ITC Limited
Virginia House
37 J. L. Nehru Road
Kolkata 700 071, India
Tel. : 91 33 2288 9371
Fax : 91 33 2288 4016 / 1256 / 2259 / 2260

Enduring Value

9th November, 2020

The Manager
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Plot No. C-1, G Block
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,

Related Party Transactions

We enclose, in terms of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, statement on related party transactions of the Company for the half year ended 30th September, 2020, in the required format.

Yours faithfully,
ITC Limited

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

Encl. as above.

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cc: Securities Exchange Commission
Division of Corporate Finance
Office of International Corporate Finance
Mail Stop 3-9
450 Fifth Street
Washington DC 20549
U.S.A.

cc: Societe de la Bourse de Luxembourg
35A Boulevard Joseph II
L-1840 Luxembourg

ITC Limited

Consolidated Half Yearly Disclosure of Related Party Transactions

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Related Party Disclosures

1. **OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:**

   i) **Associates & Joint Ventures:**

   Associates

   a) Gujarat Hotels Limited
   b) Divya Management Limited
   c) Antrang Finance Limited
   d) ATC Limited
   e) Delectable Technologies Private Limited (w.e.f. 17.09.2020)
   f) International Travel House Limited
   – being associates of the Group
   g) Tobacco Manufacturers (India) Limited, UK
   – of which the Company is an associate

   Joint Ventures

   a) Maharaja Heritage Resorts Limited
   b) ITC Essentra Limited

   ii) a) **Key Management Personnel:**

S. Puri	Chairman & Managing Director
N. Anand	Executive Director
B. Sumant	Executive Director
R. Tandon*	Executive Director
S. Banerjee#	Non-Executive Director
H. Bhargava	Non-Executive Director
A. Duggal#	Non-Executive Director
A. Jerath	Non-Executive Director
S. B. Mathur#	Non-Executive Director
A. Nayak#	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
M. Shankar#	Non-Executive Director
D. R. Simpson	Non-Executive Director

* ceased to be Chief Financial Officer w.e.f. 05.09.2020

Independent Director

Chief Financial Officer
S.Dutta (w.e.f. 05.09.2020)

Company Secretary
R. K. Singhi

Members - Corporate Management Committee
S. Puri
N. Anand
B. Sumant
R. Tandon
S. Dutta (w.e.f. 05.09.2020)
H. Malik (w.e.f. 05.09.2020)
A. Rajput (w.e.f. 05.09.2020)
S. Rangrass (w.e.f. 24.09.2020)
S. K. Singh
S. Sivakumar
C. Dar (up to 23.09.2020)

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b) Relatives of Key Management Personnel:

T. Anand (wife of N. Anand)
R. Tandon (wife of R. Tandon)
N. Singhi (wife of R. K. Singhi)

iii) Employee Trusts:

a) IATC Provident Fund
b) ITC Defined Contribution Pension Fund
c) ITC Management Staff Gratuity Fund
d) ITC Employees Gratuity Fund
e) ITC Gratuity Fund 'C'
f) ITC Pension Fund
g) ILTD Seasonal Employees Pension Fund
h) ITC Platinum Jubilee Pension Fund
i) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
j) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
k) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
l) ITC Hotels Limited Employees Superannuation Scheme
m) Greenacre Holdings Limited Provident Fund
n) Greenacre Holdings Limited Gratuity Fund

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ITC Limited

Related Party Disclosures (contd.)

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 30.09.2020

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
		HY ended on September 30, 2020	HY ended on September 30, 2019	HY1 ended on September 30, 2020	HY1 ended on September 30, 2019	HY1 ended on September 30, 2020	HY1 ended on September 30, 2019	HY1 ended on September 30, 2020	HY1 ended on September 30, 2019	HY1 ended on September 30, 2020	HY1 ended on September 30, 2019	HY1 ended on September 30, 2020	HY1 ended on September 30, 2019
1.	Sale of Goods/ Services	1.36	1.47	17.13	9.30							18.49	10.77
2.	Purchase of Goods/ Services	37.53	78.35	105.78	115.64							143.31	193.99
3.	Reimbursement for Share Based Payments	0.15	0.44	0.03	0.07							0.18	0.51
4.	Rent Received	0.30	0.57									0.30	0.57
5.	Rent Paid *	0.36	2.11			0.22	0.09	0.16	0.16			0.74	2.36
6.	Remuneration of Managers on Deputation reimbursed	2.96	3.20									2.96	3.20
7.	Remuneration of Managers on Deputation recovered	3.26	3.10	0.71	0.58							3.97	3.68
8.	Contribution to Employees' Benefit Plans									56.37	41.67	56.37	41.67
9.	Dividend Income	0.43	1.59	6.75	6.75							7.18	8.34
10.	Dividend Payments	3023.02	1712.55			2.99	0.69					3026.01	1713.24
11.	Expenses Recovered	0.05	0.08	0.09	0.12	-	-					0.14	0.20
12.	Expenses Reimbursed	0.12	0.13	-	0.01	-	0.02					0.12	0.16
13.	Advances Given during the period	0.06	-									0.06	-
14.	Adjustment/Receipt towards Refund of Advances	0.06	0.45									0.06	0.45
15.	Deposits Received during the year	-	-									-	-
16.	Remuneration to Key Management Personnel [1]												
16A.	- Short term benefits					21.42	15.52					21.42	15.52
16B.	- Other remuneration					4.33	4.08					4.33	4.08
16C.	- Share based payment granted [2]												
17.	**Outstanding Balances #**												
	i) Receivables	4.98	3.41	6.64	5.29							11.62	8.70
	ii) Advances Given	0.04	0.04							-	16.03	0.04	16.07
	iii) Deposits Given					0.08	0.03	0.07	0.03			0.15	0.06
	iv) Deposits Taken	0.63	0.63									0.63	0.63
	v) Payables	9.48	8.43	11.31	13.25					104.02	5.46	124.81	27.14
18.	Impairment of investment in Joint Venture as at the half year end			-	4.82							-	4.82

* Includes rent pertaining to leases classified as Right of Use Assets.

\# The amounts outstanding are unsecured and will be settled in cash.

[1] Post employment benefits are actuarially determined on overall basis and hence not separately provided.

[2] The Company grants Stock Options to the eligible employees, including Executive Directors and KMP, under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. The Company also grants Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Since such Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ ESAR Units, and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS -102, the Group has recorded employee benefits expense by way of share based payments to employees at ₹ 12.08 Crores for the half year ended 30th September, 2020 [FY 2019-20 (HY1) ₹ 84.19 Crores], of which ₹ 13.52 Crores [FY 2019-20 (HY1) ₹ 22.90 Crores] is attributable to the Executive Directors and KMP.

Note: Figures of previous period have been regrouped/ rearranged wherever necessary.

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Related Party Disclosures (contd.)

3. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES

(Generally in excess of 10% of the total transaction value of the same type)

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY	HY1 ended September 30, 2020	HY1 ended September 30, 2019
1.	**Sale of Goods / Services**		
	ITC Essentra Limited	17.13	9.30
	International Travel House Limited	1.31	1.41
2.	**Purchase of Goods / Services**		
	ITC Essentra Limited	105.77	115.61
	International Travel House Limited	26.20	63.62
3.	**Reimbursement for Share Based Payments**		
	International Travel House Limited	0.10	0.29
	ATC Limited	0.05	0.15
	ITC Essentra Limited	0.02	0.05
4.	**Rent Received**		
	International Travel House Limited	0.30	0.57
5.	**Rent Paid**		
	Gujarat Hotels Limited	0.36	2.11
	N. Anand	0.14	-
	T. Anand	0.14	-
6.	**Remuneration of Managers on Deputation reimbursed**		
	Gujarat Hotels Limited	2.96	3.20
7.	**Remuneration of Managers on Deputation recovered**		
	International Travel House Limited	1.49	1.44
	ATC Limited	1.38	1.31
	ITC Essentra Limited	0.43	0.42
8.	**Contribution to Employees' Benefit Plans**		
	ITC Pension Fund	17.72	9.95
	IATC Provident Fund	16.93	14.81
	ITC Management Staff Gratutity Fund	11.95	3.74
	ITC Defined Contribution Pension Fund	-	11.67
9.	**Dividend Income**		
	ITC Essentra Limited	6.75	6.75
	Gujarat Hotels Limited	0.43	0.61
	International Travel House Limited	-	0.98

	RELATED PARTY TRANSACTIONS SUMMARY	HY1 ended September 30, 2020	HY1 ended September 30, 2019
10.	**Dividend Payments**		
	Tobacco Manufacturers (India) Limited, UK	3023.02	1712.55
11.	**Expenses Recovered**		
	Maharaja Heritage Resorts Limited	0.09	0.11
	International Travel House Limited	0.05	0.08
12.	**Expenses Reimbursed**		
	Gujarat Hotels Limited	0.12	0.13
13.	**Advances Given during the year**		
	International Travel House Limited	0.06	-
14.	**Adjustment/Receipt towards Refund of Advances**		
	International Travel House Limited	0.06	0.45
15.	**Deposits Received during the year**		
	International Travel House Limited	-	...
16.	**Remuneration to Key Management Personnel (KMP) #**		
16A.	***Short term benefits***		
	S. Puri	6.13	3.34
	N. Anand	3.08	2.16
	R Tandon	2.87	1.68
	B. Sumant	2.80	1.76
	Y.C. Deveshwar (related party up to 11.05.2019)	-	1.59
16B.	***Other Remuneration***		
	S. Banerjee	0.45	0.42
	A. Nayak	0.45	0.16
	H. Bhargava	0.44	0.41
	A. Duggal	0.44	0.41
	M. Shankar	0.44	0.43
	S. B. Mathur	0.43	0.42
	S. S. H. Rehman (related party up to 14.09.2019)	-	0.41

	RELATED PARTY TRANSACTIONS SUMMARY	HY1 ended September 30, 2020	HY1 ended September 30, 2019
17.	**Outstanding Balances**		
i)	***Receivables***		
	International Travel House Limited	4.05	1.92
	ITC Essentra Limited	3.97	2.43
	Maharaja Heritage Resorts Limited	2.68	2.86
	ATC Limited	0.93	1.49
ii)	***Advances Given***		
	International Travel House Limited	0.04	0.04
	Employee Trust - Pension Funds	-	16.03
iii)	***Deposits Given***		
	N. Anand	0.05	-
	T. Anand	0.05	-
	R Tandon	0.03	0.03
	N Singhi	0.03	0.03
iv)	***Deposits Taken***		
	International Travel House Limited	0.63	0.63
v)	***Payables***		
	Employee Trust - Pension Funds	71.27	-
	Employee Trust - Gratuity Funds	32.74	5.46
	ITC Essentra Limited	11.31	13.25
	International Travel House Limited	5.84	3.84
18.	**Impairment of Investment in Joint Venture as at the year end**		
	Logix Developers Private Limited	-	4.82

In accordance with Ind AS - 102, the Group has recognised employee benefits expense by way of share based payments [refer Note 2], of which ₹ 13.52 Crores [FY 2019-20 (HY1) - ₹ 22.90 Crores] is attributable to Executive Directors and KMP : S. Puri ₹ 5.84 Crores [FY 2019-20 (HY1) - ₹ 7.12 Crores], N. Anand ₹ 1.59 Crores [FY 2019-20 (HY1) - ₹ 4.02 Crores], B. Sumant ₹ 2.05 Crores [FY 2019-20 (HY1) - ₹ 1.42 Crores], R. Tandon ₹ 2.49 Crores [FY 2019-20 (HY1) - ₹ 3.86 Crores] and R. K. Singhi ₹ 0.52 Crore [FY 2019-20 (HY1) - ₹ 0.63 Crore].

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