of Company's employees responsible for assisting investors & handling investor grievances. The website has entire sections dedicated to ITC's profile, history and evolution, its core values, corporate governance and leadership. An exclusive section on 'Shareholder Value' serves to inform and service Shareholders, enabling them to access information at their convenience. The entire Report and Accounts as well as quarterly, half-yearly and annual financial results are available in downloadable formats under the section 'Shareholder Value' on the Company's

Report on Corporate Governance

website as a measure of added convenience to investors. The 'Media Centre' section includes all major media releases from the Company and relevant media reports.

- 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 Clause 49 of the Listing Agreement.

ITC CODE OF CONDUCT

The ITC Code of Conduct, as adopted by the Board of Directors, is applicable to 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 and the philosophy of leading by personal example. The Code is available on the Company's corporate website.

Declaration as required under Clause 49 of the Listing Agreement

All Directors and senior management of the Company have affirmed compliance with the ITC Code of Conduct for the financial year ended 31st March, 2015.

Y. C. Deveshwar

Kolkata, 22nd May, 2015.

Chairman

WHISTLEBLOWER POLICY

Synopsis of the Whistleblower Policy of the Company is provided in the 'Report of the Board of Directors & Management Discussion and Analysis' in the Report and Accounts. The Whistleblower Policy is also available on the Company's corporate website.

ITC CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING - 2015

ITC Code of Conduct for Prevention of Insider Trading - 2015, as approved by the Board of Directors, inter alia, prohibits purchase or sale of securities of the Company by Directors and employees while in possession of unpublished price sensitive information in relation to the Company.

NON-MANDATORY RECOMMENDATIONS UNDER CLAUSE 49 OF THE LISTING AGREEMENT

The status of compliance with the non-mandatory recommendations under Clause 49 of the Listing Agreement with Stock Exchanges is provided below:

1. **Chairman's Office:** The Chairman of the Company is the Executive Chairman.
The Company has a diversified business portfolio, which demands that the senior leadership has an 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 Officer of the Company is therefore generally chosen from amongst the executive management of the Company. The current Chief Executive Officer of the Company is also the Chairman of the Board.
2. **Shareholder Rights:** The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's corporate website. Significant events are also posted on this website under the 'Media Centre' section. The complete Annual Report is sent to every Shareholder of the Company.
3. **Audit Qualifications:** It has always been the Company's endeavour to present unqualified financial statements. There are no audit qualifications on the Company's financial statements for the year ended 31st March, 2015.

GENERAL SHAREHOLDER INFORMATION

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

In terms of Clause 49 of the Listing Agreement with Stock Exchanges, 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.

This Certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.

ANNEXURE TO THE REPORT ON CORPORATE GOVERNANCE

Remuneration Policy

ITC's Remuneration Strategy is designed to attract and retain high quality talent, that gives each of its businesses a unique competitive advantage and enables the Company achieve its objectives.

ITC's Remuneration Strategy is a key and integral component of the broader Human Resource Strategy of the Company and, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's Superordinate goal and enables a congruence between individual aspirations and the Company's mission and vision.

Policy

It is ITC's policy:

1. To ensure that its Remuneration practices support and encourage meritocracy.
2. To ensure that Remuneration is market-led and takes into account the competitive context of each business.
3. To leverage Remuneration as an effective instrument to enhance performance and therefore, to link a significant component of remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, combining both cash and non-cash components / benefits, in a manner so as to judiciously balance short term with long term priorities.
5. To design Remuneration practices such that they reinforce ITC's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

Remuneration of Executive Directors, Key Managerial Personnel and Senior Management

1. Remuneration of Executive Directors, Key Managerial Personnel and Senior Management is determined and recommended by the Board Nomination & Compensation Committee and approved by the Board. Remuneration of Executive Directors is also subject to the approval of the shareholders.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. Since the market for Board-level and senior leadership talent is global, remuneration of top management of global corporations as well as Indian corporations of comparable size is considered. The review also cognises for the Company's diverse multi-business portfolio and its unique strategy of organisation.
3. Apart from fixed elements of remuneration and benefits / perquisites, Executive Directors, Key Managerial Personnel and Senior Management are also eligible for Performance Bonus and Employee Stock Options that are linked to their individual performance and the overall performance of the Company. These elements of

compensation design, facilitate alignment of the priorities of Executive Directors, Key Managerial Personnel and Senior Management with the long-term interests of stakeholders.

Remuneration of Non-Executive Directors

Remuneration of Non-Executive Directors is in the form of annual commission, which is determined by the Board within the limit stipulated under the Companies Act, 2013 and approved by the shareholders. Commission is based, inter alia, on Company performance and is generally payable on a uniform basis to reinforce the principle of collective responsibility. Individual performance may be taken into account in exceptional circumstances. Non-Executive Directors are also entitled to sitting fees for attending meetings of the Board and Committees thereof, the quantum of which is determined by the Board. Non-Executive Directors, who are not Independent Directors, are also eligible for Stock Options as approved by the shareholders.

Remuneration of Management Staff

1. Remuneration of Management Staff is business-specific and approved by the Corporate Management Committee on the recommendation of the Business and Corporate Human Resources.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the business, as well as the track record of the individual manager.
3. Variable Pay in the form of Annual Performance Bonus cognises for the performance rating of the individual manager, the performance of the Business and the overall performance of the Company.
4. The Nomination & Compensation Committee may grant Stock Options under the Company's Employee Stock Option Schemes to managers at middle and senior levels, linked to their performance and potential, with benefits vesting in phases over a period of time.

Remuneration of Non Management Employees

1. Remuneration of non-management employees is market-led, business specific, leverages performance and is approved by the Management Committee of the Business.
2. Remuneration of non-management unionised employees is determined through a process of negotiations with the recognised union/s or employee representatives, through a long-term agreement.
3. The collective bargaining process is anchored in mutuality of interests, characterised by industrial democracy and partnership with enlightened trade unions, aimed at enhancing the competitiveness of the unit and business, and thereby improving the quality of life of the workforce through fair and equitable compensation.
4. Remuneration, comprising fixed and variable components, is arrived at based on benchmarking with region-cum-industry practices and cognizing for market dynamics, competitiveness of the unit / plant, overall performance of the business, availability of skills, inflation / cost of living and the impact of cost escalation and productivity gains on present and future competitiveness.

Shareholder Information

AGM Details

Date	Friday, 31st July, 2015
Venue	Science City Main Auditorium JBS Haldane Avenue Kolkata 700 046
Time	10.00 a.m.
Book Closure Dates	Friday, 5th June, 2015 to Tuesday, 9th June, 2015 (both days inclusive)
Dividend Payment Date	Monday, 3rd August, 2015

Registrar & Share Transfer Agents

The in-house Investor Service Centre of the Company (ISC), accredited with ISO 9001 : 2008 certification for investor servicing, provides share registration and related services. The Company is registered with Securities and Exchange Board of India (SEBI) as Category II Share Transfer Agent and has been granted a certificate of permanent registration by SEBI.

Share and Debenture Transfer Committee

The Share and Debenture Transfer Committee of the Company generally meets three to four times a month to approve share transfers. The processing activities with respect to requests received for share transfers are generally completed within three working days from the date of receipt of request. There were no share transfers pending as on 31st March, 2015. The Committee met thirty eight times during the financial year.

The Committee comprises the following:

K. N. Grant, Executive Director - Chairman

B. B. Chatterjee, Executive Vice President & Company Secretary - Member

K. S. Suresh, General Counsel - Member

A. Bose, Deputy Secretary and Head of ISC, is the Secretary to the Committee and also 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 generally within five working days except where constrained

by disputes or legal impediments. There are some pending cases which relate to disputes over title to shares in which the Company has been made a party. These cases however are not material in nature.

In terms of the Complaint Identification Policy approved by the Securityholders Relationship Committee of the Board, the Company received three complaints during the financial year ended 31st March, 2015, two relating to non-receipt of Report and Accounts and one relating to transfer of shares. The said complaints have been promptly resolved.

National Stock Exchange, Bombay Stock Exchange and Calcutta Stock Exchange have confirmed that there were no investor complaints pending against the Company at the end of each quarter as also on 31st March, 2015, which position was also reflected on SCORES, the web based complaint redressal system of SEBI.

The e-mail ID earmarked for investor complaints is isc@itc.in

Dematerialisation of Shares and Liquidity

The shares of the Company are available for trading 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 year, 1,03,88,575 shares of the Company, covered in 2,739 requests and constituting 0.13% of the issued and subscribed Share Capital of the Company, were dematerialised. 5,45,43,19,606 shares of the Company constituting 68.05% of the issued and subscribed Share Capital stand dematerialised as on 31st March, 2015. The processing activities with respect to requests received for dematerialisation are generally completed within four working days.

The Company's shares are among the most liquid and actively traded shares on the Indian Stock Exchanges and consistently rank among the top frequently traded shares, both in terms of number of shares traded as well as in terms of value. The Company's market capitalisation stood at ₹ 2,61,186 crores (US\$ 41.79 billion) on 31st March, 2015 as compared to ₹ 2,80,628 crores (US\$ 46.84 billion) on 31st March, 2014.

Distribution of Shareholding as on 31st March, 2015

No. of Shares Slab	No. of Shareholders				No. of Shares					
	Physical	Demat	Total	%	Physical	%	Demat	%	Total	%
1 – 5000	36,483	4,51,727	4,88,210	93.21	2,87,75,948	0.36	16,01,24,835	2.00	18,89,00,783	2.36
5001 – 10000	4,141	12,768	16,909	3.23	2,88,66,516	0.36	9,14,56,589	1.14	12,03,23,105	1.50
10001 – 20000	1,840	7,510	9,350	1.78	2,69,12,320	0.34	10,85,54,282	1.35	13,54,66,602	1.69
20001 – 30000	516	2,760	3,276	0.63	1,25,02,680	0.15	6,81,18,353	0.85	8,06,21,033	1.00
30001 – 40000	249	1,371	1,620	0.31	86,91,715	0.11	4,77,38,547	0.59	5,64,30,262	0.70
40001 – 50000	204	848	1,052	0.20	94,12,421	0.12	3,84,21,184	0.48	4,78,33,605	0.60
50001 – 100000	226	1,514	1,740	0.33	1,54,48,355	0.19	10,53,96,039	1.32	12,08,44,394	1.51
100001 and above	90	1,536	1,626	0.31	2,43,05,89,980	30.32	4,83,45,09,777	60.32	7,26,50,99,757	90.64
Total	43,749	4,80,034	5,23,783	100.00	2,56,11,99,935	31.95	5,45,43,19,606	68.05	8,01,55,19,541	100.00

Categories of Shareholders as on 31st March, 2015

Category	No. of Shares held	%
(A) Institutional Shareholding		
Financial Institutions, Insurance Companies, Mutual Funds and Banks	2,78,60,49,966	34.76
Foreign Institutional Investors and Foreign Portfolio Investors	1,66,06,41,784	20.72
Sub-Total (A)	4,44,66,91,750	55.48
(B) Non-Institutional Shareholding		
Foreign Companies	2,41,36,86,872	30.11
NRIs and Foreign Nationals	4,47,47,407	0.56
Bodies Corporate	26,38,15,414	3.29
Public and Others	82,66,14,963	10.31
Sub-Total (B)	3,54,88,64,656	44.27
Public Shareholding (A+B)		
Shares underlying Global Depository Receipts	1,99,63,135	0.25
Total	8,01,55,19,541	100.00

Global Depository Receipts

Pursuant to the offer of Global Depository Receipts (GDRs) made in 1993 by the Company, 1,99,63,135 GDRs, representing 1,99,63,135 underlying shares of the Company i.e. 0.25% of the issued and subscribed Share Capital, were outstanding as on 31st March, 2015.

The Company's GDRs are listed on the Luxembourg Stock Exchange (Code: 004660919) at Societe de la Bourse de Luxembourg, 35A Boulevard Joseph II, L-1840, Luxembourg. The Listing Fee for the calendar year 2015 has been paid to the said Exchange.

Shareholder Information

Listing of Shares on Stock Exchanges with Stock Code

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, G Block Bandra-Kurla Complex, Bandra (E) Mumbai 400 051 Telephone nos. : 022-2659 8100-14 Facsimile no. : 022-2659 8120 e-mail : ignse@nse.co.in website : www.nseindia.com	ITC
BSE Ltd. (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 Ltd. (CSE) 7, Lyons Range Kolkata 700 001 Telephone no. : 033-4025 3000 Facsimile no. : 033-4025 3030 e-mail : cseisc@cse-india.com website : www.cse-india.com	10000018

The Listing Fees for the financial year 2015-16 have been paid to the above Stock Exchanges.

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

Monthly High and Low Quotes and Volume of Shares traded on NSE, BSE and GDRs on Luxembourg Stock Exchange (LSE)

Year & Month	NSE			BSE			LSE		
	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (₹)	Low (₹)	Volume in 000's (Nos.)	High (US\$)	Low (US\$)	Volume in 000's (Nos.)
2014 APRIL	356.00	336.70	113304	355.55	336.75	13083	5.87	5.63	2
MAY	387.50	334.55	159309	386.75	329.00	11544	6.21	5.65	2
JUNE	343.10	312.50	182965	342.55	312.40	20254	5.70	5.22	151
JULY	364.50	324.00	166922	364.45	323.20	11781	N.A.	N.A.	Nil
AUGUST	361.85	341.55	84862	361.45	341.85	4219	N.A.	N.A.	Nil
SEPTEMBER	379.90	348.30	126812	379.75	348.25	7699	N.A.	N.A.	Nil
OCTOBER	370.00	343.45	93922	370.00	343.55	5414	N.A.	N.A.	Nil
NOVEMBER	378.80	348.65	130512	378.80	348.60	11824	6.05	5.75	51
DECEMBER	400.30	357.10	156265	400.00	357.30	8930	6.44	5.81	91
2015 JANUARY	372.95	346.10	197696	373.60	346.10	11315	N.A.	N.A.	Nil
FEBRUARY	409.95	348.50	177686	409.70	350.00	16578	6.42	5.67	22
MARCH	358.00	315.10	257656	358.50	315.25	28535	5.74	5.07	10

There was no trading in the Company's shares on CSE during the financial year 2014-15.

ITC Share Price vis-à-vis CNX Nifty



Note – Indicates monthly closing positions.

During the year, the performance of the Company's share price remained subdued relative to CNX Nifty, reflecting the sharp increase in taxation and regulatory pressures on the cigarette industry.

ITC Share Price & Volume traded on NSE



Note – Indicates monthly high & low price and monthly volume.

Shareholder Information

Dividend History (Last 10 Years)

As one of India's foremost private sector companies, the Company has performed consistently for over a century now and has rewarded Shareholders since inception with uninterrupted dividends.

Financial Year	Dividend per Share (₹)	Dividend (₹ in Crores)	Dividend Distribution Tax (₹ in Crores)	Total Dividend including Dividend Distribution Tax (₹ in Crores)
2014-15	6.25 *	5009.70	1019.86	6029.56
2013-14	6.00	4771.91	810.99	5582.90
2012-13	5.25	4148.46	705.03	4853.49
2011-12	4.50	3518.29	570.75	4089.04
2010-11	4.45 [®]	3443.48 [®]	558.62	4002.10
2009-10	10.00 ^{\$}	3818.18 ^{\$}	634.15	4452.33
2008-09	3.70	1396.53	237.34	1633.87
2007-08	3.50	1319.02	224.17	1543.19
2006-07	3.10	1166.29	198.21	1364.50
2005-06	2.65 [^]	995.13 [^]	139.57	1134.70

* Subject to approval of Shareholders.

[®] On expanded Share Capital arising out of Bonus shares issued in the ratio of 1:1 and includes special dividend of ₹ 1.65 per share.

^{\$} Includes special Centenary dividend of ₹ 5.50 per share.

[^] On expanded Share Capital arising out of Bonus shares issued in the ratio of 1:2.

Financial Calendar

Financial Year 2015-16		
1	First Quarter Results	July 2015
2	Second Quarter and Half-Year Results	October 2015
3	Third Quarter Results	January 2016
4	Fourth Quarter and Annual Results	May 2016

Particulars of past three AGMs

AGM	Financial Year	Venue	Date	Time	Special Resolutions passed
103rd	2013-14	Science City Main Auditorium JBS Haldane Avenue Kolkata 700 046	30/07/2014		<ul style="list-style-type: none"> Approval to retain the number of Directors on the Board of Directors at eighteen, in line with the Articles of Association of the Company. Amendment to the Articles of Association of the Company for incorporation of Article 10A with respect to charging of fees for copies of documents / registers / records.
102nd	2012-13		26/07/2013	10.00 a.m.	<ul style="list-style-type: none"> Appointment of Auditors. Payment of commission to Non-Executive Directors.
101st	2011-12		27/07/2012		<ul style="list-style-type: none"> Appointment of Auditors.

Postal Ballot and E-Voting

During the year, the resolutions for appointment of Independent Directors of the Company under Section 149 of the Companies Act, 2013 were passed by the Members by requisite majority by means of postal ballot and e-voting.

Salient features of the said postal ballot and e-voting are provided below:

- The Board of Directors of the Company appointed Mr. R. L. Auddy, Senior Solicitor and Partner, Messrs. Sandersons & Morgans, Advocates & Solicitors, as Scrutinizer for conducting the postal ballot and e-voting;
- Despatch of the Postal Ballot Notice, alongwith the Explanatory Statement and Postal Ballot Form, to the Members of the Company was completed on 10th August, 2014. The said documents were sent in electronic mode to those Members who registered their e-mail addresses with the Company or with the Depositories and in physical mode to the other Members;
- Voting rights were reckoned on the paid-up value of the shares registered in the names of the Members on 1st August, 2014;
- Voting by postal ballot commenced from 11th August, 2014. The last date for receipt of completed postal ballot forms was 9th September, 2014. E-voting commenced at 9.00 a.m. on 11th August, 2014 and ended at 5.00 p.m. on 9th September, 2014;
- Based on the Scrutinizer's Report to the Chairman of the Company, the results of the postal ballot and e-voting were declared on 12th September, 2014 at the Registered Office of the Company, as follows:

Resolution relating to	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
Appointment of Mr. A. Baijal as an Independent Director for a period of five years with effect from 15th September, 2014	619,72,16,448	99.97	18,03,539	0.03
Appointment of Mr. A. Duggal as an Independent Director for a period of five years with effect from 15th September, 2014	613,14,39,241	98.93	6,62,15,286	1.07
Appointment of Mr. S. H. Khan as an Independent Director for a period of three years with effect from 15th September, 2014	618,20,28,585	99.73	1,68,00,012	0.27
Appointment of Mr. S. B. Mathur as an Independent Director for a period of five years with effect from 15th September, 2014	614,37,16,162	99.35	4,03,75,994	0.65
Appointment of Mr. P. B. Ramanujam as an Independent Director for a period of five years with effect from 15th September, 2014	616,73,67,784	99.49	3,14,81,124	0.51
Appointment of Mr. S. S. H. Rehman as an Independent Director for a period of five years with effect from 15th September, 2014	618,55,72,283	99.78	1,33,64,242	0.22
Appointment of Ms. M. Shankar as an Independent Director for a period of five years with effect from 15th September, 2014	619,59,81,228	99.95	30,09,130	0.05

No special resolution requiring postal ballot is being proposed for the ensuing AGM.

Shareholder Information

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

Ranjangaon

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

Saharanpur

5. Sardar Patel Marg
Saharanpur
Uttar Pradesh 247 001

HOTELS

Owned Hotels

Agra

1. ITC Mughal*
Taj Ganj
Agra 282 001

Bengaluru

2. ITC Gardenia*
1, Residency Road
Bengaluru 560 025
3. ITC Windsor*
25, Windsor Square
Golf Course Road
Bengaluru 560 052
4. My Fortune, Bengaluru
46, Richmond Road
Bengaluru 560 025

Chennai

5. ITC Grand Chola*
63, Mount Road, Guindy
Chennai 600 032
6. My Fortune, Chennai
Cathedral Road
Chennai 600 086

Jaipur

7. ITC Rajputana*
Palace Road
Jaipur 302 006

Kolkata

8. ITC Sonar*
1, JBS Haldane Avenue
Kolkata 700 046

Mumbai

9. ITC Maratha*
Sahar
Mumbai 400 099
10. ITC Grand Central*
287, Dr. B. Ambedkar Road
Parel
Mumbai 400 012

New Delhi

11. ITC Maurya*
Sardar Patel Marg
Diplomatic Enclave
New Delhi 110 021
12. Sheraton New Delhi Hotel
District Centre, Saket
New Delhi 110 017

Licenced Hotels

Gurgaon

13. ITC Grand Bharat*
P.O. Hasanpur, Taura
District Mewat
Gurgaon 122 105

Kota

14. WelcomHeritage
Umed Bhawan Palace
Palace Road
Kota 324 001

Port Blair

15. Fortune Resort Bay Island
Marine Hill
Port Blair 744 101

Vadodara

16. WelcomHotel Vadodara
R. C. Dutt Road, Alkapuri
Vadodara 390 007

Hotels Under Operating Services

Aurangabad

17. WelcomHotel Rama International
R-3, Chikalthana
Aurangabad 431 210

Hyderabad

18. ITC Kakatiya*
6-3-1187, Begumpet
Hyderabad 500 016

Jodhpur

19. WelcomHotel Jodhpur
Khasra No. 53
Village - Uchiyarda
Jodhpur 342 027

Kollam

20. WelcomHotel Raviz Ashtamudi
Thevally, Mathilil P.O.
Kollam 691 601

Kozhikode

21. WelcomHotel Raviz Kadavu
NH 17, Calicut Bypass Road
Azhinjalam P.O.
Malappuram District
Kozhikode 673 632

New Delhi

22. WelcomHotel Dwarka
Plot No. 3, Sector-10
District Centre, Dwarka
New Delhi 110 075

Panchkula

23. WelcomHotel Bella Vista
SM-8, Sector-5
Panchkula 134 109

Visakhapatnam

24. WelcomHotel Grand Bay
Beach Road
Visakhapatnam 530 002

GREEN LEAF THRESHING PLANTS

Anaparti

1. Anaparti
East Godavari District
Andhra Pradesh 533 342

Chirala

2. Chirala
Prakasam District
Andhra Pradesh 523 157

Nanjangud

3. Immavu & Adakanahalli Village
Nanjangud Taluk, District Mysuru
Karnataka 571 302

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

PAPER & PAPERBOARD MILLS

Bollaram

1. Anrich Industrial Estate
Bollaram Village, District Medak
Telangana 502 325

Sarapaka

2. Sarapaka Village
District Khammam
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

Haridwar

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

Malur

2. Survey No. 15/1 & 15/2
Madivala Gram Panchayat
Yeshwanthpura Village
District Kolar
Karnataka 563 130

Ranjangaon

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

* Operating under 'The Luxury Collection' brand under Licence from Sheraton International, LLC.

Shareholder Information

PERSONAL CARE PRODUCTS FACTORIES

Haridwar

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

Manpura

2. Village Manpura
Tehsil Baddi, District Solan
Himachal Pradesh 174 101

LIFESTYLE RETAILING

Design & Technology Centre

Manesar

- Plot No. 3, Sector-5
IMT Manesar, Gurgaon
Haryana 122 050

PLANTS UNDER CONSTRUCTION

Ambarnath

1. Integrated Consumer Goods Manufacturing Facility
Off Kalyan Badlapur Road
Ambarnath, District Thane
Maharashtra 421 505

Kapurthala

2. Integrated Foods Manufacturing and Logistics Facility
A-1-A, Mixed Use Industrial Park (MUIP)
Near Modern Jail
Jhalikhriwal Village, District Kapurthala
Punjab 144 601

Panchla

3. Integrated Packaged Foods Manufacturing Unit
Mouza Kulai, J. L. No. 26
PS Panchla, District Howrah
West Bengal 711 322

Uluberia

4. Integrated Consumer Goods Manufacturing and Logistics Facility
Mouza Amraberia, J. L. No. 08
Jorgori Village, Jorgori Gram Panchayat
Uluberia, District Howrah
West Bengal 711 303

CHOUPAL SAAGARS - RURAL SERVICES CENTRES

Amravati

1. Old Survey No. 12/5A, 12/6 & 12/7
Gat No. 19, Patwari Halka No. 48
Mouza Degaon
Pargana Nandgaon Peth
Taluka & District Amravati
Maharashtra 444 901

Badaun

2. Arazi No. 10 & 12/3 (Part)
Village Khunak
Tehsil & District Badaun
Uttar Pradesh 243 601

Bahraich

3. Khasra No. 475-476, 477 (Part),
496-kha (Part), 497, 498 (Part),
500-Mi, 501-505, 507 & 509
Village Mohammad Nagar
Tehsil, Pargana & District Bahraich
Uttar Pradesh 271 801

Chandouli

4. Khasra No. 57-62 & 641
Village Muhabatpur
Ganj Khwaja
Pargana Dhoos
Tehsil Sakaldeeha
District Chandouli
Uttar Pradesh 232 104

Chindwara

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

Jagdishpur

12. Khasra No. 2377-2380
Village Kathura
Pargana Jagdishpur
Tehsil Musafirkhana
District Amethi
Uttar Pradesh 227 817

Mandsaur

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

Mhow

14. Survey No. 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 No. 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. Gat No. 803
Village Asola
Tehsil & District Parbhani
Maharashtra 431 401

Pilibhit

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

Ratlam

18. Survey No.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 No. 208-209
Patwari Halka No. 36
Village Rafiqganj
Tehsil & District Sehore
Madhya Pradesh 466 001

Ujjain

20. Survey No. 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 No. 18 & 18/2
Patwari Halka No. 35 & 45
Village Bais
Tehsil & District Vidisha
Madhya Pradesh 464 001

Wardha

22. Survey No. 151/1 & 151/4
Mouza No. 17, Mouza Inzapur
Tehsil & 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 Kramank 15
Bhumapan Kramank Upvibhag 2A
Village Parwa
Taluka & District Yavatmal
Maharashtra 445 001

Shareholder Referencer

Unclaimed Dividend

Unclaimed dividend for the years prior to and including the financial year 2006-07 has been transferred to the General Revenue Account of the Central Government / the Investor Education and Protection Fund established by the Central Government (IEPF), as applicable.

Shareholders who have not encashed their dividend warrants relating to financial year(s) up to and including 1993-94 may claim such dividend (transferred to the General Revenue Account) from the Registrar of Companies, West Bengal, Government of India, Nizam Palace, 2nd MSO Building, 234/4 A.J.C. Bose Road, Kolkata 700 020, by applying in the prescribed Form. This Form can be downloaded from the Company's corporate website www.itcportal.com under the section 'Investor Relations' or can be furnished by the Investor Service Centre of the Company (ISC) on request.

The dividend for the undernoted years, if remaining unclaimed for 7 years, will be transferred by the Company to IEPF in accordance with the schedule given below. Communication has been sent by the Company to the concerned Shareholders advising them to write to ISC with respect to their unclaimed dividend. Details of such unclaimed dividend are available on the Company's corporate website under the section 'Investor Relations'. Attention is drawn that the unclaimed dividend for the financial year 2007-08 is due for transfer to IEPF on 4th September, 2015.

Financial Year	Dividend Identification No.	Date of Declaration of Dividend	Total Dividend (₹)	Unclaimed Dividend as on 31/03/2015		Due for transfer to IEPF on
				(₹)	%	
2007-08	78th	30th July, 2008	13,19,01,73,540.00	6,66,51,760.00	0.51	4th September, 2015*
2008-09	79th	24th July, 2009	13,96,53,10,312.00	7,29,09,827.00	0.52	29th August, 2016
2009-10	80th	23rd July, 2010	38,18,17,67,900.00	19,39,25,810.00	0.51	29th August, 2017
2010-11	81st	29th July, 2011	34,43,47,81,921.00	18,78,99,205.00	0.55	4th September, 2018
2011-12	82nd	27th July, 2012	35,18,29,33,284.00	19,21,48,821.00	0.55	2nd September, 2019
2012-13	83rd	26th July, 2013	41,48,46,73,429.00	23,12,64,529.00	0.56	1st September, 2020
2013-14	84th	30th July, 2014	47,71,90,97,700.00	28,36,84,644.00	0.59	5th September, 2021

* It will not be possible to entertain claims received by ISC after 3rd September, 2015.

Unclaimed Shares

The status of unclaimed shares of the Company transferred to a demat account, 'ITC Limited - Unclaimed Suspense Account', in accordance with Clause 5A(II) of the Listing Agreement with Stock Exchanges, is given below:

	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 1st April, 2014	4,122	89,01,151
Number of Shareholders / legal heirs who approached the Company for transfer of shares from the Unclaimed Suspense Account	69	2,29,320
Number of Shareholders / legal heirs to whom the shares were transferred from the Unclaimed Suspense Account upon receipt and verification of necessary documents	49	2,02,455
Aggregate number of Shareholders and outstanding shares held in the Unclaimed Suspense Account as on 31st March, 2015	4,073	86,98,696

Note: 123 requests, covering 2,33,750 shares, were pending for want of necessary documents from the Shareholders / legal heirs.

Voting rights in respect of the aforesaid 86,98,696 shares held in the Unclaimed Suspense Account will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned Shareholders / legal heirs.

Service of documents through Electronic Mode

The Notice, alongwith the Report and Accounts, has been sent in electronic mode to those Shareholders who have registered their e-mail addresses with the Company or with the Depositories and in physical mode to the remaining Shareholders. Shareholders who wish to update or register their e-mail addresses with the Company or with the Depositories may use the Form for updation / registration which is being sent and can also be downloaded from the Company's corporate website under the section 'Investor Relations'.

Remittance of Dividend through Electronic Mode

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

Shareholders who have not yet availed the NECS / RTGS / NEFT facility and wish to avail the same may have their bank details, including MICR (Magnetic Ink Character Recognition) and IFSC (Indian Financial System Code) numbers updated with their respective Depository Participants (DPs) or ISC where shares are held in the dematerialised form and in the physical form, respectively.

Bank Details

Shareholders holding shares in the physical form are requested to advise ISC of change in their address / mandate / bank details to facilitate better servicing.

Shareholders are advised that bank details as furnished by the Depositories or by them to the Company, for shares held in the dematerialised form and in the physical form respectively, will be printed on the dividend warrants as a measure of protection against fraudulent encashment.

Permanent Account Number (PAN)

Attention is drawn that Shareholders holding shares in the physical form are mandatorily required to furnish copy of PAN Card in the following cases:

- i) Transferees' PAN Cards for transfer of shares,
- ii) Legal heirs' PAN Cards for transmission of shares,
- iii) Surviving joint holders' PAN Cards for deletion of name of deceased Shareholder, and
- iv) Joint holders' PAN Cards for transposition of shares.

Nomination Facility

Shareholders who hold shares in the physical form and wish to make any nomination / change nomination made earlier in respect of their shareholding in the Company, should submit to ISC the prescribed Form; such Form can be downloaded from the Company's corporate website under the section 'Investor Relations' or can be furnished by ISC on request.

Depository Services

Shareholders may write to the respective Depository or to ISC for guidance on depository services.

Address for Correspondence with Depositories

National Securities Depository Limited
Trade World, 'A' Wing, 4th & 5th Floors
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013

Telephone no. : 022-2499 4200
Facsimile no. : 022-2497 6351
e-mail : info@nsdl.co.in
website : www.nsdl.co.in

Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers, 17th Floor
Dalal Street
Fort
Mumbai 400 001

Telephone no. : 022-2272 3333
Facsimile no. : 022-2272 3199
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
India

Telephone nos. : 033-2288 6426 / 0034
Facsimile no. : 033-2288 2358
e-mail : isc@itc.in
website : www.itcportal.com

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

In all correspondence with ISC, account numbers / DP ID & Client ID numbers should be furnished to facilitate prompt response. Shareholders are requested to also provide their e-mail addresses and contact numbers.

Report of the Board of Directors &

Management Discussion and Analysis

For the Financial Year Ended 31st March, 2015

Your Directors submit their Report for the financial year ended 31st March, 2015.

SOCIO-ECONOMIC ENVIRONMENT

2014 marked yet another year of modest global economic growth. According to the International Monetary Fund's April 2015 World Economic Outlook, world output grew by 3.4% - at par with the growth recorded in 2013. While economic growth picked up in the Advanced Economies, the Emerging Market & Developing Economies witnessed further deceleration in growth. The US economy posted a strong performance during the year averaging an annualised growth of 4% in the last three quarters of 2014, driven by growth in consumption expenditure on the back of steady job creation and income growth, lower oil prices and improved consumer confidence. The Euro Area also displayed signs of recovery, growing by 0.9% during 2014 compared to a contraction of 0.5% in the previous year, aided by lower oil prices, higher net exports and supportive financial conditions. However, risks of prolonged deflationary conditions and low growth persist. The Emerging Market & Developing Economies slowed down further - from 5% in 2013 to 4.6% in 2014 with China recording a decline in growth rate - from 7.8% in 2013 to 7.4% in 2014. Other major constituent economies like Brazil, Russia, and South Africa also recorded deceleration in growth rates.

Global growth prospects remain moderate in 2015. As per IMF estimates, world GDP is projected to grow modestly from 3.4% in 2014 to 3.5% in 2015 and 3.8% in 2016 largely driven by the Advanced Economies, where growth is expected to increase from 1.8% in 2014 to 2.4% in 2015 and 2016. Within Advanced Economies, growth is likely to be strongest in the US at 3.1% in 2015 driven by lower energy prices, benign inflation, reduced

fiscal drag and improving household, corporate and bank balance sheets. Building on the stronger growth momentum at the end of 2014, overall Euro Area growth is expected to increase to 1.5% in 2015, aided by lower oil prices, a weakening currency and the European Central Bank's massive asset purchase programme to unshackle the economy from its low growth and low inflation state. Emerging Market & Developing Economies are likely to see another year of deceleration in growth - from 4.6% in 2014 to 4.3% in 2015 - before recovering to 4.7% in 2016. GDP growth in China is projected to slow down further to 6.8% in 2015 with decline in investment growth.

Despite the improved prospects in certain sections of the world economy, global economic recovery remains fragile. Geopolitical tensions, stagnation and deflationary conditions in Advanced Economies, continued slowdown in growth rates in China and its consequent adverse impact on commodity exporting countries represent some of the key downside risks to global economic recovery.

While domestic macro-economic variables improved over the previous year, aided by the collapse of global crude oil prices, the Indian economy witnessed yet another challenging year with only a marginal pick-up in economic growth. The weakness in the broader economy was manifest in your Company's operating segments – particularly in the FMCG and Hospitality space. While the new data, rebased to 2011-12, released by the Central Statistics Office (CSO) has pegged GDP growth at 7.4% for 2014-15 compared to 6.9% in 2013-14, there appears to be a significant divergence between the reported growth rates and on-ground economic activity. While growth in Private Final Consumption Expenditure (PFCE) has been estimated

The Indian economy witnessed yet another challenging year with only a marginal pick-up in economic growth. However, inflation eased significantly and there was significant improvement on the 'twin deficit' front.

at 7.1% for 2014-15 (Vs. 6.2% in 2013-14), leading indicators like rural demand headwinds, muted sales of tractors and two wheelers, depressed production of consumer goods and a marked deceleration in corporate sales growth point to a persistent weakness in private consumption demand. Similarly, while industrial growth based on the new data series is estimated at 5.9%, Index of Industrial Production (IIP) data reflects a relatively subdued performance. As stated by the RBI in its Monetary Policy Report of April 2015, while the new GDP data embodies better coverage and improved methodology as per international best practices, an accurate assessment of the state of the business cycle and forecasting is handicapped by the lack of sufficient historical data based on the new data series.

There was good news on the inflation front, which declined significantly aided by low global crude oil and commodity prices. While Wholesale Price Index (WPI) for 2014-15 stood at 2% as against 6% in 2013-14, Core CPI inflation also eased to 5.5% in 2014-15 as compared to 8.8% in 2013-14. The fall in inflation provided the much needed space for monetary accommodation, with the RBI reducing policy rates by a cumulative 50 bps in Q4 2014-15. Food inflation, however, has displayed an uptrend in recent months and remains a key monitorable given the adverse impact of unseasonal rains in March 2015 on the winter crop and early indications of the likelihood of El Nino weather conditions during the forthcoming south-west monsoon season.

There was significant improvement on the 'twin deficit' front as well. Fiscal Deficit was contained within target at 4.0% of GDP in 2014-15 driven by decline in oil subsidies, once-off proceeds from spectrum auctions and compression in Government expenditure. The Current Account Deficit narrowed further to an estimated 1.3% of GDP as compared to 1.7% in the previous year, primarily aided by a lower import bill on account of the steep fall in crude oil prices. Healthy capital flows on the back of improved investor sentiment and favourable global liquidity conditions helped shore up foreign

exchange reserves leading to a relatively stable Rupee and propelling the Sensex to record highs.

The broad-based decline in retail inflation since September 2014, depressed commodity prices and the Government's plans to step up infrastructure investments and focus on improving the ease of doing business in India have improved the prospects for growth in 2015-16.

However, the pace of growth is unlikely to witness significant acceleration in the short term given the inherent time lag involved for business confidence and reforms to translate into higher levels of capital investment and a significant pick-up in Private Consumption Expenditure. As per median estimates, based on the Survey of Professional Forecasters conducted by RBI, the Indian economy is likely to grow by 7.9% in 2015-16 as compared to 7.4% in 2014-15 (based on 2011-12 data series). A sharp reversal in crude oil and global commodity prices, heightened geopolitical risks, low agricultural output due to sub-normal monsoons, and protracted stagnation in the Euro Area represent some of the key downside risks going forward. An accelerated rollout of policy reforms and fast track clearances of large projects would go a long way in stimulating the private investment cycle and turn around the manufacturing sector.

While India remains one of the fastest growing major economies in the world, the rate of economic growth in recent years has remained far below the desired levels and the country's potential. Given the low levels of per capita income and the fact that a significant proportion of our population lives below the poverty line, it is imperative that the economy reverts to a high growth trajectory sooner than later.

Domestic consumption remains one of the key growth engines of the Indian economy. With a large and growing population, rising affluence and literacy, and increasing urbanisation - the structural drivers for rapid growth in consumption are in place. Even so, the subdued growth in private consumption over the last few years is a cause

There is an urgent need to focus on new job creation and skill development to address the unsustainable levels of unemployment especially amongst the youth. Stagnation in the manufacturing sector needs to be reversed at the earliest towards the creation of sustainable livelihoods.

Report of the Board of Directors

for concern. Equally, given the significant additions to the working age population, there is an urgent need to focus on new job creation and skill development to address the unsustainable levels of unemployment especially amongst the youth. Stagnation in the manufacturing sector needs to be reversed at the earliest towards the creation of sustainable livelihoods and absorption of the increasing working age population of the country. In this context, the Government's 'Make in India' initiative to turn India into a global manufacturing hub is a step in the right direction as it seeks to enhance transparency, speed up the approvals process, resolve policy issues by working in tandem with the States and foster greater levels of value addition within the country. Boosting agricultural productivity and value addition to international standards while simultaneously improving market linkages remain critical for the growth of the Agricultural sector. Supportive policies in the areas of food processing and agro-forestry can significantly contribute to job creation, enhance rural incomes, help manage food inflation and promote sustainable agriculture.

For a country like India which has a disproportionately low share of global natural resources relative to its large population, where millions continue to live in abject poverty, and a young demographic profile which entails 12 million people entering the job market every year, the focus both at the national and corporate level should be on fashioning strategies that foster sustainable, equitable and inclusive growth. Policies and regulations must be aligned towards encouraging businesses to adopt a low-carbon growth path and support the creation of sustainable livelihoods and societal capital.

Differentiated and preferential incentives, in the form of fiscal or financial benefits to companies that adopt sustainable business practices would act as a force multiplier towards achieving this critical national goal. 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 with enhancing shareholder value. This 'Triple Bottom Line' approach to creating larger 'stakeholder value', as opposed to merely ensuring uni-dimensional 'shareholder value', 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 and 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 13 years), 'carbon positive' (for 10 years), and 'solid waste recycling positive' (for 8 years).

The following sections outline your Company's progress in pursuit of the 'Triple Bottom Line'.

FINANCIAL PERFORMANCE

Your Company delivered another year of steady performance in the backdrop of continuing sluggishness in the macro-economic environment, exacerbated by a steep increase in taxes/duties on cigarettes which led to unprecedented pressure on legal cigarette industry sales volumes. Your Company also had to contend with start-up costs relating to the launch of new products and categories in the non-cigarette FMCG segment, input cost pressures in the Paperboards, Paper & Packaging Businesses and a weak demand and pricing environment in the Hotels Business.

Gross Revenue for the year grew by 7.0% to ₹ 49964.82 crores. Net Revenue at ₹ 36083.21 crores grew by 9.7% primarily driven by a 11.3% growth in the non-cigarette FMCG segment, 8.1% growth in the Agribusiness segment and 8.7% growth in the Cigarettes segment. Profit Before Tax registered a growth of 10.6% to ₹ 13997.52 crores while Net Profit at ₹ 9607.73 crores increased by 9.4%. After adjusting for liability written back in Q2 FY14 (towards Rates and Taxes and Interest thereon pertaining to earlier years,

A 'Triple Bottom Line' approach to creating larger 'stakeholder value' is the driving force that defines your Company's sustainability vision and its growth path into the future.

Report of the Board of Directors

aggregating ₹ 192.68 crores) underlying growth in Profit Before Tax and Net Profit for the year grew by 12.3% and 11.0% respectively. Earnings Per Share for the year stood at ₹ 12.05 (previous year ₹ 11.09). Cash flows from Operations aggregated ₹ 13534.65 crores compared to ₹ 10759.50 crores in the previous year.

Your Directors are pleased to recommend a Dividend of ₹ 6.25 per share (previous year ₹ 6.00 per share) for the year ended 31st March, 2015. Total cash outflow in this regard will be ₹ 6029.56 crores (previous year ₹ 5582.90 crores) including Dividend Distribution Tax of ₹ 1019.86 crores (previous year ₹ 810.99 crores).

Your Board further recommends a transfer to General Reserve of ₹ 970.00 crores (previous year ₹ 880.00 crores). Consequently, the Surplus in Statement of Profit and Loss as at 31st March, 2015 would stand at ₹ 8767.35 crores (previous year ₹ 6139.09 crores).

FOREIGN EXCHANGE EARNINGS

Your Company continues to view foreign exchange earnings as a priority. All Businesses in the ITC portfolio are mandated to engage with overseas markets with a view to testing and demonstrating international competitiveness and seeking profitable opportunities for growth. The ITC Group's contribution to foreign exchange earnings over the last ten years aggregated nearly US\$ 6.6 billion, of which agri exports constituted 57%. 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 the financial year 2014-15, your Company and its subsidiaries earned ₹ 5901 crores in foreign exchange. The direct foreign exchange earned by your Company amounted to ₹ 5096 crores, mainly on account of exports of agri-commodities. Your Company's expenditure in foreign currency amounted to ₹ 1969 crores, comprising purchase of raw materials, spares and other expenses of ₹ 1676 crores and import of capital goods at ₹ 293 crores. Details of foreign exchange earnings and outgo are provided in Note 31 to the Financial Statements.

PROFITS, DIVIDENDS AND SURPLUS

	₹ in Crores	
PROFITS	2015	2014
a) Profit Before Tax	13997.52	12659.11
b) Tax Expense		
– Current Tax	4020.99	3791.13
– Deferred Tax	368.80	82.77
c) Profit for the year	9607.73	8785.21
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
a) At the beginning of the year	6139.09	3788.10
b) Less: Loss for the period from 1st April, 2013 to 31st March, 2014 adjusted pursuant to the Scheme of Arrangement [Refer Note 31 (x)]	8.01	–
c) Add: Unrecognised Net Deferred Tax assets as on 1st April, 2013 adjusted pursuant to the Scheme of Arrangement [Refer Note 31 (x)]	45.84	–
d) Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 24.88 crores) [Refer Note 31 (xi)]	48.32	–
e) Add : Profit for the year	9607.73	8785.21
f) Less:		
– Transfer to General Reserve	970.00	880.00
– Proposed Dividend [2015 ₹ 6.25 (2014 - ₹ 6.00) per share]	5009.70	4771.91
– Income Tax on Proposed Dividend		
• Current Year	1019.86	810.99
• Earlier year's provision no longer required	(30.58)	(28.68)
g) At the end of the year	8767.35	6139.09

BUSINESS SEGMENTS

A. FAST MOVING CONSUMER GOODS

FMCG - Cigarettes

The legal cigarette industry in India continues to be impacted by a punitive taxation and discriminatory regulatory regime. The operating environment for the legal cigarette industry in India was rendered even more

[Your Company delivered another year of steady performance in the backdrop of continuing sluggishness in the macro-economic environment.]

Report of the Board of Directors

challenging during the year, with two rounds of sharp increase in Excise Duty – in July 2014 and February 2015. This includes a cumulative increase of 115% on filter cigarettes of ‘length not exceeding 65 mm’, which has widened the price differential between legal and illegal cigarettes and made it extremely difficult for the legal cigarette industry to counter the unabated growth of illegal cigarettes in the country.

Over the last 3 years, the incidence of Excise Duty and VAT on cigarettes, at a per unit level, has gone up cumulatively by 98% and 104% respectively. It is pertinent to note that Kerala, Tamil Nadu and Assam, which together account for a significant portion of your Company’s sales volumes, sharply increased VAT rate on cigarettes during the year.

The combined impact of the sharp increase in Excise Duty and VAT as stated above, is exerting unprecedented pressure on legal industry sales volumes. Besides adversely impacting the performance of the legal cigarette industry, this has led to sub-optimisation of the revenue potential from the tobacco sector.

High incidence of taxation and a discriminatory regulatory regime on cigarettes in India have over the years, led to a significant shift in tobacco consumption to lightly taxed or tax evaded tobacco products like bidi, khaini, chewing tobacco, gutkha and illegal cigarettes which presently constitute over 88% of total tobacco consumption in the country. Thus, the share of legal cigarettes in overall tobacco consumption has progressively declined from 21% in 1981-82 to below 12% in 2014-15 even as overall tobacco consumption has increased in India.

As per a recent independent study¹, it is estimated that products representing 68% of overall tobacco consumption in the country escape taxation as they are manufactured in the unorganised sector with little statutory oversight. While India accounts for around 17% of world population and constitutes over 84% of global consumption of smokeless tobacco, it has a minuscule

share of only 1.8% of global cigarette consumption. As a result, revenue collections from the tobacco sector are sub-optimised even as the overall tobacco control and health objectives remain substantially unfulfilled. The requirement therefore is an India-centric tax and policy framework for tobacco that cognises for the unique tobacco consumption pattern in the country.

The imposition of discriminatory and punitive VAT rates by some States provides an attractive tax arbitrage opportunity for illegal cigarette trade by criminal elements. The consequential decline in legal cigarette volumes in such States has led to stagnation / decline in revenue collections, even as illegal cigarettes gained significant traction. On the other hand, the pragmatic decisions of several State Governments to rationalise VAT on cigarettes have facilitated improvement in revenue buoyancy and arresting the growth of illegal trade.

According to an independent study conducted by Euromonitor International - a renowned global research organisation - India is now the 5th largest market for illegal cigarettes in the world. In fact, illegal trade comprising smuggled foreign and domestically manufactured tax-evaded cigarettes is estimated to constitute one-fifth of the overall cigarette industry in India resulting in a huge revenue loss of over ₹ 7000 crores per annum to the national exchequer.

To combat this menace, your Company continues to make representations to policy makers recommending compulsory licensing of all cigarette manufacturing units irrespective of size, increase in customs duty on imported cigarettes to WTO bound rate levels with suitable safeguards built-in to prevent undervaluation, ban on manufacture of tobacco and tobacco products in EOU and SEZ units, ban on cigarettes from personal baggage allowance and duty-free trade and exclusion of tobacco and tobacco products from preferential treatment under Free Trade Agreements that India is party to.

There is an urgent need for stability in tax rates on cigarettes to reverse the undesirable consequences of

¹ Report on the impact of current tax framework on the tobacco sector in India and suggestions for its improvements — 2014, by ASSOCHAM and KPMG

High incidence of taxation and a discriminatory regulatory regime on cigarettes in India have led to a significant shift in tobacco consumption to lightly taxed or tax evaded tobacco products.

Report of the Board of Directors

a punitive and discriminatory tobacco taxation policy. It is also relevant to note that despite being one of the largest producers of tobacco in the world, India's share of global tobacco trade remains meagre at approx. 7%. A stable, fair and equitable cigarette taxation policy would be imperative to provide a strong domestic demand base to the Indian farmer, insulating him from the volatilities typically associated with international markets. Such a policy would be the key catalyst in realising the full economic potential of the tobacco sector in India and protect the interest of the Indian tobacco farmer. This assumes critical significance especially in view of the fact that there are few economically viable alternative crops to farmers in the regions where tobacco is grown in India.

Your Company continues to engage with the concerned authorities, both at the Central and State Government level, highlighting the need for moderation in tax rates on cigarettes to maximise the revenue potential from the tobacco sector and contain the growth of the illegal segment.

As per the draft Constitution Amendment Bill 2014 on Goods and Services Tax (GST), cigarettes are likely to come under the purview of the proposed GST framework while continuing to be subjected to the levy of Central Excise Duty. It is imperative that revenue sensitive goods like cigarettes are subjected to uniform standard rates of tax applicable to general category of goods to ensure revenue buoyancy and rein in the growth of the illegal segment. Further, the combined incidence of Excise Duty and GST should be revenue neutral i.e. maintained at current levels and all existing State level taxes should be subsumed into GST. Your Company, along with industry bodies and other stakeholders, continues to make representations to the Government in this regard.

A recent Government notification, originally proposed to be effective from 1st April 2015, mandates larger graphic health warnings covering 85% of the surface area of both sides of the pack as compared to the current requirement of covering 40% of the area of one side of

the pack. The proposed graphic health warnings are amongst the most stringent in the world and far larger than those in the top 5 cigarette markets viz. China, Russia, Indonesia, USA and Japan. It is apprehended that the introduction of the new graphic health warnings would inter alia lead to a spurt in the sale of illegal cigarettes which will not carry the new warnings. Besides the consequential loss of revenue to the exchequer, this will also adversely impact the livelihoods of Indian tobacco farmers as illegal cigarettes either do not use Indian tobacco at all or use domestically sourced tobacco of dubious and inferior quality.

It is estimated that about 60% of the countries in the world which have ratified the WHO Framework Convention on Tobacco Control either do not have any health warnings on cigarette packets or prescribe a 'text only' warning (i.e. without any graphics). In fact, China, USA and Japan which together account for more than 51% of global cigarette sales volumes, prescribe 'text only' warnings.

The Committee on Subordinate Legislation, which is examining the issue of introduction of larger graphic health warnings on cigarette packs in India, has in its report dated 16th March 2015 stated that a large number of representations have been received from Members of Parliament as well as various people / organisations and stakeholders involved in the tobacco industry against the introduction of the new warnings and serious apprehensions have been expressed about the adverse impact of the modified rules on the livelihoods of a large number of people directly or indirectly involved in tobacco trade. The Committee has sought more time to review the issues in detail and has recommended to the Government to defer the implementation of the notification, till such time it finalises the examination of the subject and arrive at appropriate conclusions.

The Government has accordingly deferred the implementation of the new graphic health warnings.

The Tobacco industry in India supports the livelihoods of over 41 million people including vulnerable sections

[The tobacco industry supports the livelihoods of over 41 million people including vulnerable sections of the society and contributes around ₹ 28000 crores to the national exchequer.]

Report of the Board of Directors

of the society like farmers, farm labour, rural poor, women, tribals etc. and contributes around ₹ 28000 crores to the national exchequer apart from generating valuable foreign exchange earnings of around ₹ 6000 crores. It is pertinent to note that other tobacco producing countries have taken a balanced view keeping in mind their domestic interests and have not adopted over-sized and excessive health warnings.

The proposed graphic health warnings would impede the ability to compete in the market by leaving insufficient space for your Company's distinctive trademarks and pack designs besides depriving consumers of their valuable right to be informed about a legitimate product they intend to purchase and consume.

Notwithstanding the challenging regulatory and taxation environment, your Company strengthened its product portfolio across segments to reinforce its leadership position in the industry. During the year, specific emphasis was laid on developing and launching products with differentiated tobacco blends, special filters and flavour bouquets. Several innovative variants like 'Classic Blue Leaf with Jet Flo Filter', 'Gold Flake Gold with Quad Core Filter', 'Classic Ice Burst with Capsule Filter' and 'Classic Fine Taste with Triple Solid Filter' were launched during the year in line with your Company's philosophy to offer world-class products to the Indian consumer.

During the year, your Company expanded the market presence of KwikNic nicotine chewing gum adding the pharmaceutical channel to the product's distribution footprint. The year also saw your Company's foray into the Electronic Vaping Device (EVD) category under the 'EON' brand. After its initial launch in Hyderabad and Kolkata, the brand was progressively extended to Bengaluru, Delhi and Goa. EON is also available in the e-commerce channel.

Your Company's objective of providing consumers with a comprehensive range of world-class products has led to increasing complexity in manufacturing operations over the years. Towards this, your Company has focused

on building flexibility and agility across the supply chain to ensure delivery of volume and variety in a timely and cost-effective manner. Structural interventions in the area of manufacturing network planning, technology and people systems have helped enhance responsiveness. During the year, the first phase of modernisation of the Kolkata factory was successfully completed. This involved induction of new technologies, automation of shop floor processes and introduction of new segments.

During the year, the Bengaluru and Saharanpur factories won the 'Platinum' and 'Gold' awards respectively in the prestigious 'India Manufacturing Excellence Awards' (IMEA) instituted by Frost & Sullivan and The Economic Times. These awards bear testimony to your Company's standing among India's best manufacturing organisations.

Your Company's manufacturing facilities continue to receive recognition for excellence in sustainability. During the year, the Bengaluru factory was awarded the 'Overall Leader Award' for Green Manufacturing Excellence by Frost & Sullivan, while the Munger, Ranjangaon and Bengaluru factories won the 'CII National Award for Excellence in Energy Management'.

In recognition of excellence in safety management at its factories, your Company received several awards during the year. These include the 'Suraksha Puraskar (Bronze)', under the manufacturing sector category from the National Safety Council of India for Ranjangaon Factory, first prize for Saharanpur factory from FICCI in the 'Safety Systems Excellence Awards for manufacturing sector – Large Scale' category and 'Safety Innovative Award 2014' by Institute of Engineers (India) for Kolkata Factory.

With steep increase in taxation, rising illegal trade and increasing regulatory pressures, the year ahead will indeed be challenging. Despite the severe pressures, your Company remains confident in sustaining its leadership position in the industry by leveraging its robust business strategies, a world-class product portfolio and superior execution capabilities.

[Your Company has focused on building flexibility and agility across the supply chain to ensure delivery of volume and variety in a timely and cost-effective manner.]

FMCG - Others

The FMCG industry continued to grow at a muted pace during the year in the backdrop of a challenging macro-economic environment, with most of your Company's operating segments recording deceleration in growth rates. Categories involving discretionary spends or with relatively high penetration levels remained subdued during the year.

While there are incipient signs of revival of demand, it is expected to take a few more quarters for the industry to revert to a higher growth trajectory. The FMCG industry in India, however, is poised to bounce back over the medium-term driven by increasing affluence, urbanisation, a young workforce, and relatively low levels of penetration and per capita usage.

Your Company's FMCG-Others Businesses clocked Segment Revenue of ₹ 9038 crores during the year, representing a growth of 11% over the previous year. This was achieved in the backdrop of sluggish demand conditions as aforesigned and intense competitive activity with industry players stepping up consumer and trade offers with a view to garnering volumes, offsetting the benefit accruing from benign inflation in input costs. Segment Results for the year stood at ₹ 34 crores after absorbing the start-up costs of two new categories viz., Juices and Gums, scale-up costs of Deodorants launched in 2013, besides a host of new launches in existing categories.

Your Company continued to make investments during the year towards enhancing brand salience and consumer connect while simultaneously focusing on implementing strategic cost management measures across the value chain and adopting a judicious pricing approach. Several initiatives were also implemented during the year towards leveraging the rapidly growing e-commerce channel for enhanced reach of your Company's products and harnessing digital and social media platforms for deeper consumer engagement.

Your Company continued to strengthen its formidable distribution highway comprising a large and diverse

product portfolio, multiple brands, hundreds of SKUs covering over 1 lakh markets and directly servicing over 2 million retail outlets across trade channels. The Trade Marketing & Distribution vertical of your Company, based on customer and channel insight developed over the years, has crafted differentiated service packs customised for each type of retail outlet. Your Company remains a leader in the convenience channel and is rated as the benchmark supplier in premium grocery outlets. Extensive deployment of in-store merchandisers and consumer contact programmes to aid demand creation coupled with a relentless pursuit of execution excellence has resulted in your Company sustaining its position as one of the fastest growing FMCG companies in the Modern Trade channel. The scale and diversity of your Company's distribution network continues to be leveraged to enhance market presence and serve as a valuable source of consumer/trade insight, facilitating the seamless execution of new product and category launches. Technology enablement in the form of customised mobility solutions and predictive analytics are being increasingly leveraged towards enabling quick and accurate data capture, informed decision making in real time, and scientific designing of geography-specific trade promotion schemes. Supply chain optimisation and capability augmentation of customers (wholesale dealers) and their sales force remain key focus areas.

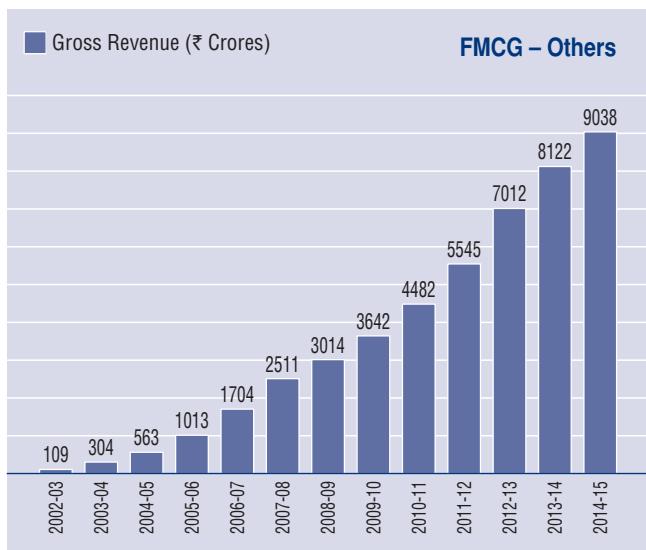
In addition to scaling up outsourced manufacturing capacity across key categories during the year, your Company progressed the construction of state-of-the-art owned integrated consumer goods manufacturing and logistics facilities across regions in line with long-term demand forecasts. Currently, over 20 projects are underway and in various stages of development – from land acquisition / site development to construction of buildings and other infrastructure.

The new FMCG Businesses comprising Branded Packaged Foods, Personal Care Products, Education and Stationery Products, Lifestyle Retailing, Incense Sticks (Agarbattis) and Safety Matches have grown at

[The new FMCG Businesses have grown at an impressive pace over the past several years. Your Company's vibrant portfolio of FMCG brands represent an annual consumer spend of over ₹ 11000 crores in aggregate.]

Report of the Board of Directors

an impressive pace over the past several years, with Segment Revenue crossing the ₹ 9000 crores mark during the year.



Your Company's vibrant portfolio of brands viz., 'Aashirvaad', 'Sunfeast Dark Fantasy', 'Sunfeast Dream Cream', 'Sunfeast Delishus', 'Sunfeast Bounce', 'Bingo!', 'Yumitos', 'YiPPeel!', 'Candyman', 'mint-o', 'GumOn', 'Kitchens of India' in the Branded Packaged Foods space; 'Classmate' and 'Paperkraft' in Education & Stationery products market; 'Essenza Di Wills', 'Fiamma Di Wills', 'Vivel', 'Superia' and 'Engage' in the Personal Care products segment; 'Wills Lifestyle' and 'John Players' in the Lifestyle Retailing Business; 'Mangaldeep' in Agarbattis, 'Aim' in Matches, amongst others continue to garner consumer franchise and enhance market standing. These brands, which represent an annual consumer spend of over ₹ 11000 crores in aggregate, have been built organically by your Company over a relatively short period of time - a feat perhaps unrivalled in the Indian FMCG industry. This includes 4 brands – Aashirvaad, Sunfeast, Classmate, Bingo! - which exceed ₹ 1000 crores each – and several brands that are more than ₹ 500 crores each in terms of annual consumer spend. These world-class Indian brands support the competitiveness of domestic value chains of which they are a part, ensuring creation and retention of value within the country.

In line with the corporate strategy of creating multiple drivers of growth, your Company seeks to rapidly scale up the FMCG Businesses leveraging its institutional strengths viz. deep consumer insight, proven brand building capability, a deep and wide distribution network, strong rural linkages and agri-commodity sourcing expertise, packaging knowhow and cuisine knowledge. In addition, your Company continues to make significant investments in Research & Development to develop and launch disruptive and breakthrough products in the market place.

Highlights of progress in each category are set out below.

Branded Packaged Foods

Demand conditions in the Branded Packaged Foods industry remained subdued for the second year in succession with consumers seeking value-for-money offers and curbing discretionary spending. Against the backdrop of a sluggish demand environment, your Company sustained its position as one of the fastest growing branded packaged foods businesses in the country leveraging a robust portfolio of brands, differentiated range of products customised to regional tastes and preferences along with enhanced product visibility and availability in key markets.

While input cost inflation remained moderate during the year, the high intensity of consumer promos and trade schemes resorted to by industry players in a bid to garner volumes exerted pressure on margins. Your Company's Branded Packaged Foods Businesses mitigated such margin pressure by focusing on product mix enrichment, value engineering initiatives, dynamic sourcing based on close monitoring of market trends, structural interventions in manufacturing technology and supply chain optimisation.

The Branded Packaged Foods Businesses continue to invest in the areas of consumer insight discovery, R&D and product development and differentiated technology platforms to effectively address the diverse tastes and preferences of consumers across the country. Investments continue to be made towards augmenting the manufacturing and sourcing footprint across

[Against the backdrop of a sluggish demand environment,
your Company sustained its position as one of the fastest growing
branded packaged foods businesses in the country.
]

Report of the Board of Directors

categories with a view to improving market responsiveness and reducing the cost of servicing proximal markets. During the year, an integrated manufacturing and logistics facility was commissioned at Malur, Karnataka. Significant progress was also made during the year towards setting up an integrated manufacturing facility at Uluberia, West Bengal, a Dairy plant at Munger, Bihar and a biscuit manufacturing factory at Mangaldoi, Assam (through a joint venture company viz., North East Nutrients Pvt. Ltd.). These facilities are expected to become operational in the ensuing year.

- In the **Bakery and Confectionery Foods Business**, your Company increased the scale of its operations and improved its market standing. The Sunfeast range of biscuits was augmented during the year with the launch of 'Mom's Magic' in the premium cookies space in two variants - 'Rich Butter' and 'Cashew & Almond'. In addition to the several product development and brand enhancement initiatives undertaken during the year, the Business migrated the popular range of cream biscuits under a new sub-brand - 'Bounce' - which emerged as the largest cream brand in the industry and helped sustain your Company's leadership position in the overall creams segment. The Business also forayed into the Cakes segment with the launch of 'Yumfills Whoopie Pie'- a premium chocolate-enrobed cake - which has seen good traction.

In the Confectionery category, the Business continued to leverage the 'Candyman' and 'mint-o' brands and focused on premiumising its product portfolio by enhancing the share of variants priced at 'Re. 1 & above' in the sales mix. The Business augmented manufacturing capability in the hard boiled candy and jelly segment, which will facilitate introduction of innovative and premium products going forward. The year also marked your Company's foray into the Gums segment with the launch of 'GumOn' brand, which has

garnered impressive consumer franchise in launch markets. The product is being rolled out to target markets.

- Your Company's **Staples, Spices and Ready-to-Eat Foods Business** posted a robust performance during the year, growing well ahead of the industry. In the Staples category, 'Aashirvaad' atta consolidated its leadership position in the industry and grew at a rapid pace driven by the value-added portfolio comprising the 'Multigrain', 'Select' and 'Superior MP' variants. The Business also augmented its product range during the year with the launch of 'Aashirvaad Atta with Methi' in the value-added segment. Brand salience was strengthened further on the back of impactful communication and marketing investments.
- In the **Snack Foods Business**, your Company recorded impressive gains in market standing in the Savoury Snacks, Noodles & Pasta categories. In the Noodles category, 'Sunfeast YiPPee!' clocked a healthy revenue growth far exceeding the industry growth rate. During the year, Sunfeast YiPPee! entered the league of Top 100 FMCG brands in India – a reflection of its growing stature in the fast growing Noodles category. With the commissioning of the new facility at Malur, Karnataka, the Business expanded its manufacturing footprint to all the four regions of the country which will facilitate more efficient servicing of demand going forward. Sunfeast YiPPee! Tricolor Pasta, a differentiated premium offering launched last year, continued to grow at a fast pace and gain consumer franchise.

In the Savoury Snacks category, the Business registered significant growth in its Bingo! range of finger snacks driven by the 'Mad Angles' and 'Tedhe Medhe' sub-brands through sustained expansion of distribution, activation of passive channels in the North and East markets and measured brand investments. In the potato chips

[Your Company forayed into the fast-growing Juices category during the year with the launch of 7 exciting variants under the 'B Natural' brand.]

Report of the Board of Directors

- portfolio, 'Bingo! Yumitos' also grew at a robust pace on the strength of region-specific interventions.
- Your Company forayed into the fast-growing Juices category during the year with the launch of 7 exciting variants under the 'B Natural' brand in January 2015. These highly innovative and differentiated products, including the unique offering 'Jamun Joy', have received promising consumer response. Your Company seeks to leverage its agri-sourcing expertise and deep distribution reach and rapidly scale up the B Natural brand in the years ahead.

Your Company is well positioned to establish itself as the 'most trusted provider of food products in the Indian market' leveraging a strong portfolio of world-class brands, deep understanding of the diverse tastes and preferences of Indian consumers, focus on best-in-class quality and operational excellence across the value chain. Your Company will continue to make investments towards establishing a distributed manufacturing footprint, structural interventions with a view to reducing operating costs and focus on supply chain optimisation to support the rapid and profitable growth of the Branded Packaged Foods Businesses. In line with this objective, your Company is in the process of implementing a new 'Strategy of Organisation' towards bringing about sharper focus, greater agility and responsiveness and facilitating the development of deeper specialisms in each operating category.

Personal Care Products

Your Company's Personal Care Products Business posted robust growth in revenue during the year driven by increasing consumer franchise for its products and a series of new launches and range extensions. During the year, the Business rolled out several differentiated product offerings in the Deodorants, Soaps, Shower Gel and Skin Care categories under the 'Engage', 'Fiama Di Wills', 'Vivel', and 'Superia' brands, and improved in-store brand salience of offerings under the 'Essenza Di Wills' brand.

In February 2015, your Company acquired the 'Savlon' and 'Shower to Shower' trademarks and other intellectual property rights for identified markets from the Johnson & Johnson group. Savlon is an established brand with a rich heritage and is associated with personal care products in the fast-growing antiseptic/anti-bacterial categories. Shower to Shower has a strong consumer franchise in the prickly heat talcum powder category. Your Company intends to leverage these assets to strengthen its position in the personal care space by expanding its existing product portfolio and gaining access to newer consumer segments and markets.

The year saw the successful introduction of a new range of soaps at the premium end under the 'Vivel' franchise with the launch of 'Vivel Love & Nourish' and 'Vivel Glycerin'. As part of a brand modernisation exercise, 'Superia Deluxe' and 'Superia Naturals' were launched to address the emerging needs of distinct consumer segments. The year also witnessed the launch of the next edition of the Signature series of 'Fiama Di Wills Shower Gels - Shower Jewel' designed by celebrity designer, Masaba Gupta. In the fast-growing Deodorants category, 'Engage' has emerged as the No.2 player in the country within a relatively short span of 2 years since launch. The year also saw the launch of '0% gas' variants of 'Engage Cologne Sprays' thereby providing consumers a wider repertoire of choice. These interventions have been well received by consumers strengthening your Company's presence in the Personal Care industry.

As in previous years, the Business received accolades for its product quality and innovation initiatives. 'Fiama Di Wills Shower Gel' was voted the best shower gel at the Nykaa.com Femina Beauty Awards. 'Vivel' won the Afaqs Buzziest Brand Award where it was ranked No. 1 in the Personal Care category. 'Superia Silk' was ranked as the No. 1 soap on quality and skin moisturising ability among Grade 1 toilet soaps by Consumer Voice, a Government of India recognised comparative product testing organisation. These awards, amongst others, bear testimony to your Company's relentless focus on quality and delivering world-class products to Indian consumers.

[The year saw the successful introduction of a new range of soaps at the premium end under the 'Vivel' franchise with the launch of 'Vivel Love & Nourish' and 'Vivel Glycerin'.]

Report of the Board of Directors

Industry growth remained subdued during the year, with leading players passing on the benefit of softening input prices - primarily of crude palm oil - to consumers with a view to reviving demand. Your Company outperformed the market by launching several value-added products, focusing on a richer product mix, managing costs by developing alternative sources of supply and further improving supply chain responsiveness.

The Indian Personal Care industry is poised for rapid growth given the relatively low levels of per capita consumption in the country as compared to other emerging economies, increasing urbanisation, rising disposable incomes and the increasing consumer preference for enhanced personal grooming. Your Company is well positioned to seize the emerging opportunities in this rapidly evolving industry with its unrelenting focus on creating vibrant brands, world-class product quality, development of innovative and consumer-centric products based on deep consumer understanding leveraging dedicated R&D capabilities as well as partnerships with key institutions in the scientific community.

Education & Stationery Products

Your Company consolidated its leadership position in the Education and Stationery products industry in India. In the Notebooks category, the Business fortified its market standing and expanded its product portfolio with the launch of several differentiated offerings under the 'Classmate', 'Classmate Pulse', 'Paperkraft' and 'Saathi' brands. The Business launched a premium 'Signature' range of products under the Paperkraft brand exclusively in the e-commerce space. The Classmate portfolio of notebooks was enriched with refreshing designs, finishes and binding styles. Complementary categories comprising writing instruments, art stationery and scholastic products witnessed robust growth during the year leveraging the strong equity of Paperkraft and Classmate brands.

The Business continued to focus on innovation and new product development with a dedicated product development cell working in tandem with your Company's Life Sciences & Technology Centre.

On the distribution front, the Business expanded the availability of its products through a multi-pronged approach of channel proliferation, market penetration and outlet coverage increase. The Business also implemented a specific distribution network to cater to the Saathi brand in the value segment and expanded presence amongst leading e-tailers.

In the area of supply chain, the focus was on strengthening the delivery, quality and cost competitiveness of outsourced manufacturers. During the year, the Business deployed state-of-the-art supply chain planning and optimiser tools that are expected to lower overall cost of servicing demand. Your Company continues to provide technical support and training to nearly 40 vendors in the small-scale sector, facilitating a majority of them being certified to ISO 9001:2008 standards.

The Classmate notebook is a manifestation of the environmental capital built by your Company in its paper business. While the notebook cover is made from recycled board sourced from your Company's Forest Stewardship Council (FSC) certified Kovai mill, the paper used in the notebooks leverages your Company's world-class fibre line at Bhadrachalam which is India's first ozone treated elemental chlorine free facility.

Growing literacy, increasing scale of government spend and public-private initiatives in education and higher corporate spends in the education sector are expected to drive rapid growth of the Indian Education & Stationery Products industry. Your Company, with its collaborative linkages with small & medium enterprises, a robust product portfolio and unparalleled distribution network, is well poised to strengthen its leadership position in the rapidly globalising Indian stationery market.

Lifestyle Retailing

During the year, the performance of your Company's Lifestyle Retailing Business was impacted by the continuing slowdown in discretionary consumption expenditure. The rise of online apparel retail, aided by heavy discounting and consumer offers, also impacted performance.

[The Education and Stationery Business fortified its market standing and expanded its product portfolio with the launch of several differentiated offerings under the 'Classmate', 'Classmate Pulse', 'Paperkraft' and 'Saathi' brands.]

Report of the Board of Directors

In the Premium segment, Wills Lifestyle with its high fashion imagery, increasing appeal and rich product mix, continues to enjoy strong market standing and consumer bonding. Brand equity was enhanced with heightened focus on premium product platforms. 'Wills Classic' 'Luxuria' and 'Regalia' - a finely crafted range of super premium formals - and the Wills Classic 'Ecostyle' collection in natural-fibre products such as linens, sharpened the premium imagery of the brand and aided higher value capture. The Wills Classic 'Modernist' range, 'Wills Sport' and 'Wills Clublife' attracted newer and younger franchise leveraging high-fashion imagery and design language. The women's collection was strengthened by offering an enhanced range of exclusive designer wear, co-created with India's leading designers. The Business also crafted a range of wardrobe essentials across categories to enhance sell through duly supported by robust replenishment infrastructure and processes. The Wills Lifestyle brand continued to receive industry recognition, including the 'Superbrand' certification. During the year, sales of Wills Lifestyle products to 'Club ITC' members increased significantly, reflecting the brand's enhanced bonding with premium consumers.

Retail presence of Wills Lifestyle was expanded during the year with the brand currently present in 104 exclusive stores in 44 cities and more than 500 'shop-in-shops' in leading departmental stores, regional chain stores and multi-brand outlets. The brand is also present in 6 Wills Lifestyle boutique stores in select ITC Hotels enhancing its availability to high-end and leisure travellers.

In the 'Youth fashion' segment, 'John Players' enhanced its market standing by driving fashion imagery anchored on bold and edgy fashion. John Players has emerged as a leading brand in this segment driven by youthful products such as denims, knits and jackets, earning the distinction of being featured amongst the top 5 brands in the apparel category in 'Brand Equity - The Most Exciting Brands' list published by The Economic Times.

During the year, the Business reformulated its retail presence towards enhancing brand reach and acquiring new consumers. Business processes for creation of winning designs and enhancing supply chain efficiency

were further strengthened during the year along with implementation of several initiatives towards improving retail and manufacturing productivity.

Your Company's brands – Wills Lifestyle and John Players – continue to be driven on digital platforms to enhance reach, increase awareness and tap online sales potential including through social media and specific e-commerce portals.

The Business will continue to focus on enhancing the premium and fashion quotient of its offerings based on deep consumer insight, and delivering products of world-class quality. Further investments are being made in building brand salience, enhancing product vitality, implementing contemporary information technology solutions, improving supply chain responsiveness and delivering a superior shopping experience.

Safety Matches and Incense sticks (Agarbattis)

Your Company recorded yet another year of impressive revenue growth in the Agarbatti category, growing well ahead of the industry. Growing franchise for the 'Mangaldeep' brand, superior consumer experience and enhanced distribution reach contributed to a robust performance during the year. Product portfolio was strengthened during the year with a series of new launches and range extensions such as 'Mangaldeep – Flora' and 'Mangaldeep - Dhoop Cones' in the premium segment.

Mangaldeep continues to be the fastest growing agarbatti brand in the country driven by a well-crafted portfolio of offerings born out of deep consumer understanding and increasing brand salience. Your Company also consolidated its leadership position in the 'Dhoop' segment. Investments were made during the year to enhance quality, availability and improving supply chain responsiveness.

The manufacture of agarbattis was reserved for the small-scale & cottage sector in India considering its importance in employment generation. However, import of raw battis (the principal raw material) is still being allowed at low Customs Duty rates. This is resulting in

[Wills Lifestyle with its high fashion imagery, increasing appeal and rich product mix, continues to enjoy strong market standing and consumer bonding.]

Report of the Board of Directors

bulk of the raw batti consumption in India being of imported origin leading to a loss of livelihood creation opportunities. Suitable policy changes in arresting this trend would go a long way in creating sustainable livelihoods especially among rural Indian women and tribals.

In the Safety Matches category, your Company sustained its market leadership leveraging a strong portfolio of offerings across market segments. However, sustained escalation in prices of raw materials on the one hand and proliferation of cheaper low quality products on the other, continued to exert severe pressure on sales volumes and margins. The Business implemented several measures such as value engineering, supply chain optimisation and developing alternate sources of supply to mitigate margin pressure. In this regard, the Business continues to focus on developing new products and growing the value-added segment towards enhancing the profitability of the business. Your Company's safety matches brand 'Aim' continues to be the largest selling brand in this industry.

During the year, pursuant to the scheme of demerger of the Non-Engineering Business of Wimco Limited being effective on 27th June 2014, the Safety Matches Business of Wimco Limited was seamlessly integrated with your Company's Safety Matches Business. The Business rationalised its manufacturing operations and implemented a Voluntary Separation Scheme at the Bareilly factory with all permanent workmen and trainees opting for the same. The Business scaled up sourcing from the small-scale sector to meet its requirements and progressively regionalised its sourcing footprint with the induction of units in the North and West towards more efficient servicing of the market.

Technology induction in manufacturing is crucial for the long-term sustainability of the Safety Matches Industry. A uniform taxation framework which provides a level playing field to all manufacturers is necessary to trigger the required investments for modernising this industry and creating a safer working environment for the workforce engaged in this industry. Introduction of GST

is expected to create this supportive environment to enable the industry to become globally competitive.

B. HOTELS

The hospitality sector continues to be impacted by a weak pricing scenario in the backdrop of excessive room inventory in key domestic markets and sluggish macro-economic environment both in India and major source markets. While there was marginal improvement in occupancy rate, average room rates remained under pressure in the backdrop of the addition of 8000 rooms in the key markets of Delhi / National Capital Region, Mumbai, Bengaluru, and Chennai over the last 2 years.

Consequently, Segment Revenues recorded a modest increase of 4.8% during the year. Segment Results were impacted mainly on account of the relatively weak pricing scenario, higher depreciation charge for the year due to revision in the useful life of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013 and gestation costs of the newly opened properties - ITC Grand Bharat, near Gurgaon and My Fortune Bengaluru.

Your Company's Hotels Business continues to be rated amongst the fastest growing hospitality chains in India, with over 100 properties across the country under 4 distinct brands - 'ITC Hotels' in the Luxury segment, 'WelcomHotel' in the upper-upscale segment, 'Fortune Hotels' in the upscale & mid-market space and 'WelcomHeritage' in the leisure & heritage segment. In addition to these brands, the Business has licensing and franchising agreements for two brands - 'The Luxury Collection' and 'Sheraton' - with Starwood Hotels & Resorts.

Your Company launched My Fortune Bengaluru, a flagship property under the Fortune banner in the 'upscale' segment, in May 2014 which has been well received by guests. In November 2014, the Business unveiled its latest offering in the super premium segment - ITC Grand Bharat near Gurgaon under a licensing arrangement from Landbase India Ltd. - a wholly-owned subsidiary of your Company. Uniquely

Mangaldeep continues to be the fastest growing agarbatti brand in the country.

In Safety Matches, your Company sustained its market leadership leveraging a strong portfolio of offerings.



Report of the Board of Directors

positioned as an ‘oasis of unhurried luxury’, this sprawling ‘Luxury Collection’ resort is situated in an idyllic expanse amidst the Classic Golf Resort – a 27-hole Jack Nicklaus designed signature golf course – surrounded by the majestic Aravalis and dotted with pristine lakes. ITC Grand Bharat delivers the finest luxury experience to guests with 100 Deluxe Suites and 4 Presidential Villas, a wide range of fine dining restaurants, signature spa ‘Kaya Kalp - The Royal Spa’, a host of recreational and cultural activities and a world-class meeting / banqueting venue. The resort has received glowing accolades in the domestic and international press including from CNN Travel which has rated the Classic Golf Resort among the Top 10 city golf clubs in the world, while ITC Grand Bharat received the Outlook Traveller Award for the ‘Indian Hotel Debut of the year’.

In line with its ‘asset-right’ growth strategy, the Business commenced providing operating services at WelcomHotel Jodhpur from August 2014, taking the total number of rooms under the management contract model in the 5 Star category to 1200.

Your Company was declared the successful bidder for a 250-room luxury beach resort located in South Goa operating under the name Park Hyatt Goa Resort and Spa, following an auction held by IFCI Limited in February 2015 in terms of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002. Subsequent to your Company making full payment of the bid amount, IFCI issued the requisite Sale Certificates in favour of your Company on 25th February, 2015. The erstwhile owners of the property have thereafter challenged the sale. The matter is pending before the Honourable Bombay High Court, and the hearing is in progress.

The Food & Beverage segment continues to be a major strength of your Company with some of the most iconic brands in the country. Your Company’s prestigious brand ‘Bukhara’ once again featured in the ‘S.Pellegrino Asia’s Best 50’ list while ‘Dum Pukht’ featured in the global selection of the ‘World’s 50 Best Restaurants Academy’ list. During the year, the Business added

‘Tian’ – an Asian cuisine studio offering innovative flavours from East Asia and beyond – to its international food & beverage brand portfolio comprising ‘West View’, ‘Pan Asian’, ‘Edo’, ‘Shanghai Club’ and ‘Ottimo’. ‘The Royal Vega’, a pan-Indian offering of delectable vegetarian food from the royal kitchens of India, continues to delight Indian and foreign travellers alike.

In line with your Company’s commitment to the ‘Triple Bottom Line’, the Hotels Business targets a continuous reduction in energy and water consumption. Further, the Business continues to enhance usage of renewable energy sources which now stands at 58% of total energy requirements of the Business. The bespoke ‘WelcomAqua’ water programme has been extended to all properties in the Luxury Collection. These interventions stand testimony to the ‘Responsible Luxury’ positioning of your Company’s Hotels Business and reinforce ITC Hotels’ position as the ‘greenest luxury hotel chain’ in the world.

‘Club ITC’, your Company’s pan-ITC consumer loyalty programme with a current membership base of 2.4 lakh premium consumers, continues to gain franchise amongst the premium clientele of ITC Hotels and Wills Lifestyle. A new dining loyalty programme – ‘Club ITC Culinaire’ – was launched during the year and is fast gaining popularity.

In view of the positive long-term outlook for the Indian Hotel industry coupled with the prospect of sustained growth in both global and domestic economy, your Company remains committed to its investment-led growth strategy. Steady progress is being made on construction of new hotels at Kolkata, Hyderabad and Coimbatore. Requisite clearances from the Sri Lankan authorities have been received by WelcomHotels Lanka (Private) Ltd., a wholly-owned subsidiary of the Company, to progress your Company’s first overseas project in Colombo. Excavation and allied works commenced in November 2014.

The ‘Fortune’ brand which caters to the ‘mid-market to upscale’ segment continued to lead this segment and expanded its presence with the addition of 5 new hotels

[The Hotels Business unveiled its latest offering in the super premium segment - ITC Grand Bharat near Gurgaon, positioned as an ‘oasis of unhurried luxury’.]

Report of the Board of Directors

during the year, taking the overall number of operational hotels to 46 hotels across 34 cities. Plans are on the anvil to extend the upscale My Fortune brand to 9 more cities in addition to Chennai and Bengaluru. The 'WelcomHeritage' brand remains the country's most successful and largest chain of heritage hotels with 34 operational hotels.

Your Company's Hotels Business, with its world-class properties, globally benchmarked levels of service excellence and customer centricity, is well positioned to sustain its leadership status in the Industry and to emerge as the largest hotel chain in the country over the next few years.

C. PAPERBOARDS, PAPER AND PACKAGING

During the year, the Paperboards, Paper and Packaging segment was impacted by the continuing slowdown in the FMCG industry and input cost pressures. Consequently, the Segment Revenue and Profits grew a muted 2.2% and 3.3% respectively.

Paperboards & Specialty Papers

Global demand for Paper and Paperboard in 2014 remained stagnant at 401 million tonnes. While demand for Paperboard grew by 1.5% during the year, the Writing & Printing paper (W&P) and Newsprint segments continued to decline. During the period 2008 to 2013, global Paper and Paperboard demand grew marginally by 0.5% CAGR on the back of subdued economic growth and structural decline in W&P demand in developed economies like North America and Western Europe with the increasing adoption of digital media. Emerging economies in Asia, the Middle-East and Africa continue to grow at a faster pace. Over the next 5 years, overall demand is estimated to grow at a slightly faster pace of 1.1% per annum driven mainly by Paperboard on the back of economic recovery in developed economies and lower rate of decline in the W&P segment. In view of the subdued demand conditions as aforesigned and significant surplus capacity in China – as a result of huge capacity additions since 2012 and declining economic growth rate – the pricing scenario is expected to remain weak over the medium term.

While India remains one of the fastest growing Paper and Paperboard markets in the world, overall industry demand was adversely impacted for a major part of the year in view of the weak economic environment prevailing in the country. Over the next 5 years, overall demand is expected to grow at 6.6% CAGR, with Paperboard (42% of the market) and W&P (31% of the market) estimated to grow at 7.5% CAGR and 6.2% CAGR respectively.

- Within Paperboards, demand for Value Added Paperboards (VAP) is expected to grow at 10% CAGR during this period. The faster rate of growth in VAP grades is expected to be driven by the increasing demand for branded packaged products, growth in organised retail and the use of packaging as a key differentiator, especially in the FMCG sector. Food, pharmaceuticals, publishing & notebooks and beverages are expected to be the major end-use segments driving demand growth.
- In the W&P paper segment, communication grades for notebooks, school stationery and publishing are likely to be the key drivers of growth fuelled by increasing investments in the education sector and rising literacy levels.

The huge market potential and relatively high rates of growth in India is attracting new capacities despite the recent raw material shortages and pressure on industry profitability. This is evidenced by the significant investments in capacity addition and technology upgradation by industry players over the last 5 years. In the VAP segment, capacity of about 3 Lakh tonnes per annum, representing 50% of the current market size of the segment, is expected to be commissioned over the next 12 to 18 months.

Reduction of import duties under various regional Free Trade Agreements (FTA), especially with ASEAN which became effective from 1st January 2014, continue to impact the profitability of the domestic Paper & Paperboard industry and the economic viability of small paper mills.

[The Paperboards Business consolidated its clear market leadership position in the value-added segment with the entire capacity of the recently commissioned paperboard machine (PM7) being dedicated to the manufacture of value-added grades since the beginning of the year.]

Report of the Board of Directors

The current import policy as aforementioned and extant regulations governing commercial and social forestry in the country, put the Indian Paper and Paperboard industry at a disadvantage vis-à-vis imports. In order to provide a level playing field to the domestic industry and encourage farming of wood in India, there is clearly a need to review the current import duty structure on paper and paperboard and re-examine existing FTAs and the new ones under formulation. It is also recommended to open up commercial forestry on drylands and wastelands with appropriate environmental safeguards and put in place a suitable mechanism that incentivises environment-friendly operations and adoption of sustainable business practices.

Despite a challenging operating environment and heightened competitive intensity, your Company continued to drive volume growth, improve realisations and sustain its market standing during the year. This was achieved by focusing on identified end-use segments, investments in quality systems and processes, and enhancing customer service levels. The Business consolidated its clear market leadership position in the VAP segment with the entire capacity of the recently commissioned paperboard machine (PM7) being dedicated to the manufacture of VAP grades since the beginning of the year.

The Business expanded its presence in the hosiery, apparels and publishing segments during the year. Product portfolio was strengthened with the launch of new products which were developed to address the specific needs of end-users. In line with its 'Green India' approach, the Business sustained its leadership position in sales of eco-labelled products, which are certified to be environmentally friendly. The Business also strengthened its distribution network during the year with the addition of new distributors and stockists. Service levels also improved on the back of strategically located 'quick service centres'.

The Business has emerged as a leading player in the W&P paper segment leveraging strong forward linkages with your Company's Education and Stationery

Products SBU. In the Specialty Papers segment, your Company consolidated its leadership position in the Decor grades segment by focusing on product quality and mix enrichment.

Your Company continues to pursue the strategy of promoting farm forestry with a view to improving the availability of pulpwood. Over the last 2 years, your Company has stepped up plantation coverage, well in excess of its own requirements, leading to improvement of pulpwood availability during this year in Andhra Pradesh and Telangana. This has also led to enhanced farmer incomes and increase in green cover.

During the year, your Company sold / distributed high quality saplings and seeds to farmers that enabled planting of over 165 million saplings on 29,900 hectares of plantations. With this, your Company's bio-technology based research initiatives have cumulatively resulted in the planting of nearly a billion saplings leading to significant wasteland development, greening of over 195,000 hectares. This path-breaking initiative has generated nearly 90 million person days of employment for tribal and marginal farmers. The state-of-the-art clonal sapling production facility, which was commissioned recently towards accelerating the pace of plantation activity, is operating at full capacity. The facility is a critical enabler of your Company's objective to augment pulpwood availability and to meet the ever growing demand for high quality saplings from the farming community.

Your Company's research on clonal development has resulted in the introduction of high yielding and disease resistant clones which are adaptable to a wide variety of agro-climatic conditions. Your Company's Life Sciences & Technology Centre is actively collaborating with several expert agencies to further leverage bio-technology and site specific nutrient management systems for enhancing farm productivity, wood yields and improved fibre and pulp properties. Systems are also being developed to ensure integrated pest and disease management across your Company's forestry initiatives.

Your Company has the distinction of being the first in India to have obtained the Forest Stewardship

Your Company continues to pursue the strategy of promoting afforestation with a view to improving the availability of pulpwood. This has also led to enhanced farmer incomes and increase in green cover.

Report of the Board of Directors

Council - Forest Management (FSC-FM) certification which confirms compliance with the highest international benchmarks of plantation management in terms of being environmentally responsible, socially beneficial and economically viable. Till date, your Company has received FSC-FM certification for more than 22,000 hectares of plantations involving over 25,000 farmers with another 2,500 hectares in the pipeline. During the year, more than 25,000 tonnes of FSC-certified wood were procured from these certified plantations. Plans are on the anvil to steadily increase coverage under FSC-FM certification.

All four manufacturing units of your Company have obtained the FSC Chain of Custody certification. These certifications make your Company the leading supplier of FSC-certified paper and paperboard in India.

Your Company continues to focus on recycling initiatives including solid waste recycling. While all manufacturing units have already achieved near 100% solid waste recycling by its usage for making products like lime, fly ash bricks, grey boards, egg trays etc., the procurement and recycling of about 1,05,000 tonnes of waste paper during the year has further consolidated the Business's overall positive solid waste recycling footprint.

During the year, the Bhadrachalam and Kovai units received the 'Excellent Energy Efficient Unit 2014' award from the Confederation of Indian Industry (CII). The Kovai unit has received 'Green Award 2013 - 1st Place' from the Tamil Nadu Pollution Control Board. The Tribeni unit was awarded 'Certificate of merit in the Pulp & Paper Sector' (National Energy Conservation Award – 2014) by The Ministry of Power, Government of India.

Your Company continues to focus on various safety initiatives including induction of safety stewards, strengthening systems, spreading awareness and integrating Environment, Health and Safety (EHS) as part of the overall Total Productive Maintenance (TPM) initiative. With regard to energy and water consumption, strategies to contain usage across units continue to be pursued with good results.

In line with your Company's objective of meeting 50% of its energy requirements from renewable sources, the

Business has implemented several initiatives including investment in a green boiler, soda recovery boilers and solar & wind energy. The 7.5 MW wind energy unit in Coimbatore, continues to operate at optimum levels providing clean energy to the Kovai unit. The new 12 MW Turbine Generator and 72 tonnes per hour (TPH) Boiler commissioned at the Tribeni unit in the previous year is fully operational, catering to energy requirements of the facility at a reduced cost.

Your Company successfully commissioned a 46 MW wind energy project in Andhra Pradesh in July 2014, which has been generating wind power since then. However, due to the bifurcation of the state of Andhra Pradesh and the resultant need for inter-state wheeling of power – permissions for which have not been granted, the majority of the intended benefits from this large investment have not fructified. Consequently, only a minor proportion of the power generated from this wind energy unit is being used currently by your Company's units in Andhra Pradesh with the balance output being sold to the State power grid at nominal rates, leading to sub-optimal returns. Your Company has made several representations to the concerned authorities on this issue and has also approached the Central Electricity Regulatory Commission to secure inter-state wheeling permission. Your Company remains hopeful of an expeditious resolution of the matter.

The year under review witnessed severe cost pressures in major inputs such as wood, pulp and chemicals. Your Company, with its integrated operations and strategic cost management initiatives, was able to minimise the adverse impact of such cost escalations. The Business is in the process of setting up a Bleached Chemical Thermo Mechanical Pulp mill at its Bhadrachalam unit. Once commissioned, the mill will further reduce the dependence on imports besides reducing your Company's carbon footprint.

The integrated nature of the business model comprising access to high-quality fibre from the economic vicinity of the Bhadrachalam mill, in-house pulp mill and state-of-the-art manufacturing facilities coupled with robust forward linkage with the Education and Stationery

[
All four Paperboards and Specialty Papers manufacturing units of your Company have obtained the FSC Chain of Custody certification. These certifications make your Company the leading supplier of FSC-certified paper and paperboard in India.
]

Report of the Board of Directors

Products Business and focus on Value Added Paperboards - strategically positions the Business to further consolidate and enhance its leadership status in the Indian Paperboard and Paper industry.

Packaging and Printing

Your Company's Packaging and Printing Business continues to be a leading supplier of value-added packaging in the carton and flexibles formats leveraging state-of-the-art technology and processes. The Business provides strategic support to your Company's FMCG Businesses by facilitating faster turnaround of new pack designs, ensuring security of supplies and delivering benchmarked international quality at competitive cost.

Sales of flexibles and cartons packaging recorded healthy growth during the year, driven by increased offtake by existing customers and new business development. Your Company's world-class facility at Haridwar is operating at benchmark standards and has strengthened the Business's ability to service demand in the northern markets more effectively. During the year, the Business augmented in-house printing cylinder manufacturing capacity at the Haridwar unit for speedier customer order fulfilment and enhanced competitiveness.

As in previous years, the Business won several awards for operational excellence, innovation and creativity. These include 4 'World Star Awards' from the World Packaging Organisation, 4 'Asia Star Awards' from the Asian Packaging Federation and 17 'India Star Awards' from the Indian Institute of Packaging for excellence in packaging solutions.

The 14 MW wind energy farm in Tamil Nadu, set up in 2008, provides clean energy to your Company's packaging unit in Chennai, contributing towards reducing your Company's carbon footprint. Wind energy generation from this facility, however, continued to be affected during the year due to external infrastructural deficiencies impacting connectivity to the State power grid.

The factories at Chennai, Haridwar and Munger continued to maintain the highest standards in Quality and

Environment, Health & Safety (EHS). All the three units are certified as per the Integrated Management System, consisting of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007. The Chennai and Haridwar units have also received Social Accountability certification (SA 8000:2008). During the year, the Haridwar unit received the 'Gold' rating from Indian Green Building Council for its sustainability features. Both the Chennai and Haridwar units received the highest 'Grade A' BRC / IOP certification (British Retail Consortium Institute of Packaging), for global standards in packaging and packaging materials - a key enabler for supplies to the packaged foods industry. The Business continues to be acknowledged as a key associate by several large FMCG companies in the country for providing packaging solutions.

With investments in world-class technology, best-in-class quality management systems, multiple locations and a wide packaging solutions portfolio, the Packaging and Printing Business has established itself as a one-stop shop offering superior packaging solutions. The Business is well positioned to rapidly grow its external business while continuing to service the requirements of your Company's FMCG Businesses.

D. AGRI BUSINESS

Leaf Tobacco

The global legal cigarette industry continues to be under pressure with cigarette consumption declining in most geographies. Production of global Flue Cured Tobacco varieties (excluding China), on the other hand, registered a growth of around 10% in 2014 with Zimbabwe, USA, India and Tanzania recording higher crop output. Driven by remunerative farm gate prices during 2013, Indian Flue Cured production grew by 14% to touch 317 Million Kgs. - the second highest crop output ever.

In the backdrop of a declining trend in cigarette consumption and record crop output, and high levels of uncommitted stocks globally and in India, leaf tobacco export from India is estimated to have degrown by 11% during 2014-15 to around 210 Million Kgs.

Your Company's Packaging and Printing Business continues to be a leading supplier of value-added packaging in the carton and flexibles formats leveraging state-of-the-art technology and processes.

Report of the Board of Directors

Despite the challenging business environment, your Company sustained its pre-eminent position as the leading exporter of unmanufactured tobacco from India through focused strategies aimed at strengthening trade with existing customers and robust new business development.

The Business continued to provide strategic sourcing support to your Company's Cigarette Business meeting all requirements at competitive prices. Large scale deployment of farm yield enhancing measures, extensive farmer training campaigns on agricultural best practices and sustainable agriculture, and customised growing programmes for non-Flue cured varieties were some of the key initiatives undertaken during the year. These interventions also contributed towards improving the competitive positioning of Indian leaf tobacco in international markets.

Your Company has built an enduring partnership with the farming community in the tobacco growing areas in India. Over several decades now, your Company has been actively engaging with growers and collaborating with key public institutions towards deployment of high yielding varieties, upgrading crop growing and curing practices and post-harvest product management technologies. Your Company continues to play a lead role in driving Research and Development in the areas of productivity enhancement, quality improvement, input cost reduction, process and product development.

Your Company is the single largest integrated source of quality Indian tobaccos, co-creating and delivering value at every stage of the leaf tobacco value chain. The Business continues to be at the forefront of facilitating the long-term sustainability of farming through focused interventions in sustainable agriculture, quality and productivity enhancement and community empowerment. These initiatives are anchored around the 6 dimensions of sustainability encompassing soil, water, labour, fuel, bio-diversity and community development with a specific focus on soil fertility management, soil moisture conservation, seedling production, micro irrigation, farm mechanisation, energy conservation and bio-diversity protection.

During the year, the Business designed and administered customised Sustainable Agricultural Practices (SAP) Certification Training programmes, aimed at progressive growers in Flue Cured and non-Flue Cured tobacco growing regions. The Business plans to scale up these training programmes in the years ahead.

The Business also launched Project Safal, an innovative web and mobile based platform, which seeks to enhance traceability and visibility of farm operations and provides customised crop advisory and farm extension support. The initiative won the prestigious 'Manthan Award' (runner-up) in the Agriculture & Ecology category at the 11th Manthan Awards for South Asia held in New Delhi.

The Business continues to focus on enhancing supply chain efficiency through structural interventions in the areas of network planning, warehousing and transportation. These initiatives continue to generate substantial savings in costs apart from enhancing the agility and responsiveness of the supply chain.

The Business continues to set benchmarks in leaf threshing operations through focused initiatives and innovative technological solutions. Investments continue to be made in your Company's Green Leaf Threshing plants (GLT) at Anaparti, Chirala and Mysuru towards delivering world-class quality and upgrading processing technology. In line with your Company's strategy to adopt a low-carbon growth path, the Chirala and Anaparti units commenced using energy generated by the wind energy farm set up in Anantapur, Andhra Pradesh from October 2014. With this, all three GLTs meet a significant portion of their energy needs from renewable sources.

Your Company's GLTs remain committed to the highest standards of Environment, Health & Safety and Quality and continue to win recognition in these areas. During the year, the Chirala unit won the 'Shreshtha Suraksha Puraskar' from the National Safety Council of India while the Anaparti unit won 'Gold' and 'Silver' awards from the Quality Circle Forum of India and the 'Gold' award at the International Convention for Quality Control Circles held in Sri Lanka.

[With its unmatched R&D capability, state-of-the-art facilities, crop development & extension expertise and a deep understanding of customer and farmer needs, your Company's Leaf Tobacco business is well poised to leverage emerging opportunities.]

Report of the Board of Directors

The Anaparti unit also won the 1st prize at the 'National Productivity Competition' held by the Indian Institution of Industrial Engineering, Visakhapatnam. During the year, the Mysuru unit was assessed and accredited in accordance with the ISO / IEC17025:2005 standard by the National Accreditation Board for Testing and Calibration Laboratories (NABL) for moisture testing and chemical analysis. The Mysuru unit also received the 'Gold' rating from the Indian Green Building Council.

The Business has been awarded a 'Certificate of Compliance' for its Risk Management Framework as per the requirements of ISO 31000 - a global standard in risk management principles and procedures. The certificate has been issued based on an independent assessment by an external agency and covers the entire value chain covering crop development, procurement, processing and sales.

With its unmatched R&D capability, state-of-the-art facilities, crop development & extension expertise and a deep understanding of customer and farmer needs, your Company is well poised to leverage the emerging opportunities for Indian leaf tobacco and sustain its position as a world-class leaf tobacco organisation. The Business will continue to extend strategic support to your Company's Cigarette Business while sustaining its leadership position as the leading exporter of quality Indian tobacco, thereby catalysing the multiplier impact of increased farmer incomes to benefit the rural economy.

Other Agri Commodities

Food grain production in India is estimated to have declined by 3.2% in 2014-15 to 257 million tonnes. While wheat output at 96 million tonnes remained at previous year's level, rice output at 103 million tonnes was lower by 3.4% primarily due to the delayed onset of monsoons. Oilseeds production recorded a significant drop of 8.9% to 30 million tonnes mainly due to lower groundnut output. Soya production dipped by 1.9% to 11.6 million tonnes due to delayed monsoons.

During 2014-15, world wheat production increased by 9 million tonnes to about 725 million tonnes mainly due

to higher production in Russia and Canada. Increased production and surplus inventory in the global markets impacted wheat exports from India, which dropped to 1.8 million tonnes from 3.5 million tonnes in the previous year. Despite fewer opportunities for international trading, your Company's wheat exports grew strongly to 7 lakh tonnes as against 5 lakh tonnes in the previous year. This was achieved through competitive sourcing of premium varieties for key customers and by garnering volumes from new customers. On the domestic front, the Business continued to expand its presence amongst brand owners, private labels, food processors and millers.

Your Company's deep rural linkages and expertise in agri-commodity sourcing is a critical source of competitive advantage for the Branded Packaged Foods Businesses. Given the volatile market conditions caused by climatic variations, changes in Government policies and global demand-supply dynamics, your Company has invested significantly in building competitively superior agri-commodity sourcing expertise comprising multiple business models, wide geographical spread and customised infrastructure. These capabilities and infrastructure have created structural advantages that facilitate competitive sourcing of agri raw materials for your Company's Branded Packaged Foods Businesses. The Business continues to focus on increasing the efficiency of procurement and logistics operations by consistently pursuing cost optimisation initiatives including reducing distance travelled and eliminating non value-adding activities.

Towards scaling up wheat sourcing from areas that are in close proximity of atta manufacturing plants, the Business is collaborating with research organisations such as the Indian Agricultural Research Institute, Directorate of Wheat Research, Punjab Agricultural University and Agharkar Research Institute. As part of its wheat crop development programme, your Company has introduced location-specific new and improved seed varieties along with appropriate package of practices in over 50,000 acres across Rajasthan, Uttar Pradesh, Bihar, West Bengal, Madhya Pradesh, Maharashtra and Karnataka. With a view to supporting the future

[Your Company has invested significantly in building competitively superior agri-commodity sourcing expertise comprising multiple business models, wide geographical spread and customised infrastructure.]

Report of the Board of Directors

requirements of your Company, the Business continues to focus on building deeper capabilities in proprietary crop intelligence, sourcing & delivery network and crafting multiple customer-centric blends through cost-quality optimisation.

In the area of potato sourcing, the Business continued to source highest quality chip stock potato at competitive prices for your Company's Bingo! Yumitos brand. In addition, the Business is working closely with farmers towards improving quality and yield and introducing chip stock in newer geographies proximal to manufacturing centres.

Your Company recently forayed into the Juices category with the launch of 7 exciting variants under the 'B Natural' brand. The Business leveraged its widespread sourcing network, associated infrastructure in key growing areas and well-entrenched farmer linkages to source quality fruit pulp. The processed fruits business continued to focus on building its portfolio of organic and certified mango products, sustaining its leadership position in 'Fairtrade' mango pulp exports from India. The Business is working closely with small and marginal farmers across 5 States in building scale and sourcing options.

Your Company's Spices Business endeavours to provide food safe spices through quality differentiation across the value chain and leverage export opportunities in the US, EU and South-East Asian countries. The Business also provides sourcing support to your Company's Aashirvaad range of spices. Over the last few years, the Business has developed robust Chilli crop development programmes, designed to 'produce the buy' along with IT driven traceability systems. Your Company's world-class processing unit in Guntur is certified to the highest grade of global food safety standards under the BRC (British Retail Consortium) Food certification regime while the quality lab is certified to the ISO 17025 standard.

Your Company believes that it is imperative to take an integrated and holistic view of the agricultural value chain towards stimulating agricultural growth in the country. This requires a participatory approach from all stakeholders such as farmers, input vendors, traders, processors and the government agencies. More than a decade ago, your Company conceptualised and rolled out the e-Choupal network as a platform towards empowering the farming community by dis-intermediating the value chain, making available accurate weather related information, enabling price discovery in a transparent manner and disseminating best practices

relating to farming. Your Company continues to focus on providing various services in rural areas towards enhancing the competitiveness of Indian agriculture and plays a critical enabling role in integrating farmers, input vendors and government agencies besides facilitating the necessary market linkages.

The unique 'Choupal Haat' platform seeks to create awareness and improve access of the rural community to a broad range of areas - ranging from financial services and pharmaceuticals to commercial vehicles and white goods. Along with Choupal Saagars (integrated rural services hubs), this platform fosters round-the-year and large scale engagement with the rural community thereby enhancing the vitality of your Company's e-Choupal network.

The Business will continue to leverage its deep rural linkages and agri-commodity sourcing expertise towards providing your Company's Branded Packaged Foods Businesses a distinct competitive advantage. The e-Choupal platform will also be increasingly leveraged to provide rural marketing and agri services and serve as a unique delivery mechanism towards enhancing agricultural growth and productivity, and fostering sustainable rural development.

NOTES ON SUBSIDIARIES

The following may be read in conjunction with the Consolidated Financial Statements prepared in accordance with Accounting Standard 21. 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 will also be available under the 'Shareholder Value' section of your Company's website, www.itcportal.com, in a downloadable format.

During the year, no company became or ceased to be your Company's subsidiary, joint venture or associate company.

ITC Global Holdings Pte. Limited, Singapore ('Global'), a subsidiary of your Company, is under winding up in terms of the Order of the High Court of the Republic of Singapore dated 30th November, 2007. Consequently, your Company is not in a position to consolidate the accounts of Global for the financial year ended 31st December, 2014.

The Policy for determining Material Subsidiaries, adopted by your Board, in conformity with Clause 49 of the Listing

Report of the Board of Directors

Agreement with Stock Exchanges, can be accessed on the Company's corporate website at <http://www.itcportal.com/about-itc/policies/policy-on-material-subsidiaries.aspx>. Presently, the Company does not have any material subsidiary.

Surya Nepal Private Limited

Nepal's GDP growth accelerated to 5.2% during the fiscal year ended July 2014 compared to 3.5% a year earlier, primarily on the strength of a favourable monsoon that boosted agricultural output and a marked increase in inward remittances that fuelled increased spending in the Services sector. Growth in Agriculture and Services stood at 4.7% and 6.1% respectively – the highest in the last 6 years. The Industry sector, however, grew only marginally by 2.7% as long hours of power outages and other supply side constraints weighed on domestic manufacturing, leading to higher import-led consumer spending in the economy.

Overall economic progress of the country is likely to be halted over the short to medium term, in the aftermath of the severe earthquakes in April and May 2015 which have affected 8 million people including the loss of over 8000 precious lives. Initial estimates peg the economic loss to the country at US\$ 20 billion - equivalent to the country's annual GDP - with reconstruction costs of around US\$ 5 billion over the next 5 years.

The employees and other assets of the company have remained largely protected from the extreme effects of the disaster. Minor damages to the company's properties have been reported to insurance companies for survey. Technical assessment of post-earthquake structural stability of company's owned/leased buildings is being conducted to take corrective measures, if required.

While the Government of Nepal along with its relief partners are focusing on rescue operations, public safety and health, economic activity in the country is gradually returning to normalcy. The company and its employees are committed to work closely with the Government of Nepal and its relief partners in this hour of crisis in order to overcome the effects of this large scale disaster.

During the year under review, the legal cigarette industry in Nepal continued to be adversely impacted by increased tax incidence and regulatory pressures, and the unabated rise in illegal trade. While Excise Duty on cigarettes was increased by 10% during the year, the regulatory environment turned harsher for the legal cigarette industry

with the implementation of Tobacco Products (Control & Regulation) Act, Rules & Directives. This has led to a decline in legal cigarette industry volumes with consumption shifting to tax-evaded tobacco products from the unorganised sector including illegal cigarettes, which do not carry the mandatory graphic health warnings on packs. Consequently, the tobacco industry's contribution to the Government exchequer declined during the year.

Punitive taxation combined with excessive tobacco regulations focused on cigarettes, have led to livelihood related concerns and anxieties for tobacco farmers, farm labour, retailers and other stakeholders who are dependent on the tobacco industry. Further, the Ministry of Health and Population, Government of Nepal, has proposed to revise the existing tobacco legislation and introduce further measures in the near future which, due to their arbitrary, unreasonable and impractical nature, are likely to disrupt more than 4 lakh livelihoods directly/indirectly dependent on the industry.

All stakeholders of the industry have been representing to the Government for reconsideration or withdrawal of the new measures. The company supports effective, evidence based regulations that meet public health objectives, which enable differentiation of its products vis-à-vis competition, recognise its legal rights and do not lead to unintended consequences such as increased illegal trade.

Amidst this challenging business environment, the company recorded Gross Revenue of Nepalese Rupees (NRs.) 2033 crores (previous year – NRs. 1957 crores) and Profit After Tax (PAT) of NRs. 451 crores (previous year – NRs. 425 crores) representing a growth of 3.9% and 6.1% respectively. The company improved its market standing in all major operating segments viz. Cigarettes, Branded Apparel, Safety Matches and the recently launched Agarbatti business.

The company continues to be one of the largest contributors to the national exchequer, accounting for about 14% of excise collections and approximately 3% of the total revenues of the Government of Nepal. The company constitutes approximately 17% of manufacturing GDP of the country, making it the largest private sector manufacturing company in Nepal.

In the Cigarettes business, the company consolidated its market standing by focusing on delivering world-class quality and strengthening its product portfolio.

Report of the Board of Directors

The new state-of-the-art cigarette factory near Pokhara commenced operations in May 2014. The design of the factory incorporates best-in-class features in ergonomics, energy efficiency, usage of natural light and management of ambient conditions. Machines based on leading-edge technology are being leveraged through contemporary manufacturing practices, systems and people processes. The factory is being developed as a benchmark facility in terms of productivity, quality and sustainability. The new leaf redrying plant, which was commissioned at Simara during the year, will strengthen the company's domestic leaf operations by improving productivity and quality of processed leaf. The plant's environmentally sustainable design enables it to harness green energy sources for ventilation, lighting and waste treatment processes. The company successfully commissioned a 20 kWp solar roof top project at the Simara cigarette factory, thereby expanding its green footprint.

In line with Company's proactive approach to employee relations management, the company successfully concluded a Long Term Agreement with the workmen at the Simara cigarette factory, thus ensuring harmonious and efficient operations.

In the Branded Apparel business, the company's brands 'John Players' and 'Springwood' sustained their position as the preferred choice of consumers in the premium and economy segments. In the Safety Matches business, the company's brand 'Tir' sustained its market leadership position in the wax matches segment. The year also marked the company's entry into the Agarbatti market, with the launch of the 'Mangaldeep' brand – licensed from ITC Ltd. - in the premium and popular segments. The company leveraged its marketing and distribution infrastructure to make the brand available across the country in a relatively short span of time. The products have been well received by consumers and plans are on the anvil to scale up the business in the forthcoming years.

The company is focusing on further strengthening processes and improving productivity in all areas of its operations to reduce costs and improve profitability. As part of this initiative, the company has rolled out an Enterprise Resource Planning system during the year.

The company continues to support and invest in initiatives that enhance the social and economic capital of the nation. These initiatives are aligned with the stated priorities of the Government of Nepal and are based on

identified societal needs. Accordingly, the company continues to:

- partner tobacco farmers in Nepal to enhance productivity and improve quality at the farm level through the induction of agricultural best practices. The adoption of such practices and other inputs provided by the company has led to consistent improvement in quality of domestic grades of tobacco thereby improving marketability of the crop and enhancing farmer returns.
- assist farmers in cultivating high quality Poplar saplings in the vicinity of the Simara factory. Under the 'Grow Wood, Grow Food' programme that this initiative promotes, farmers are encouraged to adopt agro-forestry while simultaneously inter-cropping with traditional crops.
- support the animal husbandry extension services initiative with a view to driving yield improvement and enhancing returns of underprivileged farmers.
- partner the Nepal Tourism Board in hosting Nepal's premier professional golf tournament – the 'Surya Nepal Private Limited Masters' with the objective of promoting Nepal as an attractive tourism destination.
- focus on building local supply chain capability towards sourcing its agarbatti requirements from domestic small and medium enterprises, thereby providing employment and skill building opportunities to the economically deprived sections of society, especially women.

The company declared a dividend of NRs. 200.00 per equity share of NRs. 100/- each for the year ended 16th July 2014 (32nd Ashad 2071).

ITC Infotech India Limited and its subsidiaries

2014-15 witnessed the beginnings of major shifts in how businesses use and deploy technology to better understand and service their customers, and use the growing volume, variety and velocity of data flow to gain competitive advantage. With corporates increasingly crafting newer digital business models, business users are replacing the Chief Information Officer (CIO) as the key decision-maker for purchase of information technology products and services. Similarly, the traditional software licensing model is being challenged by 'subscription-based' and 'as-a-service' revenue models.

Report of the Board of Directors

Against this backdrop, the global IT industry grew by 4.6% in 2014 – significantly higher than the preceding two years.

During the year, the company's Consolidated Total Revenue grew by 15% to ₹ 1476.40 crores, while Net Profit grew by 23% to ₹ 106.30 crores. The company's strategies and operating approach are anchored on the following key elements: (i) focusing sharply on domain expertise, delivery excellence, digital and data towards achieving meaningful, differentiated and specialised scale (ii) building solutions and capabilities around products of global software vendors and partnering with them to take these products to market (iii) focusing on geographical expansion to develop new markets and acquire customers, (iv) driving cost management and resource optimisation while balancing growth-led investment imperatives and (v) creating future-ready business verticals while improving overall profitability.

For the year under review:

- a) ITC Infotech India Limited recorded Total Revenue of ₹ 1006 crores (previous year ₹ 926 crores) and Net Profit of ₹ 122 crores (previous year ₹ 101 crores). For the year under review, the company paid a dividend of ₹ 9.00 per Equity Share of ₹ 10/- each aggregating ₹ 76.68 crores (previous year: Nil);
- b) ITC Infotech Limited, UK, (ITC Infotech UK), a wholly-owned subsidiary of the company, recorded Total Revenue of GBP 28.69 million (previous year GBP 25.29 million) and Net Profit of GBP 0.68 million (previous year GBP 1.18 million). For the year under review, ITC Infotech UK declared a dividend of GBP 4.25 (previous year GBP 3.00) per Ordinary Share of GBP 1/- each on 685,815 shares, amounting to GBP 2,914,714 (previous year GBP 2,057,445);
- c) ITC Infotech (USA), Inc., (ITC Infotech USA), a wholly-owned subsidiary of the company, together with its wholly-owned subsidiary Pyxis Solutions LLC, recorded Total Revenue of US\$ 81.62 million (previous year US\$ 70.61 million) and Net Profit of US\$ 0.82 million (previous year US\$ 0.17 million).

During the year, the company implemented a new organisation structure for better alignment with the company's strategic direction. A new Independent

Business Unit (IBU) focused on Product Engineering Services and Data Analytics was also set up during the year. The IBU has seen significant growth within a short span of time with a healthy pipeline of customers.

During the year, the company witnessed robust growth in the Asia-Pacific region aided by a combination of partner-driven initiatives as well as a direct sales approach. The company also gained traction in the Middle-East region during the year and generated significant interest amongst prospective clients in that region.

The company continues to expand its service lines, sales channels and presence in Europe and USA. Robust business traction in the USA over the past few years has made that region the highest contributor to the consolidated revenues of the group.

The company's superior service delivery capability continued to earn global recognition. The company featured for the 9th consecutive year in the 'Leaders Category' in the '2015 Global Outsourcing 100' list compiled by the International Association of Outsourcing Professionals (IAOP). The company won the 2014 European Outsourcing award (under the category 'Delivering Business Value in European Outsourcing') from the European Outsourcing Association in recognition of its long-term engagement with the Banking sector.

With enhanced focus on encompassing newer technologies and driven by domain knowledge and delivery excellence, the company is poised to garner a higher share of India-based IT exports and sustain its growth trajectory. Towards attracting high quality human resources, the company has broadened its channels for sourcing quality talent and has strengthened its capability building processes through college affiliations, technology incubation cells and employee ideation panels, thereby ensuring seamless and scalable business operations.

The outlook for the Indian IT industry remains buoyant with NASSCOM forecasting a growth of 12% to 14% in 2015-16. The company is poised to leverage its leadership in knowledge-centric IT services and increasing global presence in attaining its strategic and financial objectives.

Technico Pty Limited and its subsidiaries

The company continues to focus on upgradation and commercialisation of TECHNITUBER® seed technology and customising its application across various

Report of the Board of Directors

geographies. Besides, the company is engaged in the marketing of TECHNITUBER® seeds to global customers from the production facilities of its subsidiaries in India and China. The Indian and Canadian subsidiaries of the Company are also engaged in field multiplication of seeds.

Technico's leadership in production of early generation seed potatoes and strength in agronomy continue to be leveraged for sourcing chip stock for the 'Bingo! Yumitos' range of potato chips and servicing the seed potato requirements of the farmer base of your Company's Agri Business.

For the year under review:

- a) Technico Pty Limited, Australia registered Turnover of Australian Dollar (A\$) 2.2 million (previous year A\$ 2.2 million) and Net Profit of A\$ 0.78 million (previous year A\$ 0.44 million).
- b) Technico Agri Sciences Limited, India registered Net Revenue of ₹ 105.08 crores (previous year ₹ 73.24 crores) and Net Profit of ₹ 45.25 crores (previous year ₹ 14.09 crores). During the year, potato prices rose sharply primarily due to lower crop output. Consequently, demand for good quality seed potato increased significantly. This coupled with the strength of its brand, superior product quality, better on-field performance and strong trade and customer relationships enabled the company to realise better prices during the year.
- c) Technico Asia Holdings Pty Limited, Australia, Technico Technologies Inc., Canada and Technico Horticultural (Kunming) Co. Limited, China – There were no significant events to report with respect to the above companies.

Srinivasa Resorts Limited

The company's hotel ITC Kakatiya in Hyderabad continued to be impacted by a challenging economic environment exacerbated by sluggish demand conditions in the city pursuant to the bifurcation of the State of Andhra Pradesh.

The company recorded Total Revenue of ₹ 52.74 crores (previous year ₹ 53.28 crores) during the year ended 31st March, 2015 and Net Loss of ₹ 0.72 crores (previous year Net Profit of ₹ 3.33 crores). Included in the Net Loss for the year is an incremental depreciation charge

of ₹ 2.74 crores on account of revision in the useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013.

During the Year, ITC Kakatiya received the 'Times Food Guide' awards for 'Dakshin' (Best South Indian Fine Dining), Kebabs & Kurries (Best Indian Barbeque), and Marco Polo (Best Bar). TripAdvisor, a renowned hotel review site, also recognised Dakshin and Kebabs & Kurries as the best restaurants in Hyderabad, ranking them No.1 and No.2 respectively. During the year, the hotel was also awarded the '3 Star Rating for Appreciation in EHS Practices' by CII.

Last year, a land parcel measuring about 4.27 acres in Amritsar was assigned to the company by ITC Ltd. towards the development and operation of a full service hotel. During the year, the company obtained the necessary approvals from various authorities and has commenced civil works at the site. Excavation of the site to construct a 100-key full service hotel was completed during the year.

Fortune Park Hotels Limited

During the year ended 31st March, 2015, the company recorded Total Revenue of ₹ 27.19 crores (previous year ₹ 24.85 crores) and earned Net Profit of ₹ 5.74 crores (previous year ₹ 6.25 crores).

The company, which caters to the 'mid-market to upscale' segment through a chain of Fortune hotels, continues to forge new alliances and expand its footprint. Currently, the company has an aggregate inventory of nearly 6,000 rooms spread over 76 properties of which 46 are operating hotels. Of the balance 30 properties, 5 hotels are slated to be commissioned in the ensuing year and 25 hotel projects are under various stages of development.

Two hotels have already been operationalised under the flagship 'My Fortune' brand at Chennai and Bengaluru. Plans are on the anvil to launch 9 more hotels under the My Fortune brand over the next few years.

During the year, the company bagged the Travel & Hospitality Award 2014 for the 'Most Outstanding Mid-Market Hotel Chain', Today's Traveller Award 2014 for the 'Best First Class Business Hotel Chain',

Report of the Board of Directors

Safari India Award 2014 for the 'Best First Class Business Hotel Chain', Hotel Build India Award 2014 in the 'Best Mid-Market Hotel' category by Hotelier India and ITP Publishing Group India and Hospitality India Award 2014 for the 'Best First Class Hotel Chain'.

The company has established 'Fortune' as the premier 'value' brand in the Indian hospitality sector. The brand remains a frontrunner in its operating segment and is well positioned to sustain its leadership position in the industry.

The Board of Directors of the company has recommended a dividend of ₹ 12.50 per equity share of ₹ 10/- each for the year ended 31st March, 2015.

WelcomHotels Lanka (Private) Limited

WelcomHotels Lanka (Private) Limited (WLPL), a wholly-owned subsidiary of your Company, was incorporated in Sri Lanka with the objective of developing and operating a mixed-use development project ('Project') including a luxury hotel on 5.86 acres of prime sea-facing land in Colombo, which was allotted by the Board of Investment of Sri Lanka on a 99-year lease to the company for this purpose.

The Project has been accorded 'Strategic Development Project' status entitling the company to various fiscal benefits in Sri Lanka. Further, the Project is also exempt from Sri Lankan foreign exchange regulations.

During the year, the company obtained necessary approvals to commence construction activity and all major consultants and architects have been appointed. The ground breaking ceremony for the Project was held on 19th November, 2014 and excavation and allied works, which were commenced immediately thereafter, are progressing satisfactorily.

Your Company's investment in WLPL stood at US\$ 82.8 million as at 31st March, 2015.

Bay Islands Hotels Limited

Fortune Resort Bay Island, the company's hotel in Port Blair, with its great location, excellent architectural design and superior service quality, continues to offer a unique gateway to the Andamans. The company has commenced a comprehensive renovation and expansion programme with a view to enhancing the market standing of the hotel.

During the year ended 31st March, 2015, the company recorded Total Revenue of ₹ 1.58 crores (previous year ₹ 1.62 crores) and Net Profit of ₹ 0.99 crores (previous year ₹ 1.03 crores).

The Board of Directors of the company has recommended a dividend of ₹ 70.00 per equity share of ₹ 100/- each for year ended 31st March, 2015.

Landbase India Limited

During the year, the company completed the construction of a 104-key luxury hotel, the 'ITC Grand Bharat', at the Classic Golf Resort.

The hotel, which has been licensed to ITC Ltd., commenced operations in November 2014. The company also owns and operates the Classic Golf & Country Club, a 27-hole Jack Nicklaus Signature Course.

During the year ended 31st March 2015, the company recorded Total Revenue of ₹ 17.40 crores (previous year ₹ 12.85 crores) and Net Profit of ₹ 1.07 crores (previous year Net Loss ₹ 2.76 crores). During the year, the company issued and allotted to ITC Ltd., 2,80,00,000 Equity Shares of ₹ 10/- each for cash at par, aggregating ₹ 28 crores. The proceeds from the share issue were utilised by the company for the construction of the destination luxury resort hotel.

King Maker Marketing, Inc.

King Maker Marketing, Inc. (KMM) is a wholly-owned subsidiary of your Company registered in the State of New Jersey, USA. Its main business is to import and distribute tobacco products to licensed wholesalers and retailers throughout the USA. Your Company is KMM's sole supplier of tobacco products.

Despite the continuing decline in consumption in the US market, the company's Net Sales grew by 9% during the year, driven by robust growth in volumes on the back of focused market interventions. The company recorded Net Sales of US\$ 29.3 million (previous year US\$ 26.9 million) and earned a Net Income of US\$ 0.14 million (previous year US\$ 0.07 million) during the financial year ended 31st March, 2015. During the year, KMM also paid a dividend of US\$ 2.0 million to your Company.

Increasing presence of major cigarette manufacturers in the discount segment – in direct competition with KMM, illicit trade driven by tax differentials between

Report of the Board of Directors

various States in USA, non-compliant cigarette imports and Native American manufacture continue to pose significant challenges for the company.

Wimco Limited

The scheme of arrangement involving the demerger of the company's Non-Engineering Business into ITC Ltd. with effect from 1st April 2013, became effective from 27th June 2014.

Pursuant to the demerger as aforesated, the company's business activities are mainly focused on fabrication and assembly of machinery for tube filling, cartoning, wrapping, material handling and conveyor solutions for the FMCG and Pharmaceutical industry.

The company's order book remained subdued during the year with customers holding back capital expenditure in view of the sluggish demand conditions prevailing in the FMCG and Pharmaceutical industry in India.

Consequently, the company's Net Revenue for the year declined to ₹ 12.90 crores (previous year ₹ 17.17 crores on a comparable basis) and reported a Net Loss of ₹ 0.48 crores (previous year Net Profit ₹ 1.67 crores on a comparable basis).

The company is focusing on building a robust business model, widening its customer base and developing superior solutions towards addressing customer requirements.

North East Nutrients Private Limited

Your Company holds 76% of the equity stake in North East Nutrients Private Limited (NENPL), a company formed with the objective of setting up a food processing facility in Mangaldoi, Assam to cater to the fast-growing biscuits market in Assam and other north-eastern States. Construction work on the manufacturing facility is currently in progress and commercial production is expected to start in the ensuing year.

Your Company's investment in NENPL stood at ₹ 48.13 crores as at 31st March 2015.

Russell Credit Limited

During the year, the company registered Total Revenue of ₹ 70.81 crores (previous year ₹ 65.52 crores) and Net

Profit of ₹ 56.38 crores (previous year ₹ 34.57 crores). The company paid a dividend of ₹ 1.40 per equity share aggregating ₹ 90.51 crores for the year ended 31st March, 2015.

Temporary surplus liquidity of the company is mainly deployed in debt mutual funds and bank fixed deposits. The company continues to explore opportunities to make strategic investments for the ITC group.

Gold Flake Corporation Limited

The company registered Total Revenue of ₹ 4.20 crores during the year under review (previous year ₹ 4.37 crores). The company paid a dividend of ₹ 9.00 per equity share aggregating ₹ 14.40 crores for the year ended 31st March, 2015.

The company holds 50% equity stake in ITC Essentra Ltd. – a joint venture with Essentra group, UK.

Wills Corporation Limited

The company recorded Total Revenue of ₹ 0.89 crore during the year (previous year ₹ 0.93 crore). The company paid a dividend of ₹ 7.00 per equity share aggregating ₹ 3.42 crores for the year ended 31st March, 2015.

Greenacre Holdings Limited

During the year, the company recorded Total Revenue of ₹ 3.51 crores (previous year ₹ 3.31 crores) and Net Profit of ₹ 1.04 crores (previous year ₹ 0.87 crore). The company continues to provide maintenance services for commercial office buildings.

ITC Investments & Holdings Limited

The company, a Core Investment Company within the meaning of the Core Investment Companies (Reserve Bank) Directions, 2011, recorded Total Revenue of ₹ 0.48 crore during the year (previous year ₹ 0.32 crore) and Net Profit of ₹ 0.33 crore (previous year ₹ 0.31 crore).

During the year, the company purchased the entire shareholding (50,000 equity shares) of MRR Trading & Investment Company Limited from BFIL Finance Limited, a fellow subsidiary, at an aggregate consideration of ₹ 4.52 crores. Consequently, MRR Trading & Investment Company Limited became a wholly-owned subsidiary of the company with effect from 30th March, 2015.

Report of the Board of Directors

BFIL Finance Limited

The company registered Total Revenue of ₹ 0.34 crore during the year (previous year ₹ 0.81 crore). Net Loss for the year stood at ₹ 4.37 crores (previous year Net Profit ₹ 0.61 crore) mainly on account of payment of interest on loan from the parent entity. The company is actively pursuing various legal cases initiated against defaulting clients for recoveries.

MRR Trading & Investment Company Limited

The company holds tenancy rights in a commercial building located in Mumbai and also provides estate maintenance services. During the year, the company recorded Total Revenue of ₹ 0.07 crore (previous year ₹ Nil).

Pavan Poplar Limited

The scheme of arrangement involving the demerger of Wimco Limited's Non-Engineering Business into ITC Ltd. with effect from 1st April 2013, became effective from 27th June 2014. As a result, the company, which was earlier a wholly-owned subsidiary of Wimco Ltd., became a direct wholly-owned subsidiary of ITC Ltd. with effect from 27th June 2014.

The operations of the company remained impacted during the current year pursuant to the order of the Uttarakhand High Court in February 2014 dismissing the writ petition filed by the company against the order of the District Magistrate authorising State authorities to take possession of the land leased to the company. The appeal filed by the company against the aforesated order was admitted in April 2014 and the matter is pending before the Honourable High Court.

Consequently, the company's Total Revenue declined from ₹ 0.96 crore in the previous year to ₹ 0.02 crore in the current year. The company reported a Net Loss of ₹ 0.47 crore during the year (previous year Net Loss of ₹ 4.47 crores after considering an aggregate provision of ₹ 4.55 crores made towards inventory and fixed assets).

Prag Agro Farm Limited

The scheme of arrangement involving the demerger of Wimco Limited's Non-Engineering Business into ITC Ltd. with effect from 1st April 2013, became effective from 27th June 2014. As a result, the company, which

was earlier a wholly-owned subsidiary of Wimco Ltd., became a direct wholly-owned subsidiary of ITC Ltd. with effect from 27th June 2014.

The operations of the company remained impacted during the current year pursuant to the order of the Uttarakhand High Court in February 2014 dismissing the writ petition filed by the company against the order of the District Magistrate authorising State authorities to take possession of the land leased to the company. The appeal filed by the company against the aforesated order was admitted in April 2014 and the matter is pending before the Honourable High Court.

Consequently, the company's Total Revenue declined from ₹ 0.70 crore in the previous year to ₹ 0.04 crore during the current year. The company reported a Net Loss of ₹ 0.08 crore during the year (previous year: Net Loss of ₹ 4.05 crores after considering an aggregate provision of ₹ 4.00 crores made towards inventory and fixed assets).

ITC Global Holdings Pte. Limited

As has been stated in the previous years' reports, the Judicial Managers had been conducting the affairs of ITC Global Holdings Pte. Limited ('Global') since 8th November, 1996, under the authority of the High Court of Singapore.

Pursuant to the application of the Judicial Managers, the Singapore High Court on 30th November, 2007 ordered the winding up of Global, appointed a Liquidator and discharged the Judicial Managers.

The Judicial Managers commenced proceedings against your Company in November 2002 before the Singapore High Court claiming approximately US\$ 18.10 million. Pursuant to legal advice, your Company has filed its defence in the proceedings.

On 22nd July, 2013, the Liquidator filed an application, to amend the Statement of Claim filed in the proceedings to include an additional claim of US\$ 1.03 million against your Company, which was dismissed by the Assistant Registrar. The Liquidator's appeal against the said dismissal was also dismissed on 29th May, 2014, by the Singapore High Court.

Your Company is contesting the claims contending that the same are not sustainable and your Company does not accept any liability in this regard. The proceedings are pending.

NOTES ON JOINT VENTURES

ITC Essentra Limited

The company recorded Gross Revenue of Rs. 328.60 crores (previous year Rs. 292.74 crores) and Net Profit of Rs. 12.22 crores (previous year Rs. 13.77 crores) for the financial year ended 31st December, 2014. During the year, the company consolidated its leadership position in the backdrop of a challenging operating environment which saw increasing taxation and regulatory pressures on the cigarette industry. The company countered the challenges posed by these difficult market conditions by focusing on innovation, superior execution, consistent delivery and world-class quality. Although the company garnered additional volumes, adverse sales mix and higher interest cost impacted the performance for the year. During the year, the company fully operationalised its new state-of-the-art manufacturing line at Doddaballapur, Karnataka.

Given that a significant portion of the company's sales are to customers in the domestic cigarette industry which is facing unprecedented pressure on volumes due to steep increase in taxes/duties, the year ahead will indeed be challenging. In this context, the company is also focusing on growing exports with best-in-class delivery of high quality products to customers at competitive prices. Besides, the company continues to diversify the sourcing base for its principal raw material - acetate tow - towards ensuring security of supplies and optimising costs.

A sustained drive to develop contemporary and value added cigarette filter solutions coupled with integrated online quality control systems have enabled the company to consolidate its position as the preferred supply chain partner for several well-known national and international brands. The company remains focused on sustaining its position as the innovation and quality benchmark in the cigarette filter market.

The Board of Directors of the company has recommended a dividend of Rs. 9.00 per Ordinary Share of Rs. 10/- each for the year ended 31st December, 2014.

Maharaja Heritage Resorts Limited

Maharaja Heritage Resorts Limited, a joint venture of your Company with Jodhana Heritage Resorts Private Limited, currently operates 34 heritage properties across 13 States in India. The company, with its WelcomHeritage

brand portfolio comprising 'Legend Hotels', 'Heritage Hotels' and 'Nature Resorts', provides uniquely differentiated offerings to guests in the cultural, heritage and adventure tourism segments respectively.

During the year ended 31st March, 2015, the company recorded Total Revenue of ₹ 3.80 crores (previous year ₹ 3.46 crores) and Net Profit of ₹ 0.24 crores (previous year ₹ 0.10 crores).

The 'WelcomHeritage Hotels' brand was awarded the 'Best Heritage Hotel Chain' by Today's Traveller Awards 2014.

Espirit Hotels Private Limited

Espirit Hotels Private Limited (EHPL) is a joint venture between your Company and the Ambience Group, Hyderabad for developing a luxury hotel complex at Begumpet, Hyderabad. Under the terms of the Joint Venture Agreement, your Company acquired 26% equity stake in EHPL and will, inter alia, provide hotel operating services under an Operating Services Agreement, upon commissioning of the hotel.

The Ambience Group has expressed its desire to review the timing of further investments in EHPL, citing concerns about the viability of the project in view of the challenging economic environment and the sluggish demand conditions currently prevailing in Hyderabad pursuant to the bifurcation of the State of Andhra Pradesh. In this regard, your Company is examining the way forward under the Joint Venture Agreement.

Your Company's investment in EHPL stood at ₹ 46.51 crores as at 31st March, 2015.

Logix Developers Private Limited

Logix Developers Private Limited (LDPL) is a joint venture between your Company and Logix Estates Private Ltd., NOIDA for developing a luxury hotel-cum-service apartment complex at Sector 105 in NOIDA. Under the terms of the Joint Venture Agreement, your Company acquired 26% equity stake in LDPL and will, inter alia, provide hotel operating services under an Operating Services Agreement, upon commissioning of the hotel.

Pursuant to an equity cash call aggregating ₹ 14.87 crores made by LDPL during the year, your Company invested ₹ 3.87 crores in LDPL. However, the JV partner did not subscribe to its share of the cash call. Consequently, your Company's total investment

Report of the Board of Directors

in LDPL increased to ₹ 41.95 crores as at 31st March 2015, taking its equity stake to 27.9% in the company.

Logix Estates Private Ltd., the JV partner, has communicated to your Company that it would like to explore alternative project development plans, failing which, it proposes to exit the joint venture by selling its shareholding in LDPL to your Company. Your Company is exploring its options in this regard.

NOTES ON ASSOCIATES

International Travel House Limited

During the financial year ended 31st March, 2015, the company recorded Total Revenue of ₹ 183.48 crores (previous year ₹ 176.44 crores) and Net Profit of ₹ 18.38 crores (previous year ₹ 18.11 crores).

The Company offers a full range of travel services including air ticketing, car rentals, inbound and outbound tourism, domestic holidays, conferences, events and exhibition management and foreign exchange services to travellers.

The Board of Directors of the company has recommended a dividend of ₹ 4.25 per equity share of ₹ 10/- each for the year ended 31st March, 2015.

Gujarat Hotels Limited

During the financial year ended 31st March, 2015, the company recorded Total Revenue of ₹ 4.31 crores (previous year ₹ 4.51 crores) and Net Profit of ₹ 2.73 crores (previous year ₹ 3.27 crores).

The company's hotel, 'WelcomHotel Vadodara' at Vadodara is operated by ITC Ltd. under an Operating License Agreement.

The Board of Directors of the company has recommended a dividend of ₹ 3.50 per equity share of ₹ 10/- each for the year ended 31st March, 2015.

ATC Limited (an associate of Gold Flake Corporation Limited)

The company is a contract manufacturer of cigarettes. During the year, the company recorded Total Revenue of ₹ 23.16 crores (previous year ₹ 21.95 crores) and Net Profit of ₹ 0.91 crore (previous year ₹ 0.84 crore).

During the year, the company exhibited robust operational performance with benchmark scores in product quality

and material utilisation. The company won the 'Platinum Award' from The Economic Times for manufacturing excellence, a 'Certificate of Appreciation' from FICCI for excellence in quality systems and various safety awards for outstanding track record in safety.

Associates of Russell Credit Limited

Classic Infrastructure & Development Limited

The company recorded Total Revenue of ₹ 0.45 crore during the year (previous year ₹ 0.41 crore) and Net Profit of ₹ 0.20 crore (previous year ₹ 0.35 crore).

The company continues to explore growth opportunities.

Russell Investments Limited

During the year, the company recorded Total Revenue of ₹ 5.66 crores (previous year ₹ 2.42 crores) and Net Profit of ₹ 5.42 crores (previous year Net Loss ₹ 0.20 crore).

The company continues to explore opportunities to make investments.

Divya Management Limited

During the year, the company recorded Total Revenue of ₹ 0.24 crore (previous year ₹ 0.23 crore) and Net Profit of ₹ 0.08 crore (previous year ₹ 0.10 crore).

The company continues to explore opportunities to make investments.

Antrang Finance Limited

During the year, the company recorded Total Revenue of ₹ 0.30 crore (previous year ₹ 0.28 crore) and Net Profit of ₹ 0.20 crore (previous year ₹ 0.20 crore).

The company continues to explore opportunities to make investments.

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

Report of the Board of Directors

widely communicated across the enterprise at all times, and, together with the ‘Strategy of Organisation’, Planning & Review Processes and the Risk Management Framework provide the foundation for Internal Financial Controls with reference to your Company’s Financial Statements.

Such Financial Statements are prepared on the basis of the Significant Accounting Policies that are carefully selected by management and approved by the Audit Committee and the Board. These Policies are supported by the Corporate Accounting and Systems Policies that apply to the entity as a whole to implement the tenets of Corporate Governance and the Significant Accounting Policies uniformly across the 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 ERP Systems as a business enabler and also to maintain its Books of Account. 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 to implementation.

Your Company has in place adequate internal financial controls with reference to the Financial Statements. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed. Nonetheless your Company recognises that any internal financial 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 market opportunities, focusing on building distributed leadership and succession planning

processes, nurturing specialism and enhancing organisational capabilities through timely developmental inputs. Accordingly, management of risk has always been an integral part of the Company’s ‘Strategy of Organisation’ and straddles its planning, execution and reporting processes and systems. Backed by strong internal control systems, the current Risk Management Framework consists of the following key elements:

- The Corporate Governance Policy approved by the Board, clearly lays down the roles and responsibilities of the various entities in relation to risk management covering a range of responsibilities, from the strategic to the operational. These role definitions, inter alia, provide the foundation for your Company’s Risk Management Policy and Framework that is endorsed by the Board and is aimed at ensuring formulation of appropriate risk management procedures, their effective implementation across your Company and independent monitoring and reporting by Internal Audit.
- The Corporate Risk Management Cell, through focused interactions with businesses, facilitates the identification and prioritisation of strategic and operational risks, development of appropriate mitigation strategies and conducts periodic reviews of the progress on the management of identified risks.
- A combination of centrally issued policies and divisionally-evolved procedures brings robustness to the process of ensuring that business risks are effectively addressed.
- Appropriate structures are in place to proactively monitor and manage the inherent risks in businesses with unique / relatively high risk profiles.
- 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.

Report of the Board of Directors

- 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 for new areas of operation.
- 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 accountability. Businesses are required to confirm periodically that all relevant risks have been identified, assessed, evaluated and that appropriate mitigation systems have been implemented.

The combination of policies and processes as outlined above adequately addresses the various risks associated with your Company's businesses.

The Company during the year has also constituted a Risk Management Committee, as required by revised Clause 49 of the Listing Agreement.

AUDIT AND SYSTEMS

Your Company believes that internal control is a necessary concomitant of 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 an 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 the timely preparation of reliable financial information.

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 operating systems, internal policies and regulatory requirements.

The Internal Audit function consisting of professionally qualified accountants, engineers and IT Specialists is adequately skilled and resourced to deliver audit assurances at highest levels. In the context of the IT environment of your Company, systems and policies

relating to Information Management are periodically reviewed and benchmarked for contemporaneity. Compliance with the Information Management policies receive focused attention of the Internal Audit team. Qualified engineers in the Internal Audit function review the quality of planning and execution of all ongoing projects involving significant expenditure to ensure that project management controls are adequate and yield 'value for money'.

Processes in the Internal Audit function have been continuously improved for enhanced effectiveness and productivity including the deployment of best-in-class tools for analytics in the Audit domain, certification as complying with ISO 9001:2008 Quality Standards in its processes, ongoing knowledge improvement programmes for staff, etc.

The Audit Committee of your Board met eight times during the year. The Terms of Reference of the Audit Committee inter alia included reviewing the adequacy and effectiveness of the internal control environment, monitoring implementation of the action plans emerging out of Internal Audit findings including those relating to strengthening of your Company's risk management systems and discharge of statutory mandates.

HUMAN RESOURCE DEVELOPMENT

Your Company believes that it is the quality and dynamism of its human resource that enables it to make a significant contribution to enhancing stakeholder value. In order to sustain its position as one of India's most valuable corporations, your Company works relentlessly towards being customer-focused, competitively-superior, performance-driven and future-ready.

The talent management strategy of your Company strives to deliver its unique talent promise - 'Building Winning Businesses. Building Business Leaders. Creating Value for India.' Your Company is guided by a holistic approach to talent management - focusing on synchronising the multiple elements of talent sourcing, work design, performance management, remuneration, individual growth and development – to deliver breakthrough outcomes. Human Resource Development practices in your Company are guided by the principles of relevance, consistency and fairness based on the premise that 'what' is done is as critical as 'how' it is done.

Taken together, these initiatives and processes have made a significant impact on talent attraction, retention and commitment.

Report of the Board of Directors

Your Company has assiduously built a culture of continuous learning, innovation and collaboration across the organisation by judiciously leveraging cutting-edge learning and development practices with coaching, mentoring and on-the-job training. Based on the premise that action learning is a more effective approach to development of human resources, learning and development interventions stress less on classroom learning and more on workplace projects. These interventions are therefore fashioned along the lines of longer term journeys rather than short term events.

Your Company's strategic Learning and Development agenda is geared to building front-line managerial capability, middle-management functional leadership and strategic leadership capability of senior management. Apart from this, your Company's 'Strategy of Organisation' serves as an excellent platform to build distributed leadership. This two-pronged approach to leadership development has ensured that each of your Company's businesses is managed by a team of competent, passionate and inspiring leaders, capable of building a high-performance and future-ready organisation.

Your Company continues to invest in the time-tested approach of progressive employee relations based on the core principles of trusteeship, fairness, equity, industrial democracy and partnership with enlightened trade unions. This has enabled your Company consistently set a fine record of industrial harmony, highlighted not merely by the absence of strife, but by the more positive outcome of high productivity and superior quality. A productive and innovative workplace is a key requirement of successful business performance. Hence the push for embracing commitment-enhancing people processes that seek and nurture employee participation and involvement in managing the shop floor. Your Company's belief in the mutuality of interests of key stakeholders, aligns all employees to a shared purpose and vision, thus providing it with the vital force to win in the market and enhance value creation.

Your Company has been able to galvanise its human resource to become more agile, leverage change, stay ahead of competition and win in the market. Your Company's employees relentlessly strive to deliver world-class performance and discharge their role as 'trustees' of all stakeholders with true faith and in the spirit of allegiance. Over 25,000 of your Company's employees have collectively envisioned the future with

commitment to realising your Company's vision of creating enduring value - for the nation and for the institution that is ITC.

WHISTLEBLOWER POLICY

The Company's Whistleblower Policy encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the ITC Code of Conduct that could adversely impact the Company's operations, business performance and / or reputation. The Policy provides that 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. It is the Company's Policy to ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

The practice of the Whistleblower Policy is overseen by the Audit Committee of the Board and no employee has been denied access to the Committee. The Whistleblower Policy is available on the Company's corporate website www.itcportal.com.

SUSTAINABILITY – CONTRIBUTION TO THE 'TRIPLE BOTTOM LINE'

Your Company's vision to sub-serve larger national priorities and create enduring societal value is the inspiration behind its multi-dimensional sustainability initiatives that are today acknowledged as global exemplars. Your Company's sustainability strategy aims to significantly enhance value creation for the nation through superior 'Triple Bottom Line' performance that builds and enriches the country's economic, environmental and societal capital. The sustainability strategy is premised on the belief that the transformational capacity of business can be very effectively leveraged to create significant societal value through a spirit of innovation and enterprise.

It is a matter of immense satisfaction that your Company's models of sustainable development and value chains designed to promote livelihoods, have supported the creation of around 6 million sustainable livelihoods, largely among the marginalised sections of society. Your Company has sustained its position of being the only Company in the world of comparable dimensions to have achieved the global environmental distinction of

Report of the Board of Directors

being carbon positive (for 10 consecutive years), water positive (for 13 years in a row) and solid waste recycling positive (for 8 years in succession).

Your Company's renewable energy portfolio ensures that over 43% of its total energy requirements are met from renewable energy sources - a remarkable achievement given the large manufacturing base of your Company. Further, premium luxury hotels, several office complexes and factories of your Company are LEED® (Leadership in Energy & Environmental Design) certified at the highest level by the US Green Building Council/Indian Green Building Council and the Bureau of Energy Efficiency (BEE) under its star rating scheme.

Your Company has adopted a comprehensive set of sustainability policies that are being implemented across the organisation in pursuit of its 'Triple Bottom Line' agenda. The broad objectives with which your Company has rolled out these policies include strengthening the mechanisms of engagement with key stakeholders, the identification of material sustainability issues and the efforts towards monitoring and mitigating the impacts along the value chain of each Business, wherever relevant.

Your Company's 11th Sustainability Report, published during the year detailed the progress made across all dimensions of the 'Triple Bottom Line' for the year 2013-14. Your Company's Sustainability Report in conformance with the new Global Reporting Initiative (GRI) G4 Guidelines was amongst the first in India under "In Accordance - Comprehensive" category with "Materiality Matters" confirmation from GRI and also the first in India that has been third party assured at the highest criteria of "reasonable assurance" as per International Standard on Assurance Engagements (ISAE) 3000. The 12th Sustainability Report, covering the sustainability performance of your Company for the year 2014-15, is being prepared in accordance with the GRI guidelines – G4 and will be available to you shortly.

In addition, the Business Responsibility Report (BRR), as mandated by the Securities & Exchange Board of India (SEBI), was brought out as an annexure to the Report and Accounts 2014, mapping the sustainability performance of your Company against the reporting framework suggested by SEBI. The BRR for the year under review is annexed to this Report and Accounts.

Corporate Social Responsibility (CSR)

Your Company's overarching aspiration to create significant and sustainable societal value, inspired by a vision to sub-serve a larger national purpose and abide by the strong value of trusteeship, is manifest in its CSR initiatives that embrace the most disadvantaged sections of society, especially in rural India, through economic empowerment based on grassroots capacity building. Towards this end, the Company adopted a comprehensive CSR policy in 2014-15 that defines the framework for your Company's Social Investments Programme.

Your Company's Social Investments Programme has identified three important stakeholder groups: (a) Rural communities in the Company's operational areas who seek viable solutions to some of the major challenges that threaten the sustainability of their farming systems; (b) Communities residing in close proximity to our production units who expect help in the creation of the necessary socio-economic infrastructure for the emergence of a healthy, educated and skilled work force and the promotion of entrepreneurship, especially amongst women, to generate additional income streams; and (c) Central and State governments, which encourage Public Private Partnerships to demonstrate scalable and replicable models of development. Your Company's stakeholders are confronted with multiple, but inter-related, issues at the core of which is the challenge of securing sustainable livelihoods. Interventions therefore are appropriately designed to respond to their unique multi-dimensional development challenges in order to accomplish the goal of empowering stakeholder communities to promote sustainable livelihoods.

The footprint of your Company's CSR projects promoted under the Social Investments Programme is spread over 14 states covering 71 districts. The interventions reach out to over 6,70,000 households in more than 10,600 villages.

Social Forestry

Your Company's pioneering initiative of wasteland development through the Social Forestry Programme cumulatively covers 67,536 hectares in 3,720 villages, impacting over 70,000 poor households. This is part of the Social and Farm Forestry initiative that has together greened nearly 200,000 hectares to date and generated

nearly 90 million person days of employment for rural households, including poor tribal and marginal farmers. The agro-forestry initiative, that ensures food, fodder and wood security, cumulatively covered about 9,800 hectares during the year and 17,600 hectares till date.

Soil and Moisture Conservation

The coverage of your Company's Soil and Moisture Conservation programme, designed to assist farmers in identified moisture-stressed areas, increased by an additional 51,397 hectares taking the total area covered under the watershed programme to 200,186 hectares. 1,490 water-bodies were built during the year, taking the total number of water harvesting structures to 6,464.

Bio Diversity

In the catchments of your Company's agri-business operations, your Company scaled up bio-diversity conservation in 57 plots covering 504 hectares with the objective of protecting native flora and fauna and providing other eco-system services. Cumulatively, the area under bio-diversity now stands at 3,191 hectares. Reports of some of the bio-diversity conservation initiatives were published in the International Journal of Biodiversity & Endangered Species – Spain 2014 and also featured as a case study in the India Business & Biodiversity Initiative (IBBI) report published by the CII-ITC Centre of Excellence for Sustainable Development and the Ministry of Environment, Forests & Climate Change. Your Company has promoted bio-diversity conservation on 22 hectares in Telangana and Andhra Pradesh. Your Company has also collaborated with the Telangana Government to strengthen and benchmark bio-diversity conservation in the KBR National Park in Hyderabad covering an area of 140 hectares, thereby enabling FSC certification of the said park.

Sustainable Agriculture

Your Company's sustainable agriculture programme aims to introduce advanced knowledge and technology through different packages of farm practices and increase awareness of farmers on optimum use of natural resources in order to increase farm productivity and minimise cost of cultivation. During the year, 521 farmer field schools disseminated advanced agri-practices to over 21,000 farmers through 7,736 demonstration plots covering over 18,000 hectares under different crops.

In pursuit of your Company's long term sustainable objective of increasing soil organic carbon, a total of 3,668 compost units were constructed during the year taking the total number till date to 23,554 units.

In addition, the 'Choupal Pradarshan Khet' promoted field demonstrations of seed varieties and production practices for improved yield and quality in soybean, wheat, rice, summer pulses and horticultural crops in more than 1,200 villages covering around 21,000 hectares and more than 60,000 farmers with focus on sustainable farm practices like moisture conservation, promotion of bio-fertilisers, zero-tillage, prophylactic pest management, etc.

Livestock Development

Livestock development remains a key focus area of your Company's CSR initiatives. The programme for genetic improvement of cattle through artificial insemination to produce high-yielding crossbred progenies is implemented through 256 Cattle Development Centres (CDCs) covering over 10,000 villages. These CDCs facilitated 2,24,000 artificial inseminations during the year, taking the total to 15,61,000 artificial inseminations performed till date. Your Company's CSR initiatives aimed at enhancing milk production, increasing dairy farm productivity and ensuring remunerative prices to farmers in multiple locations continued to make good progress. The Dairy Development programme is currently sourcing an average of 32,000 litres per day (lpd) of milk, with a peak of 57,000 lpd, in Munger and Saharanpur from 6,470 farmers. As part of this initiative, an end-to-end mobile enabled farm automation and IT solution for productivity enhancement, real-time management of cattle herds' health, fertility, milk quality, productivity and providing farm management inputs to farmers was piloted during the year and currently covers 1,000 animals.

Women Empowerment

The women's micro-enterprise programme was specifically designed for women from economically weaker sections to provide a range of gainful employment opportunities and support with financial assistance by way of loans and grants. Over 23,000 women have been covered through 2,057 Self-Help Groups (SHG) with total savings of over ₹ 4 crores. A major thrust was given to financial inclusion of women members by opening bank accounts for 1,335 women this year. Cumulatively,

Report of the Board of Directors

over 40,000 women were gainfully employed either through micro-enterprises or assisted with loans to pursue income generating activities.

Education

The Primary Education programme is designed to provide children from weaker sections, access to education with focus on quality and retention. During the year, 36,000 children were covered by the 'Read India Programme' and another 34,000 children were covered by Supplementary Learning Centres, taking the cumulative total of children covered to 4,06,000. A total of 147 government primary schools (including Anganwadis) were provided infrastructure support comprising boundary walls, additional classrooms, sanitation units, furniture and electrical fittings, thus taking the total number of government primary schools covered till date to 1,158.

Skilling & Vocational Training

Given the inadequate availability of skilled manpower and the Government's efforts to promote vocational education and training, your Company's Vocational Training programme played an active role in building and upgrading skills of marginalised youth to better meet the emerging needs of the job market. 13,180 youth were enrolled for training under different courses during the year. Of the total students enrolled, 10,378 (79% of enrolled) completed training and 3,280 (32% of trained) students were provided placement. The students trained included a healthy mix of women and SC/ST candidates.

To cater to the ever growing need for professionally trained human resources in the hospitality industry, your Company continues to work with the Welcomgroup Graduate School of Hotel Administration together with Dr. TMA Pai Foundation. This institution continues to be ranked among the top educational institutions in the sector. Graduates of the institution are today part of several leading hotel chains of the world. In addition, your Company also opened a Culinary Institute at Chhindwara in 2014, where cooking skills are imparted to youth from disadvantaged sections of society.

Leveraging its core competencies in the FMCG sector, your Company launched an employability programme to skill unemployed youth in FMCG sales and distribution across various locations of the country. Candidates who successfully completed the programme were certified

by the National Skill Development Corporation and have been gainfully employed in the FMCG sector.

A programme to promote entrepreneurship for self-help groups from economically weaker sections of society was launched in select districts of Odisha. This initiative targeted to equip unemployed rural youth to become entrepreneurs and small businessmen capable of generating independent earnings by selling products on a direct-to-home sale model. This initiative has resulted in generating a sustained supplementary income for economically disadvantaged youth and will be further scaled up in the future.

Health & Sanitation

Your Company invested in impacting public health through multiple routes. To promote a hygienic environment through prevention of open defecation and reduce incidence of water-borne diseases, 3,578 individual household toilets were constructed during the year. With this, a total of 8,254 low-cost sanitary units have been constructed so far in your Company's factory catchment areas. In areas with water quality problems, 19 plants providing safe drinking water to about 28000 rural households have been installed in the state of Andhra Pradesh. 'Swasthya Choupal', your Company's e-Choupal Rural Health initiative was consolidated in 7 districts of Uttar Pradesh and expanded to 3 new districts in Madhya Pradesh with a coverage of over 450 villages.

Solid Waste Management

Your Company's Solid Waste Management programme, christened 'WOW – Wellbeing Out of Waste' inculcates the habit of source segregation and recycling among school children, housewives and general public as well as industries and business enterprises. The WOW movement today extends to Hyderabad, Chennai, Bengaluru, Coimbatore and some towns of Telangana, enjoying the support of over 3 million citizens, 500,000 school children, 350 corporates, more than 1,000 commercial establishments and around 200 industrial plants.

On the occasion of the 3rd anniversary of National Recycling Day, your Company launched a novel pilot programme in 12 selected wards of Bengaluru with the support of the Bruhat Bengaluru Mahanagara Palike (BBMP) and a similar programme in 30 wards of

Coimbatore to create sustainable livelihoods for rag pickers and waste collectors by propagating source segregation at each household and facilitating effective collection mechanisms in collaboration with Municipal corporations.

ITC Sangeet Research Academy

The ITC Sangeet Research Academy (ITC SRA), which was established in 1977, is a true embodiment of your Company's sustained commitment to a priceless national heritage. Your Company's pledge towards ensuring enduring excellence in Classical Music education has helped ITC SRA adhere to the age-old 'Guru-Shishya Parampara' – a model that has otherwise begun fading away owing to lack of patronage. Although methods of music education are now changing with the advent of digitisation, exceptionally gifted students, carefully handpicked across India receive full scholarships to reside and pursue their music education at the Academy's campus. This has helped young talent who have limited access to the newer modes of music education, to train under the tutelage of the country's most distinguished stalwarts who are helping create the next generation of musical masters.

Forging Partnerships with NGOs

The substantial progress made by your Company's Social Investments Programme in contributing to address some of the country's development challenges, has been possible in significant measure, to your Company's partnerships with globally renowned NGOs like BAIF, DB Tech, DSC, FES, MYRADA, Pratham, LabourNet, SEWA, SRIJAN and Outreach, amongst others. These partnerships, which bring together the best-in-class management practices of your Company and the development experience and mobilisation skills of NGOs, will continue to provide innovative grassroots 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 and structured efforts continue to be made towards natural resource conservation by continuously improving resource-use efficiencies and enhancing the positive environmental footprint following a life-cycle based approach.

Your Company's focus on inculcating a green and safe culture is supported through the adoption of EHS standards that incorporate best international codes and practices and verifying compliance through regular audits.

Your Company has addressed the critical area of climate change mitigation through several innovative and pioneering initiatives. These include continuous improvement in energy efficiency, enhancing the renewable energy portfolio, integrating green attributes into the built environment, better efficiency in material utilisation, maximising water use efficiencies and rain water harvesting, maximising reuse and recycling of waste and increasing use of post-consumer waste as raw material.

Energy Conservation and Renewable Energy

Your Company is well positioned to benefit from India-specific energy conservation and renewable energy promotion schemes such as Perform, Achieve and Trade (PAT) and Renewable Energy Certificates (RECs) promoted by the Government of India. As a responsible corporate citizen, your Company has made a commitment to reduce dependence on energy from fossil fuels. Substantial progress has been made in enhancing the renewable energy portfolio and during 2014-15 over 43% of your Company's total energy requirements was met from carbon neutral fuels such as biomass, and wind and solar. Your Company has developed a strategic approach and drawn up action plans based on a feasible balance of energy conservation and renewable energy investments to progressively move towards meeting at least 50% of its total energy requirements from renewable sources by 2020.

Report of the Board of Directors

Water Conservation

With water scarcity increasingly becoming an area of serious concern, your Company continues to focus on integrated water management including water conservation and harvesting initiatives at its units – while also working towards meeting the water security needs of all stakeholders at the local watershed level. These include adopting latest technologies to reduce fresh water intake and increase reuse and recycling practices, best practices to achieve zero effluent discharges, rainwater harvesting, etc. These initiatives, along with your Company's CSR interventions in the area of integrated watershed management, have resulted in the creation of rainwater harvesting potential that is over twice the net water consumption of your Company's operations.

Greenhouse Gases and Carbon Sequestration

During the year, your Company improved its 'disclosure score' in the Climate Disclosure Leadership Index 2014 published under the aegis of the Carbon Disclosure Project from 85% in 2013-14 to 94% in 2014-15, placing it amongst the top 10 Indian organisations who have been so evaluated. The greenhouse gas (GHG) inventory of your Company for the year 2014-15 compiled as per the ISO 14064 standard, has been assured at the highest 'Reasonable Level' by an independent 3rd party assurance provider, a significant achievement considering the scale and spread of your Company's operations. This is also evidence of the importance accorded to GHG management by your Company.

Reaffirming your Company's commitment to the ethos of 'Responsible Luxury', all luxury hotels of your Company are LEED® Platinum certified (certification in progress for ITC Grand Bharat which was opened recently) making it the 'greenest luxury hotel chain' in the world. In order to continually reduce your Company's energy footprint, green features are integrated in all new constructions and are also being incorporated in existing hotels, manufacturing units, warehouses and office complexes during retrofits.

Your Company's Social & Farm Forestry initiatives enable sequestration of over twice the amount of Carbon Dioxide emitted by its operations. Besides mitigating the impact of increasing levels of GHG emissions in the atmosphere, these initiatives help greening degraded wasteland, prevent soil erosion, enhance organic matter content in soil and enable ground water recharge.

Waste Recycling

Your Company has made significant progress in reducing specific waste generation through constant monitoring and improvement of efficiencies in material utilisation and also in achieving almost total recycling of waste generated in operations. In this way, your Company has prevented waste reaching landfills and associated problems such as soil and groundwater contamination and GHG emissions, all of which can impact public health. In the current year, your Company has achieved over 99% waste-recycling, with the Paperboards and Specialty Papers Business, which accounts for 91.2% of the total waste generated in your Company, recycling 99.8% of the total waste generated by its operations. During the year, this Business also recycled around 114,563 tonnes of externally sourced post-consumer waste paper, thereby creating yet another positive environmental footprint.

Safety

Your Company's commitment to provide a safe and healthy workplace to all has been reaffirmed by the significant reduction in the number of accidents and several national and international awards and certifications received by various units. Your Company's approach is to institutionalise safety as a value-led concept with focus on inculcating a sense of ownership at all levels and driving behavioural change leading to the creation of a safety culture. In line with this approach, several behavioural based safety initiatives and custom-made risk based training programmes were rolled out at your Company's operating units, resulting in a noticeable improvement in safety performance. Your Company incorporates established engineering standards in the design and project execution phase itself for all investments in the built environment, with a view to ensuring the highest levels of safety besides optimising costs. Environment, Health & Safety audits before commissioning and during the operation of units are carried out to verify compliance with standards. 2014-15 was a zero fatal accident year and there was also a 56% drop in Loss Time Accidents, over the previous year. These statistics cover all categories of employees working on-site at ITC premises, including employees of service providers.

Promoting Thought Leadership in Sustainability

The 'CII–ITC Centre of Excellence for Sustainable Development' (the Centre), established by your Company in 2006 in collaboration with the Confederation of Indian Industry (CII), continues to focus on its endeavours to promote sustainable business practices amongst Indian enterprises. The major highlights during the year include the annual Sustainability Summit, held on 16th & 17th September 2014 in New Delhi, which was inaugurated by Shri Prakash Javadekar, Minister of Environment, Forests and Climate Change (MoEFCC), and chaired by Shri Y C Deveshwar. The Summit was attended by over 300 participants.

On 19th December 2014, the 9th CII-ITC Sustainability Awards were handed over by Shri Prakash Javadekar to the 27 winning companies as India's Most Sustainable.

On the invitation of the MoEFCC, the Centre is hosting the India Business & Biodiversity Initiative (IBBI) with the support of German International Cooperation. Launched on the occasion of International Day for Biological Diversity on 22nd May 2014 in New Delhi, the IBBI serves as a national platform for business and its stakeholders for dialogue, sharing and learning, ultimately leading to mainstreaming sustainable management of biological diversity into businesses. On the sidelines of the 12th meeting of the Conference of the Parties (COP) to the Convention on Biological Diversity (CBD), the IBBI launched the publication "Business and Biodiversity in India: 20 Illustrations" in Pyeongchang, Republic of Korea. The report features initiatives of 20 companies across diverse sectors in biodiversity management.

The Centre has introduced integrated reporting to India by setting up a business network called <IR> Lab India with mentorship of International Integrated Reporting Council. The objective of <IR> Lab is to build capacities of companies in India on integrated reporting and to represent concerns of Indian business to the International Integrated Reporting Council (IIRC).

The Centre has been building capacities of companies on the new CSR legislation as per the Companies Act, 2013. In 2014, the Centre conducted 7 open workshops in New Delhi, Mumbai, Lucknow, Bhubaneswar, Chennai, Visakhapatnam and Goa. The Centre is also offering services to companies in baseline studies, measurement

of human development indicators, and social return on investments.

R&D, QUALITY AND PRODUCT DEVELOPMENT

The ITC Life Sciences & Technology Centre (LSTC) has a mandate to develop unique sources of competitive advantage and build future-readiness by harnessing contemporary advances in several relevant areas of science and technology, and blending the same with classical concepts of product development and leveraging cross-business synergies. This challenging task of driving science-led product innovation has been carefully addressed by appropriately identifying the required set of core competency areas of science. Presently, the LSTC team has evolved with over 350 world-class scientists augmented by world-class experimental and measurement system capabilities. During the year, LSTC's capability was further enhanced with the operationalisation of state-of-the-art facilities for performing experimental research. In addition to the several Centres of Excellence that have been created over past few years, a number of areas centred around these capabilities have secured global quality certifications of the highest order.

The Agrisciences R&D team has continued its efforts in evaluating and introducing several germplasm lines of identified crops including Casuarina and Eucalyptus to increase the genetic and trait diversities in these species, towards developing new varieties with higher yields, better quality and other relevant traits for your Company's businesses. LSTC continues to evaluate and build research collaborations with globally recognised centres of excellence to remain contemporary and fast-track its journey towards demonstrating multiple 'proofs of concept'. These collaborations, covering identified species, are designed in a manner that enables your Company in gaining fundamental insights into several technical aspects of plant breeding and genetics and the influence of agro-climatic conditions on the growth of these species. Such interventions will accelerate LSTC's efforts in creating future generations of these crops with greater genetic and trait diversities leading to significant benefits for your Company's businesses. Further, these outcomes have a strong potential to contribute towards augmenting the nation's ecological capital and biodiversity as well. Several proof of concept studies have been accomplished at the laboratory scale and which are being advanced to large scale field trials in multiple locations.

Report of the Board of Directors

Recognising the unique construct of your Company in terms of its strong presence in agriculture, Branded Packaged Foods and Personal Care Products Businesses, a convergence of R&D capabilities is being leveraged to deliver future products aimed at nutrition, health and well-being. Advances in biosciences are creating a 'convergence' of these areas and it is likely that several future developments in these businesses and their products are heavily influenced by this trend. In this context, LSTC has created a Biosciences R&D team to design and develop several long-term research platforms evolving multi-generation product concepts and associated claims that are fully backed by scientific evidence for the Branded Packaged Foods and Personal Care Products Businesses. Multiple value propositions have been identified in the area of functional foods, which are being progressed to products of the future with strong scientifically validated claims via clinical trials.

Similar advances have been made in the area of personal care products. In addition, LSTC has evolved a strategy in building a new value chain called, 'Nutrition' with a special focus on 'Indianness' and 'health and well-being' founded on the basis of Value Added Agriculture (VAA) and Medicinal and Aromatic Plants. The initial activities related to VAA have already commenced with a focus on soya.

LSTC has a clear vision and a road map for long-term R&D, to ensure an outstanding journey backed by a well-crafted Intellectual Property strategy. With scale, speed, science and sustainability considerations, LSTC is poised to deliver long-term competitive advantage and play a lead role in creating significant business impact for your Company.

Pursuing your Company's relentless commitment to quality, each Business is mandated to continuously innovate on processes and systems to enhance their competitive position. During the year, your Company's Hotels Business leveraged its 'Lean' and 'Six Sigma' programmes to improve business process efficiencies. This will further enhance capability to create superior customer value through a service excellence framework. The Paperboards, Paper & Packaging Businesses continued to pursue 'Total Productive Maintenance' (TPM) programmes in all units, resulting in substantial cost savings and productivity improvements.

All manufacturing units of your Company have ISO quality certification. All manufacturing units of the Branded Packaged Foods Businesses (including contract manufacturing units) and hotels operate in compliance to stringent food safety and quality standards. Almost all Company owned units/hotels and contract manufacturing units of the Branded Packaged Foods Businesses are certified by an accredited 'third party' in accordance with 'Hazard Analysis Critical Control Points' (HACCP) / ISO 22000 standards. Additionally, the quality of all FMCG products of your Company is regularly monitored through 'Product Quality Ratings Systems' (PQRS).

RECOVERY OF DUES FROM THE CHITALIAS AND PROCEEDINGS INITIATED BY THE ENFORCEMENT DIRECTORATE

As mentioned in the previous years' Reports of the Directors, your Company had secured from the District Court of New Jersey, USA, a decree for US\$ 12.19 million together with interest and costs against Suresh and Devang Chitalia of USA and their companies, and the Chitalias had filed Bankruptcy Petitions before the Bankruptcy Court, Orlando, Florida, which are yet to be determined. Last year, the US Trustee of EST Fibers Inc., USA, a Chitalia group entity, made a small interim distribution of estate funds to your Company.

Though your Company has written off the export dues in foreign exchange from the Chitalias with the approval of the Reserve Bank of India, your Company continues with its recovery efforts by a suit filed in India against some associates of the Chitalias. The suit is in progress.

In the proceedings initiated by the Enforcement Directorate, in respect of some of the show cause memoranda issued by the Directorate, after hearing arguments on behalf of your Company, the appropriate authority has passed orders in favour of your Company, and dropped those memoranda. Meanwhile, some of the prosecutions launched by the Enforcement Directorate have been quashed by the Honourable Calcutta High Court while others are pending.

TREASURY OPERATIONS

During the year, your Company's treasury operations continued to focus on deployment of temporary surplus liquidity and management of foreign exchange exposures within a well-defined risk management framework.

Report of the Board of Directors

The year under review was characterised by falling interest rates on the back of improvement in the domestic macro-economic environment. Easing inflation and improvement on the Fiscal and Current Account deficit front, enabled the Reserve Bank of India to reduce policy rates by a cumulative 50 basis points in Q4 2014-15. However, muted growth in bank deposits and intermittent tightness in banking liquidity brought about spikes in market interest rates.

All investment decisions in deployment of temporary surplus liquidity continued to be guided by the tenets of Safety, Liquidity and Return. Proactive management of portfolio duration helped improve treasury performance. During the year, investment portfolio mix was continuously rebalanced in line with the evolving interest rate environment. Further, the quantum of investment in Bank Fixed Deposits was increased towards the year end, taking advantage of spikes in market interest rates and in line with expectations of lower interest rates going forward. Your Company's risk management processes ensured that all deployments were made with proper evaluation of underlying risk while remaining focused on capturing market opportunities.

In the foreign exchange market, the US Dollar witnessed unprecedented strength against all major global currencies during the year on the back of strengthening US economic recovery amidst persistent weakness in the other major economies like the Euro Area, Japan and China. Divergence in monetary policy stance between the US and rest of the developed economies coupled with rising geopolitical tensions in Ukraine/Russia and the Middle-East added to US Dollar strength. Against this backdrop, the Indian Rupee remained relatively range bound, with a depreciating bias. In this scenario, your Company adopted an appropriate forex management strategy, which included the use of foreign exchange forward contracts and plain vanilla options, to protect business margins and reduce risks / costs.

As in earlier years, commensurate with the large size of temporary surplus liquidity under management, treasury operations continue to be supported by appropriate control mechanisms, including an independent check of 100% of transactions, by your Company's Internal Audit department.

DEPOSITS

Your Company's erstwhile Public Deposit Scheme closed in the year 2000. As at 31st March, 2015, there were no deposits due for repayment except in respect of 2 deposit holders totalling ₹ 20,000 which have been withheld on the directives received from 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

Mr. Anthony Ruys [representing Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., the ultimate holding company] ceased to be Non-Executive Director of your Company with effect from 24th July, 2014, on completion of his term. Your Directors would like to record their appreciation of the services rendered by Mr. Ruys.

Messrs. Anil Baijal, Arun Duggal, Serajul Haq Khan, Sunil Behari Mathur, Pillappakkam Bahukutumbi Ramanujam and Sahibzada Syed Habib-ur-Rehman and Ms. Meera Shankar were appointed by the Members with effect from 15th September, 2014 as Independent Directors of the Company under Section 149 of the Companies Act, 2013 ('the Act').

Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Article 91 of the Articles of Association of the Company, Mr. Kurush Noshir Grant and Mr. Krishnamoorthy Vaidyanath will retire by rotation at the ensuing Annual General Meeting ('AGM') of your Company and being eligible, offer themselves for re-election. The Board of Directors of your Company ('the Board') has recommended their re-election.

Number of Board Meetings

During the year ended 31st March, 2015, seven meetings of the Board were held.

Report of the Board of Directors

Attributes, Qualifications & Independence of Directors and their Appointment

The Nomination & Compensation Committee of the Board approved the criteria for determining qualifications, positive attributes and independence of Directors in terms of the Act and the Rules thereunder, both in respect of Independent Directors and other Directors as applicable. The Governance Policy of the Company also inter alia requires that Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business / finance / law / public administration & enterprises. The Board Diversity Policy of the Company requires the Board to have balance of skills, experience and diversity of perspectives appropriate to the Company. The Articles of Association of the Company provide that the strength of the Board shall not be fewer than five 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 as determined by the Board from time to time. The initial appointment of Executive Directors is normally for a period of three years. All Directors, other than Independent Directors, are liable to retire by rotation, unless otherwise approved by the members or provided under any statute. 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 they meet the criteria of independence as prescribed under Section 149(6) of the Act and the Listing Agreement with Stock Exchanges.

The Company's Policy relating to remuneration of Directors, Key Managerial Personnel and other employees is provided under the section 'Report on Corporate Governance' in the Report and Accounts.

Board evaluation

The Nomination & Compensation Committee has approved the Policy on Board evaluation, evaluation of Board Committees' functioning and individual Director evaluation. In keeping with ITC's belief that it is the collective effectiveness of the Board that impacts Company performance, the primary evaluation platform is that of collective performance of the Board as a whole. Board performance is assessed against the role and

responsibilities of the Board as provided in the Act and the Listing Agreement read with 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 fulfil expectations of other stakeholders through strategic supervision of the Company. Evaluation of functioning of Board Committees is based on discussions amongst Committee members and shared by each Committee Chairman 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.

While the Board evaluated its performance against the parameters laid down by the Nomination & Compensation Committee, the evaluation of individual Directors was carried out anonymously in order to ensure objectivity. Reports on functioning of Committees were placed by the respective Committee Chairman before the Board.

Key Managerial Personnel

During the year there was no change 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

The Auditors, Messrs. Deloitte Haskins & Sells, Chartered Accountants (DHS), were appointed with your approval at the 103rd AGM to hold such office till the conclusion of the 108th AGM. The Board, in terms of Section 139 of the Act, on the recommendation of the Audit Committee, has recommended for the ratification of the Members the appointment of DHS from the conclusion of the ensuing AGM till the conclusion of the 105th AGM. The Board, in terms of Section 142 of the Act, on the recommendation of the Audit Committee, has also recommended for the approval of the Members the remuneration of DHS for the financial year 2015-16. Appropriate resolution in respect of the above is appearing in the Notice convening the 104th AGM of the Company.

Cost Auditors

Your Board, on the recommendation of the Audit Committee, appointed -

- (i) Messrs. Shome & Banerjee, Cost Accountants, for audit of cost records maintained by the Company
 - in respect of 'Soyabean Oil' and 'Face wash' for the financial year 2014-15, and
 - in respect of all applicable products of the Company, other than 'Paper and Paperboard' for the financial year 2015-16.
- (ii) Mr. P. Raju Iyer, Cost Accountant, for audit of cost records maintained by the Company in respect of 'Paper and Paperboard' for the financial year 2015-16.

In terms of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, appropriate resolution seeking your ratification of the remuneration of Messrs. Shome & Banerjee and Mr. P. Raju Iyer is appearing in the Notice convening the 104th AGM of the Company.

Secretarial Auditors

Your Board, during the year, appointed Messrs. S. M. Gupta & Co., Company Secretaries, to conduct secretarial audit of the Company for the financial year ended 31st March, 2015. The Report of Messrs. S. M. Gupta & Co. in terms of Section 204 of the Act is provided in the Annexure forming part of this Report.

CHANGES IN SHARE CAPITAL

During the year the following changes were effected in the Share Capital of your Company:-

- a) Issue of Shares under the ITC Employee Stock Option Schemes:
6,22,48,830 Ordinary Shares of ₹ 1/- each, fully paid-up, were issued and allotted during the year upon exercise of 62,24,883 Options under your Company's Employee Stock Option Schemes.
- b) Issue of Shares upon Demerger of the Non-Engineering Business of Wimco Limited into the Company:
87,761 Ordinary Shares of ₹ 1/- each, fully paid-up, were issued and allotted on 29th August, 2014

pursuant to the Scheme of Arrangement for demerger of the Non-Engineering Business of Wimco into the Company.

Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2015, stands increased to ₹ 801,55,19,541/- divided into 801,55,19,541 Ordinary Shares of ₹ 1/- each.

The Ordinary Shares issued during the year rank pari passu with the existing Ordinary Shares of your Company.

EMPLOYEE STOCK OPTION SCHEMES

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, have certified that the Company's Employee Stock Option Schemes have been implemented in accordance with the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolutions passed by the Members in this regard.

INVESTOR SERVICE CENTRE

The Investor Service Centre (ISC) of your Company, backed by state-of-the-art infrastructure and experienced team of professionals, caters to the increasing expectations of investors by keeping its services contemporary and efficient.

ISC achieved the highest 'Level 5' rating for the sixth consecutive year, accorded by Messrs. Det Norske Veritas – a testimony to the excellence achieved by ISC in providing quality investor services.

RELATED PARTY TRANSACTIONS

All contracts or arrangements with related parties, entered into or modified during the financial year, were on an arm's length basis and in the ordinary course of business. All such contracts or arrangements have been approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Accordingly, no transactions are being reported in Form No. AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the corporate website at <http://www.itcportal.com/about-itc/policies/policy-on-rpt.aspx>.

Report of the Board of Directors

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 are 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, its Subsidiaries, Associates and Joint Venture entities ('the Group'), in terms of the requirements of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board 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 the Group and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Directors of your Company, as aforesaid.

OTHER INFORMATION

Compliance with Clause 49 of the Listing Agreement - Corporate Governance

The certificate of the Auditors, Messrs. Deloitte Haskins & Sells, confirming compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is annexed.

Compliance with requirements relating to downstream investments

Your Company's Auditors, Messrs. Deloitte Haskins & Sells, have certified that the Company and its subsidiaries are in compliance with the requirements relating to downstream investment as laid down in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Ninth Amendment) Regulations, 2013 and other applicable FEMA Regulations.

Going concern status

There is no significant or material order passed during the year by any regulator, court or tribunal impacting the going concern status of the Company or its future operations.

Extracts of Annual Return

The information required under Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is annexed.

Particulars of loans, guarantees or investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in Notes 11, 12, 13, 17 and 31 (iv) (a) (ii) to the Financial Statements.

Report of the Board of Directors

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.

Employees

The total number of employees as on 31st March, 2015 stood at 25787.

There were 143 employees, who were employed throughout the year and were in receipt of remuneration aggregating ₹ 60 lakhs or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 5 lakhs per month or more during the financial year ended 31st March, 2015. The information required under Section 197(12) of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this Report.

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 the Company and/or its businesses are intended to identify such forward-looking statements. The 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 Board and employees are inspired by the Vision of sustaining ITC'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 inspired by its 'Let's Put India First' credo as well as the core values of Trusteeship, Transparency, Empowerment, Accountability and Ethical Citizenship, which are the cornerstones of ITC's Corporate Governance philosophy.

The Directors and employees look forward to the future with confidence, powered by your Company's world-class brands, spirit of innovation, focus on game changing R&D, strong rural linkages that have earned the trust of millions of farmers, unique strengths in trade marketing & distribution, world-class manufacturing, superior service delivery and its track record as a global exemplar in sustainable business practices.

On behalf of the Board

22nd May, 2015
Kolkata
India

Y. C. DEVESHWAR *Chairman*
K. N. GRANT *Director*

Annexure to the Report of the Board of Directors For the Financial Year Ended 31st March, 2015

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. CSR Policy - Brief Outline and Overview

a. Brief outline of CSR Policy:

To direct ITC's CSR Programmes, inter alia, towards achieving one or more of the following: enhancing environmental and natural capital; supporting rural development; promoting education and vocational skills; providing preventive healthcare; providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting traditional art and culture, and promoting sports.

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 integrating its social and environmental objectives with its business strategies and assists in crafting unique models to support creation of sustainable livelihoods. The Committee formulates & monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013.

c. Programmes / Projects

The three most important stakeholders for ITC's CSR programmes / projects are:

- Rural communities in the Company's operational areas.
- The communities residing in close proximity to our production units.
- The Central and State Governments, which encourage Public Private Partnerships (PPPs)

The Company's stakeholder representation is varied, calling for an integrated approach to development comprising several layers of interventions which are summarised below:

i. Promoting Preventive Healthcare and Sanitation (Schedule VII - i):

- **Sanitation:** The major focus is on promoting low cost toilets for women Self-Help Group members. In addition, equal importance is given to high impact year-round campaigns to surface and drive home the nexus between health and sanitation.
- **Village Health Champions (VHCs):** Work on creating awareness on health and hygiene through a network of women VHCs.
- **Healthcare:** Provide medical aid to communities around our factories comprising preventive measures for various illnesses, infrastructure support to government hospitals and relief to victims of natural calamities.
- **Health Infrastructure:** Undertake various social and civic infrastructure services to improve sanitation and hygiene in the neighbourhood of our factories comprising potable drinking water, drainage systems, etc.

ii. Livelihood Enhancement (Schedule VII-ii)

- **Animal Husbandry:** This is a comprehensive programme that provides extension services including breeding, veterinary care, fodder propagation, training of dairy farmers and setting up of modern milk collection networks, all of which lead to increase in income of farmers through enhanced productivity of milch animals and better realisations from the market.
- **Waste Recycling:** The overall objective of this project is to create sustainable livelihoods for rag pickers and waste collectors. In addition, the project also helps in the creation of a clean and green environment through source segregation and recycling of dry waste.
- **Solid Waste Management (SWM):** The focus is on door-to-door collection of household waste, segregation at site in order to re-cycle and compost waste, so as to minimise the load at municipal dump sites and promote a clean hygienic environment in the project areas.

iii. Promoting Education and Vocational Skills (Schedule VII-ii)

- **Education:** The education programme is designed to provide children from weaker sections access to education with focus on enrolment, retention and improved pedagogy.
- **School Infrastructure:** The Company also funds improvements in infrastructure at identified Government Primary Schools in order to create an attractive and enabling learning environment.
- **Vocational Training:** The programme plays an active role to build and upgrade skills of youth to better compete with the emerging needs of the job market across different sectors.

iv. Economic Empowerment of Women (Schedule VII-iii)

- **Micro Enterprises:** This initiative is specifically designed for women from economically weaker sections and provides a range of gainful employment opportunities in micro-enterprises and supports such enterprises with financial assistance.
- **Self Help Groups (SHG):** Focused work on financial inclusion of women members through bank accounts and insurance.

v. Ensuring Environmental Sustainability (Schedule VII-iv)

- **Social Forestry:** Targeted at small and marginal landholders from economically weaker sections of society, the Social Forestry programme is designed to promote livelihoods through afforestation by providing financial, technical and marketing support.
- **Watershed Development:** The Company's Watershed Development Programme promotes local management of water resources by facilitating community-based participation in soil and moisture conservation works.
- **Bio-Diversity Conservation:** This initiative protects native flora and fauna and provides other eco-system services.
- **CII-ITC Centre of Excellence for Sustainable Development:** The primary objective of the Centre is to enable businesses create enduring value on a sustainable basis by embedding the imperatives of sustainable development in their strategies and processes.

vi. Protection of National Heritage, Art & Culture (Schedule VII-v)

The ITC Sangeet Research Academy (ITC SRA), which was established in 1977, is a true embodiment of the Company's commitment to a priceless national heritage - the age-old Guru-Sishya parampara. The Academy also endeavours to revive and restore vanishing musical sub-genres by enlisting the goodwill of some of the greatest musicians of the time.

vii. Rural Development (Schedule VII-x)

- **Improved Agricultural Practices:** The core purpose of the programme is to introduce advanced knowledge and technology through a package of practices and increase awareness of farmers on optimum use of natural resources in order to increase farm productivity and minimise cost of cultivation.
- **Knowledge Empowerment:** ITC leverages knowledge based interventions to empower farmers to make informed choices by providing relevant and real-time information on commodity prices, local weather reports, customised knowledge on farm management, risk management and scientific farming.
- **Farm Productivity Enhancement:** ITC has been engaged in various agricultural extension initiatives to improve the technical know-how of farmers, increasing access to best practices and agricultural technologies, and thereby enhancing farm productivity.

2. Composition of the CSR and Sustainability Committee

Mr. Y. C. Deveshwar	Chairman
Mr. A. V. Girija Kumar	Member
Mr. R. E. Lerwill	Member
Mr. S. B. Mainak	Member
Ms. M. Shankar	Member

3. Average Net Profit of the Company for last three financial years: ₹ 10,646.11 crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 212.92 crores for FY 2014-15.

5. Details of CSR Spent during the financial year:

The total CSR expenditure for financial year 2014-15 stood at ₹ 214.06 crores. Please refer attached statement for details.

6. Details of implementing agencies:

The Company's CSR projects are implemented through reputed agencies such as:

- i. NGOs / Trusts like BAIF Development Research Foundation, Pratham Education Foundation, SEWA Bharat, Foundation for Ecological Security, etc.;
- ii. ITC Sangeet Research Academy, a true embodiment of the Company's sustained commitment to a priceless national heritage;
- iii. 'CII-ITC Centre of Excellence for Sustainable Development', established by the Company in collaboration with the Confederation of Indian Industry (CII).

7. Responsibility Statement of the CSR Committee

The CSR Committee affirms that the implementation and monitoring of CSR Policy is in compliance with the CSR Policy and objectives of the Company.

On behalf of the Board

Kolkata

22nd May, 2015

Y. C. DEVESHWAR *Chairman - CSR Committee*
K. N. GRANT *Director*

Statement of details of CSR spends during the financial year 2014-15

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programmes (1) Local area or other (2) State and district where projects or programmes was undertaken	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes		Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing Agency
					1. Direct expenditure on projects or programmes	2. Overheads		
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of sanitation and making available safe drinking water.	Health & Sanitation, Drinking Water, Contribution to Swachh Bharat Kosh	Local area & Others * Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, West Bengal, Bihar, Uttar Pradesh, Uttarakhand, Puducherry and Jammu & Kashmir	3020	2341	49	2390	**Through Project Implementing Agencies, Government and Direct
2	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Education Vocational Training Livestock Development Livelihood	Local area * Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, West Bengal, Bihar, Uttar Pradesh, Uttarakhand, Rajasthan, Himachal Pradesh, Madhya Pradesh, Kerala, Maharashtra, Assam and Odisha	7075	1695 1181 638 2709	99 99 56 144	1794 1280 694 2853	**Through Project Implementing Agencies and Direct
3	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Women Empowerment	Local area * Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Bihar, Madhya Pradesh, Uttar Pradesh and Maharashtra	944	947	93	1040	**Through Project Implementing Agencies and Direct
4	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.	Environment Sustainability, Soil & Moisture Conservation Social Forestry	Local area & Others * Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Bihar, Rajasthan, Maharashtra, Madhya Pradesh, Odisha and New Delhi	6643	2900 2270	245	3145	**Through Project Implementing Agencies and Direct
5	Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.	Protection of national heritage, art and culture	Local area *West Bengal and Punjab	92	2142	0	2142	**Through Project Implementing Agencies and Direct
6	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	Sports	Local area West Bengal and Karnataka		1	0	1	Direct
7	Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	Contribution to the Prime Minister's National Relief Fund	Others N.A.	2018	2017	0	2017	Direct
8	Rural Development projects.	Agri Development	Local area Bihar, West Bengal, Odisha, Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Madhya Pradesh, Maharashtra, Uttar Pradesh and Rajasthan	2903	1497	109	1606	**Through Project Implementing Agencies and Direct
Total				22,695	20,338	1,068	21,406	

* The CSR programmes are carried out primarily in the following districts of the States / Union Territories as mentioned below:

Bihar – Munger, Jamui, Bhagalpur, Begusarai, Lakhisarai, Buxar and Patna
West Bengal – Hooghly, Kolkata, Murshidabad, South 24 Parganas, Howrah and Medinipur
Odisha – Ganjam, Khordha, Kendrapara and Nayagarh
Assam – Kamrup and Guwahati
Uttar Pradesh – Aligarh, Badaun, Gonda, Bahraich, Chandauli, Saharanpur, Hardoi, Agra, Hathras, Pilibhit, Etah, Mau, Amethi, Ghazipur, Varanasi and Lucknow
Madhya Pradesh – Agra, Bhopal, Chhindwara, Guna, Indore, Vidisha, Sehore, Ujjain, Hoshangabad, Mandsaur and Dewas
Uttarakhand – Hardwar
Himachal Pradesh – Sodan

**The CSR programmes are carried out both directly and through the Project Implementing Agencies the details of which are stated in the Report

Maharashtra – Ahmednagar, Pune, Jaiha, Parbhani, Satara, Amravati and Wardha
Rajasthan – Baran, Bhilwara, Pratapgarh, Jhalawar, Bundi, Kota, Udaipur, Chittorgarh, Rajur, Barmer, Jalore and Jaipur
Andhra Pradesh – East Godavari, Guntur, West Godavari, Prakasam, Nellore, Krishna, Srikakulam, Visakhapatnam and Hyderabad
Telangana – Khammam, Nalgonda, Warangal
Karnataka – Mysuru, Chikkaballapura, Hassan, Mandya, Chamarajanagar, Kolar, Gadag, Bengaluru Urban, Bengaluru Rural and Manipal
Tamil Nadu – Coimbatore, Krishnagiri, Tiruvallur, Vellore, Salem, Tirupati, Tiruchirappalli, Erode, Cuddalore, Nagapattinam, Thanjavur, Tirunelveli, Tiruppur, Karaikal, Puducherry
Punjab – Kapurthala

Annexure to the Report of the Board of Directors

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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
Virginia House
37, J. L. Nehru Road
Kolkata 700 071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ITC Limited** (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and 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, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and their certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has during the audit period covering the financial year ended on 31.03.2015 complied with the applicable 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, papers, minute books, forms and returns filed and other records maintained by **ITC Limited** for the financial year ended on 31.03.2015 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 to the extent applicable to the Company:
 - 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, 1992;
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – **The in-house Investor Service Centre of the Company, registered with SEBI as a Category II Share Transfer Agent, provides share registration and related services.**
6. The following other laws specifically applicable to the Company-
 - a) Tobacco Board Act, 1975 and the rules made thereunder;
 - b) 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;
 - c) Food Safety and Standards Act, 2006 and the rules made thereunder;
 - d) Legal Metrology Act, 2009 and the rules made thereunder;
 - e) Drugs and Cosmetics Act, 1940 and the rules made thereunder;
 - f) Agricultural Produce (Grading and Marking) Act, 1937 and the rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- i) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all Directors for the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and appropriate systems are in place for seeking and obtaining further information and clarifications on the agenda items for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events:

1. Issue and allotment of 6,22,48,830 ordinary shares of Re.1/- each, fully paid up, upon exercise of Employee Stock Options under the Employee Stock Option Schemes of the Company;
2. Demerger of Non-Engineering Business [comprising Safety Matches Business and Agri (Forestry) Business] of Wimco Limited into ITC Limited effective from 27th June, 2014.

Place: Kolkata
Date: 22.05.2015
Encl: Annexure 'A' forming an integral part of this Report

(S. M. Gupta)
S. M. Gupta & Co.
FCS No: 896
C P No: 2053

ANNEXURE 'A'

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

Our Report of even date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audit.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed for this purpose provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations is the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.

Place: Kolkata
Date: 22.05.2015

(S. M. Gupta)
S. M. Gupta & Co.
FCS No: 896
C P No: 2053

Annexure to the Report of the Board of Directors

FORM NO. MGT-9 EXTRACT OF ANNUAL RETURN

as on the Financial Year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L16005WB1910PLC001985
ii)	Registration Date	:	24th August, 1910
iii)	Name of the Company	:	ITC Limited
iv)	Category / Sub-Category of the Company	:	Public company - Limited by shares
v)	Address of the Registered office and contact details	:	Virginia House, 37 Jawaharlal Nehru Road Kolkata 700 071, India Telephone nos. : 033-2288 9371 Facsimile nos. : 033-2288 4016 / 1256 / 2259 / 2260 e-mail : enduringvalue@itc.in
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	The Company provides share registration and related services in-house through its Investor Service Centre

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

(Contributing 10% or more of the total turnover of the company)

Sl. No.	Name and Description of main products / services	NIC Code of the products / services	% to total turnover of the Company	
			Gross Turnover	Net Turnover
1	Cigarettes	12003	60.95%	46.57%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held by the Company	Applicable Section
1	Russell Credit Limited Virginia House, 37 J. L. Nehru Road Kolkata 700 071	U65993WB1994PLC061684	Subsidiary	100%	2(87)
2	Greenacre Holdings Limited ITC Centre, 37 J. L. Nehru Road Kolkata 700 071	U55202WB1986PLC049467	Wholly-owned subsidiary of Russell Credit Limited, referred to in Sl. No. 1	-	2(87)
3	Wimco Limited Indian Mercantile Chambers, R. K. Marg Ballard Estate, Mumbai 400 001	U24291MH1923PLC001082	Subsidiary	98.21%	2(87)
4	Pavan Poplar Limited Indian Mercantile Chambers, R. K. Marg Ballard Estate, Mumbai 400 001	U01100MH1995PLC128849	Subsidiary	100%	2(87)
5	Prag Agro Farm Limited Indian Mercantile Chambers, R. K. Marg Ballard Estate, Mumbai 400 001	U01100MH1997PLC128846	Subsidiary	100%	2(87)
6	Technico Pty Limited 5/20, Bundaroo Street, Bowral NSW 2576 Australia	NA	Foreign subsidiary	100%	2(87)
7	Technico Asia Holdings Pty Limited 5/20, Bundaroo Street, Bowral NSW 2576 Australia	NA	Wholly-owned foreign subsidiary of Technico Pty Limited, referred to in Sl. No. 6	-	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.):

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held by the Company	Applicable Section
8	Technico Horticultural (Kunming) Co. Limited Yanglin Industrial Development Zone Block A38, Kunming, Yunnan Peoples Republic of China	NA	Wholly-owned foreign subsidiary of Technico Asia Holdings Pty Limited, referred to in Sl. No. 7	–	2(87)
9	Technico Agri Sciences Limited 25, Community Centre, Basant Lok Vasant Vihar, New Delhi 110 057	U01111DL1999PLC098646	Wholly-owned subsidiary of Technico Pty Limited, referred to in Sl. No. 6	–	2(87)
10	Technico Technologies Inc. c/o Stewart McKelvey Stirling Scales Suite 600, Frederick Square 77 Westmoreland, Fredericton New Brunswick, E3B 5B4 Canada	NA	Wholly-owned foreign subsidiary of Technico Pty Limited, referred to in Sl. No. 6	–	2(87)
11	Srinivasa Resorts Limited 6-3-1187, Begumpet Hyderabad 500 016	U74999TG1984PLC005192	Subsidiary	68%	2(87)
12	Fortune Park Hotels Limited ITC Green Centre, 10 Institutional Area Sector - 32, Gurgaon 122 001	U55101HR1995PLC052281	Subsidiary	100%	2(87)
13	Bay Islands Hotels Limited ITC Green Centre, 10 Institutional Area Sector - 32, Gurgaon 122 001	U74899HR1976PLC052282	Subsidiary	100%	2(87)
14	ITC Infotech India Limited Virginia House, 37 J. L. Nehru Road Kolkata 700 071	U65991WB1996PLC077341	Subsidiary	100%	2(87)
15	ITC Infotech Limited Norfolk House, 118 Saxon Gate West Milton Keynes, MK9 2 DN United Kingdom	NA	Wholly-owned foreign subsidiary of ITC Infotech India Limited, referred to in Sl. No. 14	–	2(87)
16	ITC Infotech (USA), Inc. 12 Route, 17 North, Suite 303 Paramus, New Jersey 07652 United States	NA	Wholly-owned foreign subsidiary of ITC Infotech India Limited, referred to in Sl. No. 14	–	2(87)
17	Pyxis Solutions, LLC 55 Broad St., Fl. 14 New York, NY 10004-2501 United States	NA	Wholly-owned foreign subsidiary of ITC Infotech (USA), Inc., referred to in Sl. No. 16	–	2(87)
18	Wills Corporation Limited Virginia House, 37 J. L. Nehru Road Kolkata 700 071	U51494WB1958PLC087149	Subsidiary	100%	2(87)
19	Gold Flake Corporation Limited Virginia House, 37 J. L. Nehru Road Kolkata 700 071	U16003WB1935PLC008314	Subsidiary	100%	2(87)
20	Landbase India Limited ITC Green Centre, 10 Institutional Area Sector - 32, Gurgaon 122 001	U74899HR1992PLC052412	Subsidiary	100%	2(87)
21	BFIL Finance Limited Eucharistic Congress Building No. 1 5, Convent Street, Colaba Mumbai 400 039	U65910MH1991PLC064662	Subsidiary	100%	2(87)
22	ITC Investments & Holdings Limited Virginia House, 37 J. L. Nehru Road Kolkata 700 071	U65923WB2012PLC176166	Subsidiary	100%	2(87)
23	MRR Trading & Investment Company Limited Eucharistic Congress Building No. 1 5, Convent Street, Colaba Mumbai 400 039	U65990MH1980PLC023259	Wholly-owned subsidiary of ITC Investments & Holdings Limited, referred to in Sl. No. 22	–	2(87)

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Contd.):

Sl. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held by the Company	Applicable Section
24	Surya Nepal Private Limited Shree Bal Sadan, Gha-2-513, Kantipath Kathmandu, Nepal	NA	Foreign subsidiary	59%	2(87)
25	King Maker Marketing, Inc. 12 Route, 17 North, Suite # 304, Paramus New Jersey 07652, United States	NA	Foreign subsidiary	100%	2(87)
26	WelcomHotels Lanka (Private) Limited 216, De Saram Place, Colombo 10 Sri Lanka	NA	Foreign subsidiary	100%	2(87)
27	North East Nutrients Private Limited Aradhana Building 2/1 Anandilal Poddar Sarani Kolkata 700 071	U15122WB2013PTC196135	Subsidiary	76%	2(87)
28	Gujarat Hotels Limited WelcomHotel Vadodara R. C. Dutt Road, Alkapuri Vadodara 390 007	L55100GJ1982PLC005408	Associate	45.78%	2(6)
29	International Travel House Limited Travel House, T-2 Community Centre Sheikh Sarai, Phase I New Delhi 110 017	L63040DL1981PLC011941	Associate	3.60%	2(6)
30	Russell Investments Limited 21 Prafulla Sarkar Street Kolkata 700 072	U65993WB1987PLC043324	Associate of Russell Credit Limited, referred to in Sl. No. 1	–	2(6)
31	Classic Infrastructure & Development Limited ITC Centre 37 J. L. Nehru Road Kolkata 700 071	U45201WB1996PLC116323	Associate of Russell Credit Limited, referred to in Sl. No. 1	–	2(6)
32	Divya Management Limited 8/2 Kiron Sankar Roy Road Room No. 28 Kolkata 700 001	U51109WB1995PLC069518	Associate of Russell Credit Limited, referred to in Sl. No. 1	–	2(6)
33	Antrang Finance Limited 4 Ripon Street Kolkata 700 016	U65993WB1993PLC060271	Associate of Russell Credit Limited, referred to in Sl. No. 1	–	2(6)
34	ATC Limited 35, Rajaji Nagar Hosur 635 126	U16000TZ1973PLC018100	Associate of Gold Flake Corporation Limited, referred to in Sl. No. 19	–	2(6)
35	Maharaja Heritage Resorts Limited 25, Community Centre Basant Lok, Vasant Vihar New Delhi 110 057	U74899DL1995PLC099649	Joint Venture	25%	2(6)
36	Espirit Hotels Private Limited 810-818, Swapnopal Complex 92/93, S. D. Road Secunderabad 500 003	U55101TG2009PTC063757	Joint Venture	26%	2(6)
37	Logix Developers Private Limited 85, World Trade Centre Barakhamba Lane, Barakhamba New Delhi 110 001	U70101DL2010PTC207640	Joint Venture	27.90%	2(6)
38	ITC Essentra Limited Survey No. 29 & 30 Doddajala Post, Yarthiganahalli Bettahalasur Post Bengaluru North 562 157	U85110KA1993PLC014278	Joint Venture of Gold Flake Corporation Limited, referred to in Sl. No. 19	–	2(6)

Note: The above list does not include ITC Global Holdings Pte. Limited, Singapore, a foreign subsidiary, under liquidation vide Singapore High Court's Order dated 30th November, 2007.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1):-	0	0	0	0	0	0	0	0	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2):-	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	0	0	0	0	0	0	0	0	0
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	15,83,56,650	90,600	15,84,47,250	1.99	13,42,67,781	90,724	13,43,58,505	1.68	-0.31
b) Banks / FI	90,03,27,989	9,93,000	90,13,20,989	11.34	90,54,07,001	9,78,178	90,63,85,179	11.31	-0.03
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	1,69,78,91,775	63,480	1,69,79,55,255	21.35	1,74,52,42,797	63,485	1,74,53,06,282	21.77	0.42
g) FIIs	1,53,18,32,449	2,73,870	1,53,21,06,319	19.26	1,34,13,46,315	2,58,910	1,34,16,05,225	16.74	-2.52
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others:									
Foreign Portfolio Investors	0	0	0	0	31,90,36,559	0	31,90,36,559	3.98	3.98
Sub-total (B)(1):-	4,28,84,08,863	14,20,950	4,28,98,29,813	53.94	4,44,53,00,453	13,91,297	4,44,66,91,750	55.48	1.54
(2) Non-Institutions									
a) Bodies Corp.									
(i) Indian	35,29,96,705	10,99,270	35,40,95,975	4.45	26,27,31,047	10,84,367	26,38,15,414	3.29	-1.16
(ii) Overseas	4,33,116	2,41,30,76,100	2,41,35,09,216	30.35	6,10,772	2,41,30,76,100	2,41,36,86,872	30.11	-0.24
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	54,66,28,184	12,75,04,507	67,41,32,691	8.47	55,33,61,295	11,90,50,566	67,24,11,861	8.39	-0.08
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,86,72,105	1,72,94,280	13,59,66,385	1.71	11,52,87,790	1,64,09,880	13,16,97,670	1.64	-0.07
c) Others :									
(i) Qualified Foreign Investors	609	0	609	0.00	0	0	0	0	0.00
(ii) NRIs	3,14,37,156	1,04,64,575	4,19,01,731	0.53	3,45,11,971	97,16,485	4,42,28,456	0.55	0.02
(iii) Foreign Nationals	84,783	4,44,240	5,29,023	0.01	74,711	4,44,240	5,18,951	0.01	0.00
(iv) Trusts	96,80,168	0	96,80,168	0.12	1,34,32,898	0	1,34,32,898	0.17	0.05
(v) Clearing Members	1,27,55,719	0	1,27,55,719	0.16	90,72,534	0	90,72,534	0.11	-0.05
Sub-total (B)(2):-	1,07,26,88,545	2,56,98,82,972	3,64,25,71,517	45.80	98,90,83,018	2,55,97,81,638	3,54,88,64,656	44.27	-1.53
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,36,10,97,408	2,57,13,03,922	7,93,24,01,330	99.74	5,43,43,83,471	2,56,11,72,935	7,99,55,56,406	99.75	0.01
C. Shares held by Custodian for GDRs & ADRs	2,07,54,620	27,000	2,07,81,620	0.26	1,99,36,135	27,000	1,99,63,135	0.25	-0.01
Grand Total (A+B+C)	5,38,18,52,028	2,57,13,30,922	7,95,31,82,950	100.00	5,45,43,19,606	2,56,11,99,935	8,01,55,19,541	100.00	0.00

(ii) Shareholding of Promoters: NOT APPLICABLE

(iii) Change in Promoters' Shareholding: NOT APPLICABLE

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Tobacco Manufacturers (India) Limited				
	At the beginning of the year	1,98,55,64,880	24.96		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			1,98,55,64,880	24.77 [®]
2	Life Insurance Corporation of India				
	At the beginning of the year	1,10,28,29,844	13.87		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	71,82,465	0.09	1,11,00,12,309	13.96
	11/04/2014	38,04,033	0.05	1,11,38,16,342	14.00
	18/04/2014	57,70,341	0.07	1,11,95,86,683	14.08
	23/05/2014	14,88,782	0.02	1,12,10,75,465	14.10
	30/05/2014	29,88,905	0.04	1,12,40,64,370	14.13
	04/06/2014	41,66,027	0.05	1,12,82,30,397	14.19
	06/06/2014	46,26,409	0.06	1,13,28,56,806	14.24
	13/06/2014	93,00,872	0.12	1,14,21,57,678	14.36
	20/06/2014	25,38,049	0.03	1,14,46,95,727	14.39
	30/06/2014	20,35,542	0.03	1,14,67,31,269	14.42
	04/07/2014	20,67,495	0.03	1,14,87,98,764	14.44
	11/07/2014	31,50,879	0.04	1,15,19,49,643	14.47
	18/07/2014	35,83,769	0.05	1,15,55,33,412	14.52
	25/07/2014	5,77,838	0.01	1,15,61,11,250	14.52
	29/08/2014*	16	0.00	1,15,61,11,266	14.51
	13/02/2015	(2,00,000)	0.00	1,15,59,11,266	14.44
	20/02/2015	(4,00,000)	0.00	1,15,55,11,266	14.44
	27/02/2015	(4,75,469)	0.01	1,15,50,35,797	14.43
	At the end of the year			1,15,50,35,797	14.41
3	Specified Undertaking of the Unit Trust of India				
	At the beginning of the year	89,67,24,540	11.28		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			89,67,24,540	11.19 [®]
4	Myddleton Investment Company Limited				
	At the beginning of the year	32,42,07,960	4.08		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			32,42,07,960	4.05 [®]
5	The New India Assurance Company Limited				
	At the beginning of the year	15,74,25,155	1.98		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	(1,20,000)	0.00	15,73,05,155	1.98
	11/04/2014	(1,10,000)	0.00	15,71,95,155	1.98
	18/04/2014	(60,000)	0.00	15,71,35,155	1.98
	25/04/2014	(1,10,000)	0.00	15,70,25,155	1.97
	02/05/2014	(43,124)	0.00	15,69,82,031	1.97
	16/05/2014	(1,05,000)	0.00	15,68,77,031	1.97
	23/05/2014	(20,000)	0.00	15,68,57,031	1.97
	11/07/2014	(2,40,000)	0.00	15,66,17,031	1.97
	18/07/2014	(3,37,750)	0.00	15,62,79,281	1.96
	25/07/2014	(22,250)	0.00	15,62,57,031	1.96
	29/08/2014	(1,20,000)	0.00	15,61,37,031	1.96
	29/08/2014*	5	0.00	15,61,37,036	1.96
	05/09/2014	(1,68,196)	0.00	15,59,68,840	1.96
	12/09/2014	(1,25,000)	0.00	15,58,43,840	1.96
	19/09/2014	(1,09,927)	0.00	15,57,33,913	1.95
	30/09/2014	(2,13,482)	0.00	15,55,20,431	1.95
	10/10/2014	(1,80,000)	0.00	15,53,40,431	1.95

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.):

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	17/10/2014	(60,000)	0.00	15,52,80,431	1.95
	24/10/2014	(92,500)	0.00	15,51,87,931	1.94
	31/10/2014	(90,971)	0.00	15,50,96,960	1.94
	07/11/2014	(35,000)	0.00	15,50,61,960	1.94
	14/11/2014	(30,000)	0.00	15,50,31,960	1.94
	21/11/2014	(70,000)	0.00	15,49,61,960	1.94
	28/11/2014	(1,15,000)	0.00	15,48,46,960	1.94
	05/12/2014	(1,28,500)	0.00	15,47,18,460	1.94
	12/12/2014	(1,06,500)	0.00	15,46,11,960	1.94
	19/12/2014	(78,406)	0.00	15,45,33,554	1.93
	31/12/2014	(1,92,738)	0.00	15,43,40,816	1.93
	09/01/2015	(1,23,414)	0.00	15,42,17,402	1.93
	16/01/2015	(10,000)	0.00	15,42,07,402	1.93
	23/01/2015	(30,000)	0.00	15,41,77,402	1.93
	30/01/2015	(40,000)	0.00	15,41,37,402	1.93
	06/02/2015	(50,000)	0.00	15,40,87,402	1.93
	13/02/2015	(30,442)	0.00	15,40,56,960	1.93
	20/03/2015	(1,23,173)	0.00	15,39,33,787	1.92
	31/03/2015	(4,70,352)	0.01	15,34,63,435	1.91
	At the end of the year			15,34,63,435	1.91
6	General Insurance Corporation of India				
	At the beginning of the year	14,35,00,540	1.80		
	Increase / Decrease in Shareholding during the year:				
	29/08/2014*	12	0.00	14,35,00,552	1.80
	12/12/2014	(1,25,000)	0.00	14,33,75,552	1.80
	19/12/2014	(1,50,000)	0.00	14,32,25,552	1.79
	31/12/2014	1,82,729	0.00	14,34,08,281	1.79
	09/01/2015	92,271	0.00	14,35,00,552	1.79
	27/02/2015	(2,75,000)	0.00	14,32,25,552	1.79
	At the end of the year			14,32,25,552	1.79
7	The Oriental Insurance Company Limited				
	At the beginning of the year	12,43,82,292	1.56		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	(20,000)	0.00	12,43,62,292	1.56
	11/04/2014	(75,000)	0.00	12,42,87,292	1.56
	18/04/2014	(60,000)	0.00	12,42,27,292	1.56
	25/04/2014	(1,70,000)	0.00	12,40,57,292	1.56
	02/05/2014	(30,000)	0.00	12,40,27,292	1.56
	09/05/2014	(2,00,000)	0.00	12,38,27,292	1.56
	16/05/2014	(1,65,000)	0.00	12,36,62,292	1.55
	23/05/2014	(25,000)	0.00	12,36,37,292	1.55
	30/05/2014	(75,000)	0.00	12,35,62,292	1.55
	04/06/2014	(25,000)	0.00	12,35,37,292	1.55
	18/07/2014	(75,000)	0.00	12,34,62,292	1.55
	25/07/2014	(1,25,000)	0.00	12,33,37,292	1.55
	01/08/2014	(1,00,000)	0.00	12,32,37,292	1.55
	08/08/2014	(1,25,000)	0.00	12,31,12,292	1.55
	14/08/2014	(70,000)	0.00	12,30,42,292	1.54
	22/08/2014	(40,000)	0.00	12,30,02,292	1.54
	29/08/2014*	1	0.00	12,30,02,293	1.54
	12/09/2014	(10,000)	0.00	12,29,92,293	1.54
	30/09/2014	(1,05,000)	0.00	12,28,87,293	1.54
	10/10/2014	(45,000)	0.00	12,28,42,293	1.54
	31/10/2014	(78,000)	0.00	12,27,64,293	1.54
	07/11/2014	(72,000)	0.00	12,26,92,293	1.54
	14/11/2014	(1,02,197)	0.00	12,25,90,096	1.54

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.):

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	21/11/2014	(72,803)	0.00	12,25,17,293	1.53
	28/11/2014	(85,000)	0.00	12,24,32,293	1.53
	05/12/2014	(65,000)	0.00	12,23,67,293	1.53
	12/12/2014	(55,000)	0.00	12,23,12,293	1.53
	06/02/2015	(1,10,000)	0.00	12,22,02,293	1.53
	13/02/2015	(1,60,000)	0.00	12,20,42,293	1.53
	20/02/2015	(1,40,000)	0.00	12,19,02,293	1.52
	27/02/2015	(2,40,000)	0.00	12,16,62,293	1.52
	06/03/2015	(1,00,000)	0.00	12,15,62,293	1.52
	At the end of the year			12,15,62,293	1.52
8	National Insurance Company Limited				
	At the beginning of the year	11,75,11,590	1.48		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	60,000	0.00	11,75,71,590	1.48
	11/04/2014	2,07,164	0.00	11,77,78,754	1.48
	18/04/2014	32,836	0.00	11,78,11,590	1.48
	02/05/2014	1,00,000	0.00	11,79,11,590	1.48
	09/05/2014	3,00,000	0.00	11,82,11,590	1.49
	16/05/2014	(5,75,000)	0.01	11,76,36,590	1.48
	23/05/2014	1,33,000	0.00	11,77,69,590	1.48
	04/06/2014	31,132	0.00	11,78,00,722	1.48
	06/06/2014	87,868	0.00	11,78,88,590	1.48
	13/06/2014	4,58,980	0.01	11,83,47,570	1.49
	20/06/2014	61,020	0.00	11,84,08,590	1.49
	30/06/2014	8,01,250	0.01	11,92,09,840	1.50
	04/07/2014	3,75,000	0.00	11,95,84,840	1.50
	22/08/2014	(1,00,000)	0.00	11,94,84,840	1.50
	30/09/2014	(3,00,000)	0.00	11,91,84,840	1.49
	17/10/2014	12,000	0.00	11,91,96,840	1.49
	14/11/2014	(1,40,000)	0.00	11,90,56,840	1.49
	21/11/2014	(2,40,000)	0.00	11,88,16,840	1.49
	05/12/2014	(1,00,000)	0.00	11,87,16,840	1.49
	09/01/2015	55,000	0.00	11,87,71,840	1.49
	20/02/2015	(1,20,000)	0.00	11,86,51,840	1.48
	27/02/2015	(40,000)	0.00	11,86,11,840	1.48
	06/03/2015	3,88,000	0.00	11,89,99,840	1.49
	31/03/2015	6,00,000	0.01	11,95,99,840	1.49
	At the end of the year			11,95,99,840	1.49
9	Rothmans International Enterprises Limited				
	At the beginning of the year	10,33,03,260	1.30		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			10,33,03,260	1.29[®]
10	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	6,75,02,036	0.85		
	Increase / Decrease in Shareholding during the year:				
	04/04/2014	(24,469)	0.00	6,74,77,567	0.85
	11/04/2014	3,56,796	0.00	6,78,34,363	0.85
	18/04/2014	1,57,559	0.00	6,79,91,922	0.85
	25/04/2014	26,193	0.00	6,80,18,115	0.86
	02/05/2014	(2,35,482)	0.00	6,77,82,633	0.85
	09/05/2014	(2,81,729)	0.00	6,75,00,904	0.85
	16/05/2014	7,38,461	0.01	6,82,39,365	0.86
	23/05/2014	7,04,597	0.01	6,89,43,962	0.87
	30/05/2014	18,35,500	0.02	7,07,79,462	0.89
	06/06/2014	(7,34,376)	0.01	7,00,45,086	0.88

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) (Contd.):

Sl. No.	For each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	13/06/2014	(24,73,253)	0.03	6,75,71,833	0.85
	20/06/2014	(2,02,203)	0.00	6,73,69,630	0.85
	30/06/2014	16,95,412	0.02	6,90,65,042	0.87
	04/07/2014	(9,54,277)	0.01	6,81,10,765	0.86
	11/07/2014	(36,44,638)	0.05	6,44,66,127	0.81
	18/07/2014	(8,28,585)	0.01	6,36,37,542	0.80
	25/07/2014	(12,09,645)	0.02	6,24,27,897	0.78
	01/08/2014	(23,36,800)	0.03	6,00,91,097	0.75
	08/08/2014	8,852	0.00	6,00,99,949	0.75
	14/08/2014	7,381	0.00	6,01,07,330	0.75
	22/08/2014	(2,81,717)	0.00	5,98,25,613	0.75
	29/08/2014	(5,47,588)	0.01	5,92,78,025	0.74
	05/09/2014	71,240	0.00	5,93,49,265	0.74
	12/09/2014	(14,41,427)	0.02	5,79,07,838	0.73
	At the end of the year*			NA	NA

* Ceased to be among the top ten Shareholders of the Company with effect from 12/09/2014.

11 **Virtus Emerging Markets Opportunities Fund**

At the beginning of the year	NA	NA		
Became part of top ten Shareholders of the Company with effect from 12/09/2014	5,90,61,229	0.74	5,90,61,229	0.74
Increase / Decrease in Shareholding during the year:				
19/09/2014	3,54,942	0.00	5,94,16,171	0.75
30/09/2014	27,63,700	0.03	6,21,79,871	0.78
14/11/2014	11,45,800	0.01	6,33,25,671	0.79
At the end of the year			6,33,25,671	0.79

@ The change in percentage of shareholding was consequent to allotment of shares from time to time under the ITC Employee Stock Option Schemes (ITC ESOS).

* Allotment of shares pursuant to the Scheme of Arrangement between Wimco Limited and the Company, which became effective from 27th June, 2014.

Note: Increase / decrease in shareholding as stated above is based on details of beneficial ownership furnished by the Depositories.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Y. C. Deveshwar, Chairman & Executive Director				
	At the beginning of the year	16,20,000	0.02		
	Increase / Decrease in Shareholding during the year:				
	17/11/2014*	4,00,000	0.01	20,20,000	0.03
	19/11/2014**	(60,023)	0.00	19,59,977	0.02
	24/11/2014**	(1,40,365)	0.00	18,19,612	0.02
	25/11/2014**	(2,58,000)	0.00	15,61,612	0.02
	28/11/2014**	(2,00,000)	0.00	13,61,612	0.02
	01/12/2014**	(1,51,612)	0.00	12,10,000	0.02
	04/12/2014**	(5,20,000)	0.01	6,90,000	0.01
	22/01/2015**	(2,00,000)	0.00	4,90,000	0.01
	27/01/2015**	(95,000)	0.00	3,95,000	0.00
	28/01/2015**	(50,000)	0.00	3,45,000	0.00
	03/02/2015**	(1,72,500)	0.00	1,72,500	0.00
	At the end of the year			1,72,500	0.00

(v) Shareholding of Directors and Key Managerial Personnel (Contd.):

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
2	N. Anand, Executive Director				
	At the beginning of the year	30,000	0.00		
	Increase / Decrease in Shareholding during the year:				
	30/05/2014**	(30,000)	0.00	0	0.00
	27/06/2014*	3,92,000	0.00	3,92,000	0.00
	31/07/2014**	(1,95,000)	0.00	1,97,000	0.00
	14/08/2014**	(75,000)	0.00	1,22,000	0.00
	18/08/2014*	3,00,000	0.00	4,22,000	0.01
	28/08/2014**	(20,000)	0.00	4,02,000	0.01
	09/09/2014**	(95,000)	0.00	3,07,000	0.00
	19/09/2014**	(1,00,000)	0.00	2,07,000	0.00
	23/09/2014**	(5,000)	0.00	2,02,000	0.00
	10/11/2014**	(1,00,000)	0.00	1,02,000	0.00
	04/12/2014**	(50,000)	0.00	52,000	0.00
	18/12/2014*	1,00,000	0.00	1,52,000	0.00
	30/01/2015**	(75,000)	0.00	77,000	0.00
	13/02/2015**	(49,000)	0.00	28,000	0.00
	13/02/2015*	2,00,000	0.00	2,28,000	0.00
	At the end of the year			2,28,000	0.00
3	P. V. Dhobale, Executive Director				
	At the beginning of the year	1,15,430	0.00		
	Increase / Decrease in Shareholding during the year:				
	31/07/2014**	(50,000)	0.00	65,430	0.00
	01/08/2014**	(50,000)	0.00	15,430	0.00
	18/08/2014*	2,55,000	0.00	2,70,430	0.00
	09/09/2014**	(10,000)	0.00	2,60,430	0.00
	23/09/2014**	(50,000)	0.00	2,10,430	0.00
	24/09/2014**	(50,000)	0.00	1,60,430	0.00
	25/09/2014**	(20,000)	0.00	1,40,430	0.00
	03/11/2014**	(25,000)	0.00	1,15,430	0.00
	05/11/2014**	(40,000)	0.00	75,430	0.00
	10/11/2014**	(4,000)	0.00	71,430	0.00
	17/11/2014*	1,00,000	0.00	1,71,430	0.00
	02/12/2014**	(25,000)	0.00	1,46,430	0.00
	04/12/2014**	(25,000)	0.00	1,21,430	0.00
	18/12/2014*	6,95,000	0.01	8,16,430	0.01
	22/01/2015**	(1,20,500)	0.00	6,95,930	0.01
	23/01/2015**	(2,05,300)	0.00	4,90,630	0.01
	27/01/2015**	(80,000)	0.00	4,10,630	0.01
	02/02/2015**	(50,000)	0.00	3,60,630	0.00
	03/02/2015**	(50,000)	0.00	3,10,630	0.00
	04/02/2015**	(50,000)	0.00	2,60,630	0.00
	05/02/2015**	(50,000)	0.00	2,10,630	0.00
	02/03/2015**	(1,00,000)	0.00	1,10,630	0.00
	At the end of the year			1,10,630	0.00
4	K. N. Grant, Executive Director				
	At the beginning of the year	7,13,230	0.01		
	Increase / Decrease in Shareholding during the year:				
	09/06/2014**	(1,00,000)	0.00	6,13,230	0.01
	04/08/2014**	(1,50,000)	0.00	4,63,230	0.01
	05/09/2014**	(1,00,000)	0.00	3,63,230	0.00
	08/09/2014**	(1,00,000)	0.00	2,63,230	0.00
	09/09/2014**	(31,500)	0.00	2,31,730	0.00
	16/09/2014*	5,40,000	0.01	7,71,730	0.01
	17/10/2014*	2,75,000	0.00	10,46,730	0.01
	03/11/2014**	(2,00,000)	0.00	8,46,730	0.01

(v) Shareholding of Directors and Key Managerial Personnel (Contd.):

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	05/11/2014**	(3,20,000)	0.00	5,26,730	0.01
	17/11/2014*	1,30,000	0.00	6,56,730	0.01
	08/12/2014**	(3,00,000)	0.00	3,56,730	0.00
	13/02/2015**	(1,75,000)	0.00	1,81,730	0.00
	At the end of the year			1,81,730	0.00
5	A. Baijal, Non-Executive Director				
	At the beginning of the year	1,50,000	0.00		
	Increase / Decrease in Shareholding during the year:				
	07/07/2014*	10,000	0.00	1,60,000	0.00
	12/08/2014*	10,000	0.00	1,70,000	0.00
	19/09/2014**	(10,000)	0.00	1,60,000	0.00
	22/09/2014**	(10,000)	0.00	1,50,000	0.00
	25/09/2014**	(10,000)	0.00	1,40,000	0.00
	05/12/2014**	(20,000)	0.00	1,20,000	0.00
	At the end of the year			1,20,000	0.00
6	S. Banerjee, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
7	A. Duggal, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
8	A. V. Girija Kumar, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
9	S. H. Khan, Non-Executive Director				
	At the beginning of the year	4,24,000	0.01		
	Increase / Decrease in Shareholding during the year:				
	07/08/2014**	(5,000)	0.00	4,19,000	0.01
	13/08/2014**	(7,980)	0.00	4,11,020	0.01
	28/08/2014**	(2,020)	0.00	4,09,000	0.01
	16/09/2014*	36,000	0.00	4,45,000	0.01
	10/11/2014**	(7,000)	0.00	4,38,000	0.01
	21/11/2014**	(3,000)	0.00	4,35,000	0.01
	04/12/2014**	(10,000)	0.00	4,25,000	0.01
	05/12/2014**	(10,000)	0.00	4,15,000	0.01
	18/12/2014*	15,000	0.00	4,30,000	0.01
	20/01/2015*	42,000	0.00	4,72,000	0.01
	16/02/2015**	(5,000)	0.00	4,67,000	0.01
	10/03/2015*	20,000	0.00	4,87,000	0.01
	At the end of the year			4,87,000	0.01
10	R. E. Lerwill, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
11	S. B. Mainak, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0

(v) Shareholding of Directors and Key Managerial Personnel (Contd.):

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12	S. B. Mathur, Non-Executive Director				
	At the beginning of the year	3,11,000	0.00		
	Increase / Decrease in Shareholding during the year:				
	21/07/2014*	40,000	0.00	3,51,000	0.00
	10/09/2014**	(10,000)	0.00	3,41,000	0.00
	16/09/2014*	30,000	0.00	3,71,000	0.00
	22/09/2014**	(30,000)	0.00	3,41,000	0.00
	24/09/2014**	(10,000)	0.00	3,31,000	0.00
	17/10/2014*	45,000	0.00	3,76,000	0.00
	21/11/2014**	(10,000)	0.00	3,66,000	0.00
	04/12/2014**	(30,000)	0.00	3,36,000	0.00
	05/12/2014**	(20,000)	0.00	3,16,000	0.00
	12/12/2014**	(5,000)	0.00	3,11,000	0.00
	18/12/2014*	25,000	0.00	3,36,000	0.00
	28/02/2015**	(25,000)	0.00	3,11,000	0.00
	At the end of the year			3,11,000	0.00
13	P. B. Ramanujam, Non-Executive Director				
	At the beginning of the year	3,06,356	0.00		
	Increase / Decrease in Shareholding during the year:				
	09/06/2014**	(5,000)	0.00	3,01,356	0.00
	17/06/2014**	(2,500)	0.00	2,98,856	0.00
	19/06/2014**	(5,000)	0.00	2,93,856	0.00
	26/06/2014**	(6,000)	0.00	2,87,856	0.00
	13/08/2014**	(20,428)	0.00	2,67,428	0.00
	14/08/2014**	(9,572)	0.00	2,57,856	0.00
	18/08/2014*	10,000	0.00	2,67,856	0.00
	16/09/2014*	50,000	0.00	3,17,856	0.00
	18/09/2014**	(10,000)	0.00	3,07,856	0.00
	19/09/2014**	(10,000)	0.00	2,97,856	0.00
	22/09/2014**	(1,500)	0.00	2,96,356	0.00
	17/10/2014*	35,000	0.00	3,31,356	0.00
	04/12/2014**	(40,000)	0.00	2,91,356	0.00
	08/12/2014**	(10,000)	0.00	2,81,356	0.00
	20/01/2015*	60,000	0.00	3,41,356	0.00
	At the end of the year			3,41,356	0.00
14	S. S. H. Rehman, Non-Executive Director				
	At the beginning of the year	3,27,751	0.00		
	Increase / Decrease in Shareholding during the year:				
	04/08/2014**	(10,000)	0.00	3,17,751	0.00
	05/08/2014**	(5,000)	0.00	3,12,751	0.00
	13/08/2014**	(20,000)	0.00	2,92,751	0.00
	14/08/2014**	(10,535)	0.00	2,82,216	0.00
	28/08/2014**	(20,000)	0.00	2,62,216	0.00
	02/09/2014**	(5,000)	0.00	2,57,216	0.00
	09/09/2014**	(20,000)	0.00	2,37,216	0.00
	10/09/2014**	(10,000)	0.00	2,27,216	0.00
	12/09/2014**	(15,000)	0.00	2,12,216	0.00
	17/09/2014**	(20,000)	0.00	1,92,216	0.00
	18/09/2014**	(5,000)	0.00	1,87,216	0.00
	19/09/2014**	(10,000)	0.00	1,77,216	0.00
	22/09/2014**	(20,000)	0.00	1,57,216	0.00
	24/09/2014**	(5,000)	0.00	1,52,216	0.00
	10/11/2014**	(20,000)	0.00	1,32,216	0.00
	12/11/2014**	(10,000)	0.00	1,22,216	0.00
	17/11/2014**	(5,000)	0.00	1,17,216	0.00
	17/11/2014*	1,00,000	0.00	2,17,216	0.00

(v) Shareholding of Directors and Key Managerial Personnel (Contd.):

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	19/11/2014**	(10,000)	0.00	2,07,216	0.00
	21/11/2014**	(10,000)	0.00	1,97,216	0.00
	24/11/2014**	(3,728)	0.00	1,93,488	0.00
	25/11/2014**	(5,000)	0.00	1,88,488	0.00
	04/12/2014**	(5,000)	0.00	1,83,488	0.00
	05/12/2014**	(15,000)	0.00	1,68,488	0.00
	12/12/2014**	(10,000)	0.00	1,58,488	0.00
	20/02/2015**	(10,000)	0.00	1,48,488	0.00
	23/02/2015**	(5,000)	0.00	1,43,488	0.00
	24/02/2015**	(5,000)	0.00	1,38,488	0.00
	25/02/2015**	(20,000)	0.00	1,18,488	0.00
	26/02/2015**	(5,000)	0.00	1,13,488	0.00
	28/02/2015**	(10,000)	0.00	1,03,488	0.00
	At the end of the year			1,03,488	0.00
15	M. Shankar, Non-Executive Director				
	At the beginning of the year	0	0		
	Increase / Decrease in Shareholding during the year:	0	0	0	0
	At the end of the year			0	0
16	K. Vaidyanath, Non-Executive Director				
	At the beginning of the year	21,52,633	0.03		
	Increase / Decrease in Shareholding during the year:				
	23/09/2014**	(30,000)	0.00	21,22,633	0.03
	24/09/2014**	(30,000)	0.00	20,92,633	0.03
	19/11/2014**	(1,00,000)	0.00	19,92,633	0.02
	04/12/2014**	(1,00,000)	0.00	18,92,633	0.02
	05/12/2014**	(1,00,000)	0.00	17,92,633	0.02
	08/12/2014**	(1,00,000)	0.00	16,92,633	0.02
	20/01/2015*	5,40,000	0.01	22,32,633	0.03
	16/02/2015**	(1,00,000)	0.00	21,32,633	0.03
	18/02/2015**	(2,00,000)	0.00	19,32,633	0.02
	20/02/2015**	(1,10,000)	0.00	18,22,633	0.02
	17/03/2015*	8,10,000	0.01	26,32,633	0.03
	At the end of the year			26,32,633	0.03
17	R. Tandon, Chief Financial Officer				
	At the beginning of the year	1,11,420	0.00		
	Increase / Decrease in Shareholding during the year:				
	29/05/2014**	(25,000)	0.00	86,420	0.00
	30/05/2014**	(25,000)	0.00	61,420	0.00
	27/06/2014*	39,000	0.00	1,00,420	0.00
	31/07/2014**	(50,000)	0.00	50,420	0.00
	12/08/2014*	61,000	0.00	1,11,420	0.00
	13/08/2014**	(25,000)	0.00	86,420	0.00
	14/08/2014**	(10,000)	0.00	76,420	0.00
	27/08/2014**	(5,000)	0.00	71,420	0.00
	28/08/2014**	(10,000)	0.00	61,420	0.00
	12/09/2014**	(50,000)	0.00	11,420	0.00
	16/09/2014*	39,000	0.00	50,420	0.00
	17/10/2014*	50,000	0.00	1,00,420	0.00
	03/11/2014**	(25,000)	0.00	75,420	0.00
	05/11/2014**	(10,000)	0.00	65,420	0.00
	10/11/2014**	(15,000)	0.00	50,420	0.00
	02/12/2014**	(50,000)	0.00	420	0.00
	13/02/2015*	50,000	0.00	50,420	0.00
	17/03/2015*	51,000	0.00	1,01,420	0.00
	At the end of the year			1,01,420	0.00

(v) Shareholding of Directors and Key Managerial Personnel (Contd.):

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
18	B. B. Chatterjee, Executive Vice President & Company Secretary				
	At the beginning of the year	4,32,000	0.01		
	Increase / Decrease in Shareholding during the year:				
	09/09/2014**	(4,000)	0.00	4,28,000	0.01
	22/09/2014**	(10,000)	0.00	4,18,000	0.01
	23/09/2014**	(60,000)	0.00	3,58,000	0.00
	24/09/2014**	(20,000)	0.00	3,38,000	0.00
	25/09/2014**	(2,800)	0.00	3,35,200	0.00
	17/10/2014*	65,000	0.00	4,00,200	0.01
	10/11/2014**	(18,800)	0.00	3,81,400	0.00
	18/11/2014**	(14,000)	0.00	3,67,400	0.00
	19/11/2014**	(20,000)	0.00	3,47,400	0.00
	21/11/2014**	(10,000)	0.00	3,37,400	0.00
	25/11/2014**	(13,000)	0.00	3,24,400	0.00
	04/12/2014**	(1,57,400)	0.00	1,67,000	0.00
	29/01/2015**	(5,000)	0.00	1,62,000	0.00
	06/02/2015**	(35,000)	0.00	1,27,000	0.00
	13/02/2015**	(10,000)	0.00	1,17,000	0.00
	16/02/2015**	(10,000)	0.00	1,07,000	0.00
	26/02/2015**	(1,000)	0.00	1,06,000	0.00
	28/02/2015**	(10,000)	0.00	96,000	0.00
	17/03/2015*	1,04,000	0.00	2,00,000	0.00
	At the end of the year			2,00,000	0.00

* Allotment of Shares under ITC ESOS.

** Sale of ITC ESOS Shares.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans**	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	13.82	6,640.01	0.20	6,654.03
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	2.42	0.00	2.42
Total (i+ii+iii)	13.82	6,642.43	0.20	6,656.45
Change in Indebtedness during the financial year				
– Addition	0.00	200.00	0.00	200.00
– Reduction	-11.87	-1,540.65	0.00	-1,552.52
Net Change	-11.87	-1,340.65	0.00	-1,352.52
Indebtedness at the end of the financial year				
i) Principal Amount	1.95	5,299.38	0.20	5,301.53
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	2.40	0.00	2.40
Total (i+ii+iii)	1.95	5,301.78	0.20	5,303.93

** The balance of unsecured loans includes amounts as given under 'Deferred payment liabilities' under Note 3 and 'Current maturities of long term debt' as given in Note 8 of the Notes to the Financial Statements forming part of the Report and Accounts.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				(₹ in Lakhs)
		Y. C. Deveshwar, Chairman & Executive Director	N. Anand, Executive Director	P. V. Dhobale, Executive Director	K. N. Grant, Executive Director	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1297.50	219.18	217.50	217.98	1952.16
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961*	230.68	41.78	43.14	41.92	357.52
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00	0.00
	– as % of profit					
	– others, specify					
5	Others, please specify	0.00	0.00	0.00	0.00	0.00
Total Amount (A)		1528.18	260.96	260.64	259.90	2309.68
Ceiling as per the Act		140554				
(Being 10% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)						

Note: The Company has not incurred any expenditure for Stock Options granted at 'market price' [within the meaning of the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] to the Directors, Key Managerial Personnel and other Employees under its Employee Stock Option Schemes, which can be ascribed to any individual Director, Key Managerial Personnel or other Employee.

* Does not include contribution to the approved Pension Fund under the defined benefit scheme which is actuarially determined on an overall Company basis.

B. Remuneration to the other Directors:

Sl. No.	Directors	Particulars of Remuneration			(₹ in Lakhs)
		Fee for attending Board / Board Committee Meetings	Commission	Others, please specify	
1	Independent Directors				
	A. Baijal	9.50	15.00	0.00	24.50
	S. Banerjee [#]	7.00	14.75*	0.00	21.75
	A. Duggal ^{\$}	5.00	0.00	0.00	5.00
	S. H. Khan	7.50	15.00	0.00	22.50
	S. B. Mathur	10.50	15.00	0.00	25.50
	P. B. Ramanujam	11.00	15.00	0.00	26.00
	S. S. H. Rehman	11.00	15.00	0.00	26.00
	M. Shankar	13.50	15.00	0.00	28.50
	Total Amount (B)(1)				179.75
2	Other Non-Executive Directors				
	A. V. Girija Kumar	9.05*	15.00*	0.00	24.05
	R. E. Lerwill [^]	9.50	5.51	0.00	15.01
	S. B. Mainak [@]	6.50*	0.00	0.00	6.50
	K. Vaideyanath	15.20	15.00	0.00	30.20
	Total Amount (B)(2)				75.76
Total Amount (B) = (B)(1) + (B)(2)					
Total Managerial Remuneration (A+B)					
Overall Ceiling as per the Act		154609			
(Being 11% of the Net Profits of the Company as calculated under Section 198 of the Companies Act, 2013)					

* Paid to the Institution the Director represents / represented.

Appointed Non-Executive Director w.e.f. 24th July, 2014.

\$ Appointed Non-Executive Director w.e.f. 15th September, 2014.

^ Appointed Non-Executive Director w.e.f. 18th November, 2013.

@ Appointed Non-Executive Director w.e.f. 25th April, 2014.

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		R. Tandon, Chief Financial Officer	B. B. Chatterjee, Executive Vice President & Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	140.01	106.88	246.89
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961*	25.63	4.87	30.50
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00
	– as % of profit			
	– others, specify			
5	Others, please specify	0.00	0.00	0.00
	Total	165.64	111.75	277.39

Note: The Company has not incurred any expenditure for Stock Options granted at 'market price' [within the meaning of the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] to the Directors, Key Managerial Personnel and other Employees under its Employee Stock Option Schemes, which can be ascribed to any individual Director, Key Managerial Personnel or other Employee.

* Does not include contribution to the approved Group Pension under the defined benefit scheme which is actuarially determined on an overall Company basis.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES
against the Company, Directors and other Officers in Default under the Companies Act, 2013: NONE

On behalf of the Board

Kolkata
22nd May, 2015

Y. C. DEVESHWAR Chairman
K. N. GRANT Director

Annexure to the Report of the Board of Directors

CONSERVATION OF ENERGY :

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

All business units continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. Various key performance indicators like specific energy (energy consumed per unit of production), specific energy costs and renewable energy contributions were continuously tracked to monitor alignment with the Company's overall sustainability approach. The Company endeavours to identify and evaluate the energy risks given the future expansion plans, evolving regulatory frameworks, techno-commercial feasibility and socio-political aspects. Accordingly, the phased implementation of energy conservation initiatives and renewable energy generation projects are carried out and innovative ways and new technologies are constantly explored to bring about alignment between organisational interests and the larger social purpose.

a) Steps taken or impact on conservation of energy:

Some of the energy conservation measures adopted across the Company were:

- I. Improvement in energy usage efficiency in lighting systems by installation of automated lighting controls & sensors, changing over to more efficient lighting solutions such as Light Emitting Diodes.
- II. Retrofitting and replacement of motors, pumps, fans, boilers, air compressors, vacuum and air conditioning systems with higher energy efficiency equipment.
- III. Installation of automatic condenser tube cleaning system for air conditioning plant to enhance efficiency.
- IV. Installation of automated controls & sensors in different equipment related to manufacturing processes, air conditioning systems and power generation for better monitoring & control, thereby minimising losses.
- V. Installation of variable frequency drives to optimise energy consumption.
- VI. Reduction in line losses from steam pipelines by optimising the network.
- VII. Implementation of waste heat recovery in boilers to improve efficiency.
- VIII. Optimisation of compressed air systems to minimise losses and reduce energy consumption.

b) Steps taken for utilising alternate sources of energy:

As part of the Company's strategy to adopt a low-carbon growth path, the Company intends to progressively move towards meeting at least 50% of its total energy requirements from renewable sources by 2020. Some of the renewable energy initiatives taken during the year are as follows:

- I. Commissioning of additional wind energy based power plant (46 MW).
- II. Replacement of fossil fuel (high-speed diesel) with bio-diesel for use in boilers.

- III. Installation of biomass residue based boilers to reduce dependency on fossil fuels.
 - IV. Installation of additional solar energy based thermal and photovoltaic systems.
 - V. Generation of biogas from food waste and effluent treatment plant sludge to meet process heating requirements.
- c) **Capital investment on energy conservation equipment:**
₹ 2013.89 lakhs.

TECHNOLOGY ABSORPTION :

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

a) Efforts made towards technology absorption:

- I. Commissioning of multi-product soft cookie line to deliver multiple product formats on a single line.
- II. Process and product technologies in personal wash, skin care and deodorants developed by in-house research and development.
- III. Development of antifungal treated paperboards to prevent mould growth.
- IV. Development of bio-degradable paperboards as a sustainable packaging solution.
- V. Induction of state-of-the-art printing and conversion equipment for packaging.
- VI. Induction of contemporary technologies and continuous improvement projects across businesses towards reducing process variability, cycle time and wastage while enhancing manufacturing flexibility & productivity.

b) Benefits derived:

- I. Improved manufacturing flexibility.
- II. World-class quality and differentiated products.
- III. Addressing market specific end-use applications.
- IV. Improved productivity and process control.

c) Expenditure incurred on Research and Development:

	For the year ended 31st March, 2015
Expenditure on R&D :	(₹ in Lakhs)
i) Capital	9840.65
ii) Revenue	10,579.09
Total	20,419.74
Total R&D Expenditure as a % of	
– Gross Revenue	0.41%
– Net Revenue	0.57%

On behalf of the Board

Kolkata
22nd May, 2015

Y. C. DEVESHWAR Chairman
K. N. GRANT Director

Annexure to the Report of the Board of Directors

For the Financial Year Ended 31st March, 2015

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 LY (%)
Y C Deveshwar	Chairman and Wholetime Director	439 : 1	24% *
K N Grant	Wholetime Director	75 : 1	17% *
P V Dhabale	Wholetime Director	75 : 1	17% *
N Anand	Wholetime Director	76 : 1	16% *
A Baijal	Non-Executive Director	7 : 1	140% **
S Banerjee	Non-Executive Director #	6 : 1	179% **
A Duggal	Non-Executive Director #	1 : 1	—
S H Khan	Non-Executive Director	6 : 1	162% **
S B Mathur	Non-Executive Director	7 : 1	145% **
P B Ramanujam	Non-Executive Director	7 : 1	169% **
S S H Rehman	Non-Executive Director	7 : 1	278% **
M Shankar	Non-Executive Director	8 : 1	418% **
A V Girija Kumar	Non-Executive Director	7 : 1	119% **
R E Lerwill	Non-Executive Director	4 : 1	—
S B Mainak	Non-Executive Director #	2 : 1	—
K Vaidyanath	Non-Executive Director	8 : 1	253% **
A Ruys	Non-Executive Director ##	5 : 1	123% **
R Tandon	Chief Financial Officer	48 : 1	12% ***
B B Chatterjee	Executive V.P. & Company Secretary	32 : 1	15% ***

* The remuneration of Wholetime Directors was revised with the approval of the Shareholders w.e.f 1st April, 2013. The increase primarily reflects the consequential impact of payment of performance bonus (computed as a percentage of salary) in the following year.

** Reflects (i) increase in sitting fees w.e.f 1/4/2014 and (ii) increase in commission paid in the following year.

*** Reflects increase in remuneration consequent to revision w.e.f 1st July, 2013

Appointed during the year

Ceased during the year

Notes

1. The number of permanent employees as on 31st March, 2015 was 25,787.
2. Compared to the previous year 2013-14, the figures for the current year 2014-15 reflects that:
 - i) Gross Turnover, PBT and EPS has grown by 7.0%, 10.6% & 8.7% respectively.
 - ii) Median remuneration and average remuneration of all employees have increased by 14% and 12% respectively.
 - iii) Average remuneration of employees excluding Key Managerial Personnel has increased by 12%.
 - iv) Remuneration of Key Managerial Personnel has increased by 20%.
3. No employee's remuneration for the year 2014-15 exceeded the remuneration of any of the Directors.
4. The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company provided under the section 'Report on Corporate Governance' which forms part of the Report and Accounts.
5. The market capitalisation of the Company as on 31st March, 2015 decreased by 6.9% when compared to that of 31st March, 2014. The Company has not made any public offer in the recent past and accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.
6. The PE ratio as on 31st March, 2015 stood at 27.0 (31st March, 2014: 31.8).
7. Performance Bonus of Executive Directors and Commission of Non-Executive Directors are the variable components of their remuneration. Key parameters for determining the same are provided in the Remuneration Policy of the Company.

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commencement of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Employed throughout the year and in receipt of remuneration aggregating ₹ 60,00,000/- or more per annum.								
Ahmad Syed Mahmood	61	Services on Loan to Tobacco Institute of India	87,34,294	37,68,044	B.A., M.A.	38	06.03.1980	ANZ Grindlays Bank Plc., Mgmt. Trainee
Ahmed Riaz	59	V.P. - Finance & MIS (LRBD)	66,87,973	32,41,042	B.Com., F.C.S., F.C.M.A., A.C.I.S.(U.K.)	29	23.01.1986	@
Ambasta Ashesh (Dr.)	56	V.P. - Social Investments	68,68,330	31,04,952	M.A., M. Phil., Ph.D. (I.S.S., The Hague)	28	01.04.2002	Action Aid (India), Sr. Programme Analyst
Anand Nakul	58	Executive Director	2,77,80,041	1,20,50,196	B.A.(Hons.)	35	01.12.1979	@
Arif Nazeeb	53	Executive V.P. and Head - Corporate Communications	89,96,816	40,02,836	B.A.(Hons.), M.A.	29	01.09.2006	Indian Chamber of Commerce, Secretary General
Ashok D	51	General Manager - Strategic Planning	61,14,208	30,56,399	B.Com., A.C.S., F.C.M.A.	30	01.08.1992	UB Petroproducts Ltd., Dy. Manager, Accounts
Bagri Giriraj	45	General Manager (FD)	66,93,694	31,28,845	B.Com.(Hons.), P.G.D.B.M.	21	01.08.2012	Castrol India Ltd., Cluster Marketing Director
Balakrishnan Subramanian	48	Head - Manufacturing Operations (PCPB)	64,65,796	28,15,900	B.E.	28	01.09.1987	Nil
Batra Rakesh	51	Services on Loan to Subsidiary Co.	73,08,428	32,03,469	B.Com.(Hons.), F.C.A.	33	01.09.1986	Nil
Bezbaroa Sanjib K	52	V.P. - Corporate EHS	68,64,296	28,23,836	B.E.(Elec.), P.G.D. (Environmental Mgmt., Univ. of London)	32	02.06.1997	Tata Consulting Engineers Ltd., Engineer
Bhandari Ranvir	54	V. P. - Operations (HD)	60,19,729	24,56,694	B.Com.(Hons.), Dip. in Hotel Mgmt.	26	01.09.2012	Max Ventures Pvt. Ltd., Vice Chairman
Bose Kamal Ranjan	55	General Manager - Institutional Sales (ITD)	67,25,741	27,51,229	B.A.(Hons.), P.G.D.M.	35	16.01.1995	#
Chakraborty Kanchan	56	General Manager - Technology & Engg., Biscuits (FD)	64,25,157	39,37,688	B.E.	35	21.04.2006	Britannia Industries Ltd., Co. Engg. Serv. Mgr.
Chand A	50	Divisional Chief Executive (LRBD)	81,60,771	36,01,142	B.A., M.B.A.	28	01.06.1988	Godfrey Philips (I) Ltd., Mktg. Exec.
Chamchoy Sasakamol	52	Spa Manager, ITC Grand Chola (HD)	71,60,935	35,64,895	Bachelor of Humanities, Ramkhamheang Univ.	27	17.01.2011	The Leela Kempinski, Udaipur, Spa Manager
Charraudeau Philippe Herve	58	V.P. and General Manager - ITC Maratha (HD)	2,33,55,313	1,03,27,044	B.E.P.C., (Rehaul Reboot), C.A.P.	33	09.05.2011	Movenpick Hotels & Resorts, Saudi Arabia, G.M.
Chandrasekharan L C (Dr.)	60	Chief Scientist - Research & Technology Innovation (LS & T)	1,11,46,690	65,89,960	Ph.D.	33	01.10.2005	G.E. India, Director, Mfg. Engg.
Chatterjee B B	62	Executive V.P. and Company Secretary	1,17,98,356	63,45,781	B.Com.(Hons.), F.C.A., F.C.S., LL.B.	37	16.05.1983	Wacsgen, Deputy Mgr.
Dar C	59	Divisional Chief Executive (FD)	1,28,55,352	55,99,433	B.Tech.(Hons.), P.G.D.M.	36	01.05.1981	Tata Engg. & Loco. Co., Shift Supvr.
Das C S	59	SBU Chief Executive (ESPB)	1,04,08,048	47,59,529	B.Tech.(Hons.), M.B.A.	35	15.04.1980	Larsen & Toubro Ltd., Trainee
Deveshwar Y C	68	Executive Chairman	15,95,37,893	7,28,04,571	B.Tech.(Mech.)	46	11.02.1994	Air India Ltd., Chairman & M.D.
Dhamotharan R	49	V.P. - Buying & Merchandising Operations (LRBD)	61,31,687	31,18,468	B.Tech., M.B.A.	24	14.03.2011	Madura Garments Ltd., V.P. - Buying & Merchandising
Dhobale P V	59	Executive Director	2,71,24,771	1,18,86,697	B.Tech.(Chem.)	38	01.07.1977	#
Dixit Pradeep Kumar	54	General Manager - T & RA (ITD)	2,24,97,669	29,07,275	B.Sc.(Hons.)	31	17.10.1983	Nil
Dutta Saradindu	55	Head - Corporate Accounts	77,35,074	33,45,378	B.Com.(Hons.), M.Com., A.C.A.	33	01.12.1982	Organon (I) Ltd., Trainee, Accounts
Dutta Supratim	48	Executive V.P. - Corporate Finance	77,54,054	34,71,334	B.Com.(Hons.), C.W.A., A.C.A.	24	01.11.1990	Nil
Ganesan M	52	Executive V.P. - Finance, Procurement & IT (FD)	83,26,647	36,96,203	B.Com., A.C.A., A.C.S.	29	01.03.1986	Nil
Ganesh Kumar S	47	Executive V.P. - Staples & Snacks (FD)	80,08,311	35,17,802	B.E.	23	14.12.1991	Nil
Garg A K	54	Head - Finance & IT (PCPB)	66,71,961	30,35,727	B.A.(Hons.), M.B.A. (U.S.A.)	32	01.08.1985	International Travel House Ltd., Regional Financial Controller
Grant K N	57	Executive Director	2,71,88,565	1,19,70,572	B.A.(Hons.), M.B.A.	36	02.06.1980	DCM Ltd., Mgmt. Trainee
Guha Sumitro	53	Executive V.P. - Technical (ITD)	78,22,131	35,89,944	B.Tech.	32	03.08.1992	Tata Consulting Engineers, Sr. Asst. Engineer
Gupta P	58	Head - Corporate Taxation	79,09,719	43,44,704	B.Com.(Hons.), A.C.A., D.M.A.(I.C.A.)	35	15.02.1989	Hindustan Lever Ltd., Group Audit Manager
Haksar Dipak	57	Chief Operating Officer (HD)	69,53,862	30,46,762	B.Com.(Hons.)	37	01.09.1977	@
Joshi Atul	57	National Sales Manager - Grocery 2 (ITD)	62,40,909	28,76,915	B.A., M.A., M.B.A.	33	01.01.1982	Nil
Kaul Sandeep	48	SBU Chief Executive (PCPB)	83,99,290	36,85,533	B.E., P.G.D.M.	25	01.06.1990	Nil
Kikuta Fumio	51	Japanese Chef, ITC Gardenia (HD)	67,87,540	43,04,336	Craftsmanship in Japanese Cuisine	29	11.07.2011	Gulf Hotel, Bahrain, Japanese Chef
Kumar Ashwani	52	Chief Technologist - Packaging & Graphics Design (ITD)	62,15,557	27,58,637	B.Sc., M.B.A.	28	01.07.1990	Uptron India Ltd., Planning & Advr. Mgr.

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Madan Sachidanand	56	Services on Loan to Subsidiary Co.	1,01,81,270	43,31,005	B.Com.(Hons.), A.C.A., A.C.S.	33	01.04.2012	Russell Credit Ltd. - On Deputation to Technico Agri Sciences Ltd. as Director
Malik Hemant	48	Chief Operating Officer (ITD)	1,09,33,834	49,32,023	B.A., M.B.A.	26	01.06.1989	Nil
Maurel Eric	53	Executive Pastry Chef, ITC Maurya (HD)	61,25,601	34,43,468	Chef Diploma - Maitrise, First Degree Certificate in Pastry, Chocolate & Ice Cream	18	01.08.2013	JW Marriott, Cairo, Exec. Pastry Chef
Mehta Sartaj Singh	45	Creative Head (LRBD)	72,61,673	44,84,021	B.A., P.G.D. Knitwear Design Tech.	17	01.09.2012	Robemall Apparel Pvt. Ltd., V.P., Design & Sourcing
Mitra S	52	Head - Indirect Taxes	60,62,259	23,58,463	B.Com.(Hons.) F.C.A.	27	01.06.1988	Nil
Mukerji Arup K	56	Corporate Financial Controller	1,14,48,568	50,22,009	B.Com.(Hons.), A.C.A.	33	01.11.1982	Gupta Chowdhury & Ghose, Jr. Officer
Mukherjee Nilanjan	47	Head - Marketing (PCPB)	65,28,353	28,35,744	B.E., M.B.A.	19	30.09.2010	I. Morph Consulting, Partner
Mukherjee P	53	V.P. - Finance & MIS (ABD-ILTD)	76,44,669	30,42,114	B.Com.(Hons.), A.C.S., A.C.A.	28	01.09.1987	M/s Khanna & Annadhana, Chartered Accountants, Asst. Audit
Mukherjee Soumitra (Dr.)	49	Chief Scientist (ITD)	71,79,474	42,53,331	B.Sc., M.Sc., Ph.D., Post Doctorate	20	16.03.1998	ICI India Ltd., Manager Q.A.
Narayanan R Ravi	50	Trade Marketing Development Manager (ITD)	60,35,871	21,87,152	B.A., P.G.D.M.	28	01.01.1990	Godrej & Boyce Mfg. Co. Ltd., Sales Rep.
Nariyoshi Nakamura	63	Master Chef, WelcomHotel, New Delhi (HD)	74,49,086	37,07,492	Graduate from Nihon University	23	24.05.2010	The Metropolitan Hotel Nikko, Exec. Chef
Nayak Anand	63	Executive V.P. and Head - Corporate Human Resources	1,84,67,597	93,32,793	B.Sc., P.G.D.I.R.	42	14.05.1973	Nil
Noronha A R	61	Executive V.P. - Projects (HD)	69,61,088	29,72,110	B.E.(Elec.)	37	01.05.1978	@
Parasuram R	56	Executive V.P. - Internal Audit	83,78,936	41,25,542	B.Com.(Hons.), A.C.A.	33	15.09.1982	Nil
Pathak Arun	55	Executive V.P. - Finance (HD)	79,75,396	31,62,822	B.Com.(Hons.), F.C.A.	32	20.06.1983	Nil
Pramanick B K	57	Head of Finance (PPB)	61,34,994	28,07,330	B.Com.(Hons.), C.W.A.	33	21.04.1997	Kitti Steels Ltd., Dy. General Manager
Prasad K T	59	Executive V. P. - Corporate Human Resources	73,42,474	32,37,893	B.A., M.A. (P.M., I.R. & L.W.)	34	01.06.1999	ITC Agro Tech., G.M. - H.R.
Puri Sanjiv	52	President - FMCG Businesses	1,50,50,703	62,50,072	B.Tech.	30	20.01.1986	TELCO Ltd., Trainee
Qing Liang Xiao	53	Executive Chinese Chef, ITC Maratha (HD)	73,03,513	35,64,895	Cooking School of Beijing Tourism Administration	34	01.04.2009	The Great Wall Sheraton Hotel, Exec. Chinese Chef
Rai R K	52	Chief Operating Officer (ABD)	84,05,702	42,01,612	B.A.(Mktg.), P.G.D. in Exports & Imports	32	16.08.1990	Britannia Industries Ltd., Commercial Officer
Rajasekharan V M	56	SBU Chief Executive - Agarbatti & Matches	75,89,593	33,93,461	B.E.	35	01.06.1986	M.M. Rubber Co. Ltd., Sales Mgr.
Rajesh V L	47	Chief Operating Officer (FD)	83,26,712	37,40,969	B.Sc., M.B.A.	25	01.06.1990	Nil
Rajiv Mohan D V R	49	V.P. - Commodities (ABD)	63,58,815	29,25,226	B.Com.(Hons.), M.B.A.	26	22.08.1988	Nil
Rajput A K	59	Senior V.P. - Corporate Affairs	1,35,38,390	59,13,218	B.Com., M.B.A.	39	10.04.1976	Nil
Rama Prasad H N	50	V.P. - Exports & Supply Chain (ABD-ILTD)	61,36,237	33,76,547	B.Sc.(Agri), M.Sc.(A.G.)	27	29.09.1988	Nil
Ramamurthy Suresh (Dr.)	50	Chief Technologist (PCPB)	69,63,359	30,65,053	B.Sc., M.Sc.(Tech.), Ph.D.	19	27.08.2007	Hindustan Unilever Ltd., Sr. Scientist
Ramaswamy T V	63	Group Head - LS & T, Projects & EHS	1,72,29,388	75,92,589	B.E., M.M.S.	41	01.07.1974	Nil
Rangrass S	54	Divisional Chief Executive (ABD-ILTD)	1,05,38,395	53,15,035	B.Tech.	33	01.07.1982	Nil
Rao A Venkateswara	61	Executive V.P. - Manufacturing & Projects (PSPD)	62,68,654	29,19,794	B.E.(Mech.)	19	21.06.1996	Nil
Reddy K Venkateshwar	49	General Manager - Product Development, Staples & Noodles (FD)	62,68,399	39,32,166	B.Tech.	26	01.08.2001	Cargill India Pvt. Ltd., Prod. Manager
Roy A	49	V.P. - Commercial Operations (ITD)	67,53,934	30,46,788	B.Com.(Hons.), A.C.A.	26	04.06.1990	E.L.M.(I) Ltd., Accounts Officer
Sarma C V	54	Executive V.P. - Finance & MIS (PSPD)	72,47,603	34,91,915	B.Com., C.W.A., A.C.A., A.C.S., P.G.D.M.	22	03.05.1993	NIL
Sathya D	59	General Manager - Research & Development, Confectionary (FD)	61,15,356	38,41,826	B.Sc.(Agri Sciences), M.Sc.	34	24.06.2002	Nutrine Confectionery Co. Ltd., General Manager, Q & R
Sen Gupta P	57	General Manager - Internal Audit	66,32,749	29,35,487	B.Sc.(Hons.), A.C.A.	33	01.07.1987	Indian Aluminium Co. Ltd., Finance Officer
Senguttuvan R	53	SBU Chief Executive (PPB)	99,80,849	45,70,888	B.E., P.G.D.M.	29	27.05.1991	Asian Paints, Purchase Exec.
Seth Anil	57	Executive V.P. - Finance & MIS (ITD)	96,63,646	38,17,529	B.A.(Hons.), A.C.A., P.G.D.B.M.	32	01.11.1982	Nil
Shanmuga Sundaram A	48	Associate General Counsel	69,81,234	33,06,743	B.L., M.L.	26	20.10.1997	Maxworth Home Ltd., Manager, Legal
Singh Jagdish	49	Head - Corporate Treasury	64,17,338	35,55,340	B.Com.(Hons.), A.C.A.	27	01.04.1990	Lovelock & Lewes, Jr. Asst.
Singh S K	58	Divisional Chief Executive (PSPD)	1,04,01,994	48,94,400	B.Tech.(Chem.).	38	21.06.1977	#

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Singhi Rajendra Kumar	50	Senior Deputy Company Secretary	63,75,352	32,16,241	B.Com.(Hons.), LL.B., F.C.S.	30	01.08.1988	Chemcrown (I) Ltd., Asst. Secretary
Sivakumar S	54	Group Head - Agri Business	1,76,46,438	91,69,229	B.Sc., P.G. Dip. in Rural Mgmt.	32	18.09.1989	Gujarat Co-op Oil Seeds Growers' Fed. Ltd., Mgr. Mktg.
Sridhar R	56	Executive V.P. - Learning & Development	79,97,357	35,00,663	B.Sc., P.G. Dip. in P.M. & I.R., Fellow in Mgmt.	33	01.06.1982	Nil
Stephanos K G	51	V.P. - Finance & MIS (ABD)	65,55,488	30,90,009	B.Com.(Hons.), A.C.A.	27	01.07.1988	PricewaterhouseCoopers, Jr. Officer
Sule Sandeep Arun	49	Executive V.P. - Sales Operations & Development (ITD)	78,01,297	34,71,797	B.Com., M.I.B.	25	16.07.1990	Bayer India Ltd., Management Trainee
Sumant B	51	Divisional Chief Executive (ITD)	1,11,53,814	49,09,501	B.E.	29	20.01.1986	Nil
Suresh G K	44	V.P. - New Category Development (FD)	61,59,466	28,00,163	B.E., P.G.D.B.M.	21	01.06.1995	Tata Elxsi Ltd., Customer Support Exec.
Suresh K S	54	General Counsel	1,34,46,498	57,64,442	B.A., B.L., P.G.D.P.M., I.R. & L.W.	32	01.09.1990	Chambers of Sri C.S. Venkata Subramaniam, Advocate
Tandon R	61	Chief Financial Officer	1,73,56,896	76,59,011	B.Sc., F.C.A.	37	01.01.1987	Triveni Handlooms Ltd., Finance Mgr. & Secy.
Thakur N N	51	Head of Sales & Marketing (ESPB)	60,56,860	27,95,359	B.Sc., P.G.D.	28	01.09.1987	Nil
Tyagi Shailender	56	Executive V.P. and Head of Supply Chain & Logistics (ITD)	80,47,884	35,89,494	M.Sc., P.G.D.	33	01.02.1982	Nil
Venkateswaran Krishnan (Dr.)	55	Chief Scientist - Product Development (PCPB)	77,62,375	45,41,082	B.Sc., M.Sc., Ph.D.	30	05.05.2005	Hindustan Lever Ltd., Head - Skin, Cleansing & Care
Viswanathan K I	55	Executive V.P. - Marketing (PSPD)	67,12,496	32,29,097	M.B.A.	33	06.09.1982	Nil
Wali Paritosh	45	Group Category Head - Biscuits & Confectionery (FD)	64,43,550	28,78,878	B.Tech., Sloan Fellowship	24	16.08.1991	Nil
Wanchoo Siddharth	54	Executive V.P. - Marketing (ITD)	88,97,898	32,72,259	B.Com.(Hons.)	34	19.10.1981	Nil
Wariah Dalbir Singh	48	General Manager - Research & Development, Snacks (FD)	60,56,774	34,99,945	B.E.	25	05.04.2005	PepsiCo India Holdings Pvt. Ltd., General Manager
Zachariah Abraham	56	Executive V.P. and Head - Central Projects Organisation	68,93,812	32,59,660	B.Sc.(Engg.)	32	01.09.2012	Lanco Infratech Ltd., Senior Vice President

Employed for a part of the year and in receipt of remuneration aggregating ₹ 5,00,000/- or more per month.

Anil Kumar Akkara Veetil	60	Category Development Manager - Cigarettes (ITD)	55,81,863	31,57,359	B.Com.	38	01.05.1984	Girija Fashions, Sales Exec.
Babu N Haresh	32	Process Co-Ordinator (ABD-ILTD)	1,18,335	1,08,647	B.Tech.(Mech.), D.M.E.	8	25.01.2010	Cooper Bussmann India Pvt. Ltd., Grad. Engg. Trainee
Bhandari Vineet	28	Asst. Manager - Secondary (ITD)	3,35,813	2,65,981	B.Tech., M.Tech.	4	14.06.2010	Nil
Bhaskar M Vijay	27	Dy. Officer (PSPD)	34,058	31,120	D.M.E.	6	10.01.2008	Nil
Bonnetty Guillaume Francois Pierre	46	Executive Pastry Chef, ITC Grand Chola (HD)	23,22,187	12,97,507	Brevet Des College Cert. D.F.E.O. Dip. C.A.P. Pastry & C.A.P. Baker, Brevet de maître Baker	18	24.01.2013	Bellagio Complex, Dhaka, Corporate Pastry Chef
Chakraborty Indrajit	60	Dy. Manager (PSPD)	7,42,443	6,07,471	B.Sc., Cert. Pulp & Paper Tech.	23	22.04.1991	Nil
Chandrasekhar K	60	Employee Relations Manager (ABD-ILTD)	35,98,676	18,67,902	B.Com., P.G.D.I.R. & P.M.	22	22.06.1992	Nil
Chandrasekhar S	62	Services on Loan to Subsidiary Co.	90,79,421	37,97,480	B.Sc., F.C.A.	37	01.01.1978	@
Chawla Gautam	28	Process Owner - Opaque Soap (PCPB)	2,89,613	2,68,946	B.E.	5	09.06.2009	Nil
Chokshi Karna	27	Asst. Manager - Projects (FD)	1,74,330	1,49,073	B.Tech.(Elec.)	4	14.06.2010	Nil
Choudhary Priti	24	Asst. - Technical (FD)	48,276	47,437	B.Tech.(Mech.)	2	10.06.2013	Nil
Degan Shalini	46	V.P. - Skin Care & New Product Development (PCPB)	64,18,113	32,68,728	B.Sc., M.B.A.	21	15.07.2014	Britannia Industries Ltd., Category Director - Delight & Lifestyle
Deepthi A H	30	Asst. Manager (PSPD)	69,369	68,987	B.Tech.	7	01.06.2007	Nil
Fulwani Bhavesh Madhav	29	Area Executive (ITD)	81,728	72,587	B.M.S.	7	16.07.2007	Nil
Gupta Parth	27	Process Engineer - CPD (ITD)	2,90,874	2,67,865	B.Tech.	3	01.06.2011	Nil
Gupta Udit	27	Asst. Manager - Operations (ITD)	2,78,548	2,57,755	B.Tech.	3	01.06.2011	Nil
Gullota Massimo	51	Italian Chef, ITC Grand Chola (HD)	16,34,548	9,58,141	M.N.E.F.S.M.P. (New York Academy), H.S. (Milan), C.S. (Lausanne)	22	26.09.2011	G. Mgmt., Bangkok, Thailand, Exec. Chef
Jain Manish K	27	Asst. Manager - Technical (FD)	1,04,863	1,04,301	B.Tech.(Chem.)	5	14.06.2010	Nil
Jayswal Amit	35	Associate Scientist (ABD-ILTD)	1,79,410	1,68,322	B.Sc., M.Sc., (Ana. Chemistry), Ph.D. (Applied Chemistry)	7	03.12.2012	Cadila Healthcare Ltd., Officer - QC
Jindal Tushar	31	Brand Manager (ITD)	3,02,199	2,61,458	M.A.(Economics)	6	10.06.2008	Nil
Janardhana Reddy S.	66	Executive V.P. - Corporate Affairs	59,08,454	30,67,116	B.Sc.(Ag.)	42	27.12.1972	Nil
Kartikeya R	30	Asst. Manager - Primary (ITD)	2,92,932	2,49,657	B.Tech.	6	10.06.2008	Nil

B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name	Age	Designation/ Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experi- ence (Years)	Date of Commence- ment of Employment	Previous Employment/ Position Held
1	2	3	4	5	6	7	8	9
Khatri N.	60	General Manager - WelcomEnviron (HD)	31,71,072	17,27,758	Dip.in H.M.C.T.	36	15.05.1978	@
Kulkarni H D	62	V.P. - Plantations (PSPD)	24,34,109	17,66,716	M.Sc., Ph.D.	25	10.04.1989	Nil
Kumar D S P	30	Junior Research Associate (LS & T)	64,950	61,917	B.Sc., M.Sc.	4	10.12.2012	Sr. Research Associate
Kushari Probal	46	Asst. Manager - Logistics (PPD)	4,64,417	4,28,740	M.B.A., Dip. in Export Mgmt.	24	19.01.1998	Contemporary Packaging Technologies Ltd., Asst. Sales & Marketing
Mathur Deepak	60	Asst. Manager Purchase (HD)	7,44,435	6,76,595	B.Com.	36	01.10.1978	@
Mehta Sharad K.	60	Principal Scientist - Tobacco & Tobacco Products (ITD)	26,36,499	15,33,962	B.Sc., M.Sc., M.Tech., Ph.D.	31	21.07.2005	Shiva Analyticals Ltd., D.G.M. (Organic)
Muralidharan N V	57	Asst. Executive (ABD)	6,20,044	4,35,446	B.Com.	23	22.02.1991	Nil
Nagpal Ashish	37	Asst. Manager (PSPD)	1,24,744	1,15,054	Dip. in Chem. Engg.	8	01.07.2006	Nil
Nivaas J J	30	Associate - Processing (ABD-ILTD)	43,401	43,260	B.Tech.(Chem.)	7	10.10.2011	Kwality Milk Foods Ltd., Prod. Supervisor
Patel Noorulamin M	43	General Manager - Marketing (FD)	39,53,640	25,02,936	B.E., P.G.D.B.M.	17	01.06.1997	Nil
Prabhu Venkata R	26	Asst. Manager (PCPB)	1,35,636	1,34,751	B.E.	4	14.06.2010	Nil
Puri R	62	Services on Loan to Associate Co.	43,15,973	26,56,228	B.Com.(Hons.), A.C.A.	35	16.01.1979	Nil
R Harisankar	33	Asst. Manager - Grocery (ITD)	1,16,183	1,11,975	B.Tech., M.B.A.	8	09.06.2009	CTS India Pvt. Ltd., Programmer Analyst
Rama Rao S Seetha	60	Asst. Manager - Electrical & Utilities (ABD-ILTD)	13,77,539	10,96,281	L.E.E.	32	08.02.1982	Nil
Rao K V Srinivasa	28	Executive - Processing (ABD-ILTD)	1,33,380	1,27,521	B.E.(Mech.)	5	14.04.2011	Bharat Aluminium Co. Ltd., Grad. Engg. Trainee
Rao J Halayudha	60	Divisional Manager - Audit & Systems (ABD-ILTD)	20,48,427	14,72,747	M.Com., F.C.W.A., Dip. in Comp. Mgmt.	37	04.11.1985	Nil
Reddy M V Dharma	60	Manager (PSPD)	10,65,350	8,90,241	M.Com.	35	20.03.1979	Nil
Rellin Ranjan K	60	V.P. - Projects (HD)	23,44,659	16,83,817	B.Arch., M.I.A. (Columbia), M.S.U.P. (N.Y.)	28	01.02.1986	@
Rungta Rahul	28	Asst. Manager - Finance (HD)	3,75,293	3,37,011	B.Com.(Hons.), A.C.A	4	01.11.2010	Nil
Rustagi Vaibhav	30	Asst. Brand Manager (FD)	1,47,103	1,44,011	P.G.D.M.	5	14.06.2010	Nil
Sanjeevi N	60	Asst. Engineering Manager (PPB)	15,04,852	12,42,302	B.E., Dip. in Elec.	36	01.03.1978	Nil
Satyana Rayana M	60	Manager (PSPD)	10,92,002	9,23,303	B.Com.	34	30.05.1980	Nil
Siddiqui Emroz	34	Area Manager (ITD)	1,44,680	1,33,835	B.Com., M.B.A.	10	16.06.2005	Bharti Telecom Ltd., Team Leader
Singh Abhishek	24	Asst. Officer (PSPD)	22,399	20,503	B.Sc.	2	20.09.2012	Nil
Sreesha P H	50	Manager (PSPD)	1,25,414	1,24,826	B.E. (Inst.)	9	01.06.2005	Nil
Suresh Karanam Narasimha	62	Chief Technologist - Blending & Cigarette Design (ITD)	48,25,676	23,90,280	B.Sc., M.Sc.	39	01.03.1977	Flavours & Essences Pvt. Ltd., Flavour Technologist
Vandrevala Percy Erach	57	Manager Projects (HD)	6,20,260	5,46,281	B.E.(Civil)	24	02.01.2007	Writer Corporation, Consultant
Wahi Raghupati	60	Divisional Financial Controller (HD)	52,47,676	24,33,638	B.A.(Hons.), P.G.D.B.M.	39	28.05.1976	@

Abbreviations denote :

ITD	: India Tobacco Division	HD	: Hotels Division
PSPD	: Paperboards & Specialty Papers Division	ESPB	: Education & Stationery Products Business
LRBD	: Lifestyle Retailing Business Division	PCPB	: Personal Care Products Business
ABD	: Agri Business Division	PPB	: Printing & Packaging Business
ABD-ILTD	: Agri Business, India Leaf Tobacco Division	LS & T	: Life Sciences & Technology
FD	: Foods Division		

@ Previously employed with ITC Hotels Ltd. which was merged with the Company on March 23, 2005

Previously employed with ITC Bhadrachalam Paperboards Ltd. which was merged with the Company on March 13, 2002

Notes :

1. Remuneration includes salary, performance bonus, allowances & other benefits /applicable perquisites except contribution to the approved Pension Fund under the defined benefit scheme and Gratuity Funds and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
2. The Company has not incurred any expenditure for Stock Options granted at 'market price' [within the meaning of the erstwhile SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999] to the Directors, Key Managerial Personnel and other Employees under its Employee Stock Option Schemes, which can be ascribed to any individual Director, Key Managerial Personnel or other Employees.
3. Net remuneration comprises cash income less : a) income tax, surcharge (as applicable) & education cess deducted at source.
b) manager's own contribution to Provident Fund.
4. All appointments are/were contractual in accordance with terms and conditions as per Company Rules.
5. None of the above employees is a relative of any Director of the Company.

On behalf of the Board

Y. C. DEVESHWAR *Chairman*
K. N. GRANT *Director*

Kolkata, 22nd May, 2015

CERTIFICATE OF COMPLIANCE FROM AUDITORS AS STIPULATED UNDER CLAUSE 49 OF THE
LISTING AGREEMENT WITH THE STOCK EXCHANGES IN INDIA

Certificate

To the Members of
ITC Limited

We have examined the compliance of conditions of Corporate Governance by ITC Limited for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance 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.

For Deloitte Haskins & Sells
Chartered Accountants
(ICAI Registration No. 302009E)

Shyamak R. Tata
Partner
(Membership No. 38320)

Kolkata, 22nd May, 2015

CEO and CFO Certification

We, Y. C. Deveshwar, Chairman, K. N. Grant, Executive Director and R. Tandon, Chief Financial Officer certify that :

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 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 existing 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, 2015 are fraudulent, illegal or violative of the Company's 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 internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in 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 system over financial reporting.

R. TANDON *Chief Financial Officer*

Kolkata K. N. GRANT *Executive Director*

22nd May, 2015 Y. C. DEVESHWAR *Chairman*

Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	801.55		795.32	
Reserves and surplus	2	29934.14	30735.69	25466.70	26262.02
Non-current liabilities					
Long-term borrowings	3	38.69		51.00	
Deferred tax liabilities (Net)	4	1631.60		1296.96	
Other Long term liabilities	5	7.05		5.09	
Long-term provisions	6	100.72	1778.06	110.00	1463.05
Current liabilities					
Short-term borrowings	7	0.02		0.14	
Trade payables		1904.62		1987.59	
Other current liabilities	8	3671.18		3631.88	
Short-term provisions	9	6106.09	11681.91	5884.71	11504.32
TOTAL		44195.66		39229.39	
ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		13777.14		11948.69	
Intangible assets		401.35		64.05	
Capital work-in-progress - Tangible assets		2085.49		2272.94	
Intangible assets under development		28.65		22.79	
		16292.63		14308.47	
Non-current investments	11	2441.64		2512.17	
Long-term loans and advances	12	1506.36	20240.63	1480.02	18300.66
Current assets					
Current investments	13	5963.82		6311.26	
Inventories	14	7836.76		7359.54	
Trade receivables	15	1722.40		2165.36	
Cash and bank balances	16	7588.61		3289.37	
Short-term loans and advances	17	549.89		783.51	
Other current assets	18	293.55	23955.03	1019.69	20928.73
TOTAL		44195.66		39229.39	

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SHYAMAK R TATA
Partner

Kolkata, 22nd May, 2015

On behalf of the Board
K. N. GRANT Director Y. C. DEVESHWAR Chairman
R. TANDON Chief Financial Officer B. B. CHATTERJEE Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2015

	Note	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
Gross Income	19	51932.14	48175.80
Gross Revenue from sale of products and services	20	49964.82	46712.62
Less: Excise Duty		13881.61	13830.06
Net Revenue from sale of products and services		36083.21	32882.56
Other operating revenue		424.19	356.04
Revenue from operations	21	36507.40	33238.60
Other income	22	1543.13	1107.14
Total Revenue		38050.53	34345.74
Expenses			
Cost of materials consumed	23	10987.83	10263.28
Purchases of Stock-in-Trade	24	3898.66	3021.47
Changes in inventories of finished goods, Work-in-progress, Stock-in-Trade and Intermediates	25	(214.53)	(128.41)
Employee benefits expense	26	1780.04	1608.37
Finance costs	27	57.42	2.95
Depreciation and amortisation expense		961.74	899.92
Other expenses	28	6581.85	6019.05
Total Expenses		24053.01	21686.63
Profit before tax		13997.52	12659.11
Tax expense:			
Current tax	29	4020.99	3791.13
Deferred tax	30	368.80	82.77
Profit for the year		9607.73	8785.21
Earnings per share (Face Value ₹ 1.00 each)	31 (i)		
Basic		₹ 12.05	₹ 11.09
Diluted		₹ 11.93	₹ 10.96

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

SHYAMAK R TATA

Partner

Kolkata, 22nd May, 2015

On behalf of the Board

K. N. GRANT

Director

Y. C. DEVESHWAR

Chairman

R. TANDON *Chief Financial Officer*

B. B. CHATTERJEE *Company Secretary*

Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)	
A. Cash Flow from Operating Activities			
PROFIT BEFORE TAX	13997.52	12659.11	
ADJUSTMENTS FOR:			
Depreciation and Amortisation Expense	961.74	899.92	
Finance costs	57.42	2.95	
Interest Income	(611.22)	(412.77)	
Dividend Income from Long Term Investments	(357.55)	(217.27)	
Dividend Income from Current Investments	(219.37)	(140.15)	
Loss on Sale of Fixed Assets - Net	24.89	12.95	
Net gain on sale of Current Investments	(334.44)	(329.44)	
Doubtful and Bad Debts	19.79	11.17	
Doubtful and Bad Advances, Loans and Deposits	0.54	0.11	
Excess of Carrying Cost over Fair Value of Current Investments - Net	—	3.31	
Excess of Cost of Current Investments over Fair Value, reversed - Net	(29.53)	—	
Foreign Currency translations and transactions - Net	(5.33)	(493.06)	1.76 (167.46)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	13504.46		12491.65
ADJUSTMENTS FOR:			
Trade Receivables, Loans and Advances and Other Assets	571.85	(1404.10)	
Inventories	(469.39)	(759.34)	
Trade Payables, Other Liabilities and Provisions	(72.27) 30.19	431.29	(1732.15)
CASH GENERATED FROM OPERATIONS	13534.65		10759.50
Income Tax Paid	(4225.78)		(3797.20)
NET CASH FROM OPERATING ACTIVITIES	9308.87		6962.30
B. Cash Flow from Investing Activities			
Purchase of Fixed Assets	(3051.06)	(2593.47)	
Sale of Fixed Assets	6.56	20.83	
Purchase of Current Investments	(88047.10)	(82231.94)	
Sale/Redemption of Current Investments	88780.80	81327.47	
Purchase of Long Term Investments from Subsidiary	—	(1.69)	
Investment in Joint Ventures	(3.87)	(1.24)	
Investment in Subsidiaries	(88.79)	(85.42)	
Sale of Long Term Investments	—	...	
Dividend Income from Long Term Investments Received	357.55	217.27	
Dividend Income from Current Investments Received	219.37	140.15	
Interest Received	551.95	387.33	
Investment in bank deposits (original maturity more than 3 months)	(7183.08)	(2817.80)	
Redemption/Maturity of bank deposits (original maturity more than 3 months)	2820.29	3125.96	
Investment in deposits with financial institutions	—	(750.00)	
Redemption/Maturity of deposits with financial institutions	750.00	425.00	
Loans Realised	64.81	14.26	
NET CASH USED IN INVESTING ACTIVITIES	(4822.57)		(2823.29)

Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	978.79	691.08
Repayment of Long-term borrowings	(15.40)	(11.27)
Net increase/(decrease) in Cash/Export Credit Facilities	(0.23)	0.14
Interest Paid	(5.67)	(46.35)
Net increase in Statutory Restricted Accounts Balances	21.22	17.36
Dividend Paid	(4771.91)	(4148.46)
Income Tax on Dividend Paid	(780.41)	(676.35)
NET CASH USED IN FINANCING ACTIVITIES	(4573.61)	(4173.85)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(87.31)	(34.84)
OPENING CASH AND CASH EQUIVALENTS	121.06	155.90
CASH AND CASH EQUIVALENTS PURSUANT TO THE SCHEME OF ARRANGEMENT [Refer Note 2(b) below]	2.54	—
CLOSING CASH AND CASH EQUIVALENTS	36.29	121.06

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".

2. The following are non-cash transactions:

- (a) During the year ended 31st March, 2014, loan given to WelcomHotels Lanka (Private) Limited, a wholly owned subsidiary, has been converted to 9,23,04,000 equity shares.
- (b) Pursuant to the Scheme of Arrangement [Refer Note 31(x)], the entire assets and liabilities of the Non-Engineering Business of Wimco Limited was transferred to and vested in the Company, from 1st April, 2013 at the values stated below:
 - (i) Loan Funds 2.00
 - (ii) Other Liabilities 93.29
 - (iii) Fixed Assets (Net) 103.11
 - (iv) Investments 5.99
 - (v) Other Assets 58.38

The summary of cash flows for the period 1st April, 2013 to 31st March, 2014 are as under:

Opening Cash and cash equivalents as at 1st April, 2013	0.97
(i) Net Cash used in operations	(19.66)
(ii) Net Cash from investing activities	21.31
(iii) Net Cash used in financing activities	(0.08)
Closing Cash and cash equivalents as at 31st March, 2014	2.54

- (c) Issue of Shares during the year 2014-15 of ₹ 0.01 Crore pursuant to the Scheme of Arrangement [Refer Note 31(x)(c)].

3. **CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents as above	36.29	121.06
Other bank balances	7552.32	3168.31
Unrealised Gain/(Loss) on Foreign Currency Cash and cash equivalents
Cash and bank balances (Note 16)	<u>7588.61</u>	<u>3289.37</u>

The accompanying notes 1 to 34 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SHYAMAK R TATA
Partner

Kolkata, 22nd May, 2015

K. N. GRANT	Director	Y. C. DEVESHWAR	Chairman
R. TANDON	Chief Financial Officer	B. B. CHATTERJEE	Company Secretary

Notes to the Financial Statements

	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹ in Crores)
1. Share capital				
Authorised Ordinary Shares of ₹ 1.00 each	<u>10,00,00,00,000</u>	<u>1000.00</u>	<u>10,00,00,00,000</u>	<u>1000.00</u>
Issued and Subscribed Ordinary Shares of ₹ 1.00 each, fully paid	<u>8,01,55,19,541</u>	<u>801.55</u>	<u>7,95,31,82,950</u>	<u>795.32</u>
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	<u>7,95,31,82,950</u>	<u>795.32</u>	<u>7,90,18,33,110</u>	<u>790.18</u>
Add: Issue of Shares on exercise of Options	<u>6,22,48,830</u>	<u>6.22</u>	<u>5,13,49,840</u>	<u>5.14</u>
Add: Issue of Shares pursuant to the Scheme of Arrangement [Refer Note 31(x)(c)]	<u>87,761</u>	<u>0.01</u>	<u>—</u>	<u>—</u>
As at end of the year	<u><u>8,01,55,19,541</u></u>	<u><u>801.55</u></u>	<u><u>7,95,31,82,950</u></u>	<u><u>795.32</u></u>
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 %	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 %
Tobacco Manufacturers (India) Limited	<u>1,98,55,64,880</u>	<u>24.77</u>	<u>1,98,55,64,880</u>	<u>24.96</u>
Life Insurance Corporation of India	<u>1,15,50,35,797</u>	<u>14.41</u>	<u>1,10,28,29,844</u>	<u>13.87</u>
Specified Undertaking of the Unit Trust of India	<u>89,67,24,540</u>	<u>11.19</u>	<u>89,67,24,540</u>	<u>11.28</u>
C) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March				
	2015 (No. of Shares)	2014 (No. of Shares)		
Shares issued in 2014-15 pursuant to the Scheme of Arrangement [Refer Note 31(x)(c)]	<u>87,761</u>	<u>—</u>		
D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2015 (No. of Shares)	2014 (No. of Shares)		
Bonus Shares issued in 2010-11	<u>3,82,67,01,530</u>	<u>3,82,67,01,530</u>		
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 <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
F) Shares reserved for issue under Options				
	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2014 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	<u>26,93,51,410</u>	<u>26,58,13,470</u>		

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 (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme -2006 & the ITC Employee Stock Option Scheme -2010.

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 from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
2. Reserves and surplus		
Capital Reserve		
At the beginning and at the end of the year	2.48	2.48
Capital Redemption Reserve		
At the beginning and at the end of the year	0.30	0.30
Securities Premium Account		
At the beginning of the year	4162.18	3476.24
Add: On issue of Shares	<u>972.57</u>	<u>685.94</u>
At the end of the year	5134.75	4162.18
Revaluation Reserve		
At the beginning of the year	52.41	52.75
Less: Depreciation	—	0.29
On disposal of Fixed Assets	—	0.05
At the end of the year	52.41	52.41
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
General Reserve		
At the beginning of the year	14686.31	13806.31
Less: Pursuant to the Scheme of Arrangement [Note 31(x)(d)]	91.00	—
Add: Transfer from Surplus in Statement of Profit and Loss	<u>970.00</u>	<u>880.00</u>
At the end of the year	15565.31	14686.31
Foreign Currency Translation Reserve		
At the beginning of the year	40.55	8.44
Add: Exchange differences during the year	—	32.11
At the end of the year	40.55	40.55
Hedging Reserve		
At the beginning of the year	20.33	—
Add/(Less): Net movement, being gain on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions	(18.66) <u>(6.27)</u>	30.80 10.47
Less: Deferred Tax	—	—
At the end of the year	7.94	20.33
Surplus in Statement of Profit and Loss		
At the beginning of the year	6139.09	3788.10
Less: Loss for the period from 1st April, 2013 to 31st March, 2014 adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]	8.01	—
Add: Unrecognised Net Deferred Tax assets as on 1st April, 2013 adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]	45.84	—
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of Deferred Tax ₹ 24.88 Crores) [Refer Note 31(xi)]	48.32	—
Add: Profit for the year	9607.73	8785.21
Less: Transfer to General Reserve	970.00	880.00
Proposed Dividend [₹ 6.25 (2014 - ₹ 6.00) per share]	5009.70	4771.91
Income Tax on Proposed Dividend	—	—
– Current year	1019.86	810.99
– Earlier year's provision no longer required	<u>(30.58)</u>	<u>(28.68)</u>
At the end of the year	8767.35	6139.09
TOTAL	29934.14	25466.70

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)		
3. Long-term borrowings				
Unsecured				
Term loans				
– From Banks	—	—		
– From Related Parties	—	—		
Deferred payment liabilities				
Sales tax deferment loans	38.69	51.00		
TOTAL	38.69	51.00		
Term loans				
From Banks				
Repayable in equated periodic instalments upto a 5 year period from the date of respective loan. These were repaid during financial year 2014-15 and carry an interest of 11.25% p.a.				
From Subsidiaries				
Interest Free Loan from a subsidiary company taken over pursuant to the Scheme of Arrangement – ₹ 2.00 Crores, repayable in March, 2016 [Refer Note 31(x)].				
Sales tax deferment loans				
Repayable after a period of 10 to 14 years from the end of the month of respective loans. These are repayable by 2025-26 and are interest free.				
The scheduled maturity of the Long-term borrowings are summarised as under:				
	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
Borrowings repayable				
In the first year (Note 8)	2.00	12.31	0.02	15.38
Current maturities of long-term debt	2.00	12.31	0.02	15.38
In the second year	—	12.86	—	12.31
In the third to fifth year	—	17.94	—	27.56
After five years	—	7.89	—	11.13
Long-term borrowings	—	38.69	—	51.00
4. Deferred tax liabilities (Net)				
Deferred tax liabilities				
On fiscal allowances on fixed assets	1570.30		1356.73	
On excise duty on closing stock	513.00		365.21	
Other timing differences	16.04		19.52	
	2099.34		1741.46	
Deferred tax assets				
On employees' separation and retirement etc.	83.01		67.29	
On provision for doubtful debts/advances	23.40		14.60	
On State and Central taxes etc.	312.54		318.60	
Other timing differences	48.79		44.01	
	467.74		444.50	
TOTAL	1631.60		1296.96	
5. Other Long term liabilities				
Sundry deposits	0.02		0.02	
Others	7.03		5.07	
(Includes retention monies payable towards fixed assets)				
TOTAL	7.05		5.09	

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
6. Long-term provisions		
Provision for employee benefits		
Retirement benefits	64.04	65.97
Other benefits	36.68	44.03
TOTAL	100.72	110.00
7. Short-term borrowings		
Secured		
Loans from Banks		
Cash credit facilities	0.02	0.14
TOTAL	0.02	0.14
Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future.		
8. Other current liabilities		
Current maturities of long-term debt (Note 3)	14.31	15.40
Interest accrued but not due on borrowings	0.02	0.02
Unpaid dividend*	134.50	113.28
Unpaid matured deposits and interest accrued thereon
Unpaid matured debentures / bonds and interest accrued thereon**	0.32	0.32
Sundry deposits	44.91	40.64
Other payables	3477.12	3462.22
TOTAL	3671.18	3631.88
* Represents dividend amounts either not claimed or kept in abeyance in terms of Section 126 of the Companies Act, 2013/ Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.		
** Represents amounts which are subject matter of pending legal disputes, details in respect of which are on record with the Company, including an amount of ₹ 0.30 Crore (2014 - ₹ 0.30 Crore) maintained with a bank for which the Company has filed a suit.		
Other payables comprise:		
Payables for fixed assets	253.19	319.58
Statutory liabilities	2334.58	2415.57
Advances received from customers	639.75	521.64
Others	249.60	205.43
TOTAL	3477.12	3462.22
9. Short-term provisions		
Current portion of long-term employee benefits		
Retirement benefits	51.65	32.99
Other benefits	23.33	41.30
Current taxation (net of advance payment)	-	225.97
Fringe benefit tax (net of advance payment)	1.55	1.55
Proposed dividend	5009.70	4771.91
Income tax on proposed dividend	1019.86	810.99
TOTAL	6106.09	5884.71

Notes to the Financial Statements

(₹ in Crores)

10. Fixed assets		Gross Block						
Particulars	As at 31st March, 2013 ¹	Additions	Withdrawals and adjustments	As at 31st March, 2014 ¹	Pursuant to the Scheme of Arrangement ⁷	Additions	Withdrawals and adjustments	As at 31st March, 2015 ¹
Tangible assets								
Land								
Freehold ²	1052.25	36.95	0.02	1089.18	69.46	148.73	—	1307.37
Leasehold ³	227.74	15.05	1.44	241.35	2.47	49.11	3.71	289.22
Buildings								
Freehold ⁴	3562.23	311.12	0.39	3872.96	40.22	527.58	9.63	4431.13
Licensed Properties - Building Improvement	56.56	9.10	6.86	58.80	—	5.35	4.27	59.88
Plant and Equipment	10925.17	1276.84	107.26	12094.75	56.64	1927.12	79.07	13999.44
Furniture and Fixtures	644.35	48.20	9.03	683.52	3.88	84.61	14.97	757.04
Vehicles	97.33	19.40	11.06	105.67	1.31	17.78	10.21	114.55
Office Equipment	21.03	5.60	(0.77)	27.40	0.88	5.11	3.22	30.17
Railway Sidings etc.	1.72	1.38	1.13	1.97	—	—	—	1.97
	16588.38	1723.64	136.42	18175.60	174.86	2765.39	125.08	20990.77
Capital work-in-progress ⁸	1472.80	2479.57	1679.43	2272.94	—	2506.23	2693.68	2085.49
TOTAL	18061.18	4203.21	1815.85	20448.54	174.86	5271.62	2818.76	23076.26
Intangible assets (acquired)								
Goodwill	4.90	—	—	4.90	—	—	—	4.90
Trademarks ⁵	6.04	—	—	6.04	—	337.98	—	344.02
Computer Software	272.07	13.81	0.54	285.34	2.89	27.65	11.34	304.54
Know-how, Business and Commercial Rights ⁶	72.99	—	—	72.99	—	9.75	—	82.74
	356.00	13.81	0.54	369.27	2.89	375.38	11.34	736.20
Intangible assets under development	14.99	21.50	13.70	22.79	—	371.76	365.90	28.65
TOTAL	370.99	35.31	14.24	392.06	2.89	747.14	377.24	764.85

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2015			2015	As at 31st March, 2014			2014
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	9.12	5.98	3.14	0.77	9.12	5.21	3.91	0.43
Plant and Equipment	371.49	242.24	129.25	14.54	295.49	186.90	108.59	15.32
TOTAL	380.61	248.22	132.39	15.31	304.61	192.11	112.50	15.75

Notes to the Financial Statements

(₹ in Crores)

10. Fixed assets (Contd.)	Depreciation and Amortisation								Net Book Value			
	Upto 31st March, 2013	For the year	On Withdrawals and adjustments	Upto 31st March, 2014	Pursuant to the Scheme of Arrangement ⁷	Transition Adjustment recorded against surplus balance in Statement of Profit and Loss	For the year	On Withdrawals and adjustments	Upto 31st March, 2015	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013
Tangible assets												
Land												
Freehold ²	—	—	—	—	—	—	—	—	—	1307.37	1089.18	1052.25
Leasehold ³	11.46	1.85	0.07	13.24	2.47	—	2.21	0.17	17.75	271.47	228.11	216.28
Buildings												
Freehold ⁴	489.09	81.45	0.60	569.94	36.18	30.26	104.98	3.53	737.83	3693.30	3303.02	3073.14
Licensed Properties - Building Improvement	31.68	7.00	5.92	32.76	—	—	6.70	3.62	35.84	24.04	26.04	24.88
Plant and Equipment	4600.85	716.13	80.90	5236.08	40.57	32.95	720.81	67.97	5962.44	8037.00	6858.67	6324.32
Furniture and Fixtures	301.44	42.55	7.30	336.69	3.03	7.10	68.90	10.85	404.87	352.17	346.83	342.91
Vehicles	26.87	9.65	5.32	31.20	0.80	0.50	14.50	5.96	41.04	73.51	74.47	70.46
Office Equipment	7.39	1.38	1.88	6.89	0.58	2.39	5.31	1.55	13.62	16.55	20.51	13.64
Railway Sidings etc.	1.05	0.10	1.04	0.11	—	—	0.13	—	0.24	1.73	1.86	0.67
	5469.83	860.11	103.03	6226.91	83.63	73.20	923.54	93.65	7213.63	13777.14	11948.69	11118.55
Capital work-in-progress ⁸	—	—	—	—	—	—	—	—	—	2085.49	2272.94	1472.80
TOTAL	5469.83	860.11	103.03	6226.91	83.63	73.20	923.54	93.65	7213.63	15862.63	14221.63	12591.35
Intangible assets (acquired)												
Goodwill	4.90	—	—	4.90	—	—	—	—	4.90	—	—	—
Trademarks ⁵	6.01	0.01	—	6.02	—	—	4.78	—	10.80	333.22	0.02	0.03
Computer Software	196.29	34.15	0.09	230.35	2.74	—	31.40	11.31	253.18	51.36	54.99	75.78
Know-how, Business and Commercial Rights ⁶	58.01	5.94	—	63.95	—	—	2.02	—	65.97	16.77	9.04	14.98
	265.21	40.10	0.09	305.22	2.74	—	38.20	11.31	334.85	401.35	64.05	90.79
Intangible assets under development	—	—	—	—	—	—	—	—	—	28.65	22.79	14.99
TOTAL	265.21	40.10	0.09	305.22	2.74	—	38.20	11.31	334.85	430.00	86.84	105.78

- Original Cost / Professional Valuation as at 30th June, 1986.
- Land Freehold includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2014 - ₹ 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.
- Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.
- Buildings Freehold include ₹ 1055.24 Crores (2014 - ₹ 998.76 Crores), aggregate cost of building on leasehold land situated at various locations.
- Trademarks are being amortised over 10 years.
- Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 82.74 Crores (2014 - ₹ 72.99 Crores):
 - ₹ 69.72 Crores (2014 - ₹ 59.97 Crores) acquired during the year and in earlier years are being amortised over 10 years.
 - ₹ 8.05 Crores (2014 - ₹ 8.05 Crores) acquired in earlier years and have been amortised over 5 years.
 - ₹ 4.97 Crores (2014 - ₹ 4.97 Crores) acquired in earlier years and have been amortised over 4 years.
- Taken over pursuant to the Scheme of Arrangement [Refer Note 31(x)]. These represent the Gross Block and Depreciation and Amortisation on Tangible and Intangible Assets acquired as at 1st April, 2013 and movements during the year 2013-14.
- Includes ₹ 515.44 Crores paid in 2014-15 to IFCI Limited as consideration for the purchase of a luxury beach resort in South Goa operating under the name Park Hyatt Goa Resort & Spa, on being the successful bidder. IFCI Limited have issued Sale Certificates in favour of the Company. The erstwhile owners of the property have thereafter challenged the sale. The matter is pending before the Honourable Bombay High Court.
- In accordance with the requirements of the Companies Act, 2013, the Company has discontinued the policy of charging Revaluation Reserve account with annual depreciation on that portion of the value which is written up. Depreciation for the year includes Nil (2014 - ₹ 0.29 Crore) transferred from Revaluation Reserve in respect of revalued assets.

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise)				
Long Term				
A. TRADE INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
In Subsidiaries				
Gold Flake Corporation Limited 1,59,98,385 Equity Shares of ₹ 10.00 each, fully paid		16.00		16.00
Wills Corporation Limited 48,85,626 Equity Shares of ₹ 10.00 each, fully paid		4.88		4.88
Russell Credit Limited 59,74,54,177 Equity Shares of ₹ 10.00 each, fully paid 7,54,22,400 Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid		619.29 39.22		619.29 39.22
ITC Infotech India Limited 8,52,00,000 Equity Shares of ₹ 10.00 each, fully paid		85.14		85.14
Landbase India Limited 12,00,00,000 (2014 - 9,20,00,000) Equity Shares of ₹ 10.00 each, fully paid		128.57		100.57
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)		—		—
BFIL Finance Limited 2,00,00,000 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 20.00 Crores, fully provided)		—		—
Surya Nepal Private Limited 1,18,94,400 Ordinary Shares of Nepalese Rupees 100.00 each, fully paid		10.15		10.15
Srinivasa Resorts Limited 1,63,20,477 Equity Shares of ₹ 10.00 each, fully paid		18.53		18.53
Fortune Park Hotels Limited 4,50,008 Equity Shares of ₹ 10.00 each, fully paid		0.45		0.45
Bay Islands Hotels Limited 11,875 Equity Shares of ₹ 100.00 each, fully paid		0.12		0.12
King Maker Marketing, Inc. 204 Shares of Common Stock with no par value		10.23		10.23
Wimco Limited (Adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]) 18,50,81,193 Equity Shares of ₹ 1.00 each, fully paid		2.83		116.02
Technico Pty Limited 2,26,06,065 Ordinary Shares with no par value		108.72		108.72
WelcomHotels Lanka (Private) Limited 10,63,08,150 (2014 - 10,11,72,150) Shares with no par value		486.97		462.91
ITC Investments & Holdings Limited 45,00,000 Equity Shares ₹ 10.00 each, fully paid		4.50		4.50
North East Nutrients Private Limited 4,81,33,333 (2014 - 1,14,00,000) Equity Shares ₹ 10.00 each, fully paid		48.13		11.40
Pavan Poplar Limited 55,10,004 (2014 - Nil) Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 5.99 Crores, fully provided) (Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		—		—
Prag Agro Farm Limited 38,00,020 (2014 - Nil) Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 3.82 Crores, fully provided) (Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		—		—
In Associates				
International Travel House Limited 2,87,600 Equity Shares of ₹ 10.00 each, fully paid		0.65		0.65
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid		1.94		1.94
	Carried over	2.59	1583.73	2.59
				1608.13

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	2.59	1583.73	2.59	1608.13
TRADE INVESTMENTS (Contd.)				
In Joint Ventures				
Espirit Hotels Private Limited 4,65,09,200 Equity Shares of ₹ 10.00 each, fully paid		46.51		46.51
Maharaja Heritage Resorts Limited 90,000 Equity Shares of ₹ 100.00 each, fully paid		0.90		0.90
Logix Developers Private Limited 77,66,913 (2014 - 70,51,003) Equity Shares of ₹ 10.00 each, fully paid		41.95		38.08
In Others				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Hotel Leelaventure Limited 4,99,53,055 Equity Shares of ₹ 2.00 each, fully paid		184.23		184.23
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid		392.29		392.29
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		—		—
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
INVESTMENT IN PREFERENCE SHARES				
In Subsidiaries				
Wimco Limited (Adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]) 50,00,000 Zero Coupon Redeemable Preference Shares of ₹ 100.00 each, fully paid		—		50.00
Landbase India Limited 1,87,00,000 Redeemable Preference Shares of ₹ 100.00 each, fully paid		187.00		187.00
INVESTMENT IN DEBENTURES				
In Subsidiaries				
BFIL Finance Limited 15,00,000 - 18.5% Non - Convertible Debentures of ₹ 100.00 each, renewed at 9% (2014 - 0%) (cost ₹ 15.00 Crores, fully provided)		—		—
B. OTHER INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid		0.05		0.05
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Woodlands Multispeciality Hospital Limited 13,072 (2014 - 13,050) Equity Shares of ₹ 10.00 each, fully paid (22 Equity Shares acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		0.01		0.01
Mirage Advertising and Marketing Limited 12,488 (2014 - Nil) Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 0.01 Crore, fully provided) (Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		—		—
Bilaspur Cane Development Corporation Limited 100 (2014 - Nil) Equity Shares of ₹ 10.00 each fully paid (cost ₹ 1000.00) (Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		...		—
Carried over	579.17	1862.46	579.17	1932.99

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	579.17	1862.46	579.17	1932.99
OTHER INVESTMENTS (Contd.)				
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
Government Securities (cost ₹ 74000.00)		0.01		0.01
National savings certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)				
(Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)])		...		—
Aggregate amount of quoted and unquoted Investments	579.17	1862.47	579.17	1933.00
Total Non-current investments		2441.64		2512.17

Aggregate market value of quoted investments ₹ 1045.15 Crores (2014 - ₹ 732.55 Crores).

Aggregate provision for diminution in value ₹ 71.59 Crores (2014 - ₹ 61.77 Crores).

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
12. Long-term loans and advances				
Capital advances				
Unsecured, considered good		391.46		361.84
Security deposits				
Unsecured, considered good	729.50		670.08	
Doubtful	2.96		3.05	
	732.46		673.13	
Less: Provision for doubtful deposits	2.96	729.50	3.05	670.08
Loans and advances to Related Parties				
Security deposits - unsecured, considered good	2.90		52.82	
Loans and advances - secured, considered good	—		53.44	
Loans and advances - doubtful	40.95		32.55	
	43.85		138.81	
Less: Provision for doubtful loans and advances	40.95	2.90	32.55	106.26
Other loans and advances				
(Comprise loans to employees, prepaid expenses, advances with statutory authorities etc.)				
Unsecured, considered good	341.00		341.84	
Doubtful	17.56		16.62	
	358.56		358.46	
Less: Provision for doubtful loans and advances	17.56	341.00	16.62	341.84
Advance Tax (net of provisions)		41.50		—
TOTAL		1506.36		1480.02

Loans and advances to Related Parties include deposit with Director - Nil (2014 - ₹ 0.05 Crore) [Refer Note 33].

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value)				
Investment in Preference Shares				
ICICI Bank Limited 310 Non-Cumulative Redeemable Non-Convertible Non-Participative Preference Shares (20 April 2018) of ₹ 1000000.00 each, fully paid			214.85	185.76
Investment in Bonds				
Export Import Bank of India 300 (2014 - Nil) 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid			31.43	—
Indian Railway Finance Corporation Limited 10,000 6.30% Secured Non-Convertible Tax Free Bonds in the form of Promissory Notes 68th 'A' Series (08 March 2017) of ₹ 100000.00 each, fully paid	95.54			94.95
10,00,000 7.18% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th Series (19 February 2023) of ₹ 1000.00 each, fully paid	93.72			93.47
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	199.19			199.80
4,35,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	42.84			42.90
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 August 2017) 2D of ₹ 20000.00 each, fully paid		6.54		6.05
1,41,270 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 January 2019) of ₹ 20000.00 each, fully paid		197.03		182.79
National Highways Authority of India 4,94,476 8.20% Tax Free Secured Redeemable Non-Convertible Bonds (25 January 2022) of ₹ 1000.00 each, fully paid	49.20		49.31	
National Housing Bank 1,03,785 Zero Coupon Unsecured Non-Convertible Taxable Bonds in the form of Promissory Notes (24 December 2018) of ₹ 10000.00 each, fully paid		72.53		67.39
Power Finance Corporation Limited 1,500 8.09% Secured Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series-80-A (25 November 2021) of ₹ 100000.00 each, fully paid		14.84		14.87
1,000 8.01% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-A (30 August 2023) of ₹ 1000000.00 each, fully paid		98.27		98.46
450 (2014 - Nil) 9.69% Secured Non-Convertible Non-Cumulative Taxable Bonds Series 113 (02 March 2019) of ₹ 1000000.00 each, fully paid		46.85		—
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series-I (01 February 2022) of ₹ 1000.00 each, fully paid	9.95		9.97	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	128.60		128.95	
450 (2014-Nil) 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 119 B (17 September 2019) of ₹ 1000000.00 each, fully paid	46.52		—	
500 (2014-Nil) 8.36% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 127 (26 February 2020) of ₹ 1000000.00 each, fully paid	49.98		—	
Carried over	715.54	682.34	524.40	650.27

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	715.54	682.34	524.40	650.27
Investment in Bonds (Contd.)				
Rural Electrification Corporation Limited 30,00,000 7.22% Secured Tax Free Redeemable Non-Convertible Bonds Tranche 1 Series 1(19 December 2022) of ₹ 1000.00 each, fully paid	282.01		281.29	
1,000 8.01% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series 3A (29 August 2023) of ₹ 1000000.00 each, fully paid	98.27		98.47	
750 (2014-Nil) 9.38% Secured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 117th (06 November 2018) of ₹ 1000000.00 each, fully paid	77.35		—	
400 (2014-Nil) 8.44% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 127th (04 December 2021) of ₹ 1000000.00 each, fully paid	40.24		—	
Investment in Mutual Funds				
Axis Liquid Fund 32,301 (2014 - Nil) Units of ₹ 1000.00 each		5.00		—
Birla Sun Life Cash Manager 1,19,30,256 (2014 - Nil) Units of ₹ 100.00 each		400.00		—
Birla Sun Life Fixed Term Plan - Series JL (368 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Birla Sun Life Fixed Term Plan - Series GB (541 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Birla Sun Life Fixed Term Plan - Series HY (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Fixed Term Plan - Series IA (366 Days) Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Birla Sun Life Fixed Term Plan - Series JA (366 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
Birla Sun Life Fixed Term Plan - Series JE (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Fixed Term Plan - Series JI (368 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Birla Sun Life Fixed Term Plan - Series JQ (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Fixed Term Plan - Series JT (367 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—		35.00	
Birla Sun Life Fixed Term Plan - Series JY (367 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—		35.00	
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
Birla Sun Life Fixed Term Plan - Series KC (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
Birla Sun Life Fixed Term Plan - Series KK (367 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Birla Sun Life Fixed Term Plan - Series KM (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Birla Sun Life Floating Rate Fund - Long Term 53,43,351 (2014 - 82,46,422) Units of ₹ 100.00 each		85.83		82.60
Birla Sun Life Interval Income Fund - Annual Plan VIII Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
Carried over	1213.41	1173.17	1274.16	732.87

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1213.41	1173.17	1274.16	732.87
Investment in Mutual Funds (Contd.)				
Birla Sun Life Savings Fund 23,45,048 (2014 - 39,90,969) Units of ₹ 100.00 each	55.30		54.21	
Birla Sun Life Short Term Fund 5,05,02,285 Units of ₹ 10.00 each	50.50		50.50	
Birla Sun Life Treasury Optimizer Plan 15,45,666 (2014 - Nil) Units of ₹ 100.00 each	25.39		—	
Canara Robeco Treasury Advantage Fund Nil (2014 - 2,21,444) Units of ₹ 1000.00 each	—		27.47	
DSP BlackRock Fixed Maturity Plan - Series 103 - 12M Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
DSP BlackRock Fixed Maturity Plan - Series 105 - 12M Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
DSP BlackRock Fixed Maturity Plan - Series 130 - 12M Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DSP BlackRock Fixed Maturity Plan - Series 144 - 12M Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—		35.00	
DSP BlackRock Fixed Maturity Plan - Series 146 - 12M Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DSP BlackRock Fixed Maturity Plan - Series 147 - 3M Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
DSP BlackRock Fixed Maturity Plan - Series 149 - 12M Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DSP BlackRock Fixed Maturity Plan - Series 151 - 12M Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
DSP BlackRock Fixed Maturity Plan - Series 93 - 12M Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
DSP BlackRock Liquidity Fund - Institutional Plan 1,00,106 (2014 - Nil) Units of ₹ 1000.00 each	20.00		—	
DWS Fixed Maturity Plan - Series 28 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
DWS Fixed Maturity Plan - Series 31 1,00,00,000 Units of ₹ 10.00 each	10.00		10.00	
DWS Fixed Maturity Plan - Series 36 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DWS Fixed Maturity Plan - Series 39 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
DWS Fixed Maturity Plan Series 43 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DWS Fixed Maturity Plan Series 48 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DWS Fixed Maturity Plan Series 50 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
DWS Fixed Maturity Plan Series 51 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
DWS Interval Fund Annual Plan Series 1 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
DWS Treasury Fund 8,24,18,752 (2014 - 7,60,07,335) Units of ₹ 10.00 each	86.77		80.00	
DWS Ultra Short Term Fund 5,09,80,716 (2014 - Nil) Units of ₹ 10.00 each	49.74		—	
Carried over	1223.41	1460.87	1654.16	945.05

Notes to the Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1223.41	1460.87	1654.16	945.05
Investment in Mutual Funds (Contd.)					
HDFC Cash Management Fund -Treasury Advantage Plan 2,34,21,163 (2014 - 6,40,57,080) Units of ₹ 10.00 each			67.38		65.00
HDFC Fixed Maturity Plan 369D February 2014 (2) Series 29 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
HDFC Fixed Maturity Plan 369D June 2013 (1) Series 26 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 369D March 2014 (1) Series 29 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 370D February 2014 (1) Series 29 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
HDFC Fixed Maturity Plan 370D July 2013 (3) Series 26 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
HDFC Fixed Maturity Plan 371D February 2014 (1) Series 29 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
HDFC Fixed Maturity Plan 371D February 2014 (2) Series 29 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 384D March 2013 (1) Series 23 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
HDFC Fixed Maturity Plan 566D December 2012 (1) Series 24 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
HDFC High Interest Fund - Short Term Plan 5,54,65,988 (2014 - Nil) Units of ₹ 10.00 each			150.00		—
HDFC High Interest Fund - Dynamic Plan 1,06,18,417 (2014 - Nil) Units of ₹ 10.00 each			50.00		—
HDFC Medium Term Opportunities Fund 13,70,33,144 (2014 - Nil) Units of ₹ 10.00 each			201.11		—
HDFC Short Term Opportunities Fund 14,47,53,230 (2014 - 20,09,13,064) Units of ₹ 10.00 each			211.05		202.32
ICICI Prudential Banking and PSU Debt Fund 4,92,90,221 Units of ₹ 10.00 each			50.00		50.00
ICICI Prudential Blended Plan B 3,86,97,174 Units of ₹ 10.00 each			40.30		40.30
ICICI Prudential Dynamic Bond Fund 3,59,60,193 (2014 - 4,83,81,900) Units of ₹ 10.00 each			53.08		50.22
ICICI Prudential Fixed Maturity Plan Series 65 - 502 Days Plan C Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 505 Days Plan J Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan E Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan K Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 70 - 368 Days Plan K Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 70 - 372 Days Plan L Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 366 Days Plan C Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 367 Days Plan G Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
Carried over		1223.41	2283.79	2134.16	1352.89

Notes to the Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)					
	Brought forward	1223.41	2283.79	2134.16	1352.89
Investment in Mutual Funds (Contd.)					
ICICI Prudential Fixed Maturity Plan Series 71 - 368 Days Plan K Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 369 Days Plan E Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 371 Days Plan M Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan C Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan K Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan M Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 368 Days Plan D Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Fixed Maturity Plan Series 73 - 366 Days Plan A Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan D Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each		—		35.00	
ICICI Prudential Income Opportunities Fund 7,98,54,771 (2014 - Nil) Units of ₹ 10.00 each		150.00		—	
ICICI Prudential Interval Fund Annual Interval Plan IV Nil (2014 - 99,54,739) Units of ₹ 10.00 each		—		15.00	
ICICI Prudential Interval Fund II Quarterly Interval Plan F Nil (2014 - 1,99,81,417) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Interval Fund Series VI Annual Interval Plan F Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Savings Fund 50,35,980 (2014 - Nil) Units of ₹ 100.00 each		103.20		—	
ICICI Prudential Short Term 7,64,51,068 (2014 - Nil) Units of ₹ 10.00 each		213.10		—	
ICICI Prudential Ultra Short Term 15,36,33,761 (2014 - 19,40,59,829) Units of ₹ 10.00 each		200.20		200.00	
IDFC Dynamic Bond Fund 4,64,29,475 Units of ₹ 10.00 each		50.06		50.06	
IDFC Fixed Term Plan Series 24 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
IDFC Fixed Term Plan Series 67 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
IDFC Fixed Term Plan Series 69 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
IDFC Money Manager Fund - Investment Plan 1,12,84,393 (2014 - 1,02,00,441) Units of ₹ 10.00 each		11.34		10.25	
JPMorgan India Liquid Fund 20,35,37,192 (2014 - Nil) Units of ₹ 10.00 each		208.74		—	
JPMorgan India Treasury Fund 5,78,55,112 (2014 - Nil) Units of ₹ 10.00 each		102.28		—	
JPMorgan India Active Bond Fund 9,68,66,060 (2014 - Nil) Units of ₹ 10.00 each		150.00		—	
Carried over		1223.41	3472.71	2549.16	1613.20

Notes to the Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1223.41	3472.71	2549.16	1613.20
Investment in Mutual Funds (Contd.)					
JPMorgan India Fixed Maturity Plan Series 12 Nil (2014 - 6,00,00,000) Units of ₹ 10.00 each		—		60.00	
JPMorgan India Fixed Maturity Plan Series 13 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
JPMorgan India Fixed Maturity Plan Series 21 Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
JPMorgan India Fixed Maturity Plan Series 31 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
Kotak Bond Short Term 2,49,65,867 Units of ₹ 10.00 each			24.98		24.98
Kotak Bond Scheme Plan A Nil (2014 - 2,30,90,646) Units of ₹ 10.00 each			—		23.96
Kotak Fixed Maturity Plan Series 104 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series 106 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
Kotak Fixed Maturity Plan Series 107 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Kotak Fixed Maturity Plan Series 119 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Kotak Fixed Maturity Plan Series 136 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Kotak Fixed Maturity Plan Series 137 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series 138 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Kotak Fixed Maturity Plan Series 139 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Kotak Fixed Maturity Plan Series 143 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series 144 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series 99 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
Kotak Liquid Scheme Plan A 17,641 (2014 - Nil) Units of ₹ 1000.00 each			5.00		—
Kotak Treasury Advantage Fund 4,76,54,096 (2014 - Nil) Units of ₹ 10.00 each			102.24		—
L&T Fixed Maturity Plan Series 9 - Plan D Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
L&T Short Term Opportunities Fund 3,00,07,277 (2014 - Nil) Units of ₹ 10.00 each			40.00		—
L&T Triple Ace Bond Fund 1,62,81,386 (2014 - Nil) Units of ₹ 10.00 each			60.00		—
Reliance Dynamic Bond Fund Nil (2014 - 2,40,51,908) Units of ₹ 10.00 each			—		24.51
Reliance Fixed Horizon Fund - XXII - Series 21 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 1 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Carried over		1223.41	3704.93	2969.16	1686.65

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1223.41	3704.93	2969.16	1686.65
Investment in Mutual Funds (Contd.)				
Reliance Fixed Horizon Fund - XXIV - Series 18 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 3 Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
Reliance Fixed Horizon Fund - XXV - Series 14 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Reliance Fixed Horizon Fund - XXV - Series 18 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Reliance Fixed Horizon Fund - XXV - Series 2 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Reliance Fixed Horizon Fund - XXV - Series 4 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Reliance Floating Rate Fund - Short Term Plan 19,74,70,372 (2014 - 15,25,73,567) Units of ₹ 10.00 each		252.57		152.57
Reliance Interval Fund - Quarterly Plan - Series I Nil (2014 - 3,99,15,379) Units of ₹ 10.00 each	—		40.00	
Reliance Medium Term Fund 12,56,20,295 (2014 - 5,58,13,715) Units of ₹ 10.00 each		255.81		55.81
Reliance Quarterly Interval Fund - Series II Nil (2014 - 2,99,58,657) Units of ₹ 10.00 each	—		30.00	
Reliance Short Term Fund 20,42,82,694 (2014 - 5,09,50,204) Units of ₹ 10.00 each		451.45		51.45
Reliance Yearly Interval Fund - Series 1 Nil (2014 - 9,19,23,593) Units of ₹ 10.00 each	—		100.00	
Reliance Yearly Interval Fund - Series 2 Nil (2014 - 9,16,64,070) Units of ₹ 10.00 each	—		100.00	
Reliance Yearly Interval Fund - Series 8 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each	—		50.00	
SBI Debt Fund Series 30 - 366 Days Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
SBI Debt Fund Series 31 - 366 Days Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
SBI Debt Fund Series 47 - 366 Days Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
SBI Debt Fund Series 52 - 366 Days Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
SBI Premier Liquid Fund 1,13,914 (2014 - Nil) Units of ₹ 1000.00 each		25.00		—
SBI Short Term Debt Fund Nil (2014 - 4,98,78,389) Units of ₹ 10.00 each		—		50.97
Sundaram Fixed Term Plan DC 15 Months Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
Sundaram Fixed Term Plan EW 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Sundaram Fixed Term Plan EY 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Sundaram Fixed Term Plan FB 369 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Sundaram Fixed Term Plan FF 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
Carried over	1223.41	4689.76	3599.16	1997.45

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1223.41	4689.76	3599.16	1997.45
Investment in Mutual Funds (Contd.)				
TATA Fixed Maturity Plan Series 42 Scheme I Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
TATA Fixed Maturity Plan Series 45 Scheme C Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
TATA Fixed Maturity Plan Series 45 Scheme D Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
TATA Fixed Maturity Plan Series 45 Scheme E Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
TATA Fixed Maturity Plan Series 46 Scheme A Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
TATA Fixed Maturity Plan Series 46 Scheme B Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
TATA Fixed Maturity Plan Series 46 Scheme I Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
TATA Fixed Maturity Plan Series 46 Scheme L Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
TATA Fixed Maturity Plan Series P Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
TATA Fixed Maturity Plan Series S Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
UTI - Fixed Income Interval Fund - Annual Interval Plan Series - II Nil (2014 - 60,59,504) Units of ₹ 10.00 each	—		10.00	
UTI - Fixed Income Interval Fund - IV - Annual Interval Plan Nil (2014 - 61,89,268) Units of ₹ 10.00 each	—		10.00	
UTI - Floating Rate Fund - Short Term Plan Nil (2014 - 10,52,280) Units of ₹ 1000.00 each		—		209.00
UTI - Short Term Income Fund - Institutional Option 5,06,50,712 Units of ₹ 10.00 each		50.65		50.65
UTI Fixed Term Income Fund Series XIII - III (549 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XV - VI (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
UTI Fixed Term Income Fund Series XV - VII (369 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—		35.00	
UTI Fixed Term Income Fund Series XVI - VII (366 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
UTI Fixed Term Income Fund Series XVII - I (369 Days) Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
UTI Fixed Term Income Fund Series XVII - II (369 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XVII - X (367 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
UTI Fixed Term Income Fund Series XVII - XIII (369 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XVII - XVI (367 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Aggregate amount of quoted and unquoted Investments	1223.41	4740.41	4054.16	2257.10
Total Current investments		5963.82		6311.26

Aggregate market value of quoted investments ₹ 1224.09 Crores (2014 - ₹ 4207.64 Crores).
Aggregate excess of cost over fair value ₹ 148.43 Crores (2014 - ₹ 177.96 Crores).

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
14. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	4404.52	4560.54
Work-in-progress	180.82	142.29
Finished goods (manufactured)	2541.48	2000.28
Stock-in-Trade (goods purchased for resale)	352.60	297.73
Stores and Spares	290.10	283.41
Intermediates - Tissue paper and Paperboards	67.24	75.29
TOTAL	7836.76	7359.54
The above includes goods in transit as under:		
Raw materials (including packing materials)	84.05	108.54
Stock-in-Trade (goods purchased for resale)	0.53	1.09
Stores and Spares	1.76	1.01
TOTAL	86.34	110.64
15. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0.59	1.26
Unsecured, considered good	30.05	31.44
Doubtful	<u>52.91</u>	<u>34.60</u>
	83.55	67.30
Less: Provision for doubtful receivables	<u>52.91</u>	<u>34.60</u>
	30.64	32.70
Others		
Secured, considered good	24.47	23.81
Unsecured, considered good	1667.29	2108.85
Doubtful	<u>0.88</u>	<u>1.09</u>
	1692.64	2133.75
Less: Provision for doubtful receivables	<u>0.88</u>	<u>1.09</u>
	1691.76	2132.66
TOTAL	1722.40	2165.36

Notes to the Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)	
16. Cash and bank balances			
Cash and cash equivalents [®]			
Balances with Banks			
Current accounts	27.65	104.68	
Cheques, drafts on hand	5.60	13.45	
Cash on hand	<u>3.04</u>	<u>36.29</u>	<u>2.93</u>
Other bank balances			
Earmarked balances	134.89	113.67	
In deposit accounts*	<u>7417.43</u>	<u>7552.32</u>	<u>3054.64</u>
TOTAL	<u>7588.61</u>		<u>3289.37</u>

[®] 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.

* Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 1300.00 Crores (2014 - ₹ 400.00 Crores).

17. Short-term loans and advances			
Unsecured, considered good unless otherwise stated			
Loans and advances to Related Parties			
Security deposits	0.17	0.58	
Loans and advances			
Secured, considered good	35.07	44.53	
Unsecured, considered good	<u>48.48</u>	<u>83.72</u>	<u>13.87</u>
Others			
With Statutory authorities		213.47	491.54
Commercial advances and deposits			
Secured, considered good	4.50	4.50	
Unsecured, considered good	<u>166.13</u>	<u>170.63</u>	<u>150.26</u>
Other Loans and Advances (Employees, unexpired expenses etc.)		82.07	78.23
TOTAL	<u>549.89</u>		<u>783.51</u>

Loans and advances to Related Parties include deposit with Director - ₹ 0.05 Crore (2014 - Nil) [Refer Note 33].

18. Other current assets			
Interest accrued on loans, deposits etc.		83.56	69.32
Interest accrued on investments		55.45	33.06
Deposits with financial institutions		-	750.00
Others*			
Unsecured, considered good	154.54	167.31	
Doubtful	<u>3.60</u>	<u>0.81</u>	
Less: Provision for doubtful assets	<u>158.14</u>	<u>168.12</u>	
TOTAL	<u>3.60</u>	<u>154.54</u>	<u>0.81</u>
		<u>293.55</u>	<u>167.31</u>
			<u>1019.69</u>

* Others comprise receivables on account of export incentives, claims, interest, rentals, other receivables etc.

Notes to the Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
19. Gross income		
Gross Revenue from sale of products and services*	49964.82	46712.62
Other operating revenue	424.19	356.04
Other income	1543.13	1107.14
TOTAL	51932.14	48175.80

* Net of sales returns and damaged stocks.

20. Gross Revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	30452.38	29076.48
– Branded Packaged Food Products	6411.27	5717.32
– Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	2617.00	2394.66
Hotels		
– Hotels Sales/Income from Hotel Services	1173.55	1121.45
Agri Business		
– Unmanufactured Tobacco	1574.46	1780.97
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua etc.)	4097.61	3349.12
Paperboards, Paper and Packaging		
– Paperboards and Paper	3149.11	2843.97
– Printed Materials	489.44	428.65
TOTAL	49964.82	46712.62

* Net of sales returns and damaged stocks.

21. Revenue from operations		
Sale of products	48791.27	45591.17
Sale of services	1173.55	1121.45
Gross Revenue from sale of products and services*	49964.82	46712.62
Other operating revenue	424.19	356.04
Less:		
Excise duty attributable to products sold	13881.61	13830.06
TOTAL	36507.40	33238.60

* Net of sales returns and damaged stocks.

Notes to the Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
22. Other income		
Interest income	611.22	412.77
Dividend income		
– Long-term investments		
– Subsidiary companies	347.37	208.81
– Other long-term investments	10.18	8.46
	<u>357.55</u>	<u>217.27</u>
– Current investments	219.37	140.15
Net gain on sale of current investments	334.44	329.44
Other non-operating income	20.55	7.51
TOTAL	1543.13	1107.14
Interest income comprises interest from:		
a) Deposits with Banks/Financial Institutions	456.67	261.91
b) Current investments	114.20	108.24
c) Others (from customers, statutory authorities etc.)	40.35	42.62
TOTAL	611.22	412.77
23. Cost of materials consumed		
Unmanufactured Tobacco	1802.39	1897.49
Board, Film and Laminates	650.57	540.31
Filter Rods	364.47	349.95
Wheat	1392.81	1420.15
Edible Oils	406.49	359.13
Sugar	255.15	266.27
Wheat Flour (Maida)	355.09	344.04
Waste Paper and Pulp	878.26	779.67
Chemicals and Fragrances	609.56	573.54
Hardwood and Bamboo	799.40	688.46
Coffee	451.09	413.97
Others (Hotel Consumables, Inks and Solvents, Skimmed Milk Powder, Packing Materials etc.)	3022.55	2630.30
TOTAL	10987.83	10263.28
24. Purchases of Stock-in-Trade		
Soya Seeds	432.10	404.33
Wheat	1885.01	1276.28
Safety Matches	227.22	249.72
Coffee	528.85	439.63
Others (Spices, Apparel, Agarbattis, Education and Stationery Products etc.)	825.48	651.51
TOTAL	3898.66	3021.47

Notes to the Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)		
25. Changes in inventories of finished goods, Work-in-progress, Stock-in-Trade and Intermediates				
Finished goods (manufactured)				
Opening stock	2000.28		2300.15	
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]	0.40		—	
Closing stock	<u>2541.48</u>	(540.80)	<u>2000.28</u>	299.87
Work-in-progress				
Opening stock	142.29		155.02	
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]	3.03		—	
Closing stock	<u>180.82</u>	(35.50)	<u>142.29</u>	12.73
Stock-in-Trade (goods purchased for resale)				
Opening stock	297.73		226.64	
Closing stock	<u>352.60</u>	(54.87)	<u>297.73</u>	(71.09)
Intermediates - Tissue paper and Paperboards				
Opening stock	75.29		75.55	
Closing stock	<u>67.24</u>	8.05	<u>(623.12)</u>	<u>75.29</u>
Excise duties on increase/(decrease) of finished goods		408.59		(370.18)
TOTAL		(214.53)		(128.41)
26. Employee benefits expense				
Salaries and wages		1534.33		1355.14
Contribution to Provident and other funds		108.25		115.21
Staff welfare expenses		167.28		161.74
		<u>1809.86</u>		<u>1632.09</u>
Less: Recoveries made/reimbursements received		29.82		23.72
TOTAL		1780.04		1608.37
27. Finance costs				
Interest expense [Refer Note 31(xviii)]		35.41		2.95
Applicable net loss on foreign currency transactions and translations		22.01		—
TOTAL		57.42		2.95

Notes to the Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
28. Other expenses		
Power and fuel	581.65	613.19
Consumption of stores and spare parts	231.33	237.29
Contract processing charges	758.84	717.58
Rent [Refer Note 31(vii)]	272.76	256.17
Rates and taxes [Refer Note 31(xviii)]	484.21	221.10
Insurance	58.02	39.96
Repairs		
– Buildings	54.71	47.57
– Machinery	169.97	155.12
– Others	48.72	42.30
Maintenance and upkeep	144.99	130.62
Outward freight and handling charges	890.46	769.19
Warehousing charges	111.18	93.15
Advertising/Sales promotion	754.98	795.89
Market research	54.34	57.20
Design and product development	37.45	37.64
Hotel reservation/Marketing expenses	28.96	28.08
Retail accessories	185.16	154.75
Brokerage and discount - sales	17.44	10.25
Commission to selling agents	37.22	36.16
Doubtful and bad debts	19.79	11.17
Doubtful and bad advances, loans and deposits	0.54	0.11
Bank and credit card charges	21.03	20.68
Information technology services	191.92	184.20
Travelling and conveyance	225.56	218.87
Training and development	20.06	19.61
Legal expenses	22.38	16.51
Consultancy/Professional fees	95.66	85.84
Postage, telephone etc.	26.03	25.33
Printing and stationery	17.77	16.47
Net loss/(gain) on foreign currency transactions and translations	(40.79)	78.22
Excess of carrying cost over fair value of current investments - Net	–	3.31
Excess of cost of current investments over fair value, reversed - Net	(29.53)	–
Loss on sale of fixed assets - Net	24.89	12.95
Loss on sale of stores and spare parts - Net	2.38	0.86
Miscellaneous expenses	1061.77	881.71
TOTAL	6581.85	6019.05
Miscellaneous expenses include:		
(1) Auditors' remuneration and expenses*		
Audit fees	1.95	1.95
Tax audit fees	0.48	0.48
Fees for limited review	0.84	0.80
Fees for other services [#]	1.52	1.39
Reimbursement of expenses	0.37	0.44
(2) Cost auditors' fees	0.01	0.23

* Excluding taxes.

Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners ₹ 0.11 Crore (2014 - ₹ 0.01 Crore).

Notes to the Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
29. Current tax		
Income tax for the year	4043.28	3936.64
Adjustments / (credits) related to previous years - Net	(22.29)	(145.51)
TOTAL	4020.99	3791.13
30. Deferred tax		
Deferred tax for the year	353.15	25.84
Adjustments / (credits) related to previous years - Net	15.65	56.93
TOTAL	368.80	82.77
31. Additional Notes to the Financial Statements		
(i) Earnings per share	2015	2014
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	9607.73	8785.21
(b) Weighted average number of Ordinary shares outstanding	7,97,62,97,104	7,92,14,54,725*
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	7,54,08,227	9,40,71,139
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b)+(c)]	8,05,17,05,331	8,01,55,25,864
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 12.05	₹ 11.09
– Diluted [(a)/(d)]	₹ 11.93	₹ 10.96

* Includes 87,761 shares issued pursuant to the Scheme of Arrangement [Refer Note 31(x)(c)].

- (ii) Expenditure incurred under Section 135 of the Companies Act, 2013 applicable for the first time in 2014-15 on Corporate Social Responsibility (CSR) activities - ₹ 214.06 Crores comprising employee benefits expense of ₹ 7.61 Crores and other expenses of ₹ 206.45 Crores of which ₹ 12.67 Crores is accrued for payment as on 31st March, 2015. Such CSR expenditure of ₹ 214.06 Crores excludes ₹ 4.97 Crores being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit imposed of 5% of total CSR expenditure laid down under Rule 4(6) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for such expenses.
- (iii) Research and Development expenses for the year amount to ₹ 105.79 Crores (2014 - ₹ 117.18 Crores).
- (iv) Contingent liabilities and commitments:
 - (a) Contingent liabilities
 - (i) Claims against the Company not acknowledged as debts ₹ 404.88 Crores (2014 - ₹ 361.50 Crores). Interest on claims, where applicable, is estimated to be ₹ 153.37 Crores (2014 - ₹ 121.34 Crores). These comprise:
 - Excise duty, VAT / sales taxes and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 314.43 Crores (2014 - ₹ 254.99 Crores). Interest on claims, where applicable, is estimated to be ₹ 135.58 Crores (2014 - ₹ 103.89 Crores).
 - Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 55.32 Crores (2014 - ₹ 63.62 Crores). Interest on claims, where applicable, is estimated to be ₹ 13.47 Crores (2014 - ₹ 12.36 Crores).
 - Third party claims arising from disputes relating to contracts aggregating ₹ 29.05 Crores (2014 - ₹ 37.36 Crores). Interest on claims, where applicable, is estimated to be ₹ 0.14 Crore (2014 - ₹ 1.12 Crores).

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

- Other matters ₹ 6.08 Crores (2014 - ₹ 5.53 Crores). Interest on other matters, where applicable, is estimated to be ₹ 4.18 Crores (2014 - ₹ 3.97 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.

- (ii) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding - ₹ 1.30 Crores (2014 - Nil).

(b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 1432.41 Crores (2014 - ₹ 1528.10 Crores).
- Uncalled liability on shares partly paid ₹ 26.40 Crores (2014 - ₹ 26.40 Crores).

- (v) (a) Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2015 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded	Unfunded		Funded	Unfunded	
I	Components of Employer Expense						
1	Current Service Cost	43.17	25.39	4.49	40.49	23.34	4.47
2	Interest Cost	42.66	18.12	6.18	50.30	20.28	6.62
3	Expected Return on Plan Assets	(48.33)	(18.39)	—	(53.30)	(20.34)	—
4	Curtailment Cost/(Credit)	—	—	—	—	—	—
5	Settlement Cost/(Credit)	—	—	—	—	—	—
6	Past Service Cost	—	—	—	—	—	—
7	Actuarial Losses/(Gains)	(38.67)	12.01	1.26	(7.96)	(4.01)	2.56
8	Total expense recognised in the Statement of Profit and Loss	(1.17)	37.13	11.93	29.53	19.27	13.65
The Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 26.							
II	Actual Returns	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
III	Net Asset / (Liability) recognised in Balance Sheet	87.23	27.65	—	36.97	17.99	—
1	Present Value of Defined Benefit Obligation	615.05	282.51	80.75	571.88	249.86	76.09
2	Fair Value of Plan Assets	663.53	247.57	—	583.78	226.99	—
3	Status [Surplus/(Deficit)]	48.48	(34.94)	(80.75)	11.90	(22.87)	(76.09)
4	Unrecognised Past Service Cost	—	—	—	—	—	—
5	Net Asset / (Liability) recognised in Balance Sheet	48.48	(34.94)	(80.75)	11.90	(22.87)	(76.09)
	– Current	48.48	(34.94)	(16.71)	11.90	(22.87)	(10.12)
	– Non-current	—	—	(64.04)	—	—	(65.97)

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

		For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ 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	571.88	249.86	76.09	612.41	237.87	69.86
2	Current Service Cost	43.17	25.39	4.49	40.49	23.34	4.47
3	Interest Cost	42.66	18.12	6.18	50.30	20.28	6.62
4	Curtailment Cost/(Credit)	—	—	—	—	—	—
5	Settlement Cost/(Credit)	—	—	—	—	—	—
6	Plan Amendments	—	—	—	—	—	—
7	Acquisitions	—	—	—	—	—	—
8	Actuarial (Gains)/Losses	0.23	21.27	1.26	(24.29)	(6.36)	2.56
9	Benefits Paid	(42.89)	(32.13)	(7.27)	(107.03)	(25.27)	(7.42)
10	Present Value of DBO at the end of the year	615.05	282.51	80.75	571.88	249.86	76.09
V	Best Estimate of Employers' Expected Contribution for the next year	73.52	38.29	—	67.85	30.27	—
VI	Change in Fair Value of Assets						
1	Plan Assets at the beginning of the year	583.78	226.99	—	600.65	225.13	—
2	Acquisition Adjustment	—	—	—	—	—	—
3	Expected Return on Plan Assets	48.33	18.39	—	53.30	20.34	—
4	Actuarial Gains/(Losses)	38.90	9.26	—	(16.33)	(2.35)	—
5	Actual Company Contributions	35.41	25.06	—	53.19	9.14	—
6	Benefits Paid	(42.89)	(32.13)	—	(107.03)	(25.27)	—
7	Plan Assets at the end of the year	663.53	247.57	—	583.78	226.99	—
VII	Actuarial Assumptions						
1	Discount Rate (%)	7.75	7.75	7.75	9.00	9.00	9.00
2	Expected Return on Plan Assets (%)	7.75	7.75	—	9.00	9.00	—
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.							
VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2015			As at 31st March, 2014		
1	Government Securities/Special Deposit with RBI	34.57%			33.02%		
2	High Quality Corporate Bonds	28.05%			26.60%		
3	Insurer Managed Funds*	26.96%			29.26%		
4	Mutual Funds	2.72%			2.25%		
5	Cash and Cash Equivalents	4.49%			4.86%		
6	Term Deposits	3.21%			3.65%		
7	Equity	—			0.36%		
* 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.							

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

IX		Basis used to determine the Expected Rate of Return on Plan Assets														
		For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)			For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	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	615.05	282.51	80.75	571.88	249.86	76.09	612.41	237.87	69.86	533.19	211.49	58.62	482.51	181.13	54.59
2	Fair Value of Plan Assets	663.53	247.57	–	583.78	226.99	–	600.65	225.13	–	520.47	220.29	–	479.85	207.08	–
3	Status [Surplus/(Deficit)]	48.48	(34.94)	(80.75)	11.90	(22.87)	(76.09)	(11.76)	(12.74)	(69.86)	(12.72)	8.80	(58.62)	(2.66)	25.95	(54.59)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	19.65	6.29	–	(4.22)	(0.09)	–	13.52	3.54	–	(4.14)	(0.43)	–	4.99	2.55	–
5	Experience Adjustment of obligation [(Gain)/Loss]	(54.42)	11.99	(6.06)	(20.35)	4.85	3.24	(34.52)	1.45	2.31	(18.06)	6.48	0.59	42.85	20.19	8.96

(b) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 26: ₹ 72.29 Crores (2014 - ₹ 66.41 Crores).

(vi) Micro, Small and Medium scale business entities:

A sum of ₹ 24.56 Crores is payable to Micro and Small Enterprises as at 31st March, 2015 (2014 - ₹ 23.25 Crores). There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(vii) The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' under Note 28.

With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
Not later than one year	18.31	17.89
Later than one year and not later than five years	6.74	11.32
Later than five years	0.92	1.47

(viii) Interests in Joint Ventures:

The Company's interest, as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is:

Name	Country of Incorporation	Percentage of ownership interests as at 31st March, 2015	Percentage of ownership interests as at 31st March, 2014
Maharaja Heritage Resorts Limited	India	25%	25%
Espirit Hotels Private Limited	India	26%	26%
Logix Developers Private Limited	India	27.90%	26%

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

The Company's interest in these Joint Ventures is reported as Long Term investments (Note 11) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are:

		As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
I	ASSETS		
	Non-current assets		
1	Fixed assets	98.66	91.16
	a) Tangible assets	44.92	44.94
	b) Intangible assets	...	0.01
	c) Capital work-in-progress - Tangible assets	53.74	46.21
2	Deferred tax assets (Net)	0.29	0.32
3	Long-term loans and advances	0.22	0.33
	Current assets		
4	Current investments	0.19	0.19
5	Trade receivables	0.24	0.22
6	Cash and cash equivalents	1.24	0.14
7	Short-term loans and advances	0.01	0.01
II	LIABILITIES		
	Non-current liabilities		
1	Long-term borrowings	20.91	23.92
2	Long-term provisions	0.01	0.01
	Current liabilities		
3	Trade payables	0.83	0.88
4	Other current liabilities	14.77	5.50
		For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
III	INCOME		
1	Net Revenue from sale of products and services	0.81	0.81
2	Other operating revenue	0.12	0.04
3	Other income	0.03	0.03
IV	EXPENSES		
1	Employee benefits expense	0.59	0.55
2	Depreciation and amortisation expense	0.01	0.01
3	Other expenses	0.28	0.28
4	Tax expense	0.06	0.03
		As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
V	OTHER MATTERS		
1	Capital Commitments	9.30	8.89

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(ix) Derivative Instruments:

The Company uses forward exchange contracts and currency options to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:

a) Forward exchange contracts outstanding as at year end:

		As at 31st March, 2015		As at 31st March, 2014	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	18.94	149.80	48.10	192.50
Euro	US Dollar	14.95	—	28.60	—
AUD	US Dollar	0.08	—	—	—
CAD	US Dollar	—	1.07	—	—
CHF	US Dollar	3.41	—	0.40	—
GBP	US Dollar	0.25	0.90	—	2.20
SEK	US Dollar	1.21	—	—	—
JPY	US Dollar	172.33	—	312.36	—

b) Currency option contracts outstanding as at year end:

		As at 31st March, 2015		As at 31st March, 2014	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	—	—	10.00	15.00

c) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at year end:

		As at 31st March, 2015			As at 31st March, 2014		
Currency	Cross Currency	Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupee	44.10	48.83	(4.73)	62.76	62.70	0.06
Euro	US Dollar	0.80	0.84	(0.04)	2.91	2.46	0.45
GBP	US Dollar	0.75	0.81	(0.06)	0.38	0.87	(0.49)
JPY	US Dollar	3.50	—	3.50	5.46	—	5.46
SEK	US Dollar	0.24	—	0.24	0.77	—	0.77
CHF	US Dollar	0.02	—	0.02	0.11	—	0.11
SGD	US Dollar	0.18	—	0.18	0.50	—	0.50
CAD	US Dollar	—	0.06	(0.06)	—	0.11	(0.11)
AUD	US Dollar	0.06	...	0.06	—	0.10	(0.10)

* Figures in brackets indicate open exports. Figures without brackets indicate open imports.

- (x) The Members of the Company had approved the Scheme of Arrangement on 24th March, 2014 between its subsidiary Wimco Limited ('Wimco') and the Company and their respective shareholders under Sections 391 and 394 read with Sections 78, 80, 100 and other applicable provisions of the Companies Act, 1956 for demerger of the Non-Engineering Business including Safety Matches and Agri (Forestry) Business of Wimco to the Company on a going concern basis with effect from 1st April, 2013.

The Hon'ble High Courts at Bombay and Calcutta had sanctioned the Scheme on 10th April, 2014 and 14th May, 2014, respectively. The Scheme became effective on 27th June, 2014 on filing of the Order of the Hon'ble High Court with the respective Registrars of Companies. Consequent to such filing, Scheme has been given effect to, in the financial statements during the financial year ended 31st March, 2015.

Pavan Poplar Limited and Prag Agro Farm Limited engaged in the business of agro-forestry and other related activities, have become direct subsidiaries of the Company with effect from 27th June, 2014, consequent upon the Scheme becoming effective.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

The accounting of this Arrangement was done as per the Scheme and the same has been given effect to in the financial statements as under:

- the assets and liabilities of the Non-Engineering business of Wimco as at 1st April, 2013 have been taken over at their book values subject to adjustments as specified in the Scheme.
- cancellation of the carrying amount of the Company's investment in Equity amounting to ₹ 113.19 Crores and Preference Shares amounting to ₹ 50.00 Crores of Wimco to the extent attributable to the Non-Engineering business of Wimco.
- in consideration of the above, the Company issued and allotted 87,761 Ordinary Shares of ₹ 1.00 each as fully paid-up to the shareholders of Wimco in the ratio of 2 Ordinary Shares of ₹ 1.00 each of the Company for every 77 Equity Shares of ₹ 1.00 each of Wimco.
- the excess of the value of the net assets of the Non-Engineering business of Wimco over the sum of face value of the shares allotted and cancellation of the Company's investment in Wimco, amounting to ₹ 91.00 Crores was debited to General Reserve. Further, earlier unrecognised net deferred tax assets of ₹ 45.84 Crores on carry forward of business losses and other net timing differences of Wimco have been recognised as an adjustment to revenue reserves.

Further, the loss of ₹ 8.01 Crores for the year from 1st April, 2013 (the appointed date) to 31st March, 2014 has been recognised as an adjustment to the revenue reserves.

The results for the financial year ended 31st March, 2015 reflect the effect of the Scheme. Consequently, the figures for the current year are not strictly comparable.

- (xi) Pursuant to the enactment of the Companies Act 2013, (the 'Act'), the Company has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II of the Act. In respect of assets, whose useful life is exhausted as at 1st April, 2014, the related carrying amount aggregating to ₹ 48.32 Crores (net of deferred tax of ₹ 24.88 Crores) has been adjusted against opening balance of Surplus in the Statement of Profit and Loss. The consequential impact on the depreciation charged to the Statement of Profit and Loss during the year on account of the aforesaid change in useful lives is not material.
- (xii) a) Details of Opening and Closing Stock of Finished Goods (manufactured) and Stock-in-Trade (goods purchased for resale)

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)	
Opening Stock			
Cigarettes	1309.87	1718.32	
Branded Packaged Food Products	212.14	186.21	
Agri Products / Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	251.99	127.36	
Paperboards and Paper	90.06	89.33	
Printed Materials	6.94	8.35	
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	<u>427.01</u>	<u>2298.01</u>	<u>397.22</u> 2526.79
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]			
Others (Safety Matches)	0.40	0.40	— —
Closing Stock			
Cigarettes	1731.54	1309.87	
Branded Packaged Food Products	229.99	212.14	
Agri Products / Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	259.44	251.99	
Paperboards and Paper	114.11	90.06	
Printed Materials	5.02	6.94	
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	<u>553.98</u>	<u>2894.08</u>	<u>427.01</u> 2298.01

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(b) Details of Opening and Closing Stock of Work-in-progress

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)
Opening Stock				
Branded Packaged Food Products	15.69		12.01	
Paperboards and Paper	103.55		113.25	
Printed Materials	15.83		21.30	
Others (Apparel, Personal Care Products etc.)	<u>7.22</u>	142.29	<u>8.46</u>	155.02
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]				
Paperboards and Paper	2.28		–	
Others (Safety Matches)	<u>0.75</u>	3.03	–	–
Closing Stock				
Branded Packaged Food Products	17.94		15.69	
Paperboards and Paper	136.84		103.55	
Printed Materials	20.78		15.83	
Others (Apparel, Personal Care Products etc.)	<u>5.26</u>	180.82	<u>7.22</u>	142.29

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
(xiii) Value of Imports during the year (C.I.F. Basis)		
Raw materials	1429.00	1102.25
Components and spare parts (including stores)	68.92	82.35
Purchase of Trademarks	43.65	–
Capital goods	292.56	729.69
Other goods*	17.98	32.08
TOTAL	<u>1852.11</u>	<u>1946.37</u>

* Includes Goods purchased for resale, Packing Materials, Hotel Consumables and sundry items.

(xiv) Expenditure in Foreign Currency during the year

Professional fees	24.68	37.23
Hotel reservation / Marketing expenses	30.45	35.62
Export promotion expenses	5.66	6.70
Agency commission	10.13	8.33
Interest	2.39	–
Licence fees	5.04	2.99
Miscellaneous expenditure*	38.29	36.11
TOTAL	<u>116.64</u>	<u>126.98</u>

* Includes Advertisement / Sales promotion, Training, Subscription fees etc.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

- (xv) Value of Raw materials, Spare parts and Components consumed during the year

	(Percentage)		For the year ended 31st March, 2015 ₹ in Crores	For the year ended 31st March, 2014 (₹ in Crores)
	2015	2014		
Raw materials (including packing material)				
Imported	13.86	12.18	1523.07	1249.66
Indigenous	86.14	87.82	9464.76	9013.62
TOTAL	100.00	100.00	10987.83	10263.28
Spare parts and Components				
Imported	28.59	36.15	66.13	85.77
Indigenous	71.41	63.85	165.20	151.52
TOTAL	100.00	100.00	231.33	237.29

- (xvi) Dividend remittance in foreign currency

Year of Remittance	On Account of Financial Year	No. of Non-Resident Shareholders	No. of Shares held	(₹ in Crores)
2014/2015	2013/2014	53	2,43,48,32,720	1460.90
2013/2014	2012/2013	53	2,43,74,10,523	1279.64

- (xvii) Earnings in foreign exchange during the year

	For the year ended 31st March, 2015 ₹ in Crores	For the year ended 31st March, 2014 (₹ in Crores)
Export of Goods (F.O.B.)	4253.18	3743.69
Hotel earnings	779.01	496.41
Freight and Insurance recoveries	42.46	28.30
Interest	—	3.25
Dividend	12.37	13.05
Other earnings*	8.97	5.68
TOTAL	5095.99	4290.38

* Consist of finance and storage charges and sundry recoveries.

- (xviii) Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required during the financial year ended 31st March, 2014, based on a favourable High Court Order (Refer Notes 27 and 28). Segment Results of FMCG-Cigarettes and Finance Costs include the effects of such write back (Refer Note 32) during the financial year ended 31st March, 2014.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(xix) Information regarding Employee Stock Option Scheme :

<p>1) Method used to account for share-based payment plans :</p> <p>2) Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan :</p>	<p>The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2014-15 is Nil.</p> <p>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 (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010.</p> <p>The vesting period for conversion of Options is as follows:</p> <ul style="list-style-type: none"> • 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 <p>The Company granted 68,26,355 Options during 2014-15 (2014 - 67,90,925) to the eligible employees of the Company and some of its subsidiary companies.</p> <p>The Pricing Formula, as approved by the Shareholders of the Company, is such price which is no lower than the closing price of the Company's Share on the 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 erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as determined by the Nomination & Compensation Committee.</p> <p>The Options have been granted at 'market price' as defined from time to time under the aforesaid Guidelines.</p> <p>In the financial year 2014-15, Options were granted at ₹ 3572.00 per Option.</p>
---	--

3) Summary of the status of Options :

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of options	Weighted Average Exercise Prices (₹)	No. of options	Weighted Average Exercise Prices (₹)
Outstanding at the beginning of the year	2,65,81,347	2120.63	2,50,68,082	1731.31
Add: Granted during the year	68,26,355	3572.00	67,90,925	2979.00
Less: Lapsed during the year	2,47,678	2753.48	1,42,676	2458.95
Less: Exercised during the year	62,24,883	1572.39	51,34,984	1345.82
Outstanding at the end of the year	2,69,35,141	2609.34	2,65,81,347	2120.63
Options exercisable at the end of the year	1,30,61,292	2003.27	1,31,43,768	1572.58

- 4) The Options were exercised throughout the year and weighted average share price of Shares arising upon exercise of Options, 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) for the year ended 31st March, 2015 was ₹ 357.59 (31st March, 2014 - ₹ 333.70).

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

- 5) Summary of Options outstanding, scheme-wise:

Particulars	As at 31st March, 2015			As at 31st March, 2014																					
	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted average remaining contractual life																			
ITC Employee Stock Option Scheme (introduced in 2001)	4,22,036	2023.50	1.41	9,01,030	2023.50	2.41																			
ITC Employee Stock Option Scheme 2006	54,26,488	830.50 - 3572.00	2.38	95,45,929	830.50 - 2979.00	3.09																			
ITC Employee Stock Option Scheme 2010	2,10,86,617	2023.50 - 3572.00	5.32	1,61,34,388	2023.50 - 2979.00	5.70																			
6) 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 significant assumptions used to ascertain the above.	<p>The fair value of each Option is estimated using the Black Scholes Option Pricing model.</p> <p>Weighted average exercise price per Option : ₹ 3572.00</p> <p>Weighted average fair value per Option : ₹ 894.52</p> <p>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:</p> <table> <tr> <td>(i) Risk-free interest rate</td> <td>8.53%</td> </tr> <tr> <td>(ii) Expected life</td> <td>3.18 years</td> </tr> <tr> <td>(iii) Expected volatility</td> <td>23.29%</td> </tr> <tr> <td>(iv) Expected dividends</td> <td>1.82%</td> </tr> <tr> <td>(v) The price of the underlying shares in market at the time of Option grant (<i>One Option = 10 Ordinary Shares</i>)</td> <td>₹ 3592.50</td> </tr> </table>						(i) Risk-free interest rate	8.53%	(ii) Expected life	3.18 years	(iii) Expected volatility	23.29%	(iv) Expected dividends	1.82%	(v) The price of the underlying shares in market at the time of Option grant (<i>One Option = 10 Ordinary Shares</i>)	₹ 3592.50									
(i) Risk-free interest rate	8.53%																								
(ii) Expected life	3.18 years																								
(iii) Expected volatility	23.29%																								
(iv) Expected dividends	1.82%																								
(v) The price of the underlying shares in market at the time of Option grant (<i>One Option = 10 Ordinary Shares</i>)	₹ 3592.50																								
7) 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.																									
8) Difference between the employee compensation cost so computed at (1) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options.	<p>₹ 529.44 crores</p>																								
9) The impact of this difference on profits and on Earnings Per Share of the Company.	<p>The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:</p> <table> <thead> <tr> <th>Profit After Tax</th> <th>₹ in Crores</th> </tr> </thead> <tbody> <tr> <td>As reported</td> <td>9607.73</td> </tr> <tr> <td>Add: Intrinsic Value Compensation Cost</td> <td>Nil</td> </tr> <tr> <td>Less: Fair Value Compensation Cost (Black Scholes model)</td> <td>529.44</td> </tr> <tr> <td>Adjusted Profit</td> <td>9078.29</td> </tr> <tr> <th>Earnings Per Share</th> <th>Basic (₹)</th> <th>Diluted (₹)</th> </tr> <tr> <td>As reported</td> <td>12.05</td> <td>11.93</td> </tr> <tr> <td>As adjusted</td> <td>11.38</td> <td>11.27</td> </tr> </tbody> </table>						Profit After Tax	₹ in Crores	As reported	9607.73	Add: Intrinsic Value Compensation Cost	Nil	Less: Fair Value Compensation Cost (Black Scholes model)	529.44	Adjusted Profit	9078.29	Earnings Per Share	Basic (₹)	Diluted (₹)	As reported	12.05	11.93	As adjusted	11.38	11.27
Profit After Tax	₹ in Crores																								
As reported	9607.73																								
Add: Intrinsic Value Compensation Cost	Nil																								
Less: Fair Value Compensation Cost (Black Scholes model)	529.44																								
Adjusted Profit	9078.29																								
Earnings Per Share	Basic (₹)	Diluted (₹)																							
As reported	12.05	11.93																							
As adjusted	11.38	11.27																							

(xx) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes to the Financial Statements

32. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	2015			2014		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
1. Segment Revenue						
FMCG - Cigarettes	30452.38	—	30452.38	29076.48	—	29076.48
FMCG - Others	9028.27	9.73	9038.00	8111.98	9.82	8121.80
FMCG - Total	39480.65	9.73	39490.38	37188.46	9.82	37198.28
Hotels	1173.55	13.46	1187.01	1121.45	11.40	1132.85
Agri Business	5672.07	2708.41	8380.48	5130.09	2621.96	7752.05
Paperboards, Paper and Packaging	3638.55	1643.02	5281.57	3272.62	1893.42	5166.04
Segment Total	49964.82	4374.62	54339.44	46712.62	4536.60	51249.22
Eliminations			(4374.62)			(4536.60)
Gross Revenue from sale of products and services	49964.82					46712.62
2. Segment Results						
FMCG - Cigarettes [Refer Note 31(xviii)]			11196.27			10015.91
FMCG - Others			34.08			21.82
FMCG - Total	11230.35			10037.73		
Hotels			49.08			139.71
Agri Business			903.97			834.78
Paperboards, Paper and Packaging			921.48			892.46
Segment Total	13104.88			11904.68		
Eliminations			(60.12)			(115.70)
Consolidated Total	13044.76			11788.98		
Unallocated corporate expenses net of unallocated income			512.40			226.55
Profit before interest etc. and taxation	12532.36			11562.43		
Finance costs [Refer Note 31(xviii)]			57.42			2.95
Interest earned on loans and deposits, income from current and long-term investments, profit and loss on sale of investments etc. - Net			1522.58			1099.63
Profit before tax	13997.52			12659.11		
Tax expense			4389.79			3873.90
Profit for the year	9607.73			8785.21		
3. Other Information						
	Segment Assets		Segment Liabilities*		Segment Assets	Segment Liabilities*
FMCG - Cigarettes	8004.99		2186.41		7811.97	2106.49
FMCG - Others	4849.14		861.29		4216.13	832.60
FMCG - Total	12854.13		3047.70		12028.10	2939.09
Hotels [Refer Note 10(8)]	4654.05		353.09		3917.15	291.76
Agri Business	2650.59		691.75		2908.63	856.19
Paperboards, Paper and Packaging	5921.98		496.07		5863.48	544.40
Segment Total	26080.75		4588.61		24717.36	4631.44
Unallocated Corporate Assets/Liabilities	18582.65		9339.10		14956.53	8780.43
Total	44663.40		13927.71		39673.89	13411.87
	Capital expenditure		Depreciation and amortisation		Non Cash expenditure other than depreciation	
FMCG - Cigarettes	533.49	247.51	3.21		799.81	256.38
FMCG - Others	671.53	177.61	20.15		461.10	143.16
FMCG - Total	1205.02	425.12	23.36		1260.91	399.54
Hotels [Refer Note 10(8)]	956.93	190.30	3.27		282.86	125.48
Agri Business	214.42	48.75	2.82		84.35	37.63
Paperboards, Paper and Packaging	154.14	231.95	6.87		662.90	295.28
Segment Total	2530.51	896.12	36.32		2291.02	857.93
* Segment Liabilities of FMCG - Cigarettes is before considering ₹ 629.98 Crores (2014 - ₹ 667.98 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.						

Notes to the Financial Statements

32. Segment Reporting (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

	2015	2014
1. Segment Revenue		
– Within India	45454.05	42667.06
– Outside India	4510.77	4045.56
Total	49964.82	46712.62
2. Segment Assets		
– Within India	26080.75	24715.09
– Outside India	–	2.27
Total	26080.75	24717.36
3. Capital Expenditure		
– Within India	2530.51	2291.02
– Outside India	–	–
Total	2530.51	2291.02

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 four business groups: FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following:
 - FMCG : Cigarettes – Cigarettes, Cigars etc.
 - : Others – Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods etc.); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
 - Hotels – Hoteliering.
 - Paperboards, Paper and Packaging – Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
 - Agri Business – Agri commodities such as soya, spices, coffee and leaf tobacco.
- (3) The geographical segments considered for disclosure are:
 - Sales within India.
 - Sales outside India.
- (4) Segment results of 'FMCG: Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- (5) The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.
- (6) The Segment Results for Hotels are after considering an incremental charge of ₹ 57.72 Crores for the twelve months ended 31st March, 2015 towards depreciation from the review and revision of estimated useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013. The impact of such revision on the results of all other reported Segments is not material [Refer Note 31(xi)].

Notes to the Financial Statements

33. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS:

i) Subsidiaries:

- a) Srinivasa Resorts Limited
 - b) Fortune Park Hotels Limited
 - c) Bay Islands Hotels Limited
 - d) WelcomHotels Lanka (Private) Limited, Sri Lanka
 - e) Landbase India Limited
 - f) Russell Credit Limited and its subsidiary
Greenacre Holdings Limited
 - g) Technico Pty Limited, Australia and its subsidiaries
Technico Agri Sciences Limited
Technico Technologies Inc., Canada
Technico Asia Holdings Pty Limited, Australia and its subsidiary
Technico Horticultural (Kunming) Co. Limited, China
 - h) Wimco Limited
 - i) Pavan Poplar Limited ¹
 - j) Prag Agro Farm Limited ¹
 - k) ITC Infotech India Limited and its subsidiaries
ITC Infotech Limited, UK
ITC Infotech (USA), Inc. and its subsidiary
Pyxis Solutions, LLC, USA
 - l) Wills Corporation Limited
 - m) Gold Flake Corporation Limited
 - n) ITC Investments & Holdings Limited and its subsidiary
MRR Trading & Investment Company Limited (w.e.f. 30.03.2015)
 - o) Surya Nepal Private Limited
 - p) King Maker Marketing, Inc., USA
 - q) BFIL Finance Limited and its subsidiary
MRR Trading & Investment Company Limited (upto 29.03.2015)
 - r) North East Nutrients Private Limited
- The above list does not include ITC Global Holdings Pte. Limited, Singapore (in liquidation)

¹ Pursuant to the Scheme of Arrangement [Refer Note 31(x)]

ii) Other entities under control of the Company:

- a) ITC Sangeet Research Academy
- b) ITC Education Trust
- c) ITC Rural Development Trust

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
 - being associates of the Company, and
- c) Tobacco Manufacturers (India) Limited, UK
 - of which the Company is an associate.

Associates of the Company's subsidiaries

- a) Russell Investments Limited
- b) Classic Infrastructure & Development Limited
- c) Divya Management Limited
- d) Antrang Finance Limited
 - being associates of Russell Credit Limited, and
- e) ATC Limited
 - being associate of Gold Flake Corporation Limited

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) Espirit Hotels Private Limited
- c) Logix Developers Private Limited

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

Joint Venture of the Company's subsidiary

- a) ITC Essentra Limited
 - being joint venture of Gold Flake Corporation Limited
- ii) a) **Key Management Personnel:**

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhabale	Executive Director
K. N. Grant	Executive Director
A. Baijal ²	Non-Executive Director
S. Banerjee ¹	Non-Executive Director (w.e.f. 24.07.2014)
A. Duggal ²	Non-Executive Director (w.e.f. 15.09.2014)
S. H. Khan ²	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director
R. Lerwill	Non-Executive Director
S. B. Mainak	Non-Executive Director (w.e.f. 25.04.2014)
S. B. Mathur ²	Non-Executive Director
P. B. Ramanujam ²	Non-Executive Director
S. S. H. Rehman ²	Non-Executive Director
A. Ruys	Non-Executive Director (ceased w.e.f. 24.07.2014)
M. Shankar ²	Non-Executive Director
K. Vaidyanath	Non-Executive Director

¹ Appointed as Independent Director w.e.f. 30.07.2014

² Appointed as Independent Director w.e.f. 15.09.2014

Members - Corporate Management Committee

- B. B. Chatterjee
- A. Nayak
- S. Puri (w.e.f. 01.11.2014)
- T. V. Ramaswamy
- S. Sivakumar
- K. S. Suresh
- R. Tandon

b) Relatives of Key Management Personnel:

- Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
- Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)
- Mrs. S. Rehman (wife of Mr. S. S. H. Rehman)

iii) Employee Trusts where there is significant influence:

- a) IATC Provident Fund
- b) IATC Staff X Provident Fund (merged with IATC Provident Fund w.e.f. 01.08.2014)
- c) ITC Defined Contribution Pension Fund
- d) ITC Management Staff Gratuity Fund
- e) ITC Employees Gratuity Fund
- f) ITC Gratuity Fund 'C'
- g) ITC Pension Fund
- h) ILTD Seasonal Employees Pension Fund
- i) ITC Platinum Jubilee Pension Fund
- j) Tribeni Tissues Limited Gratuity Fund
- k) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- l) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- m) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- n) ITC Hotels Limited Employees Superannuation Scheme

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2015

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists						Key Management Personnel	Relatives of Key Management Personnel	Employee Trusts	Total
	Subsidiaries	Others	Associates	Joint Ventures	2014	2015				
1. Sale of Goods/Services	259.46	256.59	0.01	—	0.32	0.80	9.84	8.12	—	269.63
2. Purchase of Goods/Services	135.88	250.18	—	—	85.69	88.49	302.99	272.22	—	524.56
3. Acquisition cost of Fixed Assets	2.11	5.69	—	—	—	0.53	0.88	—	2.11	5.69
4. Sale of Fixed Assets/Scraps	—	1.12	—	—	—	—	—	—	0.53	2.00
5. Investments Purchased from Subsidiary ¹	—	1.69	—	—	—	—	—	—	—	1.69
6A. Investment in Subsidiaries/Joint Ventures	88.79	85.40	—	—	—	—	3.87	1.24	—	92.66
6B. Conversion of Loan to Equity	—	422.96	—	—	—	—	—	—	—	422.96
7. Interest Income	11.62	15.81	—	—	—	—	—	—	—	11.62
8. Remuneration to Key Management Personnel	—	—	—	—	—	—	—	—	—	15.93
- Directors	—	—	—	—	—	—	—	—	—	—
- Others	—	—	—	—	—	—	—	—	—	—
9. Rent Received	19.47	6.49	—	—	1.29	0.47	—	—	—	—
10. Rent Paid	5.08	8.17	—	—	3.20	3.37	—	—	—	—
11. Remuneration of Managers on Deputation reimbursed	5.42	4.39	0.19	0.19	3.66	3.66	—	—	—	—
12. Remuneration of Managers on Deputation recovered	13.21	11.52	—	—	4.56	4.32	1.30	1.18	—	—
13. Expenditure towards Corporate Social Responsibility	—	—	—	—	—	—	—	—	—	—
14. Contribution to Employees' Benefit Plans	—	21.00	—	—	—	—	—	—	—	—
15. Dividend Income	347.37	208.81	—	—	0.73	0.73	—	—	—	—
16. Dividend Payments	—	—	—	—	1191.34	1042.42	—	—	—	—
17. Expenses Recovered	13.54	17.84	0.02	0.02	0.74	0.84	0.43	0.40	—	—
18. Expenses Reimbursed	—	8.01	7.15	0.06	0.03	0.51	0.12	0.17	—	—
19. Loan Given	—	—	—	—	—	—	—	—	—	—
[Acquired pursuant to Scheme of Arrangement - Refer Note 31(x)]	8.40	—	—	—	—	—	—	—	—	—
20. Receipt towards Loan Repayment	62.90	8.90	—	—	—	—	—	—	—	—
21. Loan Taken	—	—	—	—	—	—	—	—	—	—
[Acquired pursuant to Scheme of Arrangement - Refer Note 31(x)]	2.00	—	—	—	—	—	—	—	—	—
22. Advances Given during the year	—	5.66	—	—	0.02	0.02	—	—	—	—
23. Adjustment/Receipt towards Refund of Advances	1.95	27.15	—	—	—	—	—	—	—	—
24. Advances Received during the year	128.28	100.15	—	—	—	—	—	—	—	—
25. Adjustment/Payment towards Refund of Advances	105.86	116.79	—	—	—	—	—	—	—	—
26. Deposit Received during the year	—	—	—	—	—	—	—	—	—	—
27. Deposits Given during the year	—	5.08	—	—	—	—	—	—	—	—
28. Adjustment/Receipt towards Refund of Deposits	50.35	5.00	—	—	—	—	—	—	—	—
29. Balances as at 31st March	—	—	—	—	—	—	—	—	—	—
i) Receivables	31.46	34.86	0.87	1.00	3.62	3.44	—	—	—	—
ii) Advances Given	—	1.95	—	—	0.02	—	—	—	—	—
iii) Loans Given	76.02	130.52	—	—	—	—	—	—	—	—
iv) Deposits Given	2.60	52.95	0.10	0.10	—	—	—	—	—	—
v) Loan Taken	—	2.00	—	—	—	—	—	—	—	—
vi) Advance Taken	146.37	123.95	—	—	—	—	—	—	—	—
vii) Deposit Taken	—	—	—	—	—	—	—	—	—	—
viii) Payables	—	—	—	—	—	—	—	—	—	—
ix) Investment in Non-Convertible Debentures	3.04	1.28	0.10	0.10	8.41	5.60	4.73	2.22	—	—
30. Provision for Subsidiary as at 31st March	15.00	15.00	—	—	—	—	—	—	—	—
	55.95	47.55	—	—	—	—	—	—	—	—

¹ Unquoted investments purchased, at cost, during the year from subsidiary Nil (2014 – ₹ 1.69 Crores).

Also refer the Scheme of Arrangement between Wimco Limited, a Subsidiary Company and the Company [Refer Note 31(x)].

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES

(Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY		2015	2014	RELATED PARTY TRANSACTIONS SUMMARY		2015	2014
1. Sale of Goods / Services Surya Nepal Private Limited King Maker Marketing, Inc.	225.22 28.65	229.43 21.69		12. Remuneration of Managers on Deputation recovered Srinivasa Resorts Limited Fortune Park Hotels Limited ITC Infotech India Limited ATC Limited	5.73 2.95 2.39 3.12	3.88 2.91 3.06 3.14	
2. Purchase of Goods / Services ITC Infotech India Limited Wimco Limited International Travel House Limited ITC Essentia Limited	129.36 — 61.67 302.73	111.88 133.66 66.19 271.98		13. Expenditure towards Corporate Social Responsibility ITC Sangeet Research Academy	21.00	—	
3. Acquisition cost of Fixed Assets Wimco Limited	2.08	5.57		14. Contribution to Employees' Benefit Plans ITC Provident Fund ITC Defined Contribution Pension Fund ITC Pension Fund ITC Management Staff Gratuity Fund	23.95 15.27 31.64 47.12	23.44 13.14 6.55	
4. Sale of Fixed Assets / Scraps ATC Limited Srinivasa Resorts Limited	0.53	0.88 —	1.12	15. Dividend Income Surya Nepal Private Limited ITC Infotech India Limited Russell Credit Limited	148.54 76.68 90.51	128.49 — 65.00	
5. Investments Purchased from Subsidiary Russell Credit Limited	—	1.69		16. Dividend Payments Tobacco Manufacturers (India) Limited, UK	1191.34	1042.42	
6A. Investment in Subsidiaries / Joint Ventures Landbase India Limited WelcomHotels Lanka (Private) Limited North East Nutrients Private Limited	28.00 24.06 36.73	50.00 24.02 11.38		17. Expenses Recovered Surya Nepal Private Limited ITC Infotech India Limited Srinivasa Resorts Limited	2.55 7.49 1.71	3.04 9.06 3.32	
6B. Conversion of Loan to Equity WelcomHotels Lanka (Private) Limited	—	422.96		18. Expenses Reimbursed Srinivasa Resorts Limited Landbase India Limited Wimco Limited ITC Infotech (USA), Inc.	1.08 4.87 1.09 0.15	1.78 1.11 1.76 0.99	
7. Interest Income BFIL Finance Limited WelcomHotels Lanka (Private) Limited	4.28	—	3.25	19. Loan Given Prag Agro Farm Limited Pavan Poplar Limited	8.40	—	
8. Remuneration to Key Management Personnel – Directors & Others Mr. Y. C. Devesthwar	7.34	12.56	13.68	20. Receipt towards Loan Repayment Surya Nepal Private Limited	62.90	8.90	
9. Rent Received Srinivasa Resorts Limited ITC Infotech India Limited Surya Nepal Private Limited	— 15.41 3.81	— 1.64 2.36	13.85	21. Loan Taken Wimco Limited Pavan Poplar Limited	2.00	—	
10. Rent Paid Bay Islands Hotels Limited Wimco Limited Landbase India Limited Gujarat Hotels Limited Technico Agri Sciences Limited	1.29 — 1.97 3.20 1.05	1.46 — — 3.37 1.04	1.46 4.24	22. Advances Given during the year Wimco Limited	—	—	
11. Remuneration of Managers on Deputation reimbursed Bay Islands Hotels Limited Landbase India Limited Gujarat Hotels Limited Fortune Park Hotels Limited ITC Infotech India Limited Landbase India Limited Technico Agri Sciences Limited	0.97 3.44 1.34 0.94 1.23 0.95	1.17 3.42 0.40 0.84 1.11 0.87	1.04	23. Adjustment/Receipt towards Refund of Advances Wimco Limited	1.95	27.15	
				24. Advances Received during the year Surya Nepal Private Limited	—	5.66	
				25. Adjustment/Payment towards Refund of Advances Surya Nepal Private Limited	—	100.15	
				26. Deposit Received during the year International Travel House Limited	—	116.79	
					—	0.01	

1 Interest@12% p.a. for funding its capital expenditure requirements and for general business purposes.
2 Repayable by 31/03/2016 with a repayment option. The maximum indebtedness during the year was ₹ 97.97 Crores (2014 - ₹ 106.88 Crores).
3 The maximum indebtedness during the year was ₹ 32.55 Crores (2014 - ₹ 32.55 Crores).
4 Interest free loan for business purposes; acquired pursuant to the Scheme of Arrangement (Refer Note 31(x)). The maximum indebtedness during the year was ₹ 8.40 Crores (2014 - Nil).
5 The maximum indebtedness during the year was ₹ 50.35 Crores (2014 - ₹ 50.35 Crores).
6 The maximum indebtedness during the year was ₹ 0.12 Crore (2014 - ₹ 0.12 Crore).
7 The maximum indebtedness during the year was ₹ 22.24 Crores (2014 - ₹ 22.24 Crores).
8 The maximum indebtedness during the year was ₹ 0.24 Crore (2014 - ₹ 0.24 Crore).
9 The maximum indebtedness during the year was ₹ 0.10 Crore (2014 - ₹ 0.10 Crore).
10 Interest free loan taken pursuant to the Scheme of Arrangement [Refer Note 31(x)].

Notes to the Financial Statements

34. Significant Accounting Policies

IT IS CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

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 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation/enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 other than Intangible (Know-how, Business and Commercial Rights, Trademarks), which are amortised over the estimated period of benefit or contractual terms, as applicable. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

Revaluation of Assets

As and when Fixed Assets are revalued, to transfer to Revaluation Reserve the increase in the net book value of such Fixed Assets arising on revaluation. To account for the depreciation on such revalued Fixed Assets over the unexpired useful life of such Fixed Assets; to transfer to General Reserve the amount standing to the credit of Revaluation Reserve on account of a revalued asset that is retired/derecognised.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price 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 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 amortisation or depreciation) had no impairment loss been recognised in previous years.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Inventories

To state inventories including work-in-progress 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 its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue from sale of products and services

To recognise Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales Tax/Value added tax recovered from customers but including excise duty on goods payable by the Company. Net revenue is stated after deducting such excise duty.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account as proposed by the Directors, pending approval at the Annual General Meeting.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue including any shortfall in interest between

Notes to the Financial Statements

34. Significant Accounting Policies (Contd.)

the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of India. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard - 15 on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in Statement of Profit and Loss as income or expense.

To charge against revenue, actual disbursements made, when due, under the Workers' Voluntary Retirement Scheme.

Lease Rentals

To charge Rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

To recognise rental income on assets given on operating lease on an accrual basis over the lease term in the Statement of Profit and Loss.

Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred.

Capital expenditure on Research and Development is included under Tangible Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognised in the Statement of Profit and Loss.

To account for differences between the forward exchange rates and the exchange rates at the inception of forward exchange contracts (other than those designated as cash

flow hedges), as income or expense over the life of the contracts.

To account for gains/losses arising on cancellation or renewal of forward exchange contracts (other than those designated as cash flow hedges) as income/expense for the period.

To apply the principles of hedge accounting as set out in Accounting Standard - 30 "Financial Instruments: Recognition and Measurement" to those forward exchange contracts and currency options that are designated as cash flow hedges and, accordingly, to account for the changes in the fair value of such contracts, to the extent that they are effective, directly in the Hedging Reserve Account, and to take the ineffective portion to the Statement of Profit and Loss. To recognize in the Statement of Profit and Loss the balance in the Hedging Reserve Account when the hedged item affects the profit or loss.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of forward exchange contracts and currency options, other than those designated as cash flow hedges, as at the Balance Sheet date, and to ignore the net gain, if any.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

Claims

To disclose claims against the Company not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, provide financial and cost information appropriate to the businesses and facilitate Internal Control.

On behalf of the Board

K. N. GRANT	Director	Y. C. DEVESHWAR	Chairman
R. TANDON	Chief Financial Officer	B. B. CHATTERJEE	Company Secretary
Kolkata			
22nd May, 2015			

Independent Auditors' Report

to the Members of ITC Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **ITC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards

require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act,

Independent Auditors' Report

we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

8. As required by Section 143(3) of the Act, we report 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) 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, 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 financial statements in accordance with the generally accepted accounting practice – also refer Note 31(iv)(a)(i) to the 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.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Kolkata,
22nd May, 2015

Shyamak R Tata
Partner
(Membership No. 38320)

Annexure to the Independent Auditors' Report

(Referred to in paragraph 7 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of its fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets 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 fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
 - (a) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with section 73 and 76 of the Companies Act 2013 does not arise. 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. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion:
 - (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities.
 - (b) As at 31st March, 2015, the following are the particulars of dues on account of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any dispute:

Name of the statute	Nature of the dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending		
			Various years covering the period			
Sales Tax and Value Added Tax Laws	Sales tax and VAT	37.58	1987-2015	Appellate Authority – upto Commissioners'/ Revisional authorities level		
		18.36	1994-2014	Appellate Authority – Tribunal level		
		221.83	2000-2011	High Court		
Customs Act, 1962	Customs duty	0.09	2010-2014	Appellate Authority – upto Commissioners'/ Revisional authorities level		
		1.74	2005-2007	Appellate Authority – Tribunal level		
Central Excise Act, 1944	Excise duty	29.85	1996-2014	Appellate Authority – upto Commissioners'/ Revisional authorities level		
		88.23	1973-2014	Appellate Authority – Tribunal level		
		4.10	2005-2010	High Court		
Finance Act, 1994	Service tax	1.32	2006-2012	Appellate Authority – upto Commissioners'/ Revisional authorities level		
		46.88	2004-2011	Appellate Authority – Tribunal level		
Income-tax Act, 1961	Income-tax	89.61	2005-2011	Appellate Authority – upto Commissioners'/ Revisional authorities level		
		26.61	1999-2007	Appellate Authority – Tribunal level		

Out of the total disputed dues aggregating ₹ 566.20 Crores as above, ₹ 355.67 Crores has been stayed for recovery by the relevant authorities.

- (c) The Company has been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or to debenture holders during the year.
- (x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Company.
- (xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)
Shyamak R Tata
Partner
(Membership No. 38320)

Guide to Subsidiaries/Joint Ventures/Associates

Subsidiaries of ITC Limited

Russell Credit Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Investment company. Its activities are primarily confined to making long term investments in strategic thrust areas for ITC, namely FMCG, Hotels & Tourism, Paper, Paperboards & Packaging, Agri Business and Information Technology.

Subsidiary

Greenacre Holdings Limited, a wholly owned subsidiary, is engaged in property infrastructure maintenance.

Gold Flake Corporation Limited & Wills Corporation Limited

Shareholding

100% held by ITC Limited.

Nature of Business

General trading.

Joint Venture

ITC Essentra Limited, (formerly known as ITC Filtrona Limited) India, is a 50% joint venture of Gold Flake Corporation Limited with Essentra Filter Products International Limited, UK.

Nature of Business

Manufacture and sale of cigarette filter rods.

ITC Investments & Holdings Limited (IIHL)

Shareholding

100% held by ITC Limited.

Nature of Business

Investment company.

Subsidiary

IIHL owns 100% of the shareholding of MRR Trading & Investment Company Limited (MRR), which provides estate management services.

Landbase India Limited

Shareholding

100% held by ITC Limited.

Nature of Business

Hospitality, real estate development and management of golf resorts.

The Company owns the Classic Golf & Country Club, a 27-hole international signature golf course, designed by Jack Nicklaus and ITC Grand Bharat Hotel which is licensed to and operated by ITC Limited.

BFIL Finance Limited (BFIL)

Shareholding

100% held by ITC Limited.

The Company became a subsidiary consequent to the amalgamation of erstwhile ITC Bhadrachalam Paperboards Limited with ITC Limited.

Nature of Business

It was originally promoted as a financial services company. It is currently engaged only in recovery of its dues.

Subsidiary

BFIL owned 100% of the shareholding of MRR Trading & Investment Company Limited till 29th March, 2015. On 30th March, 2015, BFIL sold the 100% shareholding in MRR. Accordingly, MRR has ceased to be a subsidiary with effect from 30th March, 2015.

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 Limited, UK and

ITC Infotech (USA), Inc.

ITC Infotech (USA), Inc. owns 100% of Pyxis Solutions, LLC, a New York Limited Liability Company.

These subsidiaries are engaged in marketing and sales activities and provide IT services.

Surya Nepal Private Limited

Shareholding

59% held by ITC Limited.

Nature of Business

Manufacture and sale of cigarettes and in the business of garments, matches and agarbatti.

Srinivasa Resorts Limited

Shareholding

68% held by ITC Limited.

Nature of Business

The Company owns the hotel "ITC Kakatiya" at Hyderabad, for which operating services are rendered by ITC Limited.

Fortune Park Hotels Limited

Shareholding

100% held by ITC Limited.

Nature of Business

The Company is in the business of operating hotels in the mid-market to upscale segment under its hospitality brands for the same. It currently operates 46 properties.

Bay Islands Hotels Limited

Shareholding

100% held by ITC Limited.

Nature of Business

The Company owns the hotel "Fortune Resort Bay Island" at Port Blair, which is licensed to ITC Limited and is operated by Fortune Park Hotels Limited under an Operating and Marketing Services Agreement.

WelcomHotels Lanka (Private) Limited, Sri Lanka

Shareholding

100% held by ITC Limited.

Nature of Business

The Company is in the process of developing a plot of land in Colombo for a mixed use development project including a luxury hotel.

King Maker Marketing, Inc., USA

Shareholding

100% held by ITC Limited.

Nature of Business

Primarily engaged in distribution of cigarettes in the USA.

Wimco Limited

Shareholding

98.21% held by ITC Limited.

Nature of Business

Wimco Limited is engaged primarily in the manufacture of packaging machinery, viz. tubefillers, cartoners, conveyor systems etc.

Technico Pty Limited, Australia (Technico)

Shareholding

100% held by ITC Limited.

Nature of Business

An agri-biotechnology company primarily engaged in rapid multiplication of seed potatoes with TECHNITUBER® technology.

Subsidiaries

Technico has three wholly owned subsidiaries, namely Technico Agri Sciences Limited, India, Technico Technologies Inc., Canada and Technico Asia Holdings Pty Limited, Australia.

Technico Asia Holdings Pty Limited, Australia, has a wholly owned subsidiary, Technico Horticultural (Kunming) Company Limited, China.

These companies support Technico in the production and commercialisation of seed potato technology in different geographies.

North East Nutrients Private Limited

Shareholding

76% held by ITC Limited.

Nature of Business

The Company is in the process of setting up a food processing facility in Assam to cater to the market for packaged food products in Assam and other North Eastern States.

Pavan Poplar Limited & Prag Agro Farm Limited

Shareholding

100% held by ITC Limited (with effect from 27th June, 2014, consequent to the merger of Wimco Limited's non-engineering business with ITC Limited).

Nature of Business

The Company is engaged in the business of agro-forestry and other related activities.

Joint Ventures of ITC Limited

Maharaja Heritage Resorts Limited

Maharaja Heritage Resorts Limited, where ITC Limited has an ownership interest of 50% (25% held through Russell Credit Limited, a 100% subsidiary of the Company), is a joint venture with Jodhana Heritage Resorts Private Limited.

Nature of Business

The joint venture company currently operates 34 hotel properties spread across 13 states under 3 brands namely "Legend Hotels", "WelcomHeritage Hotels" and "Nature Resorts".

Espirit Hotels Private Limited

ITC Limited holds 26% in Espirit Hotels Private Limited.

Nature of Business

The joint venture company is in the process of developing a luxury hotel complex at Begumpet, Hyderabad.

Logix Developers Private Limited

ITC Limited holds 27.90% in Logix Developers Private Limited.

Nature of Business

The joint venture company is in the process of developing a luxury hotel-cum-serviced apartment complex at Noida, UP.

Major Associates of the Group

Gujarat Hotels Limited

ITC Limited holds 45.78% in Gujarat Hotels Limited.

Nature of Business

The Company owns the "WelcomHotel Vadodara" at Vadodara which is operated by ITC Limited under an Operating Licence Agreement.

International Travel House Limited

ITC Limited holds 3.60% and Russell Credit Limited, a 100% subsidiary of ITC Limited, holds 45.36%.

Nature of Business

Travel management including air ticketing, car rentals, inbound and outbound tourism, domestic holidays, conferences, events and exhibition management and foreign exchange services for travellers.

Note: The full list of the Group's Associates appears on page 199.

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 Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

Subsidiaries (AS 21)

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.

Minority interest in the net income (profit after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet.

Inter-Company transactions within the Group (both Profit & Loss and Balance Sheet items) are eliminated for arriving at the Group CFS.

CFS is prepared applying uniform accounting policies of ITC Limited to the Group companies.

Associates (AS 23)

On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Only share of net profits / losses of associates is considered in Consolidated Statement of Profit and Loss.

The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

Joint Ventures (AS 27)

Interest in joint ventures is reported using proportionate consolidation method in the CFS.

A separate line item is added in CFS for proportionate share of assets, liabilities, income and expenses.

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries									(₹ in Crores)	
Sl. No.	1	2	3	4	5	6	7	8	9	
Name of the Subsidiary Company	ITC Infotech India Limited	ITC Infotech (USA), Inc.	ITC Infotech Limited	Pyxis Solutions, LLC	Surya Nepal Private Limited	King Maker Marketing, Inc.	Technico Pty Limited	Technico Agri Sciences Limited	Technico Technologies Inc.	
Financial Year ending on	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	14-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	
Reporting Currency	Indian Rupee	US Dollar	British Pound	US Dollar	Nepalese Rupee	US Dollar	Australian Dollar	Indian Rupee	Canadian Dollar	
Exchange Rate on the last day of the financial year	—	62.5000	92.4700	62.5000	0.6250	62.5000	47.5350	—	49.0325	
Share Capital	85.20	113.75	6.34	—	126.00	0.03	209.10	37.96	6.14	
Reserves & Surplus	289.84	1.15	34.93	12.82	307.99	15.23	(133.52)	83.08	(4.72)	
Total Assets	476.03	214.69	81.60	13.90	660.76	60.43	82.36	165.92	2.19	
Total Liabilities	476.03	214.69	81.60	13.90	660.76	60.43	82.36	165.92	2.19	
Investments (excluding Investments made in subsidiaries)	20.01	—	—	—	1.60	—	—	97.05	—	
Turnover	1006.02	496.08	265.30	18.79	1284.99	185.30	11.10	110.47	1.53	
Profit/(Loss) before tax	180.14	8.42	8.62	0.38	404.01	1.64	3.70	46.60	0.52	
Provision for tax	(58.14)	(3.68)	(2.30)	—	(122.02)	(0.75)	—	(1.35)	—	
Profit/(Loss) after tax	122.00	4.74	6.32	0.38	281.99	0.89	3.70	45.25	0.52	
Proposed Dividend	76.68@	—	26.95@	—	252.00@	12.50@	—	—	—	
% of shareholding	100.00	100.00	100.00	100.00	59.00	100.00	100.00	100.00	100.00	

@ Dividend paid during the year

Part "A": Subsidiaries (Contd.)

Sl. No.	10	11	12	13	14	15	16	17	18
Name of the Subsidiary Company	Technico Asia Holdings Pty Limited	Srinivasa Resorts Limited	Fortune Park Hotels Limited	Landbase India Limited	Bay Islands Hotels Limited	WelcomHotels Lanka (Private) Limited	Russell Credit Limited	Greenacre Holdings Limited	(₹ in Crores)
Financial Year ending on	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015
Reporting Currency	Australian Dollar	Chinese Yuan Renminbi	Indian Rupee	Indian Rupee	Indian Rupee	Sri Lankan Rupee	Indian Rupee	Indian Rupee	Indian Rupee
Exchange Rate on the last day of the financial year	47.5350	10.0807	—	—	—	0.4685	—	—	—
Share Capital	17.51	19.17	24.00	0.45	307.00	0.12	495.57	646.48	42.06
Reserves & Surplus	(12.90)	(5.04)	76.14	32.13	(99.03)	13.42	(9.41)	135.80	14.49
Total Assets	4.61	14.53	116.72	41.84	257.11	13.74	486.53	783.69	60.55
Total Liabilities	4.61	14.53	116.72	41.84	257.11	13.74	486.53	783.69	60.55
Investments (excluding Investments made in subsidiaries)	—	—	28.35	15.60	...	1.00	—	131.32	15.70
Turnover	—	5.19	52.75	27.19	17.40	1.58	—	70.81	3.51
Profit/(Loss) before tax	—	0.46	(1.40)	8.70	1.07	1.49	(0.09)	67.46	1.33
Provision for tax	—	—	0.68	(2.96)	—	(0.50)	—	(11.08)	(0.29)
Profit/(Loss) after tax	—	0.46	(0.72)	5.74	1.07	0.99	(0.09)	56.38	1.04
Proposed Dividend	—	—	—	0.56	—	0.08	—	90.51@	—
% of shareholding	100.00	100.00	68.00	100.00	100.00	100.00	100.00	100.00	100.00

@ Dividend paid during the year

Part "A": Subsidiaries (Contd.)

Sl. No.	19	20	21	22	23	24	25	26	27
Name of the Subsidiary Company	Wimco Limited	Gold Flake Corporation Limited	Wills Corporation Limited	ITC Investments & Holdings Limited	MRR Trading & Investment Company Limited	BFIL Finance Limited	North East Nutrients Private Limited	Prag Agro Farm Limited	Pavan Poplar Limited
Financial Year ending on	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015
Reporting Currency	Indian Rupee	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	—	—	—	—	—	—	—	—	—
Share Capital	18.85	16.00	4.89	4.50	0.05	20.00	63.33	3.80	5.51
Reserves & Surplus	(16.36)	4.38	0.93	0.80	(0.04)	(63.16)	(0.47)	(11.49)	(3.40)
Total Assets	7.93	20.41	6.12	5.32	0.01	5.65	69.22	0.79	2.44
Total Liabilities	7.93	20.41	6.12	5.32	0.01	5.65	69.22	0.79	2.44
Investments (excluding Investments made in subsidiaries)	—	6.01	—	—	—	—	—	...	—
Turnover	13.03	4.20	0.89	0.48	0.07	0.34	0.32	0.04	0.02
Profit/(Loss) before tax	(0.48)	3.97	0.67	0.47	...	(4.37)	(0.12)	(0.08)	(0.47)
Provision for tax	—	(0.63)	(0.21)	(0.14)	—	—	—	...	—
Profit/(Loss) after tax	(0.48)	3.34	0.46	0.33	...	(4.37)	(0.12)	(0.08)	(0.47)
Proposed Dividend	—	14.40@	3.42@	—	—	—	—	—	—
% of shareholding	98.21	100.00	100.00	100.00	100.00	100.00	76.00	100.00	100.00

@ Dividend paid during the year

Notes:

- i) Pyxis Solutions, LLC is a New York Limited Liability Company and does not have any share capital. ITC Infotech (USA), Inc., holds 100% membership interest of Pyxis Solutions, LLC.
- ii) The Subsidiary not considered in the preparation of the above statement is ITC Global Holdings Pte. Limited, Singapore, (ITC Global) a wholly owned subsidiary of ITC Limited, which is under liquidation vide Singapore High Court's Order dated 30th November, 2007. Prior to this, ITC Global was under Judicial Management in terms of an Interim Order passed by the Singapore High Court on 8th November, 1996, and confirmed by the Singapore High Court on 6th December, 1996.
- iii) WelcomHotels Lanka (Private) Limited and North East Nutrients Private Limited are yet to commence commercial operations.
- iv) Turnover includes Other income and Other operating revenue.



Enduring Value

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	Espirit Hotels Private Limited	Logix Developers Private Limited	ITC Essentra Limited	Maharaja Heritage Resorts Limited	International Travel House Limited	Classic Infrastructure and Development Limited	Russell Investments Limited	Gujarat Hotels Limited	Divva Management Limited	ATC Limited	Antrang Finance Limited
1. Latest audited Balance Sheet Date	31-Mar-2015	31-Dec-2014	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015	31-Mar-2015
2. Shares of Associates / Joint Ventures held by the company on the year end											
No.	4,65,09,200	77,66,913	22,50,000	90,000	39,14,233	54,00,000	42,75,435	17,33,907	41,82,915	1,94,775*	43,24,634
Amount of Investment in Associates/Joint Ventures (₹ in Crores)	46.51	7.77	2.25	0.90	85.36	11.35	11.33	11.16	7.10	6.20	4.77
Extend of Holding %	26.00	27.90	50.00	50.00	48.96	42.35	25.43	45.78	33.33	47.50	33.33
3. Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Associate	Associate	Associate	Associate	Associate	Associate
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated	Consolidated
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (₹ in Crores)	46.17	18.23	36.40	(0.13)	71.15	3.57	11.62	9.28	6.01	6.00	4.67
6. Profit/(Loss) for the year (₹ in Crores)	(0.01)	(0.14)	12.22	0.24	18.38	0.20	6.03	2.73	0.08	0.91	0.20
i. Considered in Consolidation (₹ in Crores)	–	(0.04)	6.11	0.12	9.00	0.09	1.53	1.25	0.03	0.43	0.07
ii. Not considered in Consolidation (₹ in Crores)	(0.01)	(0.10)	6.11	0.12	9.38	0.11	4.50	1.48	0.05	0.48	0.13

* Comprise 55,650 shares fully paid up and 1,39,125 shares partly paid up [Refer Note 11 to the Consolidated Financial Statements].

Notes:

- i) Espirit Hotels Private Limited and Logix Developers Private Limited are yet to commence commercial operations.
- ii) There are no Associates or Joint Ventures which have been liquidated or sold during the year.

On behalf of the Board

Director
Y. C. DEVESHWAR
Chief Financial Officer
B. B. CHATTERJEE

Chairman
Company Secretary



Consolidated Financial Statements

Balance Sheet	168
Statement of Profit and Loss	169
Cash Flow Statement	170
Notes	172
Auditors' Report	215

Consolidated Balance Sheet as at 31st March, 2015

	Note	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
EQUITY AND LIABILITIES					
Shareholders' funds					
Share capital	1	801.55		795.32	
Reserves and surplus	2	30933.94	31735.49	26441.64	27236.96
Minority interests		225.11		203.03	
Non-current liabilities					
Long-term borrowings	3	60.68		76.40	
Deferred tax liabilities (Net)	4A	1642.77		1306.99	
Other Long term liabilities	5	42.67		42.74	
Long-term provisions	6	124.16	1870.28	131.75	1557.88
Current liabilities					
Short-term borrowings	7	195.39		150.24	
Trade payables [Includes share of Joint Ventures ₹ 14.18 Crores (2014 - ₹ 30.36 Crores)]		2020.47		2106.25	
Other current liabilities	8	3782.04		3673.10	
Short-term provisions	9	6162.01	12159.91	5956.47	11886.06
TOTAL		45990.79		40883.93	
ASSETS					
Non-current assets					
Fixed assets	10				
Tangible assets		14648.38		12556.00	
Intangible assets		423.98		73.83	
Capital work-in-progress - Tangible assets		2671.55		3081.29	
Intangible assets under development		28.65		36.08	
		17772.56		15747.20	
Less: Provision for assets given on lease		1.05		5.67	
		17771.51		15741.53	
Goodwill on consolidation		231.97		297.14	
Non-current investments	11	807.68		798.52	
Deferred tax assets (Net)	4B	38.57		35.52	
Long-term loans and advances	12	1565.47		1428.92	
Other non-current assets	12A	1.24	20416.44	1.24	18302.87
Current assets					
Current investments	13	6135.09		6485.50	
Inventories	14	8586.87		8255.24	
Trade receivables	15	1982.07		2439.21	
Cash and bank balances	16	7896.22		3490.19	
Short-term loans and advances	17	568.67		816.20	
Other current assets	18	405.43	25574.35	1094.72	22581.06
TOTAL		45990.79		40883.93	

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

SHYAMAK R TATA

Partner

Kolkata, 22nd May, 2015

On behalf of the Board

K. N. GRANT

Director

Y. C. DEVESHWAR

Chairman

R. TANDON *Chief Financial Officer*

B. B. CHATTERJEE *Company Secretary*

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

	Note	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
Gross Income	19	54417.09	50550.61
Gross Revenue from sale of products and services		52759.08	49247.28
Less: Excise Duty		14325.77	14262.58
Net Revenue from sale of products and services		38433.31	34984.70
Other operating revenue		401.50	332.38
Revenue from operations	20	38834.81	35317.08
Other income	21	1256.51	970.95
Total Revenue		40091.32	36288.03
Expenses			
Cost of materials consumed			
[Includes share of Joint Ventures ₹ 123.16 Crores (2014 - ₹ 108.30 Crores)]		11089.10	10376.05
Purchases of Stock-in-Trade		3918.80	2976.98
Changes in inventories of finished goods, Work-in-progress, Stock-in-Trade and Intermediates	22	(235.72)	(112.74)
Employee benefits expense	23	2772.28	2504.24
Finance costs	24	68.12	6.37
Depreciation and amortisation expense			
[Includes share of Joint Ventures ₹ 1.71 Crores (2014 - ₹ 1.91 Crores)]		1027.96	964.92
Other expenses	25	7088.73	6520.66
Total Expenses		25729.27	23236.48
Profit before tax		14362.05	13051.55
Tax expense:			
Current tax	26	4228.21	3988.87
Deferred tax	27	368.21	72.06
Profit after tax before share of results of associates and minority interests		9765.63	8990.62
Share of net profit of associates		12.89	10.57
Profit after tax before minority interests		9778.52	9001.19
Less: Minority interests		115.35	109.81
Profit for the year		9663.17	8891.38
Earnings per share (Face Value ₹ 1.00 each)	28 (i)		
Basic		₹ 12.11	₹ 11.22
Diluted		₹ 12.00	₹ 11.09

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached

On behalf of the Board

For Deloitte Haskins & Sells

Chartered Accountants

K. N. GRANT

Director

Y. C. DEVESHWAR

Chairman

SHYAMAK R TATA

R. TANDON Chief Financial Officer

B. B. CHATTERJEE

Partner

Company Secretary

Kolkata, 22nd May, 2015

Consolidated Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	14362.05	13051.55
ADJUSTMENTS FOR:		
Depreciation and Amortisation Expense	1027.96	964.92
Finance costs	68.12	6.37
Interest Income	(619.11)	(416.02)
Dividend Income from Long Term Investments	(10.34)	(9.64)
Dividend Income from Current Investments	(255.41)	(179.87)
Loss on Sale of Fixed Assets - Net	27.18	5.21
Net gain on sale of Current Investments etc.	(339.95)	(330.76)
Gain on sale of Long Term Investments	(0.64)	(0.35)
Doubtful and Bad Debts	23.06	20.34
Doubtful and Bad Advances, Loans and Deposits	0.62	0.89
Provision on Long Term Investments	—	20.67
Excess of Carrying Cost over Fair Value of Current Investments etc. - Net	—	8.21
Excess of Cost of Current Investments etc. over Fair Value, reversed - Net	(29.53)	—
Foreign Currency translations and transactions - Net	(8.57)	15.73
Impairment of Goodwill on consolidation	15.13	(101.48)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	14260.57	13172.42
ADJUSTMENTS FOR:		
Trade Receivables, Loans and Advances and Other Assets	558.50	(1546.05)
Inventories	(504.78)	(754.57)
Trade Payables, Other Liabilities and Provisions	(22.51)	31.21
CASH GENERATED FROM OPERATIONS	14291.78	11328.06
Income Tax Paid	(4448.58)	(3984.48)
NET CASH FROM OPERATING ACTIVITIES	9843.20	7343.58
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(3300.06)	(2887.16)
Sale of Fixed Assets	8.73	38.26
Purchase of Current Investments etc.	(98741.55)	(94216.50)
Sale/Redemption of Current Investments etc.	99655.95	93268.59
Purchase of Long Term Investments	—	(25.73)
Sale of Long Term Investments	2.10	24.10
Dividend Income from Long Term Investments Received	10.34	9.64
Dividend Income from Current Investments etc. Received	255.41	179.87
Dividend from Associates	2.27	2.27
Interest Received	559.09	373.95
Purchase of interest in Joint Venture	(1.63)	—
Investment in bank deposits (original maturity more than 3 months)	(7395.17)	(2866.50)
Redemption/Maturity of bank deposits (original maturity more than 3 months)	2914.15	3163.16
Investment in deposits with financial institutions	—	(750.00)
Redemption/Maturity of deposits with financial institutions	750.00	425.00
Loans Realised from Associates	1.40	1.40
Loans Realised	3.54	5.57
NET CASH USED IN INVESTING ACTIVITIES	(5275.43)	(3254.08)

Consolidated Cash Flow Statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	978.79	691.08
Proceeds from Long-term Borrowings	6.53	5.81
Repayments of Long-term Borrowings	(20.21)	(15.04)
Proceeds from issue of shares by a subsidiary to minority shareholders	11.60	3.60
Net increase/(decrease) in Cash/Export Credit Facilities	45.15	150.24
Interest Paid	(16.12)	(47.73)
Net increase in Statutory Restricted Accounts Balances	21.22	17.36
Dividends Paid	(4875.61)	(4238.60)
Income Tax on Dividends Paid	<u>(812.38)</u>	<u>(688.26)</u>
NET CASH USED IN FINANCING ACTIVITIES	(4661.03)	(4121.54)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(93.26)	(32.04)
OPENING CASH AND CASH EQUIVALENTS	276.48	308.52
CLOSING CASH AND CASH EQUIVALENTS	183.22	276.48
Notes:		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".		
2. Issue of Shares during the year 2014-15 of ₹ 0.01 Crore pursuant to the Scheme of Arrangement is a non-cash transaction. [Refer Note 28(x)].		
3. CASH AND CASH EQUIVALENTS:		
Cash and Cash Equivalents as above	183.22	276.48
Other bank balances	7735.85	3234.57
Unrealised Gain/(Loss) on Foreign Currency Cash and Cash Equivalents	(22.85)	(20.86)
Cash and bank balances (Note 16)	<u>7896.22</u>	<u>3490.19</u>

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

SHYAMAK R TATA

Partner

Kolkata, 22nd May, 2015

On behalf of the Board

K. N. GRANT

Director

Y. C. DEVESHWAR

Chairman

R. TANDON *Chief Financial Officer*

B. B. CHATTERJEE *Company Secretary*

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 (₹ in Crores)
1. Share capital				
Authorised Ordinary Shares of ₹ 1.00 each	10,00,00,00,000	1000.00	10,00,00,00,000	1000.00
Issued and Subscribed Ordinary Shares of ₹ 1.00 each, fully paid	8,01,55,19,541	801.55	7,95,31,82,950	795.32
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	7,95,31,82,950	795.32	7,90,18,33,110	790.18
Add: Issue of Shares on exercise of Options	6,22,48,830	6.22	5,13,49,840	5.14
Add: Issue of Shares under the Scheme of Arrangement between Wimco Limited and ITC Limited and their respective shareholders	87,761	0.01	—	—
As at end of the year	8,01,55,19,541	801.55	7,95,31,82,950	795.32
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 %	As at 31st March, 2014 (No. of Shares)	As at 31st March, 2014 %
Tobacco Manufacturers (India) Limited	1,98,55,64,880	24.77	1,98,55,64,880	24.96
Life Insurance Corporation of India	1,15,50,35,797	14.41	1,10,28,29,844	13.87
Specified Undertaking of the Unit Trust of India	89,67,24,540	11.19	89,67,24,540	11.28
C) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March				
	2015 (No. of Shares)	2014 (No. of Shares)		
Shares issued in 2014-15 under Scheme of Arrangement between Wimco Limited and ITC Limited	87,761	—		
D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2015 (No. of Shares)	2014 (No. of Shares)		
Bonus Shares issued in 2010-11	3,82,67,01,530	3,82,67,01,530		
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 <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
F) Shares reserved for issue under Options				
	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2014 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	26,93,51,410	26,58,13,470		

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 (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010.

The vesting period for conversion of Options is as follows:

- On completion of 12 months from the date of grant of the Options:
- On completion of 24 months from the date of grant of the Options:
- On completion of 36 months from the date of grant of the Options:

30% vests
30% vests
40% vests

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
2. Reserves and surplus		
Capital Reserve		
At the beginning of the year	5.75	5.75
Less: Pursuant to the Scheme of Arrangement	0.29	—
At the end of the year	<u>5.46</u>	5.75
Capital Reserve on consolidation		
At the beginning and at the end of the year	74.12	74.12
Capital Redemption Reserve		
At the beginning of the year	5.13	5.13
Less: Pursuant to the Scheme of Arrangement	4.91	—
At the end of the year	<u>0.22</u>	5.13
Securities Premium Account		
At the beginning of the year	4133.35	3447.41
Add: On issue of Shares	972.57	685.94
At the end of the year	<u>5105.92</u>	4133.35
Revaluation Reserve		
At the beginning of the year	99.31	102.09
Less: Pursuant to the Scheme of Arrangement	42.38	—
Less: Depreciation	—	0.37
On disposal of fixed assets	—	2.41
At the end of the year	<u>56.93</u>	99.31
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
Foreign Currency Translation Reserve		
At the beginning of the year	165.09	120.04
Add/(Less): Adjustment for translation of Non Integral Foreign Operations	(17.27)	45.05
At the end of the year	<u>147.82</u>	165.09
Special Reserve under Section 45-IC of the RBI Act, 1934		
At the beginning of the year	87.80	80.89
Add: Transfer from Surplus in Statement of Profit and Loss	11.28	6.91
At the end of the year	<u>99.08</u>	87.80
Employees Housing Reserve under Nepal labour laws		
At the beginning of the year	50.28	38.01
Add: Transfer from Surplus in Statement of Profit and Loss	13.05	12.27
At the end of the year	<u>63.33</u>	50.28
Subsidy Reserve		
At the beginning and at the end of the year	0.23	0.23
General Reserve		
At the beginning of the year	14823.01	13941.20
Add: Transfer from Surplus in Statement of Profit and Loss	970.67	881.81
Less: Pursuant to the Scheme of Arrangement	91.44	—
At the end of the year	<u>15702.24</u>	14823.01
Hedging Reserve		
At the beginning of the year	20.33	—
Add/(Less): Net movement, being gain on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions	(18.66) (6.27)	30.80 10.47
At the end of the year	<u>7.94</u>	20.33
Surplus in Statement of Profit and Loss		
At the beginning of the year	6583.57	4163.74
Add: Unrecognised Net Deferred Tax assets as on 1st April, 2013 adjusted pursuant to the Scheme of Arrangement	45.84	—
Unrecognised Net Deferred Tax asset for the period from 1st April, 2013 to 31st March, 2014 adjusted pursuant to the Scheme of Arrangement	4.13	—
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets (Net of deferred Tax ₹ 25.64 Crores) [Refer Note 28(xii)]	61.71	—
Add: Surplus brought forward for Joint Ventures	26.95	23.08
Profit for the year	9663.17	8891.38
Pursuant to the Scheme of Arrangement	68.25	—
Less: Transfer to General Reserve	970.67	881.81
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	11.28	6.91
Employees Housing Reserve under Nepal labour laws	13.05	12.27
Income Tax for Wimco Limited for the year 2013-14	0.37	—
Proposed Dividend [₹ 6.25 (2014 - ₹ 6.00) per share]	5009.70	4771.91
Income Tax on Dividend Proposed/Paid		
– Current Year	1051.76	822.77
– Earlier year's provision no longer required	(30.58)	(28.68)
Share of Revenue reserves of Joint Ventures carried forward	30.77	27.64
At the end of the year	<u>9273.18</u>	6583.57
TOTAL	30899.52	26411.02
Share of Joint Ventures - Note 28(ii)(b)		
	34.42	30.62
GRAND TOTAL	30933.94	26441.64

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
3. Long-term borrowings		
Unsecured		
Term loans		
– From Banks	—	—
– From Others	1.08	1.49
	<hr/> 1.08	<hr/> 1.49
Deferred payment liabilities		
Sales tax deferment loans	38.69	51.00
	<hr/> 38.69	<hr/> 51.00
TOTAL	39.77	52.49
Share of Joint Ventures - Note 28(ii)(b)*	20.91	23.91
GRAND TOTAL	60.68	76.40

* secured by hypothecation of certain fixed assets and current assets.

Terms of borrowings are as under:

Term loans from Banks:

Repayable in equated periodic instalments upto a 5 year period from the date of respective loan. These were repaid during financial year 2014-15 and carry an interest of 11.25% p.a.

Term loans from Others:

Comprise two interest free loans. One of the loans is repayable by 2017-18 in annual instalments and the other loan stipulates repayment on the basis of 50% of the net profits earned by a subsidiary or the residual balance, whichever is less.

Sales tax deferment loans:

Repayable after a period of 10 to 14 years from the end of the month of respective loans. These are repayable by 2025-26 and are interest free.

Share of Joint Ventures:

Represents deferred payment liabilities which are repayable in 13 and 12 equal half yearly instalments alongwith interest. These are repayable by 2020-21 and carry an interest of 11.00% p.a. and 14.00% p.a. respectively.

The scheduled maturity of the Long-term borrowings are summarised as under:

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
Borrowings repayable				
In the first year (Note 8)	0.42	21.83	0.39	19.82
Current maturities of long-term debt	0.42	21.83	0.39	19.82
In the second year	0.52	17.62	0.53	16.75
In the third to fifth year	0.56	32.23	0.96	40.86
After five years	—	9.75	—	17.30
Long-term borrowings	1.08	59.60	1.49	74.91

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
4A. Deferred tax liabilities (Net)		
Deferred tax liabilities		
On fiscal allowances on fixed assets	1583.10	1366.01
On excise duty on closing stock	513.00	365.21
Other timing differences	17.17	19.90
	2113.27	1751.12
Share of Joint Ventures - Note 28(ii)(b)	1.20	0.92
Total Deferred tax liabilities	2114.47	1752.04
Deferred tax assets		
On employees' separation and retirement etc.	85.79	67.47
On provision for doubtful debts/advances	24.35	14.60
On State and Central taxes etc.	312.54	318.60
Other timing differences	48.79	44.13
	471.47	444.80
Share of Joint Ventures - Note 28(ii)(b)	0.23	0.25
Total Deferred tax assets	471.70	445.05
TOTAL	1642.77	1306.99
4B. Deferred tax assets (Net)		
Deferred tax assets		
On fiscal allowances on fixed assets	4.88	4.59
On employees' separation and retirement etc.	19.24	19.77
On provision for doubtful debts/advances	4.35	4.82
On unabsorbed tax losses and depreciation*	2.42	3.75
Other timing differences	7.48	2.96
	38.37	35.89
Share of Joint Ventures - Note 28(ii)(b)*	0.58	0.65
Total Deferred tax assets	38.95	36.54
Deferred tax liabilities		
On fiscal allowances on fixed assets	0.37	0.06
Other timing differences	–	0.95
	0.37	1.01
Share of Joint Ventures - Note 28(ii)(b)	0.01	0.01
Total Deferred tax liabilities	0.38	1.02
TOTAL	38.57	35.52

* Set up based on virtual certainty of future taxable income available to realise such assets.

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
5. Other Long term liabilities		
Sundry deposits	33.03	32.63
Others (Includes retention monies payable towards fixed assets etc.)	9.64	10.11
TOTAL	42.67	42.74
6. Long-term provisions		
Provision for employee benefits		
Retirement benefits	77.94	79.84
Other benefits	45.64	51.32
Provision for standard assets	0.09	0.09
TOTAL	123.67	131.25
Share of Joint Ventures - Note 28(ii)(b)	0.49	0.50
GRAND TOTAL	124.16	131.75
7. Short-term borrowings		
Secured		
Loans from Banks		
Cash credit facilities	184.95	147.35
TOTAL	184.95	147.35
Share of Joint Ventures - Note 28(ii)(b)	10.44	2.89
GRAND TOTAL	195.39	150.24

Cash credit facilities are secured by hypothecation of certain fixed assets, investments and current assets, both present and future.

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
8. Other current liabilities		
Current maturities of long-term debt (Note 3)	12.73	15.77
Interest accrued but not due on borrowings	2.55	1.81
Unpaid dividend*	134.50	113.28
Unpaid matured deposits and interest accrued thereon
Unpaid matured debentures/bonds and interest accrued thereon**	0.33	0.32
Sundry deposits	46.22	42.07
Other payables (includes payables for fixed assets, statutory liabilities, advances from customers etc.)	3568.68	3492.47
TOTAL	3765.01	3665.72
Share of Joint Ventures - Note 28(ii)(b)	17.03	7.38
GRAND TOTAL	3782.04	3673.10

* Represents dividend amounts either not claimed or kept in abeyance in terms of Section 126 of the Companies Act, 2013 / Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of pending legal disputes, details in respect of which are on record with the Company, including an amount of ₹ 0.30 Crore (2014 - ₹ 0.30 Crore) maintained with a bank for which the Company has filed a suit.

9. Short-term provisions		
Current portion of long-term employee benefits		
Retirement benefits	58.32	54.04
Other benefits	31.41	48.53
Current taxation (net of advance payment)	41.13	269.41
Fringe benefit tax (net of advance payment)	1.55	1.55
Proposed dividend	5009.70	4771.91
Income tax on proposed dividend	1019.86	810.99
TOTAL	6161.97	5956.43
Share of Joint Ventures - Note 28(ii)(b)	0.04	0.04
GRAND TOTAL	6162.01	5956.47

Notes to the Consolidated Financial Statements

(₹ in Crores)

10. Fixed assets		Gross Block							
Particulars	As at 31st March, 2013 ¹	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2014 ¹	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2015 ¹
Tangible assets									
Land									
Freehold ²	1265.05	41.62	6.77	–	1299.90	151.16	43.20	(0.02)	1407.84
Leasehold ³	246.96	18.09	1.44	0.20	263.81	49.25	3.72	0.09	309.43
Buildings									
Freehold ⁴	3712.72	313.66	12.15	0.76	4014.99	755.96	10.29	0.18	4760.84
Licensed Properties - Building Improvement	88.97	12.70	6.86	0.11	94.92	9.21	5.33	(0.03)	98.77
Plant and Equipment ⁸	11422.21	1328.40	118.94	1.05	12632.72	2146.10	112.22	0.15	14666.75
Furniture and Fixtures	689.62	50.33	11.17	0.17	728.95	93.73	17.58	0.04	805.14
Vehicles	110.07	21.97	11.57	0.02	120.49	20.35	12.34	(0.01)	128.49
Office Equipment	27.05	6.20	(0.46)	0.10	33.81	7.67	(4.95)	(0.01)	46.42
Railway Sidings etc.	1.72	1.38	1.13	–	1.97	–	–	–	1.97
	17564.37	1794.35	169.57	2.41	19191.56	3233.43	199.73	0.39	22225.65
Share of Joint Ventures - Note 28(ii)(b)	73.75	0.36	0.02	–	74.09	11.11	0.12	–	85.08
TOTAL (A)	17638.12	1794.71	169.59	2.41	19265.65	3244.54	199.85	0.39	22310.73
Capital work-in-progress ⁷	1998.78	2715.92	1711.87	29.13	3031.96	2707.61	3131.56	9.80	2617.81
Share of Joint Ventures - Note 28(ii)(b)	42.59	6.74	–	–	49.33	4.22	(0.19)	–	53.74
TOTAL (B)	2041.37	2722.66	1711.87	29.13	3081.29	2711.83	3131.37	9.80	2671.55
Tangible assets (A+B)	19679.49	4517.37	1881.46	31.54	22346.94	5956.37	3331.22	10.19	24982.28
Intangible assets (acquired)									
Goodwill	4.90	–	–	–	4.90	–	–	–	4.90
Trademarks ⁵	6.46	0.01	–	(0.01)	6.46	337.99	–	(0.07)	344.38
Computer Software	319.82	17.12	0.43	0.04	336.55	48.64	12.55	0.02	372.66
Know-how, Business and Commercial Rights ⁶	89.77	–	–	(0.44)	89.33	9.75	–	(2.58)	96.50
	420.95	17.13	0.43	(0.41)	437.24	396.38	12.55	(2.63)	818.44
Share of Joint Ventures - Note 28(ii)(b)	0.29	0.02	–	–	0.31	0.02	–	–	0.33
TOTAL (C)	421.24	17.15	0.43	(0.41)	437.55	396.40	12.55	(2.63)	818.77
Intangible assets under development	20.66	29.22	13.80	–	36.08	373.98	381.41	–	28.65
Share of Joint Ventures - Note 28(ii)(b)	–	–	–	–	–	–	–	–	–
TOTAL (D)	20.66	29.22	13.80	–	36.08	373.98	381.41	–	28.65
Intangible assets (C+D)	441.90	46.37	14.23	(0.41)	473.63	770.38	393.96	(2.63)	847.42

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2015			Depreciation Charge for the year	As at 31st March, 2014			Depreciation Charge for the year
	Gross Block	Accumulated Depreciation	Net Block		Gross Block	Accumulated Depreciation	Net Block	
Buildings	1.33	0.44	0.89	0.03	1.33	0.41	0.92	0.03
Plant and Equipment	377.70	233.45	144.25	16.49	323.52	192.96	130.56	17.30
TOTAL	379.03	233.89	145.14	16.52	324.85	193.37	131.48	17.33

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortisation								Net Book Value					
	Upto 31st March, 2013	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2014	Transition adjustment recorded against surplus balance in Statement of Profit and Loss	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2015	As at 31st March, 2015 ¹	As at 31st March, 2014 ¹	As at 31st March, 2013 ¹	
Tangible assets														
Land														
Freehold ²	—	—	—	—	—	—	—	—	—	—	1407.84	1299.90	1265.05	
Leasehold ³	23.63	6.13	0.07	0.20	29.89	—	2.27	0.17	0.09	32.08	277.35	233.92	223.33	
Buildings														
Freehold ⁴	570.02	83.74	11.25	0.76	643.27	33.58	108.78	3.70	0.18	782.11	3978.73	3371.72	3142.70	
Licensed Properties - Building Improvement	48.97	14.92	5.92	0.10	58.07	—	8.99	4.55	(0.03)	62.48	36.29	36.85	40.00	
Plant and Equipment ⁵	4882.52	756.58	88.94	0.93	5551.09	43.24	764.72	89.78	0.12	6269.39	8397.36	7081.63	6539.69	
Furniture and Fixtures	330.70	45.80	8.89	0.17	367.78	7.39	72.79	13.32	0.03	434.67	370.47	361.17	358.92	
Vehicles	31.53	10.97	5.77	0.02	36.75	0.74	15.55	7.11	—	45.93	82.56	83.74	78.54	
Office Equipment	10.69	1.61	2.10	0.07	10.27	2.59	7.39	(1.20)	(0.01)	21.44	24.98	23.54	16.36	
Railway Sidings etc.	1.05	0.10	1.04	—	0.11	—	0.13	—	—	—	0.24	1.73	1.86	0.67
	5899.11	919.85	123.98	2.25	6697.23	87.54	980.62	117.43	0.38	7648.34	14577.31	12494.33	11665.26	
Share of Joint Ventures - Note 28(ii)(b)	10.56	1.87	0.01	—	12.42	—	1.67	0.08	—	14.01	71.07	61.67	63.19	
TOTAL (A)	5909.67	921.72	123.99	2.25	6709.65	87.54	982.29	117.51	0.38	7662.35	14648.38	12556.00	11728.45	
Capital work-in-progress ⁷	—	—	—	—	—	—	—	—	—	—	2617.81	3031.96	1998.78	
Share of Joint Ventures - Note 28(ii)(b)	—	—	—	—	—	—	—	—	—	—	53.74	49.33	42.59	
TOTAL (B)	—	—	—	—	—	—	—	—	—	—	2671.55	3081.29	2041.37	
Tangible assets (A+B)	5909.67	921.72	123.99	2.25	6709.65	87.54	982.29	117.51	0.38	7662.35	17319.93	15637.29	13769.82	
Intangible assets (acquired)														
Goodwill	4.90	—	—	—	4.90	—	—	—	—	4.90	—	—	—	
Trademarks ⁵	6.33	0.03	—	(0.01)	6.35	—	4.80	—	(0.06)	11.09	333.29	0.11	0.13	
Computer Software	234.48	37.56	0.14	0.04	271.94	—	38.81	11.98	0.02	298.79	73.87	64.61	85.34	
Know-how, Business and Commercial Rights ⁶	74.79	5.94	—	(0.44)	80.29	—	2.02	—	(2.58)	79.73	16.77	9.04	14.98	
	320.50	43.53	0.14	(0.41)	363.48	—	45.63	11.98	(2.62)	394.51	423.93	73.76	100.45	
Share of Joint Ventures - Note 28(ii)(b)	0.20	0.04	—	—	0.24	—	0.04	—	—	0.28	0.05	0.07	0.09	
TOTAL (C)	320.70	43.57	0.14	(0.41)	363.72	—	45.67	11.98	(2.62)	394.79	423.98	73.83	100.54	
Intangible assets under development	—	—	—	—	—	—	—	—	—	—	28.65	36.08	20.66	
Share of Joint Ventures - Note 28(ii)(b)	—	—	—	—	—	—	—	—	—	—	—	—	—	
TOTAL (D)	—	—	—	—	—	—	—	—	—	—	28.65	36.08	20.66	
Intangible assets (C+D)	320.70	43.57	0.14	(0.41)	363.72	—	45.67	11.98	(2.62)	394.79	452.63	109.91	121.20	
Provision for assets given on lease											1.05	5.67	5.67	
GRAND TOTAL											17771.51	15741.53	13885.35	

- Original Cost / Professional Valuation as at 30th June, 1986 in respect of assets of ITC Limited, as at 31st March, 1987 in respect of Surya Nepal Private Limited and as at 31st March, 1999 in respect of Bay Islands Hotels Limited.
- Land Freehold includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2014 - ₹ 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.
- Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.
- Buildings Freehold include ₹ 1062.72 Crores (2014 - ₹ 1007.42 Crores), aggregate cost of building on leasehold land situated at various locations.
- Trademarks are being amortised over 10 years.
- Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 96.50 Crores (2014 - ₹ 89.33 Crores):
 - ₹ 69.72 Crores (2014 - ₹ 59.97 Crores) acquired during the year and in earlier years are being amortised over 10 years.
 - ₹ 21.81 Crores (2014 - ₹ 24.39 Crores) acquired during the year and in earlier years and have been amortised over 5 years.
 - ₹ 4.97 Crores (2014 - ₹ 4.97 Crores) acquired during the year and in earlier years and have been amortised over 4 years.
- Includes ₹ 515.44 Crores paid to IFCI Limited in 2014-15 by ITC Limited as consideration for the purchase of a luxury beach resort in South Goa operating under the name Park Hyatt Goa Resort & Spa, on being the successful bidder. IFCI Limited have issued requisite Sale Certificates in favour of ITC Limited. The erstwhile owners of the property have thereafter challenged the sale. The matter is pending before the Honourable Bombay High Court.
- In respect of assets aggregating ₹ 5.82 Crores (2014 - ₹ 18.50 Crores), the primary lease period has expired and balances reflected on this account have been fully realised or provided for.
- In accordance with the requirements of the Companies Act, 2013, the policy of charging Revaluation Reserve Account with annual depreciation on that portion of the value which is written up has been discontinued. Depreciation for the year includes Nil (2014 - ₹ 0.37 Crore) transferred from Revaluation Reserve in respect of revalued assets.

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)		
	Quoted	Unquoted	Quoted	Unquoted	
11. Non-current investments (at cost unless otherwise stated)					
Long Term					
A. TRADE INVESTMENTS					
INVESTMENT IN EQUITY INSTRUMENTS					
In Subsidiaries					
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)			—	—	
In Associates					
International Travel House Limited 39,14,233 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 11.89 Crores) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015	21.87 63.49	85.36	21.87 56.44	78.31	
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.16 Crores) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015	1.94 9.22	11.16	1.94 8.68	10.62	
ATC Limited 55,650 Equity Shares of ₹ 100.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.16 Crore) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		0.83 1.21	2.04	0.83 1.06	1.89
1,39,125 Equity Shares of ₹ 100.00 each, partly paid Cost of acquisition (including goodwill of ₹ 0.30 Crore) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		2.92 1.24	4.16	2.92 0.96	3.88
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.30 Crore) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		4.27 7.06	11.33	4.27 4.64	8.91
Classic Infrastructure & Development Limited 54,00,000 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 7.78 Crores) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		10.40 0.95	11.35	10.40 0.87	11.27
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.09 Crores) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		6.93 0.17	7.10	6.93 0.14	7.07
Antrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 0.10 Crore) Add / (Less): Group Share of Profits / (Losses) upto 31.03.2015		4.40 0.37	4.77	4.40 0.30	4.70
In Others					
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01	
Hotel Leelaventure Limited 5,49,80,620 Equity Shares of ₹ 2.00 each, fully paid		200.17		200.17	
EIH Limited 9,21,78,024 Equity Shares of ₹ 2.00 each, fully paid		440.67		440.67	
Ballarpur Industries Limited Nil (2014 - 11,14,503) Equity Shares of ₹ 10.00 each, fully paid		—		1.46	
Carried over	737.37	40.75	731.24	37.72	

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless otherwise stated) (Contd.)				
Brought forward	737.37	40.75	731.24	37.72
TRADE INVESTMENTS (Contd.)				
In Others (Contd.)				
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		—		—
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
B. OTHER INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.05		0.05	
Lotus Court Private Limited 2 Class G Shares of ₹ 48000.00 each, fully paid		2.34		2.34
Adyar Property Holding Company Limited 311 Equity Shares of ₹ 100.00 each, partly paid (cost ₹ 43.86 Crores, provided for ₹ 20.67 Crores)		23.19		23.19
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 0.01 Crore, fully provided)	—		—	
Bilaspur Cane Development Corporation Limited 100 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 1000.00)
Prime Golf Ranking Private Limited 150 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 150.00)
Woodlands Multispeciality Hospital Limited 13,072 (2014 - 13,050) Equity Shares of ₹ 10.00 each, fully paid	0.01		0.01	
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
Government Securities (cost ₹ 74000.00)		0.01		0.01
Government Securities - National Savings Certificates (cost ₹ 10000.00)
National Savings Certificate, fully paid (Deposited with Government Authorities) (cost ₹ 5000.00)
Kisan Vikas Patra, fully paid (Deposited with Government Authorities) (cost ₹ 6000.00)
National Saving Certificate pledged at Mandi Samiti (cost ₹ 21000.00)
Government Securities				
6.5% Bikash Rinpatra, 2075 (Vikram Samvat Calendar Year)		1.60		1.60
Aggregate amount of quoted and unquoted investments	737.42	70.26	731.29	67.23
Total Non-current investments		807.68		798.52

Aggregate market value of quoted investments ₹ 1215.76 Crores (2014 - ₹ 847.16 Crores).

Aggregate provision for diminution in value ₹ 47.45 Crores (2014 - ₹ 47.45 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)			As at 31st March, 2014 (₹ in Crores)
12. Long-term loans and advances				
Capital advances				
Unsecured, considered good		411.36		370.82
Security deposits				
Unsecured, considered good	737.73		676.55	
Doubtful	2.96		3.05	
	<u>740.69</u>		<u>679.60</u>	
Less: Provision for doubtful deposits	2.96	737.73	3.05	676.55
Loans and advances to related parties				
Security deposits - unsecured, considered good	0.30		0.35	
Loans and advances - secured, considered good	2.80	3.10	4.20	4.55
Advance tax (net of provisions) - unsecured, considered good		59.48		22.12
Fringe benefit tax (net of provisions) - unsecured, considered good		...		0.11
MAT credit entitlement		0.85		0.02
Other loans and advances				
(Comprise loans to employees, prepaid expenses, advances with statutory authorities etc.)				
Unsecured, considered good	351.64		352.78	
Doubtful	17.81		16.75	
	<u>369.45</u>		<u>369.53</u>	
Less: Provision for doubtful loans and advances	17.81	351.64	16.75	352.78
TOTAL		1564.16		1426.95
Share of Joint Ventures - Note 28(ii)(b)		1.31		1.97
GRAND TOTAL		1565.47		1428.92

12A. Other non-current assets

Payments towards land/project development - unsecured, considered good*	1.24	1.24
TOTAL	1.24	1.24

* Suit for partition of land is pending

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value)				
Investment in Preference Shares				
ICICI Bank Limited 310 Non-Cumulative Redeemable Non-Convertible Non-Participative Preference Shares (20 April 2018) of ₹ 1000000.00 each, fully paid			214.85	185.76
Investment in Bonds				
Export Import Bank of India 300 (2014 - Nil) 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid			31.43	—
Indian Railway Finance Corporation Limited 10,000 6.30% Secured Non-Convertible Tax Free Bonds in the form of Promissory Notes 68th 'A' Series (08 March 2017) of ₹ 100000.00 each, fully paid	95.54			94.95
10,00,000 7.18% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th Series (19 February 2023) of ₹ 1000.00 each, fully paid	93.72			93.47
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	199.19			199.80
4,35,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	42.84			42.90
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 August 2017) 2D of ₹ 20000.00 each, fully paid		6.54		6.05
1,41,270 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 January 2019) of ₹ 20000.00 each, fully paid		197.03		182.79
National Highways Authority of India 4,94,476 8.20% Tax Free Secured Redeemable Non-Convertible Bonds (25 January 2022) of ₹ 1000.00 each, fully paid	49.20		49.31	
National Housing Bank 1,03,785 Zero Coupon Unsecured Non-Convertible Taxable Bonds in the form of Promissory Notes (24 December 2018) of ₹ 10000.00 each, fully paid		72.53		67.39
Power Finance Corporation Limited 1,500 8.09% Secured Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series-80-A (25 November 2021) of ₹ 100000.00 each, fully paid		14.84		14.87
1,000 8.01% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-A (30 August 2023) of ₹ 1000000.00 each, fully paid		98.27		98.46
450 (2014 - Nil) 9.69% Secured Non-Convertible Non-Cumulative Taxable Bonds Series 113 (02 March 2019) of ₹ 1000000.00 each, fully paid		46.85		—
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series - I (01 February 2022) of ₹ 1000.00 each, fully paid	9.95		9.97	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	128.60		128.95	
450 (2014 - Nil) 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 119 B (17 September 2019) of ₹ 1000000.00 each, fully paid	46.52		—	
500 (2014 - Nil) 8.36% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 127 (26 February 2020) of ₹ 1000000.00 each, fully paid	49.98		—	
	Carried over	715.54	682.34	524.40
				650.27

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	715.54	682.34	524.40	650.27
Investment in Bonds (Contd.)					
Rural Electrification Corporation Limited 30,00,000 7.22% Secured Tax Free Redeemable Non-Convertible Bonds Tranche 1 Series 1 (19 December 2022) of ₹ 1000.00 each, fully paid		282.01		281.29	
1,000 8.01% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series 3A (29 August 2023) of ₹ 1000000.00 each, fully paid		98.27		98.47	
750 (2014 - Nil) 9.38% Secured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 117th (06 November 2018) of ₹ 1000000.00 each, fully paid		77.35		—	
400 (2014 - Nil) 8.44% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 127th (04 December 2021) of ₹ 1000000.00 each, fully paid		40.24		—	
Investment in Government or Trust Securities					
5% Bikash Rinpatra, 2071 (Vikram Samvat Calendar Year)		—		5.27	
National Saving Certificate pledged at Mandi Samiti (cost ₹ 8000.00)		
Investment in Mutual Funds					
Axis Liquid Fund 32,301 (2014 - Nil) Units of ₹ 1000.00 each		5.00		—	
Birla Sun Life Cash Manager 1,26,84,353 (2014 - Nil) Units of ₹ 100.00 each		425.05		—	
Birla Sun Life Fixed Term Plan - Series JL (368 Days) Nil (2014 - 3,30,00,000) Units of ₹ 10.00 each		—		33.00	
Birla Sun Life Fixed Term Plan - Series GB (541 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Birla Sun Life Fixed Term Plan - Series HY (368 Days) Nil (2014 - 2,20,00,000) Units of ₹ 10.00 each		—		22.00	
Birla Sun Life Fixed Term Plan - Series IA (366 Days) Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Birla Sun Life Fixed Term Plan - Series JA (366 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
Birla Sun Life Fixed Term Plan - Series JE (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Birla Sun Life Fixed Term Plan - Series JI (368 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Birla Sun Life Fixed Term Plan - Series JQ (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Birla Sun Life Fixed Term Plan - Series JT (367 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each		—		35.00	
Birla Sun Life Fixed Term Plan - Series JY (367 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each		—		35.00	
Birla Sun Life Fixed Term Plan - Series JZ (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
Birla Sun Life Fixed Term Plan - Series KC (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
Birla Sun Life Fixed Term Plan - Series KK (367 Days) Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Birla Sun Life Fixed Term Plan - Series KM (368 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Birla Sun Life Fixed Term Plan - Series KV (367 Days) Nil (2014 - 30,00,000) Units of ₹ 10.00 each		—		3.00	
Carried over		1213.41	1112.39	1237.16	655.54

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (` in Crores) Quoted Unquoted		As at 31st March, 2014 (` in Crores) Quoted Unquoted	
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1213.41	1112.39	1237.16	655.54
Investment in Mutual Funds (Contd.)					
Birla Sun Life Fixed Term Plan - Series LQ (368 Days) 50,00,000 (2014 - Nil) Units of ` 10.00 each	5.00			—	
Birla Sun Life Floating Rate Fund - Long Term 55,45,297 (2014 - 85,59,860) Units of ` 100.00 each		89.21		85.74	
Birla Sun Life Interval Income Fund - Annual Plan VIII Nil (2014 - 5,00,00,000) Units of ` 10.00 each	—		50.00		
Birla Sun Life Savings Fund 23,45,048 (2014 - 39,90,969) Units of ` 100.00 each		55.30		54.21	
Birla Sun Life Short Term Fund 5,18,77,366 (2014 - 5,05,02,285) Units of ` 10.00 each		57.50		50.50	
Birla Sun Life Treasury Optimizer Plan 15,45,666 (2014 - Nil) Units of ` 100.00 each		25.39		—	
Canara Robeco Treasury Advantage Fund Nil (2014 - 2,21,444) Units of ` 1000.00 each		—		27.47	
DSP BlackRock Fixed Maturity Plan - Series 103 - 12M Nil (2014 - 3,00,00,000) Units of ` 10.00 each	—		30.00		
DSP BlackRock Fixed Maturity Plan - Series 105 - 12M Nil (2014 - 3,00,00,000) Units of ` 10.00 each	—		30.00		
DSP BlackRock Fixed Maturity Plan - Series 130 - 12M Nil (2014 - 1,50,00,000) Units of ` 10.00 each	—		15.00		
DSP BlackRock Fixed Maturity Plan - Series 144 - 12M Nil (2014 - 3,50,00,000) Units of ` 10.00 each	—		35.00		
DSP BlackRock Fixed Maturity Plan - Series 146 - 12M Nil (2014 - 2,00,00,000) Units of ` 10.00 each	—		20.00		
DSP BlackRock Fixed Maturity Plan - Series 147 - 3M Nil (2014 - 1,00,00,000) Units of ` 10.00 each	—		10.00		
DSP BlackRock Fixed Maturity Plan - Series 149 - 12M Nil (2014 - 2,00,00,000) Units of ` 10.00 each	—		20.00		
DSP BlackRock Fixed Maturity Plan - Series 151 - 12M Nil (2014 - 5,15,00,000) Units of ` 10.00 each	—		51.50		
DSP BlackRock Fixed Maturity Plan - Series 93 - 12M Nil (2014 - 2,50,00,000) Units of ` 10.00 each	—		25.00		
DSP BlackRock Liquidity Fund - Institutional Plan 1,00,106 (2014 - Nil) Units of ` 1000.00 each		20.00		—	
DWS Fixed Maturity Plan - Series 28 Nil (2014 - 1,00,00,000) Units of ` 10.00 each	—		10.00		
DWS Fixed Maturity Plan - Series 31 1,00,00,000 Units of ` 10.00 each	10.00		10.00		
DWS Fixed Maturity Plan - Series 36 Nil (2014 - 1,50,00,000) Units of ` 10.00 each	—		15.00		
DWS Fixed Maturity Plan - Series 39 Nil (2014 - 1,00,00,000) Units of ` 10.00 each	—		10.00		
DWS Fixed Maturity Plan - Series 43 Nil (2014 - 2,00,00,000) Units of ` 10.00 each	—		20.00		
DWS Fixed Maturity Plan - Series 48 Nil (2014 - 2,00,00,000) Units of ` 10.00 each	—		20.00		
DWS Fixed Maturity Plan - Series 50 Nil (2014 - 2,00,00,000) Units of ` 10.00 each	—		20.00		
DWS Fixed Maturity Plan - Series 51 Nil (2014 - 1,50,00,000) Units of ` 10.00 each	—		15.00		
Carried over	1228.41	1359.79	1643.66	873.46	

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1228.41	1359.79	1643.66	873.46
Investment in Mutual Funds (Contd.)					
DWS Fixed Maturity Plan - Series 62 916 (2014 - 30,03,194) Units of ₹ 10.00 each		...		3.00	
DWS Interval Fund Annual Plan Series 1 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
DWS Treasury Fund 8,24,18,752 (2014 - 7,60,07,335) Units of ₹ 10.00 each			86.77		80.00
DWS Ultra Short Term Fund 6,74,76,680 (2014 - Nil) Units of ₹ 10.00 each			76.74		—
Franklin India Treasury Management Account - Super Institutional Plan 18,996 (2014 - Nil) Units of ₹ 1000.00 each			3.96		—
Franklin India Ultra Short Bond Fund Super Institutional Plan 8,10,224 (2014 - Nil) Units of ₹ 10.00 each			1.50		—
HDFC Cash Management Fund -Treasury Advantage Plan 2,34,21,163 (2014 - 6,40,57,080) Units of ₹ 10.00 each			67.38		65.00
HDFC Fixed Maturity Plan 369D January 2014 (1) Series 29 Nil (2014 - 11,00,000) Units of ₹ 10.00 each		—		1.10	
HDFC Fixed Maturity Plan 369D February 2014 (2) Series 29 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
HDFC Fixed Maturity Plan 369D June 2013 (1) Series 26 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 369D March 2014 (1) Series 29 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 369D March 2014 (3) Series 29 Nil (2014 - 30,00,000) Units of ₹ 10.00 each		—		3.00	
HDFC Fixed Maturity Plan 370D February 2014 (1) Series 29 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
HDFC Fixed Maturity Plan 370D July 2013 (3) Series 26 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
HDFC Fixed Maturity Plan 370D September 2013 (2) Series 27 Nil (2014 - 20,00,000) Units of ₹ 10.00 each		—		2.00	
HDFC Fixed Maturity Plan 371D February 2014 (1) Series 29 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
HDFC Fixed Maturity Plan 371D February 2014 (2) Series 29 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
HDFC Fixed Maturity Plan 384D March 2013 (1) Series 23 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
HDFC Fixed Maturity Plan 566D December 2012 (1) Series 24 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
HDFC High Interest Fund - Short Term Plan 5,58,29,541 (2014 - Nil) Units of ₹ 10.00 each			151.00		—
HDFC High Interest Fund - Dynamic Plan 1,06,18,417 (2014 - Nil) Units of ₹ 10.00 each			50.00		—
HDFC Liquid Fund 1,43,72,056 (2014 - Nil) Units of ₹ 10.00 each			39.59		—
HDFC Medium Term Opportunities Fund 13,70,33,144 (2014 - Nil) Units of ₹ 10.00 each			201.11		—
HDFC Short Term Opportunities Fund 14,94,65,765 (2014 - 20,09,13,064) Units of ₹ 10.00 each			218.06		202.32
ICICI Prudential Banking & PSU Debt Fund 5,39,16,760 (2014 - 4,92,90,221) Units of ₹ 10.00 each			57.00		50.00
Carried over		1228.41	2312.90	1927.76	1270.78

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1228.41	2312.90	1927.76	1270.78
Investment in Mutual Funds (Contd.)					
ICICI Prudential Blended Plan B 3,86,97,174 Units of ₹ 10.00 each		40.30		40.30	
ICICI Prudential Dynamic Bond Fund 3,59,60,193 (2014 - 4,83,81,900) Units of ₹ 10.00 each		53.08		50.22	
ICICI Prudential Fixed Maturity Plan Series 65 - 502 Days Plan C Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 65 - 505 Days Plan J Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan E Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
ICICI Prudential Fixed Maturity Plan Series 68 - 369 Days Plan K Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 70 - 368 Days Plan K Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 70 - 372 Days Plan L Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 366 Days Plan C Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 367 Days Plan G Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 368 Days Plan K Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 369 Days Plan E Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
ICICI Prudential Fixed Maturity Plan Series 71 - 371 Days Plan M Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan C Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		—		30.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan K Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 366 Days Plan M Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
ICICI Prudential Fixed Maturity Plan Series 72 - 368 Days Plan D Nil (2014 - 3,11,00,000) Units of ₹ 10.00 each		—		31.10	
ICICI Prudential Fixed Maturity Plan Series 72 - 370 Days Plan G 10,00,000 Units of ₹ 10.00 each	1.00			1.00	
ICICI Prudential Fixed Maturity Plan Series 73 - 366 Days Plan A Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—			30.00	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan D Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—			35.00	
ICICI Prudential Fixed Maturity Plan Series 73 - 368 Days Plan M Nil (2014 - 30,00,000) Units of ₹ 10.00 each	—			3.00	
ICICI Prudential Income Opportunities Fund 7,98,54,771 (2014 - Nil) Units of ₹ 10.00 each		150.00		—	
ICICI Prudential Interval Fund Annual Interval Plan IV Nil (2014 - 99,54,739) Units of ₹ 10.00 each	—			15.00	
ICICI Prudential Interval Fund II Quarterly Interval Plan F Nil (2014 - 1,99,81,417) Units of ₹ 10.00 each	—			20.00	
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—			30.00	
Carried over	1229.41	2556.28	2502.86	1361.30	

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1229.41	2556.28	2502.86	1361.30
Investment in Mutual Funds (Contd.)					
ICICI Prudential Interval Fund Series VI Annual Interval Plan F Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		–		30.00	
ICICI Prudential Liquid Plan 6,53,865 (2014 - Nil) Units of ₹ 100.00 each			13.50		–
ICICI Prudential Money Market Fund Nil (2014 - 17,11,813) Units of ₹ 100.00 each			–		24.14
ICICI Prudential Savings Fund 50,35,980 (2014 - Nil) Units of ₹ 100.00 each			103.20		–
ICICI Prudential Short Term Plan 7,68,00,364 (2014 - Nil) Units of ₹ 10.00 each			214.10		–
ICICI Prudential Ultra Short Term Plan 16,18,17,990 (2014 - 19,40,59,829) Units of ₹ 10.00 each			211.70		200.00
IDFC Cash Fund 4,531 (2014 - Nil) Units of ₹ 1000.00 each			0.77		–
IDFC Dynamic Bond Fund 4,64,29,475 Units of ₹ 10.00 each			50.06		50.06
IDFC Fixed Term Plan Series 24 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00	
IDFC Fixed Term Plan Series 67 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00	
IDFC Fixed Term Plan Series 69 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00	
IDFC Money Manager Fund - Investment Plan 1,12,84,393 (2014 - 1,02,00,441) Units of ₹ 10.00 each			11.34		10.25
JPMorgan India Liquid Fund 20,35,37,192 (2014 - 2,54,69,354) Units of ₹ 10.00 each			208.74		25.55
JPMorgan India Treasury Fund 5,78,55,112 (2014 - Nil) Units of ₹ 10.00 each			102.28		–
JPMorgan India Active Bond Fund 9,68,66,060 (2014 - Nil) Units of ₹ 10.00 each			150.00		–
JPMorgan India Fixed Maturity Plan Series 12 Nil (2014 - 6,00,00,000) Units of ₹ 10.00 each		–		60.00	
JPMorgan India Fixed Maturity Plan Series 13 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		–		50.00	
JPMorgan India Fixed Maturity Plan Series 21 Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		–		45.00	
JPMorgan India Fixed Maturity Plan Series 31 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		–		30.00	
Kotak Bond Short Term 2,49,65,867 Units of ₹ 10.00 each			24.98		24.98
Kotak Bond Scheme Plan A Nil (2014 - 2,30,90,646) Units of ₹ 10.00 each		–			23.96
Kotak Fixed Maturity Plan Series - 104 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00	
Kotak Fixed Maturity Plan Series - 106 Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each		–		30.00	
Kotak Fixed Maturity Plan Series - 107 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		–		20.00	
Kotak Fixed Maturity Plan Series - 119 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00	
Carried over		1229.41	3646.95	2837.86	1720.24

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)	Brought forward	1229.41	3646.95	2837.86	1720.24
Investment in Mutual Funds (Contd.)					
Kotak Fixed Maturity Plan Series - 136 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Kotak Fixed Maturity Plan Series - 137 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series - 138 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Kotak Fixed Maturity Plan Series - 139 Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Kotak Fixed Maturity Plan Series - 143 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series - 144 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Kotak Fixed Maturity Plan Series - 99 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
Kotak Floater Short Term 4,303 Units of ₹ 1000.00 each			0.82		0.82
Kotak Liquid Scheme Plan A 17,641 (2014 - Nil) Units of ₹ 1000.00 each			5.00		—
Kotak Treasury Advantage Fund 4,76,54,096 (2014 - Nil) Units of ₹ 10.00 each			102.24		—
L&T Fixed Maturity Plan Series 9 - Plan D Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
L&T Short Term Opportunities Fund 3,00,07,277 (2014 - Nil) Units of ₹ 10.00 each			40.00		—
L&T Triple Ace Bond Fund 1,62,81,386 (2014 - Nil) Units of ₹ 10.00 each			60.00		—
LIC Nomura Mutual Fund Fixed Maturity Plan Series 73 - (366 Days) Nil (2014 - 80,00,000) Units of ₹ 10.00 each		—		8.00	
Reliance Dynamic Bond Fund Nil (2014 - 2,40,51,908) Units of ₹ 10.00 each			—		24.51
Reliance Fixed Horizon Fund - XXVI - Series 31 (366 Days) 50,00,000 (2014 - Nil) Units of ₹ 10.00 each			5.00		—
Reliance Fixed Horizon Fund - XXII - Series 21 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 1 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 18 Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
Reliance Fixed Horizon Fund - XXIV - Series 3 Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
Reliance Fixed Horizon Fund - XXV - Series 14 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
Reliance Fixed Horizon Fund - XXV - Series 18 Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
Reliance Fixed Horizon Fund - XXV - Series 2 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Reliance Fixed Horizon Fund - XXV - Series 4 Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Reliance Floating Rate Fund - Short Term Plan 19,74,70,372 (2014 - 15,25,73,567) Units of ₹ 10.00 each			252.57		152.57
Carried over		1229.41	4112.58	3150.86	1898.14

Notes to the Consolidated Financial Statements

		As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
		Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)					
	Brought forward	1229.41	4112.58	3150.86	1898.14
Investment in Mutual Funds (Contd.)					
Reliance Interval Fund - Quarterly Plan - Series I Nil (2014 - 3,99,15,379) Units of ₹ 10.00 each		—		40.00	
Reliance Liquid Fund Treasury Plan Nil (2014 - 1,37,336) Units of ₹ 1000.00 each			—		20.57
Reliance Liquidity Fund Nil (2014 - 3,68,082) Units of ₹ 1000.00 each			—		44.28
Reliance Medium Term Fund 12,80,94,023 (2014 - 5,58,13,715) Units of ₹ 10.00 each			262.81		55.81
Reliance Quarterly Interval Fund - Series II Nil (2014 - 2,99,58,657) Units of ₹ 10.00 each		—		30.00	
Reliance Short Term Fund 20,42,82,694 (2014 - 5,09,50,204) Units of ₹ 10.00 each			451.45		51.45
Reliance Yearly Interval Fund - Series 1 Nil (2014 - 9,19,23,593) Units of ₹ 10.00 each		—		100.00	
Reliance Yearly Interval Fund - Series 2 Nil (2014 - 9,16,64,070) Units of ₹ 10.00 each		—		100.00	
Reliance Yearly Interval Fund - Series 8 Nil (2014 - 5,00,00,000) Units of ₹ 10.00 each		—		50.00	
SBI Debt Fund Series 30 - 366 Days Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
SBI Debt Fund Series 31 - 366 Days Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each		—		25.00	
SBI Debt Fund Series 47 - 366 Days Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
SBI Debt Fund Series 52 - 366 Days Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
SBI Premier Liquid Fund 1,13,914 (2014 - Nil) Units of ₹ 1000.00 each			25.00		—
SBI Short Term Debt Fund Nil (2014 - 4,98,78,389) Units of ₹ 10.00 each			—		50.97
Sundaram Fixed Term Plan DC 15 Months Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
Sundaram Fixed Term Plan EW 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Sundaram Fixed Term Plan EY 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Sundaram Fixed Term Plan FB 369 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
Sundaram Fixed Term Plan FF 366 Days Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
TATA Fixed Maturity Plan Series 42 Scheme I Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
TATA Fixed Maturity Plan Series 45 Scheme C Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each		—		20.00	
TATA Fixed Maturity Plan Series 45 Scheme D Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each		—		15.00	
TATA Fixed Maturity Plan Series 45 Scheme E Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each		—		10.00	
TATA Fixed Maturity Plan Series 46 Scheme A Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each		—		45.00	
	Carried over	1229.41	4851.84	3735.86	2121.22

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)		As at 31st March, 2014 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1229.41	4851.84	3735.86	2121.22
Investment in Mutual Funds (Contd.)				
TATA Fixed Maturity Plan Series 46 Scheme B Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
TATA Fixed Maturity Plan Series 46 Scheme I Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
TATA Fixed Maturity Plan Series 46 Scheme L Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
TATA Fixed Maturity Plan Series 46 Scheme P Nil (2014 - 1,50,00,000) Units of ₹ 10.00 each	—		15.00	
TATA Fixed Maturity Plan Series 46 Scheme S Nil (2014 - 1,00,00,000) Units of ₹ 10.00 each	—		10.00	
TATA Fixed Maturity Plan Series 47 Scheme B Nil (2014 - 30,00,000) Units of ₹ 10.00 each	—		3.00	
TATA Money Market Fund 13,616 (2014 - Nil) Units of ₹ 1000.00 each		3.00		—
UTI - Fixed Income Interval Fund - Annual Interval Plan Series - II Nil (2014 - 60,59,504) Units of ₹ 10.00 each	—		10.00	
UTI - Fixed Income Interval Fund - IV - Annual Interval Plan Nil (2014 - 61,89,268) Units of ₹ 10.00 each	—		10.00	
UTI - Floating Rate Fund - Short Term Plan Nil (2014 - 10,52,280) Units of ₹ 1000.00 each		—		209.00
UTI - Short Term Income Fund - Institutional Option 5,06,50,712 Units of ₹ 10.00 each		50.65		50.65
UTI Fixed Term Income Fund Series XIII - III (549 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XV - VI (368 Days) Nil (2014 - 3,00,00,000) Units of ₹ 10.00 each	—		30.00	
UTI Fixed Term Income Fund Series XV - VII (369 Days) Nil (2014 - 3,50,00,000) Units of ₹ 10.00 each	—		35.00	
UTI Fixed Term Income Fund Series XVI - VII (366 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
UTI Fixed Term Income Fund Series XVII - I (369 Days) Nil (2014 - 4,50,00,000) Units of ₹ 10.00 each	—		45.00	
UTI Fixed Term Income Fund Series XVII - II (369 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XVII - X (367 Days) Nil (2014 - 2,00,00,000) Units of ₹ 10.00 each	—		20.00	
UTI Fixed Term Income Fund Series XVII - XIII (369 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
UTI Fixed Term Income Fund Series XVII - XVI (367 Days) Nil (2014 - 2,50,00,000) Units of ₹ 10.00 each	—		25.00	
Aggregate amount of quoted and unquoted Investments	1229.41	4905.49	4093.86	2380.87
Total Current investments		6134.90		6474.73
Share of Joint Ventures - Note 28(ii)(b)	0.19	—	0.19	10.58
		0.19		10.77
Grand Total		6135.09		6485.50

Aggregate market value of quoted investments ₹ 1230.72 Crores (2014 - ₹ 4248.28 Crores).

Aggregate excess of cost over fair value ₹ 148.43 Crores (2014 - ₹ 177.96 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
14. Inventories		
(At lower of cost and net realisable value)		
Stocks and shares	458.24	630.43
Raw materials (including packing materials)	4494.17	4641.13
Work-in-progress	186.92	147.71
Finished goods (manufactured)	2687.28	2130.74
Stock-in-trade (goods purchased for resale)	357.91	301.48
Stores and Spares	306.12	296.60
Intermediates - Tissue paper and Paperboards	67.24	75.29
TOTAL	8557.88	8223.38
Share of Joint Ventures - Note 28(ii)(b)	28.99	31.86
GRAND TOTAL	8586.87	8255.24
15. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	0.59	1.26
Unsecured, considered good	44.56	49.53
Doubtful	72.85	66.96
	<u>118.00</u>	<u>117.75</u>
Less: Provision for doubtful receivables	72.85	45.15
	<u>72.85</u>	<u>66.96</u>
		50.79
Others		
Secured, considered good	24.84	24.23
Unsecured, considered good	1908.18	2358.53
Doubtful	0.88	5.26
	<u>1933.90</u>	<u>2388.02</u>
Less: Provision for doubtful receivables	0.88	1933.02
	<u>0.88</u>	<u>5.26</u>
		2382.76
TOTAL	1978.17	2433.55
Share of Joint Ventures - Note 28(ii)(b)	3.90	5.66
GRAND TOTAL	1982.07	2439.21

Notes to the Consolidated Financial Statements

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
16. Cash and bank balances		
Cash and cash equivalents®		
Balances with Banks		
Current accounts	139.76	234.02
Deposit accounts	7.16	2.59
Cheques, drafts on hand	5.60	15.19
Cash on hand	3.17	155.69
Other bank balances		
Earmarked balances	134.89	113.67
In deposit accounts*	7600.96	3120.90
TOTAL	7891.54	3489.41
Share of Joint Ventures - Note 28(ii)(b)®	4.68	0.78
GRAND TOTAL	7896.22	3490.19
® 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.		
* Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 1304.50 Crores (2014 - ₹ 400.84 Crores).		
17. Short-term loans and advances		
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties		
Security deposits	0.17	0.10
Loans and advances		
Secured, considered good	1.40	1.40
Unsecured, considered good	48.48	50.05
Others		
With Statutory authorities		
Commercial advances and deposits		
Secured, considered good	7.19	4.50
Unsecured, considered good	178.64	181.80
Other loans and advances (Employees, unexpired expenses etc.)		
Secured, considered good	—	0.52
Unsecured, considered good	100.10	93.02
TOTAL	566.62	815.56
Share of Joint Ventures - Note 28(ii)(b)	2.05	0.64
GRAND TOTAL	568.67	816.20
18. Other current assets		
Interest accrued on loans, deposits etc.	88.16	73.13
Interest accrued on investments	55.48	33.13
Deposits with financial institutions	—	750.00
Others*		
Unsecured, considered good	261.79	238.46
Doubtful	3.84	1.05
Less: Provision for doubtful assets	265.63	239.51
TOTAL	405.43	238.46
Share of Joint Ventures - Note 28(ii)(b)
GRAND TOTAL	405.43	1094.72

* Others comprise receivables on account of export incentives, claims, interest, rentals etc.

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
19. Gross income		
Gross Revenue from sale of products and services*	52741.54	49235.18
Other operating revenue	400.73	331.10
Other income	1255.85	970.69
TOTAL	54398.12	50536.97
Share of Joint Ventures - Note 28(ii)(b)	18.97	13.64
GRAND TOTAL	54417.09	50550.61

* Net of sales returns and damaged stocks.

20. Revenue from operations			
Sale of products			
[Includes share of Joint Ventures ₹ 16.04 Crores (2014 - ₹ 10.61 Crores)]	50193.40	46895.73	
Sale of services			
[Includes share of Joint Ventures ₹ 1.50 Crores (2014 - ₹ 1.49 Crores)]	2565.68	2351.55	
Gross Revenue from sale of products and services*	52759.08	49247.28	
Other operating revenue			
[Includes share of Joint Ventures ₹ 0.77 Crore (2014 - ₹ 1.28 Crores)]	401.50	332.38	
TOTAL	53160.58	49579.66	
Less: Excise duty attributable to products sold [Includes share of Joint Ventures ₹ 1.37 Crores (2014 - ₹ 1.25 Crores)]	14325.77	14262.58	
TOTAL	38834.81	35317.08	

* Net of sales returns and damaged stocks.

21. Other income			
Interest income	618.98	415.97	
Dividend income			
– Long-term investments	10.34	9.64	
– Current investments	255.19	265.53	179.66
Gain on sale of long-term investments	0.64	0.35	
Net gain on sale of current investments	339.95	330.76	
Other non-operating income	30.75	34.31	
TOTAL	1255.85	970.69	
Share of Joint Ventures - Note 28(ii)(b)	0.66	0.26	
GRAND TOTAL	1256.51	970.95	
Interest income comprises interest from:			
a) Deposits with Banks/Financial Institutions	464.32	267.83	
b) Current investments	122.93	116.28	
c) Others (from customers, statutory authorities etc.)	31.73	31.86	
TOTAL	618.98	415.97	

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)		
22. Changes in inventories of finished goods, Work-in-progress, Stock-in-Trade and Intermediates				
Finished goods (manufactured)				
Opening stock	2130.74		2443.01	
Closing stock	<u>2687.28</u>	(556.54)	<u>2130.74</u>	312.27
Work-in-progress				
Opening stock	147.71		166.00	
Closing stock	<u>186.92</u>	(39.21)	<u>147.71</u>	18.29
Intermediates - Tissue paper and Paperboards				
Opening stock	75.29		75.55	
Closing stock	<u>67.24</u>	8.05	<u>75.29</u>	0.26
Stock-in-Trade (goods purchased for resale)				
Opening stock	301.48		231.58	
Closing stock	<u>357.91</u>	(56.43)	<u>(644.13)</u>	301.48
Excise duties on increase/(decrease) of finished goods			408.28	(373.58)
TOTAL			<u>(235.85)</u>	<u>(112.66)</u>
Share of Joint Ventures - Note 28(ii)(b)			0.13	(0.08)
GRAND TOTAL			<u>(235.72)</u>	<u>(112.74)</u>

23. Employee benefits expense			
Salaries and wages	2456.47		2181.82
Contribution to Provident and other funds	163.12		170.21
Staff welfare expenses	<u>180.63</u>		<u>174.51</u>
	<u>2800.22</u>		<u>2526.54</u>
Less: Recoveries made/reimbursements received	31.24		25.42
TOTAL	<u>2768.98</u>		<u>2501.12</u>
Share of Joint Ventures - Note 28(ii)(b)	3.30		3.12
GRAND TOTAL	<u>2772.28</u>		<u>2504.24</u>

24. Finance costs			
Interest expense [Refer Note 28(xi)]	45.47		6.16
Applicable net loss on foreign currency transactions and translations	22.01		—
TOTAL	<u>67.48</u>		<u>6.16</u>
Share of Joint Ventures - Note 28(ii)(b)	0.64		0.21
GRAND TOTAL	<u>68.12</u>		<u>6.37</u>

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2015 (₹ in Crores)	For the year ended 31st March, 2014 (₹ in Crores)
25. Other expenses		
Power and fuel	610.67	644.96
Consumption of stores and spare parts	237.09	244.80
Contract processing charges	794.08	741.15
Rent [Refer Note 28(vi)]	284.13	266.04
Rates and taxes [Refer Note 28(xi)]	496.22	235.67
Insurance	84.32	61.71
Repairs		
– Buildings	59.25	55.28
– Machinery	179.40	171.82
– Others	54.55	46.84
Maintenance and upkeep	149.26	135.68
Outward freight and handling charges	904.98	786.04
Warehousing charges	120.32	103.17
Advertising/ Sales promotion	783.45	825.81
Market research	55.05	57.85
Design and product development	39.02	43.59
Hotel reservation/Marketing expenses	30.30	29.41
Retail accessories	186.13	160.00
Brokerage and discount - sales	17.66	10.65
Commission to selling agents	37.59	36.28
Doubtful and bad debts	23.03	20.34
Doubtful and bad advances, loans and deposits	0.62	0.81
Provision on Long - term investments	–	20.67
Impairment of Goodwill on consolidation	15.13	15.17
Bank and credit card charges	22.84	22.80
Information technology services	125.69	122.58
Travelling and conveyance	343.12	317.70
Training and development	24.60	26.54
Legal expenses	26.98	24.58
Consultancy/Professional fees	259.68	199.80
Postage, telephone etc.	37.78	35.76
Printing and stationery	19.17	18.02
Net loss/(gain) on foreign currency transactions and translations	(52.41)	91.68
Excess of carrying cost over fair value of current investments/		
Stocks and shares - Net	–	8.21
Excess of cost of current investments over fair value, reversed - Net	(29.53)	–
Loss on sale of fixed assets - Net	27.16	5.21
Loss on sale of stores and spare parts - Net	2.38	0.86
Miscellaneous expenses	1112.96	927.02
TOTAL	7082.67	6514.50
Share of Joint Ventures - Note 28(ii)(b)	6.06	6.16
GRAND TOTAL	7088.73	6520.66

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2015 ₹ in Crores)	For the year ended 31st March, 2014 ₹ in Crores)
26. Current tax		
Income tax for the year	4248.56	4130.97
Adjustments/(credits) related to previous years - Net	(22.30)	(145.67)
MAT credit entitlement	(0.83)	(0.02)
TOTAL	4225.43	3985.28
Share of Joint Ventures - Note 28(ii)(b)	2.78	3.59
GRAND TOTAL	4228.21	3988.87
27. Deferred tax		
Deferred tax for the year	352.18	15.30
Adjustments/(credits) related to previous years - Net	15.65	56.93
TOTAL	367.83	72.23
Share of Joint Ventures - Note 28(ii)(b)	0.38	(0.17)
GRAND TOTAL	368.21	72.06
28. Additional Notes to the Consolidated Financial Statements		
(i) Earnings per share:	2015	2014
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	9663.17	8891.38
(b) Weighted average number of Ordinary shares outstanding	7,97,62,97,104	7,92,14,54,725*
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	7,54,08,227	9,40,71,139
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	8,05,17,05,331	8,01,55,25,864
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 12.11	₹ 11.22
– Diluted [(a)/(d)]	₹ 12.00	₹ 11.09

* Includes 87,761 shares issued pursuant to the Scheme of Arrangement [Refer Note 28(x)]

(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, 2015	Percentage of ownership interest as at 31st March, 2014
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
Surya Nepal Private Limited	Nepal	59	59
Landbase India Limited	India	100	100
BFIL Finance Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of ITC Investments & Holdings Limited w.e.f. 30th March, 2015) (previously, a 100% subsidiary of BFIL Finance Limited)	India	100	100

Notes to the Consolidated Financial Statements

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2015	Percentage of ownership interest as at 31st March, 2014
Russell Credit Limited	India	100	100
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited	India	98.21	98.21
Prag Agro Farm Limited (a 100% subsidiary of ITC Limited, pursuant to the Scheme of Arrangement [Refer Note 28(x)]) (Previously, a 100% subsidiary of Wimco Limited)	India	100	98.21
Pavan Poplar Limited (a 100% subsidiary of ITC Limited, pursuant to the Scheme of Arrangement [Refer Note 28(x)]) (Previously, a 100% subsidiary of Wimco Limited)	India	100	98.21
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Agri Sciences Limited (a 100% subsidiary of Technico Pty Limited)	India	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
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Pyxis Solutions, LLC [a 100% subsidiary of ITC Infotech (USA), Inc.]	USA	100	100
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing, Inc.	USA	100	100
WelcomHotels Lanka (Private) Limited	Sri Lanka	100	100
ITC Investments & Holdings Limited	India	100	100
North East Nutrients Private Limited	India	76	76

ITC Global Holdings Pte. Limited, Singapore (a wholly owned subsidiary of ITC Limited), in liquidation, has not been considered in the preparation of these Consolidated Financial Statements.

The financial statements of all subsidiaries, considered in the Consolidated Accounts, are drawn upto 31st March other than for Surya Nepal Private Limited where it is upto 14th March.

Notes to the Consolidated Financial Statements

28. 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, 2015	Percentage of ownership interest as at 31st March, 2014
Maharaja Heritage Resorts Limited	India	50	50
Espirit Hotels Private Limited	India	26	26
Logix Developers Private Limited	India	27.90	26
ITC Essentra Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

The Group's interests in jointly controlled operations:

Technico Technologies Inc., Canada has entered into a farming arrangement with Shamrock Seed Potato Farm Limited, Canada for production and sale of Early Generation seed potatoes. The participating share of Technico Technologies Inc., Canada is 35% (2014 - 35%).

The financial statements of the Joint Ventures, considered in the Consolidated Accounts, are drawn upto 31st March other than for ITC Essentra Limited where it is upto 31st December.

(c) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2015	Percentage of ownership interest as at 31st March, 2014
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited	India	47.50	47.50
Classic Infrastructure and Development Limited	India	42.35	42.35

The financial statements of all Associates, considered in the Consolidated Accounts, are drawn upto 31st March.

During the year, the Group has received dividends aggregating ₹ 2.27 Crores (2014 - ₹ 2.27 Crores) in respect of the investments in associates.

(d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements", Accounting Standard - 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard - 27 (AS 27) on "Financial Reporting of Interests in Joint Ventures" by each of the included entities.

Notes to the Consolidated Financial Statements

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

(iii) Expenditure incurred under Section 135 of the Companies Act, 2013 applicable for the first time in 2014-15 on Corporate Social Responsibility (CSR) activities - ₹ 217.41 Crores comprising employee benefits expense of ₹ 7.61 Crores and other expenses of ₹ 209.80 Crores of which ₹ 12.67 Crores is accrued for payment as on 31st March, 2015. Such CSR expenditure of ₹ 217.41 Crores excludes ₹ 4.97 Crores being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit imposed of 5% of total CSR expenditure laid down under Rule 4(6) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable to individual entities.

(iv) Contingent Liabilities and commitments:

(a) Contingent liabilities:

Claims against the Group not acknowledged as debts, are ₹ 483.01 Crores (2014 - ₹ 445.15 Crores). Interest on claims, where applicable, is estimated to be ₹ 153.37 Crores (2014 - ₹ 121.34 Crores). These comprise:

- Excise duty, VAT/Sales taxes and other Indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 322.89 Crores (2014 - ₹ 265.48 Crores). Interest on claims, where applicable, is estimated to be ₹ 135.58 Crores (2014 - ₹ 103.89 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 55.39 Crores (2014 - ₹ 65.69 Crores). Interest on claims, where applicable, is estimated to be ₹ 13.47 Crores (2014 - ₹ 12.36 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 29.09 Crores (2014 - ₹ 41.95 Crores). Interest on claims, where applicable, is estimated to be ₹ 0.14 Crore (2014 - ₹ 1.12 Crores).
- Other matters aggregating ₹ 75.65 Crores (2014 - ₹ 72.03 Crores). Interest on other matters, where applicable, is estimated to be ₹ 4.18 Crores (2014 - ₹ 3.97 Crores).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income Tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. The basis for all these SCNs and demands is an untenable contention by the Revenue Authorities that SNPL could have produced more cigarettes than it has actually produced in a given year, by applying an input-output ratio allegedly submitted by SNPL in the year 1990-91 and, that, SNPL is liable to pay taxes on such cigarettes that could have been theoretically produced and sold. This, despite the fact that SNPL's cigarette factory is under 'physical control' of the Revenue Authorities and cigarettes produced are duly accounted for and certified as such by the Revenue Authorities.

The above basis of theoretical production has been rejected by the Supreme Court of Nepal vide its orders dated 29th October, 2009 and 1st April, 2010. In the said order of the Supreme Court of Nepal dated 1st April, 2010, the Excise demands (for the financial years 1998-99 to 2002-03) and Income Tax demands (for the financial year 2001-02) were set aside. Citing the aforesaid decisions of the Supreme Court of Nepal, the Inland Revenue Department has, on 11th February, 2011 and 12th August, 2013 decided the following administrative review petitions in favour of SNPL relating to theoretical production:

- (i) Value Added Tax - ₹ 11.88 Crores [Nepalese Rupee (NRs.) 19.01 Crores] for the financial years 2001-02 and 2007-08.
- (ii) Income Tax - ₹ 3.07 Crores (NRs. 4.91 Crores) for the financial year 2005-06.

SNPL's counsel appearing in the matter has opined that the verdict of the Supreme Court of Nepal dated 29th October, 2009, which was delivered by a Full Bench of the Supreme Court of Nepal, will add substantial strength to SNPL's case in all the other matters relating to the issue of theoretical production.

Following is the status of pending demands and Show Cause Notices received from the Revenue Authorities based on similar untenable contention:

(i) **Excise Demands and Show Cause Notices**

1. Excise demand letter dated 22nd February, 2008 for ₹ 9.34 Crores (NRs. 14.95 Crores) relating to the financial years 2003-04 to 2005-06. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 2nd April, 2008 and it has issued Show Cause Notices to the respondents.

Notes to the Consolidated Financial Statements

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

2. Excise demand letter dated 30th November, 2008 for ₹ 8.03 Crores (NRs. 12.85 Crores) relating to the financial year 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 6th January, 2009 and it has issued Show Cause Notices to the respondents.
3. Show Cause Notice dated 19th January, 2010 seeking to demand ₹ 12.28 Crores (NRs. 19.65 Crores) by way of Excise Duty for the financial year 2007-08. SNPL's writ petition challenging the Notice was admitted by the Supreme Court of Nepal. On 7th March, 2010, Supreme Court of Nepal issued interim order directing Inland Revenue Department not to raise demand, pending final disposal of the writ petition.

(ii) Value Added Tax (VAT) Demands

1. VAT demand letter dated 8th August, 2007 for ₹ 3.58 Crores (NRs. 5.72 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. VAT demand letter dated 5th August, 2008 for ₹ 0.67 Crore (NRs. 1.07 Crores) relating to the financial year 2003-04. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 5th September, 2008 and it has issued Show Cause Notices to the respondents.
3. VAT demand letter dated 10th July, 2009, for ₹ 6.69 Crores (NRs. 10.70 Crores) relating to the financial years 2004-05 to 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 9th August, 2009 and it has issued Show Cause Notices to the respondents.

(iii) Income Tax Demands

1. Income Tax demand letter dated 12th August, 2007 for ₹ 12.26 Crores (NRs. 19.61 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. Income Tax demand letter dated 15th September, 2008 for the financial year 2003-04. Out of total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of the demand for ₹ 1.19 Crores (NRs. 1.91 Crores) is on theoretical production. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 8th December, 2008 and it has issued Show Cause Notices to the respondents.
3. Income Tax demand letter dated 16th October, 2009 for the financial year 2004-05. Out of a total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of the demand for ₹ 1.35 Crores (NRs. 2.16 Crores) is on theoretical production. SNPL has filed an administrative review petition before the Director General, Inland Revenue Department on 18th December, 2009. The Director General without dealing with the issues raised by SNPL, summarily dismissed the petition by an order dated 2nd March, 2010. SNPL thereafter filed an appeal before the Revenue Tribunal, on 17th June, 2010. The Revenue Tribunal, vide its order dated 9th July, 2012 (received by SNPL on 2nd November, 2012), has directed Director General, Inland Revenue Department to reassess the case, which is pending.

SNPL considers that all the demands and show cause notice listed above have no legal or factual basis. Accordingly, SNPL is of the view that there is no liability that is likely to arise, particularly in the light of the decisions in favour of SNPL by the Supreme Court of Nepal and the Inland Revenue Department.

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

- (b) Uncalled liability on shares partly paid ₹ 1.25 Crores (2014 - ₹ 1.25 Crores).
- (c) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding - ₹ 1.30 Crores (2014 - Nil).
- (d) Commitments : Estimated amount of contracts remaining to be executed on capital accounts and not provided for, including share of joint ventures ₹ 9.30 Crores (2014 - ₹ 8.89 Crores), are ₹ 1626.69 Crores (2014 - ₹ 1660.97 Crores).
- (v) Research and Development expenses for the year amount to ₹ 105.92 Crores (2014 - ₹ 117.26 Crores).

Notes to the Consolidated Financial Statements

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

(vi) The Group's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' under Note 25.

With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

	As at 31st March, 2015 (₹ in Crores)	As at 31st March, 2014 (₹ in Crores)
Not later than one year	23.03	21.47
Later than one year and not later than five years	16.51	14.62
Later than five years	3.18	1.55

(vii) The Group has adopted Accounting Standard 15 (AS 15) 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.

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on 31st March, 2015 and recognised in the financial statements in respect of Employee Benefit Schemes:

I	For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)		
	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
	Funded		Unfunded	Funded		Unfunded
Components of Employer Expense						
1 Current Service Cost	45.19	27.82	7.08	42.73	25.65	7.01
2 Interest Cost	44.69	19.82	7.14	52.50	22.06	7.62
3 Expected Return on Plan Assets	(50.03)	(19.84)	–	(54.90)	(21.78)	–
4 Curtailment Cost/(Credit)	–	–	–	–	–	–
5 Settlement Cost/(Credit)	–	–	–	–	–	–
6 Past Service Cost	–	–	–	–	–	–
7 Actuarial Losses/(Gains)	(40.20)	12.66	1.30	(7.01)	0.78	3.78
Total expense recognised in the Statement of Profit and Loss	(0.35)	40.46	15.52	33.32	26.71	18.41

The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 23.

Notes to the Consolidated Financial Statements

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

		For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)		
II	Actual Returns	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
III	Net Asset/(Liability) recognised in Balance Sheet	90.40	30.16	—	38.02	19.04	—
	1 Present Value of Defined Benefit Obligation	643.34	309.48	95.56	600.02	276.08	90.66
	2 Fair Value of Plan Assets	689.67	270.93	—	601.39	243.75	—
	3 Status [Surplus/(Deficit)]	46.33	(38.55)	(95.56)	1.37	(32.33)	(90.66)
	4 Unrecognised Past Service Cost	—	—	—	—	—	—
	5 Net Asset/(Liability) recognised in Balance Sheet	46.33	(38.55)	(95.56)	1.37	(32.33)	(90.66)
	– Current	48.43	(38.42)	(19.85)	3.34	(32.23)	(12.89)
	– Non-Current	(2.10)	(0.13)	(75.71)	(1.97)	(0.10)	(77.77)
IV	Change in Defined Benefit Obligations (DBO)						
	1 Present Value of DBO at the Beginning of the year	600.02	276.08	90.66	638.09	258.32	82.10
	2 Current Service Cost	45.19	27.82	7.08	42.73	25.65	7.01
	3 Interest Cost	44.69	19.82	7.14	52.50	22.06	7.62
	4 Curtailment Cost/(Credit)	—	—	—	—	—	—
	5 Settlement Cost/(Credit)	—	—	—	—	—	—
	6 Past Service Cost	—	—	—	—	—	—
	7 Plan Amendments	—	—	—	—	—	—
	8 Acquisitions	—	—	—	—	—	—
	9 Actuarial (Gains)/Losses	0.17	22.98	1.30	(23.89)	(1.96)	3.78
	10 Benefits Paid	(46.73)	(37.22)	(10.62)	(109.41)	(27.99)	(9.85)
	11 Present Value of DBO at the end of the year	643.34	309.48	95.56	600.02	276.08	90.66
V	Best Estimate of Employer's Expected Contribution for the next year	73.52	38.29	—	67.85	30.27	—
VI	Change in Fair Value of Assets						
	1 Plan Assets at the Beginning of the year	601.39	243.75	—	618.55	242.07	—
	2 Acquisition Adjustment	—	—	—	—	—	—
	3 Expected Return on Plan Assets	50.03	19.84	—	54.90	21.78	—
	4 Actuarial Gains/(Losses)	40.37	10.32	—	(16.88)	(2.74)	—
	5 Actual Company Contributions	44.61	34.24	—	54.23	10.63	—
	6 Benefits Paid	(46.73)	(37.22)	—	(109.41)	(27.99)	—
	7 Plan Assets at the end of the year	689.67	270.93	—	601.39	243.75	—
VII	Actuarial Assumptions						
	1 Discount Rate (%)	7.75	7.75	7.75	9.00	9.00	9.00
	2 Expected Return on Plan Assets (%)	7.75	5.78 - 9.00	—	9.00	7.62 - 9.25	—

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

Notes to the Consolidated Financial Statements

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

VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2015			As at 31st March, 2014		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Government Securities/Special Deposit with RBI				34.70%		32.95%
2	High Quality Corporate Bonds				28.27%		26.63%
3	Insurer Managed Funds*				26.61%		29.34%
4	Mutual Funds				2.73%		2.26%
5	Cash and Cash Equivalents				4.65%		4.97%
6	Term Deposits				3.04%		3.50%
7	Equity				—		0.35%

* 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.

IX	Basis used to determine the Expected Rate of Return on Plan Assets															
		For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)			For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment												
X	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)															

1	Present Value of Defined Benefit Obligation	643.34	309.48	95.56	600.02	276.08	90.66	638.09	258.32	82.10	552.53	229.80	70.06	499.99	201.29	65.48
2	Fair Value of Plan Assets	689.67	270.93	—	601.39	243.75	—	618.55	242.07	—	533.14	233.63	—	492.05	222.71	—
3	Status [Surplus/(Deficit)]	46.33	(38.55)	(95.56)	1.37	(32.33)	(90.66)	(19.54)	(16.25)	(82.10)	(19.39)	3.83	(70.06)	(7.94)	21.42	(65.48)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	20.85	6.71	—	(4.59)	(0.32)	—	13.24	3.35	—	(4.25)	(0.61)	—	4.08	2.27	—
5	Experience Adjustment of Obligation [(Gain)/Loss]	(56.02)	14.86	(6.13)	(21.02)	7.75	4.34	(29.41)	2.52	3.27	(18.01)	6.96	0.40	42.69	21.00	9.68

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 23.

Notes to the Consolidated Financial Statements

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

(viii) Derivative Instruments:

The Group uses forward exchange contracts and currency options to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:

- a) Forward exchange contracts outstanding as at year end:

		As at 31st March, 2015		As at 31st March, 2014	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	19.09	178.70	54.01	222.16
Euro	US Dollar	14.95	13.70	28.60	9.60
CHF	US Dollar	3.41	—	0.40	—
GBP	US Dollar	0.25	2.68	—	3.40
SEK	US Dollar	1.21	—	—	—
JPY	US Dollar	172.33	—	312.36	—
Euro	Indian Rupee	0.05	—	—	—
AUD	US Dollar	0.55	0.50	—	—
CAD	US Dollar	—	1.07	—	—
DKK	US Dollar	12.50	—	7.50	—
NOK	US Dollar	2.80	—	1.70	—
ZAR	US Dollar	—	1.86	—	—
USD	Nepalese Rupee	—	—	0.82	—
Euro	Nepalese Rupee	3.86	—	4.41	—
GBP	Nepalese Rupee	0.22	—	0.11	—

- b) Currency option contracts outstanding as at year end:

		As at 31st March, 2015		As at 31st March, 2014	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	—	—	10.00	15.00

- c) Foreign exchange currency exposures that have not been hedged by a derivative instrument or otherwise as at year end:

		As at 31st March, 2015			As at 31st March, 2014		
Currency	Cross Currency	Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupee	46.79	49.58	(2.79)	66.27	63.29	2.98
Euro	Indian Rupee	—	0.59	(0.59)	—	0.85	(0.85)
Euro	US Dollar	1.72	0.84	0.88	4.86	2.76	2.10
GBP	US Dollar	4.53	4.23	0.30	0.82	0.87	(0.05)
SEK	US Dollar	0.74	—	0.74	1.20	—	1.20
CHF	US Dollar	0.02	—	0.02	0.11	—	0.11
SGD	US Dollar	0.18	—	0.18	0.50	—	0.50
CAD	US Dollar	—	0.06	(0.06)	—	0.11	(0.11)
AUD	US Dollar	0.52	—	0.52	0.27	0.47	(0.20)
DKK	US Dollar	18.22	—	18.22	18.47	—	18.47
HKD	US Dollar	1.29	—	1.29	1.16	—	1.16
ZAR	US Dollar	0.47	—	0.47	0.94	0.78	0.16
NOK	US Dollar	1.86	—	1.86	2.35	—	2.35
JPY	US Dollar	3.50	—	3.50	5.46	—	5.46
AED	US Dollar	0.32	—	0.32	0.19	0.03	0.16
SAR	US Dollar	—	—	—	0.02	—	0.02
KRW	US Dollar	—	—	—	0.80	—	0.80
US Dollar	Nepalese Rupee	0.04	—	0.04	0.10	—	0.10
Euro	Nepalese Rupee	0.01	—	0.01	0.07	—	0.07
CHF	Nepalese Rupee	—	—	—	0.02	—	0.02

* Figures in brackets indicate open exports. Figures without brackets indicate open imports.

Notes to the Consolidated Financial Statements

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

(ix) 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)	
		As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)
Parent	ITC Limited	92.35%	35082.16	95.83%	9260.42
Subsidiaries	Indian				
1	Russell Credit Limited	1.84%	697.56	0.57%	54.84
2	Greenacre Holdings Limited	0.14%	51.87	0.01%	1.04
3	Wimco Limited	0.01%	2.13	...	(0.47)
4	Prag Agro Farm Limited	...	0.74	...	(0.08)
5	Pavan Poplar Limited	...	(0.31)	...	(0.47)
6	Technico Agri Sciences Limited	0.31%	119.59	0.47%	45.27
7	Srinivasa Resorts Limited	0.18%	68.96	(0.01%)	(0.72)
8	Fortune Park Hotels Limited	0.09%	33.27	0.06%	5.74
9	Bay Islands Hotels Limited	0.03%	13.26	0.01%	0.99
10	ITC Infotech India Limited	0.57%	215.54	0.97%	93.56
11	Wills Corporation Limited	0.02%	6.05	...	0.46
12	Gold Flake Corporation Limited	0.04%	14.38	0.01%	1.31
13	ITC Investments & Holdings Limited	0.01%	5.09	...	0.32
14	MRR Trading & Investment Company Limited	...	(0.04)
15	Landbase India Limited	0.56%	212.46	0.01%	1.07
16	BFIL Finance Limited	0.01%	4.38	(0.05%)	(4.58)
17	North East Nutrients Private Limited	0.13%	47.81	...	(0.12)
	Foreign				
1	Technico Pty Limited	0.08%	31.99	0.04%	4.00
2	Technico Technologies Inc.	...	0.55	0.01%	0.55
3	Technico Asia Holdings Pty Limited	–	–	–	–
4	Technico Horticultural (Kunming) Co. Limited	0.02%	6.69	0.01%	0.49
5	WelcomHotels Lanka (Private) Limited	1.28%	487.70	...	(0.21)
6	ITC Infotech Limited	0.13%	50.45	0.11%	10.30
7	ITC Infotech (USA), Inc.	0.42%	160.21	0.02%	2.04
8	Pyxis Solutions, LLC	0.03%	12.83	...	0.37
9	Surya Nepal Private Limited	0.47%	177.66	2.92%	281.99
10	King Maker Marketing, Inc.	0.06%	22.30	0.02%	1.33
	Minority Interest in all subsidiaries	0.59%	225.11	(1.20%)	(115.35)

Notes to the Consolidated Financial Statements

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

	Name of the Entity	Net Assets		Share in Profit or (Loss)	
		As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)
Associates	Indian				
1	International Travel House Limited	0.22%	85.36	0.09%	8.72
2	Gujarat Hotels Limited	0.03%	11.16	0.01%	1.15
3	Russell Investments Limited	0.03%	11.33	0.03%	2.40
4	Divya Management Limited	0.02%	7.10	...	0.03
5	Antrang Finance Limited	0.01%	4.77	...	0.07
6	Classic Infrastructure & Development Limited	0.03%	11.35	...	0.09
7	ATC Limited	0.02%	6.20	...	0.43
Jointly controlled Entities	Indian				
1	ITC Essentra Limited	0.10%	36.71	0.06%	6.11
2	Maharaja Heritage Resorts Limited	...	1.39	...	0.12
3	Espirit Hotels Private Limited	0.12%	46.17	—	—
4	Logix Developers Private Limited	0.05%	18.23	...	(0.04)
	Total	100.00%	37990.16	100.00%	9663.17

Notes:

The Subsidiary not considered in the preparation of the above statement is ITC Global Holdings Pte. Limited, Singapore, (ITC Global) a wholly owned subsidiary of ITC Limited, which is under liquidation vide Singapore High Court's Order dated 30th November, 2007. Prior to this, ITC Global was under Judicial Management in terms of an Interim Order passed by the Singapore High Court on 8th November, 1996, and confirmed by the Singapore High Court on 6th December, 1996.

- (x) In accordance with the Scheme of Arrangement as sanctioned by Hon'ble High Courts at Bombay and Calcutta on 10th April, 2014 and 14th May, 2014, respectively, the assets and liabilities of the Non-Engineering business of Wimco Limited [which include Safety Matches and Agri (Forestry) Business] as at 1st April, 2013 have been taken over at their book values subject to adjustments as specified in the Scheme. The Scheme became effective on 27th June, 2014 on filing of the Order of the Hon'ble High Court with the respective Registrars of Companies.
Pavan Poplar Limited and Prag Agro Farm Limited engaged in the business of agro-forestry and other related activities, have become direct subsidiaries of ITC Limited with effect from 27th June, 2014, consequent upon the above Scheme becoming effective.
The results for the financial year ended 31st March, 2015 reflect the effect of the Scheme, and consequently, the figures for the current year are not strictly comparable.
- (xi) Liability for earlier years towards Rates and Taxes and Interest thereon of ₹ 157.91 Crores and ₹ 34.77 Crores respectively have been written back as no longer required during the financial year ended 31st March, 2014, based on a favourable High Court Order. (Refer Notes 24 and 25). Segment Results of FMCG-Cigarettes and Finance Costs include the effects of such write back (Refer Note 29) during the financial year ended 31st March, 2014.
- (xii) Pursuant to the enactment of the Companies Act 2013, (the 'Act'), the Group has, effective 1st April 2014, reviewed and revised the estimated useful lives of its fixed assets, in accordance with the provisions of Schedule II of the Act. In respect of assets, whose useful life is exhausted as at 1st April, 2014, the related carrying amount aggregating to ₹ 61.71 Crores (net of deferred tax of ₹ 25.64 Crores) has been adjusted against opening balance of Surplus in the Statement of Profit and Loss. The consequential impact on the depreciation charged to the Statement of Profit and Loss during the year on account of the aforesaid change in useful lives is not material.
- (xiii) Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification / disclosure.

Notes to the Consolidated Financial Statements

29. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	External Sales	2015 Inter Segment Sales	Total	External Sales	2014 Inter Segment Sales	Total
1. Segment Revenue						
FMCG – Cigarettes	31855.85	–	31855.85	30417.58	–	30417.58
FMCG – Others	9043.92	10.05	9053.97	8128.77	12.17	8140.94
FMCG – Total	40899.77	10.05	40909.82	38546.35	12.17	38558.52
Hotels	1241.06	15.15	1256.21	1185.56	12.35	1197.91
Agri Business	5566.08	2814.40	8380.48	5013.12	2738.93	7752.05
Paperboards, Paper and Packaging	3558.05	1723.52	5281.57	3194.15	1971.89	5166.04
Others	1494.12	272.23	1766.35	1308.10	247.28	1555.38
Segment Total	52759.08	4835.35	57594.43	49247.28	4982.62	54229.90
Eliminations			(4835.35)			(4982.62)
Gross Revenue from sale of products and services			52759.08			49247.28
2. Segment Results						
FMCG – Cigarettes [Refer Note 28(xi)]			11636.85			10419.38
FMCG – Others			31.22			11.96
FMCG – Total			11668.07			10431.34
Hotels			52.44			145.55
Agri Business			903.97			834.78
Paperboards, Paper and Packaging			921.48			892.46
Others			231.60			181.12
Segment Total			13777.56			12485.25
Eliminations			(60.12)			(115.70)
Consolidated Total			13717.44			12369.55
Unallocated corporate expenses net of unallocated income			512.72			248.27
Profit before Interest etc. and taxation			13204.72			12121.28
Finance costs [Refer Note 28(xi)]			68.12			6.37
Interest earned on loans and deposits, income from current and long-term investments, profit and loss on sale of investments etc. - Net			1225.45			936.64
Profit before tax			14362.05			13051.55
Tax expense			4596.42			4060.93
Profit after tax before share of results of associates and minority interests			9765.63			8990.62
Share of net profit of associates			12.89			10.57
Profit after tax before Minority Interests			9778.52			9001.19
3. Other Information						
	Segment Assets	Segment Liabilities*	Segment Assets	Segment Liabilities*		
FMCG - Cigarettes	8647.38	2299.09	8416.95	2189.23		
FMCG - Others	4922.38	870.90	4258.63	839.52		
FMCG - Total	13569.76	3169.99	12675.58	3028.75		
Hotels [Refer Note 10(7)]	5314.24	370.23	4531.28	305.53		
Agri Business	2650.59	553.17	2908.61	732.13		
Paperboards, Paper and Packaging	5919.38	495.68	5857.48	544.40		
Others	999.02	290.04	929.95	262.76		
Segment Total	28452.99	4879.11	26902.90	4873.57		
Unallocated Corporate Assets/Liabilities	18009.88	9623.16	14427.10	9016.44		
Total	46462.87	14502.27	41330.00	13890.01		
	Capital Expenditure	Depreciation and amortisation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation and amortisation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	613.96	274.78	5.50	1021.27	275.06	0.22
FMCG - Others	718.74	177.64	20.15	465.67	145.58	11.75
FMCG - Total	1332.70	452.42	25.65	1486.94	420.64	11.97
Hotels [Refer Note 10(7)]	984.91	196.19	3.68	297.60	128.46	5.14
Agri Business	214.42	48.75	2.82	84.35	37.63	1.77
Paperboards, Paper and Packaging	154.14	231.95	6.87	662.90	295.28	15.46
Others	93.18	28.90	20.25	73.87	38.52	25.27
Segment Total	2779.35	958.21	59.27	2605.66	920.53	59.61

* Segment Liabilities of FMCG – Cigarettes is before considering ₹ 629.98 Crores (2014 – ₹ 667.98 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Notes to the Consolidated Financial Statements

29. Segment Reporting (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(₹ in Crores)

	2015	2014
1. Segment Revenue		
– Within India	45732.96	42899.39
– Outside India	7026.12	6347.89
Total	52759.08	49247.28
2. Segment Assets		
– Within India	26930.24	25477.33
– Outside India	1522.75	1425.57
Total	28452.99	26902.90
3. Capital Expenditure		
– Within India	2681.07	2376.74
– Outside India	98.28	228.92
Total	2779.35	2605.66

NOTES:

- (1) ITC Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups: FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following:
 - FMCG : Cigarettes
 - Cigarettes, Cigars etc.
 - Others
 - Hotels
 - Paperboards, Paper and Packaging
 - Agri Business
 - Others
- (3) The Group companies and joint ventures have been included in segment classification as follows:
 - FMCG : Cigarettes
 - Surya Nepal Private Limited and King Maker Marketing, Inc.
 - Surya Nepal Private Limited and North East Nutrients Private Limited.
 - Hotels
 - Srinivasa Resorts Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited, WelcomHotels Lanka (Private) Limited and joint ventures Maharaja Heritage Resorts Limited, Esprit Hotels Private Limited and Logix Developers Private Limited.
 - Others
 - ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Pyxis Solutions, LLC, Russell Credit Limited and its subsidiary Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., along with its jointly controlled operation with Shamrock Seed Potato Farm Limited, Technico Agri Sciences Limited, Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited, BFIL Finance Limited, ITC Investments & Holdings Limited and its subsidiary MRR Trading & Investment Company Limited, Landbase India Limited, Wills Corporation Limited, Gold Flake Corporation Limited and its joint venture ITC Essentra Limited.
- (4) The geographical segments considered for disclosure are:
 - Sales within India
 - Sales 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) The Group's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.
- (7) The Segment Results for Hotels are after considering an incremental charge of ₹ 60.55 Crores for the twelve months ended 31st March, 2015 towards depreciation from the review and revision of estimated useful lives of fixed assets in accordance with the provisions of Schedule II to the Companies Act, 2013. The impact of such revision on the results of all other reported Segments is not material [Refer Note 28(xii)].

Notes to the Consolidated Financial Statements

30. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS:

Entities, other than subsidiaries, under the control of the Group:

- a) ITC Sangeet Research Academy
- b) ITC Education Trust
- c) ITC Rural Development Trust

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) Russell Investments Limited
- c) ATC Limited
- d) Classic Infrastructure & Development Limited
- e) International Travel House Limited
- f) Divya Management Limited
- g) Antrang Finance Limited
 - being associates of the Group
- h) Tobacco Manufacturers (India) Limited, UK
 - of which the Company is an associate

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) ITC Essentra Limited
- c) Espirit Hotels Private Limited
- d) Logix Developers Private Limited

ii) a) Key Management Personnel (KMP):

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhabale	Executive Director
K. N. Grant	Executive Director
A. Baijal ²	Non-Executive Director
S. Banerjee ¹	Non-Executive Director (w.e.f. 24.07.2014)
A. Duggal ²	Non-Executive Director (w.e.f. 15.09.2014)
S. H. Khan ²	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director
R. E. Lerwill	Non-Executive Director
S. B. Mainak	Non-Executive Director (w.e.f. 25.04.2014)
S. B. Mathur ²	Non-Executive Director
P. B. Ramanujam ²	Non-Executive Director

S. S. H. Rehman ²	Non-Executive Director
A. Ruys	Non-Executive Director (ceased w.e.f. 24.07.2014)
M. Shankar ²	Non-Executive Director
K. Vaidyanath	Non-Executive Director
1. Appointed as Independent Director w.e.f. 30.07.2014.	
2. Appointed as Independent Director w.e.f. 15.09.2014.	

Members - Corporate Management Committee
B. B. Chatterjee
A. Nayak
S. Puri (w.e.f. 01.11.2014)
T. V. Ramaswamy
S. Sivakumar
K. S. Suresh
R. Tandon

b) Relatives of Key Management Personnel:

- Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
- Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)
- Mrs. S. Rehman (wife of Mr. S. S. H. Rehman)

iii) Employee Trusts where there is significant influence:

- a) IATC Provident Fund
- b) IATC Staff X Provident Fund (merged with IATC Provident Fund w.e.f. 01.08.2014)
- c) ITC Defined Contribution Pension Fund
- d) ITC Management Staff Gratuity Fund
- e) ITC Employees Gratuity Fund
- f) ITC Gratuity Fund 'C'
- g) ITC Pension Fund
- h) ILTD Seasonal Employees Pension Fund
- i) ITC Platinum Jubilee Pension Fund
- j) Tribeni Tissues Limited Gratuity Fund
- k) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- l) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- m) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- n) ITC Hotels Limited Employees Superannuation Scheme
- o) Greenacre Holdings Limited Provident Fund
- p) Greenacre Holdings Limited Gratuity Fund

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2015

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		Enterprises where control exists		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	
1.	Sale of Goods/Services	0.01	—	1.89	2.26	9.84	8.12						11.74	10.38	
2.	Purchase of Goods/Services			117.24	114.59	303.10	272.22						420.34	386.81	
3.	Sale of Fixed Assets/Scraps			0.53	0.88								0.53	0.88	
4.	Investment in Joint Ventures					3.87	1.24						3.87	1.24	
5.	Interest Income					0.59	0.77		—	0.12			0.59	0.89	
6.	Remuneration to Key Management Personnel														
	- Directors												24.64	23.38	
	- Others												9.83	8.31	
7.	Rent Received					1.41	0.56						1.41	0.56	
8.	Rent Paid					3.20	3.37		0.14	0.04			4.00	4.02	
9.	Remuneration of Managers on Deputation Reimbursed	0.19	0.19	3.66	3.66								3.85	3.85	
10.	Remuneration of Managers on Deputation Recovered			4.56	4.32	1.30	1.18						5.86	5.50	
11.	Expenditure towards Corporate Social Responsibility	24.20	—										24.20	—	
12.	Contribution to Employees' Benefit Plans														
13.	Dividend Income			2.27	2.27	2.02	2.02						114.87	101.75	
14.	Dividend Payments			1191.34	1042.42			4.19	4.35	...	—		4.29	4.29	
15.	Expenses Recovered	0.02	0.02	0.74	0.84	0.43	0.40						1195.53	1046.77	
16.	Expenses Reimbursed	0.06	0.03	0.54	1.15	0.12	0.17						1.19	1.26	
17.	Receipt towards Loan Repayment					1.40	1.40		—	0.27			0.72	1.35	
18.	Advances Given during the year					—	0.02						1.40	1.67	
19.	Adjustment/Receipt towards Refund of Advances					0.02	—						—	0.02	
20.	Deposit Received during the year					—	0.01						—	0.01	
21.	Deposits Given during the year									0.02	0.01		0.02	0.01	
22.	Adjustment/Receipt towards Refund of Deposit										—	0.02	—	0.02	
23.	Balances as at 31st March														
i)	Receivables			1.00	1.01	3.62	3.44						4.62	4.45	
ii)	Advances Given				—	0.02							48.48	48.48	
iii)	Loans Given				4.20	5.60							4.20	5.60	
iv)	Deposits Given				0.10	0.10		0.07	0.05	0.30	0.30		0.47	0.45	
v)	Deposits Taken				0.67	0.67							0.67	0.67	
vi)	Payables				13.74	9.95	4.75	2.22					40.28	42.89	
													58.77	55.06	

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (Contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES (Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY		2015	2014	RELATED PARTY TRANSACTIONS SUMMARY		2015	2014	RELATED PARTY TRANSACTIONS SUMMARY		2015	2014
1. Sale of Goods / Services				11. Expenditure towards Corporate Social Responsibility				20. Deposit Received during the year			
International Travel House Limited	1.77	2.19		ITC Sangat Research Academy	24.20			International Travel House Limited	—		0.01
ITC Essentra Limited	9.84	7.98		12. Contribution to Employees' Benefit Plans				21. Deposits Given during the year			
2. Purchase of Goods / Services				IATC Provident Fund	23.95	23.44		Mr. Y. C. Deveshwar	—		0.01
International Travel House Limited	93.22	92.30		ITC Defined Contribution Pension Fund	15.27	13.14		Mr. R. Tandon	0.02		—
ITC Essentra Limited	302.84	272.14		ITC Pension Fund	40.83	47.12		22. Adjustment/Receipt towards Refund of Deposit			
3. Sale of Fixed Assets/Straps				ITC Management Staff Gratuity Fund	22.92	6.55		Mrs. S. Chatterjee	—		0.02
ATC Limited	0.53	0.88		13. Dividend Income				23. Balances as at 31st March			
4. Investment in Joint Ventures				Gujarat Hotels Limited	0.61	0.61		i) Receivables	—		
Logix Developers Private Limited	3.87	1.24		International Travel House Limited	1.66	1.66		ii) Advances Given	0.78	0.75	
5. Interest Income				ITC Essentra Limited	2.02	2.02		Employees Trust - Pension Funds	3.33	3.44	
ATC Limited	0.59	0.77		14. Dividend Payments				iii) Loans Given	48.48	11.90	
6. Remuneration to Key Management Personnel- Directors & Others				Tobacco Manufacturers (India) Limited, UK	119.13	1042.42		iv) Deposits Given	4.20	5.60	
Mr. Y. C. Deveshwar	13.85	13.68		15. Expenses Recovered				Mr. Y. C. Deveshwar	0.05	0.05	
7. Rent Received				Gujarat Hotels Limited	0.03	0.33		Mrs. B. Deveshwar	0.30	0.30	
International Travel House Limited	1.41	0.56		International Travel House Limited	0.71	0.49		Classic Infrastructure & Development Limited	0.10	0.10	
8. Rent Paid				Maharaja Heritage Resorts Limited	0.36	0.31		v) Deposits Taken	0.67	0.67	
Gujarat Hotels Limited	3.20	3.37		16. Expenses Reimbursed				International Travel House Limited	—		
Mrs. B. Deveshwar	0.66	0.60		Gujarat Hotels Limited	0.08	0.54		Payables			
9. Remuneration of Managers on Deputation Reimbursed				International Travel House Limited	0.13	0.39		Employee Trust - Pension Funds	2.16	10.54	
Gujarat Hotels Limited	3.44	3.42		ATC Limited	0.33	0.22		Employee Trust - Gratuity Funds	38.12	32.35	
10. Remuneration of Managers on Deputation Recovered				ITC Essentra Limited	0.08	0.12		International Travel House Limited	10.55	7.48	
International Travel House Limited	1.45	1.18		17. Receipt towards Loan Repayment							
ATC Limited	3.12	3.14		ATC Limited	1.40	1.40					
Maharaja Heritage Resorts Limited	0.92	0.83		18. Advances Given during the year							
				International Travel House Limited	—						
				19. Adjustment/Receipt towards Refund of Advances							
				International Travel House Limited	0.02	—					

Notes to the Consolidated Financial Statements

31. Significant Accounting Policies

IT IS GROUP CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

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 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Basis of Consolidation

To prepare Consolidated Financial Statements (CFS) in accordance with Accounting Standard - 21 (AS 21) on "Consolidated Financial Statements", Accounting Standard - 23 (AS 23) on "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard - 27 (AS 27) on "Financial Reporting of Interests in Joint Ventures" as notified.

In case of subsidiaries, 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 of its investments in its subsidiaries over its share of net worth 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. Minority interest in the net income (profit after tax) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the Consolidated Balance Sheet. Inter-Company transactions within the Group (both Profit and Loss and Balance Sheet items) are eliminated for arriving at the CFS of the Group.

On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately. Only share of net profits / losses of associates is considered in Consolidated Statement of Profit and Loss. The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the Consolidated Balance Sheet.

Interests in jointly controlled entities (incorporated Joint Ventures) are reported using proportionate consolidation method in the CFS.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalize software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation / system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation/enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 other than Intangible (Know how, Business and Commercial Rights, Trademarks), which are amortised over the estimated period of benefit or contractual terms, as applicable. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

Revaluation of Assets

As and when Fixed Assets are revalued, to transfer to Revaluation Reserve the increase in the net book value of such Fixed Assets arising on revaluation. To account for the depreciation on such revalued Fixed Assets over the unexpired useful life of such Fixed Assets; to transfer to General Reserve the amount standing to the credit of Revaluation Reserve on account of a revalued asset that is retired/derecognised.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price 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 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 amortisation or depreciation) had no impairment loss been recognised in previous years.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, other than associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Goodwill on Consolidation

To state goodwill arising on consolidation at cost, and to recognise, where applicable, any impairment.

Inventories

To state inventories including work-in-progress 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 its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue from sale of products and services

To recognize Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales Tax/Value Added Tax recovered from customers but including excise duty on

Notes to the Consolidated Financial Statements

31. Significant Accounting Policies (Contd.)

goods payable by the Group. Net revenue is stated after deducting such excise duty.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account of the parent as proposed by the Directors, pending approval at the Annual General Meeting.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue 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. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government. To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard - 15 on "Employee Benefits". To determine actuarial gains or losses and to recognise such gains or losses immediately in Statement of Profit and Loss as income or expense.

To charge against revenue, actual disbursements made, when due, under the Workers' Voluntary Retirement Scheme.

Lease Rentals

To charge Rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

To recognise rental income on assets given on operating lease on an accrual basis over the lease term in the Statement of Profit and Loss.

Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred.

Capital expenditure on Research and Development is included under Tangible Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains / Losses arising on

settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognised in the Statement of Profit and Loss.

To account for differences between the forward exchange rates and the exchange rates at the inception of forward exchange contracts (other than those designated as cash flow hedges), as income or expense over the life of the contracts.

To account for gains/losses arising on cancellation or renewal of forward exchange contracts (other than those designated as cash flow hedges) as income/expense for the period.

To apply the principles of hedge accounting as set out in Accounting Standard - 30 on "Financial Instruments: Recognition and Measurement" to those forward exchange contracts and currency options that are designated as cash flow hedges and, accordingly, to account for the changes in the fair value of such contracts, to the extent that they are effective, directly in the Hedging Reserve Account, and to take the ineffective portion to the Statement of Profit and Loss. To recognize in the Statement of Profit and Loss the balance in the Hedging Reserve Account when the hedged item affects the profit or loss.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of forward exchange contracts and currency options, other than those designated as cash flow hedges, as at the Balance Sheet date, and to ignore the net gain, if any.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a non-integral foreign operation in a foreign currency translation reserve.

To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

Claims

To disclose claims against the Group not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

To include under "Unallocated Corporate Expenses" revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, provide financial and cost information appropriate to the businesses and facilitate Internal Control.

On behalf of the Board

K. N. GRANT	Director	Y. C. DEVESHWAR	Chairman
R. TANDON	Chief Financial Officer	B. B. CHATTERJEE	Company Secretary
Kolkata			
22nd May, 2015			

Independent Auditors' Report

to the Members of ITC Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **ITC LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account

the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report

Other Matters

8. We did not audit the financial statements of eighteen subsidiaries and one jointly controlled entity, whose financial statements reflect the Group's share of total assets of ₹ 1573.96 Crores as at 31st March, 2015, and the Group's share of total revenues of ₹ 1728.28 Crores and net cash outflows amounting to ₹ 7.12 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 12.89 Crores for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of seven associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
9. Our opinion on the consolidated 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.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. 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 of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities in accordance with the generally accepted accounting practice – also refer Note 28(iv)(a) to the consolidated financial statements.
 - ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Shyamak R Tata
Partner
(Membership No. 38320)

Kolkata
22nd May, 2015

Annexure to the Independent Auditors' Report on the Consolidated Financial Statements

(Referred to in paragraph 10 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the Order includes nine subsidiary companies, one jointly controlled company and seven associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these companies is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of one jointly controlled company incorporated in India which has been audited by us in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of this company. However, the financial year end of the aforesaid component under the Act is not the same as that of the Holding Company and, consequently, reporting under the clauses of the Order in respect of the aforesaid company is for its financial year. Accordingly, our reporting under the Order in the case of the consolidated financial statements in respect of the aforesaid company is based on the last audit report of such jointly controlled company.

- (i) In respect of the fixed assets of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
 - (a) The respective companies have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management of the respective companies in accordance with a regular programme of verification which, in our opinion and the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us and the other auditors, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventories of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
 - (a) As explained to us and the other auditors, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management of the respective companies at reasonable intervals.
 - (b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventory followed by the Management of the respective companies were reasonable and adequate in relation to the size of the respective companies and the nature of their business.
 - (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective companies have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- (iii) The Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 by the respective companies.
- (iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, commensurate with the size of the respective companies and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditors audit, no major weakness in such internal control system has been observed.
- (v) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. In respect of unclaimed deposits, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. According to the information and explanations given to us and the other auditors, no Order has been passed by the Company Law Board or the National Company

Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal in respect of any of the respective companies.

- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have, *prima facie*, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India:
 - (a) The respective companies have been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective companies with the appropriate authorities.
 - (b) As at 31st March, 2015, the following are the particulars of dues on account of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess matters that have not been deposited on account of any disputes by the aforesaid companies:

Name of the statute	Nature of the dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where pending
			Various years covering the period	
Sales Tax and Value Added Tax Laws	Sales tax and Value added tax	38.54	1987-2015	Appellate Authority – upto Commissioners'/ Revisional authorities level
		18.38	1994-2014	Appellate Authority – Tribunal level
		221.94	2000-2011	High Court
Customs Act, 1962	Customs duty	0.09	2010-2014	Appellate Authority – upto Commissioners'/ Revisional authorities level
		1.74	2005-2007	Appellate Authority – Tribunal level
Central Excise Act, 1944	Excise duty	29.85	1996-2014	Appellate Authority – upto Commissioners'/ Revisional authorities level
		88.23	1973-2014	Appellate Authority – Tribunal level
		4.10	2005-2010	High Court
Finance Act, 1994	Service tax	2.12	2006-2012	Appellate Authority – upto Commissioners'/ Revisional authorities level
		48.84	2003-2011	Appellate Authority – Tribunal level
Income-tax Act, 1961	Income-tax	108.25	2000-2012	Appellate Authority – upto Commissioners'/ Revisional authorities level
		66.36	1999-2010	Appellate Authority – Tribunal level

Out of the total disputed dues aggregating ₹ 628.44 Crores as above, ₹ 355.67 Crores has been stayed for recovery by the relevant authorities.

- (c) The aforesaid companies have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group, its associates and jointly controlled companies do not have accumulated losses at the end of the financial year and the Group, its associates and jointly controlled companies have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and to other auditors, the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India have not defaulted in repayment of dues to financial institutions, banks and debenture holders during the year.
- (x) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the terms and conditions of the guarantees given by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India for loans taken by others outside of the Group, its associates and jointly controlled companies from banks and financial institutions are not, *prima facie*, prejudicial to the interests of the Group, its associates and jointly controlled companies.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied by the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India during the year for the purposes for which they were obtained.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India and no significant fraud on the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Shyamak R Tata
Partner
(Membership No. 38320)

Kolkata
22nd May, 2015

Ten Years at a Glance

Standalone Operating Results 2006 - 2015

(₹ in Crores)

Year ending 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GROSS INCOME	16448	19557	21879	23594	26814	31399	36046	43044	48176	51932
Excise duty	6371	7056	7320	7447	8046	9360	10073	12204	13830	13882
Net Income	10077	12501	14559	16147	18768	22039	25973	30840	34346	38050
PBDIT	3613	4293	5015	5393	6689	7993	9674	11566	13562	15017
Depreciation & amortisation	332	363	439	549	609	656	699	795	900	962
PBIT	3281	3930	4576	4844	6080	7337	8975	10771	12662	14055
PBT	3269	3927	4572	4826	6015	7268	8898	10684	12659	13998
Tax	989	1227	1452	1562	1954	2280	2736	3266	3874	4390
PAT (Before Exceptional Items)	2280	2700	3120	3264	4061	4988	6162	7418	8785	9608
PAT	2235	2700	3120	3264	4061	4988	6162	7418	8785	9608
Dividends*	1135	1365	1543	1634	4453	4002	4089	4853	5583	6030
- Ordinary Dividend	1135	1365	1543	1634	2004	2518	4089	4853	5583	6030
- Special Dividend					2449	1484				
Earnings Per Share on profit after tax before exceptional items										
Actual (₹)**	6.07	7.18	8.28	8.65	10.64	6.45	7.88	9.39	11.05	11.99
Adjusted (₹)@	3.01	3.56	4.11	4.29	5.31	6.45	7.88	9.39	11.05	11.99
Dividend Per Share										
Actual - Ordinary (₹)**	2.65	3.10	3.50	3.70	4.50	2.80	4.50	5.25	6.00	6.25
Actual - Special (₹)**						5.50	1.65			
Adjusted - Ordinary (₹)@	1.31	1.54	1.74	1.84	2.25	2.80	4.50	5.25	6.00	6.25
Adjusted - Special (₹)@						2.75	1.65			
Market Capitalisation***	73207	56583	77765	69751	100476	140408	177360	244245	280708	260864
Foreign Exchange Earnings	1794	2283	2168	2226	2354	2732	2621	3807	4290	5096

* Including Dividend Distribution Tax.

** Based on number of shares outstanding at the year end; reflects the impact of Corporate Actions and normalised for impact of 1:10 Stock Split effected in 2006.

*** Based on year end closing prices, quoted on the Bombay Stock Exchange.

@ To facilitate like to like comparison, adjusted for impact of Corporate Actions.

During the above 10 year period, the following Corporate Actions took place:

2006 – 1: 2 Bonus Issue

2011 – 1: 1 Bonus Issue

Standalone Equity, Liabilities and Assets 2006 - 2015

(₹ in Crores)

Year ending 31st March	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Equity										
Share capital	375	376	377	378	382	774	782	790	795	802
Reserves and surplus	8686	10061	11681	13357	13682	15179	18010	21498	25467	29934
Shareholders' funds	9061	10437	12058	13735	14064	15953	18792	22288	26262	30736
Non-current Liabilities										
Long-term borrowings	86	94	91	91	92	87	77	66	51	39
Deferred tax liabilities (Net)	325	473	545	867	785	802	873	1204	1297	1632
Other Long term liabilities	50	86	90	95	45	115	120	129	115	108
Current Liabilities										
Short-term borrowings	26	77	92	62		2	2	
Proposed dividend (including tax)	1135	1364	1543	1634	4452	4002	4089	4853	5583	6030
Current liabilities (others)	2401	2437	2830	3000	3567	4473	5035	5477	5921	5651
Total Equity and Liabilities	13084	14968	17249	19484	23005	25434	28988	34017	39229	44196
Non-current assets										
Fixed assets (Gross)	6470	8000	10087	11773	12977	14099	16421	18432	20841	23841
Accumulated Depreciation	2065	2390	2791	3287	3825	4421	5045	5735	6532	7548
Fixed assets (Net)	4405	5610	7296	8486	9152	9678	11376	12697	14309	16293
Non-current investments	784	835	846	892	1357	1563	1953	2001	2512	2442
Long-term loans and advances	568	703	859	1117	882	1146	1196	1728	1480	1506
Current assets										
Current investments	2733	2232	2089	1945	4370	3991	4363	5059	6311	5964
Cash and bank balances	856	900	570	1031	1126	2243	2819	3615	3289	7589
Current assets (others)	3738	4688	5589	6013	6118	6813	7281	8917	11328	10402
Total Assets	13084	14968	17249	19484	23005	25434	28988	34017	39229	44196
Net Worth Per Share (₹)*	12.07	13.87	16.00	18.20	18.42	20.62	24.04	28.21	33.02	38.35

* To facilitate like to like comparison, adjusted for 1:10 Stock Split, 1: 2 Bonus Issue in 2006 and 1:1 Bonus Issue in 2011.

Equity includes impact of:

2006 – 1,21,27,470 Ordinary Shares of ₹ 1.00 each, fully paid, issued pursuant to Scheme of Amalgamation of erstwhile ITC Hotels Limited and Ansal Hotels Limited with the Company.

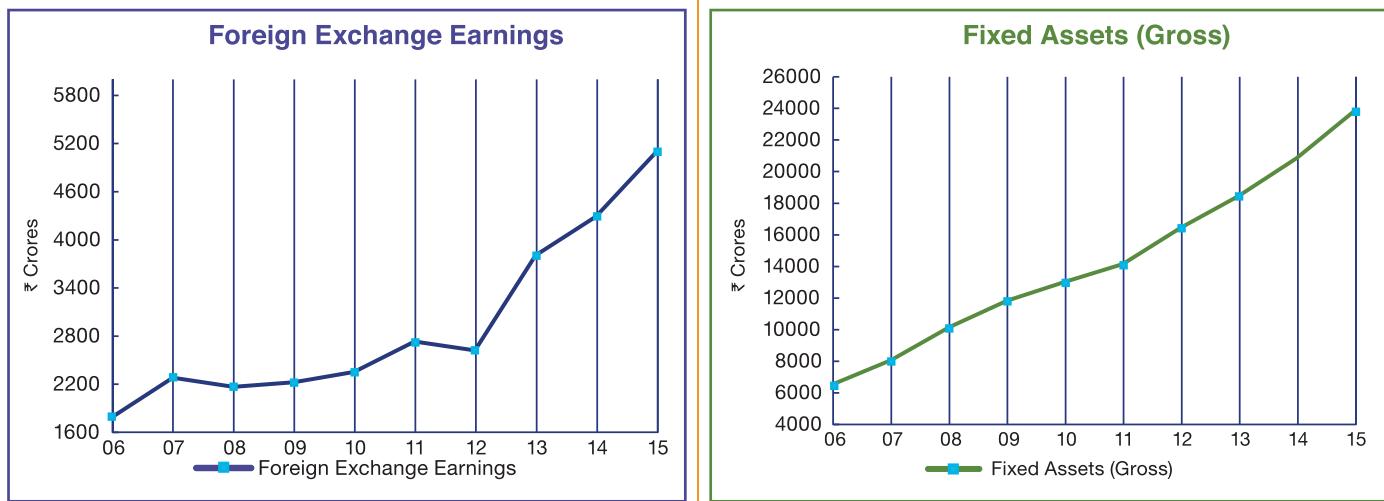
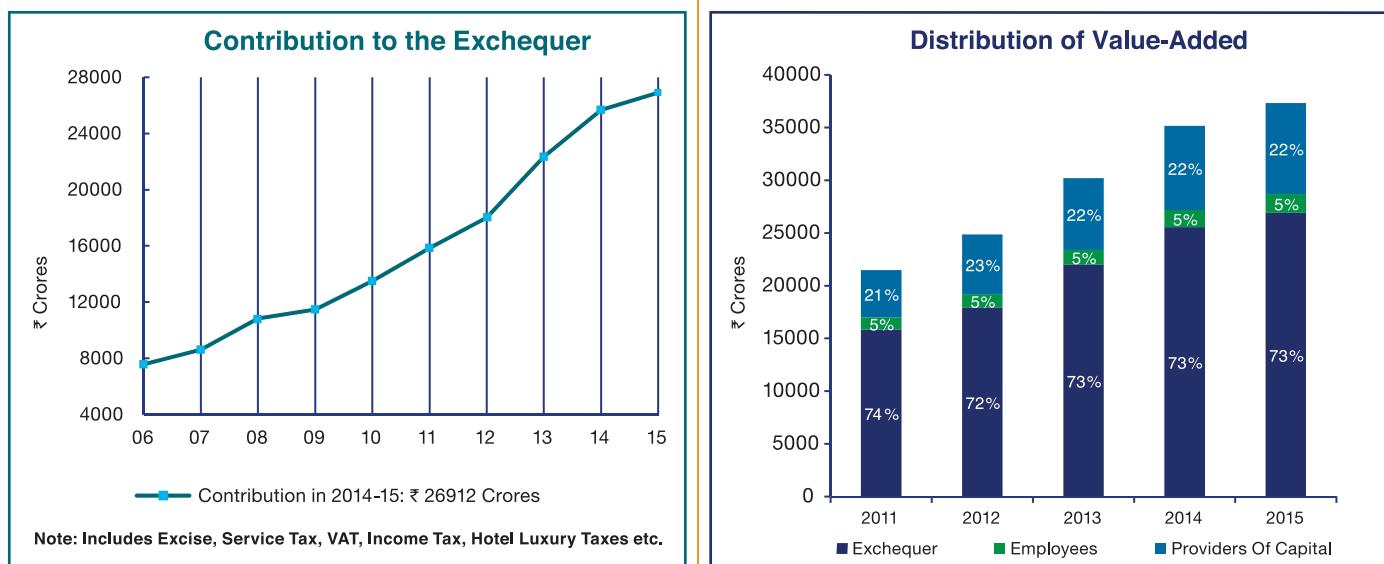
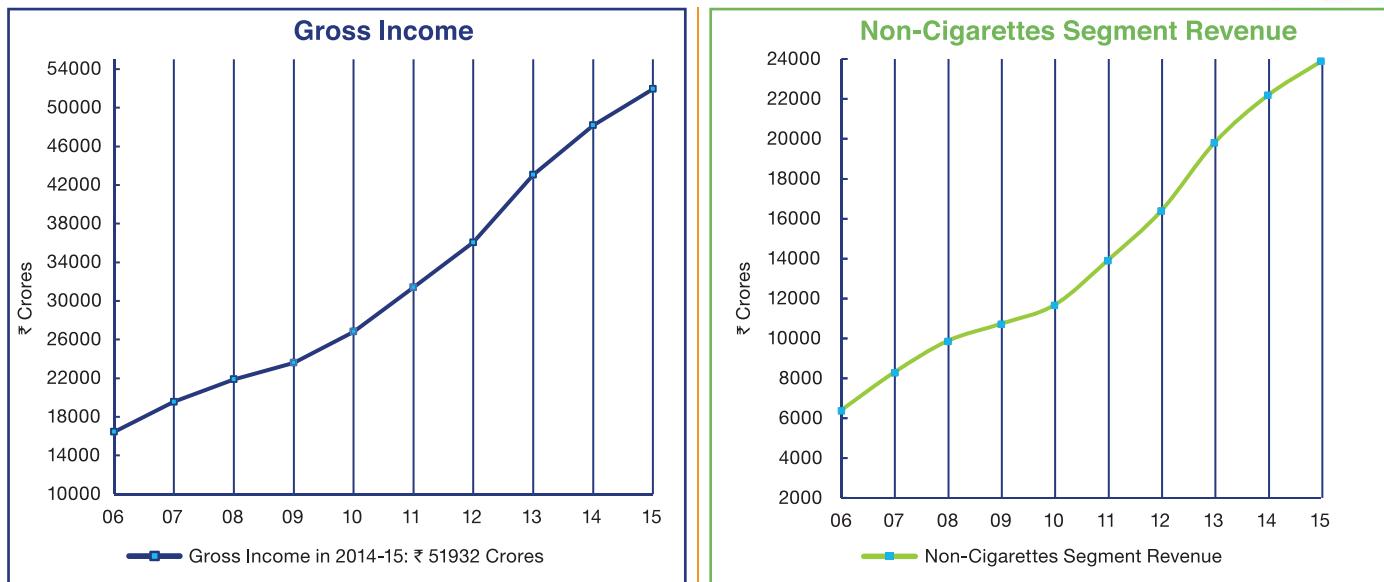
– 1: 2 Bonus Issue (₹ 125 Crores).

2011 – 1: 1 Bonus Issue (₹ 383 Crores).

2015 – 87,761 Ordinary Shares of ₹ 1.00 each issued pursuant to Scheme of Arrangement between Wimco Limited and the Company.

Note: Figures for the periods prior to 2011 have been broadly re-classified/re-arranged/re-grouped, wherever material, as per revised Schedule VI to the erstwhile Companies Act, 1956 in order to facilitate like to like comparison.

Financial Highlights



These graphs depict the standalone financial position.

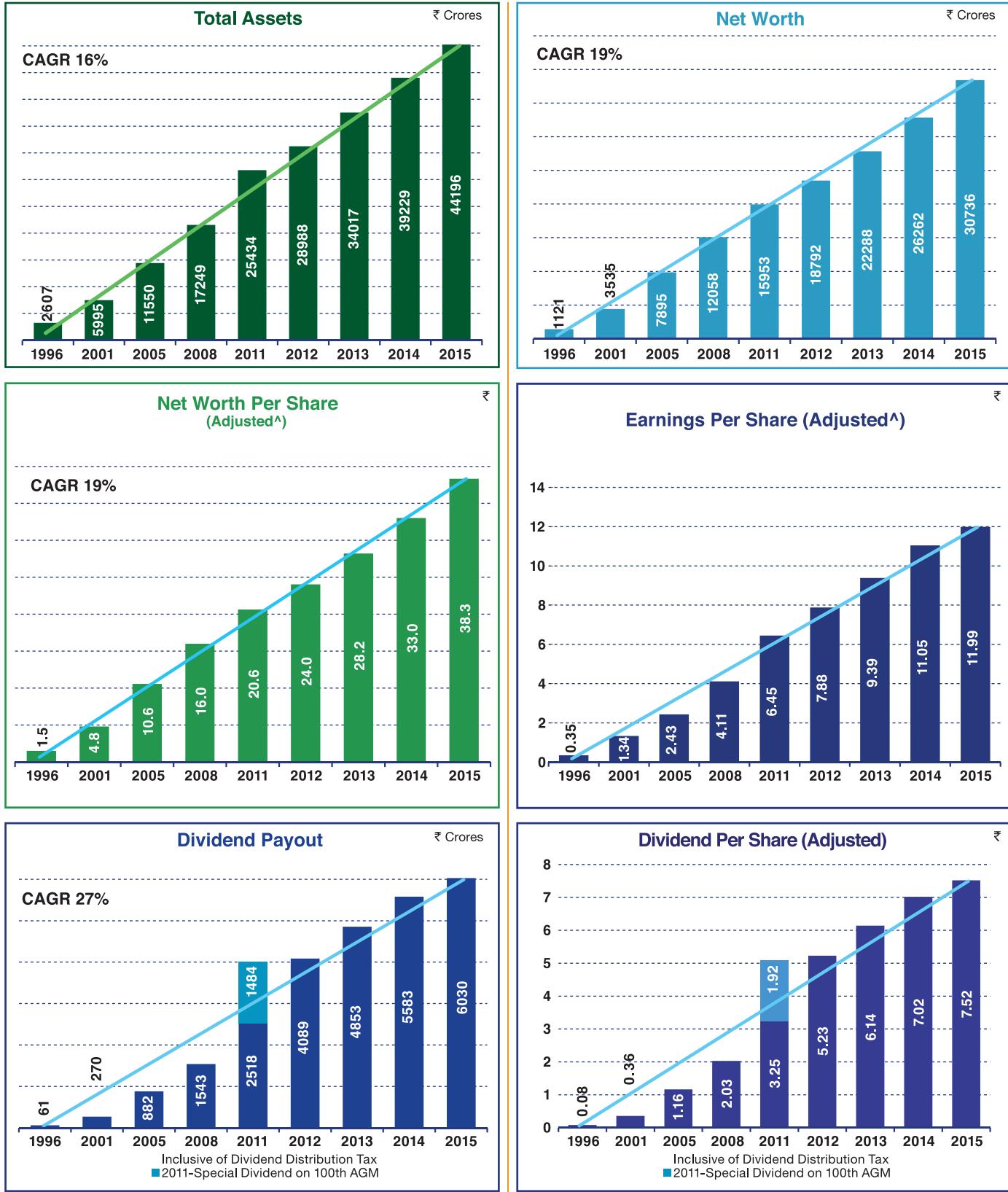


Financial Highlights



For details, refer page 112

Financial Highlights



[^] Refer page 220 for details

Dividend Per Share and Dividend Payout for 2015 are as proposed

Business Responsibility Report



The Directors present the Business Responsibility Report of the Company for the financial year that ended on 31st March, 2015, pursuant to Clause 55 of the Listing Agreement with Stock Exchanges. The Company also publishes annually, a comprehensive Sustainability Report, based on the Global Reporting Initiative (GRI) guidelines.

The details on the aspects discussed in this Report are available in the Company's Sustainability Report. The Company's Board approved Sustainability Policies, ITC Code of Conduct and the Sustainability Report are available on the Company's website — www.itcportal.com.

General Information

1. Corporate Identity Number (CIN) of the Company:	L16005WB1910PLC001985										
2. Name of the Company:	ITC Limited										
3. Address of the Registered Office:	Virginia House, 37 J. L. Nehru Road, Kolkata 700 071										
4. Website:	www.itcportal.com										
5. E-mail ID:	enduringvalue@itc.in										
6. Financial Year reported:	2014-15										
7. Key products / services:											
<table border="1"> <thead> <tr> <th>Businesses</th><th>Products / Services</th></tr> </thead> <tbody> <tr> <td>FMCG:</td><td>Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods, etc.); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis; Cigarettes, Cigars, etc.</td></tr> <tr> <td>Hotels:</td><td>Hoteliering.</td></tr> <tr> <td>Paperboards, Paper & Packaging:</td><td>Paperboards, Paper including Specialty Paper & Packaging including Flexibles.</td></tr> <tr> <td>Agri Business:</td><td>Agri-commodities such as soya, spices, coffee and leaf tobacco.</td></tr> </tbody> </table>		Businesses	Products / Services	FMCG:	Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods, etc.); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis; Cigarettes, Cigars, etc.	Hotels:	Hoteliering.	Paperboards, Paper & Packaging:	Paperboards, Paper including Specialty Paper & Packaging including Flexibles.	Agri Business:	Agri-commodities such as soya, spices, coffee and leaf tobacco.
Businesses	Products / Services										
FMCG:	Branded Packaged Foods Businesses (Bakery and Confectionery Foods; Snack Foods; Staples, Spices and Ready to Eat Foods, etc.); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis; Cigarettes, Cigars, etc.										
Hotels:	Hoteliering.										
Paperboards, Paper & Packaging:	Paperboards, Paper including Specialty Paper & Packaging including Flexibles.										
Agri Business:	Agri-commodities such as soya, spices, coffee and leaf tobacco.										
8. Locations where business activities are undertaken by the Company:	The Company's businesses and operations are spread across the country. Details of plant locations, hotels owned / operated by the Company, are provided in the section, 'Shareholder Information', in the Report and Accounts.										
9. Markets served by the Company:	ITC's products and services have a national presence and several products are exported.										

10 Subsidiary companies and their BR initiatives:

The Company has 27 subsidiaries, including 10 subsidiaries outside India. The subsidiary companies define their own initiatives based on their specific context and have access to information and expertise residing with the parent company.

Financial Details

1. Paid up Capital (As on 31.03.2015):	801.55 crores
2. Total Turnover:	49964.82 crores
3. Total profit after taxes:	9607.73 crores
4. Total Spending on Corporate Social Responsibility (CSR):	214.06 crores

List of activities in which expenditure in Point 4 above has been incurred:

Areas listed under Schedule – VII to the Companies Act, 2013	ITC's interventions (including through Trusts established by the Company)
(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water.	Health & sanitation, drinking water, contribution to Swachh Bharat Kosh
(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Education, vocational training, livestock development and livelihoods generation
(iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Women empowerment
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.	Environmental sustainability, soil & moisture conservation and wasteland development
(v) Protection of national heritage, art and culture, including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.	Protection of national heritage, art and culture
(vi) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	Sports
(vii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the schedule castes, the scheduled tribes, other backward classes, minorities and women.	Contribution to the Prime Minister's National Relief Fund
(viii) Rural Development projects.	Agri development



Commitment to Sustainable and Inclusive Growth



ITC's sustainability initiatives are inspired by the opportunity to serve larger national priorities through a Triple Bottom Line contribution to the economy. It is the Company's deep conviction that businesses possess the transformative capacity to create far larger societal value by leveraging their entrepreneurial vitality, creativity and innovative capacity. This Vision is manifest in the unique models fashioned by the Company to enable the creation of large scale sustainable livelihoods and the augmentation of natural resources. This Triple Bottom Line commitment of the Company to simultaneously build economic, social and environmental capital has spurred innovation to orchestrate a symphony of efforts that address some of the most challenging societal issues including widespread poverty and environmental degradation. These concerted efforts of the Company over several years have led to the creation of sustainable livelihoods for around 6 million people, many of whom represent the most disadvantaged in society.

While the Company's pioneering work in empowering rural India is a global exemplar, it has also spearheaded several initiatives to achieve new benchmarks in environmental excellence. Recognising that climate change is a threat that particularly makes rural communities extremely vulnerable, the Company has adopted a low carbon growth strategy. This encompasses large scale afforestation, increasing use of renewable energy and a continuous quest to maximise natural resource efficiencies across all its operations. ITC is the only company of comparable dimensions in the world to be carbon positive for 10 years, water positive for 13 years and solid waste recycling positive for 8 years. Its environmental stewardship is also reflected in its luxury hotels being Leadership in Energy and Environmental Design (LEED®) Platinum Certified and the increasing share of renewable energy usage in the Company's total energy consumption, which presently stands at 43.1%.

Business Responsibility Policies and Guidelines

The Company has aligned its policies and guidelines with the principles enunciated under the Business Responsibility Reporting framework on social, environmental and economic responsibilities of business. The context of the BR principles is embodied in the Sustainability Policies and Code of Conduct adopted by the Company, implementation of which is ensured through well-established systems and processes across all its businesses.

Reporting on Sustainability Initiatives

For the past 11 years, the Company has published Sustainability Reports encapsulating its performance across the three dimensions of the Triple Bottom Line. ITC Sustainability Report 2014 was among the first in India to be published as per the latest G4 guidelines of the GRI in the 'In Accordance - Comprehensive' category with 'Materiality Matters' confirmation from GRI. The Report was also the first in India to be third party assured at the highest criteria of 'reasonable assurance' as per the International Standard on Assurance Engagements (ISAE) 3000. The 12th Sustainability Report covering the sustainability performance of the financial year ended on 31st March 2015 and prepared in accordance with the GRI G4 Guidelines, will be available shortly. In addition, the Report and Accounts 2015 of the Company provides a review of the Company's Triple Bottom Line performance.

Sustainability Policies and ITC Code of Conduct aligned with Business Responsibility Principles

ITC Code of Conduct	Freedom of Association
Life-cycle Sustainability	Diversity and Equal Opportunity
Stakeholder Engagement	Prohibition of Child Labour and Prevention of Forced Labour at the Workplace

Responsible Advocacy	Human Rights consideration of Stakeholders beyond the Workplace
Product Responsibility	Environment, Health & Safety
Responsible Sourcing	Corporate Social Responsibility

Business Responsibility Report Index on Social, Environmental & Economic Issues



Sl. No.	BRR Principle	Section in BR Report	Page	Details in ITC Sustainability Report
1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Corporate Governance for Ethics, Transparency and Accountability	V	✓
2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life-cycle	Sustainability of Products & Services across Life-cycle	VI	✓
3	Businesses should promote the well-being of all employees	Employee Well-being	VIII	✓
4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Stakeholder Engagement	X	✓
5	Businesses should respect and promote human rights	Human Rights	X	✓
6	Businesses should respect, protect, and make efforts to restore the environment	Protection and Restoration of the Environment	XI	✓
7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Responsible Advocacy	XIII	✓
8	Businesses should support inclusive growth and equitable development	Supporting Inclusive Growth and Equitable Development	XIII	✓
9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Providing Value to Customers and Consumers	XVI	✓

Principle 1: Corporate Governance for Ethics, Transparency and Accountability



A Board approved policy provides the framework for ITC's corporate governance philosophy, which is anchored on the values of trusteeship, transparency, ethical corporate citizenship, empowerment, control and accountability. ITC believes that since large corporations utilise societal and environmental resources, governance processes must ensure that they are utilised in a manner that meets the aspirations of stakeholders. ITC embeds sustainability principles in its business strategies, and coupled with corporate governance processes, seeks to ensure superior Triple Bottom Line performance.

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/Strategic Business Unit (SBU) Chief Executive assisted by the respective Divisional/SBU 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 by the Board of Directors 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 a Division or Business focuses on enhancing the quality, efficiency and effectiveness of the business.

ITC's governance framework enjoins the highest standards of ethical and responsible conduct of business to create value for stakeholders.

For more details on ITC's governance structure, please refer to the section, 'Report on Corporate Governance', in the Report and Accounts.

Strategic Supervision of Business Responsibility Practices

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 pursuing its social and environmental objectives along with crafting unique models to support creation of sustainable livelihoods and environmental regeneration. The Committee formulates, reviews and monitors the CSR Policy and recommends to the Board the annual CSR Plan of the Company in terms of the Companies Act, 2013. The Committee also reviews the Business Responsibility Report of the Company.

The CSR and Sustainability Committee presently comprises the Chairman of the Company and four Non-Executive Directors, one of whom is an Independent Director. The Chairman of the Company is the Chairman of the Committee. The names of the members of this Committee and the number of meetings held during the year are provided under the section, 'Report on Corporate Governance' in the Report and Accounts. The Corporate Management Committee has constituted a Sustainability Compliance Review Committee (SCRC), which presently comprises an Executive Director, two members of the Corporate Management Committee and five senior members of management. The role of the Committee, *inter alia*, includes monitoring and evaluating compliance with the Sustainability Policies of the Company and placing a quarterly report thereon for review by the Corporate Management Committee.

During the year, four meetings were held to review the implementation of sustainability policies and the progress towards sustainability targets.

Principle 2: Sustainability of Products and Services across Life-cycle



The Company's strategic intent to create enduring value by investing in new engines of growth is powered by its strong and competitive capabilities in R&D, innovation & technology and an array of institutional strengths including deep consumer insights, brand building capability, trade marketing and distribution infrastructure, focus on quality and world-class manufacturing practices, strong rural linkages and outstanding human resources.

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material/service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by

Assessment studies have been carried out for some of the Company's products for identifying additional opportunities to continuously reduce environmental impacts across the value chain. Resource efficiency is integrated into product and process design and is a critical component in the creation of physical infrastructure, operations, logistics and waste management.

The Company's concerted efforts in optimising resource use and efficiency, for instance, are evident across businesses including the Company's most resource-intensive business, the Paperboards and Specialty Papers Division, where continuous improvements in energy and water usage, have made it amongst the most efficient within the sector.



consumers. Policies on 'Life-cycle Sustainability' and 'Responsible Sourcing' detail the Company's approach in this respect.

Some of these elements are discussed briefly below:

Maximising Resource Efficiency

The Company has a long tradition of optimising resource use efficiencies, especially that of common resources such as water and energy. Life-cycle

Similarly, the Company's Hotels Division has also demonstrated high levels of resource efficiency by achieving the LEED® (Leadership in Energy and Environmental Design) certification at the highest Platinum level for its luxury properties (certification in progress for ITC Grand Bharat which was opened recently). Several of the Company's factories and office complexes have also received the LEED® certification and Bureau of Energy Efficiency's (BEE) star ratings. In order to continually reduce the

Company's environmental footprint, green features are integrated in all new constructions and are also being incorporated into existing hotels, manufacturing units, warehouses and office complexes during retrofits.

Sustainable Consumption

The Company has crafted extensive strategies to ensure sustainable consumption of energy, water and other resources in its businesses. Even though the Company's Paperboards and Specialty Papers Division accounts for nearly 90% of the Company's total energy consumption and water intake, it is an acknowledged leader in low-carbon operations as well as in water usage efficiency. This has been achieved by reducing specific energy consumption, increasing share of renewable energy sources, afforestation, recycling and reusing internal and post-consumer waste. The Centre for Science and Environment, New Delhi, rated this business as the 'most energy efficient' in the Indian Paper and Paperboard sector (Challenge of the New Balance, CSE, 2010). In 2014-15, the freshwater intake at the Bhadrachalam unit was 32% below the standard proposed by the National Productivity Council for large-scale integrated pulp and paper mills.

The Hotels Division pioneered the concept of 'Responsible Luxury' and created design interventions, which have enabled optimisation in the usage of energy and water. The LEED® Platinum certification for the luxury hotels of the Company makes 'ITC Hotels' the greenest luxury hotel chain in the world.

For the past 8 years, the Company has been recycling over 98% of the solid waste generated by its units. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous waste as well as e-waste.

Beyond Boundaries

Vendors/service providers and large outsourced manufacturing facilities are encouraged to adopt management practices detailed under the international standards such as ISO 9001, ISO 14001, OHSAS 18001 and ITC's Corporate Environment, Health and Safety (EHS) Guidelines. Contract manufacturing agreements provide for compliance with accepted standards on issues related to EHS, human rights and labour practices. Most of the outsourced

manufacturing units of the Foods Business are already HACCP (Hazard Analysis and Critical Control Point) certified and are working towards improvement in energy efficiency. These interventions are some of the examples of the Company's sustainability practices being extended to its supply chain network partners.

In order to strengthen sustainable procurement processes, policies on 'Responsible Sourcing' and



'Human Rights Consideration of Stakeholders beyond the Workplace' have been adopted to address issues of labour practices, human rights, bribery, corruption, occupational health, safety and environment.

The Company works in close partnership with cottage and small-scale units in businesses such as Safety Matches, Agarbattis and Education and Stationery Products. These partnerships have significantly enhanced the competitiveness of a number of units in these sectors. The Safety Matches and Agarbatti Business support the creation of over 18,000 sustainable livelihoods, mainly amongst poor rural women. Similarly, the collaborative supply chain established by the Company's Education and Stationery Products Business provides indirect employment opportunities to over 5,000 people.

Responsible Sourcing

The Company endeavours to integrate sustainability in the procurement process for its products and services across its diversified business portfolio. The policy on 'Responsible Sourcing' encourages resource efficiency in the supply chain which together with the 'Code of Conduct for Vendors and Service Providers' provide guidance to supply chain members and partners to adopt sustainable practices.

Recognising that poverty in rural India also gets accentuated by inadequate access to knowledge, information, price discovery, quality agricultural inputs and markets, the Company has devised unique models for farmer empowerment. These interventions not only support sustainable agriculture and enhance productivity, but also contribute to substantial livelihood creation.

The Company's globally acknowledged ITC e-Choupal initiative has transformed rural communities into vibrant economic organisations by leveraging information technology to provide real-time information on weather, market prices, agricultural best practices etc. It also provides customised extension services and training through 'Choupal Pradarshan Khets'

(demonstration farms). Farmers have been empowered through the establishment of integrated rural services hubs called 'Choupal Saagars'. The e-Choupal system has enabled efficient sourcing and raised rural incomes. The Company promotes environmentally sustainable farm practices such as zero tilling, micro-irrigation and watershed development. In addition, the Company promotes large-scale afforestation through its Social Forestry programmes. Customised extension services, knowledge of silvicultural practices, and bio-diversity enhancement enrich the farmers' capacity whilst augmenting natural capital. The farmers are free to transact at will and sell to whoever they choose, though the Company stands as a willing buyer.



Principle 3: Employee Well-being

The Company aims to foster a climate of creativity and innovation to enable its employees enhance value creation for all its stakeholders and to address the challenges of tomorrow with conviction and confidence. The superior capability of the Company's talent pool is premised on a work culture that nurtures quality talent and promotes a conducive work environment that combines the need to focus on performance and results with a caring and compassionate work ethos. Policies on 'Diversity and Equal Opportunity', 'Freedom of Association' and 'Environment, Health and Safety', among others, guide the management approach on specific elements of the Company's work practices.

Equal Opportunity

The Company's policy on 'Diversity and Equal Opportunity' is anchored on its fundamental belief that employees with diverse cultural backgrounds bring unique experiences, perceptions, knowledge and skills of culturally distinct individuals, which when harnessed, strengthens the organisation's productivity and proactively responds to changing conditions. Equally, exposure to new ideas, cultures and perspectives enable the personal growth of employees, based on merit and capability. The policy also ensures a work environment that is free from any form of discrimination amongst its employees in



compensation, training and employee benefits based on caste, religion, disability, gender, sexual orientation, race, colour, ancestry, marital status or affiliation with a political, religious or union organisation or majority/minority group.

The Company has put in place suitable processes and mechanisms to ensure that grievances are effectively addressed. The Grievance Redressal Procedure and the Internal Complaints Committee are intended to facilitate open and structured discussions on work related grievances of employees and sexual harassment complaints respectively, to ensure that these are dealt with in a fair and just manner. During the year, 2 complaints of sexual harassment were received, which have since been resolved.

Affirmative Action

The Company is a signatory to the 'CII Code of Conduct for Affirmative Action' which also guides its approach in building human capital on a sustainable basis, through:

- Direct and indirect employment;
- Education, training and skill development to enhance employability; and
- Creation of livelihood opportunities through innovative development models.

Although ITC is committed to employing youth from disadvantaged communities, it is the Company's belief that this can be meaningfully achieved by enlarging the talent pool of youth from these communities by equipping them with the necessary skills and qualifications to enhance their employability in the formal sectors of the economy. The Company lays equal emphasis on strengthening the economic portfolio of poor households belonging to marginalised groups through initiatives aimed at natural resource management and creation of off-farm opportunities to create sustainable livelihoods.

These affirmative action initiatives of the Company have had a direct and tangible impact on 55,061 people belonging to Scheduled Caste/Scheduled Tribes spread over 14 states of the country.

Supporting People with Disabilities

The Hotels Division of the Company has been proactively creating awareness on the opportunities for employing people with disabilities amongst potential employers. In this connection, two handbooks, namely, '*A Guide to Universal Design in Built Environments: A Guide for Creating Accessible Building Infrastructure for Persons with Disability*' and '*ITC Hotels Disability Handbook for Industry*', have been prepared to guide industry action in this endeavour. Further, the Hotels Business has also employed people with disabilities in various roles.

Learning and Development

For the Company, learning and development is a business critical priority for enhancing capability, strengthening the leadership pipeline and fostering employee engagement. These initiatives enable the Company to achieve sustainable growth. The focus is on achieving continuous performance improvement in functions and businesses and energising the organisation to manage change. Five capability platforms have been identified – Strategic, Value Chain, Leadership, Innovation and Human Resources Development – that are relevant to make businesses future ready. In addition, these platforms are designed to strengthen organisational systems to facilitate speedy and competitively superior responses to market opportunities.

In 2014-15, the Company provided 1,05,277 person days of formal training to employees at various levels. In addition, 29,438 person days of training were dedicated specifically to environment, health and safety issues.



Principle 4: Stakeholder Engagement



The Policy on Stakeholder Engagement provides the approach for identifying and engaging with stakeholders that include shareholders, customers, employees, farmers, suppliers, communities, civil society, media and the government.

The Company believes that an effective stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Accordingly, it anchors its stakeholder engagement on the following principles:

- a) Materiality – Prioritised consideration of the economic, environmental and social impacts identified to be important to the organisation as well as its stakeholders.
- 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 withstood the test of time.

The Company's collaborative partnerships with communities are manifest in its programmes such as watershed development, social forestry, animal husbandry services and women empowerment. These initiatives augment the natural resource base of the nation and create sustainable rural livelihoods.



Principle 5: Human Rights



The Company has policies on Human Rights applicable to its employees and its value chains. The policies and their implementation are directed towards adherence to applicable laws and to uphold the spirit of human rights, as enshrined in existing international standards such as the Universal Declaration and the

Fundamental Human Rights Conventions of the International Labour Organisation (ILO).

A Grievance Redressal Procedure to address concerns, pertaining to human rights and decent labour practices has been put in place. Awareness inputs were provided to 728 employees on Human

Rights Policies and Prevention of Sexual Harassment at Workplace. In addition, 38 Internal Complaints Committee members across businesses were provided skill training on handling cases of sexual harassment at workplace. Employees across the Company are being sensitised to adopt the human

rights policies and the ITC Code of Conduct.

The Company has also introduced a Code of Conduct on this aspect for vendors and service providers which has been accepted by such identified parties.

Principle 6: Protection and Restoration of the Environment



The Company is a global exemplar in environmental sustainability and takes pride in being carbon positive, water positive and solid waste recycling positive for many years. The Company has contributed to building environmental security by not only ensuring efficient use of resources but also by augmenting precious natural resources.

The policies on 'Life-cycle Sustainability', 'Environment, Health and Safety' and 'Responsible Sourcing' provide the necessary direction towards climate change mitigation and adaptation efforts as well as natural resource replenishment initiatives. Such efforts include implementation of a low carbon growth strategy across its businesses, integrated soil and water conservation programmes and the creation of large-scale sustainable livelihoods amongst the marginalised sections of society.

The Company has sought to align with the NAPCC (National Action Plan on Climate Change) of the Government of India to respond to the challenges emerging from the threat of climate change. Some of the measures implemented include continual improvement in specific energy consumption (energy consumed per unit of product or service), enhanced

use of renewable energy and expansion of forestry projects to improve the Company's positive carbon footprint. The Company has also computed its Greenhouse Gas inventory in line with the ISO 14064 standard, which has been assured at the highest 'Reasonable Level' as per the ISAE 3410 standard, by a third-party assurance provider.

Resource Conservation, Waste Segregation and Recycling

The Company has spearheaded measures across business units to ensure waste minimisation, segregation at source and solid waste recycling. During the year, over 99% of the solid waste generated in the Company's units was recycled. The Company has collaborated with local municipal agencies to work on community waste management in several areas through its Well-being Out of Waste (WOW) initiative.

Water Management Stewardship

The Company has undertaken several water conservation and harvesting initiatives to enhance its positive water footprint. These include continual improvement in specific water intake (water withdrawn



per unit of product or service), adoption of benchmarked practices to achieve zero effluent discharge in the Company's operating units and the establishment of rainwater harvesting structures both within the Company's premises and in the catchment areas of its operations. These initiatives not only lower fresh water intake but also maximise groundwater recharge, reduce run-off and provide precious water to farmers. Most of the Company's units have achieved reduction in their specific water intake and many units have recycled their treated effluents in-house and achieved a zero effluent discharge status.

Carrying forward the Company's extensive work on integrated watershed management, an assessment has been carried out at one of ITC's manufacturing units to ensure water security for all stakeholders at the local watershed level. This initiative is intended to further reduce direct water consumption within the unit, influence reduced extraction by stakeholders within defined watershed area, augment groundwater recharge, increase surface storage through the rejuvenation and interlinking of existing water bodies and integrated watershed management measures at catchment area of tributaries. The Company will examine the possibility of extending this initiative to other locations as well.

Cleaner Production Methods, Use of Energy Efficient and Environment-friendly Technologies

The Company is a pioneer in the green buildings movement, which commenced with the establishment of the ITC Green Centre at Gurgaon in 2004 - the highest LEED® Platinum certified building in the world. ITC Grand Chola, the 600-key super-premium luxury hotel complex in Chennai, which is the world's largest LEED® Platinum certified green hotel, has also secured a 5 Star GRIHA (Green Rating for Integrated Habitat Assessment) rating, the highest national rating for green buildings in India. Other large infrastructure investments, such as the ITC Green Centre at Manesar (LEED® Platinum certified) and the upcoming ITC Green Centre at Bengaluru (pre-certified for LEED® Platinum) continue to demonstrate your Company's commitment to green buildings.

The Company has also pioneered the manufacture of

Elemental Chlorine Free (ECF) pulp & paper/paperboards in India and taken further steps by introducing 'Ozone bleaching' technology, another first in the country. The Company continues to invest in reducing air emission levels through adoption of cleaner technologies/fuels, monitoring of combustion efficiencies and investments in state-of-the-art pollution control equipment, such as plasma filters, electrostatic precipitators etc. Its units monitor significant air emission parameters, such as Particulate Matter (PM), Nitrogen Oxides (NO_x) and Sulphur Dioxide (SO₂) to ensure compliance with Company standards that are more stringent than regulatory requirements. The Company has made a commitment to reduce dependence on energy from fossil fuels by progressively moving towards meeting 50% of its total energy requirements from renewable sources by 2020. In order to meet this goal, the Company has developed a strategic approach and plans that focus on both energy conservation and renewable energy investments.

Implementation of Environment, Health & Safety Management Systems

In pursuit of its EHS Policy commitments, the Company has established management systems, certified by accredited agencies in line with international standards like ISO 14001 and OHSAS 18001. Within the purview of certified management systems, contingency plans are developed and implemented to prevent, mitigate and control environmental disasters.

An integrated sustainability database management system implemented across the Company ensures monitoring and reviewing of sustainability performance through defined key performance indicators. Standard operating procedures are in place to define, collate



and support audits of data for ensuring accuracy and verifiability. Furthermore, the Company has focused on institutionalising safety as a value-led concept by inculcating a sense of ownership at all levels and

driving behavioural change towards creation of a safety culture. In line with this, behavioural based safety initiatives and custom-made risk based training programmes have been implemented at several units which has resulted in improved safety performance.

Principle 7: Responsible Advocacy

The Policy on Responsible Advocacy provides the framework for the necessary interface with Government/Regulatory Authorities on matters concerning the various sectors in which the Company operates. 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 and 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 the need to balance interests of diverse stakeholders.

The Company, for its social development projects, organises meetings with the local administration and state governments to seek their participation and involvement. Their expert advice and counsel are also sought and approvals obtained, where required, for the planned interventions. The Company also engages in public-private-partnerships (PPP) with the state governments for such projects.



Principle 8: Supporting Inclusive Growth and Equitable Development



ITC's Strategic Stakeholders

The main stakeholders for the Company's social investment programme include:

- Rural communities in the Company's agri-business areas who seek viable solutions to some of the major challenges that threaten the sustainability of their production systems.
- The communities residing in close proximity to the Company's production units, situated in urban and semi-rural locations, who require help in the creation of the necessary socio-economic infrastructure for the emergence of a healthy, educated and skilled workforce with the capability to successfully compete for contemporary jobs.
- The central and state governments, which encourage PPPs to demonstrate scalable and replicable models of development.

Given the Company's operational spread, its stakeholder representation cuts across rural and urban milieus. Interventions therefore have been designed to respond to their unique multi-dimensional development challenges in order to empower stakeholder communities and promote sustainable livelihoods.

The Company's stakeholders are faced with multiple issues, at the core of which are the twin challenges of securing sustainable livelihoods for both rural and urban households:

- Horizon 1: Making today's dominant source(s) of livelihoods sustainable; and
- Horizon 2: Creating capabilities for wealth generation and employment for tomorrow

This has necessitated an integrated approach to development comprising several interventions which are summarised below.

Coverage & Spread

The projects promoted under the Company's social investments programme, numbering 132, are spread over 14 states covering 71 districts. The interventions reach out to over 6.70 lakh households in more than 10,600 villages. Of the total projects implemented, 71% are designed for rural stakeholder households, while the balance 29% address stakeholders residing around the Company's factories.

Strengthening Livelihoods

Watershed Development:

The Company's Watershed Development Programme promotes local management of water resources by facilitating community-based participation in planning and executing watershed projects. A total of 51,397 hectares (ha) was brought under soil and moisture conservation and 1,490 water-harvesting structures were constructed during the year.



Bio-diversity Conservation:

Bio-diversity conservation was promoted in 57 plots covering 504 ha with the objective of protecting the native flora and fauna and provide other eco-system services. In 2014-15, the Company's bio-diversity programme covered 3,191 ha. The Company is now collaborating with several expert agencies, including International Union for Conservation of Nature, to establish baselines, undertake impact assessments and prepare management plans.

Social Forestry:

The Social Forestry programme is designed to promote livelihoods through afforestation by providing



financial, technical and marketing support to farmers. It is specially targeted at small and marginal landholders from the economically weaker sections of the society. The total area afforested during the year was 20,355 ha of which 9,241 ha were under agro-forestry, which provides food, fodder and fuel-wood security to small and marginal farmers.

Animal Husbandry & Dairy Development:

The Company has set up 256 cattle development centres in 7 states, which have carried out artificial insemination of 2.24 lakh milch animals during the year. The period saw 80,000 live births, taking the cumulative total of hybrid progenies to 4.79 lakhs. The dairy development programme is assisting farmers to sell an average of 32,000 litres per day of milk, in Munger and Saharanpur.



Improved Agricultural Practices:

The core purpose of this programme is to introduce advanced knowledge and technology through different package of practices and increase awareness of farmers on optimum use of natural resources in order to increase farm productivity and minimise cost of cultivation. 521 farmer field schools were functional

during the year which played a pivotal role in disseminating advanced agri-practices to over 21,000 farmers through 7,736 demonstration plots covering over 18,000 ha under different crops. In pursuit of the Company's long term sustainable objective of increasing soil organic carbon, 3,668 compost units were constructed during the year.

Non-farm Livelihoods:

- **Micro Enterprises:** This initiative of the Company is specifically designed for women from economically weaker sections. This programme provides gainful employment opportunities in micro-enterprises such as Agarbatti rolling/ production in 7 states engaging over 4,000 women. The total raw batti production for 2014-15 was 2,457 tonnes. The scenting units in Munger despatched over 750 million sticks of scented battis during the year.
- **Self Help Groups (SHG):** Focused work has been initiated on this front with the formation of 375 new SHGs and 2,771 women members in the Company's factory catchments and Natural Resource Management areas. A major thrust was given to financial inclusion of women members by opening



bank accounts for 1,335 women. Health camps and bank account opening camps were held for women members engaged in Agarbatti enterprises.

Future Readiness

Education:

The Company's school education programme, with focus on quality and retention, provides access to education to children from weaker sections. During the year, the 'Read India Programme' reached out to

36,000 children and an additional 34,000 children through supplementary learning centres. Over 400,000 children have benefited from this programme. Infrastructure support comprising boundary walls, additional classrooms, sanitation units, furniture and electrical fittings were provided to 147 government primary schools (including Anganwadis), taking the total number of government primary schools covered to 1,158.



Vocational Training:

The Company's programme focuses on building and upgrading skills of youth to better compete with the emerging needs of the job market across different sectors. 13,180 youth were enrolled for training under different courses during the year.

Individual Household Toilets (IHHT):

In order to promote a hygienic environment through prevention of open defecation and reduce incidence of water-borne diseases, 3,578 IHHTs were constructed during the year. In addition to construction, the focus has been on household contribution for increased ownership, community mobilisation and awareness campaigns to instill behavioural changes among the users to progressively eliminate open defecation and create a cleaner environment.

Solid Waste Management:

This programme of the Company is aimed at promoting a clean and green environment through source segregation and recycling of dry waste. It also augments earnings of rag-pickers and waste collectors through increased recovery of dry waste by means of source segregation. Currently operational in Saharanpur, Tribeni and Munger, the focus of the programme is on

door-to-door collection of household waste, segregation at site in order to re-cycle and compost so as to minimise the load at municipal dump sites. The programme reached out to over 27,000 households and 2,717 MT of waste was handled, of which only 418 MT of waste was left untreated as municipal dump (15%).

In addition, the Company's 'Well-being Out of Waste' (WOW) programme, which promotes source segregation and collection, has been implemented in Hyderabad, Chennai, Bengaluru, Coimbatore and some towns of Telangana. The WOW programme reaches out to over 3 million citizens, 500,000 school children, 350 corporates, 1,000 commercial establishments and around 200 industrial plants.

Principle 9: Providing Value to Customers and Consumers

As an organisation which upholds and makes significant efforts to ensure good governance, the Company complies with all relevant laws of the land. The Company's uncompromising commitment to providing world-class products and services to customers is supported by its concern for the safety of its customers/consumers. The Company's overall approach on this vital aspect is guided by its policy on 'Product Responsibility'.

Product Responsibility

The Company is committed to providing products and services that offer best-in-class quality and user experience. With a continually growing portfolio of

businesses that use agri/farm products, the Company endeavours to use sustainably sourced ingredients. The Company adopts stringent hygiene standards,

benchmark manufacturing practices and robust quality assurance systems for its products and the declared product shelf-life is determined based on independently validated studies.

Marketing Communication

All businesses of the Company comply with all regulations and relevant voluntary codes concerning marketing communications, including advertising, promotion and sponsorship. The Company's communications are aimed at enabling customers to



make informed purchase decisions through factual and truthful disclosure of information. The Company also makes efforts to educate customers on responsible usage of its products and services.

In addition, the Company's businesses have a dedicated consumer response cell to respond to customer queries and feedback on products so as to be able to continuously improve upon its products and services.

Responsiveness to customers

A well-established system is in place for dealing with customer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc.



CII-ITC Centre of Excellence for Sustainable Development



The CII-ITC Centre of Excellence for Sustainable Development, established by ITC in 2006 in collaboration with the Confederation of Indian Industry (CII), continues its endeavours to promote sustainable business practices among Indian enterprises. The Centre is steered by its Advisory Council, led by Mr Y C Deveshwar, Chairman, ITC Limited, and comprises members from industry, government, civil society and institutions, which provides strategic direction to the organisation.

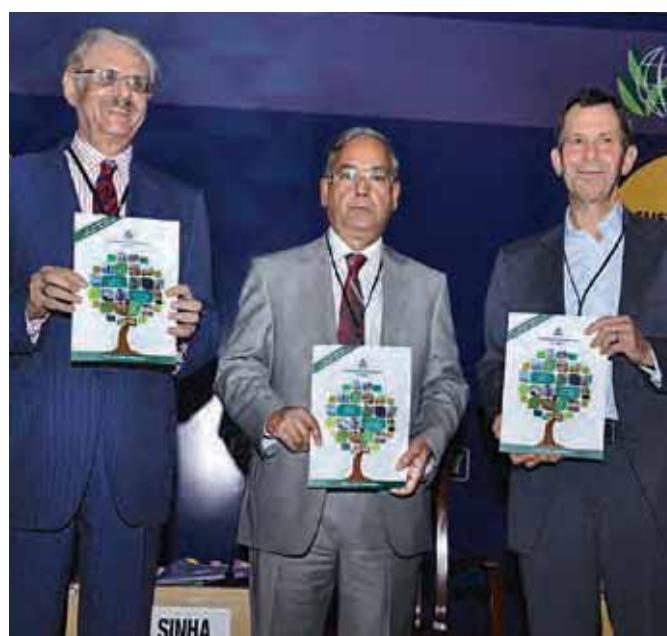
During the year the Centre, in partnership with the International Integrated Reporting Council (IIRC), has set up a country-level network, the IR Lab India, to promote Integrated Reporting (IR). The objective of the IR Lab is to build capacities of companies in India on integrated reporting and to represent concerns of Indian business to the IIRC.

The Centre also hosted the India Business & Biodiversity Initiative (IBBI) with the support of German International Cooperation (GIZ). Launched on the occasion of International Day for Biological Diversity on May 22, 2014, the IBBI serves as a national platform of business and its stakeholders for dialogue, sharing and learning, ultimately leading to mainstreaming sustainable management of biological diversity in businesses. The Centre and GIZ have partnered also with CREM, the Netherlands, to build capacity of member companies in biodiversity management.

In addition, at the request of the Ministry of Environment, Forest & Climate Change (MoEFCC), the Centre has drafted a single window clearance form for environment, forests and wildlife clearances with inputs from members of the CII National Committee on Environment as well as top government officials. The Centre also has been engaged with the Cabinet Secretariat's Project Management Group to suggest ways to increase transparency and accountability in the project appraisal process.

The 9th Annual Sustainability Solutions Summit continued its legacy of bringing together thought-and-action leaders from across the globe to discuss and propagate innovative and actionable solutions towards building a more sustainable future. The Centre recognises and rewards the most significant contributions to sustainable development by corporates in the country through the CII-ITC Sustainability Awards. In 2014, the Awards were presented to 27 companies.

The Centre has been building capacities of companies on the new CSR legislation as per the Companies Act 2013. In 2014, the Centre conducted seven open workshops in Delhi, Mumbai, Lucknow, Bhubaneshwar, Chennai, Vishakapatnam and Goa. The Centre is also offering services to companies in baseline studies, measurement of human development indicators, and social return on investments.



ITC Sangeet Research Academy



The ITC Sangeet Research Academy (ITC-SRA) is an embodiment of sustained corporate commitment to a priceless national heritage. It is a unique institution – the only gurukul of its kind - that has been at the forefront of promoting the ancient tradition of Hindustani Classical Music. Blending modern-day research methods with the purity of the age old Guru-Shishya tradition, ITC-SRA is recognised as the finest repository of Hindustani Classical Music in terms of musical talent, music education and archives. Producing musicians of stature, it has been a catalyst in ensuring the popularity of Hindustani Classical Music.

Its list of illustrious Gurus includes Vidushi Girija Devi, Ustad Abdul Rashid Khan, Pandit Buddhadev Das Gupta, Pandit Ulhas Kashalkar, Pandit Ajoy Chakrabarty, Pandit Arun Bhaduri, Ustad Mashkoor Ali Khan, Pandit Partha Chatterjee, Vidushi Subhra Guha and Pandit Uday Bhawalkar. Musician Tutors Omkar Dadarkar, Abir Hossain, Brajeswar Mukherjee, Aniruddha Bhattacharya, Arshad Ali Khan, Kumar Mardur and Waseem Ahmed Khan are rising stars in the firmament of Hindustani Classical Music. With 53 gifted Scholars carefully selected from all over the country and a dedicated team of Gurus and Musician Tutors, ITC-SRA continues to passionately pursue its mission of preserving, propagating and promoting Hindustani classical music.

While relentlessly focusing on Hindustani Classical Music, the Academy has also expanded the range of its offerings to include Carnatic concerts as well. The Academy is currently engaged in carrying the message of Hindustani Classical Music across the country from the metros to rural India. The Academy also constantly endeavours to work with other music organisations and institutions of repute.

The Academy continued with its traditional programmes as well as broke new ground with fresh initiatives such as the Malhar festival in August and the Arpan soiree in September, culminating in the ITC Sangeet Sammelan in December last year. In addition, collaboration with the India Habitat Centre at Delhi on the Morning Ragas series launched in October last year was extremely well received with Vidushi Girija Devi performing at the inaugural event.

The Academy's thrust on a collaborative effort to revisit Kolkata's magnificent heritage continued with programmes co-sponsored by the All Bengal Music Conference, the Bhowanipore Sangeet Sammelani, the Dover Lane Music Conference and other organisations. Efforts to showcase the Academy's talent across the country continued with several performances in Mumbai, Bengaluru, Lucknow and Varanasi.

These performances served the purpose of showcasing the exceptional talent of our Scholars, Gurus and the Academy's commitment to the cause of Indian Classical music.

ITC Infotech



ITC Infotech's strategy of building deep and differentiated capabilities in sharply defined niche segments continued to deliver results, as the company registered another year of steady growth. The company's unique value proposition is resonating well among the user community, with leading clients across the globe selecting ITC Infotech as their long term sustainable partner. The company added more than 90 new clients to its growing roster of marquee brands and strengthened its global workforce to over 6500 people. ITC Infotech is now supporting clients with offices across 18 countries and 10 global development centres.

The industry is also taking note of ITC Infotech's unique value proposition. The company was accorded the 'Award for Delivering Business Value in European Outsourcing' by the European Outsourcing Association (EOA). The EOA Awards recognise and commend the efforts of companies and individuals who have demonstrated best-practices in outsourcing.

ITC Infotech was featured in the Leader's Category for the 8th consecutive year in the 2014 Global Outsourcing 100 by the International Association of Outsourcing Professionals (IAOP).



The company was also ranked 68 by DataQuest DQ Top20, 2014.

The accolades won by ITC Infotech are evident in the fact that the company's Top 10 clients have been with ITC Infotech for over 5 years. ITC Infotech continued to forged long-standing partnerships with leading companies from across the globe. With its contemporary and customised solutions, the company offers its clients increased competitiveness and higher efficiency, as well as works efficiency and productivity enhancements through the exhaustive knowledge and extensive industry experience garnered over the years.

ITC Infotech also made steady in-roads in the extremely competitive local market. The company inaugurated a new centre at the BPTP Park Centra, Gurgaon. The new centre will drive ITC Infotech's business operations for Northern India. The company is engaged with a large number of Indian corporates in the National Capital Region (NCR) today and has been witnessing increasing traction for its technology solutions and services, particularly in the areas of Customer Experience, end-to-end Data Solutions and Advanced Analytics, Product Lifecycle Management, Infrastructure services, Supply Chain Optimisation, and SAP in the Indian sub-continent.

As the IT industry undergoes a tectonic shift, with disruptive technologies re-shaping the landscape,





ITC Infotech is well poised to ride the next wave of exponential growth. ITC Infotech sharpened its focus on providing cutting-edge solution and capabilities with the launch of Software Product Engineering Services 2.0 to cater to the areas of Mobility, Big Data, DevOps and Cloud applications. During the year, the company also launched Z-Labs – a leading edge technology incubator, in Silicon Valley, California and in Bengaluru, India to enhance delivery on tough software product development challenges.

To lead the company into its next growth phase, Ms. Sushma Rajagopalan was appointed the CEO and Managing Director on November 1, 2014. With over 28 years of experience, Ms. Rajagopalan has held senior positions at various companies including CMC, Citicorp, iGate, Zensar, L&T Infotech and LiquidHub in leadership roles across HR, global business operations, marketing, sales & delivery, consulting and M&A.

Under Ms. Rajagopalan's leadership, the company has set in motion the adoption of a 4-D Strategy of excellence in Domain, Data, Digital and Differentiated Delivery:

- Domain Led: ITC Infotech's solutions & services are powered by deep Domain understanding and practitioner's expertise in focus industries
- Data end-to-end: From Infrastructure to Insights, ITC Infotech enables clients to leverage the power of Data with actionable insights and prescriptive analytics

- Digital ready: ITC Infotech provides Digital solutions to help clients transform their business and enhance customer engagements
- Differentiated Delivery: With excellence forming the cornerstone of each engagement, ITC Infotech is committed to customised Delivery: Outcome-based, BOT, JVs, As-a-service and Subscription models.

In the coming year, ITC Infotech is gearing to consistently deliver enduring value on the 4Ds – Domain, Data, Digital and Differentiated Delivery – which will not only be critical pillars in creating a compelling value proposition for clients, but also provide the company with a clear competitive advantage.

ITC Infotech aims to be a full-service provider catering to enterprises in Supply Chain based industries (CPG, Retail, Manufacturing, Hi-Tech) and Services (Banking, Financial Services and Insurance, Airline, Hospitality), backed by a strong business and technology consulting focus.



Major Awards 2014-15



ITC was ranked as 'India's Most Admired Company' in a survey conducted by Fortune India magazine and Hay Group.

- ITC featured among the top 3 Companies in terms of corporate reputation in the 2014-15 Nielsen Corporate Image Monitor. It has also retained the top position in terms of being 'the most active in CSR' for the fourth year in a row.
- ITC Chairman Mr Y C Deveshwar was conferred the Indian Visionary — Business Leader Award by The Economic Times, India's leading business daily, for being the country's most visionary corporate leader who has made "significant contribution to business growth, organisational transformation and setting forth examples of industry initiatives and trends".
- Chairman Mr Y C Deveshwar was conferred the Management Man of the Year Award by the Bombay Management Association (BMA) in recognition of his contribution to entrepreneurship, the management movement and Indian Industry.
- ITC was voted the 'Buzziest Brand' in the 'Corporate' category by afaqs, one of the world's largest marketing and advertising portals. In addition 'Sunfeast' and 'Vivel' were voted 'Buzziest Brands' in the Foods and Personal Care categories, respectively.
- ITC received the CSR Impact Award in the 'Livelihoods' category, conferred by NGOBOX, Asia's biggest development sector platform.
- ITC was conferred the Legal Era IP Award for the 'Best IP Team of the Year- FMCG'.
- ITC's Foods Business received the 'Overall Excellence in Procurement Award' and 'Outstanding Green Initiative Award' from Conference Asia.
- ITC was selected as the top Indian company in the 'Cigarettes Sector' at the Dun & Bradstreet Corporate Awards, 2014.
- ITC Hotels won the 'Best Luxury Hotel Chain of the Year' award at the 10th Hospitality India and Explore the World Annual International Awards.

- ITC's Education and Stationery Products Brand, 'Classmate' was voted the "Most Popular School Accessories Brand" at the 'Child Most Popular Awards' 2014.
- ITC's Packaging & Printing Business won 4 'World Star Awards' from the World Packaging Organisation, 4 'Asia Star Awards' from the Asian Packaging Federation and 17 'India Star Awards' from the Indian Institute of Packaging for excellence in packaging solutions.
- ITC Windsor, Bengaluru received the 'National Energy Management Award 2014', while the Bhadrachalam and Kovai Units of ITC's Paperboards Business received the 'Excellent Energy Efficient Unit' awards from the Confederation of Indian Industry (CII).
- ITC Grand Chola was named the 'Best Business Hotel' at the 3rd Annual Lonely Planet Magazine Travel Awards 2014. The Hotel was also accorded the 'Signum Virtutis' (Seal of Excellence) in the Hotels & Resorts category at the Seven Star Global Luxury Awards.
- ITC's Corporate Communications Department bagged three First prizes and one Third prize at the prestigious Public Relations Society of India (PRSI) National Awards 2014.
- ITC's Karnataka Green Leaf Threshing Project at Mysore received the 'Gold' rating from the Indian Green Building Council.
- ITC's Unit at Bhadrachalam won the first prize in the manufacturing category of Six Sigma Case Study Contest organised by the Indian Statistical Institute in Bengaluru.
- ITC's Factory at Bengaluru received the 'Overall Leader' Award at the Frost & Sullivan Green Manufacturing Excellence Award & Summit 2014.
- The Kovai Unit of ITC's Paperboards and Specialty Papers Business received the Tamil Nadu state award for Green Initiatives and Environmental Best Practices.
- ITC's Units at Bengaluru and Saharanpur received the 'Platinum' and 'Gold' Awards, respectively at the India Manufacturing Excellence Awards (IMEA) instituted by Frost & Sullivan and The Economic Times.

Major Awards Over the Years



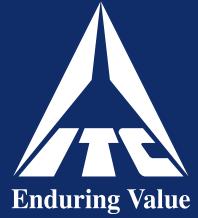
- Harvard Business Review ranked ITC Chairman Mr Y C Deveshwar as the 7th Best Performing CEO in the World in its January–February 2013 edition.
- Chairman Mr Y C Deveshwar was conferred the Padma Bhushan by the Government of India (2011).
- Chairman Mr Y C Deveshwar was conferred the Global Leadership Award by the US India Business Council of the US Chamber of Commerce (2010).
- Chairman Mr Y C Deveshwar was presented the Lakshmi pat Singhania-IIM Lucknow National Leadership Award by Shri M Hamid Ansari, Hon'ble Vice President of India (2014).
- ITC was presented the World Business and Development Award at the Rio+20 UN Summit for its Social and Farm Forestry initiative (2012).
- Chairman Mr Y C Deveshwar was conferred the Business Leader of the Year Award by the All India Management Association (AIMA) (2012).
- Chairman Mr Y C Deveshwar received the Business Person of the Year Award from UK Trade & Investment (2006).
- Chairman Mr Y C Deveshwar was awarded the SAM/ SPG Sustainability Leadership Award in Zurich (2007).
- ITC's Chief Financial Officer, Mr Rajiv Tandon, was ranked the 'Best Overall CFO' at the 'Business Today'-Yes Bank Best CFO Awards 2013'. He was also declared the winner in the category of 'Sustained Wealth Creation (large companies)'.
- ITC was presented the AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility (AFCSR), in recognition of its contribution to the creation of sustainable livelihoods and fostering economic growth in rural communities in India (2012).
- ITC won the prestigious 12th Businessworld FICCI CSR Award in the Large Enterprise category. The award recognises the most socially responsible Indian corporates in CSR (2012).
- ITC received the FICCI Outstanding Vision Corporate Triple Impact Award (2008).
- ITC was conferred the FICCI Award for Outstanding Achievement in Rural and Community Development (2010).
- ITC was conferred the National Award for Excellence in Corporate Governance from the Institute of Company Secretaries of India (2007).



- ITC was ranked 2nd among top Indian companies in the first of its kind Standard & Poor Environmental, Social and Corporate Governance ratings (2008).
- ITC was ranked 2nd among top companies in India and 7th in Asia in the first of its kind Asian Sustainability Rating released by CSR Asia (2010).
- ITC became the first Indian Company to gain Membership with WWF-GFTN for Responsible Forestry (2010).
- ITC was ranked the world's 6th largest sustainable value creator among consumer goods companies according to a report by Boston Consulting Group (2010).
- ITC won the top UNIDO Award at the International Conference on Sharing Innovative Agri Business Solutions at Cairo (2008).
- ITC was conferred the Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest (2008).
- ITC was conferred the Asian CSR Award for Environmental Excellence by the Asian Institute of Management (2007).
- ITC was the 1st Indian Company and 2nd in the world to win the Development Gateway Award for its trail-blazing e-Choupal initiative (2005).
- ITC's e-Choupal initiative received the Inaugural World Business Award from UNDP (2004).
- ITC e-Choupal won the Stockholm Challenge Award (2006).
- ITC was rated amongst Asia-Pacific's 50 biggest listed companies in 'Asia Fab 50' by Forbes (2010).
- All ITC's super premium luxury hotels have been accorded LEED® Platinum certification, making ITC Hotels the 'Greenest Luxury Hotel Chain in the World' (2011).
- ITC's Paperboards and Specialty Papers Units at Bhadrachalam, Bollaram, Kovai and Tribeni are FSC Chain of Custody certified (2011).
- ITC's Unit in Bhadrachalam was awarded the Forest Stewardship Council Forest Management (FSC-FM) certification by the SmartWood Programme of the Rainforest Alliance (2011).



ITC: Transforming Lives and Landscapes



ITC's e-Choupal – World's largest rural digital infrastructure

Benefiting more than 4 million farmers

ITC's Afforestation Programme

Greening nearly 2,00,000 hectares



ITC's Watershed Development Programme

Providing Soil & Moisture conservation to over 2,00,000 hectares of drylands

ITC's Supplementary Education Initiative

Educating over 4,00,000 children



ITC's Women Empowerment Initiative

Creating over 40,000 sustainable livelihoods for women

ITC's Livestock Development Initiative

Providing animal husbandry services for over 11,00,000 milch animals



ITC is the only company in the world of comparable dimensions to be carbon positive, water positive and solid waste recycling positive. ITC's businesses and value chains support around 6 million sustainable livelihoods.



ITC Limited

CIN : L16005WB1910PLC001985

Registered Office : Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071

Tel: 91 33 2288 9371 • Fax: 91 33 2288 2358 • E-mail: isc@itc.in • Website: www.itcportal.com

NOTICE OF 104TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Hundred and Fourth Annual General Meeting of the Members of ITC Limited will be held at Science City, Main Auditorium, JBS Haldane Avenue, Kolkata 700 046, on Friday, the 31st day of July, 2015, at 10.00 a.m. for the transaction of the following businesses: -

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2015, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2015.
3. To appoint a Director in place of Mr. Kurush Noshir Grant (DIN: 00336288) who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Krishnamoorthy Vaidyanath (DIN: 00044357) who retires by rotation and, being eligible, offers himself for re-election.
5. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution: -

"Resolved that pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, the appointment of Messrs. Deloitte Haskins & Sells ('DHS'), Chartered Accountants (Registration No. 302009E), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Hundred and Fifth Annual General Meeting be and is hereby ratified, and remuneration of ₹ 2,65,00,000/- to DHS to conduct the audit for the financial year 2015-16 payable in one or more instalments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved."



SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolution which will be proposed as an Ordinary Resolution: -

"Resolved that pursuant to the provisions of Section 148 of the Companies Act, 2013 -

- a) the remuneration of Messrs. Shome & Banerjee, Cost Accountants, appointed by the Board of Directors ('the Board') as the Cost Auditors to conduct audit of Cost Records maintained by the Company in respect of 'Soyabean Oil' and 'Face wash' for the financial year 2014-15, at ₹ 75,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.
- b) the remuneration of Mr. P. Raju Iyer, Cost Accountant, appointed by the Board as the Cost Auditor to conduct audit of Cost Records maintained by the Company in respect of 'Paper and Paperboard' for the financial year 2015-16, at ₹ 4,00,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.
- c) the remuneration of Messrs. Shome & Banerjee, Cost Accountants, appointed by the Board as the Cost Auditors to conduct audit of Cost Records maintained in respect of all applicable products of the Company, other than 'Paper and Paperboard', for the financial year 2015-16, at ₹ 5,00,000/- plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified."

The Register of Members of the Company will remain closed from Friday, 5th June, 2015 to Tuesday, 9th June, 2015, both days inclusive. Share Transfers received in order at the Investor Service Centre of the Company, 37 Jawaharlal Nehru Road, Kolkata 700 071 by 5.30 p.m. on Thursday, 4th June, 2015, will be processed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid on Monday, 3rd August, 2015 to those Members entitled thereto and whose names will appear on the Register of Members of the Company on 9th June, 2015, or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership as on 4th June, 2015, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board

ITC Limited

B. B. Chatterjee

Executive Vice President &

Company Secretary

Dated : 22nd May, 2015.



NOTES:

- (i) **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.**

Proxies, in order to be effective, must be received at the Investor Service Centre of the Company ('ISC'), 37 Jawaharlal Nehru Road, Kolkata 700 071, not less than forty-eight hours before the commencement of the AGM i.e. by 10.00 a.m. on 29th July, 2015.
- (ii) Corporate Members are required to send to ISC a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the AGM.
- (iii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM is annexed.
- (iv) In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also e-voting at the AGM, for which purpose the Company has engaged the services of NSDL. The Board of Directors of the Company has appointed Mr. R. L. Auddy, Senior Solicitor and Partner, Messrs. Sandersons & Morgans, Advocates & Solicitors, as the Scrutinizer for this purpose.
- (v) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on **24th July, 2015 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM.
- (vi) The facility for e-voting will be available at the AGM venue for those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting prior to the AGM, may attend the meeting but will not be entitled to cast their votes once again.
- (vii) Additional information, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, on Directors recommended by the Board of Directors for re-election at this AGM is appearing in the Report and Accounts.

Mr. K. Vaidyanath, Non-Executive Director, holds 26,32,633 shares in the Company; no other person holds any share in the Company for him on a beneficial basis.
- (viii) Unclaimed dividend for the financial year ended 31st March, 2008 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 4th September, 2015, pursuant to the provisions of Section 205A of the Companies Act, 1956 / Section 124 of the Companies Act, 2013, once notified. In respect of the said dividend, it will not be possible to entertain claims received by ISC after 3rd September, 2015.

Members are advised that details of unclaimed dividend in respect of the financial year ended 31st March, 2008 and up to and including the financial year ended 31st March, 2014 are available on the Company's corporate website www.itcportal.com under the section 'Investor Relations'.

Members should write to ISC if they have not encashed their dividend warrants in respect of the aforesaid financial year(s).
- (ix) Members who wish to update or register their e-mail addresses with the Company or with the Depositories may use the form for updation / registration which is being sent and can also be downloaded from the Company's corporate website under the section 'Investor Relations'.
- (x) Members who wish to obtain information on the Company or view the Financial Statements, may visit the Company's corporate website or send their queries at least 10 days before the AGM to the Executive Vice President & Company Secretary at the Registered Office of the Company.
- (xi) Members are required to bring their admission slips to the AGM. Duplicate admission slips and / or copies of the Report and Accounts will not be provided at the AGM venue.



The procedure with respect to **remote e-voting** is provided below: -

I. **In case of Members who receive the Notice in electronic mode:**

- (a) Open the e-mail and the PDF file viz. '**ITC e-voting.pdf**' with your Client ID No. or Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
- (b) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on '**Shareholder – Login**'.
- (c) Insert user ID and password as initial password stated in (a) above. Click on '**Login**'.
- (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits / characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
- (e) Home page of remote e-voting opens. Click on '**e-voting: Active Evoting Cycles**' and select the Electronic Voting Event Number (EVEN) of ITC Limited.
- (f) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- (g) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
- (h) Thereafter the message '**Vote cast successfully**' will be displayed.
- (i) Corporate and institutional shareholders (companies, trusts, societies etc.) are required to send a scanned copy (in PDF / JPG format) of the relevant Board Resolution / appropriate authorisation to the Scrutinizer through e-mail at rla.itcscrutinizer@gmail.com with a copy marked to NSDL's e-mail ID evoting@nsdl.co.in.

II. **In case of Members who receive the Notice by post:**

- (a) User ID and initial password is provided in the admission slip for the AGM.
- (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (I) above, to cast your vote.

III. **Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.** Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (I) above, to cast your vote.

IV. Those who become Members of the Company after despatch of the AGM Notice but on or before **24th July, 2015 (cut-off date)** may write to NSDL at evoting@nsdl.co.in or to the Company at isc@itc.in requesting for user ID and password. On receipt of user ID and password, the steps from Sl. Nos. (b) to (i) mentioned in (I) above should be followed for casting of vote. However, those Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.

V. In case of any queries, you may refer to the Frequently Asked Questions for Shareholders and e-voting User Manual for Shareholders available under the Downloads section of NSDL's e-voting website www.evoting.nsdl.com. You may also send your queries to the e-mail ID isc@itc.in.

VI. **The period for remote e-voting starts at 9.00 a.m. on 27th July, 2015 and ends at 5.00 p.m. on 30th July, 2015.** Remote e-voting will be blocked by NSDL at 5.00 p.m. on 30th July, 2015.

VII. **General Information**

- (a) Every Client ID No. / Folio No. will have one vote, irrespective of the number of joint holders.
- (b) **The Results of voting will be declared within 48 hours from the conclusion of the AGM and the resolutions proposed thereat will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.** The declared Results, alongwith the Scrutinizer's Report, will be available forthwith on the Company's corporate website www.itcportal.com under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the Stock Exchanges where the Company's shares are listed.



EXPLANATORY STATEMENT

Annexed to the Notice convening the Hundred and Fourth Annual General Meeting to be held on Friday, 31st July, 2015.

Item No. 6

The Board of Directors of the Company ('the Board'), on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs. Shome & Banerjee, Cost Accountants, to conduct audit of Cost Records maintained by the Company in respect of the applicable products for the financial year 2014-15 viz. 'Soyabean Oil' and 'Face wash'.

In respect of the financial year 2015-16, the Board, on the recommendation of the Audit Committee, approved the appointment and remuneration of Mr. P. Raju Iyer, Cost Accountant, to conduct audit of Cost Records maintained by the Company in respect of 'Paper & Paperboard' and Messrs. Shome & Banerjee to conduct audit of Cost Records maintained in respect of the other applicable products of the Company.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditors needs ratification by the Members.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

By Order of the Board

ITC Limited

B. B. Chatterjee

Executive Vice President &

Company Secretary

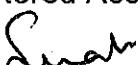
Dated : 22nd May, 2015.

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

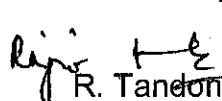
1.	Name of the Company	:	ITC Limited
2.	Annual financial statements for the year ended	:	31 st March, 2015
3.	Type of Audit observation	:	Un-qualified
4.	Frequency of observation	:	Not Applicable

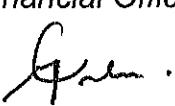
For Deloitte Haskins & Sells
Chartered Accountants

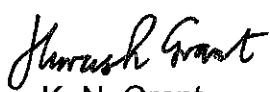

Shyamak R Tata
Partner

Place : Kolkata
Date : 22nd May, 2015

For ITC Limited


R. Tandon
Chief Financial Officer


Y. C. Deveshwar
Chairman


K. N. Grant
Director

S. B. Mathur
Chairman
Audit Committee