Evidence Pack: ITC LIMITED

Standalone · FY2024-25 (year to 2025-03-31) with FY2023-24 comparatives · Rs Crore · generated 2026-10-31

1 of 12 flags raised. Integrity checks: 2 of 2 passed (balance sheet balances; cash flow adds up).

Revenue from operations	Profit for the period	Total assets
Rs 74,236 Cr	**Rs 35,196 Cr**	**Rs 84,009 Cr**

Cash conversion (ongoing)	Debt to equity	Contingent liabilities to equity
0.83x	**0.00x**	**1.35%**

What deserves a closer look

⚑ One-off gains make up more than 10% of profit

Profit from exceptional items or a business being sold or demerged will not repeat, so margins and growth built on it overstate the ongoing business.

Numbers: (527.96 + 15,103.76) ÷ 35,195.61 × 100 = 44.41

Checked and clear: Profit went up but operating cash flow went down, Receivables grew much faster than sales, Borrowings went up while cash could repay them, Less than 0.8 of ongoing profit arrived as cash, Interest cover below 3x, Auditor's report is qualified or has reservations, Contingent liabilities above 25% of equity, Contingent liabilities grew more than 50% in a year, Auditor fees grew much faster than revenue, Other income is more than 25% of profit before tax, Doubtful loans to related parties above 0.5% of equity.

Source: AR_XBRL_ITC_27082025082157.xml · SHA-256 `91c09002d564936c1903f117398e420d2c40f1743da9ff8e78cfa01b10cbfcf9`

Taxonomy: https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd · Definitions v1.4.1 · Generator v1.1.1

Every number in this pack is read from the XBRL filing above; nothing is estimated. Page 6 shows the inputs behind every flag.

2. Earnings quality: are the profits real?

Profitability and growth as filed, then whether profit turned into cash and how much came from outside the core business.

Profitability and growth

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Net profit margin Out of every Rs 100 of sales, how many rupees are left as profit.	47.41%	30.35%	`35,195.61 ÷ 74,236.07 × 100 = 47.41%`
EBITDA margin Operating earnings before interest, tax and depreciation, per Rs 100 of sales. Caution: Built from profit before tax, so it includes other income and any exceptional items.	37.73%	40.16%	`(26,528.82 + 36.35 + 1,441.93) ÷ 74,236.07 × 100 = 37.73%`
Return on equity Profit earned on every Rs 100 of the owners' money. Caution: Uses year-end equity, not the average of opening and closing.	51.83%	28.27%	`35,195.61 ÷ 67,900.14 × 100 = 51.83%`
Return on capital employed Profit before interest and tax earned on all long-term money in the business, owners' and lenders'. Caution: Uses year-end capital employed, not the average.	37.48%	34.26%	`(26,528.82 + 36.35) ÷ (84,009.20 - 13,122.14) × 100 = 37.48%`
Revenue growth How much sales grew compared with the year before.	10.32%	–	`(74,236.07 - 67,292.60) ÷ 67,292.60 × 100 = 10.32%`
Profit growth How much profit grew compared with the year before. Caution: Misleading when last year's profit was a loss or near zero.	72.34%	–	`(35,195.61 - 20,421.97) ÷ 20,421.97 × 100 = 72.34%`

Quality of earnings

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Cash conversion (ongoing business) How much of the profit from the ongoing business actually arrived as cash. Around 1 or more is healthy. Caution: Profit from a business sold or demerged is taken out because it is usually an accounting gain, not cash. Operating cash flow may still include that business's cash for the part of the year it was owned.	0.83x	0.81x	`16,751.01 ÷ (35,195.61 - 15,103.76) = 0.83x`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Other income share of profit How much of pre-tax profit comes from outside the core business (interest, dividends, gains).	13.02%	13.77%	`3,454.31 ÷ 26,528.82 × 100 = 13.02%`
Receivable days Roughly how many days of sales are still waiting to be collected from customers. Caution: Uses year-end receivables, not the average.	19 days	18 days	`3,910.77 ÷ 74,236.07 × 365 = 19 days`
Bad-debt allowance coverage Share of gross customer dues already provided for as possibly uncollectable. Caution: Neither high nor low is good on its own: compare with the company's own history and with peers. Read from sliced data; the method is shown under the allowance.	3.80%	4.64%	`154.36 ÷ (3,910.77 + 154.36) × 100 = 3.80%`

Growth can be calculated for the current year only, because a filing holds two years. Ratios use year-end figures, not averages.

3. Balance sheet and hidden obligations

Debt and liquidity, then obligations that sit outside the balance sheet.

Debt and liquidity

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Debt to equity How many rupees of borrowings the company has for each rupee of owners' money.	0.00x	0.00x	`(0.00 + 1.76) ÷ 67,900.14 = 0.00x`
Net debt Borrowings left after using all cash and short-term investments. Below zero means more cash than debt.	Rs -15,506.21 Cr	Rs -12,111.23 Cr	`0.00 + 1.76 - 222.06 - 15,285.91 = Rs -15,506.21 Cr`
Interest cover How many times profit before interest covers the interest bill. Below 3 is thin.	730.82x	746.34x	`(26,528.82 + 36.35) ÷ 36.35 = 730.82x`
Current ratio Whether short-term assets are enough to pay short-term bills. Above 1 is comfortable.	3.03x	2.91x	`39,755.94 ÷ 13,122.14 = 3.03x`

Off-balance-sheet: contingent liabilities

ITEM	THIS YEAR	LAST YEAR	XBRL TAG
Contingent liabilities	917.02	963.29	`ContingentLiabilities`

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Contingent liabilities to equity Possible obligations not on the balance sheet (claims, disputes, guarantees) compared with the owners' money. Caution: Includes guarantees given for group companies where the filing does; a large share can be normal for a group parent.	1.35%	1.33%	`917.02 ÷ 67,900.14 × 100 = 1.35%`

4. Related parties: where money goes inside the group

26 related parties with transactions this year; 13 carry a CIN (the MCA company number), so they can be looked up in their own filings.

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Sales to related parties Share of revenue that comes from the company's own group and other related parties. Caution: Sums the per-party schedule; not available where a filing tags related parties only as text.	2.39%	2.07%	`1,773.66 ÷ 74,236.07 × 100 = 2.39%`

Totals by type of transaction (Rs Cr)

TRANSACTION TYPE	TOTAL THIS YEAR
Other expenses paid	4,307.44
Contributions made	2,494.22
Contributions received	1,977.27
Sales to the party	1,773.66
Other income received	1,083.71
Purchases from the party	810.80
Purchases of property and other assets	4.59

Largest counterparties by total value of transactions

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
British American Tobacco (GLP) Limited	–	4,552.84	Contributions received 1,689.92; Sales to the party 1,445.27; Contributions made 1,417.65
Tobacco Manufacturers (India) Limited	–	3,558.09	Other expenses paid 3,558.09
Surya Nepal Private Limited	–	1,017.77	Other income received 405.52; Sales to the party 328.39; Contributions received 283.86
ITC Infotech India Limited	`U65991WB1996PLC077341`	942.99	Other income received 541.03; Contributions made 398.32; Purchases of property and other assets 3.64
Myddleton Investment Company Limited	–	680.84	Other expenses paid 680.84
ITC FILTRONA LIMITED	`U85110KA1993PLC014278`	637.68	Purchases from the party 637.68

PARTY	CIN	TOTAL (RS CR)	LARGEST FLOWS
WelcomHotels Lanka (Private) Limited	–	334.97	Contributions made 334.97
NORTH EAST NUTRIENTS PRIVATE LIMITED	U15122WB2013PTC196135	173.12	Purchases from the party 173.12
RUSSELL CREDIT LTD	U65993WB1994PLC061684	164.49	Contributions made 164.49
ITC HOTELS LIMITED	L55101WB2023PLC263914	116.97	Other income received 110.27; Contributions received 2.69; Contributions made 2.37

Loans to related parties

LOANS TO RELATED PARTIES	THIS YEAR	LAST YEAR
Total lent, before provision	–	–
Less: provided for as doubtful	–	–
Net of provision (carrying amount)	–	–

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Loans to related parties to equity How much of the owners' money is lent to group companies and other related parties.	0.00%	0.00%	`0.00 ÷ 67,900.14 × 100 = 0.00%`
Related-party loans provided as doubtful Out of every Rs 100 lent to group companies and other related parties, how much is already written down as unlikely to come back.	–	–	`Allowance for doubtful loans to related parties is not available from this filing (No allowance on related-party loans tagged.); Loans given to related parties, before provision is not available from this filing (No gross loans to related parties tagged.)`

Standalone accounts include sales to the company's own subsidiaries; consolidated accounts remove them. Read related-party shares with the reporting scope in mind.

5. The auditor

Audit opinion	Not qualified (clean opinion) (field `WhetherAuditorsReportHasBeenQualified…`)

MEASURE	THIS YEAR	LAST YEAR	HOW IT IS CALCULATED (THIS YEAR)
Auditor fee growth How fast the audit bill is growing; compare it with revenue growth.	7.06%	–	`(7.43 - 6.94) ÷ 6.94 × 100 = 7.06%`

Compare auditor fee growth with revenue growth (10.32% this year); a flag is raised when fees grow more than 15 points faster.

CARO: points the auditor must report on

Favourable remarks (13 topics)

Fixed Assets	(i)(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. (B) The Company has maintained proper records showing full particulars of intangibles assets.
Fixed Assets - Quantitative Detail	(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
Fixed Assets - Physical Verification	(i) (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
Title Deeds of Immovable Property	(i) (c) According to the information and explanations given by the management, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
Inventories	(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have substantially been confirmed by them as at year end. No discrepancies of 10% or more in aggregate for each class of inventory (including invento...
Compliance - Sections 185/186	(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and guarantees and securities given have been complied with by the Company.
Cost Records Maintenance	(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of specified products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detai...

Statutory Dues	(c) The dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows: Name of the statute Nature of the dues Amount (Rs. in Crores) Period to which the amount relates (Financial Year) Forums where the dispute is pending Sales Tax and Value Added Tax Laws Sales Tax and VAT 30.63 27.21 240.44 ...
Statutory Dues - Undisputed	(vii) (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
Statutory Dues - Disputed	The dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have not been deposited on account of any dispute, are as follows: Name of the statute Nature of the dues Amount (Rs. in Crores) Period to which the amount relates (Financial Year) Forums where the dispute is pending Sales Tax and Value Added Tax Laws Sales Tax and VAT 30.63 27.21 240.44 1987...
Default in Repayment of Financial Dues	(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. (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 year hence, the requirement to report on clause (ix)(c) of the Order is not applicabl...
Fraud Reporting	(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
Related Party Transaction Compliance	(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 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.

Favourable remarks (2 topics)

Loans	(iii)(a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
Use of IPO/Term Loan Proceeds	(x) (a) According to the information and explanations given by the management, the Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, reporting under clause 3(x)(a) is not applicable to the Company and hence not commented upon.

6. Evidence and limitations

The inputs behind every raised flag and every integrity check, so each can be checked against the filing.

⚑ One-off gains make up more than 10% of profit

Rule: Profit > 0 AND (exceptional items + profit from discontinued operations) ÷ profit × 100 > 10
`35,195.61 = 35,195.61 > 0.00 → yes`
`(527.96 + 15,103.76) ÷ 35,195.61 × 100 = 44.41 > 10.00 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Profit for the period	`ProfitLossForPeriod`	35,195.61	
Exceptional items	`ExceptionalItems`	527.96	
Profit from discontinued operations (after tax)	`ProfitLossFromDiscontinuedOperationsAfterTax`	15,103.76	

✓ Balance sheet balances

Rule: Total assets - Total equity and liabilities is within 0.5 Cr of zero
`84,009.20 - 84,009.20 = 0.00 <= 0.50 → yes`
`84,009.20 - 84,009.20 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Total assets	`Assets`	84,009.20	
Total equity and liabilities	`EquityAndLiabilities`	84,009.20	

✓ Cash flow adds up to the change in cash

Rule: (Operating + Investing + Financing + Currency effect) - Change in cash is within 0.5 Cr of zero
`16,751.01 + 141.48 + -16,765.62 + 0.00 - 126.87 = 0.00 <= 0.50 → yes`
`16,751.01 + 141.48 + -16,765.62 + 0.00 - 126.87 = 0.00 >= -0.50 → yes`

INPUT	XBRL TAG	VALUE (RS CR)	NOTE
Net cash from operating activities	`CashFlowsFromUsedInOperatingActivities`	16,751.01	
Net cash from investing activities	`CashFlowsFromUsedInInvestingActivities`	141.48	
Net cash from financing activities	`CashFlowsFromUsedInFinancingActivities`	-16,765.62	
Effect of exchange rate changes	`EffectOfExchangeRateChangesOnCashAndCashEquivalents`	0 (not reported)	
Net change in cash	`IncreaseDecreaseInCashAndCashEquivalents`	126.87	

Source and method

Source file	AR_XBRL_ITC_27082025082157.xml

SHA-256 fingerprint	`91c09002d564936c1903f117398e420d2c40f1743da9ff8e78cfa01b10cbfcf9`
Periods in the file	this year `I2025` (2025-03-31) · last year `I2024` (2024-03-31)
Taxonomy	https://www.mca.gov.in/V3XBRL/2017/07/16/Taxonomy/Ind/in-ci-ent-2017-03-31.xsd
Definitions	v1.4.1: formulas and thresholds are kept in one versioned file

Limitations

- Two years only (this year and last year), from one filing. No multi-year trends.
- Non-financial companies only. Banks, NBFCs and insurers use different layouts and are not covered.
- Receivable ageing and capital-work-in-progress ageing are not tagged in these filings and are not covered.
- Ratios use year-end values, not averages. Thresholds are common analyst rules of thumb, stated with each flag.
- Where a filing tags only text (for example a related-party schedule), the pack says so instead of estimating.

Descriptive analysis of a public regulatory filing. Not investment advice, a credit rating or an audit opinion. Flags are reasons to look closer.