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Enduring Value

4th September, 2020

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza
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Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

The General Manager
Dept. of Corporate Services
BSE Ltd.
P. J. Towers
Dalal Street
Mumbai 400 001

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001

Dear Sirs,

109th Annual General Meeting - 4th September, 2020

We enclose a copy of the Chairman's Speech on 'ITC : Agility in Adversity, Synergy in Diversity, Compassionate in Crisis' delivered at the 109th Annual General Meeting of the Company held on 4th September, 2020.

Yours faithfully,
ITC Limited

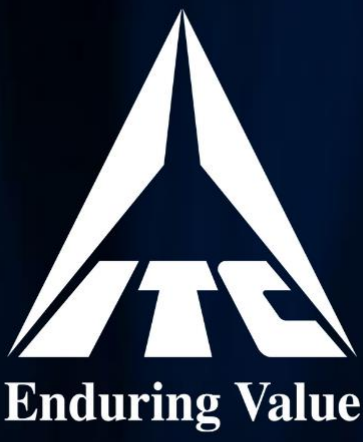
(R. K. Singhi)
Executive Vice President &
Company Secretary

Encl. as above.



cc: Securities Exchange Commission
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109TH ANNUAL GENERAL MEETING
ITC LIMITED

SEPTEMBER 4, 2020

ITC :
AGILITY IN ADVERSITY,
SYNERGY IN DIVERSITY,
COMPASSIONATE IN CRISIS

ADDRESS BY CHAIRMAN
MR SANJIV PURI

I have great pleasure in welcoming you to the 109th Annual General Meeting of your Company. We meet virtually today given the extraordinary circumstances.

The untamed spread of the COVID-19 virus, over the past few months, has caused unimaginable crisis across the globe. Never before, in recent history, have we encountered a challenge of this dimension that has so profoundly impacted almost every human on this planet.

Today, I would like to first express our deepest respect for the country's doctors and health care workers who have endured immense hardship to fight such a formidable battle. We would also like to convey our sincerest appreciation to the thousands in Government, Army, Administration, Police and many others across the country who have toiled relentlessly to fight many a battle amidst extremely difficult circumstances. The Governments at the Centre and States have responded with speed and laudable resolve to provide extensive support to the distressed. We join the Nation in expressing our deepest appreciation for their unparalleled service to the country.

The Government, led by the vision of the Hon'ble Prime Minister, played an admirable role in dealing with the health crisis, extending timely relief to the vulnerable and in announcing the Rs 20 lakh crores special package

Black swan events like this pandemic bring in their wake, crises of unprecedented proportions as also opportunities like never before. An opportunity to reimagine the future and rewire thought, strategy and action to build a path to a safer, healthier and secure tomorrow. Such disruptive events not only test resilience and adaptive capacity but can also unleash forces of innovation and creativity to shape a more sustainable and inclusive future.

There is no doubt that the task ahead will be daunting. Though the Indian economy will face multi-dimensional challenges in the short term, it is certainly reassuring that our country remains one of the major economies in the world with huge potential.

This strength of conviction and hope in the country's future is also premised in the laudable manner that India has fought back. The Government, led by the vision of the Hon'ble Prime Minister, played an admirable role in dealing with the health crisis, extending timely relief to the vulnerable and in announcing the Rs 20 lakh crores special package. The wide ranging reforms, accelerated infrastructural development and policy interventions to shape competitive "Make in India" supply chains will augur well for the economy and is expected to spur growth over time. The transformative reforms announced in the agricultural sector have also been pathbreaking. They hold the promise to foster a new era of growth for farmers and rural India, that comprise nearly half of the country's workforce, besides triggering a virtuous cycle of consumption, investment and employment.

It is today even more imperative that business and industry, as large economic organs of society, act with compassion and embed societal value creation and particularly livelihood generation in their strategies to rebuild the future. At ITC, that is indeed the spirit which has guided our philosophy of Responsible Competitiveness embodied in our credo of Nation First – Sab Saath Badhein.

ITC: Performance Highlights

Your Company has over the years built a robust portfolio of synergistic businesses and enterprise assets that have lent invaluable strength during this crisis. Before I dwell on these aspects, I would first like to present an overview of your Company's Triple Bottom Line performance in the year gone by.

Non-cigarette segment revenue rose to Rs 31,000 crores during the year, accounting for nearly 60% of ITC's total segment revenue

Gross Revenue and PBT (before exceptional items) for FY20 stood at around Rs 46,300 crores and Rs 19,300 crores respectively. Whilst PBT (before exceptional items) grew by 9.6% in the first nine months of FY20, subsequent disruptions in operations due to the pandemic weighed on fourth quarter performance, resulting in a full year growth of 4.6%. Profit After Tax grew at a faster clip of 21.4% to over Rs 15,000 crores. Non-cigarette segment revenue rose to Rs 31,000 crores during the year, accounting for nearly 60% of ITC's total segment revenue.

Your Company's world-class FMCG brands clocked an annual consumer spend of over Rs 19,700 crores in aggregate during the year. Comparable revenue grew ahead of industry, amidst subdued demand conditions, while profitability improved significantly. Segment EBITDA recorded a robust growth of 33% during the year. Such performance was powered by enhanced scale and availability, product mix enrichment, impactful communication, reduced distance-to-market and other strategic cost management initiatives. Moreover, such growth has been achieved despite the gestation costs of new products, categories and manufacturing facilities as well as sustained investments in brand building. The recent acquisition of Sunrise Foods Private Limited, which was completed during the lockdown even in a 'work from home' state, will further add vibrancy to your Company's portfolio.

Your Company's world-class FMCG brands clocked an annual consumer spend of over Rs 19,700 crores in aggregate during the year

The Cigarettes Business consolidated its market standing through continued focus on delivering world-class products along with best-in-class execution. However, persistent weakness in the demand environment, disruptions in March 2020 due to the nationwide lockdowns and growth in illicit cigarette trade impacted performance.

In the first 11 months of the year, the Hotels Business delivered strong performance, with the new iconic properties gaining excellent response, before the debacle crippled the hospitality sector. The Business is responding swiftly to mitigate the significant near-term challenges and has launched the "WeAssure" programme, designed in collaboration with medical professionals and disinfection experts, to reinforce best-in-class hygiene and safety standards at ITC properties. Your Company will continue to pursue the 'asset-right' growth strategy, sweat existing assets and examine alternative structures for enhanced value creation.

The Paperboards, Paper & Packaging segment delivered a competitively superior performance with product and process innovations amidst sluggish growth in end-user industries. The Agri-business segment witnessed appreciable growth given the trading opportunities in oilseeds & pulses as well as the enhanced focus on value-added agriculture.

During the first quarter, the nationwide lockdowns particularly impacted your Company's performance in the Hotels, Cigarettes, Education and Stationery Products (ESPB), Paperboards & Packaging Businesses. However, it is encouraging that the FMCG-Others Segment delivered a comparable revenue growth of 19%, whilst Segment EBITDA demonstrated strong growth of 42% during the period. This was driven by revenue growth of 34% in Staples, Convenience Foods and Health & Hygiene products, which represent 75% of the portfolio.

FMCG-Others Segment delivered comparable revenue growth of 19% in Q1, whilst Segment EBITDA demonstrated strong growth of 42%. This was driven by revenue growth of 34% in Staples, Convenience Foods and Health & Hygiene products, representing 75% of the portfolio

Other than the Hotels segment and ESPB, progressive normalisation was witnessed in the later part of the first quarter across all operating segments. However, the current spate of localised lockdowns is impacting the recovery momentum. The near-term outlook remains uncertain as consumer trends and industry dynamics constantly evolve in the backdrop of the yet unfolding impact of the pandemic and shape of economic recovery. Your Company shall continue to closely monitor the situation and respond with agility to strengthen its market standing while sharply focusing on cost reduction measures.

Your Company's presence across agriculture, manufacturing and services enables it to make a larger contribution to the Nation. ITC is today one of the top 3 Indian corporates in the private sector in terms of Contribution to the Exchequer. I am sure you will also take pride that your Company is the only enterprise in the world of comparable dimensions to be carbon positive, water positive and solid waste recycling positive for more than a decade now. ITC has been ranked No.1 globally amongst its peers and No.3 overall on ESG performance in the Food Products industry by Sustainalytics, a renowned global ESG rating company. Your Company has also been rated 'AA' by MSCI-ESG - the highest among global tobacco companies. This year, your Company's Paperboards unit at Kovai became the 1st facility in India and the 2nd in the world to be awarded the Alliance for Water Stewardship Platinum-level certification - the highest recognition for water stewardship in the world. It is a matter of deep satisfaction that your Company today supports over 6 million livelihoods.

ITC: The Response to the Pandemic

As the pandemic unfolded, your Company responded with agility, resilience and compassion to adapt to the new normal. A COVID Contingency Fund of Rs 215 crores was set up to address the needs of the distressed. Together with local authorities, a combination of cooked meals, food and hygiene products were also distributed across 25 States and Union Territories. To ensure liquidity in the hands of farmers, your Company's procurement of agri produce was intensified. ITC has worked with the Government's MGNREGA programme to create 7.6 lakh person days of work in just 45 days. ITC also extended financial support to its supply chain partners for obtaining a COVID-19 Insurance Cover for their associates, covering hospitalisation and diagnostic expenses.

Your Company ramped up production capacity and resumed distribution in record time, with extreme focus on safety protocols. Over 180 factories manufacturing essential products in Foods, Personal Care and Hygiene as well as Paperboards and Packaging were progressively made operational. More than 85% of your Company's WDs and associated warehouses were made operational within 10 days of the lockdown, servicing millions of consumers with highly motivated frontline teams. Responding with agility to emerging consumer needs, your Company fast tracked the design, development and go-to-market strategy of innovative products and services. The Savlon portfolio of hygiene products was augmented with differentiated offerings including disinfectant sprays, advanced 'Hexa' sanitisers, soaps, bodywash, germ protection wipes and so on. Other innovative products include 'Nimwash' - with 100% natural action for washing vegetables and fruits, B Natural Plus range of Immunity beverages, Bingo! range of new snacks, a wide array of ITC Master Chef frozen foods and a variety of Farmland frozen vegetables to cater to the increasing demand for safe and high quality products. Your Company also repurposed its perfume manufacturing facility in Manpura, Himachal Pradesh on a war footing. Manufacture of ITC's hygiene products like Savlon sanitisers was ramped up by 275 times to cater to the surge in demand. To reach millions of consumers confined to their homes, your Company was a first mover in entering into collaborations with companies such as Dominos, Swiggy, Zomato, Dunzo and Amway to leverage their direct to home reach. The innovative 'ITC Store on Wheels' initiative was launched to directly service residential complexes.

A COVID Contingency Fund of Rs 215 crores was set up to address the needs of the distressed

It was immensely inspiring to witness the extraordinary efforts put in by your Company's frontline warriors amidst such adversity. Stories abound of dedicated team members who commuted over long distances with a lot of difficulty to ensure continuity of operations, of donning the caps of others to operate units, of travelling hundreds of miles to motivate potential employees to relocate from their home districts to our safe factories, and so on. These examples of dedication and commitment by Team ITC bring immense pride, and I would like to place on record today my deepest appreciation on behalf of the Board.

ITC: Reimagining the Future

Over the last few months, the pandemic caused unprecedented disruption to economic activity the world over, propelling the already slowing global economy into a recessionary shock. World output is estimated to contract by 5 - 7% this year representing the deepest recession since the Great Depression. Estimates for the Indian economy indicate a substantial contraction in 2020-21, with several sectors experiencing severe demand destruction. This is likely to shrink livelihood opportunities considerably causing a severe stress on consumer spends.

Such a situation undoubtedly calls for a strategic response focusing on the vigorous pursuit of value-accretive opportunities leveraging your Company's institutional strengths on the one hand whilst driving thrift, cost optimisation and conservation of cash on the other. However, the universal question that today engages policy makers, business and civil society alike is: How do we reimagine the future not only to survive and revive, but also to thrive in the new normal? To my mind, Reimagining the Future will encompass 3 distinct phases which will co-exist in the journey ahead. First, a 'Survival' phase as corporates brace to manage the current crisis. Second, a 'Reboot' phase as businesses align to the new normal with certain segments experiencing demand destruction, some new trends emerging whilst several pre-crisis trends gain accelerated pace. Third, as the crisis ebbs, corporates will have to gear up for the 'next normal' with some trends moderating, some remaining at an elevated level, certain segments witnessing recovery, whilst new opportunities and industry dynamics get constantly redefined.

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Building Competitiveness & Resilience

I am deeply convinced that the future will belong to purposeful enterprises who will constantly build competitiveness with agility and innovation to respond speedily to external shocks and emerge even stronger from the crisis. It is this compelling strategic response that drives your Company to strengthen organisational vitality in a manner that is future-ready, fosters extreme competitiveness, whilst contributing meaningfully to the vision of an Atmanirbhar Bharat.

This Vitality is today manifest in the robust eco-system of your Company where differentiated products and services can move from the drawing board to the market in record speed; where trusted world-class Indian brands have been built and nurtured; where supply chains can be realigned to react swiftly to disruptions; where timely partnerships can be orchestrated; where extreme focus is provided to sweating assets and getting more out of less; where critical infrastructure and relationships nurtured across the value chain can be repurposed to sharpen competitive advantage; where sustainability is embedded in strategy and action to make larger societal value creation an integral part of business outcomes; and where dedicated talent is inspired by a larger sense of purpose.

Your Company's investments in state-of-the-art Integrated Manufacturing facilities with a distributed footprint, that support indigenous supply-chains, enabled swift realignment and resilience to changing circumstances. Such close-to-market factories ensure product freshness, improve market responsiveness, enable cost-optimisation and provide heightened focus on product hygiene, safety and quality.

Building resilience and responsible competitiveness is integral to your Company's DNA and a strategic driver of growth creating enduring shareholder value. The current pandemic reinforces the need for resilience, which will continue to be an area of strategic priority for your Company.

Let me now dwell on a few key themes and highlight how your Company's competitive ability reinforces its future-readiness.

Purposeful Innovation for Consumers

Global research today points to the consumers' increasing demand for products and services that focus on health, wellness, safety and hygiene. Consumers continue to prefer trusted brands. Quite expectedly, the demand for essential products in the food and hygiene segments witnessed a surge. There is a growing preference for organic, naturals and fresh products though consumers also seek indulgence, comfort eating and even resort to 'revenge' consumption. Frozen food, ready to eat or cook meals score high on convenience, during these trying times. The home has now become the epicenter of life, substituting dining out, entertainment and socialising. Cooking exotic meals, becoming an accomplished home-chef are new entertainment and family occasions. Discretionary spends are down, and there is evidence of value-seeking behaviour. There is a shift to larger basket purchases, large value packs with infrequent shopping frequency.

ITC's innovation engine is at work 24x7 to develop future-ready products. Over 40 high quality, first-to-market products and variants were launched during the pandemic

Digital shopping surged exponentially even as neighbourhood grocery stores emerged as the lifeline for essential supplies.

Your Company's innovation engine is at work 24x7 to develop future-ready products. This was leveraged by your Company to rapidly introduce over 40 high quality, first-to-market products and variants during the pandemic to meet emerging consumer demand. While these science-led innovations witnessed encouraging consumer response, the surge in demand for your Company's portfolio of food and hygiene products required a substantive scale-up in capacity contributing to the robust performance evident in the Q1 results.

Such agile responses stand testimony to your Company's unique enterprise assets nurtured over time. These strengths are manifest in deep consumer insights, superior agri-sourcing strengths, state-of-the-art manufacturing facilities, cutting-edge R&D, cuisine expertise of hotels, in-house packaging expertise and a widespread, efficient distribution infrastructure.

Reimagining Digital Transformation

The pandemic accelerated manifold the transition to digitalisation that was already moving at high velocity. Apart from e-commerce, digital entertainment, work-from-home conferencing, telemedicine, education, learning and skill development, e-services, social media communications have all experienced exponential surge.

Accelerated digital transformation is integral to your Company's future-ready strategy and is increasingly being harnessed to enhance competitive advantage. New technologies such as Industry 4.0, Artificial Intelligence, Big Data, industrial Internet of Things (IoT) and Machine Learning are being deployed by all Businesses, including your Company's supply chain and logistics to enhance operational effectiveness. Substantial investments have been made in the creation of a digital eco-system to drive smart manufacturing, product quality, traceability and supply chain agility, amongst others. This accelerated digital journey has begun to demonstrate appreciable outcomes.

ITC continues to invest in building its digital enterprise capacity and capabilities to stay ahead of the curve and shape formidable strengths for the future

Your Company's Marketing Command Centre - 'Sixth Sense' - leverages cloud-technology, cutting-edge social-media engagement tools and a digital marketing & analytics platform to drive contextual communication and product development rapidly. The Centre has today developed into a real time repository on market trends. Based on the insights gained, several digital campaigns have been rolled out and product variants developed.

For example, social media trends like Dalgona coffee were leveraged to deepen consumer engagement for ITC's Sunbean Beaten Caffe and introduce a new variant in a long shelf life ambient format.

Taking its digital interventions further, your Company swiftly launched an online ordering system for retailers to address the surge in demand during the pandemic. Enhanced presence across e-commerce platforms led to accelerated growth in sales and marketing of ITC's FMCG products. Your Company's wholly-owned subsidiary, ITC Infotech has developed appreciable domain-led expertise in emerging areas of digital and automation solutions and is your Company's strategic partner in its journey of digital transformation. The rapid pace of digital adoption world-wide offers immense promise for this business. The pandemic saw an explosive adoption of digital tools and platforms, which is poised to redefine business operations and consumer engagement significantly. Your Company continues to invest in building its digital enterprise capacity and capabilities to stay ahead of the curve and shape formidable strengths for the future.

Rediscovering Sustainability

Even before the outbreak, the world was in the throes of a sustainability crisis with increasing frequency of extreme weather events, climate change induced vulnerabilities, poverty and hunger challenges as well as the crying need to create gainful livelihood for millions of youth. The pandemic aggravated this situation by causing havoc to livelihoods across nations, making it the most critical sustainability issue today. According to recent studies, the number of people in extreme poverty globally may rise to over 1 billion due to the pandemic, with the lockdown phases impacting almost 2.7 billion workers, or four in five of the world's workforce. India will mirror this global trend with the crisis severely impacting livelihoods across many sectors. Compounding this is the threat of climate change, which can no longer be ignored given that it leads the top 5 long-term risks in the Global Risk Report 2020 of the World Economic Forum. As I have often emphasized, it is imperative that businesses, as an integral part of society, embed sustainability in its core strategy and play a transformative role in securing the future of generations to come.

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Your Company's vision to serve a larger national purpose has inspired unique business models that build substantial economic, environmental and social capital for the Nation. Over the years, competitive and inclusive value chains have been built which are anchored by ITC's world-class brands. ITC's Social Investment initiatives build capacities for tomorrow through extensive vocational training, women empowerment programmes and supplementary education. In addition, the Company's extensive interventions in agriculture help in empowering millions of farmers. Your Company's superior environmental benchmarks in all its operations, creation of large forestry and water resources as also a renewable energy portfolio accounting for over 41% of total energy consumption makes ITC an icon of environmental stewardship.

Several innovations, backed by R&D, have led to path-breaking initiatives. For example, your Company's Paperboards as well as Packaging businesses have introduced several innovative sustainable packaging solutions. These include the recyclable barrier board 'Filo' series as an innovative substitute for single-use plastics in the food service segment and the biodegradable 'Omega Series' as an alternative to plastic coated containers and cups, and so on. Your Company has also pioneered a replicable Multi-layered Plastic waste management model in Pune, providing an end-to-end solution for converting such waste into commercial products based on technical knowhow of the ITC Life Sciences & Technology Centre.

Your Company has set ambitious sustainability goals for the future. ITC aspires to meet 50% of its total energy consumption from renewable sources by 2030. Your Company intends to sequester over four times the CO2 emissions from its operations as well as create rainwater harvesting potential equivalent to over five times its net water consumption over the next decade. As part of its waste management programme, the Company aims to ensure that 100% of its packaging is reusable, recyclable or compostable in the next decade. Your Company's leadership in sustainability reinforces its aspirations to be a future-ready enterprise, responsive to the needs of society.

Building Next Generation Agriculture

Nearly two-thirds of the country's population reside in rural India, with almost half of the total workforce dependent on agriculture. Despite the potential in India's agri-sector, farmers continue to face challenges of productivity, depleting water resources and effective market linkages. Aggravating these challenges is the threat of climate change, as rightly highlighted in the recent RBI Annual Report, which states that volatile rainfall intensity, increase in extreme weather events and rising temperature can severely impact agriculture. Compounding these challenges are the large wastages in perishables, and insignificant value addition in agri-products which impact the farmer's earning potential. It is therefore critical that the latent power of Next Generation Agriculture is unleashed to raise farmer incomes and drive a virtuous cycle of consumption, investment and employment whilst insulating the farmers from the threat of climate change by the large-scale promotion of sustainable agricultural practices. The recent path-breaking reforms provide an unparalleled opportunity to transform agriculture.

- *The recent path-breaking reforms provide an unparalleled opportunity to transform agriculture*
- *ITC is stepping up farmer engagement in wheat, potato, chillies and fruits & vegetables through a Crop Value Chain Cluster model to connect small farmers to markets*

In the true spirit of Atmanirbhar Bharat, your Company has, over several decades, engaged deeply with farmers to address these multi-dimensional challenges and co-create sustainable solutions to raise rural incomes. Powered by ITC's celebrated e-Choupal, and your Company's social investments, large-scale interventions have been implemented to enable climate-smart agriculture, enhance productivity, promote value-addition, expand market access and exports. To future-proof agriculture and combat climate change, ITC's Water Stewardship programmes have brought soil and moisture conservation to over 1 million acres whilst initiatives for demand-side management of water that enable 'more crop per drop' cover more than 2 lakh acres across 6 states, reducing consumption by as much as 20 to 45%.

Your Company's Agri-Business lends distinctive competitive advantage to its Branded Packaged Food Businesses with superior agri-sourcing that focuses on identity preservation, traceability and certification, as well as lower transaction costs. Today, your Company is one of India's largest integrated agri business enterprises with a segment revenue of over Rs 10,200 crores. It is also a significant exporter of value-added agri-products and the largest procurer of wheat in the private sector. Your Company sources over 3 million tonnes of agri-products from 225 districts in 22 States. Several competitive agri value chains have been assiduously built over time to benefit farmers. The Wheat and Spices Value Chain is anchored by the Aashirvaad brand as well as exports. The Potato Value Chain is driven by ITC's Bingo! Snacks; the Fruits & Vegetables Value Chain is powered by ITC's B Natural juices, Farmland and ITC Master Chef Frozen Foods and the Dairy Value Chain leverages Aashirvaad Svasti dairy products and Sunfeast Wonderz milk-based beverages. These vibrant value-chains provide consumers high quality products whilst generating substantial livelihoods. Your Company's increasing engagement across the perishables value-chain, including value-added products in frozen, purees and dehydrated formats will also spur investments in climate controlled infrastructure and food processing.

Your Company is well poised to expand its horizons in the agricultural sector.

ITC proposes to support nearly 3000 FPOs with more than a million farmers across 24 crop value chain clusters in 21 states, shaping competitive agri value-chains and enhancing farmer incomes

The transformative agri-reforms will also open up new opportunities. These measures are likely to enhance operational efficiencies and accelerate your Company's journey towards building a robust and future-ready Value-Added Agri Products portfolio catering to both the B2B and B2C channels. Your Company is stepping up farmer engagement in wheat, potato, chillies and fruits & vegetables through a Crop Value Chain Cluster model to connect small farmers to markets. The Company expects to support nearly 3000 FPOs with more than a million farmers across 24 crop value chain clusters in 21 states, shaping competitive agri value-chains and enhancing farmer incomes. These value chains will be anchored by ITC's large investments in food processing, its vibrant brands as well as exports.

Enabling Future-ready Innovation

Innovation is an elixir of growth that continuously builds competitiveness and strengthens resilience in times of crisis. Your Company's deep R&D capabilities are an invaluable asset enabling it to seize emerging opportunities. With more than 350 highly qualified scientists, LSTC has set up futuristic Centres of Excellence in Biosciences, Agrisciences and Materials and has filed over 900 patents. Your Company also engages with the start-up ecosystem to gain insights from their vibrant innovative capabilities, and where appropriate, is open to making investments.

The advanced scientific platforms in health, hygiene and immunity lend a competitive edge to your Company's consumer products and in recent times, also enabled an accelerated response to the pandemic. In addition to the differentiated range of Savlon products mentioned earlier, other innovations developed by LSTC include B Natural Plus beverage, Aashirvaad Svasti Fortified Milk and Ghee, Sunfeast Digestive Veda Marie with goodness of Fibre & Ayurvedic herbs, Fortified YiPPee noodles with 5 vital nutrients and so on. Your Company is working on multiple value propositions in the areas of functional foods & nutrition. The continued effort is to develop products with lower sodium and sugar as also to enrich & fortify them with value-added nutrients and ingredients such as probiotics, prebiotics, fibres, nuts, seeds and so on. Innovative products are also being developed for a healthier lifestyle relating to Indian traits in diabetes, bone health, cardio vascular, immunity, gluten free, gut health and cognition, among others. Your Company's FMCG products like Mangaldeep agarbattis have also innovated with a "Lo Smoke" variant that emits 80% lesser smoke, whilst ESPB continuously works with LSTC to create superior writing experiences.

With more than 350 highly qualified scientists, ITC-LSTC has set up futuristic Centres of Excellence in Biosciences, Agrisciences and Materials and has filed over 900 patents

Developing Entrepreneurial Talent

These times of crisis bring to the fore the critical role that inspired talent plays in building resilience of enterprises that are built to last. Your Company believes in nurturing a talented pool of 'proneurs' – entrepreneurial professionals who operate with a start-up mindset but with the crucial advantage of ITC's institutional resources. This pool of distributed leaders with wide experience across businesses are supported by a culture of continuous learning that provides cutting-edge development support to create the 'proneurs' of the future.

The 'proneurial' mindset, adaptive capacity and deep commitment of your Company's distributed leadership together with the inspiration to serve a larger national purpose formed the fulcrum of the resilience demonstrated during these difficult times, and will continue to be its strength in the years to come.

ITC: In Support of Atmanirbhar Bharat

Your Company's superordinate goal to serve larger national priorities is enshrined in its credo of Nation First – Sab Saath Badhein. The vision to create multiple drivers of future-ready businesses, competitive and inclusive value chains that retain larger value in India, is deeply aligned to the Prime Minister's clarion call for an 'Atmanirbhar Bharat'.

Your Company is recognised as a pioneer in enabling agricultural transformation. Following the success of ITC's 'Baareh Mahine Hariyali' programme aligned to the Government's 'Doubling Farmers' Income' vision, we are now ready to implement e-Choupal 4.0 at scale and bring the benefits of the digital revolution to empower farmers even more effectively. This digital platform, designed as a crop agnostic integrated solution framework will synergistically aggregate technologies like remote sensing, precision farming, drone-based services, quality assaying, e-marketplace and many others. It is now ITC's vision to empower 10 million farmers in India multiplying livelihoods that will benefit over 50 million people.

Your Company's large afforestation initiative covering over 8,00,000 acres not only enables competitive fibre sourcing for its Paperboards Business, but has also generated 147 million person days of employment for marginal farmers. Your Company has also invested in an indigenous agarbatti bamboo value chain to contribute to import substitution and retain larger value in the country. It is estimated that domestic cultivation of bamboo for agarbattis, by substituting imports, can generate over 22 million person days of employment per year. Towards this, the Government's recent policy interventions to promote indigenous bamboo cultivation will go a long way in generating gainful livelihoods. Your Company is already sourcing bamboo for its Mangaldeep brand and promoting nurseries in North-East India, many of which are run by women.

ITC's vision to create multiple drivers of future-ready businesses, competitive and inclusive value chains that retain larger value in India, is aligned to the Prime Minister's clarion call for an 'Atmanirbhar Bharat'

Supporting rural progress and prosperity, is also your Company's large-scale Social Investment programme that enhances the livelihood generating capacity and enriches environmental resources. Over 77 public-private-people partnerships have been forged with State Governments and public institutions to bring complementary skills and resources together to benefit rural communities. Your Company in collaboration with NITI Aayog has trained 15 lakh farmers in 27 backward districts of 8 states under the Aspirational Districts programme covering 15 crops. The results have been heartening with productivity increasing significantly by 53%, cultivation cost reducing by 15% and net farmer incomes increasing between 33% to 100%. Over 74,000 sustainable livelihoods have been generated for women, more than 81,500 youth have benefitted from ITC's vocational training initiatives and around 7,75,000 children have received supplementary education. Over 1.8 million animals have been covered through the livestock development initiative.

In line with its abiding vision to make a meaningful contribution to inclusive growth, your Company's portfolio of world-class Indian brands enables retention of larger value within the country, in alignment to the call for 'Vocal for Local'. Supporting the manufacture of these high quality products, are the 'Make in India' investments in state-of-the-art ICMLs, and in India's largest Paperboards facilities that contribute to the Nation's modern industrial infrastructure creating livelihoods across the value chain. The Company also promotes local entrepreneurship across states in manufacturing ITC's diverse products. Your Company has also created some of the most iconic properties to enrich India's tourism landscape.

The creation and ownership of intellectual property is critical for a country's progress. When such intellectual capital is manifest in successful Indian trademarks, that can win against globally reputed brands, it serves as a force multiplier for larger value creation for the country apart from being a badge of national honour. Your Company's endeavour to create winning Indian trademarks aims to build such intellectual capital and larger value for the country.

- *We are now ready to implement e-Choupal 4.0 at scale and bring the benefits of the digital revolution to empower farmers*
- *It is now ITC's vision to empower 10 million farmers in India multiplying livelihoods to benefit over 50 million people*

In Conclusion

Your Company is today at an important juncture as the investments made in the past to build the diverse businesses demonstrate even larger promise to create sustained value for our shareholders and the Nation. There are few enterprises in the world that have built so many businesses and brands in such a relatively short span of time, gaining encouraging market standing and leadership in several segments. Your Company's agility, compassionate action and adaptive capabilities during these trying circumstances demonstrate its timeless and enduring strengths. Undoubtedly, the short-term will be immensely challenging as the crisis plays out its course. However, we remain optimistic that your Company's focus on top strategic priorities and a superordinate national purpose will continue to create larger value for the country and its stakeholders.

As I conclude, I would like to place on record my gratitude to all our partners and associates, who have bravely stood with us in serving the country in these difficult times. I take pride in ITC's dedicated and committed talent, who have left no stone unturned to take the Company to greater heights despite being constrained by the tough circumstances. On behalf of the Board, may I thank you, our valuable shareholders, for your encouragement through the years. As always, I will depend on your support as we steer the Company through this challenging journey to build an even brighter future.

My best wishes to you and your families. Stay safe, stay healthy.

Thank you, Ladies & Gentlemen