



# Enduring Value

---

Nation First: Sab Saath Badhein

---

**ITC Limited**

REPORT AND ACCOUNTS 2023

# Contents



**ITC: Contributing to India's Amrit Kaal**  
Creating value for Agriculture, Manufacturing and Services

Board of Directors and Committees	01
Report on Corporate Governance (including Shareholder Information)	12
Report of the Board of Directors & Management Discussion and Analysis	38
Secretarial Auditor's Report	131
CEO and CFO Compliance Certificate	145
Standalone Financial Statements	
Balance Sheet	146
Statement of Profit and Loss	147
Statement of Changes in Equity	148
Cash Flow Statement	150
Notes to the Financial Statements	152
Independent Auditor's Report	214
Guide to Subsidiaries, Joint Ventures & Associates	226
Salient Features of the Financial Statements of Subsidiaries, Joint Ventures & Associates (Form AOC-1)	229
Consolidated Financial Statements	233
Ten Years at a Glance	322
Financial Highlights	
Business Responsibility and Sustainability Report	I-XLVIII
ITC Infotech: Business Friendly Solutions	
Creating Enduring Institutions	
Awards & Accolades	



The mnemonic is a visual representation of ITC's deep commitment to sustainable and inclusive growth addressing national priorities. The 12 colourful stems represent ITC's vibrant businesses of the future that contribute to all three sectors of the Indian economy. The icon at the centre is a metaphor for ITC's future readiness and digital transformation that is at the core of every business. The soaring birds symbolise growth that is sustainable and inclusive and reiterate ITC's commitment to its credo of Nation First, Sab Saath Badhein.



## ITC: Contributing to India's Amrit Kaal

Creating value for Agriculture, Manufacturing and Services

Inspired by its credo of 'Nation First, Sab Saath Badhein', ITC has pioneered a paradigm of 'Responsible Competitiveness', that focuses on building extreme competitiveness of its businesses whilst serving national priorities of generating sustainable livelihoods and enriching the environment.

ITC contributes to nation building by unleashing multiple drivers of growth that are manifest in its growing presence across the three sectors of the economy – agriculture, manufacturing and services; creation of world-class Indian brands; investments in creating state-of-the-art manufacturing assets; building of iconic hospitality assets and empowering farmers as well as rural communities. Such endeavours create enduring value for our stakeholders and the nation.

Today, the world is traversing through unprecedented challenges emerging from a 'polycrisis' encompassing climate change, widening inequality, geo-political issues and reglobalisation. A new global economic order is being shaped with these crises spurring new strategies, innovations and business models. Addressing these challenges and opportunities, ITC has crafted a comprehensive ITC Next vision to build a future-tech, innovative, climate positive, sustainable and inclusive enterprise, powered by agility, competitiveness,

resilience and consumer centricity. New avenues for growth have been identified, whilst fortifying existing businesses and putting in place higher order structural competitiveness to create new vitality for the enterprise. These strategic interventions will make a growing contribution to the nation in its journey to the Amrit Kaal.

As a core element of ITC Next, ITC has been exploring opportunities to craft disruptive business models anchored at the intersection of the two mega trends of Digital and Sustainability, while leveraging the Company's institutional strengths. This has enabled ITC to unleash new vectors of growth with interventions like ITCMAARS – a 'phygital' farmer empowerment ecosystem, Food Tech Services and Sustainable Packaging. In addition, new drivers of growth are also being pursued through value accretive acquisitions and exports.

ITC's diversified portfolio of future-ready businesses, spanning FMCG, Paperboards & Packaging, Agri Business, Hotels and Information Technology, enables it to contribute meaningfully to all 3 sectors of the Indian economy. To infuse new energy into the growth drivers of the future, significant investments are being made across building assets, accelerating digital transformation, powering R&D infrastructure and in raising the bar in sustainability to build an enterprise of tomorrow.



## ITC: Transforming Agriculture

Agriculture is a critical pillar of the Indian economy, engaging with more than half of the nation's workforce. The sector also plays a vital role in providing food, fuel, fibre, fodder and nutrition security. However, farming remains extremely vulnerable to the vagaries of climate change. Endeavours to usher in a new dimension of agricultural development must focus on enhancing the competitiveness of the sector by improving productivity, enabling value addition, effectively linking farmers to markets and promoting regenerative agriculture.

ITC is a leading Agri Business player in India, supporting 20 value chain clusters. The Company has been sourcing over 4.5 million tonnes of agri commodities from 22 states and is today the largest procurer of wheat in the private sector. ITC's Agri Business is also one of India's largest exporters of agri commodities and provides competitive advantage to ITC's FMCG Businesses through distinctive sourcing capabilities. ITC's world-class FMCG brands also anchor demand-driven agri value chains.

ITC has a century-old legacy of farmer empowerment. Building on the ITC e-Choupal programme that has empowered 4 million farmers in the last two decades, ITC is now ushering in NextGen Agriculture with a three-pronged approach. First, ITC aims to bring the power of digital to the agri sector through its 'phygital' platform, ITCMAARS (Metamarket for Advanced Agriculture and Rural Services), a programme that delivers hyperlocal and personalised solutions by synergistically integrating NextGen agri-technologies to empower farmers. Second, ITC is rapidly scaling up its value-added agri portfolio straddling multiple value chains comprising

Spices, Coffee, Frozen Marine Products and Processed Fruits amongst others. Third, to address the challenges of climate change, ITC has introduced a range of sustainable agricultural practices under its climate-smart agriculture (CSA) programme.

In line with India's focus on promoting millets as the grain of the future, ITC has launched a dedicated initiative titled 'ITC Mission Millets' leveraging its enterprise strengths in agriculture, food and hospitality. This initiative is focused on developing a 'good for you' range of products, implementation of sustainable farming systems and enhancing consumer awareness.

## ITC - Making in India



Recognising that it is important to create national assets and in alignment with the Government's vision to 'Make in India', ITC has invested significantly in building world-class manufacturing, intellectual and hospitality assets for India. ITC's contribution includes creating world-class Indian brands that bring about superior value-capture in the economy, setting up of a network of state-of-the-art Integrated Consumer Goods Manufacturing facilities across the country to support indigenous value chains, developing a globally benchmarked Life Sciences & Technology Centre for cutting edge R&D and innovation that contributes to building intellectual capital for the nation. ITC has also built iconic hotel assets that not only enrich the nation's tourism landscape but are also a trailblazer in green hoteliering through their ethos of 'Responsible Luxury'. Such assets create enduring value for ITC and the nation.



## ITC – Reimagining Sustainability

Climate change has emerged as an existential threat that requires building of resilience through innovative solutions for both mitigation and adaptation. It is heartening that India is leading the world in climate action with the nation ranking first overall among all G20 members in the Climate Performance Index. India's updated NDCs, its global collaboration "One Sun, One World, One Grid" to promote solar energy, the National Hydrogen Mission demonstrate India's leadership in the area.

For decades, ITC has been acclaimed as a global exemplar in sustainability. Aligning with the nation's climate action plan, ITC has now crafted a comprehensive strategy to pursue a low carbon growth path through extensive decarbonisation programmes across its operations and value chains, while also implementing largescale adaptation initiatives encompassing water stewardship, biodiversity, CSA, among others. Recognising the

social challenges of inequity and livelihood generation, ITC has adopted a 2-horizon approach to support livelihoods and contribute to inclusive growth, especially in rural areas. The first horizon aims at securing and strengthening the dominant sources of livelihood through extensive programmes for farmer empowerment, while the second focuses on building capabilities for the future in areas such as primary education, vocational training, women empowerment, healthcare and so on.

Reimagining sustainability to address the challenges of climate crisis and livelihood creation, ITC has now embarked on an even more ambitious Sustainability 2.0 journey to raise the bar to create a secure and better tomorrow.

The following pages provide a glimpse into ITC's multi-dimensional growth drivers that are propelling the Company to a new horizon of competitive and sustainable progress, while contributing to India's journey to Amrit Kaal.



## ITC's Triple Bottomline Contribution

### Economic



**₹69,481 cr**  
Gross Revenue



**₹23,944 cr**  
EBITDA



Nearly  
**75%**  
of Value-added Accrues  
to the Exchequer



**Among Top 3**  
Corporates in the Private Sector in Terms of  
Contribution to Exchequer over the Years



Net Cash from  
Operating Activities  
**₹17,912 cr**



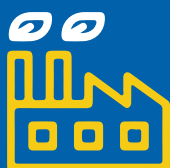
Total Dividend  
**₹19,255 cr**



**12**  
Future-ready Businesses  
across Agriculture,  
Manufacturing and Services



**25+**  
World-class  
Mother Brands



**200+**  
Manufacturing  
Units



**4.5 mn**  
tonnes of Agri Commodities Throughput



## ITC's Triple Bottomline Contribution

### Social



**Over 50 Lakh Women**  
Benefitted through Multi-dimensional  
Programmes



**60 Lakh**  
Sustainable  
Livelihoods Supported



e-Choupal:  
**40 Lakh**  
Farmers Empowered



Primary Education:  
**Over 11.2 Lakh**  
Children Benefitted



Skilling and Vocational Training:  
**Over 1.2 Lakh**  
Youth Enrolled



Livestock Development:  
**Over 21.3 Lakh**  
Milch Animals Covered

### Environmental



Watershed Development:  
**Over 14.7 Lakh**  
Acres Covered



Afforestation:  
**Over 10.4 Lakh**  
Acres Greened



Biodiversity Conservation:  
**Over 2.9 Lakh**  
Acres Covered



Climate Smart Agriculture:  
**23.4 Lakh**  
Acres Covered in 17 states



ITC is  
**Plastic Neutral**  
Collecting and Sustainably  
Managing 60,000 MT of Waste



Well-being Out of Waste Covers:  
**Over 2.2 Crore**  
Citizens



ITC Malur is the  
**First Foods**  
Factory in Asia,  
while ITC Kovai is the  
**First Paper Mill**  
globally to receive AWS  
Platinum certification



**Around 43%**  
of ITC's Energy is from  
Renewable Sources



**40**  
Platinum-Rated  
Green Buildings

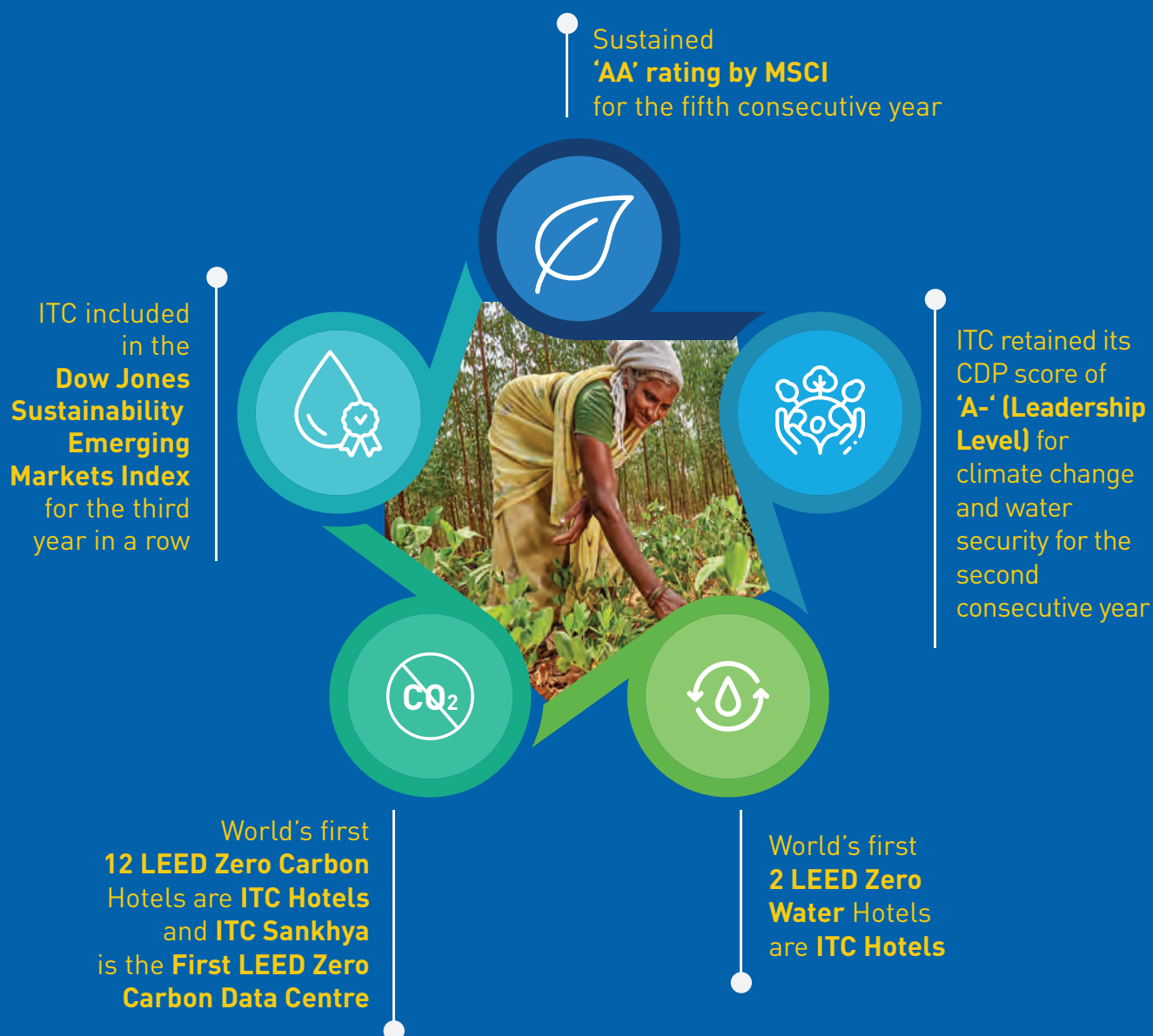


ITC Life Sciences  
and Technology Centre -  
**Ranked Top**  
**Innovator in India\***

\*amongst Indian Pharma & Health Care Pvt. Cos.  
(Sagacious IP Report Aug'21)



## Recognition for ITC's Initiatives





## ITC's Businesses



### FMCG Businesses

- India's leading FMCG marketer
- Businesses spanning Foods, Personal Care Products, Education & Stationery Products, Agarbattis & Matches
- ITC Next strategy focuses on a future-ready portfolio, premiumisation, innovation, digital adoption, and a greater market penetration
- Annual consumer spend of nearly ₹29,000 crores
- Exports to over 60 countries
- ITC e-Store: 45+ categories, over 900 products, operational in 24,000+ pin-codes
- Extensive digital adoption across operations

### Agri Business

- Leading Agri Business player in India
- Best-in-class profitability
- Sourcing from 22 states; supporting over 20 value chain clusters
- ITC Next strategy focuses on scaling up value-added segments (Spices, Coffee, Aqua, MAPE, etc.), digital adoption through ITCMAARS and climate smart agriculture
- Extensive engagement with farmers for over 100 years
- Largest procurer of wheat in the private sector
- One of India's largest exporters of agri commodities



### Paperboards & Packaging Businesses

- No. 1 in Revenue and Profitability
- One of India's largest, greenest and most technologically advanced
- ITC Next strategy focuses on value-added paperboards, sustainable packaging and accelerated adoption of Industry 4.0 technologies
- Contributing to 'Make in India' and Import Substitution
- Anchoring local forestry value chains, empowering farmers, enhancing green cover, generating livelihoods
- First in India to obtain Forest Stewardship Council-Forest Management (FSC®-FM)
- Invested in a green boiler to increase share of renewable energy in its operations



## ITC Hotels

- Pre-eminent Hotel Chain in India with over 120 properties
- World-class properties under 6 brands - ITC Hotels, Mementos, Welcomhotel, Storii, Fortune and WelcomHeritage
- ITC Next strategy focuses on an "Asset-right" approach, sweating existing assets and creating additional revenue streams
- Iconic cuisine brands like Bukhara, Dum Pukht, Aavartana, Yi Jing, Royal Vega etc.
- Trailblazer in 'Responsible Luxury' & Sustainability
- All luxury collection hotels are LEED Platinum certified
- ITC Hotels & Welcomhotels achieved global 2030 Carbon emissions targets well ahead of time

## ITC Infotech

- Wholly owned subsidiary of ITC Limited and a leading global technology services and solutions provider
- Employees from 40 nationalities; Operating in 39 Countries; 60+ Fortune 500 Clients
- 'Orbit Next' strategy powering the next horizon of growth and differentiation
- Capability-led differentiation through portfolio of client and industry-led capabilities including PLM-led Digital Thread Solutions, Digital Manufacturing, Open Hospitality, Cloud, and Sustainability
- Strategic partnership with PTC Inc., (US-headquartered, global technology company) to start new Service Line, DxP Services, comprising a global ecosystem of PLM-led Digital Thread and SaaS experts
- Amplifying new-age Digital capabilities with sustained Analyst recognition across CPG Digital Services, Digital CX Services, Digital Workplace Services, Manufacturing Digital Solutions and Intelligent Automation Services



## Brand Leadership



**No. 1**  
in Branded Atta



**No. 1**  
in the Cream Biscuits segment



**No. 1**  
in Bridges segment of Snack Foods



**No. 1**  
in Notebooks



**No. 2**  
in Noodles



**No. 1** **No. 2**  
in Dhoop segment in Agarbattis