



## ITC Limited

CIN : L16005WB1910PLC001985

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

Tel : 91 33 2288 9371 • Fax : 91 33 2288 2358 • E-mail : isc@itc.in • Website : www.itcportal.com

## **NOTICE OF 106<sup>TH</sup> ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Hundred and Sixth Annual General Meeting of the Members of ITC Limited will be held at Science City, Main Auditorium, JBS Haldane Avenue, Kolkata 700 046, on Friday, the 28th day of July, 2017, at 10.00 a.m. for the transaction of the following businesses:-

### **ORDINARY BUSINESS**

1. To consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2017, the Consolidated Financial Statements for the said financial year and the Reports of the Board of Directors and the Auditors.
2. To declare dividend for the financial year ended 31st March, 2017.
3. To appoint a Director in place of Mr. Suryakant Balkrishna Mainak (DIN: 02531129) who retires by rotation and, being eligible, offers himself for re-election.
4. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:-  
“Resolved that, in accordance with the provisions of Sections 139 and 142 of the Companies Act, 2013, or any amendment thereto or modification thereof, the appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 302009E), as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Hundred and Seventh Annual General Meeting be and is hereby ratified, and remuneration of ₹ 2,95,00,000/- to Messrs. Deloitte Haskins & Sells to conduct the audit for the financial year 2017-18 payable in one or more instalments plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, be and is hereby approved.”

## SPECIAL BUSINESS

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 152 of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr. Zafir Alam (DIN: 07641534) 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 Public Financial 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.”

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, or any amendment thereto or modification thereof, 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 three years from the date of this Meeting, or till such earlier date upon withdrawal by the recommending Shareholder 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, or any amendment thereto or modification thereof, Mr. Ashok Malik (DIN: 07075819) 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 Public Financial 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 an Ordinary Resolution:-

“Resolved that, in accordance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any amendment thereto or modification thereof, consent be and is hereby accorded to the remuneration and benefits (apart from the remuneration as applicable to the other Non-Executive Directors of the Company) paid / payable to Mr. Yogesh Chander Deveshwar (DIN: 00044171) as Chairman of the Company for a period of three years with effect from 5th February, 2017, as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

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

“Resolved that, in accordance with the applicable provisions of the Companies Act, 2013, or any amendment thereto or modification thereof, consent be and is hereby accorded to variation in the terms of remuneration paid / payable to Mr. Sanjiv Puri (DIN: 00280529), Chief Executive Officer & Wholetime Director, with effect from 5th February, 2017, 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 Section 148 of the Companies Act, 2013, or any amendment thereto or modification thereof, 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 ‘Paper and Paperboard’ and ‘Nicotine Gum’ products for the financial year 2017-18, at ₹ 4,00,000/- plus applicable taxes, and reimbursement of out-of-pocket expenses incurred, be and is hereby ratified.”

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, or any amendment thereto or modification thereof, the remuneration of Messrs. Shome & Banerjee, 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 ‘Paper and Paperboard’ and ‘Nicotine Gum’ products, for the financial year 2017-18, at ₹ 5,00,000/- plus applicable taxes, 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, 7th June, 2017 to Friday, 9th June, 2017, both days inclusive. Share Transfers received in order at the Investor Service Centre of the Company, 37 Jawaharlal Nehru Road, Kolkata 700 071 by 5.30 p.m. on Tuesday, 6th June, 2017, will be processed for payment of dividend, if declared, to the transferees or to their mandatees, and the dividend, if declared, will be paid on Monday, 31st July, 2017 to those Members entitled thereto and whose names will appear in the Register of Members of the Company on 9th June, 2017, or to their mandatees, subject however to the provisions of Section 126 of the Companies Act, 2013, or any amendment thereto or modification thereof. In respect of dematerialised shares, the dividend will be paid on the basis of beneficial ownership as on 6th June, 2017, 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

B. B. Chatterjee

Executive Vice President &

Company Secretary

Dated : 26th May, 2017.

**NOTES:**

- (i) **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a proxy to attend and vote on his behalf. A proxy need not be a Member of the Company.**

Proxies, in order to be effective, must be received at the Investor Service Centre of the Company ('ISC'), 37 Jawaharlal Nehru Road, Kolkata 700 071, not less than forty-eight hours before the commencement of the AGM i.e. by 10.00 a.m. on 26th July, 2017.

- (ii) Corporate Members are required to send to ISC a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative(s) to attend and vote at the AGM.
- (iii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at this AGM, is annexed.
- (iv) In terms of Section 108 of the Companies Act, 2013 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 from a place other than the venue of the AGM) and also e-voting at the AGM venue, 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) Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members on **21st July, 2017 (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 at the AGM venue. A person who is not a Member on the cut-off date should accordingly treat this Notice as for information purposes only.
- (vi) The facility for e-voting will be available at the AGM venue to those Members who do not cast their votes by remote e-voting prior to the AGM. Members, who cast their votes by remote e-voting, may attend the AGM but will not be entitled to cast their votes once again.
- (vii) Unclaimed dividend for the financial year ended 31st March, 2010 and the corresponding Ordinary Shares of the Company in respect of which dividend entitlements have remained unclaimed for seven consecutive years from the financial year ended 31st March, 2010 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 29th August, 2017, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'). In respect of the said dividend and corresponding shares, it will not be possible to entertain any claim received by ISC after 28th August, 2017.

Details of the unclaimed dividend and particulars with respect to corresponding shares due for transfer to the IEPF are available on the Company's corporate website [www.itcportal.com](http://www.itcportal.com) under the section 'Investor Relations'.

- (viii) Dividend and corresponding shares, as stated in (vii) above, once transferred to the IEPF by the Company, may be claimed only from the IEPF Authority by following the procedure prescribed under the IEPF Rules.

Mr. A. Bose, Head of ISC, is the Nodal Officer of the Company for the purpose of verification of such claims.

- (ix) Members who wish to update or register their e-mail addresses with the Company or with the Depositories may use the updation / registration Form, which can also be downloaded from the Company's corporate website under the section 'Investor Relations'.
- (x) Members may visit the Company's corporate website to view the Financial Statements or access information pertaining to the Company. Queries, if any, should be sent at least 10 days before the AGM to the Executive Vice President & Company Secretary at the Registered Office of the Company.
- (xi) Members are required to bring their admission slips to the AGM. It will not be possible to provide duplicate admission slips or copies of the Report and Accounts at the AGM venue.

The procedure with respect to **remote e-voting** is provided below:-

- I. **In case of Members who receive the Notice in electronic mode:**
  - (a) Open the e-mail and the PDF file viz. '**ITC e-voting.pdf**' with your Client ID No. or Registered Folio No. as password. The said PDF file contains your user ID and password for remote e-voting. Please note that the password is an initial password.
  - (b) Launch internet browser by typing the URL: **https://www.evoting.nsdl.com/** and click on '**Shareholder – Login**'.
  - (c) Insert user ID and password as initial password stated in (a) above. Click on '**Login**'.
  - (d) Password change menu appears. Change the password with a new password of your choice with minimum 8 digits / characters or combination thereof. Please do not share your password with any other person and take utmost care to keep your password confidential.
  - (e) Home page of remote e-voting opens. Click on '**e-voting: Active Evoting Cycles**' and select the Electronic Voting Event Number (EVEN) of ITC Limited.
  - (f) Now you are ready for remote e-voting as '**Cast Vote**' page opens.
  - (g) Cast your vote by selecting appropriate option and click on '**Submit**'. Thereafter click on '**Confirm**' when prompted; upon confirmation, your vote is cast and you will not be allowed to change your vote.
  - (h) Thereafter the message '**Vote cast successfully**' will be displayed.
  - (i) Corporate and institutional shareholders (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**.
- II. **In case of Members who receive the Notice by post:**
  - (a) User ID and initial password are provided in the admission slip for the AGM.
  - (b) Please follow the steps from Sl. Nos. (b) to (i) mentioned in (I) above, to cast your vote.
- III. **Members already registered with NSDL for remote e-voting can use their existing user ID and password for Login.** Thereafter please follow the steps from Sl. Nos. (e) to (i) mentioned in (I) above, to cast your vote.
- IV. Those who become Members of the Company after despatch of the Notice but on or before **21st July, 2017 (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 from Sl. Nos. (b) to (i) mentioned in (I) above should be followed for casting of vote.
- V. 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:
  - (a) Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th & 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone no. 022-2499 4360 or toll free no. 1800222990 or at e-mail ID **AmitV@nsdl.co.in**;
  - (b) Mr. A. Bose, Head of ISC, at telephone nos. 033-2288 6426 / 0034 or at e-mail ID **arun.bose@itc.in**.  
You may also send your queries to the e-mail ID **isc@itc.in**.
- VI. **Remote e-voting will commence at 9.00 a.m. on 24th July, 2017 and will end at 5.00 p.m. on 27th July, 2017**, when remote e-voting will be blocked by NSDL.
- VII. **General Information**
  - (a) There will be one vote for every Client ID No. / Registered Folio No. irrespective of the number of joint holders.
  - (b) **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, alongwith the Scrutinizer's Report, will be available forthwith on the Company's corporate website **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.

## EXPLANATORY STATEMENT

Annexed to the Notice convening the Hundred and Sixth Annual General Meeting to be held on Friday, 28th July, 2017.

### Item Nos. 5, 6 & 7

The Board of Directors of the Company ('the Board') at the meeting held on 26th October, 2016, on the recommendation of the Nomination & Compensation Committee ('the Committee'), appointed in terms of Section 161 of the Companies Act, 2013 ('the Act'), Mr. Zafir Alam as Additional Non-Executive Director of the Company with effect from 26th October, 2016, as representative of the General Insurers' (Public Sector) Association of India.

The Board at the meeting held on 27th January, 2017, on the recommendation of the Committee, appointed in terms of Section 161 of the Act, Mr. David Robert Simpson as Additional Non-Executive Director of the Company with effect from 27th January, 2017, as representative of Tobacco Manufacturers (India) Limited, a subsidiary of British American Tobacco p.l.c.

The Board at the meeting held on 11th April, 2017, on the recommendation of the Committee, appointed in terms of Section 161 of the Act, Mr. Ashok Malik as Additional Non-Executive Director of the Company with effect from 11th April, 2017, as representative of the Specified Undertaking of the Unit Trust of India.

Messrs. Alam, Simpson and Malik will vacate office at this Annual General Meeting. On the recommendation of the Committee, the Board at the meeting held on 26th May, 2017 recommended for the approval of the Members, the appointment of Messrs. Alam, Simpson and Malik as Non-Executive Directors of the Company as set out in the respective Resolutions relating to their appointment.

Requisite Notices under Section 160 of the Act proposing the appointment of Messrs. Alam, Simpson and Malik have been received by the Company, and consents have been filed by Messrs. Alam, Simpson and Malik, pursuant to Section 152 of the Act.

Additional information in respect of Messrs. Alam, Simpson and Malik, 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. Alam, Simpson and Malik do not hold any share in the Company, neither in their individual capacity nor on a beneficial basis for any other person.

Messrs. Alam, Simpson and Malik, and their relatives, are interested in the Resolutions relating to their respective appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in these Resolutions. Messrs. Alam, Simpson and Malik are not related to any of the Directors or Key Managerial Personnel of the Company.

The Board recommends these Resolutions 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 Mr. Yogesh Chander Deveshwar as Non-Executive Director, not liable to retire by rotation, and Chairman of the Company for a period of three years with effect from 5th February, 2017. The Members at the said AGM also approved that apart from the remuneration as applicable to the other Non-Executive Directors of the Company, Mr. Deveshwar would be entitled to additional remuneration and benefits as may be determined by the Board of Directors of the Company ('the Board'), subject to the approval of the Members. It may be recalled that Mr. Deveshwar, at the request of the Nomination & Compensation Committee ('the Committee') and the Board, recognising the need for orderly transition in a company of ITC's size and complexity, agreed to continue as Chairman in non-executive capacity and also play the role of Mentor to the new executive management.

In implementation of the Members' Resolution passed at the 105th AGM and taking into consideration the enlarged role of Mr. Deveshwar, the Board at the meeting held on 26th October, 2016, on the recommendation of the Committee, approved the following additional remuneration for Mr. Deveshwar with effect from 5th February, 2017, which is now being placed for your approval:

- (a) Monthly remuneration of ₹ 1 crore.
- (b) Rent free furnished accommodation owned / leased / rented by the Company.
- (c) Medical expenses for self and spouse.
- (d) Use of chauffeur driven Company car for personal use.

In addition to coverage under Personal Accident Insurance and sitting fees for attending the meetings of the Board / Committees thereof, Mr. Deveshwar would be entitled to remuneration by way of commission ranging between ₹ 30 lakhs and ₹ 60 lakhs for each financial year, as approved by the Members at the 105th AGM for Non-Executive Directors of the Company. Coverage of medical expenses would conform to that of the other Directors entitled to medical expenses.

The aggregate of the remuneration and benefits, including commission, paid to the Directors of the Company other than the Wholetime Directors in a financial year shall not exceed one percent of the net profits of the Company, in terms of Section 197 of the Companies Act, 2013, or any amendment thereto or modification thereof ('the Act'), and computed in the manner referred to in Section 198 of the Act.

Additional information in respect of Mr. Deveshwar, pursuant to the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'.

Mr. Deveshwar 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. 9

The Board of Directors of the Company ('the Board') at the meeting held on 27th January, 2017, on the recommendation of the Nomination & Compensation Committee, appointed Mr. Sanjiv Puri, Wholetime Director, also as Chief Executive Officer of the Company with effect from 5th February, 2017 to take independent charge of the executive leadership of the Company, in the context of splitting the role of the Executive Chairman between Chairman and Chief Executive Officer.

The Board at the said meeting, on the recommendation of the Nomination & Compensation Committee, also approved, subject to the approval of the Members, variation in the terms of remuneration of Mr. Puri with effect from 5th February, 2017 for the residual period of his present term of appointment, as follows:-

Basic / Consolidated Salary per month	₹ 12,00,000/-
Performance Bonus	Not exceeding 300% of Basic / Consolidated Salary, payable annually for each financial year, as may be determined by the Board.
Perquisites per annum	Limited to ₹ 15,00,000/-

The other terms of remuneration of Mr. Puri, as approved by the Members at the 105th Annual General Meeting held on 22nd July, 2016, remain unchanged.

Additional information in respect of Mr. Puri, pursuant to the Secretarial Standard on General Meetings, is appearing in the Report and Accounts under the sections 'Your Directors' and 'Report on Corporate Governance'.

Mr. Puri 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 Nos. 10 & 11

The Board of Directors of the Company ('the Board') at the meeting held on 11th April, 2017, 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 'Paper and Paperboard' and 'Nicotine Gum' products, and Messrs. Shome & Banerjee, 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, Cylinders, Coffee, Milk Powder etc. for the financial year 2017-18.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, remuneration of the Cost Auditors needs ratification 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  
B. B. Chatterjee  
Executive Vice President &  
Company Secretary

Dated : 26th May, 2017.