

ITC Limited

**MINUTES OF THE PROCEEDINGS OF THE HUNDRED AND THIRD
ANNUAL GENERAL MEETING OF THE MEMBERS OF ITC LIMITED
HELD ON WEDNESDAY, 30TH JULY, 2014 AT 10.00 A.M. AT SCIENCE
CITY, MAIN AUDITORIUM, JBS HALDANE AVENUE, KOLKATA 700 046**

PRESENT

DIRECTORS :

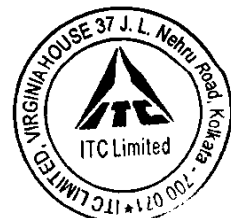
- Mr. Y. C. Deveshwar (Chairman)
- Mr. N. Anand
- Mr. A. Baijal
- Mr. S. Banerjee
- Mr. P. V. Dhobale
- Mr. A. V. Girija Kumar
- Mr. K. N. Grant
- Mr. S. H. Khan
- Mr. R. E. Lerwill
- Mr. S. B. Mainak
- Mr. S. B. Mathur
- Mr. P. B. Ramanujam
- Mr. S. S. H. Rehman
- Ms. M. Shankar
- Mr. K. Vaidyanath

**EXECUTIVE VICE PRESIDENT &
COMPANY SECRETARY** : Mr. B. B. Chatterjee

STATUTORY AUDITORS : Messrs. Deloitte Haskins & Sells,
Chartered Accountants, represented by
Mr. P. R. Ramesh, Partner

894 Members (in person / through their representatives) representing 350,07,29,007 shares and 219 Proxies representing 81,97,333 shares were present.

590 Proxies representing 84,32,992 shares were registered with the Company.

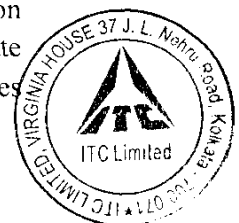


1. Mr. Y. C. Deveshwar, Chairman of the Company, took the Chair and welcomed all those present to the 103rd Annual General Meeting of the Company and introduced all the Directors on the dais.

The Chairman drew the attention of the Members that Mr. A. Ruys completed his term of appointment as Director of the Company on 23rd July, 2014. The Chairman, on behalf of all present at the Meeting, acknowledged his valuable contribution to the Company.

2. The business before the Meeting was taken up after having established that the requisite quorum was present.
3. The Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as at that date, the Auditors' Report on the Accounts of the Company, the Directors' Report thereon, and all other documents annexed or attached to the Balance Sheet as at 31st March, 2014, the 'Register of directors and key managerial personnel and their shareholding', and the 'Register of contracts or arrangements in which the directors are interested' were laid before the Meeting and remained open and accessible for inspection during the continuance of the Meeting.
4. The Certificate dated 23rd May, 2014 from Messrs. Deloitte Haskins & Sells, Chartered Accountants, the Auditors of the Company, in respect of the Company's Employee Stock Option Schemes, was placed before the Meeting in terms of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.
5. The Chairman delivered his Speech on the theme - 'ITC : Building World-Class Brands – Multiplying Sustainable Livelihoods'. The Speech underlined the need for a balanced policy framework which could lead to larger value capture for the Indian economy and stimulate a job multiplier of a significant order.

In his Speech, the Chairman dwelt, inter alia, on the renewed hope brought about by the new Government and the Company's commitment to realising the vision of a dynamic, prosperous and self-reliant India, ITC's strong triple bottom line performance in the challenging economic context, the primary challenge of creating growth and dealing with inflation, fiscal & current account deficits and unemployment. The Chairman also dwelt on the dominant role of international brands in the Indian global market, growth of jobless consumption in India on account of continued reliance on global supply chains, large outflow of royalty payments resulting from removal of limits on such payments, potential in food processing & agro-farm forestry to generate employment and manage food inflation, the importance of Indian enterprises

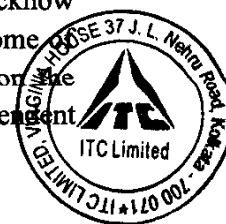


in creating, owning & nurturing intellectual capital to compete effectively with international players in the Indian global market and in building world-class brands. In his Speech, the Chairman emphasised that India also needs to take bold steps to create, nurture and support many a National Champion who will create enduring value for the country with passion.

The Chairman highlighted the Company's efforts to build world-class Indian brands, which in a relatively short span of 10 years, currently represent an annualised consumer spend of over ₹ 10,000 crores. He also highlighted that it was a matter of pride that the Company's brands have anchored the development of competitive value chains benefitting some of the poorest regions of the country. The Chairman reiterated the Company's commitment to investing in India's future which will also impart substantial strength to the Company's competitive capacity and realise its vision of being the No. 1 FMCG player in India.

The Meeting applauded the Chairman's Address.

6. The Notice dated 23rd May, 2014 convening the 103rd Annual General Meeting & the Explanatory Statement and the Report and Accounts for the financial year ended 31st March, 2014, circulated to the Members were taken as read with the consent of the Meeting.
7. Mr. P. R. Ramesh, at the request of the Chairman, read the Opinion from the Auditors' Report dated 23rd May, 2014 on the Accounts of the Company for the financial year ended 31st March, 2014 and advised the Members that there was no qualification in their Report.
8. The Chairman enquired from the Members present if there were any clarifications required on the Report and Accounts of the Company and the other items on the agenda of the Meeting. Amongst others, Messrs. B. S. Srimal, A. Roy, R. Basu, S. K. Choudhuri, S. Gattani, M. K. Gupta and A. Talukdar congratulated the Chairman, the Board of Directors and the executive management on the outstanding performance of the Company for the financial year ended 31st March, 2014. Some of the Members thanked the Chairman and the Board for the higher dividend and expressed their appreciation for the significant contribution made by the Company towards sustainable development. Some Members also placed on record their appreciation for the comprehensive Annual Report, the progress made in the FMCG businesses with creation of world-class Indian brands and the Company's foray into dairy farming. Members also congratulated the Chairman on being awarded the LakshmiPat Singhania – IIM Lucknow National Leadership Award by the Hon'ble Vice President of India. Some of the Members sought clarifications and made suggestions, inter alia, on the various businesses of the Company, managerial remuneration, Independent



Directors, impact of smuggled tax evaded cigarettes, empowerment of weaker sections of society & women, availability of the Company's products and future plans of the Company.

The Chairman thanked the Members for their words of appreciation & encouragement and the suggestions made by them. He replied to the queries of the Members to their satisfaction.

9. The Chairman thereafter read the Resolutions in respect of the items on the agenda of the Meeting, as follows:-

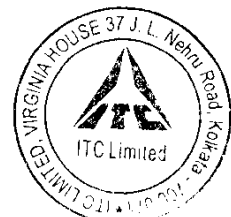
ORDINARY BUSINESS

I. **RESOLUTION NO. 1 ON ADOPTION OF ACCOUNTS - ORDINARY RESOLUTION**

“Resolved that the Balance Sheet of the Company as at 31st March, 2014, the Statement of Profit and Loss of the Company for the financial year ended 31st March, 2014, together with the Notes thereto, the Auditors' Report to the Members dated 23rd May, 2014 and the Report of the Directors & Management Discussion and Analysis dated 23rd May, 2014, attached thereto, be and are hereby approved and adopted.”

II. **RESOLUTION NO. 2 ON DECLARATION OF DIVIDEND - ORDINARY RESOLUTION**

“Resolved that dividend at the rate of ₹ 6/- (Rupees Six) per Ordinary Share, absorbing ₹ 4771,90,97,700/- (Rupees Four Thousand Seven Hundred Seventy One Crores Ninety Lakhs Ninety Seven Thousand and Seven Hundred), be and is hereby declared on 795,31,82,950 (Seven Hundred Ninety Five Crores Thirty One Lakhs Eighty Two Thousand Nine Hundred and Fifty) fully paid-up Ordinary Shares of ₹ 1/- (Rupee One) each, out of the net profits of the Company for the financial year ended 31st March, 2014, to be paid on 31st July, 2014 to those Members entitled thereto and whose names appeared on the Register of Members of the Company on 9th June, 2014, or to their mandatees, and to the beneficial owners as on 4th June, 2014 as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of dematerialised shares.”



III. **RESOLUTION NO. 3 ON RE-ELECTION OF MR. K. VAIDYANATH - ORDINARY RESOLUTION**

“Resolved that Mr. Krishnamoorthy Vaidyanath who retires by rotation at this Meeting in accordance with the provisions of Article 91 of the Articles of Association of the Company and who is eligible for re-election in terms of Article 93 of the Articles of Association of the Company be and is hereby re-elected a Director of the Company.”

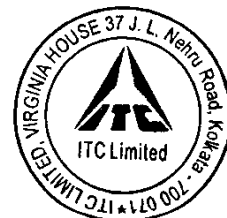
IV. **RESOLUTION NO. 4 ON APPOINTMENT & REMUNERATION OF STATUTORY AUDITORS - ORDINARY RESOLUTION**

“Resolved that Messrs. Deloitte Haskins & Sells, Chartered Accountants (Registration No. 302009E), be and are hereby appointed as the Auditors of the Company from the conclusion of this Meeting to hold such office for a period of five years till the conclusion of the Hundred and Eighth Annual General Meeting, at a remuneration of ₹ 195,00,000/- to conduct the audit for the financial year 2014-15, payable in one or more instalments plus service tax as applicable, and reimbursement of out-of-pocket expenses incurred.”

SPECIAL BUSINESS

V. **RESOLUTION NO. 5 ON NUMBER OF DIRECTORS - SPECIAL RESOLUTION**

“Resolved that, in terms of Section 149 of the Companies Act, 2013, or any amendment thereto or modification thereof, this Meeting hereby approves the maximum number of Directors on the Board of Directors of the Company at eighteen in line with Article 79 of the Articles of Association of the Company.”



VI. **RESOLUTION NO. 6 ON VARIATION IN REMUNERATION OF WHOLETIME DIRECTORS - ORDINARY RESOLUTION**

“Resolved that, in accordance with the applicable provisions of the Companies Act, 1956 and 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 or payable to the Wholetime Directors of the Company with effect from 1st April, 2013 for the residual period of their respective appointment, as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

VII. **RESOLUTION NO. 7 ON RE-APPOINTMENT OF MR. N. ANAND - ORDINARY RESOLUTION**

“Resolved that, in accordance with the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Mr. Nakul Anand as a Director, liable to retire by rotation, and also as a Wholetime Director of the Company, for a period of five years with effect from 3rd January, 2014, or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

VIII. **RESOLUTION NO. 8 ON RE-APPOINTMENT OF MR. P. V. DHOBALE - ORDINARY RESOLUTION**

“Resolved that, in accordance with the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013, or any amendment thereto or modification thereof, this Meeting hereby approves the re-appointment of Mr. Pradeep Vasant Dhobale as a Director, liable to retire by rotation, and also as a Wholetime Director of the Company, for a period of five years with effect from 3rd January, 2014, or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines, on such remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”



IX. RESOLUTION NO. 9 ON APPOINTMENT OF MR. S. BANERJEE AS AN INDEPENDENT DIRECTOR - ORDINARY RESOLUTION

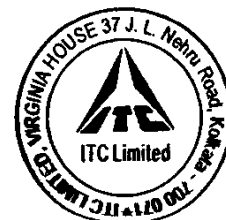
“Resolved that, in terms of Section 149 read with Schedule IV of the Companies Act, 2013, or any amendment thereto or modification thereof, Mr. Shilabhadra Banerjee be and is hereby appointed an Independent Director of the Company for a period of five years from the date of this Meeting, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines.”

X. RESOLUTION NO. 10 ON APPOINTMENT OF MR. R. E. LERWILL - ORDINARY RESOLUTION

“Resolved that Mr. Robert Earl Lerwill be and is hereby appointed a Director of the Company, liable to retire by rotation, for a period of five years from the date of this Meeting, or till such earlier date to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines.”

XI. RESOLUTION NO. 11 ON APPOINTMENT OF MR. S. B. MAINAK - ORDINARY RESOLUTION

“Resolved that Mr. Suryakant Balkrishna Mainak be and is hereby appointed a Director of the Company, liable to retire by rotation, for a period of five years from the date of this Meeting, or till such earlier date upon withdrawal by the recommending Institution or to conform with the policy on retirement and as may be determined by the Board of Directors of the Company and / or by any applicable statutes, rules, regulations or guidelines.”



XII. RESOLUTION NO. 12 ON AMENDMENT OF ARTICLES OF ASSOCIATION TO PROVIDE FOR FEES TO BE CHARGED - SPECIAL RESOLUTION

“Resolved that, pursuant to the provisions of Section 14 of the Companies Act, 2013, or any amendment thereto or modification thereof, the Articles of Association of the Company be amended by insertion of the following Article after the existing Article 10 –

‘10A. Any Member, beneficial owner, debenture-holder, other security-holder or other person entitled to copies of any documents / registers / records to be kept or maintained by the Company in physical or electronic form under the provisions of the Companies Act, 2013 or the Rules thereunder or any earlier enactment or rules, shall be provided copies thereof upon request on payment of fee of ₹ 10/- per page, or such other fee as may be prescribed from time to time and as may be determined by the Board.’ ”

10. The Chairman drew attention that the Company had provided the facility of e-voting on all the Resolutions as per the agenda of the Annual General Meeting, pursuant to the provisions of the Companies Act, 2013 and the Listing Agreements with Stock Exchanges; the period for e-voting commenced on 22nd July, 2014 at 9.00 a.m. and ended on 24th July, 2014 at 9.00 p.m.

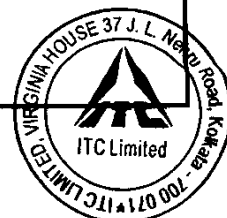
The Chairman advised that Mr. R. L. Auddy, Senior Solicitor, appointed as the Scrutinizer by the Board of Directors, has submitted his Report dated 25th July, 2014 on the results of such e-voting. The Chairman further advised that based on the Scrutinizer’s Report, out of the total number of shares for which votes were cast on e-voting, more than 91% votes had been cast in favour of all the Resolutions. In absolute terms, votes representing more than 536 crore shares were cast in favour of all the Resolutions out of the subscribed share capital of 795.32 crore shares of the Company as on 23rd May, 2014 being the date for reckoning the voting rights of Members and the date of the Notice convening the Annual General Meeting.

The Chairman sought the support and consent of the Members to take all the Resolutions before the Meeting as approved by the requisite majority, since the Members through e-voting had overwhelmingly voted in favour of all the Resolutions.

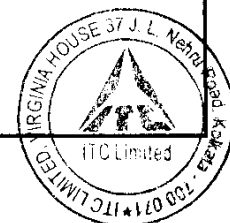


Thereafter, with the consent of the Members, the Chairman declared all the Resolutions before the Annual General Meeting as approved by the requisite majority, as follows:-

		Number of Members who voted	Number of Shares for which votes cast	Percentage of votes to total number of valid votes cast
ORDINARY BUSINESS				
Item No. 1 – Ordinary Resolution - Adoption of Accounts for the financial year ended 31st March, 2014, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.	Voted in favour of the resolution	2,235	585,44,03,483	99.99998
	Voted against the resolution	13	1,393	0.00002
	Invalid votes	Nil	Nil	--
Item No. 2 – Ordinary Resolution - Declaration of Dividend for the financial year ended 31st March, 2014.	Voted in favour of the resolution	2,271	586,72,13,357	99.99997
	Voted against the resolution	12	1,683	0.00003
	Invalid votes	Nil	Nil	--
Item No. 3 – Ordinary Resolution - Appointment of Mr. K. Vaidyanath who retires by rotation and offers himself for re-election.	Voted in favour of the resolution	1,788	536,58,81,311	91.49746
	Voted against the resolution	466	49,86,32,363	8.50254
	Invalid votes	Nil	Nil	--
Item No. 4 – Ordinary Resolution - Appointment of Messrs. Deloitte Haskins & Sells, Chartered Accountants, as Auditors, for a period of five years from the conclusion of this AGM till the conclusion of the 108th AGM and their remuneration of ₹ 1.95 crores to conduct the audit for the financial year 2014-15.	Voted in favour of the resolution	2,131	583,22,35,357	99.76568
	Voted against the resolution	81	1,36,97,876	0.23432
	Invalid votes	Nil	Nil	--



		Number of Members who voted	Number of Shares for which votes cast	Percentage of votes to total number of valid votes cast
SPECIAL BUSINESS				
Item No. 5 – Special Resolution - Approval to retain the number of Directors on the Board of Directors at eighteen, in line with Article 79 of the Articles of Association.	Voted in favour of the resolution	2,166	585,36,86,462	99.78192
	Voted against the resolution	85	1,27,93,402	0.21808
	Invalid votes	Nil	Nil	--
Item No. 6 – Ordinary Resolution - Variation in the terms of remuneration of the Wholetime Directors with effect from 1st April, 2013 for the residual period of their respective appointment.	Voted in favour of the resolution	2,011	585,57,04,914	99.83562
	Voted against the resolution	220	96,41,450	0.16438
	Invalid votes	Nil	Nil	--
Item No. 7 - Ordinary Resolution - Re-appointment of Mr. N. Anand as a Director and also as a Wholetime Director for a period of five years with effect from 3rd January, 2014.	Voted in favour of the resolution	1,910	549,24,80,907	93.75311
	Voted against the resolution	331	36,59,71,229	6.24689
	Invalid votes	Nil	Nil	--
Item No. 8 - Ordinary Resolution - Re-appointment of Mr. P. V. Dhobale as a Director and also as a Wholetime Director for a period of five years with effect from 3rd January, 2014.	Voted in favour of the resolution	1,908	549,23,38,372	93.61178
	Voted against the resolution	334	37,48,06,216	6.38822
	Invalid votes	Nil	Nil	--
Item No. 9 - Ordinary Resolution - Appointment of Mr. S. Banerjee as an Independent Director for a period of five years with effect from the date of this AGM.	Voted in favour of the resolution	2,109	583,09,57,593	99.55963
	Voted against the resolution	125	2,57,91,259	0.44037
	Invalid votes	Nil	Nil	--



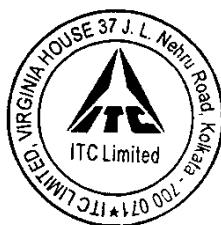
		Number of Members who voted	Number of Shares for which votes cast	Percentage of votes to total number of valid votes cast
Item No. 10 - Ordinary Resolution - Appointment of Mr. R. E. Lerwill as a Director for a period of five years with effect from the date of this AGM.	Voted in favour of the resolution	1,902	547,69,16,011	93.34848
	Voted against the resolution	338	39,02,56,354	6.65152
	Invalid votes	Nil	Nil	--
Item No. 11 - Ordinary Resolution - Appointment of Mr. S. B. Mainak as a Director for a period of five years with effect from the date of this AGM.	Voted in favour of the resolution	1,901	547,60,89,242	93.34848
	Voted against the resolution	339	39,01,97,252	6.65152
	Invalid votes	Nil	Nil	--
Item No. 12 - Special Resolution - Amendment to the Articles of Association for incorporation of Article 10A with respect to charging of fees.	Voted in favour of the resolution	2,085	583,54,48,573	99.93423
	Voted against the resolution	154	38,40,473	0.06577
	Invalid votes	Nil	Nil	--

11. The business before the 103rd Annual General Meeting of the Company having been transacted, the Chairman thanked all those present and declared the Meeting as concluded.


Sd/-

CHAIRMAN

Date: 14th August, 2014



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ITC Limited

**Executive Vice President
 & Company Secretary**