



## ITC Limited

CIN : L16005WB1910PLC001985

**Registered Office : Virginia House, 37 Jawaharlal Nehru Road, Kolkata 700 071**

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# NOTICE OF 109<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Hundred and Ninth Annual General Meeting of the Members of ITC Limited will be held on Friday, the 4th day of September, 2020, at 10.30 a.m. (IST) for the transaction of the following businesses, through Video Conferencing / Other Audio Visual Means in conformity with the regulatory provisions and Circulars issued by the Ministry of Corporate Affairs, Government of India:-

### ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2020, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2020.
3. To appoint a Director in place of Mr. Nakul Anand (DIN: 00022279) who retires by rotation and, being eligible, offers himself for re-election.
4. To appoint a Director in place of Mr. Rajiv Tandon (DIN: 00042227) who retires by rotation and, being eligible, offers himself for re-election.
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that, in accordance with the provisions of Section 142 of the Companies Act, 2013, the remuneration of ₹ 2,95,00,000/- (Rupees Two Crores and Ninety Five Lakhs only) to Messrs. S R B C & CO LLP, Chartered Accountants (Registration No. 324982E/E300003), Statutory Auditors of the Company, for conduct of audit for the financial year 2020-21, payable in one or more instalments plus goods and services 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 as an Ordinary Resolution:-
- “Resolved that, in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Atul Jerath (DIN: 07172664) be and is hereby appointed a Director of the Company, liable to retire by rotation, for a period of three years from the date of this Meeting, or till such earlier date upon withdrawal by the recommending Institution or to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines.”
7. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-
- “Resolved that, in accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. David Robert Simpson (DIN: 07717430) be and is hereby appointed a Director of the Company, liable to retire by rotation, for a period of five years with effect from 28th July, 2020, or till such earlier date upon withdrawal by the recommending Institution or to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines.”
8. To consider and, if thought fit, to pass the following resolution as a Special Resolution:-
- “Resolved that, in accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Nirupama Rao (DIN: 06954879) be and is hereby re-appointed a Director and also an Independent Director of the Company for a period of five years with effect from 8th April, 2021, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”
9. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-
- “Resolved that, in accordance with the provisions of Sections 196 and 197 of the Companies Act, 2013, Mr. Nakul Anand (DIN: 00022279) be and is hereby re-appointed a Director, liable to retire by rotation, and also a Wholetime Director of the Company for a period of two years with effect from 3rd January, 2021, or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”
10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-
- “Resolved that, in accordance with the provisions of Sections 196 and 197 of the Companies Act, 2013, Mr. Rajiv Tandon (DIN: 00042227) be and is hereby re-appointed a Director, liable to retire by rotation, and also a Wholetime Director of the Company for a period of one year with effect from 22nd July, 2021, or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

11. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that, in accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration of Mr. P. Raju Iyer, Cost Accountant, appointed by the Board of Directors of the Company as the Cost Auditor to conduct audit of Cost Records maintained by the Company in respect of ‘Wood Pulp’, ‘Paper and Paperboard’ and ‘Nicotine Gum’ products for the financial year 2020-21, at ₹ 4,50,000/- (Rupees Four Lakhs and Fifty Thousand only) plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.”

12. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-

“Resolved that, in accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration of Messrs. S. Mahadevan & Co., Cost Accountants, appointed by the Board of Directors of the Company as the Cost Auditors to conduct audit of Cost Records maintained in respect of all applicable products of the Company, other than ‘Wood Pulp’, ‘Paper and Paperboard’ and ‘Nicotine Gum’ products, for the financial year 2020-21, at ₹ 5,75,000/- (Rupees Five Lakhs and Seventy Five Thousand only) plus goods and services 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 Wednesday, 8th July, 2020 to Thursday, 9th July, 2020. Dividend, if declared, will be paid on Tuesday, 8th September, 2020 to those Members entitled thereto and whose names will appear in the Register of Members of the Company on 9th July, 2020, 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 Tuesday, 7th July, 2020, 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  
R. K. Singhi  
Executive Vice President &  
Company Secretary

Dated : 26th June, 2020.

## NOTES:

- (i) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ('the Act'), relating to the Special Business to be transacted at this Annual General Meeting ('AGM'), is annexed.
- (ii) Since this AGM will be held through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM'), Members will not be able to appoint proxies for this meeting. Further, Attendance Slip and Route Map are not being annexed to this Notice.
- (iii) Corporate Members are requested to send a scanned copy (in PDF / JPG format) of the Board Resolution authorising their representatives to attend the AGM, pursuant to Section 113 of the Act, through e-mail at **isc@itc.in**.
- (iv) In terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions for consideration at this AGM will be transacted through remote e-voting (facility to cast vote prior to the AGM) and also e-voting during the AGM, for which purpose the Board of Directors of the Company ('the Board') have engaged the services of NSDL. The Board has appointed Mr. R. L. Auddy, Senior Solicitor and Partner, Messrs. Sandersons & Morgans, Advocates & Solicitors, as the Scrutinizer for this purpose.
- (v) **Remote e-voting will commence at 9.00 a.m. on 31st August, 2020 and will end at 5.00 p.m. on 3rd September, 2020**, when remote e-voting will be blocked by NSDL.
- (vi) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **28th August, 2020 (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 during the AGM. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
- (vii) Pursuant to the Income-tax Act, 1961 read with the Finance Act, 2020, dividend income is taxable in the hands of the Members with effect from 1st April, 2020 and the Company is required to deduct tax at source from such dividend at the prescribed rates. A communication providing information and detailed instructions with respect to tax on dividend for the financial year ended 31st March, 2020 is being sent separately by the Company to the Members.
- (viii) Unclaimed dividend for the financial year ended 31st March, 2013 and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the Investor Education and Protection Fund of the Central Government on 1st September, 2020, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members are requested to claim the said dividend, details of which are available on the Company's corporate website **www.itcportal.com** under the section 'Investor Relations'. The Investor Service Centre of the Company ('ISC') will not be able to entertain any claim received after 31st August, 2020 in respect of the same.
- (ix) In conformity with the applicable regulatory requirements, the Notice of this AGM and the Report and Accounts 2020 are being sent only through electronic mode to those Members who have registered their e-mail addresses with the Company or with the Depositories.  
  
Members who have not registered their e-mail addresses with the Company or with the Depositories and wish to receive the aforesaid documents are required to register their e-mail addresses online on the Company's corporate website under the section 'Investor Relations'. Alternatively, Members may send an e-mail to **isc@itc.in** or write to the ISC for registering their e-mail addresses.
- (x) The Company, in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, will be providing the facility of live webcast of the proceedings of the AGM on its corporate website.

## I. Instructions for attending the AGM through VC / OAVM

- (a) Members who wish to attend this AGM through VC / OAVM are requested to login to the e-voting system of NSDL at <https://www.evoting.nsdl.com/> under 'Shareholder / Member - Login' by using their remote e-voting user ID and password. Thereafter, click on the link appearing under 'Join General Meeting' against the Electronic Voting Event Number ('EVEN') of ITC Limited.

Members who do not have their user ID and password for remote e-voting or have forgotten their user ID and / or password may retrieve the same by following the instructions given under (II) below.

- (b) The facility for the Members to join this AGM through VC / OAVM will be available from 30 minutes before the time scheduled for the meeting and may close not earlier than 30 minutes after the commencement of the meeting.
- (c) Members are requested to login to the NSDL e-voting system using their laptops / desktops / tablets with stable Wi-Fi or LAN connection for better experience. Members logging in from mobile devices or through laptops / desktops / tablets connecting via mobile hotspot or with low bandwidth, may experience audio / video loss due to fluctuation in their respective network.
- (d) Members who would like to express their views or ask questions during the meeting will be required to register themselves as speaker by sending e-mail to the Executive Vice President & Company Secretary at [itcagm2020@itc.in](mailto:itcagm2020@itc.in) from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number. Only those Members who have registered themselves as speaker by 10.30 a.m. on Wednesday, 2nd September, 2020 will be able to speak at the meeting.

Further, Members who would like to have their questions / queries responded to during the AGM are requested to send such questions / queries in advance within the aforesaid date and time, by following similar process as stated above.

## II. Instructions for remote e-voting

### Step 1: Login to NSDL e-voting website

If you are registered for NSDL e-services 'IDEAS', you can login at <https://www.eservices.nsdl.com/> with your existing IDEAS login and click on e-voting to proceed to Step 2 to cast your vote.

If you are not registered for 'IDEAS', please follow the following steps:

- (a) Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/> and click on 'Shareholder / Member - Login'.
- (b) Insert your user ID & password on the login window and also insert the verification code as shown on the screen.

#### ● User ID:

For Members holding shares in demat account with NSDL.	8 character DP ID followed by 8 digit Client ID. <i>For example, if your DP ID is IN300*** and Client ID is 12*****, then your user ID is IN300***12*****.</i>
For Members holding shares in demat account with CDSL.	16 digit Beneficiary ID. <i>For example, if your Beneficiary ID is 12*****, then your user ID is 12*****.</i>
For Members holding shares in certificate form.	EVEN followed by your folio number registered with the Company. <i>For example, if the EVEN is 101456 and your folio number is 01/12***, then your user ID is 1014560112***.</i>

- **Password:**

- (i) **If you are already registered with NSDL for remote e-voting, you should use your existing password for login.**

Members may also use OTP based login.

- (ii) If you are using NSDL e-voting system for the first time, you would need to use your '**initial password**' for login, which has been communicated to you by the Company.

- (iii) If you are unable to retrieve the 'initial password', or have forgotten your password:

- Click on '**Forgot User Details / Password?**', if holding shares in dematerialised form, or
- Click on '**Physical User Reset Password?**', if holding shares in certificate form.

You may also send an e-mail requesting for password at **evoting@nsdl.co.in**, mentioning your name, PAN, registered address and your DP ID and Client ID / folio number.

- (c) Agree to the terms and conditions by clicking the box.
- (d) Click on '**Login**'. Home page of remote e-voting opens.

### **Step 2: Cast your vote on NSDL e-voting website**

- (a) Click on '**e-voting: Active Evoting Cycles / VC or OAVM**' and select the EVEN of ITC Limited.
- (b) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
- (c) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and the message '**Vote cast successfully**' will be displayed.

### **Other Instructions**

- (a) Corporate and Institutional Members (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** .
- (b) Those who become Members of the Company after sending the Notice but on or before **28th August, 2020 (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 stated above under 'Step 2: Cast your vote on NSDL e-voting website' should be followed for casting of vote.
- (c) In case of any query / grievance, 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** or contact:
  - (i) Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone nos. **1800-222-990 (toll free)** or **022-2499 4360** or at e-mail ID **AmitV@nsdl.co.in** ;
  - (ii) Mr. T. K. Ghosal, Head of ISC, at telephone nos. **1800-345-8152 (toll free)** or **033-2288 6426 / 0034** or at e-mail ID **tunal.ghosal@itc.in** . You may also send your queries to the e-mail ID **isc@itc.in** .

### **III. Instructions for e-voting during the AGM**

- (a) The procedure for e-voting during the AGM is the same as mentioned above for remote e-voting.
- (b) The aforesaid facility will be available only to those Members who participate in the AGM and who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting, will not be entitled to cast their votes once again.

### **IV. Instructions for the Members whose e-mail IDs are not registered with the Company or with the Depositories**

Members who hold shares in the certificate form or who have not registered their e-mail addresses with the Company or with the Depositories and wish to participate in the AGM or cast their votes through remote e-voting or e-voting during the meeting, may obtain their user ID and password by registering their e-mail addresses online on the Company's corporate website under the section 'Investor Relations'. Alternatively, Members may send an e-mail to [isc@itc.in](mailto:isc@itc.in) or write to the ISC for registering their e-mail addresses.

Such Members may also write to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and obtain their user ID and password by sending scanned copies of (i) signed request letter mentioning their name and DP ID and Client ID / folio number, (ii) share certificate (front and back) / self-attested client master or consolidated demat account statement, (iii) self-attested PAN Card, and (iv) any self-attested proof of their address (e.g. Driving License, Aadhaar Card etc.).

### **General Information**

- (a) There will be one vote for every Client ID / registered folio number irrespective of the number of joint holders.
- (b) In case the Members require any technical assistance with respect to attending the meeting or voting during the meeting, they may contact the helpline numbers mentioned above under Clause (c) of 'Other Instructions' for remote e-voting.
- (c) The Register of Directors and Key Managerial Personnel and their shareholding under Section 170 of the Act, the Register of contracts with related party, and contracts and bodies etc. in which Directors are interested under Section 189 of the Act, and the Certificate from the Statutory Auditors in respect of the Company's Employee Stock Option Schemes will remain available for inspection during the meeting, on the NSDL e-voting system after login.
- (d) **The Results of voting will be declared within 48 hours from the conclusion of the AGM and the Resolutions will be deemed to be passed on the date of the AGM, subject to receipt of requisite number of votes.** The declared Results, along with the Scrutinizer's Report, will be available forthwith on the Company's corporate website [www.itcportal.com](http://www.itcportal.com) under the section 'Investor Relations' and on the website of NSDL; such Results will also be forwarded to the National Stock Exchange of India Limited, BSE Limited and The Calcutta Stock Exchange Limited, where the Company's shares are listed.

## EXPLANATORY STATEMENT

Annexed to the Notice convening the Hundred and Ninth Annual General Meeting to be held on Friday, 4th September, 2020.

### Item No. 6

The Board of Directors of the Company ('the Board') at the meeting held on 31st January, 2020, on the recommendation of the Nomination & Compensation Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Atul Jerath as an Additional Non-Executive Director of the Company with effect from the said date. Mr. Jerath, who represents the General Insurers' (Public Sector) Association of India, will vacate office at this Annual General Meeting.

The Board at the meeting held on 26th June, 2020, on the recommendation of the Committee, recommended for the approval of the Members, the appointment of Mr. Jerath as a Non-Executive Director of the Company, as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Jerath has been received by the Company, and consent has been filed by Mr. Jerath pursuant to Section 152 of the Act.

Additional information in respect of Mr. Jerath, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'. Mr. Jerath does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Mr. Jerath and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

### Item No. 7

The Members of the Company at the 106th Annual General Meeting held on 28th July, 2017 approved the appointment of Mr. David Robert Simpson as a Non-Executive Director of the Company for a period of three years with effect from the said date. Mr. Simpson will complete his present term on 27th July, 2020.

The Board of Directors of the Company ('the Board') at the meeting held on 26th June, 2020, on the recommendation of the Nomination & Compensation Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Simpson as an Additional Non-Executive Director of the Company with effect from 28th July, 2020. Mr. Simpson, who represents Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c., will vacate office at this Annual General Meeting.



The Board at the aforesaid meeting, on the recommendation of the Committee, also recommended for the approval of the Members, the appointment of Mr. Simpson as a Non-Executive Director of the Company, as set out in the Resolution relating to his appointment.

Requisite Notice under Section 160 of the Act proposing the appointment of Mr. Simpson has been received by the Company, and consent has been filed by Mr. Simpson pursuant to Section 152 of the Act.

Additional information in respect of Mr. Simpson, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'. Mr. Simpson does not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Mr. Simpson and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution.

The Board recommends this Resolution for your approval.

#### **Item No. 8**

The Members of the Company at the 105th Annual General Meeting ('AGM') held on 22nd July, 2016 approved the appointment of Ms. Nirupama Rao as an Independent Director of the Company for a period of five years with effect from 8th April, 2016. Ms. Rao will complete her present term on 7th April, 2021.

The Board of Directors of the Company ('the Board') at the meeting held on 26th June, 2020, on the recommendation of the Nomination & Compensation Committee ('the Committee'), recommended for the approval of the Members, the re-appointment of Ms. Rao as an Independent Director of the Company with effect from 8th April, 2021, as set out in the Resolution relating to her re-appointment.

The Committee and the Board are of the view that, given the contribution to Board processes by Ms. Rao and her knowledge, experience and performance, her continued association would benefit the Company. Declaration has been received from Ms. Rao that she meets the criteria of independence prescribed under Section 149 of the Companies Act, 2013 ('the Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In the opinion of the Board, Ms. Rao fulfils the conditions specified in the Act & the Rules thereunder and the Listing Regulations for re-appointment as an Independent Director and she is independent of the management of the Company. In addition to sitting fees for attending the meetings of the Board & its Committees and coverage under Personal Accident Insurance, Ms. Rao would be entitled to remuneration by way of commission ranging between ₹ 70 lakhs and ₹ 100 lakhs for each financial year, as approved by the Members at the 107th AGM held on 27th July, 2018, and as may be determined by the Board. Presently, such approval covers the period up to 31st March, 2024.

Consent of the Members by way of Special Resolution is required for re-appointment of Ms. Rao in terms of Section 149 of the Act. Further, pursuant to Regulation 17 of the Listing Regulations, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. During the proposed term of re-appointment, Ms. Rao will attain the age of seventy five years on 6th December, 2025. This Special Resolution, once passed, shall also be deemed as your approval under the Listing Regulations, for continuation of Ms. Rao as an Independent Director beyond the age of seventy five years.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Ms. Rao has been received by the Company, and consent has been filed by Ms. Rao pursuant to Section 152 of the Act.

Additional information in respect of Ms. Rao, pursuant to the Listing Regulations and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'. Ms. Rao does not hold any share in the Company, either in her individual capacity or on a beneficial basis for any other person.

Ms. Rao and her relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

#### **Item Nos. 9 & 10**

The Members at the 107th Annual General Meeting held on 27th July, 2018 approved the re-appointment of Messrs. Nakul Anand and Rajiv Tandon as Wholetime Directors of the Company for a period of two years with effect from 3rd January, 2019 and 22nd July, 2019, respectively. Messrs. Anand and Tandon will complete their present terms on 2nd January, 2021 and 21st July, 2021, respectively.

The Board of Directors of the Company ('the Board') at the meeting held on 26th June, 2020, on the recommendation of the Nomination & Compensation Committee, recommended for the approval of the Members, the re-appointment of Messrs. Anand and Tandon as Directors, and also as Wholetime Directors of the Company, as set out in the Resolutions relating to their respective re-appointment. The individual remuneration of Messrs. Anand and Tandon is detailed below, which is the same as earlier approved by the Members:-

- (I) **Basic / Consolidated Salary** – ₹ 13,00,000/- per month.
- (II) **Performance Bonus** – Not exceeding 200% of Basic / Consolidated Salary, payable annually for each financial year, as may be determined by the Board.
- (III) **Long Term Incentives** – Annual value not exceeding 0.05% of the net profits of the Company for the immediately preceding financial year [computed in accordance with Section 198 of the Companies Act, 2013 ('the Act')], as may be determined by the Board.

(IV) **Perquisites** – In addition to the aforesaid Basic / Consolidated Salary, Performance Bonus and Long Term Incentives, Messrs. Anand and Tandon shall each be entitled to perquisites like gas, electricity, water, furnishings, leave travel concession for self and family, club fees, personal accident insurance, sampling of the Company's products and services etc. in accordance with the rules of the Company, the monetary value of such perquisites being limited to ₹ 10,00,000/- per annum, for the purposes of which limit perquisites shall be valued as per the provisions of the Income-tax Act and the Rules thereunder, wherever applicable, and in absence of any such provision, perquisites shall be valued at actual cost. However, the following shall not be included in the aforesaid perquisite limit:-

- (a) Rent free accommodation owned / leased / rented by the Company, or Housing Allowance in lieu thereof, as per the rules of the Company.
- (b) Contributions to Provident Fund and Superannuation Fund up to 27% of salary and contribution to Gratuity Fund up to 8.33% of salary, as defined in the rules of the respective Funds, or up to such other limit as may be prescribed under the Income-tax Act and the Rules thereunder for this purpose.
- (c) Perquisite value in terms of the Income-tax Act and the Rules thereunder upon exercise of Options and / or Stock Appreciation Rights granted under the Company's Employee Stock Option Schemes and / or Employee Stock Appreciation Rights Scheme.
- (d) Medical expenses for self and family as per the rules of the Company.
- (e) Use of chauffeur driven Company car and telecommunication facilities at residence (including payment for local calls and long distance official calls).
- (f) Encashment of unavailed leave as per the rules of the Company at the time of retirement / cessation of service.
- (g) Long service award as per the rules of the Company.
- (h) Costs and expenses incurred by the Company in connection with joining / transfer / retirement as per the rules of the Company.

The aggregate of the remuneration and perquisites / benefits, including contributions towards Provident Fund, Superannuation Fund and Gratuity Fund, payable to the Chairman & Managing Director and the Wholetime Directors of the Company taken together, shall be within the limit prescribed under the Act.

Requisite Notices under Section 160 of the Act proposing the re-appointment of Messrs. Anand and Tandon have been received by the Company, and consents have been filed by Messrs. Anand and Tandon pursuant to Section 152 of the Act.

Additional information in respect of Messrs. Anand and Tandon, pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'.

Messrs. Anand and Tandon, and their relatives, are interested in the Resolutions relating to their respective re-appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends these Resolutions for your approval.

**Item Nos. 11 & 12**

The Board of Directors of the Company ('the Board') at the meeting held on 29th May, 2020, 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 'Wood Pulp', 'Paper and Paperboard' and 'Nicotine Gum' products, and Messrs. S. Mahadevan & Co., Cost Accountants, to conduct audit of Cost Records maintained in respect of the other applicable products of the Company viz., Flexibles, Soyabean Oil, Facewash, Handwash, Hand Sanitizer, Coffee, Milk Powder, Evaporated Skimmed Milk etc., for the financial year 2020-21.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions.

The Board recommends these Resolutions for your approval.

By Order of the Board  
ITC Limited  
R. K. Singhi  
Executive Vice President &  
Company Secretary

Dated : 26th June, 2020.