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Enduring Value

12th July, 2019

The Manager
Listing Department
National Stock Exchange of India Ltd.
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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,

108th Annual General Meeting – 12th July, 2019

We enclose a copy of the Chairman's Speech on **'ITC: Nation First - Building an Exemplary Enterprise of Tomorrow'** delivered at the 108th Annual General Meeting of the Company held on 12th July, 2019 at Kolkata.

Yours faithfully,
ITC Limited

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

Encl. as above.

Enduring Value

cc: Securities Exchange Commission
Division of Corporate Finance
Office of International Corporate Finance
Mail Stop 3-9
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108th Annual General Meeting
ITC Limited
July 12, 2019

ITC: NATION FIRST
BUILDING AN EXEMPLARY ENTERPRISE OF TOMORROW

Address by Chairman, Mr Sanjiv Puri

I have great pleasure in welcoming you to the 108th Annual General Meeting of your Company.

It is indeed an honour to address you today for the first time in my capacity as Chairman of your Company.

We meet today at a solemn moment in the Company's history as we remember, with respect and reverence, our late Chairman Mr YC Deveshwar, who passed away on the 11th of May, 2019. His legendary stewardship of the Company for over two decades will be cherished for the remarkable voyage that ITC traversed to become one of India's most valuable and admired enterprises. A visionary and patriot, he passionately championed the need to go 'beyond the commitment to the market' to build enterprises that could serve larger national priorities and create meaningful societal value. It is indeed a matter of pride that this vision is today manifest in ITC's diversified presence across all the sectors of the economy – agriculture, manufacturing and services, and in the unique business models that seek to synergise the creation of economic, environmental and social capital as a unified strategy. Mr Deveshwar was conferred the 'Padma Bhushan' by the Government of India for his outstanding contribution to the country. Indeed, his legacy will inspire us in the journey ahead as we continue to build an exemplary Indian enterprise.

(As a mark of respect for the departed soul, may I request you to stand for a minute's silence?)

Ladies & Gentlemen,

It has been my privilege to lead the Company as its Chief Executive for over 2 years and a pride & honour now to also assume the role of Chairman. As I do so, I am deeply aware that ITC's preeminent position today is an outcome of the invaluable support that we have received from our stakeholders over the years. I would like to first thank you, our valued shareholders, for your faith and unstinted support as we persevered to build a valuable national institution.

Your Company is privileged to serve millions of farmers, customers and consumers, from whom we have received enormous goodwill and support. Across ITC's value chains, our partners, associates and civil society organisations have been untiring in their efforts to pursue our shared goals. Successive generations of committed employees have diligently contributed to the success of your Company. Governments at the Centre, States and Local Bodies have provided valuable assistance in fructifying our investments in world-class manufacturing and hospitality assets. On behalf of the Board, I would like to express my gratitude to all our esteemed stakeholders. It is your support and guidance that motivate us to continue building an Enterprise of Tomorrow inspired by our credo of 'Nation First'.

New Government: New Aspirations

A few weeks ago, a new Government assumed office at the Centre with a resounding mandate from the people of India. I would like to congratulate Hon'ble Prime Minister, Shri Narendra Modi, whose vision and commitment to usher in a New India reverberated in the hearts and minds of millions of citizens who reposed their faith in his leadership and capable hands. Indeed, the Government's flagship programmes such as Jan Dhan Yojana, Ayushman Bharat, Direct Benefit Transfer, Swachh Bharat, Doubling Farmer Incomes and Make in India together with reforms such as the GST have laid the foundations of a progressive future. The Prime Minister's clarion call to revitalise agriculture and conserve water resources as well as the speedy action taken by the Government in the implementation of schemes like PM-KISAN, formation of a Jal Shakti Ministry, new initiatives like Nal se Jal, setting up of PM-led Cabinet Committees on Investment & Growth as well as Employment & Skill Development, augurs well for the economy. On behalf of the Board, I would like to once again pledge ITC's fullest support to the Government in its endeavours.

A few days ago, Finance Minister, Smt Nirmala Sitharaman presented the Union Budget 2019. Addressing multi-dimensional issues, the Budget commendably presented a comprehensive roadmap to achieve the Prime Minister's vision of a $5 trillion economy. With a sharp focus on 'Gaon, Garib and Kisan', the proposals provide a structural thrust to infrastructure development, the MSME sector and job creation. This will indeed go a long way in shaping a New India with social equity and climate resilience.

The Government's vision of '*Sabka Saath, Sabka Vikas*' resonates deeply with your Company's commitment to sustainable and inclusive growth and provides inspiration to pursue our triple bottom line philosophy of '*Sab Saath Badhein*' with even more passion and vitality. This aspiration finds expression in the innovative business models pursued by your Company to enable competitive growth whilst simultaneously generating sustainable livelihoods and enriching the environment – a paradigm we call Responsible Competitiveness. Your Company seeks to be an engine of growth for the Indian economy through a vibrant portfolio of future-ready businesses that are well poised to serve the emerging needs of a growing market through world-class Indian brands. These businesses also anchor competitive value chains that empower millions of farmers and trade partners, generating livelihoods for more than 6 million people in the country.

Before I turn to the theme of this year's address, I would like to first share with you a snapshot of your Company's triple bottom line performance.

Responsible Competitiveness: Triple Bottom Line Performance

Your Company delivered another year of resilient performance despite a challenging operating environment. On a comparable basis, Gross Sales Value for the year stood at Rs.75,309 crores, representing a growth of 12.3% over last year. Excluding exceptional items, Profit Before Tax recorded a growth of 12.2% and Profit After Tax grew by 13.8%. Segment Revenue in ITC's non-

cigarette business increased by around 13% over last year while Segment EBITDA rose by around 16% in the same period.

Amidst a subdued demand environment, the non-cigarette FMCG segment grew ahead of industry, demonstrating robust growth in revenue and significant improvement in profitability. Your Company's non-cigarette FMCG businesses delivered a Segment EBITDA of Rs.688 crores, increasing by 51% over last year, despite gestation costs and investments made in new categories, facilities and brand building.

Your Company's Paperboards and Packaging Business had a stellar year, recording strong growth in revenue and profits on the back of strategic investments in capacity addition, pulp import substitution, product mix enrichment, a cost-competitive fibre chain as also benefitting from a favourable industry cycle. The Hotels Business delivered significant improvement in performance, driven by better RevPar and the addition of two signature properties – the ITC Grand Goa and ITC Kohenur in Hyderabad. Your Company's Agri-Business continues to provide a critical source of competitive advantage to your Company's FMCG businesses and drives rural transformation through the ITC e-Choupal eco-system. While the Business posted healthy growth in revenue, leaf cost escalation pertaining to the Andhra 2017 crop and business mix weighed on margins.

I am sure you will take pride in the fact that the Value-Added by your Company, which is the value created by its economic activities and employees, aggregated to around Rs.2,20,000 crores over the last 5 years, of which over Rs.1,60,000 crores accrued to the Exchequer. ITC also remains among the Top 3 Indian corporates in the private sector in terms of Contribution to the Exchequer.

Your Company views foreign exchange earnings as a priority. Over the past decade, such earnings of the ITC Group aggregated over US$ 7 billion, of which agri exports constituted 56%.

Your Company's leadership in sustainability performance is acclaimed globally. It is immensely satisfying that despite the growth in scale and size of your businesses, ITC remains the only enterprise in the world to be 'water positive' for 17 consecutive years, 'carbon positive' for 14 years in a row and 'solid waste recycling positive' for 12 years. ITC's stewardship in combating climate change also finds expression in its green building footprint with 24 LEED® Platinum properties and a renewable energy portfolio that meets nearly 41% of the Company's energy requirements. ITC's Sustainability Report, prepared in accordance with the stringent GRI Standards, remains a popular reference point in industry.

India: Promising Future

Last month, the World Bank in its 'Global Economic Prospects' report presented a somewhat dismal outlook for the world economy. India, however, stood out for its growth promise. With a projection of 7.5% growth per annum in GDP over the next three years, India is expected to retain its mantle as the fastest growing major economy in the world. The World Bank believes that India's growth prospects remain solid, supported by improved confidence, slowing inflation, as well as

robust investments spurred by a fresh policy impetus. Downside risks, however, remain in terms of the impact of a global slowdown, volatility in crude oil prices and the progress of monsoon.

India is expected to emerge as the world's fifth largest economy in the near future. The World Economic Forum together with Bain & Company estimates that India could become the world's third largest consumer market by 2030. Consumer spending in India is expected to grow exponentially to $6 trillion from $1.5 trillion today, with private consumption accounting for 60% of GDP. Notwithstanding the recent slowdown in consumer uptake, structural drivers of growth are in place. Given the Government's strong policy direction, demand can be expected to pick up over time. While this portends well for the country's future, India also mirrors the global socio-economic challenges that can impede progress.

While it is heartening that India is likely to be among the top 5 large global economies, it is also poised to become the world's most populous with 1.5 billion people inhabiting the country by 2030. It would both be a herculean task and an opportunity to provide food, nutrition, water, fodder, fibre, energy, education, health and livelihood security to this huge population. Gainful employment opportunities will also have to be found for the 10-12 million who join the work force every year. Aggravating this is the reality of climate change, which is visible today in the frequent extreme weather events and acute water shortage rendering people living at the margin even more vulnerable.

The future of business as well as societal progress are intertwined, and one cannot succeed at the cost of the other. It is your Company's firm conviction that businesses can indeed make a transformative contribution towards addressing some of these daunting challenges. When corporates make societal value creation a bedrock of corporate strategy, powerful drivers of innovation emerge to make growth more enduring as well as responsive to the needs of environment and society. It is my firm belief that by pursuing such a growth model, we can create stronger foundations to build a resilient Enterprise of Tomorrow — an enterprise that generates sustained value for its shareholders whilst contributing to national priority goals that accelerate job creation, replenish the environment, especially water resources, and combat climate change.

To say that this is a tall task would be an understatement. However, as the popular saying goes, "A journey of a thousand miles begins with a single step". Collectively, and by every organ of society, a multitude of efforts must indeed be made to achieve a shared goal of building a secure and better tomorrow for the generations to come.

Your Company's distinctive business model that enables the creation of larger societal value underlines the true spirit of *'Sab Saath Badhein'* and guides every thought, strategy and action.

Growth with Profitability & Equity: 'Sab Saath Badhein'

It is your Company's aspiration to be a leader in every business segment that we operate in and be acknowledged as a trusted provider of best-in-class products and services. Towards this, we will continue to invest in enhancing international competitiveness in each business not only to reinforce the pole position achieved in several segments but to also speedily attain leadership in

the newer businesses. While this will undoubtedly entail upfront investments and gestation costs in the short term, it will become a source of competitive advantage over the medium to long term and create sustained value as our brands garner larger consumer franchise.

A multi-pronged approach is thus being pursued to create growing value for all stakeholders. I will now enumerate the key pillars of this approach.

1.Expanding Horizons: Powering the ITC of Tomorrow

A fast growing economy like India presents immense promise for each of your Company's businesses. The FMCG segment, in particular, has tremendous potential, given the rising affluence, low penetration and per capita consumption levels as well as favourable demographics, among others. Today, around 25% of ITC's Segment Revenue is from the newer FMCG businesses. To accelerate growth in the FMCG businesses, the endeavour is not only to fortify the existing categories towards delivering industry leading performance but also to foray into newer categories and sub-segments that are synergistic with your Company's institutional capabilities. This would be supported by multi-dimensional investments as also strategic opportunities for acquisitions.

In the last 2 to 3 years, your Company has expanded its FMCG portfolio by foraying into new segments. This includes the exquisite 'Fabelle' Çhocolates collection, Dairy & Dairy Beverages under the 'Aashirvaad Svasti' and 'Sunfeast Wonderz' brands, Frozen Foods from the 'ITC Master Chef' collection, Skincare with the premium 'Dermafique' brand as well as the popular 'Charmis' brand, Hand Sanitizers under 'Savlon' and Floor Cleaners with the natural neem-based 'Nimyle' brand. Over 50 products were launched last year to strengthen existing categories and enter newer segments. A strong pipeline of products is constantly being readied for progressive launch to continue delighting our consumers and create new levers of growth for the FMCG businesses.

Your Company's Agri-Business is increasingly focusing on value-added products in the fresh, frozen, perishables and dehydrated formats, which include IQF prawns, food-safe spices, purees and dehydrated onions for both B2B and B2C segments. In addition, a portfolio of attribute-specific products such as high curcumin turmeric, low sugar potato and organic pulp has been marketed. Superior wax-free apples sourced from Indian farmers are also being promoted, which over time can lead to reduced import dependence.

Your Company remains a clear leader in the Value-Added Paperboards segment. Recent launches such as the Décor papers portfolio, new value-added offerings including special boards based on renewable and recyclable material are eliciting encouraging response. It is gratifying that sales of eco-labelled products are rising with volumes growing by nearly 33% during the year. Capacity augmentation and innovative product mix enrichment will continue to provide a fillip to the Paperboards Business whilst adding strategic value to your Company in the years ahead.

Your Company's Hotels Business has expanded over time to encompass 109 properties with more than 10,000 rooms. A robust portfolio of iconic properties has been built to establish the signature 'ITC Hotels' brand and enrich the nation's tourism landscape. Going forward, an asset-

right strategy is being pursued to accelerate growth and drive profitability through an optimal mix of owned and managed properties. Two signature properties – the ITC Grand Goa and ITC Kohenur – were added during the year while the ITC Royal Bengal was commissioned in June 2019.

Disruptive developments in Digital and Information Technology provide exciting opportunities. Leveraging the domain knowledge of your Company's diversified footprint, ITC Infotech is expanding its portfolio of digital solutions and services and holds the promise to evolve into a sizeable business over time.

Your Company derives immense value from its bouquet of distinctive enterprise strengths. Let me now turn to the potential that such institutional resources provide in driving competitive growth opportunities for the future.

2. Creating Unique Sources of Competitive Advantage by Leveraging Enterprise Strengths

Over the years, ITC has carefully developed and nurtured a wide array of enterprise strengths encompassing deep consumer insights, extensive relationships with farmers and rural communities, superior agri-sourcing capabilities, state-of-the-art manufacturing, leading-edge R&D, packaging excellence, brand building capabilities, cuisine expertise of ITC Hotels and an extensive and efficient trade marketing & distribution infrastructure.

A synergy of these strengths lends unique sources of competitive advantage to your Company, creates new business opportunities whilst also enabling cost and operational efficiencies. An interplay of such institutional capabilities is today evident in several of your Company's FMCG products including 'Aashirvaad' Atta, 'YiPPee!' Noodles, 'Sunfeast Wonderz' Dairy Beverages, 'Sunbean' Coffee, 'Classmate' Notebooks & Stationery, 'Fiama' and 'Vivel' Bodywash, 'Mangaldeep' Agarbatti to name a few. Your Company's recent foray into the Frozen Foods segment and the Food Services channel is yet another example of our enterprise strengths at play. More than 40 innovative variants have been launched in these segments in 43 cities, catering directly to consumers or institutional businesses. Similarly, your Company's 'Fabelle' Chocolates are being developed along with master chocolatiers at ITC Hotels and marketed in exclusive boutiques at our luxury hotels, channelising their world-class ambience.

Your Company's formidable distribution network enables it to place products in more than 6 million retail outlets. It also provides superior capacity to launch diverse products across different markets and channels. To accelerate growth, the network is being expanded to add new markets and outlets to its servicing base. Substantive investments are being made in developing alternate and emerging channels such as Modern Trade, On-the-Go, Food Services, end-to-end Cold Chain, e-Commerce and so on. The benefits of digital technology are being leveraged with focused investments in areas such as customised mobility solutions and data analytics to boost productivity, operational effectiveness and sharp target market interventions.

The convergence of your Company's enterprise strengths, innovative and creative capacity together with the opportunities emerging from a growing Indian market has powered the creation of world-class Indian brands.

3. World-Class Indian Brands: Creating Enduring Value for the Nation

It is your Company's belief that it is mission critical to create, nurture and own intellectual capital in India. Such intellectual property manifest in winning home-grown trademarks ensures greater value capture and retention in the country, besides creating sustainable livelihoods. With growing consumer franchise, such world-class Indian brands can create value streams for brand owners in perpetuity. They also prevent avoidable outflow of foreign exchange and royalty payments and more so, for even items of daily consumption.

Undoubtedly, world-class brands are also a badge of honour and a mark of economic respect for the country of their origin. It is with this strength of conviction that your Company has built a portfolio of 25 world-class Indian brands that are today either leaders in their categories or making appreciable progress. Today, your Company's vibrant portfolio of brands represents an annual consumer spend of over Rs.18,000 crores. In terms of annual consumer spend, 'Aashirvaad' is today over Rs.4,500 crores; 'Sunfeast' over Rs.3,800 crores; 'Bingo!' nearly Rs.2,500 crores; 'Classmate' over Rs.1,400 crores; 'YiPPee!' over Rs.1,100 crores while 'Vivel', 'Mangaldeep' & 'Candyman' are over Rs.500 crores each.

As your Company's brands garner scale and gain increasing consumer franchise, they also provide the opportunity to win across adjacencies. The launch of Hand Sanitizers under the 'Savlon' brand, Pouched Milk under the 'Aashirvaad Svasti' brand and Dairy Beverages under 'Sunfeast Wonderz' are such examples of extending brand equity.

Your Company will continue to make investments in vigorously building the equity and market standing of its world-class Indian brands to fulfil our aspiration to be a market leader in every category that we are present in.

4.Building Competitive and Resilient Agri Value Chains: Multiplying Farmer Incomes

Your Company's Agri-Business lends competitive strength to ITC's FMCG businesses and we will continue to invest and strengthen this segment.

ITC's century-old linkages to the agrarian and rural economy have substantially intensified over the years with its growing presence across vibrant value chains extending from farm to fork, tree to textbook, livestock to dairy as well as bamboo to agarbatti anchored by your Company's FMCG, Agri and Paperboards Businesses. It is indeed satisfying that these businesses add significant value to agriculture, thereby empowering farmers and supporting millions of livelihoods.

Agriculture is the mainstay for more than 50% of the workforce in India. Vibrant agri and forest value chains have large employment potential and can play a pivotal role in creating a virtuous consumption cycle to unleash a new trajectory of economic growth. Despite the potential in this

sector, growth is constrained by a triad of key challenges – lower productivity, vulnerability due to water stress and inefficient market access. Your Company's interventions in agriculture have strived to address each of these challenges through the globally acclaimed ITC e-Choupal ecosystem.

To enhance productivity, substantive investments have been made in R&D to develop new varieties, implement extensive farmer training with best practices in large-scale demonstration farms and introduce mechanisation. Your Company also acquired Technico Agrisciences Limited, a leader in early generation seed potato, to provide superior inputs to enhance farm yields. The digital and physical infrastructure backbone provided by the e-Choupal network enables handholding of farmers to orchestrate a variety of services including access to expert knowledge, superior agri-inputs and demand-driven value chains anchored by your Company's FMCG brands. This is amply demonstrated in your Company's newly launched initiative, '***Baareh Mahine Hariyali***' programme, that is intrinsically aligned to the Prime Minister's vision of doubling farmer incomes. This integrated programme is being progressively rolled out to 1 million farmers, and aims to multiply rural incomes through a wide spectrum of interventions. These include agronomic practices such as zero tillage, introduction of right varieties, cropping intensity and diversification as well as shared mechanised farming equipment. This pilot programme covered over 2,00,000 farmers, out of which 35,000 have already doubled incomes while others are making encouraging progress. Your Company is collaborating with NITI Aayog to progressively build capacity of 2 million farmers in 27 Aspirational Districts to help enhance rural incomes.

Water shortages can cripple agricultural growth, and the Government has rightly focused on regeneration and conservation of this precious natural resource. ITC's large-scale Integrated Watershed Development initiative helps strengthen the availability of water resources across 16 States. This year, we crossed a historic milestone with your Company's soil and moisture conservation programme cumulatively covering more than 1 million acres of water-stressed areas. In addition to the initiative on doubling farmer incomes, a pilot programme at scale on 'water use efficiency in agriculture' is also being promoted to enable effective demand-side management. This initiative has yielded water savings of 20% to 45% in crops like Sugarcane, Wheat, Rice and Banana. This points to the huge potential for reducing water consumption in agriculture, a critical issue for Indian farmers.

The Agri-sciences vertical at ITC Life Sciences and Technology Centre, ITC-LSTC in short, is engaged in research to develop new varieties with higher yields, better quality and specific traits to further enhance farmer incomes and build resilience of value chains.

Your Company's world-class Indian brands anchor competitive and inclusive agri-value chains, providing efficient market linkages that also help align production to consumption trends. Over the years, your Company's intensive engagement in agriculture has built capacity of farmers to offer superior produce to a wider section of buyers. ITC's agri-exports, including value-added attribute-specific products, help in effectively linking small farmers with international markets, contributing further to the rural economy.

Your Company's Agri-Business also provides vital support to ITC's Foods Businesses by enabling sourcing of high-quality agricultural raw material directly from farmers, ensuring their traceability and identity preservation, thereby providing a unique source of competitive advantage.

Your Company's ***Farm-to-Fork Value Chain*** encompasses several agri-commodities, including Wheat, Potatoes, Spices, Milk, Fruits and Vegetables providing immense vitality to your Company's brands such as 'Aashirvaad' Atta, 'Aashirvaad Svasti' Dairy products, 'Bingo!' Snacks, 'B Natural' Juices, 'Aashirvaad' Spices and so on. The ***Integrated Fruits, Vegetables and Perishables Value Chain*** has enabled your Company to foray into new segments with a wide range of offerings including Frozen Vegetables, Potatoes, Mango Pulp, Prawns and so on. These forays also help address the issue of huge agri-wastages in the country, estimated at Rs 92,000 crores, depriving farmers of a potentially large source of income.

Your Company's Paperboards Business has championed ITC's large-scale Afforestation programme by creating a competitive ***Tree-to-Textbook Value Chain*** that provides it with a sustainable source of fibre, helping substitute imports whilst generating large-scale livelihoods and a green cover.

Your Company is also building a ***Bamboo-to-Agarbatti Value Chain*** anchored by the 'Mangaldeep' brand that will contribute to reducing imports whilst simultaneously creating livelihoods by promoting Bamboo cultivation in India. To empower economically needy women, your Company has set up an all-women nursery in Tripura which can be replicated in other States where such plantations are feasible. Currently, 180 billion bamboo sticks are imported into India for the agarbatti industry. Substitution of bamboo imports with domestic cultivation has the potential to generate employment opportunities of around 22 million person days per annum, translating to additional farmer income of around Rs 1,300 crores.

Let me now turn to another critical growth driver that is poised to energise the future of your businesses, namely, the increasing role of Innovation, R&D and Digital interventions.

5. Energising Innovation to Drive Competitive Growth

Your Company recognises that continuous innovation across products, processes and systems will indeed be the springboard to catapult the enterprise to higher orbits of growth. Towards this, your Company's globally benchmarked ITC-LSTC is mandated to secure, science-led competitive advantage and develop future-ready products & processes. In a relatively short period of time, over 830 patents have been filed. Your Company is also engaging with the start-up ecosystem to gain from their vibrant innovative capabilities, and where appropriate, making investments.

ITC's innovation engine is at work 24x7 and is helping create a bouquet of distinct, superior and first time to market products for today, tomorrow and day after. The product development teams at the centre, have developed over 50 unique FMCG products that were launched during the year. The 'Dermafique' range of premium Skincare products, for example, has been designed and validated for varied Indian skin types and has been developed at ITC-LSTC utilising the latest breakthroughs in bioscience, nanotechnology and derma science. Earlier, the launch of 'Engage

ON' pocket perfume enabled a creative disruption in the market making your Company a market leader in this segment. Other examples of first-to-market innovations include India's first Ruby Chocolate from 'Fabelle', the 'Savlon' Sanitizer spray in a pen format, 'Sunfeast Wonderz' Dairy Beverages with fruit inclusions, 'Fiama' Bodywash with a unique fragrance encapsulation technology, and so on. Your Company is also developing superior 'free from' and 'good for you' range of health and wellness products. The 'Aashirvaad Nature's Super Foods' range with Ragi Flour, Multi Millet Mix, Gluten Free Flour, 'Aashirvaad Sugar Release Control' Atta, 'Farmlite All Good Digestive' Biscuits with no added sugar, High Protein Biscuits made from Bengal Gram, 'low sugar' as well as 'rich in anti-oxidant' potatoes under the 'Farmland' brand among others, are unique products that reflect this endeavour.

ITC's 360-degree approach to innovation aims to secure long-term competitive advantage and lends support to the creation of world-class Indian brands that can capture larger value in the country.

6. Harnessing the Digital Dividend

The digital explosion across the global economy has brought with it unprecedented opportunities to redefine the contours of business. Towards this, your Company has formulated a comprehensive business-wise digital strategy driving transformational change across value chains. Efficiencies in the backend are being enhanced through increased use and experimentation of digital technologies such as Industry 4.0, Artificial Intelligence, Data Analytics, Machine Learning, Augmented & Virtual Reality, Advanced Automation, Robotics and Mobility, amongst others. These are being deployed to enable smart manufacturing, smart utility management, enhance efficiencies in dealer management and transportation management systems, supply chain agility as well as in front-end execution in sales and marketing. These technologies as well as innovative Apps such as the 'Mangaldeep', 'MyClassmate' and 'IRIS' have been launched to enhance consumer engagement, insight discovery and brand advocacy.

Your Company will continue to leverage the 'Digital Dividend' to sharpen competitiveness, heighten operational efficiencies and deepen consumer connect.

7. Building National Assets: Supporting the Make in India Vision

Your Company is investing in building state-of-the-art manufacturing infrastructure across the country to rapidly scale up the FMCG businesses, build an extremely competitive supply chain and contribute to the country's Make in India vision. The 20 Integrated Consumer Goods Manufacturing and Logistics (ICML) facilities being built progressively will provide formidable strength to your Company's FMCG brands by enhancing cost efficiency, economies of scale, freshness and close-to-market distribution. During the year, your Company commissioned a world-class ICML at Pudukkottai, while operations at Kapurthala, Panchla and Guwahati were ramped up further.

The recent investments in the Bleached Chemi-Thermo Mechanical Pulp (BCTMP) mill at Bhadrachalam help in substituting imports whilst enhancing agro-forestry farming opportunities.

Expansion in the Décor and Value-Added Paper capacity has strengthened the Company's Paper Business in the spirit of the Make in India vision.

I have already referred to the iconic hospitality assets built to enrich the nation's tourism landscape. Forthcoming hotels include the ITC Narmada in Ahmedabad, and WelcomHotels in Amritsar, Bhubaneshwar and Guntur.

8. Creating Sustainable Communities

Your Company's *'Nation First: Sab Saath Badhein'* philosophy underlines our core belief in building a globally competitive and profitable Indian enterprise that makes an exemplary contribution to creating larger societal value. Your Company's Social Investment programme engages with rural communities through a large portfolio of interventions to strengthen their capacity to be more economically stable and climate-resilient. These initiatives, several of which are also implemented through 61 Public-Private-People partnerships, are aligned to the Government's priority areas and focused on sustainable agricultural practices, building water security and livelihood generation. In addition, the health and sanitation programmes contribute to the Swachh Bharat mission.

Your Company's e-Choupal initiative has empowered over 4 million farmers, the Afforestation programme has greened over 7,30,000 acres, whilst generating over 135 million person days of employment, the Animal Husbandry programme has covered over 17,75,000 milch animals, initiatives in Women Empowerment have reached over 64,000 beneficiaries, Vocational Training has covered over 67,000 youths, the Primary Education programme has benefitted over 6,90,000 children, while more than 35,000 toilets have been built. Your Company's Well-being Out of Waste programme (WOW in short) that comprehensively addresses the problem of solid waste management, of which plastic waste is a significant component, provides an end-to-end sustainable and scalable solution that has reached out to 89 lakh citizens in the country.

Whilst these programmes are being scaled up progressively, some recent interventions are also demonstrating immense promise. I have already highlighted the encouraging results of the pilot programmes on water use efficiency in agriculture and multiplying farmer incomes. A recent initiative on building climate-smart villages aims to reduce the vulnerability risks faced by poor farmers. Supporting women empowerment, your Company has enabled the creation of all-women nurseries in Tripura, Telangana, Karnataka and Andhra Pradesh. These nurseries support different crops such as Subabul and other native species, Guava, Eucalyptus, Silver Oak and Bamboo.

Your Company's Social Investments Programme today covers 235 districts in 27 States of India. I am sure, as valued shareholders, you will draw immense satisfaction that your continued support to ITC is today enhancing the lives of millions in India and offering them a better and more secure future.

9. Nurturing and Acquiring World-class Talent

Last but not the least, I would like to turn to one of the most valuable resources on which rests the foundations of all our ambitions and aspirations – your Company's dedicated pool of talent.

ITC's transformational journey over the years stands testimony to the capabilities of its world-class human resources. Your Company's model of distributed leadership has today created a diverse talent pool of professional entrepreneurs - 'Proneurs' as we call them. It is seldom that talented human resources get the opportunity to create categories, products and brands right from scratch, as is prevalent in your Company. In that sense, your Company provides a culture akin to start-ups, where young people with passion and determination can contribute significantly to creating winning products and services. We are committed to nurturing our talented resources and acquiring best-in-class professionals as larger opportunities emerge from the expanding horizons of our businesses. It is heartening that ITC's committed team of talent has also ingrained in themselves the Company's DNA to pursue competitive growth with respect for the environment and social development.

In Conclusion

The scale, scope, diversity and depth of your Company's operations have increased manifold over the years. In my over 3 decades with your Company, I have had the privilege to participate and have a ringside view of the remarkable transformational voyage traversed across time.

Indeed, the journey has been fulfilling and fruitful though we are deeply cognizant that we have miles to go in our steadfast resolve to be a leader in every segment of business that we operate in and create enduring value for our stakeholders. As we move into the future, I draw strength from Team ITC, whose unwavering commitment even in the face of adversity will lend new wings to this aspiration. It will also be your Company's untiring endeavour to lead by example as an Enterprise of Tomorrow by pursuing growth strategies that will be responsibly competitive, sustainable and inclusive.

As I conclude, may I on behalf of the Board, thank you, our valued shareholders, for your continued support and goodwill that provide us the encouragement and motivation to take ITC to even newer heights and make a greater contribution through our commitment of '*Nation First: Sab Saath Badhein*'.

Thank you, Ladies & Gentlemen.

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