ITC HOTELS LIMITED

REPORT AND ACCOUNTS 2024

REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 31ST MARCH, 2024

1. Your Directors submit their First Report for the period from 28th July, 2023 to 31st March, 2024.

2. **STATE OF AFFAIRS OF THE COMPANY**

The Company has been incorporated on 28th July, 2023, as a wholly owned subsidiary of ITC Limited ('ITC') with its main object being hotels and hospitality business.

The Board of Directors of the Company ('Board') at its meeting held on 14th August, 2023 has approved a Scheme of Arrangement amongst ITC and the Company and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 read with other applicable provisions of the Companies Act, 2013 ('the Act') for demerger of the Hotels Business of ITC into the Company. The Scheme is subject to requisite approvals, including the approval of the Hon'ble National Company Law Tribunal, Kolkata Bench.

The issued and paid-up capital of the Company is ₹ 83,00,00,000 comprising 83,00,00,000 Equity Shares of Re. 1/- each, fully paid-up. The temporary surplus funds of your Company are deployed in Fixed Deposits.

The financial results of your Company, summarised, are as under :

(₹ in lakhs, unless specified otherwise)

Particulars	Amount
Revenue from Operations	–
Total Income	416.64
Profit Before Tax	147.69
Profit After Tax	110.52

3. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

(a) **Directors**

In terms of the Articles of Association of the Company, Messrs. Karthik Bhanu (DIN: 10260028), Mayur Dogra (DIN: 09110374), Rajesh Poddar (DIN: 00297605) and Ms. Ushasi Das (DIN: 10260027) were the First Directors of the Company.

The Board, at the meeting held on 23rd April, 2024, recommended for the approval of the Members, appointment of Mr. Sanjiv Puri (DIN: 00280529) as Chairman and Non-Executive Director, not liable to retire by rotation, effective 24th April, 2024 for a period of five years. The Board also recommended for the approval of the Members, appointment of Messrs. Anil Chadha (DIN: 08073567), Supratim Dutta (DIN: 01804345), and Rajendra Kumar Singhi (DIN: 00009931) as Non-Executive Directors, liable to retire by rotation, effective 24th April, 2024 for a period of three years, and the appointment of Mr. Prathivadibhayankara Rajagopalan Ramesh (DIN: 01915274) as Non-Executive Director, liable to retire by rotation, effective 30th April, 2024 for a period of three years.

(b) **Key Managerial Personnel**

The Board appointed Mr. Diwaker Dinesh as the Manager of the Company with effect from 11th September, 2023 in terms of the provisions of Sections 196, 197 and 203 of the Act, subject to the approval of the Members. Mr. Dinesh has also been appointed as the Company Secretary of the Company in terms of Section 203 of the Act with effect from the said date.

Further, in terms of Section 203 of the Act, the Board also appointed Mr. Chandan Saboo as the Chief Financial Officer of the Company with effect from 11th September, 2023.

4. **BOARD MEETINGS**

Seven Meetings of the Board were held during the period ended 31st March, 2024.

5. **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 134 of the Act, your Directors confirm having:

(i) followed in the preparation of the Annual Accounts, the applicable Accounting Standards, along with proper explanation relating to material departures, if any;

(ii) selected such accounting policies and applied them consistently, and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2024, and of the profit of the Company for the period ended on that date;

(iii) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) prepared the Annual Accounts of the Company on a going concern basis; and

(v) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company does not have any subsidiary, associate or joint venture.

7. **PARTICULARS OF EMPLOYEES**

The details of the employees of the Company as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure** to this Report.

The Company seeks to create equal opportunities for men and women and is committed to a gender-friendly workplace. During the period under review, no complaint of Sexual Harassment was received. However, the Company was not required to constitute Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

8. **RISK MANAGEMENT**

As a newly incorporated company, the Company appreciates the significance of identifying and managing risks effectively.

Furthermore, the Company emphasizes the importance of fostering a culture of risk awareness and accountability across the organization. Management of risks vests with the executives responsible for the day-to-day conduct of the affairs of the Company. Necessary actions for putting in place risk management policy and framework along with appropriate governance have been initiated.

9. **INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls with respect to the financial statements, commensurate with its size and scale of operations.

During the period ended 31st March, 2024, the internal financial controls of the Company with respect to the financial statements were tested and no material weakness in the design or operation of such controls was observed. Nonetheless, your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations, and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

10. **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the period ended 31st March, 2024, the Company has neither given any loan or guarantee, nor has made any investment under Section 186 of the Act.

11. **RELATED PARTY TRANSACTIONS**

During the period under review, the Company has neither entered into any contract or arrangement with its related parties which is not at arm's length or not in the ordinary course of business, nor has the Company entered into any material contract or arrangement with them in terms of Section 188 of the Act.

Accordingly, the disclosure of Related Party Transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC-2 is not applicable.

12. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the period under review, no significant or material order was passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

13. **COST RECORDS**

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

14. **STATUTORY AUDITORS**

Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants (Registration No. 301003E / E300005), were appointed by the Board as the First Auditors of your Company to hold such office till the conclusion of the 1st Annual General Meeting ('AGM').

The Board has recommended for the approval of the Members, the appointment of Messrs. S. R. Batliboi & Co. LLP as the Auditors of the Company for a period of four years from the conclusion of the ensuing 1st AGM till the conclusion of the 5th AGM, at such remuneration as may be mutually agreed between the Board and the Statutory Auditors of the Company. Messrs. S. R. Batliboi & Co. LLP have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

15. **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

16. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Considering that the Company has not commenced its business operations, no comment is required on conservation of energy and technology absorption.

During the period under review, there has been no foreign exchange earnings or outflow.

On behalf of the Board

	B. Karthik	**R. Poddar**
	Director	Director
Place: Kolkata	(DIN:10260028)	(DIN:00297605)
Dated : 23rd April, 2024		

Annexure to the Report of the Board of Directors for the period ended 31st March, 2024

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Name	Age (Years)	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of commencement of Deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
D. Dinesh*	38	Manager & Company Secretary	40,76,710	22,40,675	M.Com., A.C.S., LL.B.	16	01.09.2023	ITC Limited - Assistant Company Secretary
C. Saboo*	31	Chief Financial Officer	29,34,123	16,30,354	B.Com. (Hons.), A.C.A.	8	01.09.2023	ITC Limited, Senior Manager - Corporate Accounting

**On deputation from ITC Limited, the Holding Company.*

Notes:

a. Gross remuneration includes salary, performance bonus / variable pay, contribution to provident fund, allowances and other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.

b. Net remuneration comprises cash income less:
   i. income tax, surcharge (as applicable) & education cess deducted at source; and
   ii. employee's own contribution to provident fund.

c. The aforesaid employees are neither relative of any Director / Manager of the Company nor hold any equity share in the Company.

On behalf of the Board

	B. Karthik	**R. Poddar**
	Director	Director
Place: Kolkata	(DIN:10260028)	(DIN:00297605)
Dated: 23rd April, 2024		

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ITC HOTELS LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **ITC Hotels Limited** ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and notes to the Ind AS financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

   (g) In our opinion, the managerial remuneration for the period ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company does not have any pending litigations which would impact its financial position

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv.a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

      b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

      c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

      v. No dividend has been declared or paid during the period by the Company.

      vi. The Company does not use an accounting software for maintaining its books of account. Accordingly, the requirement to report on Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 24095169BKFNCD7629

Place of Signature: Gurugram
Date: April 23, 2024

ANNEXURE 1 REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: ITC Hotels Limited ("the Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i) (a), (b), (c), (d) - The Company does not have any property, plant and equipment or intangible assets in the books of the Company. Accordingly, the requirement to report on Clause 3(i)(a)(A), 3(i)(a)(B), 3(i)(b), 3(i)(c) and 3(i)(d) of the Order are not applicable to the Company.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company does not have commercial operations and therefore does not have inventories. Accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the period on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) During the period, the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

(iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) Since the Company does not have commercial operations upto March 31, 2024, the requirements relating to report on clause 3(vi) of the Order are not applicable to the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including income-tax and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the period end, for a period of more than six months from the date they became payable. The provisions related to provident fund, employees' state insurance, sales tax, service tax, duty of custom, duty of excise, value added taxes and cess are not applicable to the Company.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the period. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the period. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company did not have any term loans outstanding during the period hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.

(d) The Company did not raise any funds during the period hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the period on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the period by way of initial public offer / further public offer (including debt instruments). Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the period under audit. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the period.

(b) During the period, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the period.

(xii) (a) and (b) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xii)(a) and 3(xii)(b) of the Order are not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

(xiv)(a) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(a) of the Order is not applicable to the Company.

(b) The Company does not have an internal audit system and is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore, the requirement to report under clause 3(xiv)(b) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi)(a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current period and the Company has been registered for a period of less than one year.

(xviii) There has been no resignation of the statutory auditors during the period and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in Note 18 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx)(a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 24095169BKFNCD7629

Place of Signature: Gurugram
Date: April 23, 2024

ANNEXURE 2: TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ITC HOTELS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of ITC Hotels Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.

Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Vij**
Partner
Membership Number: 095169
UDIN: 24095169BKFNCD7629

Place of Signature: Gurugram
Date: April 23, 2024

BALANCE SHEET AS AT MARCH 31, 2024

(Rupees in Lakhs unless specified otherwise)

	Notes		As at March 31, 2024
ASSETS			
Non-current assets			
(a) Deferred tax assets (net)	4	47.52	
(b) Income tax assets (net)	5	9.08	56.60
Current assets			
(a) Financial Assets			
(i) Cash and cash equivalents	6	24.32	
(ii) Other Bank Balances	7	8,150.00	
(iii) Others	8	373.03	
(b) Other current assets	9	33.99	8,581.34
TOTAL ASSETS			**8,637.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	10	8,300.00	
(b) Other Equity		110.52	8,410.52
Liabilities			
Current liabilities			
(a) Financial Liabilities			
(i) Other financial liabilities	11	221.01	
(b) Other current liabilities	12	6.40	227.42
TOTAL EQUITY AND LIABILITIES			**8,637.94**

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Vij
Partner
Membership Number: 095169

Place : Gurugram
Date : April 23, 2024

On behalf of the Board of Directors

Karthik Bhanu
Director
(DIN:10260028)

Rajesh Poddar
Director
(DIN:00297605)

Diwaker Dinesh
Manager & Company Secretary

Chandan Saboo
Chief Financial Officer

Place: Kolkata
Date: April 23, 2024

Statement of Profit and Loss for the period from July 28, 2023 to March 31, 2024

(Rupees in Lakhs unless specified otherwise)

	Particulars	Notes	For the period from July 28, 2023 to March 31, 2024
I	Revenue from operations		–
II	Other income	13	416.64
III	**Total Income (I+II)**		**416.64**
IV	EXPENSES		
	Employee benefits expense	14	79.06
	Other expenses	15	189.88
	Total expenses (IV)		**268.94**
V	**Profit before exceptional items and tax (III - IV)**		**147.69**
VI	Exceptional Items		–
VII	**Profit before tax (V + VI)**		**147.69**
VIII	**Tax expense:**		
	Current tax	16	84.69
	Deferred tax	16	(47.52)
IX	**Profit for the period (VII - VIII)**		**110.52**
X	**Other Comprehensive Income**		–
XI	**Total Comprehensive Income for the period (IX + X)**		**110.52**
XII	Earnings per equity share (Face value of ₹ 1.00 each):		
	(1) Basic (in ₹)	17	0.01
	(2) Diluted (in ₹)	17	0.01

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Vij
Partner
Membership Number: 095169

Place : Gurugram
Date : April 23, 2024

On behalf of the Board of Directors

Karthik Bhanu
Director
(DIN:10260028)

Rajesh Poddar
Director
(DIN:00297605)

Diwaker Dinesh
Manager & Company Secretary

Chandan Saboo
Chief Financial Officer

Place: Kolkata
Date: April 23, 2024

Statement of changes in equity for the period from July 28, 2023 to March 31, 2024
(Rupees in Lakhs unless specified otherwise)

A. Equity Share Capital

	Balance at the beginning of the reporting period	Changes in equity share capital during the period	Balance at the end of the reporting period
For the period from July 28, 2023 to March 31, 2024	–	**8,300**	**8,300**

B. Other Equity

	Reserves and Surplus	Total
	Retained Earnings	
Balance as at beginning of the period		
Profit for the period	110.52	110.52
Other Comprehensive Income (net of tax)	–	–
Total Comprehensive Income for the period	**110.52**	**110.52**
Balance as at March 31, 2024	**110.52**	**110.52**

Retained Earnings: This Reserve represents the cumulative profits that the Company has earned till date. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Vij
Partner
Membership Number: 095169

Place : Gurugram
Date : April 23, 2024

On behalf of the Board of Directors

Karthik Bhanu
Director
(DIN:10260028)

Rajesh Poddar
Director
(DIN:00297605)

Diwaker Dinesh
Manager & Company Secretary

Chandan Saboo
Chief Financial Officer

Place: Kolkata
Date: April 23, 2024

Statement of Cash Flows for the period from July 28, 2023 to March 31, 2024

(Rupees in Lakhs unless specified otherwise)

Sl. No.	Particulars		For the period from July 28, 2023 to March 31, 2024
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax		147.69
	Adjustments to reconcile profit before tax to net cash flows :		
	Interest Income	(416.64)	(416.64)
	Operating loss before working capital changes		**(268.94)**
	Working capital adjustments :		
	Other financial liabilities	221.01	
	Other current liabilities	6.40	
	Other current assets	(33.99)	193.43
	Cash generated from / (used in) operations		(75.51)
	Income Tax Paid		(93.77)
	Net cash generated from / (used in) operating activities		**(169.29)**
B.	**Cash Flow from Investing Activities :**		
	Investment in bank deposits (original maturity more than 3 months)	(8,250.00)	
	Interest Received	43.61	
	Redemption/maturity of bank deposits	100.00	
	Net cash generated from / (used in) investing activities		**(8,106.39)**
C.	**Cash Flow from Financial Activities :**		
	Proceeds from issue of share capital	8,300.00	
	Net Cash generated from/ (used in) Financing Activities		**8,300.00**
	Net Increase In Cash and cash equivalents		**24.32**
	Opening Cash and cash equivalents		**–**
	Closing Cash and cash equivalents		**24.32**

Note:

The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the IndAS - 7 Cash Flow Statements.

The accompanying notes 1 to 21 are an integral part of the Financial Statements

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

On behalf of the Board of Directors

Sanjay Vij
Partner
Membership Number: 095169

Karthik Bhanu
Director
(DIN:10260028)

Rajesh Poddar
Director
(DIN:00297605)

Diwaker Dinesh
Manager & Company Secretary

Chandan Saboo
Chief Financial Officer

Place : Gurugram
Date : April 23, 2024

Place: Kolkata
Date: April 23, 2024

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

1. Corporate information

ITC Hotels Limited (CIN No. U55101WB2023PLC263914), a 100% subsidiary of ITC Limited, is a public Company domiciled in India and is incorporated under the provision of the Companies Act, 2013. The registered office of the Company is located at Kolkata, West Bengal, India.

These are the first financial statements of the company. Accordingly, no comparative information has been provided.

2. Material accounting policies

(i) Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013.

(ii) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at amortised cost or fair values. The financial statements are presented in Indian Rupees (INR) which is also the Company's functional currency.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

(iii) Operating Cycle

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value except for trade receivables that do not contain a significant financing component, which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

a) Financial Assets

Recognition: Financial assets include Cash and Cash Equivalents, Other Bank Balances, and other financial assets. Such assets are initially recognised at fair value or transaction price, as applicable, when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(a) Amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.

(b) Fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

(c) Fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value. Unrealised gains and losses arising from changes in the fair value, interest income and dividend income, if any are recognised under 'Other Income' in the Statement of Profit and Loss in the period in which they arise.

Cash and cash equivalents, Other Bank Balances and Other financial assets etc. are classified for measurement at amortised cost.

De-recognition: Financial assets are de-recognised when the right to receive cash flows from the assets has expired, or has been transferred and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income recognition: Interest income from financial assets is recognised in profit or loss using effective interest rate method.

b) Financial Liabilities

Other financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled or on expiry.

c) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Employee Benefits

Short-term benefits

Short term employee benefits are expenses in the period in which the employee renders the related service on an undiscounted basis. A liability is recognized for the amount expected to be paid within twelve months, if the company has a present legal or constructive obligation to pay the same as a result of past service provided by the employee and the obligation can be reliably estimated.

(vi) Taxes

Taxes on income comprises of current taxes and deferred taxes.

Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates enacted or substantively enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

(vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3. Use of Estimates and Judgements

There are no significant accounting judgements, estimates and assumptions made by the Company for the purpose of preparation of these financial statements.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

4. Deferred tax assets (Net)

	As at March 31, 2024
Deferred tax assets	47.52
TOTAL	**47.52**

Movement in deferred tax (liabilities) / assets balances

	As at July 28 2023	Recognized in profit or loss	As at March 31, 2024
Deferred tax assets / liabilities in relation to:			
Other timing differences	–	47.52	47.52
Total deferred tax assets		**47.52**	**47.52**
Total deferred tax liabilities	–	–	–
Deferred tax assets (net)	–	**47.52**	**47.52**

5. Income tax assets (net)

	As at March 31, 2024
Advance income tax (net of provisions)	9.08
TOTAL	**9.08**

6. Cash and cash equivalents @

	As at March 31, 2024
Balances with Banks	
Current account	24.32
TOTAL	**24.32**

@ Cash and cash equivalents include cash at bank. The Company does not have any significant cash and cash equivalents that are not available for use.

7. Other bank balances

	As at March 31, 2024
In deposit accounts *	8,150.00
TOTAL	**8,150.00**

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from Balance Sheet Date.

8. Other financial assets

	As at March 31, 2024
Unsecured	
a) Interest accrued on deposits with bank	373.02
TOTAL	**373.02**

9. Other current assets

	As at March 31, 2024
Balances with statutory authorities	33.99
TOTAL	**33.99**

10. Equity share capital

	As at March 31, 2024 (No. of Shares)	As at March 31, 2024
a. Authorised share capital		
Equity Shares of ₹ 1.00 each	2,50,00,00,000	25,000.00
b. Issued, Subscribed and fully paid-up equity shares		
Equity Shares of ₹ 1.00 each issued, subscribed and fully paid	**83,00,00,000**	**8,300.00**

A) Reconciliation of the equity shares outstanding

	As at March 31, 2024 (No. of Shares)	As at March 31, 2024
As at beginning of the period	–	–
Add: Issued during the period	83,00,00,000	8,300.00
As at end of the period	**83,00,00,000**	**8,300.00**

B) Shareholders holding more than 5% of the Shares in the Company

	As at March 31, 2024 (No. of Shares)	As at March 31, 2024 (% holding)
ITC Limited, the Holding Company, jointly with its nominees	83,00,00,000	100%

C) Shares held by holding company and its nominees

	As at March 31, 2024 (No. of Shares)	As at March 31, 2024
ITC Limited, the Holding Company	82,99,99,994	8,300.00
ITC Limited, the Holding Company jointly with its nominees	6	0.00

D) Shareholding of promoters

Particulars	Promoter Name	As at March 31, 2024				
		No. of shares as at beginning of the period	Change during the year	No. of shares as at end of the period	% of Total Shares	% change during the period
Equity Shares of ₹ 1.00 each, fully paid	ITC Limited	-	83,00,00,000	83,00,00,000	100%	100%
Total		-	**83,00,00,000**	**83,00,00,000**	**100%**	**100%**

E) Equity Shares allotted as fully paid pursuant to contract(s) without payment being received in cash or as fully paid up Bonus Shares during the period of five years immediately preceding 31st March : Nil

F) Rights, preferences and restrictions attached to the Equity Shares

The equity shares of company, having par value of ₹ 1.00 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

11. Other financial liabilities - current	As at March 31, 2024
Others (liability for expenses, payable to holding company)*	221.01
TOTAL	**221.01**

*Refer Note 15

12. Other current liabilities	As at March 31, 2024
Statutory liabilities	6.40
TOTAL	**6.40**

13. Other income	For the period from July 28, 2023 to March 31, 2024
Interest income	416.64
TOTAL	**416.64**
Interest income comprises interest from:	
Deposits with banks - carried at amortised cost	416.64
TOTAL	**416.64**

14. Employee benefits expense	For the period from July 28, 2023 to March 31, 2024
Remuneration of managers' salary on deputation	79.06
TOTAL	**79.06**

15. Other Expenses	For the period from July 28, 2023 to March 31, 2024
Rates and taxes	188.83
Miscellaneous expenses	1.06
TOTAL	**189.88**
Miscellaneous expenses include	
Payment to statutory auditors	
Audit fees*	1.00
TOTAL	**1.00**

*excluding taxes

16. Income tax expenses	For the period from July 28, 2023 to March 31, 2024
A. Amount recognised in profit or loss	
Current tax	
Income tax for the period	84.69
Total current tax	**84.69**
Deferred tax	
Deferred tax for the period	(47.52)
Total deferred tax	**(47.52)**
Total tax expenses	**37.17**
B. Reconciliation of effective tax rate	
The income tax expense for the period can be reconciled to the accounting profit as follows:	
Profit before tax	147.69
Income tax expense calculated at 25.168%	37.17
Income tax recognised in profit or loss	**37.17**

The tax rate of 25.168% (22% + surcharge @10% and cess @4%) used for the year 2023-24 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

17. Earnings per share:	For the period from July 28, 2023 to March 31, 2024
Earnings per share has been computed as under:	
(a) Profit for the period (₹ in Lakhs)	110.52
(b) Weighted average number of Equity shares outstanding for the purpose of basic earnings per share	79,65,32,258
(c) Effect of potential Equity shares on Employee Stock Options outstanding	–
(d) Weighted average number of Equity shares in computing diluted earnings per share [(b) + (c)]	79,65,32,258
(e) Earnings per share on profit for the period (Face Value ₹ 1.00 per share)	
– Basic [(a) / (b)] (in ₹)	0.01
– Diluted [(a) / (d)] (in ₹)	0.01

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

18. Financial Ratios

Ratio	Numerator	Denominator	March 31, 2024	Remarks
Current Ratio (in times)	Current Assets	Current Liabilities	37.73	Company was incorporated in the current year, hence no comparative period information is provided.
Return on Equity (in %)	Profit for the period	Shareholders' Equity	1.31%	

The following financial ratios are not applicable to the Company

Trade Receivable Turnover Ratio

Trade Payable Turnover Ratio

Net Capital Turnover Ratio

Net Profit Ratio

Return on Capital Employed

Return on investment

Debt Service Coverage Ratio

Debt - Equity Ratio

Inventory Turnover Ratio

19. Related Party Disclosures

A. Names of related parties and description of relationship:

(a) Holding Company	ITC Limited
(b) Key Management Personnel	Mr. Rajesh Poddar - Non-Executive Director (w.e.f. July 28, 2023)
	Mr. Mayur Dogra - Non-Executive Director (w.e.f. July 28, 2023)
	Mr. Ushasi Das - Non-Executive Director (w.e.f. July 28, 2023)
	Mr. Karthik Bhanu - Non-Executive Director (w.e.f. July 28, 2023)
	Mr. Chandan Saboo - Chief Financial Officer (w.e.f. September 11, 2023)
	Mr. Diwaker Dinesh - Company Secretary & Manager (w.e.f. September 11, 2023)

B. Summary of transactions with the above related parties is as follows:

	For the period from July 28 2023 to March 31, 2024
(a) Holding Company	
Issue of equity shares	8,300.00
Remuneration of managers on deputation reimbursed#	63.05
Reimbursement of Expenses incurred on behalf of the company (rates and taxes)	222.81

Out of the above, ₹ 34.44 Lakhs is attributable to the Manager & Company Secretary of the Company and ₹ 25.84 lakhs is attributable to the Chief Financial Officer of the Company.

C. Disclosure of outstanding balances:

	As at March 31, 2024
Others financial liabilities - ITC Limited (unsecured)	**204.09**

20. Financial instruments and related disclosures

a. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return of the stakeholders through optimum fund utilization. The Company does not have any long-term debt obligation and funds its operations mainly through equity share capital as detailed in Statement of Changes in Equity. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. Further, the Company is not exposed to any externally imposed capital requirements.

b. Categories of Financial Instrument

	As at March 31, 2024	
	Carrying Value	Fair Value
A. Financial Assets		
Measured at amortised cost		
Cash and cash equivalents	24.32	24.32
Other bank balances	8,150.00	8,150.00
Other financial assets	373.03	373.03
B. Financial Liabilities		
Measured at amortised cost		
Other financial liabilities	221.01	221.01

c. Financial Risk Management Objectives

The Company's exposure to financial risks such as market risk, foreign currency risk, liquidity risk and credit risk is limited. The Company has designed its Risk Management System in line with the nature and scale of its operations to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

i) Market risk

The Company is not an active investor in Equity market. The Company's investments are predominantly held in fixed deposits with banks. Fixed deposits are held with highly rated banks and are not subject to interest rate volatility

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As majority of the financial assets and liabilities of the Company are either short term or fixed interest-bearing instruments, the Company's net exposure to interest risk is negligible.

Notes to the Financial Statements for the year ended March 31, 2024 (Contd.)

iii) Foreign currency risk

The Company has not undertaken any transactions during the period in any currency other than the company's functional currency.

iv) Liquidity risk

The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date

	As at March 31, 2024 Other Financial after Liabilities
Carrying Value	221.01
Less than 3 months	221.01
More than 3 months up to 6 months	–
More than 6 months up to 1 year	–
More than 1 year	–
Total	**221.01**

* The table has been drawn up based on the earliest date on which the Company can be required to pay

(v) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. There is no significant credit risk in the year as the Company has not started sales operations.

21. (i) Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the period and also as at March 31, 2024. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company

Particulars	As at March 31, 2024
i. the principal amount remaining unpaid to any supplier as at the end of accounting year(Trade payable and payable to creditors for capital expenditure);	–
ii. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year;	–
iii. the amount of interest paid by the buyer in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during accounting year;	–
iv. the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	–
v. the amount of interest accrued during the year and remaining unpaid at the end of the accounting year and,	–
vi. the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act, 2006.	–

(ii) Segment Reporting

The company is yet to start commercial operations as on March 31, 2024, hence, there is no reportable business segment as per Indian Accounting Standard - IndAS 108 "Segment Reporting".

(iii) The Company does not have any contingent liabilities as at March 31, 2024.

(iv) Corporate social responsibility (CSR)

The Company is not required to spend Corporate Social Responsibility (CSR) expenditure under the provision of Section 135 of the Companies Act, 2013 during the year.

(v) The Board of Directors of the Company at its meeting held on August 14, 2023 has, subject to necessary approvals, approved a Scheme of Arrangement amongst ITC Limited ('Demerged Company') and ITC Hotels Limited ('Resulting Company' or 'Company') and their respective shareholders and creditors under Section 230 to 232 read with the other applicable provisions of the Companies Act, 2013 ('Scheme'). The Scheme, inter alia, provides for demerger of the Demerged Undertaking comprising the Hotels Business (as defined in the Scheme) of ITC Limited into ITC Hotels Limited. Upon the Scheme becoming effective, the Demerged Undertaking shall be transferred to the Company on a going concern basis and in consideration thereof, ITC Hotels Limited shall issue and allot 1 Equity Share of face and paid-up value of Re. 1/- each for every 10 Ordinary Shares of face and paid-up value of Re. 1/- each held by the Shareholders in ITC Limited. All the Equity Shares of the Company will be listed and/or admitted to trading on the National Stock Exchange of India Limited and BSE Limited, which have nation-wide trading terminals. The Scheme shall be effective from the Appointed Date and shall be operative from the Effective Date.

The Scheme is subject to requisite approvals, including approval of the National Company Law Tribunal, Kolkata Bench. Accordingly, no accounting effect in respect of the Scheme has been given in these financial statements.

(vi) The financial statements of the company were approved for issue by the Board of Directors on 23rd April, 2024. Such financial statements are required to be placed before the shareholders for adoption in terms of Companies Act, 2013.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Vij
Partner
Membership Number: 095169

Place : Gurugram
Date : April 23, 2024

On behalf of the Board of Directors

Karthik Bhanu
Director
(DIN:10260028)

Rajesh Poddar
Director
(DIN:00297605)

Diwaker Dinesh
Manager & Company Secretary

Chandan Saboo
Chief Financial Officer

Place: Kolkata
Date: April 23, 2024