

Notes to the Financial Statements

	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 (₹ in Crores)
1. Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	10,00,00,00,000	1000.00	10,00,00,00,000	1000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	8,04,72,06,991	804.72	8,01,55,19,541	801.55
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	8,01,55,19,541	801.55	7,95,31,82,950	795.32
Add: Issue of Shares on exercise of Options	3,16,87,450	3.17	6,22,48,830	6.22
Add: Issue of Shares pursuant to the Scheme of Arrangement [Refer Note 31(x)(d)]	—	—	87,761	0.01
As at end of the year	8,04,72,06,991	804.72	8,01,55,19,541	801.55
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2016 %	As at 31st March, 2015 (No. of Shares)	As at 31st March, 2015 %
Tobacco Manufacturers (India) Limited	1,98,55,64,880	24.68	1,98,55,64,880	24.77
Life Insurance Corporation of India	1,15,50,35,797	14.35	1,15,50,35,797	14.41
Specified Undertaking of the Unit Trust of India	89,67,42,540	11.14	89,67,24,540	11.19
C) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding 31st March				
	2016 (No. of Shares)	2015 (No. of Shares)		
Shares issued in 2014-15 pursuant to the Scheme of Arrangement [Refer Note 31(x)(d)]	87,761	87,761		
D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2016 (No. of Shares)	2015 (No. of Shares)		
Bonus Shares issued in 2010-11	3,82,67,01,530	3,82,67,01,530		
E) Rights, preferences and restrictions attached to the Ordinary Shares				
The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank <i>pari passu</i> in all respects including voting rights and entitlement to dividend.				
F) Shares reserved for issue under Options				
	As at 31st March, 2016 (No. of Shares)	As at 31st March, 2015 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	30,12,99,270	26,93,51,410		

Terms and Conditions of Options Granted

Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme -2006 & the ITC Employee Stock Option Scheme -2010.

The vesting period for conversion of Options is as follows:

On completion of 12 months from the date of grant of the Options:	30% vests
On completion of 24 months from the date of grant of the Options:	30% vests
On completion of 36 months from the date of grant of the Options:	40% vests

The Options have been granted at the 'market price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
2. Reserves and surplus		
Capital Reserve		
At the beginning and at the end of the year	2.48	2.48
Capital Redemption Reserve		
At the beginning and at the end of the year	0.30	0.30
Securities Premium Account		
At the beginning of the year	5134.75	4162.18
Add: On issue of Shares	<u>528.53</u>	<u>972.57</u>
At the end of the year	5663.28	5134.75
Revaluation Reserve		
At the beginning and at the end of the year	52.41	52.41
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
General Reserve		
At the beginning of the year	15565.31	14686.31
Less: Pursuant to the Scheme of Arrangement [Note 31(x)(a)]	–	91.00
Add: Transfer from Surplus in Statement of Profit and Loss	<u>990.00</u>	<u>970.00</u>
At the end of the year	16555.31	15565.31
Foreign Currency Translation Reserve		
At the beginning and at the end of the year	40.55	40.55
Hedging Reserve		
At the beginning of the year	7.94	20.33
Add/(Less): Net movement on hedging instruments, designated and effective as hedges and transfers to statement of profit and loss on occurrence of forecasted hedge transactions	(2.32)	(18.66)
(Less)/Add: Deferred Tax	<u>0.80</u>	<u>6.27</u>
At the end of the year	6.42	7.94
Surplus in Statement of Profit and Loss		
At the beginning of the year	8767.35	6139.09
Less: Loss for the period from 1st April, 2013 to 31st March, 2014 adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]	–	8.01
Add: Unrecognised Net Deferred Tax assets as on 1st April, 2013 adjusted pursuant to the Scheme of Arrangement [Refer Note 31(x)]	–	45.84
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on Tangible Fixed Assets [Net of Deferred Tax - Nil (2015 - ₹ 24.88 Crores)] [Refer Note 31(xi)]	–	48.32
Add: Profit for the year	9844.71	9607.73
Less: Transfer to General Reserve	990.00	970.00
Proposed Dividend		
– Ordinary Dividend [₹ 6.50 (2015 - ₹ 6.25) per share]	5230.68	5009.70
– Special Dividend [₹ 2.00 (2015 - Nil) per share]	1609.44	–
Income Tax on Proposed Dividend		
– Current year	1392.48	1019.86
– Earlier year's provision no longer required	<u>(51.02)</u>	<u>(30.58)</u>
At the end of the year	9440.48	8767.35
TOTAL	<u>32124.28</u>	<u>29934.14</u>

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
3. Long-term borrowings		
Unsecured		
Deferred payment liabilities		
Sales tax deferment loans	25.83	38.69
TOTAL	25.83	38.69

Sales tax deferment loans

Repayable after a period of 10 to 14 years from the end of the month of respective loans. These are repayable by 2025-26 and are interest free.

The scheduled maturity of the Long-term borrowings are summarised as under:

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
Borrowings repayable				
In the first year (Note 8)	–	12.86	2.00*	12.31
Current maturities of long-term debt	–	12.86	2.00	12.31
In the second year	–	7.84	–	12.86
In the third to fifth year	–	12.36	–	17.94
After five years	–	5.63	–	7.89
Long-term borrowings	–	25.83	–	38.69

* Represents Interest Free Loan from a subsidiary company taken over during the financial year 2014-15 pursuant to the Scheme of Arrangement - ₹ 2.00 Crores, repaid in March, 2016 [Refer Note 31(x)].

4. Deferred tax liabilities (Net)		
Deferred tax liabilities		
On fiscal allowances on fixed assets	1733.33	1570.30
On excise duty on closing stock	600.92	513.00
Other timing differences	35.89	16.04
	2370.14	2099.34
Deferred tax assets		
On employees' separation and retirement etc.	80.10	83.01
On provision for doubtful debts/advances	26.05	23.40
On State and Central taxes etc.	322.60	312.54
Other timing differences	92.97	48.79
	521.72	467.74
TOTAL	1848.42	1631.60

5. Other Long term liabilities		
Sundry deposits	0.05	0.02
Others (Includes retention monies payable towards fixed assets)	15.08	7.03
TOTAL	15.13	7.05

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
6. Long-term provisions		
Provision for employee benefits		
Retirement benefits	74.36	64.04
Other benefits	37.83	36.68
TOTAL	112.19	100.72
7. Short-term borrowings		
Secured		
Loans from Banks		
Cash credit facilities	3.60	0.02
TOTAL	3.60	0.02
Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future.		
8. Other current liabilities		
Current maturities of long-term debt (Note 3)	12.86	14.31
Interest accrued but not due on borrowings	—	0.02
Unpaid dividend*	153.56	134.50
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.32	0.32
Sundry deposits	46.65	44.91
Other payables	3786.69	3477.12
TOTAL	4000.08	3671.18
* Represents dividend amounts either not claimed or kept in abeyance in terms of Section 126 of the Companies Act, 2013/ Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.		
** Represents amounts which are subject matter of pending legal disputes, details in respect of which are on record with the Company, including an amount of ₹ 0.30 Crore (2015 - ₹ 0.30 Crore) maintained with a bank for which the Company has filed a suit.		
Other payables comprise:		
Payables for fixed assets	212.02	253.19
Statutory liabilities	2422.60	2334.58
Advances received from customers	908.16	639.75
Others	243.91	249.60
TOTAL	3786.69	3477.12
9. Short-term provisions		
Current portion of long-term employee benefits		
Retirement benefits	37.33	51.65
Other benefits	20.27	23.33
Current taxation (net of advance payment)	28.39	—
Fringe benefit tax (net of advance payment)	—	1.55
Proposed dividend	6840.12	5009.70
Income tax on proposed dividend	1392.48	1019.86
TOTAL	8318.59	6106.09

Notes to the Financial Statements

(₹ in Crores)

Particulars	Gross Block							
	As at 31st March, 2014 ¹	Pursuant to the Scheme of Arrangement ⁸	Additions	Withdrawals and adjustments	As at 31st March, 2015 ¹	Additions	Withdrawals and adjustments	As at 31st March, 2016 ¹
Tangible assets								
Land								
Freehold ²	1089.18	69.46	148.73	–	1307.37	163.90	0.01	1471.26
Leasehold ³	241.35	2.47	49.11	3.71	289.22	22.96	–	312.18
Buildings								
Freehold ⁴	3872.96	40.22	527.58	9.63	4431.13	157.26	9.97	4578.42
Licensed Properties - Building Improvement	58.80	–	5.35	4.27	59.88	2.92	3.14	59.66
Plant and Equipment	12094.75	56.64	1927.12	79.07	13999.44	642.52	140.14	14501.82
Furniture and Fixtures	683.52	3.88	84.61	14.97	757.04	41.75	12.91	785.88
Vehicles	105.67	1.31	17.78	10.21	114.55	23.65	12.32	125.88
Office Equipment	27.40	0.88	5.11	3.22	30.17	3.08	1.97	31.28
Railway Sidings etc.	1.97	–	–	–	1.97	–	–	1.97
	18175.60	174.86	2765.39	125.08	20990.77	1058.04	180.46	21868.35
Capital work-in-progress ⁷	2272.94	–	2506.23	2693.68	2085.49	1958.56	1573.97	2470.08
TOTAL	20448.54	174.86	5271.62	2818.76	23076.26	3016.60	1754.43	24338.43
Intangible assets (acquired)								
Goodwill	4.90	–	–	–	4.90	–	–	4.90
Trademarks ⁵	6.04	–	337.98	–	344.02	0.04	–	344.06
Computer Software	285.34	2.89	27.65	11.34	304.54	32.68	0.09	337.13
Know-how, Business and Commercial Rights ⁶	72.99	–	9.75	–	82.74	10.59	–	93.33
	369.27	2.89	375.38	11.34	736.20	43.31	0.09	779.42
Intangible assets under development	22.79	–	371.76	365.90	28.65	44.54	42.44	30.75
TOTAL	392.06	2.89	747.14	377.24	764.85	87.85	42.53	810.17

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2016			2016	As at 31st March, 2015			2015
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	8.08	5.31	2.77	0.22	9.12	5.98	3.14	0.77
Plant and Equipment	488.53	322.41	166.12	18.35	371.49	242.24	129.25	14.54
TOTAL	496.61	327.72	168.89	18.57	380.61	248.22	132.39	15.31

Notes to the Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortisation									Net Book Value		
	Upto 31st March, 2014	Pursuant to the Scheme of Arrangement ⁸	Transition Adjustment recorded against surplus balance in Statement of Profit and Loss	For the year	On Withdrawals and adjustments	Upto 31st March, 2015	For the year	On Withdrawals and adjustments	Upto 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2014
Tangible assets												
Land												
Freehold ²	–	–	–	–	–	–	–	–	–	1471.26	1307.37	1089.18
Leasehold ³	13.24	2.47	–	2.21	0.17	17.75	2.52	–	20.27	291.91	271.47	228.11
Buildings												
Freehold ⁴	569.94	36.18	30.26	104.98	3.53	737.83	110.16	4.41	843.58	3734.84	3693.30	3303.02
Licensed Properties - Building Improvement	32.76	–	–	6.70	3.62	35.84	6.07	2.48	39.43	20.23	24.04	26.04
Plant and Equipment	5236.08	40.57	32.95	720.81	67.97	5962.44	772.58	110.53	6624.49	7877.33	8037.00	6858.67
Furniture and Fixtures	336.69	3.03	7.10	68.90	10.85	404.87	66.44	11.10	460.21	325.67	352.17	346.83
Vehicles	31.20	0.80	0.50	14.50	5.96	41.04	15.06	11.06	45.04	80.84	73.51	74.47
Office Equipment	6.89	0.58	2.39	5.31	1.55	13.62	4.64	0.07	18.19	13.09	16.55	20.51
Railway Sidings etc.	0.11	–	–	0.13	–	0.24	0.13	–	0.37	1.60	1.73	1.86
	6226.91	83.63	73.20	923.54	93.65	7213.63	977.60	139.65	8051.58	13816.77	13777.14	11948.69
Capital work-in-progress ⁷	–	–	–	–	–	–	–	–	–	2470.08	2085.49	2272.94
TOTAL	6226.91	83.63	73.20	923.54	93.65	7213.63	977.60	139.65	8051.58	16286.85	15862.63	14221.63
Intangible assets (acquired)												
Goodwill	4.90	–	–	–	–	4.90	–	–	4.90	–	–	–
Trademarks ⁵	6.02	–	–	4.78	–	10.80	33.70	–	44.50	299.56	333.22	0.02
Computer Software	230.35	2.74	–	31.40	11.31	253.18	20.53	0.04	273.67	63.46	51.36	54.99
Know-how, Business and Commercial Rights ⁶	63.95	–	–	2.02	–	65.97	2.62	–	68.59	24.74	16.77	9.04
	305.22	2.74	–	38.20	11.31	334.85	56.85	0.04	391.66	387.76	401.35	64.05
Intangible assets under development	–	–	–	–	–	–	–	–	–	30.75	28.65	22.79
TOTAL	305.22	2.74	–	38.20	11.31	334.85	56.85	0.04	391.66	418.51	430.00	86.84

- Original Cost / Professional Valuation as at 30th June, 1986.
- Land Freehold includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2015 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.
- Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.
- Buildings Freehold include ₹ 1165.66 Crores (2015 - ₹ 1055.24 Crores), aggregate cost of building on leasehold land situated at various locations.
- Trademarks are being amortised over 10 years.
- Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 93.33 Crores (2015 - ₹ 82.74 Crores):-
 - ₹ 80.31 Crores (2015 - ₹ 69.72 Crores) acquired during the year and in earlier years are being amortised over 10 years.
 - ₹ 8.05 Crores (2015 - ₹ 8.05 Crores) acquired in earlier years and have been amortised over 5 years.
 - ₹ 4.97 Crores (2015 - ₹ 4.97 Crores) acquired in earlier years and have been amortised over 4 years.
- On being the successful bidder under the SARFAESI Act, the Company paid an amount of ₹ 515.44 Crores in 2014-15 to IFCI Limited as consideration for the purchase of a 5 star hotel resort in Goa operating under the name Park Hyatt Goa Resort & Spa and IFCI Limited Issued requisite Sale certificate in favour of the Company. The erstwhile owners of the property thereafter challenged the sale. By its judgement dated 23.03.2016, the Bombay High Court set aside the sale and directed IFCI Limited to refund the sale consideration to the Company. The Company and IFCI Limited have approached the Hon'ble Supreme Court against the High Court judgment. The Hon'ble Supreme Court by its interim order dated 22.04.2016 has issued notice in the matter, ordered status quo and directed that the sale consideration shall remain with IFCI Limited. In the absence of a stay on the order of the High Court, the amount of ₹ 515.44 Crores and the stamp duty paid in 2015-16 amounting to ₹ 25.77 Crores, has been adjusted in 2015-16 from Capital Work In Progress and reflected in Capital Advances (Refer Note 12).
- Taken over pursuant to the Scheme of Arrangement between Wimco Limited with the Company [Refer Note 31(x)]. These represent the Gross Block and Depreciation and Amortisation on Tangible and Intangible Assets acquired as at 1st April, 2013 and movements during the year 2013-14.

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	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)		
	Quoted	Unquoted	Quoted	Unquoted	
11. Non-current investments (at cost unless stated otherwise)					
Long Term					
A. TRADE INVESTMENTS					
INVESTMENT IN EQUITY INSTRUMENTS					
In Subsidiaries					
Gold Flake Corporation Limited 1,59,98,385 Equity Shares of ₹ 10.00 each, fully paid		16.00		16.00	
Wills Corporation Limited Nil (2015 - 48,85,626) Equity Shares of ₹ 10.00 each, fully paid		–		4.88	
Russell Credit Limited 59,74,54,177 Equity Shares of ₹ 10.00 each, fully paid 7,54,22,400 Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid		619.29 39.22		619.29 39.22	
ITC Infotech India Limited 8,52,00,000 Equity Shares of ₹ 10.00 each, fully paid		85.14		85.14	
Landbase India Limited 31,70,00,000 (2015 - 12,00,00,000) Equity Shares of ₹ 10.00 each, fully paid		325.57		128.57	
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)		–		–	
BFIL Finance Limited Nil (2015 - 2,00,00,000) Equity Shares of ₹ 10.00 each, fully paid [cost Nil (2015 - ₹ 20.00 Crores, fully provided)]		–		–	
Surya Nepal Private Limited 1,18,94,400 Ordinary Shares of Nepalese Rupees 100.00 each, fully paid		10.15		10.15	
Srinivasa Resorts Limited 1,63,20,477 Equity Shares of ₹ 10.00 each, fully paid		18.53		18.53	
Fortune Park Hotels Limited 4,50,008 Equity Shares of ₹ 10.00 each, fully paid		0.45		0.45	
Bay Islands Hotels Limited 11,875 Equity Shares of ₹ 100.00 each, fully paid		0.12		0.12	
WelcomHotels Lanka (Private) Limited 12,19,09,150 (2015 - 10,63,08,150) Shares with no par value		560.60		486.97	
King Maker Marketing, Inc. 204 Shares of Common Stock with no par value		10.23		10.23	
Wimco Limited 18,50,81,193 Equity Shares of ₹ 1.00 each, fully paid		2.83		2.83	
Technico Pty Limited 2,26,06,065 Ordinary Shares with no par value		108.72		108.72	
Technico Agri Sciences Limited 3,79,62,800 (2015 - Nil) Equity Shares of ₹ 10.00 each, fully paid		121.00		–	
ITC Investments & Holdings Limited 45,00,000 Equity Shares of ₹ 10.00 each, fully paid		4.50		4.50	
North East Nutrients Private Limited 5,54,80,000 (2015 - 4,81,33,333) Equity Shares of ₹ 10.00 each, fully paid		55.48		48.13	
Pavan Poplar Limited 55,10,004 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 5.99 Crores, fully provided)		–		–	
Prag Agro Farm Limited 1,28,00,020 (2015 - 38,00,020) Equity Shares of ₹ 10.00 each, fully paid [cost ₹ 12.82 Crores (2015 - ₹ 3.82 Crores), fully provided]		–		–	
	Carried over	–	1977.83	–	1583.73

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	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	–	1977.83	–	1583.73
TRADE INVESTMENTS (Contd.)				
In Associates				
International Travel House Limited 2,87,600 Equity Shares of ₹ 10.00 each, fully paid	0.65		0.65	
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid	1.94		1.94	
In Joint Ventures				
Espirit Hotels Private Limited 4,65,09,200 Equity Shares of ₹ 10.00 each, fully paid		46.51		46.51
Maharaja Heritage Resorts Limited 90,000 Equity Shares of ₹ 100.00 each, fully paid		0.90		0.90
Logix Developers Private Limited 77,66,913 Equity Shares of ₹ 10.00 each, fully paid		41.95		41.95
In Others				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid	0.01		0.01	
Hotel Leelaventure Limited 4,99,53,055 Equity Shares of ₹ 2.00 each, fully paid	184.23		184.23	
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid	392.29		392.29	
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		–		–
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
INVESTMENT IN PREFERENCE SHARES				
In Subsidiaries				
Landbase India Limited Nil (2015 - 1,87,00,000) Redeemable Preference Shares of ₹ 100.00 each, fully paid		–		187.00
INVESTMENT IN DEBENTURES				
In Subsidiaries				
BFIL Finance Limited Nil (2015 - 15,00,000) - 18.5% Non - Convertible Debentures of ₹ 100.00 each, (renewed at 9% in 2015) [cost Nil (2015 - ₹ 15.00 Crores, fully provided)]		–		–
B. OTHER INVESTMENTS				
INVESTMENT IN EQUITY INSTRUMENTS				
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.05		0.05	
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Woodlands Multispeciality Hospital Limited 13,072 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Carried over	579.17	2069.56	579.17	1862.46

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	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	579.17	2069.56	579.17	1862.46
OTHER INVESTMENTS (Contd.)				
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 0.01 Crore, fully provided)		—		—
Bilaspur Cane Development Corporation Limited 100 Equity Shares of ₹ 10.00 each fully paid (cost ₹ 1000.00)		...		...
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
Government Securities (cost ₹ 74000.00)		0.01		0.01
National savings certificates (Pledged with various Mandi Samitis) (cost ₹ 6000.00)		...		...
INVESTMENT IN BONDS/DEBENTURES				
Housing and Urban Development Corporation Limited 2,000 (2015 - Nil) 7.07% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series B (01 October 2025) of ₹ 1000000.00 each, fully paid		200.00		—
7,00,696 (2015 - Nil) 7.39% (For category I, II & III) Secured Redeemable Non-Convertible Tax Free Bonds Tranche I Series 2A (08 February 2031) of ₹ 1000.00 each, fully paid		70.07		—
IDFC Bank Limited 3,000 (2015 - Nil) Zero Coupon Unsecured Redeemable Non-Convertible Debentures Series IDFC Bank OBB 20/2015 (27 November 2017) of ₹ 1000000.00 each, fully paid		325.74		—
India Infrastructure Finance Company Limited 1,000 (2015 - Nil) 8.26% Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series V B (23 August 2028) of ₹ 1000000.00 each, fully paid	106.82		—	
800 (2015 - Nil) 8.46% Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series VI B (30 August 2028) of ₹ 1000000.00 each, fully paid	86.88		—	
1,630 (2015 - Nil) 8.48% Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series VII B (05 September 2028) of ₹ 1000000.00 each, fully paid	177.23		—	
Indian Railway Finance Corporation Limited 2,000 (2015 - Nil) 7.19% Tax Free Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 99 (31 July 2025) of ₹ 1000000.00 each, fully paid	200.00		—	
1,250 (2015 - Nil) 8.48% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds 89th A Series (21 November 2028) of ₹ 1000000.00 each, fully paid	135.85		—	
130 (2015 - Nil) 8.55% Tax Free Secured Non-Convertible Redeemable Bonds Series 94th A (12 February 2029) of ₹ 1000000.00 each, fully paid	14.21		—	
LIC Housing Finance Limited 250 (2015 - Nil) 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid		24.81		—
30 (2015 - Nil) 8.50% Secured Redeemable Non-Convertible Debentures Tranche 187 (13 April 2017) of ₹ 1000000.00 each, fully paid		3.00		—
3000 (2015 - Nil) 8.69% Secured Redeemable Non-Convertible Debentures Tranche 257 (26 June 2019) of ₹ 1000000.00 each, fully paid		300.00		—
Carried over	1300.16	2993.19	579.17	1862.47

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	1300.16	2993.19	579.17	1862.47
OTHER INVESTMENTS (Contd.)				
239 (2015 - Nil) 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid		24.04		–
1000 (2015 - Nil) 9.18% Secured Redeemable Non-Convertible Debentures Tranche 219 (03 July 2017) of ₹ 1000000.00 each, fully paid		100.60		–
300 (2015 - Nil) 9.29% Secured Redeemable Non-Convertible Debentures Tranche 230 Option 1 (16 October 2017) of ₹ 1000000.00 each, fully paid		30.29		–
170 (2015 - Nil) 9.80% Secured Redeemable Non-Convertible Debentures Tranche XXVI (22 October 2017) of ₹ 1000000.00 each, fully paid		17.28		–
National Highways Authority of India				
2,500 (2015 - Nil) 7.11% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series NHAI-IIA (18 September 2025) of ₹ 1000000.00 each, fully paid	249.99		–	
2,500 (2015 - Nil) 7.28% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series NHAI-IIB (18 September 2030) of ₹ 1000000.00 each, fully paid	250.00		–	
4,28,547 (2015 - Nil) 7.14% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series IA (11 January 2026) of ₹ 1000.00 each, fully paid	42.85		–	
9,99,943 (2015 - Nil) 7.35% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series IIA (11 January 2031) of ₹ 1000.00 each, fully paid	99.99		–	
National Housing Bank				
800 (2015 - Nil) 8.46% NHB Tax Free Bonds 2028, Series V (30 August 2028) of ₹ 1000000.00 each, fully paid		86.73		–
Power Finance Corporation Limited				
1,000 (2015 - Nil) 8.12% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 139-B (22 May 2017) of ₹ 1000000.00 each, fully paid	99.88		–	
170 (2015 - Nil) 8.29% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 129-B (13 June 2018) of ₹ 1000000.00 each, fully paid	17.04		–	
500 (2015 - Nil) 8.38% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 131-B (27 April 2020) of ₹ 1000000.00 each, fully paid	50.11		–	
1,500 (2015 - Nil) 9.11% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 115 I (07 July 2017) of ₹ 1000000.00 each, fully paid	151.04		–	
379 (2015 - Nil) 9.27% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series-92-B (21 August 2017) of ₹ 1000000.00 each, fully paid		38.37		–
150 (2015 - Nil) 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 117 A (19 August 2017) of ₹ 1000000.00 each, fully paid	15.19		–	
500 (2015 - Nil) 8.46% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-B (30 August 2028) of ₹ 1000000.00 each, fully paid		54.21		–
Carried over	2276.25	3344.71	579.17	1862.47

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	2276.25	3344.71	579.17	1862.47
OTHER INVESTMENTS (Contd.)				
PNB Housing Finance Limited 500 (2015 - Nil) 8.36% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXIV (12 July 2019) of ₹ 1000000.00 each, fully paid		49.99		—
Rural Electrification Corporation Limited 800 (2015 - Nil) 8.46% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series 3B (29 August 2028) of ₹ 1000000.00 each, fully paid	86.73		—	
50 (2015 - Nil) 8.54% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 4B (11 October 2028) of ₹ 1000000.00 each, fully paid	5.45		—	
250 (2015 - Nil) 8.87% Unsecured 7 Year Non-Convertible Non-Cumulative Redeemable Taxable Bonds - 2020 113th Series (08 March 2020) of ₹ 1000000.00 each, fully paid	25.44		—	
1,000 (2015 - Nil) 9.40% Unsecured Non-Convertible Non-Cumulative Redeemable Taxable Bonds-2017 Series- 108 (Option I) (20 July 2017) of ₹ 1000000.00 each, fully paid		101.33		—
Small Industries Development Bank of India 1,000 (2015 - Nil) 8.28% Unsecured Redeemable Non-Convertible Bonds in the nature of Promissory Notes Series 7 of 2015-16 (26 February 2019 with Put Option on 27 February 2017) of ₹ 1000000.00 each, fully paid		100.00		—
INVESTMENT IN MUTUAL FUNDS				
HDFC Fixed Maturity Plan 1114D March 2016 (1) - Series-35 12,80,00,000 (2015 - Nil) Units of ₹ 10.00 each	128.00		—	
HDFC Fixed Maturity Plan 1132D February 2016 (1) - Series-35 4,30,00,000 (2015 - Nil) Units of ₹ 10.00 each	43.00		—	
HDFC Fixed Maturity Plan 1107D March 2016 (1) - Series-36 4,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	40.00		—	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan I - 1170 Days 1,50,00,000 (2015 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan J - 1168 Days 1,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	10.00		—	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan N - 1150 Days 1,50,00,000 (2015 - Nil) Units of ₹ 10.00 each	15.00		—	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan T - 1130 Days 1,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	10.00		—	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan W - 1135 Days 1,20,00,000 (2015 - Nil) Units of ₹ 10.00 each	12.00		—	
Kotak Fixed Maturity Plan - Series 190 50,00,000 (2015 - Nil) Units of ₹ 10.00 each	5.00		—	
Kotak Fixed Maturity Plan - Series 191 1,50,00,000 (2015 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXX - Series 5 1,50,00,000 (2015 - Nil) Units of ₹ 10.00 each	15.00		—	
Reliance Fixed Horizon Fund - XXX - Series 12 1,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	10.00		—	
Carried over	2711.87	3596.03	579.17	1862.47

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Non-current investments (at cost unless stated otherwise) (Contd.)				
Brought forward	2711.87	3596.03	579.17	1862.47
OTHER INVESTMENTS (Contd.)				
Reliance Fixed Horizon Fund - XXX - Series 13 2,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	20.00		–	
Reliance Fixed Horizon Fund - XXX - Series 17 3,50,00,000 (2015 - Nil) Units of ₹ 10.00 each	35.00		–	
Reliance Fixed Horizon Fund - XXX - Series 6 1,00,00,000 (2015 - Nil) Units of ₹ 10.00 each	10.00		–	
UTI Fixed Term Income Fund Series XXIV - VI - 1181 Days 1,20,00,000 (2015 - Nil) Units of ₹ 10.00 each	12.00		–	
UTI Fixed Term Income Fund Series XXIV - VIII - 1184 Days 80,00,000 (2015 - Nil) Units of ₹ 10.00 each	8.00		–	
Aggregate amount of quoted and unquoted Investments	2796.87	3596.03	579.17	1862.47
TOTAL		6392.90		2441.64

Aggregate market value of quoted investments ₹ 3253.11 Crores (2015 - ₹ 1045.15 Crores)
Aggregate provision for diminution in value ₹ 45.59 Crores (2015 - ₹ 71.59 Crores)

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
12. Long-term loans and advances				
Capital advances				
Unsecured, considered good [Refer Note 10(7)]		1042.84		391.46
Security deposits				
Unsecured, considered good	887.13		729.50	
Doubtful	2.96		2.96	
	<u>890.09</u>		<u>732.46</u>	
Less: Provision for doubtful deposits	2.96	887.13	2.96	729.50
Loans and advances to Related Parties				
Security deposits - unsecured, considered good	0.37		2.90	
Loans and advances - doubtful	–		40.95	
	<u>0.37</u>		<u>43.85</u>	
Less: Provision for doubtful loans and advances	–	0.37	40.95	2.90
Other loans and advances (Comprise loans to employees, prepaid expenses, advances with statutory authorities etc.)				
Unsecured, considered good*	355.09		341.00	
Doubtful	17.30		17.56	
	<u>372.39</u>		<u>358.56</u>	
Less: Provision for doubtful loans and advances	17.30	355.09	17.56	341.00
Advance Tax (net of provisions)		–		41.50
TOTAL		2285.43		1506.36

Loans and advances to Related Parties include deposit with Director - ₹ 0.07 Crore (2015 - Nil) [Refer Note 33].

* Includes interest bearing loan to a supplier, M/s MD Fresh Vegetable Private Limited ₹ 2.00 Crore (2015 - Nil) carrying interest @ 12% p.a. for upgrading its infrastructure and enhancement of its factory capacity. Current portion of the loan included in Short - term loans and advances ₹ 0.50 Crore (2015 - Nil) in Note 17.

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value)				
INVESTMENT IN PREFERENCE SHARES				
ICICI Bank Limited 310 Non-Cumulative Redeemable Non-Convertible Non-Participative Preference Shares (20 April 2018) of ₹ 10000000.00 each, fully paid		248.76		214.85
INVESTMENT IN BONDS/DEBENTURES				
Export Import Bank of India 300 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid		31.12		31.43
Indian Railway Finance Corporation Limited 10,000 6.30% Secured Non-Convertible Tax Free Bonds in the form of Promissory Notes 68th 'A' Series (08 March 2017) of ₹ 100000.00 each, fully paid	98.91		95.54	
10,00,000 7.18% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th Series (19 February 2023) of ₹ 1000.00 each, fully paid	100.00		93.72	
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	200.00		199.19	
4,35,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	43.50		42.84	
LIC Housing Finance Limited 2,000 (2015 - Nil) Zero Coupon Secured Redeemable Non-Convertible Debentures Tranche 242 Option 2 (24 February 2017) of ₹ 1000000.00 each, fully paid		219.06		–
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 August 2017) 2D of ₹ 20000.00 each, fully paid		7.35		6.54
1,41,270 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 January 2019) of ₹ 20000.00 each, fully paid		226.26		197.03
National Highways Authority of India 4,94,476 8.20% Tax Free Secured Redeemable Non-Convertible Bonds (25 January 2022) of ₹ 1000.00 each, fully paid	49.45		49.20	
National Housing Bank 1,03,785 Zero Coupon Unsecured Non-Convertible Taxable Bonds in the form of Promissory Notes (24 December 2018) of ₹ 10000.00 each, fully paid		83.30		72.53
Power Finance Corporation Limited Nil (2015 - 450) 9.69% Secured Non-Convertible Non-Cumulative Taxable Bonds Series 113 (02 March 2019) of ₹ 1000000.00 each, fully paid		–		46.85
1,500 8.09% Secured Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series-80-A (25 November 2021) of ₹ 100000.00 each, fully paid		15.49		14.84
1,000 8.01% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-A (30 August 2023) of ₹ 1000000.00 each, fully paid		99.95		98.27
450 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 119 B (17 September 2019) of ₹ 1000000.00 each, fully paid	46.18		46.52	
Nil (2015 - 500) 8.36% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 127 (26 February 2020) of ₹ 1000000.00 each, fully paid		–	49.98	
Carried over	538.04	931.29	576.99	682.34

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	538.04	931.29	576.99	682.34
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series-I (01 February 2022) of ₹ 1000.00 each, fully paid	10.39		9.95	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	129.56		128.60	
Rural Electrification Corporation Limited				
Nil (2015 - 750) 9.38% Secured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 117th (06 November 2018) of ₹ 1000000.00 each, fully paid	–		77.35	
Nil (2015 - 400) 8.44% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 127th (04 December 2021) of ₹ 1000000.00 each, fully paid	–		40.24	
30,00,000 7.22% Secured Tax Free Redeemable Non-Convertible Bonds Tranche 1 Series 1(19 December 2022) of ₹ 1000.00 each, fully paid	299.99		282.01	
1,000 8.01% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series 3A (29 August 2023) of ₹ 1000000.00 each, fully paid	99.96		98.27	
INVESTMENT IN CERTIFICATE OF DEPOSITS				
15,000 (2015 - Nil) 8.17% Export Import Bank of India Certificate of Deposit (10 February 2017) of ₹ 100000.00 each, fully paid		140.12		–
INVESTMENT IN MUTUAL FUNDS				
Axis Liquid Fund				
Nil (2015 - 32,301) Units of ₹ 1000.00 each		–		5.00
Birla Sun Life Cash Manager				
Nil (2015 - 1,19,30,256) Units of ₹ 100.00 each		–		400.00
Birla Sun Life Floating Rate Fund - Long Term				
Nil (2015 - 53,43,351) Units of ₹ 100.00 each		–		85.83
Birla Sun Life Short Term Fund				
94,07,656 (2015 - 5,05,02,285) Units of ₹ 10.00 each		53.69		50.50
Birla Sun Life Treasury Optimizer Plan				
15,45,665 (2015 - 15,45,666) Units of ₹ 100.00 each		29.37		25.39
Birla Sun Life Savings Fund				
23,45,049 (2015 - 23,45,048) Units of ₹ 100.00 each		68.68		55.30
DSP BlackRock Liquidity Fund - Institutional Plan				
Nil (2015 - 1,00,106) Units of ₹ 1000.00 each		–		20.00
DWS Fixed Maturity Plan - Series 31				
Nil (2015 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00
DWS Treasury Fund				
Nil (2015 - 8,24,18,752) Units of ₹ 10.00 each		–		86.77
DHFL Pramerica Ultra Short Term Fund (Formerly known as DWS Ultra Short Term Fund)				
5,09,80,716 Units of ₹ 10.00 each		49.74		49.74
HDFC Cash Management Fund - Treasury Advantage Plan				
Nil (2015 - 2,34,21,163) Units of ₹ 10.00 each		–		67.38
HDFC Floating Rate Income Fund - Short Term Plan				
10,23,22,267 (2015 - Nil) Units of ₹ 10.00 each		267.06		–
HDFC High Interest Fund - Short Term Plan				
Nil (2015 - 5,54,65,988) Units of ₹ 10.00 each		–		150.00
Carried over	1077.94	1539.95	1223.41	1678.25

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1077.94	1539.95	1223.41	1678.25
INVESTMENT IN MUTUAL FUNDS (Contd.)				
HDFC High Interest Fund - Dynamic Plan 1,06,18,432 (2015 - 1,06,18,417) Units of ₹ 10.00 each		55.64		50.00
HDFC Medium Term Opportunities Fund 13,70,31,285 (2015 - 13,70,33,144) Units of ₹ 10.00 each		226.61		201.11
HDFC Short Term Opportunities Fund 14,47,53,251 (2015 - 14,47,53,230) Units of ₹ 10.00 each		239.13		211.05
ICICI Prudential Banking & PSU Debt Fund 4,92,90,221 Units of ₹ 10.00 each		50.00		50.00
ICICI Prudential - Flexible Income Plan 53,44,324 (2015 - Nil) Units of ₹ 100.00 each		153.38		–
ICICI Prudential Blended Plan B Nil (2015 - 3,86,97,174) Units of ₹ 10.00 each		–		40.30
ICICI Prudential Dynamic Bond Fund Nil (2015 - 3,59,60,193) Units of ₹ 10.00 each		–		53.08
ICICI Prudential Income Opportunities Fund 7,98,55,052 (2015 - 7,98,54,771) Units of ₹ 10.00 each		168.21		150.00
ICICI Prudential Savings Fund Nil (2015 - 50,35,980) Units of ₹ 100.00 each		–		103.20
ICICI Prudential Short Term 7,64,50,849 (2015 - 7,64,51,068) Units of ₹ 10.00 each		241.15		213.10
ICICI Prudential Ultra Short Term 22,03,55,476 (2015 - 15,36,33,761) Units of ₹ 10.00 each		318.99		200.20
IDFC Dynamic Bond Fund 4,64,29,475 Units of ₹ 10.00 each		50.06		50.06
IDFC Money Manager Fund - Investment Plan 1,22,42,641 (2015 - 1,12,84,393) Units of ₹ 10.00 each		12.30		11.34
IDFC Money Manager Fund - Treasury Plan 4,22,87,680 (2015 - Nil) Units of ₹ 10.00 each		102.19		–
JPMorgan India Active Bond Fund Nil (2015 - 9,68,66,060) Units of ₹ 10.00 each		–		150.00
JPMorgan India Liquid Fund Nil (2015 - 20,35,37,192) Units of ₹ 10.00 each		–		208.74
JPMorgan India Treasury Fund Nil (2015 - 5,78,55,112) Units of ₹ 10.00 each		–		102.28
Kotak Bond Short Term 2,49,65,867 Units of ₹ 10.00 each		24.98		24.98
Kotak Liquid Scheme Plan A Nil (2015 - 17,641) Units of ₹ 1000.00 each		–		5.00
Kotak Treasury Advantage Fund 13,17,66,857 (2015 - 4,76,54,096) Units of ₹ 10.00 each		320.94		102.24
L&T Short Term Opportunities Fund Nil (2015 - 3,00,07,277) Units of ₹ 10.00 each		–		40.00
L&T Triple Ace Bond Fund Nil (2015 - 1,62,81,386) Units of ₹ 10.00 each		–		60.00
Reliance Floating Rate Fund - Short Term Plan 38,18,89,185 (2015 - 19,74,70,372) Units of ₹ 10.00 each		410.75		252.57
Reliance Liquid Fund - Treasury Plan 54,317 (2015 - Nil) Units of ₹ 1000.00 each		20.00		–
Carried over	1077.94	3934.28	1223.41	3957.50

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
13. Current investments (at lower of cost and fair value) (Contd.)				
Brought forward	1077.94	3934.28	1223.41	3957.50
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Reliance Medium Term Fund 10,42,77,348 (2015 - 12,56,20,295) Units of ₹ 10.00 each		209.61		255.81
Reliance Short Term Fund 2,07,06,236 (2015 - 20,42,82,694) Units of ₹ 10.00 each		59.68		451.45
SBI Premier Liquid Fund Nil (2015 - 1,13,914) Units of ₹ 1000.00 each		–		25.00
UTI - Short Term Income Fund - Institutional Option Nil (2015 - 5,06,50,712) Units of ₹ 10.00 each		–		50.65
Current Portion of Non Current Investments (at cost)				
INVESTMENT IN BONDS/DEBENTURES				
Export Import Bank of India 450 (2015 - Nil) 8.20% Unsecured Redeemable Non-Convertible Bonds 2015-16 Series S-10-2019 (18 February 2019 with Call/Put Option on 18 February 2017) of ₹ 1000000.00 each, fully paid		45.00		–
1,000 (2015 - Nil) 8.33% Unsecured Redeemable Non-Convertible Bonds 2015-16 Series S-12-2019 (20 March 2019 with Call/Put Option on 20 March 2017) of ₹ 1000000.00 each, fully paid		100.00		–
500 (2015 - Nil) 7.825% Unsecured Redeemable Non-Convertible Bonds 2015-16 Series S-07-2018 (30 November 2018 with Call/Put Option on 15 March 2017) of ₹ 1000000.00 each, fully paid		49.83		–
500 (2015 - Nil) 8.20% Unsecured Redeemable Non-Convertible Bonds 2015-16 Series S-14-2019 (15 March 2019 with Call/Put Option on 16 March 2017) of ₹ 1000000.00 each, fully paid		50.00		–
National Bank for Agriculture and Rural Development 4,000 (2015 - Nil) 8.05% Unsecured Redeemable Non-Convertible Taxable Bonds Series 16 H (04 January 2019 with Call/Put Option on 14 March 2017) of ₹ 1000000.00 each, fully paid		400.00		–
Rural Electrification Corporation Limited 2,850 (2015 - Nil) 8.28% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bond Series 138 (04 March 2017) of ₹ 1000000.00 each, fully paid		285.00		–
Small Industries Development Bank of India 2,500 (2015 - Nil) 8.05% Unsecured Redeemable Non-Convertible Bonds in the nature of Promissory Notes Series 1 of 2015-16 (28 January 2019 with Call/Put Option on 14 March 2017) of ₹ 1000000.00 each, fully paid		250.00		–
Aggregate amount of quoted and unquoted Investments	1362.94	5098.40	1223.41	4740.41
TOTAL		6461.34		5963.82

Aggregate market value of quoted investments ₹ 1363.44 Crores (2015 - ₹ 1224.09 Crores)

Aggregate excess of cost over fair value ₹ 63.65 Crores (2015 - ₹ 148.43 Crores)

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
14. Inventories		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	4888.81	4404.52
Work-in-progress	180.51	180.82
Finished goods (manufactured)	2744.79	2541.48
Stock-in-Trade (goods purchased for resale)	346.40	352.60
Stores and Spares	292.32	290.10
Intermediates - Tissue paper and Paperboards	66.99	67.24
TOTAL	8519.82	7836.76
The above includes goods in transit as under:		
Raw materials (including packing materials)	110.82	84.05
Stock-in-Trade (goods purchased for resale)	5.76	0.53
Stores and Spares	3.44	1.76
TOTAL	120.02	86.34
15. Trade receivables		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1.16	0.59
Unsecured, considered good	41.94	30.05
Doubtful	70.74	52.91
	113.84	83.55
Less: Provision for doubtful receivables	70.74	52.91
	43.10	30.64
Others		
Secured, considered good	26.07	24.47
Unsecured, considered good	1617.18	1667.29
Doubtful	1.86	0.88
	1645.11	1692.64
Less: Provision for doubtful receivables	1.86	0.88
	1643.25	1691.76
TOTAL	1686.35	1722.40

Notes to the Financial Statements

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
16. Cash and bank balances				
Cash and cash equivalents [@]				
Balances with Banks				
Current accounts	67.73		27.65	
Cheques, drafts on hand	5.14		5.60	
Cash on hand	<u>2.92</u>	75.79	<u>3.04</u>	36.29
Other bank balances				
Earmarked balances	153.99		134.89	
In deposit accounts*	<u>6334.17</u>	6488.16	<u>7417.43</u>	7552.32
TOTAL		<u>6563.95</u>		<u>7588.61</u>

[@] Cash and cash equivalents include cash on hand, cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

* Represents deposits with original maturity of more than 3 months and includes deposits with remaining maturity of more than 12 months from the balance sheet date ₹ 900.00 Crores (2015 - ₹ 1300.00 Crores).

17. Short-term loans and advances				
Unsecured, considered good unless otherwise stated				
Loans and advances to Related Parties				
Security deposits	0.70		0.17	
Loans and advances				
Secured, considered good	–		35.07	
Unsecured, considered good	<u>13.49</u>	14.19	<u>48.48</u>	83.72
Others				
With Statutory authorities		229.24		213.47
Commercial advances and deposits				
Secured, considered good	4.50		4.50	
Unsecured, considered good (Refer Note 12)	<u>149.51</u>	154.01	<u>166.13</u>	170.63
Other Loans and Advances (Employees, unexpired expenses etc.)		104.40		82.07
TOTAL		<u>501.84</u>		<u>549.89</u>

Loans and advances to Related Parties include deposit with Director - Nil (2015 - ₹ 0.05 Crore) [Refer Note 33].

18. Other current assets				
Interest accrued on loans, deposits etc.		58.34		83.56
Interest accrued on investments		192.09		55.45
Others*				
Unsecured, considered good	151.01		154.54	
Doubtful	<u>4.11</u>		<u>3.60</u>	
	155.12		158.14	
Less: Provision for doubtful assets	<u>4.11</u>	151.01	<u>3.60</u>	154.54
TOTAL		<u>401.44</u>		<u>293.55</u>

* Others comprise receivables on account of export incentives, claims, interest, rentals, other receivables etc.

Notes to the Financial Statements

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
19. Gross income		
Gross Revenue from sale of products and services*	51582.45	49964.82
Other operating revenue	362.12	424.19
Other income	1803.74	1543.13
TOTAL	53748.31	51932.14
* Net of sales returns and damaged stocks.		
20. Gross Revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	32348.29	30452.38
– Branded Packaged Food Products	7097.49	6411.27
– Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	2622.13	2617.00
Hotels		
– Hotels Sales/Income from Hotel Services	1273.51	1173.55
Agri Business		
– Unmanufactured Tobacco	1694.19	1574.46
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua etc.)	2695.15	4097.61
Paperboards, Paper and Packaging		
– Paperboards and Paper	3275.67	3149.11
– Printed Materials	576.02	489.44
TOTAL	51582.45	49964.82
* Net of sales returns and damaged stocks.		
21. Revenue from operations		
Sale of products	50308.94	48791.27
Sale of services	1273.51	1173.55
Gross Revenue from sale of products and services*	51582.45	49964.82
Other operating revenue	362.12	424.19
	51944.57	50389.01
Less:		
Excise duty attributable to products sold	15107.18	13881.61
TOTAL	36837.39	36507.40
* Net of sales returns and damaged stocks.		

Notes to the Financial Statements

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
22. Other income		
Interest income	851.63	611.22
Dividend income		
– Long-term investments		
– Subsidiary companies	319.33	347.37
– Other long-term investments	19.59	10.18
	<u>338.92</u>	<u>357.55</u>
– Current investments	37.98	219.37
	<u>376.90</u>	<u>576.92</u>
Net gain on sale of current investments	553.67	334.44
Other non-operating income	21.54	20.55
TOTAL	<u>1803.74</u>	<u>1543.13</u>
Interest income comprises interest from:		
a) Deposits with Banks/Financial Institutions	557.90	456.67
b) Current investments	135.18	114.20
c) Long-term investments	123.26	–
d) Others (from customers, statutory authorities etc.)	35.29	40.35
TOTAL	<u>851.63</u>	<u>611.22</u>
23. Cost of materials consumed		
Unmanufactured Tobacco	1764.47	1802.39
Board, Film and Laminates	631.34	650.57
Filter Rods	340.62	364.47
Wheat	1860.65	1392.81
Edible Oils	404.06	406.49
Sugar	243.64	255.15
Wheat Flour (Maida)	370.68	355.09
Waste Paper and Pulp	804.29	878.26
Chemicals and Fragrances	584.92	609.56
Hardwood and Bamboo	796.29	799.40
Coffee	367.09	451.09
Others (Hotel Consumables, Inks and Solvents, Skimmed Milk Powder, Packing Materials etc.)	2886.70	3022.55
TOTAL	<u>11054.75</u>	<u>10987.83</u>
24. Purchases of Stock-in-Trade		
Soya Seeds	191.97	432.10
Wheat	856.20	1885.01
Safety Matches	204.33	227.22
Coffee	361.07	528.85
Others (Spices, Apparel, Agarbattis, Education and Stationery Products etc.)	976.51	825.48
TOTAL	<u>2590.08</u>	<u>3898.66</u>

Notes to the Financial Statements

	For the year ended 31st March, 2016 (₹ in Crores)		For the year ended 31st March, 2015 (₹ in Crores)	
25. Changes in inventories of finished goods, Work-in-progress, Stock-in-Trade and Intermediates				
Finished goods (manufactured)				
Opening stock	2541.48		2000.28	
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]	–		0.40	
Closing stock	<u>2744.79</u>	(203.31)	<u>2541.48</u>	(540.80)
Work-in-progress				
Opening stock	180.82		142.29	
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]	–		3.03	
Closing stock	<u>180.51</u>	0.31	<u>180.82</u>	(35.50)
Stock-in-Trade (goods purchased for resale)				
Opening stock	352.60		297.73	
Closing stock	<u>346.40</u>	6.20	<u>352.60</u>	(54.87)
Intermediates - Tissue paper and Paperboards				
Opening stock	67.24		75.29	
Closing stock	<u>66.99</u>	0.25	<u>67.24</u>	8.05
Excise duties on increase/(decrease) of finished goods		254.72		408.59
TOTAL		<u>58.17</u>		<u>(214.53)</u>
26. Employee benefits expense				
Salaries and wages		1558.62		1534.33
Contribution to Provident and other funds		171.32		108.25
Staff welfare expenses		178.95		167.28
		<u>1908.89</u>		<u>1809.86</u>
Less: Recoveries made/reimbursements received		25.38		29.82
TOTAL		<u>1883.51</u>		<u>1780.04</u>
27. Finance costs				
Interest expense		49.13		35.41
Applicable net loss on foreign currency transactions and translations		–		22.01
TOTAL		<u>49.13</u>		<u>57.42</u>

Notes to the Financial Statements

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
28. Other expenses		
Power and fuel	541.57	581.65
Consumption of stores and spare parts	248.45	231.33
Contract processing charges	801.44	818.47
Rent [Refer Note 31(vii)]	296.18	272.76
Rates and taxes	628.88	484.21
Insurance	56.31	58.02
Repairs		
– Buildings	56.72	54.71
– Machinery	185.33	169.97
– Others	50.60	48.72
Maintenance and upkeep	160.94	144.99
Outward freight and handling charges	836.86	890.46
Warehousing charges	129.49	111.18
Advertising/Sales promotion	871.27	713.06
Market research	93.05	96.26
Design and product development	46.41	37.45
Hotel reservation/Marketing expenses	31.62	28.96
Retail accessories	190.41	185.16
Brokerage and discount - sales	8.60	17.44
Commission to selling agents	46.16	37.22
Doubtful and bad debts	22.40	19.79
Doubtful and bad advances, loans and deposits - Net	(9.50)	0.54
Bank and credit card charges	22.80	21.03
Information technology services	224.47	191.92
Travelling and conveyance	235.97	225.56
Training and development	19.78	20.06
Legal expenses	33.20	22.38
Consultancy/Professional fees	81.65	95.66
Postage, telephone etc.	26.85	26.03
Printing and stationery	16.78	17.77
Provision for investment in subsidiary companies, reversed - Net	(26.00)	–
Loss on sale of long-term investment in subsidiary company	34.48	–
Net loss/(gain) on foreign currency transactions and translations	5.02	(40.79)
Excess of cost of current investments over fair value, reversed - Net	(84.78)	(29.53)
Loss on sale of fixed assets - Net	45.21	24.89
Loss on sale of stores and spare parts - Net	2.32	2.38
Miscellaneous expenses	1081.71	1002.14
TOTAL	7012.65	6581.85
Miscellaneous expenses include:		
(1) Auditors' remuneration and expenses*		
Audit fees	2.65	1.95
Tax audit fees	0.55	0.48
Fees for limited review	0.93	0.84
Fees for other services#	1.83	1.52
Reimbursement of expenses	0.52	0.37
(2) Cost auditors' fees	0.09	0.01

* Excluding taxes.

Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners ₹ 0.53 Crore (2015 - ₹ 0.11 Crore).

Notes to the Financial Statements

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
29. Current tax		
Income tax for the year		
Current Tax	4948.76	4043.28
Adjustments/(credits) related to previous years - Net		
Current Tax	(51.15)	(22.29)
Fringe Benefit Tax	(1.55)	-
TOTAL	4896.06	4020.99

30. Deferred tax		
Deferred tax for the year	166.47	353.15
Adjustments / (credits) related to previous years - Net	51.15	15.65
TOTAL	217.62	368.80

31. Additional Notes to the Financial Statements

(i) Earnings per share	2016	2015
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	9844.71	9607.73
(b) Weighted average number of Ordinary shares outstanding	8,02,69,56,418	7,97,62,97,104
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	4,51,49,611	7,54,08,227
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b)+(c)]	8,07,21,06,029	8,05,17,05,331
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 12.26	₹ 12.05
– Diluted [(a)/(d)]	₹ 12.20	₹ 11.93

(ii) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 247.50 Crores (2015 - ₹ 214.06 Crores) comprising employee benefits expense of ₹ 7.01 Crores (2015 - ₹ 7.61 Crores) and other expenses of ₹ 240.49 Crores (2015 - ₹ 206.45 Crores) of which ₹ 17.04 Crores (2015 - ₹ 12.67 Crores) is accrued for payment as on 31st March, 2016. Such CSR expenditure of ₹ 247.50 Crores (2015 - ₹ 214.06 Crores) excludes ₹ 11.43 Crores (2015 - ₹ 4.97 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit imposed of 5% of total CSR expenditure laid down under Rule 4(6) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for such expenses.

(iii) Research and Development expenses for the year amount to ₹ 121.91 Crores (2015 - ₹ 105.79 Crores).

(iv) Contingent liabilities and commitments:

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts ₹ 581.25 Crores (2015 - ₹ 558.25 Crores), including interest on claims, where applicable, estimated to be ₹ 178.47 Crores (2015 - ₹ 153.37 Crores). These comprise:

- Excise duty, VAT / sales taxes and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 471.42 Crores (2015 - ₹ 450.01 Crores), including interest on claims, where applicable, estimated to be ₹ 159.98 Crores (2015 - ₹ 135.58 Crores).
- Local Authority taxes/cess/royalty on property, utilities, etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 73.36 Crores (2015 - ₹ 68.79 Crores), including interest on claims, where applicable, estimated to be ₹ 14.46 Crores (2015 - ₹ 13.47 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 29.10 Crores (2015 - ₹ 29.19 Crores), including interest on claims, where applicable, estimated to be ₹ 0.25 Crore (2015 - ₹ 0.14 Crore).

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

- Other matters ₹ 7.37 Crores (2015 - ₹ 10.26 Crores), including interest on other matters, where applicable, estimated to be ₹ 3.78 Crores (2015 - ₹ 4.18 Crores).
It is not practicable for the Company to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.
- (ii) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding - ₹ 1.30 Crores (2015 - ₹ 1.30 Crores).
- (b) Commitments
 - Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 2039.83 Crores (2015 - ₹ 1432.41 Crores).
 - Uncalled liability on shares partly paid is ₹ 26.40 Crores (2015 - ₹ 26.40 Crores).
- (v) (a) Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2016 and recognised in the financial statements in respect of Employee Benefit Schemes:

		For the year ended 31st March, 2016 (₹ in Crores)			For the year ended 31st March, 2015 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
I	Components of Employer Expense						
	1 Current Service Cost	44.34	19.65	4.87	43.17	25.39	4.49
	2 Interest Cost	42.38	19.44	6.54	42.66	18.12	6.18
	3 Expected Return on Plan Assets	(50.53)	(20.18)	–	(48.33)	(18.39)	–
	4 Curtailment Cost/(Credit)	–	–	–	–	–	–
	5 Settlement Cost/(Credit)	–	–	–	–	–	–
	6 Past Service Cost	–	–	–	–	–	–
	7 Actuarial Losses/(Gains)	27.01	16.91	11.59	(38.67)	12.01	1.26
	8 Total expense recognised in the Statement of Profit and Loss	63.20	35.82	23.00	(1.17)	37.13	11.93
	The Pension and Gratuity expenses have been recognised in “Contribution to Provident and other funds” and Leave Encashment in “Salaries and wages” under Note 26.						
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
II	Actual Returns	49.12	22.21	–	87.23	27.65	–
III	Net Asset / (Liability) recognised in Balance Sheet						
	1 Present Value of Defined Benefit Obligation	627.53	293.99	90.82	615.05	282.51	80.75
	2 Fair Value of Plan Assets	640.50	273.12	–	663.53	247.57	–
	3 Status [Surplus/(Deficit)]	12.97	(20.87)	(90.82)	48.48	(34.94)	(80.75)
	4 Unrecognised Past Service Cost	–	–	–	–	–	–
	5 Net Asset / (Liability) recognised in Balance Sheet	12.97	(20.87)	(90.82)	48.48	(34.94)	(80.75)
	– Current	12.97	(20.87)	(16.46)	48.48	(34.94)	(16.71)
	– Non-current	–	–	(74.36)	–	–	(64.04)

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

		For the year ended 31st March, 2016 (₹ in Crores)			For the year ended 31st March, 2015 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
IV	Change in Defined Benefit Obligation (DBO)						
1	Present Value of DBO at the beginning of the year	615.05	282.51	80.75	571.88	249.86	76.09
2	Current Service Cost	44.34	19.65	4.87	43.17	25.39	4.49
3	Interest Cost	42.38	19.44	6.54	42.66	18.12	6.18
4	Curtailment Cost/(Credit)	–	–	–	–	–	–
5	Settlement Cost/(Credit)	–	–	–	–	–	–
6	Plan Amendments	–	–	–	–	–	–
7	Acquisitions	–	–	–	–	–	–
8	Actuarial (Gains)/Losses	25.60	18.94	11.59	0.23	21.27	1.26
9	Benefits Paid	(99.84)	(46.55)	(12.93)	(42.89)	(32.13)	(7.27)
10	Present Value of DBO at the end of the year	627.53	293.99	90.82	615.05	282.51	80.75
V	Best Estimate of Employers' Expected Contribution for the next year	56.73	19.04	–	73.52	38.29	–
VI	Change in Fair Value of Assets						
1	Plan Assets at the beginning of the year	663.53	247.57	–	583.78	226.99	–
2	Acquisition Adjustment	–	–	–	–	–	–
3	Expected Return on Plan Assets	50.53	20.18	–	48.33	18.39	–
4	Actuarial Gains/(Losses)	(1.41)	2.03	–	38.90	9.26	–
5	Actual Company Contributions	27.69	49.89	–	35.41	25.06	–
6	Benefits Paid	(99.84)	(46.55)	–	(42.89)	(32.13)	–
7	Plan Assets at the end of the year	640.50	273.12	–	663.53	247.57	–
VII	Actuarial Assumptions						
1	Discount Rate (%)	7.50	7.50	7.50	7.75	7.75	7.75
2	Expected Return on Plan Assets (%)	7.75	7.75	–	7.75	7.75	–
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.							
VIII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2016			As at 31st March, 2015		
1	Government Securities/Special Deposit with RBI	33.68%			34.57%		
2	High Quality Corporate Bonds	25.28%			28.05%		
3	Insurer Managed Funds*	31.88%			26.96%		
4	Mutual Funds	2.24%			2.72%		
5	Cash and Cash Equivalents	3.73%			4.49%		
6	Term Deposits	3.19%			3.21%		
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.							

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

IX		Basis used to determine the Expected Rate of Return on Plan Assets														
		The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.														
		For the year ended 31st March, 2016 (₹ in Crores)			For the year ended 31st March, 2015 (₹ in Crores)			For the year ended 31st March, 2014 (₹ in Crores)			For the year ended 31st March, 2013 (₹ in Crores)			For the year ended 31st March, 2012 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
X	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)															
1	Present Value of Defined Benefit Obligation	627.53	293.99	90.82	615.05	282.51	80.75	571.88	249.86	76.09	612.41	237.87	69.86	533.19	211.49	58.62
2	Fair Value of Plan Assets	640.50	273.12	-	663.53	247.57	-	583.78	226.99	-	600.65	225.13	-	520.47	220.29	-
3	Status [Surplus/(Deficit)]	12.97	(20.87)	(90.82)	48.48	(34.94)	(80.75)	11.90	(22.87)	(76.09)	(11.76)	(12.74)	(69.86)	(12.72)	8.80	(58.62)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(1.41)	2.03	-	19.65	6.29	-	(4.22)	(0.09)	-	13.52	3.54	-	(4.14)	(0.43)	-
5	Experience Adjustment of obligation [(Gain)/Loss]	34.40	21.23	14.49	(54.42)	11.99	(6.06)	(20.35)	4.85	3.24	(34.52)	1.45	2.31	(18.06)	6.48	0.59

(b) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 26: ₹ 72.30 Crores (2015 - ₹ 72.29 Crores).

(vi) Micro, Small and Medium scale business entities:

A sum of ₹ 34.13 Crores is payable to Micro and Small Enterprises as at 31st March, 2016 (2015 - ₹ 24.56 Crores). The above amount comprise ₹ 32.92 Crores (2015 - ₹ 21.91 Crores) on account of trade payable and ₹ 1.21 Crores (2015 - ₹ 2.65 Crores) on account of other current liabilities. There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2016. 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.

(vii) The Company's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' under Note 28.

With regard to certain other non-cancellable operating leases for premises, the future minimum rentals are as follows:

	As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
Not later than one year	12.74	18.31
Later than one year and not later than five years	15.13	6.74
Later than five years	0.35	0.92

(viii) Interests in Joint Ventures:

a. The Company's interest, as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is:

Name	Country of Incorporation	Percentage of ownership interests as at 31st March, 2016	Percentage of ownership interests as at 31st March, 2015
Maharaja Heritage Resorts Limited	India	25%	25%
Espirit Hotels Private Limited	India	26%	26%
Logix Developers Private Limited (LDPL)	India	27.90%	27.90%

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

- b. The Company's interest in these Joint Ventures is reported as Long Term investments (Note 11) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are:

		As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
I	ASSETS		
	Non-current assets		
1	Fixed assets	98.67	98.66
	a) Tangible assets	44.92	44.92
	b) Intangible assets	...	...
	c) Capital work-in-progress - Tangible assets	53.75	53.74
2	Deferred tax assets (Net)	0.27	0.29
3	Long-term loans and advances	0.20	0.22
	Current assets		
4	Current investments	0.19	0.19
5	Trade receivables	0.16	0.24
6	Cash and cash equivalents	1.31	1.24
7	Short-term loans and advances	0.01	0.01
II	LIABILITIES		
	Non-current liabilities		
1	Long-term borrowings	16.15	20.91
2	Long-term provisions	0.01	0.01
	Current liabilities		
3	Trade payables	0.71	0.83
4	Other current liabilities	24.66	14.77
5	Short-term Provisions	...	...
		For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
III	INCOME		
1	Net Revenue from sale of products and services	0.87	0.81
2	Other operating revenue	0.05	0.12
3	Other income	0.03	0.03
IV	EXPENSES		
1	Employee benefits expense	0.59	0.59
2	Finance Costs	4.71	-
3	Depreciation and amortisation expense	0.01	0.01
4	Other expenses	0.65	0.28
5	Tax expense	0.02	0.06
		As at 31st March, 2016 (₹ in Crores)	As at 31st March, 2015 (₹ in Crores)
V	OTHER MATTERS		
1	Capital Commitments	9.49	9.30

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

c. Under the terms of the Joint Venture Agreement (JVA), Logix Developers Private Limited (LDPL) was to develop a luxury hotel-cum-service apartment complex. However, Logix Estates Private Ltd., Noida, the JV partner communicated its intention to explore alternative development plans and did not contribute its share of the cash call made by LDPL in June 2014. The resultant deadlock has stalled the project. The Company's petition, filed during the year, praying for a direction to the JV partner to act in accordance with the Articles of Association of LDPL and complete the project or for appropriate directions for the company to exit from the JV in terms of the JVA, is pending before the Company Law Board. Further, the financial statements of LDPL for the year ended 31st March 2016 are yet to be approved by its Board of Directors. Accordingly, the share of assets, liabilities, income and expenses etc., pertaining to LDPL included above are based on financial statements certified by the management of LDPL.

(ix) Derivative Instruments:

The Company uses forward exchange contracts and currency options to hedge its exposures in foreign currency related to firm commitments and highly probable forecasted transactions. The information on derivative instruments is as follows:

a) Forward exchange contracts outstanding as at year end:

(in Million)

Currency	Cross Currency	As at 31st March, 2016		As at 31st March, 2015	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	65.75	173.65	18.94	149.80
Euro	US Dollar	53.26	–	14.95	–
AUD	US Dollar	1.20	–	0.08	–
CAD	US Dollar	–	0.20	–	1.07
CHF	US Dollar	2.70	–	3.41	–
GBP	US Dollar	–	0.90	0.25	0.90
SGD	US Dollar	1.78	–	–	–
SEK	US Dollar	6.93	–	1.21	–
KWD	US Dollar	0.04	–	–	–
JPY	US Dollar	699.90	–	172.33	–

b) Foreign currency exposures that have not been hedged by a derivative instrument or otherwise as at year end:

(in Million)

Currency	Cross Currency	As at 31st March, 2016			As at 31st March, 2015		
		Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupee	41.13	36.18	4.95	44.10	48.83	(4.73)
Euro	US Dollar	0.89	1.02	(0.13)	0.80	0.84	(0.04)
GBP	US Dollar	0.97	0.86	0.11	0.75	0.81	(0.06)
JPY	US Dollar	3.65	–	3.65	3.50	–	3.50
SEK	US Dollar	0.54	–	0.54	0.24	–	0.24
KWD	US Dollar	...	...	...	–	–	–
CHF	US Dollar	0.08	–	0.08	0.02	–	0.02
SGD	US Dollar	0.34	–	0.34	0.18	–	0.18
CAD	US Dollar	0.01	0.02	(0.01)	–	0.06	(0.06)
HKD	US Dollar	0.10	–	0.10	–	–	–
AED	US Dollar	0.01	–	0.01	–	–	–
AUD	US Dollar	0.05	–	0.05	0.06	...	0.06

* Figures in brackets indicate open exports. Figures without brackets indicate open imports.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(x) Pursuant to the Scheme of Arrangement for demerger of the Non-Engineering Business of Wimco Limited ('Wimco') into ITC Limited (the Scheme), as approved by the shareholders of the Company and subsequently sanctioned by the Honourable High Courts at Bombay and Calcutta vide their Orders dated 10th April, 2014 and 14th May, 2014 respectively, the entire assets and liabilities, as at 1st April 2013, of the Non-Engineering Business of Wimco were transferred to and vested in the Company on a going concern basis with effect from 1st April, 2013. The Scheme had been given effect to in the financial statements of the Company for the year ended 31st March, 2015.

As a result, in the financial statements as at, and for the year ended 31st March, 2015:

- the excess of value of the net assets of the Non-Engineering business of Wimco over the sum of face value of the shares allotted and cancellation of the Company's investment in Wimco, amounting to ₹ 91.00 Crores was debited to General Reserve.
 - the loss of ₹ 8.01 Crores for the year from 1st April, 2013 to 31st March, 2014 has been recognised as an adjustment to the revenue reserves.
 - earlier unrecognised net deferred tax assets of ₹ 45.84 Crores on carry forward of business losses and other net timing differences of Wimco have also been recognised as an adjustment to revenue reserves.
 - in consideration of the above, the Company had issued and allotted 87,761 Ordinary Shares of ₹ 1.00 each.
- (xi) Pursuant to the notification of Schedule II of the Companies Act 2013, with effect from 1st April 2014, the Company had reviewed and revised the estimated useful lives of its fixed assets. In respect of assets, whose useful life was exhausted as at 1st April, 2014, the related carrying amount aggregating to ₹ 48.32 Crores (net of deferred tax of ₹ 24.88 Crores) had been adjusted against opening balance of Surplus in the Statement of Profit and Loss during 2014-15.
- (xii) (a) Details of Opening and Closing Stock of Finished Goods (manufactured) and Stock-in-Trade (goods purchased for resale)

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
Opening Stock				
Cigarettes	1731.54		1309.87	
Branded Packaged Food Products	229.99		212.14	
Agri Products/Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	259.44		251.99	
Paperboards and Paper	114.11		90.06	
Printed Materials	5.02		6.94	
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	<u>553.98</u>	2894.08	<u>427.01</u>	2298.01
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]				
Others (Safety Matches)	<u>—</u>	—	<u>0.40</u>	0.40
Closing Stock				
Cigarettes	2047.68		1731.54	
Branded Packaged Food Products	275.60		229.99	
Agri Products/Commodities (Soya, Spices, Coffee, Aqua, Agri Inputs etc.)	184.11		259.44	
Paperboards and Paper	83.92		114.11	
Printed Materials	7.27		5.02	
Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	<u>492.61</u>	3091.19	<u>553.98</u>	2894.08

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(b) Details of Opening and Closing Stock of Work-in-progress

	As at 31st March, 2016 (₹ in Crores)		As at 31st March, 2015 (₹ in Crores)	
Opening Stock				
Branded Packaged Food Products	17.94		15.69	
Paperboards and Paper	136.84		103.55	
Printed Materials	20.78		15.83	
Others (Apparel, Personal Care Products, etc.)	<u>5.26</u>	180.82	<u>7.22</u>	142.29
Acquired pursuant to the Scheme of Arrangement [Refer Note 31(x)]				
Paperboards and Paper	–		2.28	
Others (Safety Matches)	<u>–</u>	–	<u>0.75</u>	3.03
Closing Stock				
Branded Packaged Food Products	34.45		17.94	
Paperboards and Paper	119.41		136.84	
Printed Materials	21.36		20.78	
Others (Apparel, Personal Care Products, etc.)	<u>5.29</u>	180.51	<u>5.26</u>	180.82

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
(xiii) Value of Imports during the year (C.I.F. Basis)		
Raw materials	1247.18	1429.00
Components and spare parts (including stores)	61.55	68.92
Purchase of Trademarks	–	43.65
Capital goods	211.25	292.56
Other goods*	15.36	17.98
TOTAL	<u>1535.34</u>	<u>1852.11</u>

* Includes Goods purchased for resale, Packing Materials, Hotel Consumables and sundry items.

(xiv) Expenditure in Foreign Currency during the year

Professional fees	30.76	24.68
Hotel reservation/Marketing expenses	31.48	30.45
Export promotion expenses	4.38	5.66
Agency commission	12.38	10.13
Interest	–	2.39
Licence fees	5.69	5.04
Miscellaneous expenditure*	51.66	38.29
TOTAL	<u>136.35</u>	<u>116.64</u>

* Includes Advertisements/Sales promotion, Training, Subscription fees etc.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(xv) Value of Raw materials, Spare parts and Components consumed during the year

	(Percentage)		For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
	2016	2015		
Raw materials (including packing material)				
Imported	12.17	13.86	1345.56	1523.07
Indigenous	87.83	86.14	9709.19	9464.76
TOTAL	100.00	100.00	11054.75	10987.83
Spare parts and Components				
Imported	28.15	28.59	69.93	66.13
Indigenous	71.85	71.41	178.52	165.20
TOTAL	100.00	100.00	248.45	231.33

(xvi) Dividend remittance in foreign currency

Year of Remittance	On Account of Financial Year	No. of Non-Resident Shareholders	No. of Shares held	(₹ in Crores)
2015/2016	2014/2015	53	2,43,40,08,262	1521.26
2014/2015	2013/2014	53	2,43,48,32,720	1460.90

(xvii) Earnings in foreign exchange during the year

	For the year ended 31st March, 2016 (₹ in Crores)	For the year ended 31st March, 2015 (₹ in Crores)
Export of Goods (F.O.B.)	3057.85	4253.18
Hotel earnings	533.76	779.01
Freight and Insurance recoveries	33.36	42.46
Dividend	9.96	12.37
Other earnings*	8.81	8.97
TOTAL	3643.74	5095.99

* Consist of finance and storage charges and sundry recoveries.

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(xviii) Information in respect of Options granted under the Company's Employee Stock Option Schemes ('Schemes'):

Sl. No.		ITC Employee Stock Option Scheme (introduced in 2001)	ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders' approval	17-01-2001	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes	Options equivalent to 12,27,07,450 Ordinary Shares of ₹ 1/- each	Options equivalent to 36,22,61,893 Ordinary Shares of ₹ 1/- each	Options equivalent to 38,26,70,153 Ordinary Shares of ₹ 1/- each
		<i>Note: Adjusted for Bonus Shares issued in terms of Shareholders approval.</i>		
3.	Vesting Schedule	The vesting period for conversion of Options is as follows: <ul style="list-style-type: none"> • On completion of 12 months from the date of grant of the Options : 30% vests • On completion of 24 months from the date of grant of the Options : 30% vests • On completion of 36 months from the date of grant of the Options : 40% vests 		
4.	Pricing Formula	The Pricing Formula, as approved by the Shareholders of the Company, is such price, as determined by the Nomination & Compensation Committee, which is no lower than the closing price of the Company's Share on the National Stock Exchange of India Limited ('the NSE') on the date of grant, or the average price of the Company's Share in the six months preceding the date of grant based on the daily closing price on the NSE, or the 'Market Price' as defined from time to time under the erstwhile Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. The Options have been granted at 'market price' as defined from time to time under the aforesaid Guidelines/Regulations.		
5.	Maximum term of Options granted	5 years from the date of grant	5 years from the date of vesting	
6.	Source of Shares	Primary		
7.	Variation in terms of Options	None		
8.	Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the intrinsic value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The employee compensation cost as per the intrinsic value method for the financial year 2015-16 is Nil.		
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan.	Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1/- each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore.		

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

10.	Weighted average exercise prices and weighted average fair values of Options whose exercise price either equals or exceeds or is less than the market price of the stock.	:	Weighted average exercise price per Option : ₹ 3200.41 Weighted average fair value per Option : ₹ 755.90			
11.	Option movements during the year	:	ITC Employee Stock Option Scheme (introduced in 2001)	ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010	
	a) Options outstanding at the beginning of the year	:	4,22,036	54,26,488	2,10,86,617	
	b) Options granted during the year	:	-	63,840	68,45,760	
	c) Options cancelled and lapsed during the year	:	-	64,840	4,81,229	
	d) Options vested and exercisable during the year (net of Options lapsed and exercised)	:	-	1,06,505	57,00,166	
	e) Options exercised during the year	:	2,40,976	18,85,864	10,41,905	
	f) Number of Ordinary Shares of ₹ 1/- each arising as a result of exercise of Options during the year	:	24,09,760	1,88,58,640	1,04,19,050	
	g) Options outstanding at the end of the year	:	1,81,060	35,39,624	2,64,09,243	
	h) Options exercisable at the end of the year	:	1,81,060	34,39,619	1,25,84,442	
	i) Money realised by exercise of the Options during the year (₹ in Crores)	:	48.76	242.18	240.76	
12.	Summary of the status of Options	:				
	Particulars		As at 31st March, 2016		As at 31st March, 2015	
			No. of Options	Weighted Average Exercise Prices (₹)	No. of Options	Weighted Average Exercise Prices (₹)
	Outstanding at the beginning of the year	:	2,69,35,141	2609.34	2,65,81,347	2120.63
	Add: granted during the year	:	69,09,600	3200.41	68,26,355	3572.00
	Less: Lapsed during the year	:	5,46,069	3012.09	2,47,678	2753.48
	Less: Exercised during the year	:	31,68,745	1677.95	62,24,883	1572.39
	Outstanding at the end of the year	:	3,01,29,927	2835.55	2,69,35,141	2609.34
	Options exercisable at the end of the year	:	1,62,05,121	2452.64	1,30,61,292	2003.27

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

13.	Weighted average share price of Shares arising upon exercise of Options	:	The Options were exercised during the periods permitted under the Schemes, and weighted average share price of Shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee) for the year ended 31st March, 2016 was ₹ 322.18 (31st March, 2015 - ₹ 357.59).					
14.	Summary of Options outstanding, scheme-wise:							
	Particulars		As at 31st March, 2016			As at 31st March, 2015		
		No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted Average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices (₹)	Weighted Average remaining contractual life	
	ITC Employee Stock Option Scheme (introduced in 2001)	:	1,81,060	2023.50	0.40	4,22,036	2023.50	1.41
	ITC Employee Stock Option Scheme - 2006	:	35,39,624	948.00 - 3572.00	1.79	54,26,488	830.50 - 3572.00	2.38
	ITC Employee Stock Option Scheme - 2010	:	2,64,09,243	2023.50 - 3572.00	4.91	2,10,86,617	2023.50 - 3572.00	5.32
15.	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted.	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 3200.41 Weighted average fair value per Option : ₹ 755.90					
	The significant assumptions used to ascertain the above.	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:					
			(i) Risk-free interest rate					7.70%
			(ii) Expected life					3.21 years
			(iii) Expected volatility					24.56%
			(iv) Expected dividends					1.76%
			(v) The price of the underlying shares in market at the time of Option grant					₹ 3167.15
			<i>(One Option = 10 Ordinary Shares)</i>					
16.	Methodology for determination of expected volatility.	:	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.					

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

17.	Difference between the employee compensation cost so computed at (8) above and the employee compensation cost that shall have been recognised if it had used the fair value of the Options.	:	₹ 510.08 crores		
18.	The impact of this difference on profits and on Earnings Per Share of the Company.	:	The effect on the profits and earnings per share, had the fair value method been adopted, is presented below:		
			Profit After Tax	₹ in Crores	
			As reported	9844.71	
			Add: Intrinsic Value Compensation Cost	Nil	
			Less: Fair Value Compensation Cost (Black Scholes model)	510.08	
			Adjusted Profit	9334.63	
			Earnings Per Share	Basic (₹)	Diluted (₹)
			As reported	12.26	12.20
			As adjusted	11.63	11.56
19.	Options granted to (a) Senior managerial personnel	:	As provided below:-		
			Name	Designation	No. of Options granted during the financial year 2015-16
			1 Y. C. Deveshwar	Executive Chairman	2,70,000
			2 N. Anand	Executive Director	1,35,000
			3 S. Puri	Executive Director	56,250
			4 R. Tandon	Executive Director and Chief Financial Officer	56,250
			5 K. Vaidyanath	Non-Executive Director	10,000
			6 S. M. Ahmad	On deputation	25,300
			7 A. Ambasta	Executive V. P. and Head - Social Investments	17,600
			8 G. Anand	Executive V. P., Pre-Opening Services (HD)	15,000
			9 N. Arif	Executive V.P. and Head - Corporate Communications	32,000
			10 R. Batra	On deputation	25,300
			11 S. K. Bezbaroa	Executive V.P. - Corporate EHS	17,600
			12 R. Bhandari	Chief Operating Officer - ITC Hotels / WelcomHotels (HD)	15,000
			13 A. Chand	Divisional Chief Executive (LRBD)	23,000
			14 L. C. Chandrasekharan	Chief Scientist - Research & Technology Innovation (LS & T)	28,800
			15 B. B. Chatterjee	Executive V.P. and Company Secretary	40,000
			16 C. Dar	Group Head - LS & T, Projects, EHS and Quality Assurance	40,000
			17 Saradindu Dutta	Head - Corporate Accounts	21,280
			18 Supratim Dutta	Executive V.P. - Corporate Finance	30,600
			19 M. Ganesan	Executive V.P. - Finance, Procurement & IT (FD)	30,600
			20 S. Ganesh Kumar	Chief Operating Officer - Staples, Snacks & Meals (FD)	25,300

Notes to the Financial Statements

31. Additional Notes to the Financial Statements (Contd.)

(a) Senior managerial personnel (contd.)	Name	Designation	No. of Options granted during the financial year 2015-16	
	21	S. Guha	Executive V.P. - Technical (ITD)	25,300
	22	P. Gupta	Head - Corporate Taxation	23,000
	23	D. Haksar	Chief Executive - ITC Hotels / WelcomHotels (HD)	21,500
	24	S. Kaul	SBU Chief Executive (PCPB)	30,600
	25	S. Kumar	On deputation	21,500
	26	H. Malik	Divisional Chief Executive (ITD)	35,000
	27	A. K. Mukerji	Corporate Financial Controller	40,000
	28	A. R. Noronha	Executive V.P. - Projects (HD)	21,500
	29	R. Parasuram	Head - Corporate Internal Audit	35,000
	30	A. Pathak	On deputation	30,600
	31	R. Rai	Chief Operating Officer (ABD)	25,300
	32	V. M. Rajasekharan	SBU Chief Executive - Agarbatti & Matches	23,000
	33	V. L. Rajesh	Divisional Chief Executive (FD)	30,600
	34	A. K. Rajput	Senior V.P. - Corporate Affairs	40,000
	35	S. Rangrass	Divisional Chief Executive (ABD-ILTD)	35,000
	36	A. V. Rao	Executive V.P. - Manufacturing & Projects (PSPD)	30,600
	37	C. V. Sarma	Executive V.P. - Finance & MIS (PSPD)	25,300
	38	R. Senguttuvan	SBU Chief Executive (PPB)	35,000
	39	S. Satpathy	Chief Operating Officer (PCPB)	30,000
	40	A. Seth	Executive V.P. - Finance & MIS (ITD)	25,300
	41	A. Sharma	Executive V.P. - Human Resources (HD)	15,000
	42	S. K. Singh	Divisional Chief Executive (PSPD)	40,000
	43	S. Sivakumar	Group Head - Agri Business	56,250
	44	R. Sridhar	Head - Corporate Human Resources	23,000
	45	S. A. Sule	Executive V.P. - Sales Operations & Development (TM&D)	30,600
	46	B. Sumant	President - FMCG	40,000
	47	K. S. Suresh	General Counsel	40,000
	48	S. Tyagi	SBU Chief Executive (ESPB)	30,600
	49	K. I. Viswanathan	Executive V.P. - Marketing (PSPD)	30,600
	50	S. Wanchoo	Executive V.P. - Marketing (ITD)	25,300
	51	A. Zachariah	Executive V.P. and Head - Central Projects Organisation	23,000

The Optionees were granted Options on 12th August, 2015 at the exercise price of ₹ 3201/- per Option, other than Mr. S. Satpathy (Sl. No. 39) who was granted Options on 22nd January, 2016 at the exercise price of ₹ 3064/- per Option.

(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:	None
(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:	None

Abbreviations denote :

ITD	India Tobacco Division	HD	Hotels Division
PSPD	Paperboards & Specialty Papers Division	ESPB	Education & Stationery Products Business
LRBD	Lifestyle Retailing Business Division	PCPB	Personal Care Products Business
ABD	Agri Business Division	PPB	Printing & Packaging Business
ABD - ILTD	Agri Business, India Leaf Tobacco Division	LS&T	Life Sciences & Technology
FD	Foods Division	TM&D	Trade Marketing & Distribution

(xix) Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/disclosure.

Notes to the Financial Statements

32. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	2016			2015		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment Revenue - Gross						
FMCG - Cigarettes	32348.29	–	32348.29	30452.38	–	30452.38
FMCG - Others	9719.62	11.55	9731.17	9028.27	9.73	9038.00
FMCG - Total	42067.91	11.55	42079.46	39480.65	9.73	39490.38
Hotels	1273.51	12.66	1286.17	1173.55	13.46	1187.01
Agri Business	4389.34	3067.54	7456.88	5672.07	2708.41	8380.48
Paperboards, Paper and Packaging	3851.69	1476.01	5327.70	3638.55	1643.02	5281.57
Segment Total	51582.45	4567.76	56150.21	49964.82	4374.62	54339.44
Eliminations			(4567.76)			(4374.62)
Gross Revenue from sale of products and services			51582.45			49964.82
Segment Revenue - Net						
FMCG - Cigarettes	17485.82	–	17485.82	16804.56	–	16804.56
FMCG - Others	9692.85	11.55	9704.40	9001.52	9.73	9011.25
FMCG - Total	27178.67	11.55	27190.22	25806.08	9.73	25815.81
Hotels	1273.45	12.66	1286.11	1173.50	13.46	1186.96
Agri Business	4389.34	3067.54	7456.88	5672.07	2708.41	8380.48
Paperboards, Paper and Packaging	3633.81	1383.58	5017.39	3431.56	1542.34	4973.90
Segment Total	36475.27	4475.33	40950.60	36083.21	4273.94	40357.15
Eliminations			(4475.33)			(4273.94)
Net Revenue from sale of products and services			36475.27			36083.21
2. Segment Results						
FMCG - Cigarettes			11752.43			11196.27
FMCG - Others			70.51			34.08
FMCG - Total			11822.94			11230.35
Hotels			55.69			49.08
Agri Business			933.72			903.97
Paperboards, Paper and Packaging			907.62			921.48
Segment Total			13719.97			13104.88
Eliminations			(51.13)			(60.12)
Consolidated Total			13668.84			13044.76
Unallocated corporate expenses net of unallocated income			443.52			512.40
Profit before interest etc. and taxation			13225.32			12532.36
Finance costs			49.13			57.42
Interest earned on loans and deposits, income from current and long-term investments, profit and loss on sale of investments etc. - Net			1782.20			1522.58
Profit before tax			14958.39			13997.52
Tax expense			5113.68			4389.79
Profit for the year			9844.71			9607.73
3. Other Information						
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG - Cigarettes	7893.49	2644.39		8004.99	2186.41	
FMCG - Others	6031.77	1179.77		4849.14	861.29	
FMCG - Total	13925.26	3824.16		12854.13	3047.70	
Hotels [Refer Note 10(7)]	4820.29	345.39		4654.05	353.09	
Agri Business	2970.11	611.38		2650.59	691.75	
Paperboards, Paper and Packaging	6031.00	510.68		5921.98	496.07	
Segment Total	27746.66	5291.61		26080.75	4588.61	
Unallocated Corporate Assets/Liabilities	22293.49	11819.54		18582.65	9339.10	
Total	50040.15	17111.15		44663.40	13927.71	

* Segment Liabilities of FMCG - Cigarettes is before considering ₹ 651.54 Crores (2015 - ₹ 629.98 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.

Notes to the Financial Statements

32. Segment Reporting (Contd.)

(₹ in Crores)

	2016			2015		
	Capital expenditure	Depreciation and amortisation	Non Cash expenditure other than depreciation	Capital expenditure	Depreciation and amortisation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	218.25	245.82	6.73	533.49	247.51	3.21
FMCG - Others	757.15	236.17	25.19	671.53	177.61	20.15
FMCG - Total	975.40	481.99	31.92	1205.02	425.12	23.36
Hotels [Refer Note 10(7)]	291.50	187.59	2.21	956.93	190.30	3.27
Agri Business	128.46	50.63	1.98	214.42	48.75	2.82
Paperboards, Paper and Packaging	349.76	242.52	23.54	154.14	231.95	6.87
Segment Total	1745.12	962.73	59.65	2530.51	896.12	36.32

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(₹ in Crores)

	2016	2015
1. Segment Revenue		
– Within India	48302.97	45454.05
– Outside India	3279.48	4510.77
Total	51582.45	49964.82
2. Segment Assets		
– Within India	27746.65	26080.75
– Outside India	0.01	–
Total	27746.66	26080.75
3. Capital Expenditure		
– Within India	1745.12	2530.51
– Outside India	–	–
Total	1745.12	2530.51

NOTES:

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups: FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- The business groups comprise the following:

FMCG :	Cigarettes	– Cigarettes, Cigars etc.
:	Others	– Branded Packaged Foods Businesses (Staples, Snacks and Meals; Dairy and Beverages; Confections); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
Hotels		– Hoteliering.
Paperboards, Paper and Packaging		– Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
Agri Business		– Agri commodities such as soya, spices, coffee and leaf tobacco.
- The geographical segments considered for disclosure are:

– Sales within India.
– Sales outside India.
- Segment results of 'FMCG: Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- The Company's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods businesses and sources leaf tobacco for the Cigarettes business.

Notes to the Financial Statements

33. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS:

i) Subsidiaries:

- a) Srinivasa Resorts Limited
 - b) Fortune Park Hotels Limited
 - c) Bay Islands Hotels Limited
 - d) WelcomHotels Lanka (Private) Limited, Sri Lanka
 - e) Landbase India Limited
 - f) Russell Credit Limited and its subsidiary
Greenacre Holdings Limited
 - g) Technico Pty Limited, Australia and its subsidiaries
Technico Agri Sciences Limited (upto 21.03.2016)
Technico Technologies Inc., Canada
Technico Asia Holdings Pty Limited, Australia and its subsidiary
Technico Horticultural (Kunming) Co. Limited, China
 - h) Technico Agri Sciences Limited (w.e.f. 22.03.2016)
 - i) Wimco Limited
 - j) Pavan Poplar Limited
 - k) Prag Agro Farm Limited
 - l) ITC Infotech India Limited and its subsidiaries
ITC Infotech Limited, UK
ITC Infotech (USA), Inc. and its subsidiary
Pyxis Solutions, LLC, USA
 - m) Gold Flake Corporation Limited
 - n) ITC Investments & Holdings Limited and its subsidiary
MRR Trading & Investment Company Limited
 - o) Surya Nepal Private Limited
 - p) King Maker Marketing, Inc., USA
 - q) North East Nutrients Private Limited
- The above list does not include ITC Global Holdings Pte. Limited, Singapore (in liquidation)

ii) Other entities under control of the Company:

- a) ITC Sangeet Research Academy
- b) ITC Education Trust
- c) ITC Rural Development Trust

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
- being associates of the Company, and
- c) Tobacco Manufacturers (India) Limited, UK
- of which the Company is an associate

Associates of the Company's subsidiaries

- a) Russell Investments Limited
- b) Classic Infrastructure & Development Limited
- c) Divya Management Limited
- d) Antrang Finance Limited
- being associates of Russell Credit Limited, and
- e) ATC Limited
- being associate of Gold Flake Corporation Limited

- Note:
- (a) During the year, Russell Credit Limited, a wholly owned subsidiary of the Company, acquired the entire equity share capital of BFIL Finance Limited and Wills Corporation Limited from the Company on 18.06.2015 and 07.09.2015 respectively; both companies have amalgamated with Russell Credit Limited w.e.f. 01.04.2015, with the effective date of the amalgamation being 16.05.2016 and 22.03.2016 respectively.
 - (b) Classic Infrastructure & Development Limited, an associate of the Company's subsidiary, during the year became a wholly owned subsidiary of Greenacre Holdings Limited, a wholly owned step down subsidiary of the Company, w.e.f. 07.12.2015; the company amalgamated with Greenacre Holdings Limited w.e.f. 01.10.2015, with the effective date of the amalgamation being 05.04.2016.

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) Espirit Hotels Private Limited
- c) Logix Developers Private Limited

Joint Venture of the Company's subsidiary

- a) ITC Essentra Limited
- being joint venture of Gold Flake Corporation Limited

ii) a) Key Management Personnel:

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhobale	Executive Director (ceased w.e.f. 07.12.2015)
K. N. Grant	Executive Director (ceased w.e.f. 23.01.2016)
R. Tandon	Executive Director (w.e.f. 22.01.2016)
S. Puri	Executive Director (w.e.f. 06.12.2015)
A. Baijal*	Non-Executive Director
S. Banerjee*	Non-Executive Director
A. Duggal*	Non-Executive Director
S. H. Khan*	Non-Executive Director (expired on 12.01.2016)
A. V. Girija Kumar#	Non-Executive Director
R. E. Lerwill	Non-Executive Director
S. B. Mainak	Non-Executive Director
S. B. Mathur*	Non-Executive Director
P. B. Ramanujam*	Non-Executive Director
S. S. H. Rehman*	Non-Executive Director
M. Shankar*	Non-Executive Director
K. Vaidyanath	Non-Executive Director

* Independent Directors

Ceased to be Non-Executive Director from 23.07.2015. Appointed Additional Non-Executive Director w.e.f. 31.07.2015

Members - Corporate Management Committee

- Y. C. Deveshwar
N. Anand
P. V. Dhobale (ceased w.e.f. 07.12.2015)
K. N. Grant (ceased w.e.f. 23.01.2016)
R. Tandon
S. Puri
B. B. Chatterjee
A. Nayak (ceased w.e.f. 01.01.2016)
T. V. Ramaswamy (ceased w.e.f. 07.06.2015)
S. Sivakumar
K. S. Suresh
C. Dar (w.e.f. 07.06.2015)

b) Relatives of Key Management Personnel:

- Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
Mrs. R. Tandon (wife of Mr. R. Tandon)

iii) Employee Trusts where there is significant influence:

- a) IATC Provident Fund
- b) ITC Defined Contribution Pension Fund
- c) ITC Management Staff Gratuity Fund
- d) ITC Employees Gratuity Fund
- e) ITC Gratuity Fund 'C'
- f) ITC Pension Fund
- g) ILTD Seasonal Employees Pension Fund
- h) ITC Platinum Jubilee Pension Fund
- i) Tribeni Tissues Limited Gratuity Fund
- j) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- k) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- l) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- m) ITC Hotels Limited Employees Superannuation Scheme

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2016

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists				Associates	Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	Subsidiaries		Others			2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	2016	2015	2016	2015		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
1. Sale of Goods/Services	307.18	259.46	-	0.01	0.47	0.32	9.40	9.84					317.05	269.63	
2. Purchase of Goods/Services	173.56	135.88			80.57	85.69	291.55	302.99					545.68	524.56	
3. Acquisition cost of Fixed Assets	29.06	2.11			0.37	-							29.43	2.11	
4. Sale of Fixed Assets/Scraps					0.27	0.53							0.27	0.53	
5. Investments Purchased from Subsidiary ¹	121.00	-						3.87					121.00	-	
6. Investment in Subsidiaries/Joint Ventures	286.98	88.79											286.98	92.66	
7. Redemption of Preference Shares	187.00	-											187.00	-	
8. Sale of Investment ²	5.40	-											5.40	-	
9. Interest Income	0.58	11.62											0.58	11.62	
10. Remuneration to Key Management Personnel															
- Directors ³															
- Others									26.17	24.64			26.17	24.64	
11. Rent Received	20.08	19.47			1.04	1.29			11.43	9.83			11.43	9.83	
12. Rent Paid	8.50	5.08			3.49	3.20			0.14	0.14			0.14	0.14	
13. Remuneration of Managers on Deputation reimbursed	3.73	5.42	0.55	0.19	4.17	3.66					0.66		12.79	9.08	
14. Remuneration of Managers on Deputation recovered	15.11	13.21	4.83	21.00	3.85	4.56	1.38	1.30					8.45	9.27	
15. Expenditure towards Corporate Social Responsibility													20.34	19.07	
16. Contribution to Employees' Benefit Plans													4.83	21.00	
17. Dividend Income	319.33	347.37			0.73	0.73			3.33	4.19			109.04	96.10	
18. Dividend Payments					1240.98	1191.34							320.06	348.10	
19. Expenses Recovered	12.01	13.54	0.02	0.02	0.19	0.74	0.39	0.43					12.61	14.73	
20. Expenses Reimbursed	10.85	8.01	-	0.06	0.60	0.51	0.03	0.12					11.48	8.70	
21. Loans Given	0.20	8.40 [#]											0.20	8.40	
22. Receipt towards Loan Repayment	43.67	62.90											43.67	62.90	
23. Assignment of Loan to Subsidiary at fair value	1.13	-											1.13	-	
24. Loans Taken		2.00 [#]												2.00	
25. Adjustment/Payment towards Loan Repayment	2.00	-											2.00	-	
26. Advances Given during the year			0.93	-									0.93	-	
27. Adjustment/Receipt towards Refund of Advances	-	1.95	0.41	-	-	0.02							0.41	1.97	
28. Advance Received during the year	119.62	128.28											119.62	128.28	
29. Adjustment/Payment towards Refund of Advance	131.97	105.86											131.97	105.86	
30. Deposits Given during the year														0.02	
31. Adjustment/Receipt towards Refund of Deposit	2.00	50.35											2.00	50.35	
32. Deposits Received during the year														-	
33. Balances as at 31st March															
i) Receivables	48.47	31.46			0.30	0.87	2.86	3.62					51.63	35.95	
ii) Advances Given			0.52	-								12.97	13.49	48.48	
iii) Loans Given		76.02 [#]												76.02	
iv) Deposits Given ⁴	0.70	2.60											1.07	3.07	
v) Loans Taken		2.00 [#]							0.07	0.07	0.30			2.00	
vi) Advance Taken	134.02	146.37											134.02	146.37	
vii) Deposits Taken					0.10	0.10							0.10	0.10	
viii) Payables	5.30	3.04			6.13	8.41	5.92	4.73					38.22	51.12	
ix) Investment in Non-Convertible Debentures		15.00												15.00	
34. Provision for Subsidiary as at 31st March	9.00	55.95											9.00	55.95	

¹ denotes purchase of unquoted investment from subsidiary at net book value as at 31st March, 2015 of the acquired company;

² includes sale of unquoted investment, at cost, for ₹ 4.88 Crores (2015 - Nil) to Subsidiary;

³ includes ₹ 1.22 Crores (2015 - Nil) attributable to remuneration of Directors which is subject to approval by the Company in General Meeting;

⁴ includes transfer of deposit of ₹ 0.10 Crore, with an Associate in 2015, to a subsidiary during the year pursuant to amalgamation of the Associate with the subsidiary.

[#] pursuant to the Scheme of Arrangement [Refer Note 31(X)].

Notes to the Financial Statements

33. Related Party Disclosures (Contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES

(Generally in excess of 10% of the total transaction value of the same type)

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		2016	2015	RELATED PARTY TRANSACTIONS SUMMARY		2016	2015
1.	Sale of Goods/Services Surya Nepal Private Limited King Maker Marketing, Inc.	273.35 27.99	225.22 28.65	15.	Expenditure towards Corporate Social Responsibility ITC Sangeet Research Academy ITC Rural Development Trust	0.41 4.42	21.00
2.	Purchase of Goods/Services ITC Infotech India Limited ITC Essentra Limited International Travel House Limited	138.45 291.20 57.99	129.36 302.73 61.67	16.	Contribution to Employees' Benefit Plans IATC Provident Fund ITC Defined Contribution Pension Fund ITC Management Staff Gratuity Fund ITC Pension Fund ITC Employees Gratuity Fund	22.95 16.16 13.67 19.87 21.00	23.95 15.27 13.45 31.64 3.30
3.	Acquisition cost of Fixed Assets Greenacre Holdings Limited Wimco Limited	28.22 0.02	— 2.08	17.	Dividend Income Russell Credit Limited ITC Infotech India Limited Surya Nepal Private Limited	45.25 76.68 176.76	90.51 76.68 148.54
4.	Sale of Fixed Assets/Scraps ATC Limited	0.27	0.53	18.	Dividend Payments Tobacco Manufacturers (India) Limited, UK	1240.98	1191.34
5.	Investments Purchased from Subsidiary Technico Pty Limited	121.00	—	19.	Expenses Recovered Srinivasa Resorts Limited ITC Infotech India Limited Surya Nepal Private Limited	1.50 7.95 0.34	1.71 7.49 2.55
6.	Investment in Subsidiaries/Joint Ventures WelcomHotels Lanka (Private) Limited Landbase India Limited North East Nutrients Private Limited	73.63 197.00 7.35	24.06 28.00 36.73	20.	Expenses Reimbursed Srinivasa Resorts Limited Landbase India Limited Wimco Limited	1.00 7.31 1.63	1.08 4.87 1.09
7.	Redemption of Preference Shares Landbase India Limited	187.00	—	21.	Loan Given Prag Agro Farm Limited	0.20	8.40
8.	Sale of Investment Russell Credit Limited	5.40	—	22.	Receipt towards Loan Repayments Prag Agro Farm Limited Surya Nepal Private Limited ¹	8.60 35.07	62.90
9.	Interest Income BFL Finance Limited Surya Nepal Private Limited	— 0.57	4.28 7.34	23.	Assignment of Loan to Subsidiary Russell Credit Limited	1.13	—
10.	Remuneration to Key Management Personnel – Directors & Others Mr. Y. C. Deveshwar	13.73	13.85	24.	Loan Taken Pavan Poplar Limited	—	2.00
11.	Rent Received ITC Infotech India Limited Surya Nepal Private Limited	15.63 4.19	15.41 3.81	25.	Adjustment/Payment towards Refund of Loan Pavan Poplar Limited	2.00	—
12.	Rent Paid Bay Islands Hotels Limited Landbase India Limited Technico Agri Sciences Limited Gujarat Hotels Limited	1.46 5.12 1.16 3.49	1.29 1.97 1.05 3.20	26.	Advances Given during the year ITC Sangeet Research Academy	0.93	—
13.	Remuneration of Managers on Deputation reimbursed Fortune Park Hotels Limited Bay Islands Hotels Limited Landbase India Limited Technico Agri Sciences Limited ITC Infotech India Limited Gujarat Hotels Limited	1.35 1.09 0.32 0.97 — 3.93	1.34 0.97 1.23 0.95 0.94 3.44	27.	Adjustment/Receipt towards Refund of Advances Wimco Limited ITC Sangeet Research Academy	— 0.41	1.95
14.	Remuneration of Managers on Deputation recovered Srinivasa Resorts Limited Fortune Park Hotels Limited ITC Infotech India Limited ATC Limited	5.52 3.11 2.80 1.88	5.73 2.95 2.39 3.12	28.	Advances Received during the year Surya Nepal Private Limited	119.62	128.28
				29.	Adjustment/Payment towards Refund of Advances Surya Nepal Private Limited	131.97	105.86
				30.	Deposit Given during the year Mr. R. Tandon	—	0.02

RELATED PARTY TRANSACTIONS SUMMARY		2016	2015
31.	Adjustments/Receipt towards Refund of Deposits Greenacre Holdings Limited Wimco Limited ⁷	2.00	—
32.	Deposit Received during the year International Travel House Limited	—	50.35
33.	Balances as at 31st March	0.01	—
i)	Receivables Surya Nepal Private Limited King Maker Marketing, Inc.	39.32 6.65	20.07 7.05
ii)	Advances Given Employee Trust - Pension Funds	12.97	48.48
iii)	Loans Given BFL Finance Limited ² and ³ Prag Agro Farm Limited ⁴ Surya Nepal Private Limited ¹	— — —	32.55 8.40 35.07
iv)	Deposits Given Russell Credit Limited ⁵ Greenacre Holdings Limited ⁶ Wills Corporation Limited ⁵ Classic Infrastructure and Development Limited ⁶ Mrs. B. Deveshwar	0.36 0.34 — — 0.30	0.12 0.24 0.24 0.10 0.30
v)	Loan Taken Pavan Poplar Limited	—	2.00
vi)	Advance Taken Surya Nepal Private Limited	134.02	146.37
vii)	Deposit Taken International Travel House Limited	0.10	0.10
viii)	Payables ITC Essentra Limited International Travel House Limited Employee Trust - Gratuity Fund	5.78 3.39 20.87	4.53 5.22 34.94
ix)	Investment in Non-Convertible Debentures BFL Finance Limited	—	15.00
34.	Provision for Subsidiary as at 31st March BFL Finance Limited - Debentures and Loan Prag Agro Farm Limited - Loan Prag Agro Farm Limited - Equity Shares	— — 9.00	47.55 8.40 —

- Interest @12% p.a. for funding its capital expenditure requirements and for general business purposes. Repayable by 31.03.2016 with a prepayment option. The maximum indebtedness during the year was ₹35.07 Crores (2015 - ₹97.97 Crores).
- Interest @ 9% p.a. (w.e.f. 01.04.2014) for meeting working capital requirements ₹ 47.55 Crores repayable by 31.03.2016.
- The maximum indebtedness during the year was ₹ 32.55 Crores (2015 - ₹ 32.55 Crores).
- Interest free loan for business purposes ₹ 8.40 Crores (2015 - ₹ 8.40 Crores) taken over pursuant to Scheme of Arrangement (Refer Note 31(x)) and interest @ 9% p.a. for meeting working capital requirement ₹ 0.20 Crore (2015 - Nil). The maximum indebtedness during the year was ₹ 8.60 Crores (2015 - ₹ 8.40 Crores).
- The maximum indebtedness during the year was ₹ 0.36 Crore (2015 - ₹ 0.12 Crore). Includes ₹ 0.24 Crore taken over from Wills Corporation Limited.
- The maximum indebtedness during the year was ₹ 2.24 Crores (2015 - ₹ 2.24 Crores). Includes ₹ 0.10 Crore taken over from Classic Infrastructure & Development Limited.
- The maximum indebtedness during the year Nil (2015 - ₹ 50.35 Crores).

Notes to the Financial Statements

34. Significant Accounting Policies

IT IS CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 2013.

Basis of Accounting

To prepare financial statements in accordance with the historical cost convention modified by revaluation of certain Fixed Assets as and when undertaken.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Fixed Assets

To state Fixed Assets at cost of acquisition inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs, if any.

To capitalise software where it is expected to provide future enduring economic benefits. Capitalisation costs include licence fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use.

To charge off as a revenue expenditure all upgradation/enhancements unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning (or other amount substituted for cost), less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 other than Intangible (Know how, Business and Commercial Rights, Trademarks), which are amortised over the estimated period of benefit or contractual terms, as applicable. Leasehold properties are amortised over the period of the lease.

To amortise capitalised software costs over a period of five years.

Revaluation of Assets

As and when Fixed Assets are revalued, to transfer to Revaluation Reserve the increase in the net book value of such Fixed Assets arising on revaluation. To account for the depreciation on such revalued Fixed Assets over the unexpired useful life of such Fixed Assets; to transfer to General Reserve the amount standing to the credit of Revaluation Reserve on account of a revalued asset that is retired/derecognised.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made to recognise a decline, other than temporary, in valuation of Long Term Investments.

Inventories

To state inventories including work-in-progress at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

Revenue from sale of products and services

To recognise Revenue at the time of delivery of goods and rendering of services net of trade discounts to customers and Sales tax/Value added tax recovered from customers but including excise duty on goods payable by the Company. Net revenue is stated after deducting such excise duty.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source. To account for Income from Dividends when the right to receive such dividends is established.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account as proposed by the Directors, pending approval at the Annual General Meeting.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue including any shortfall in interest between the amount of interest realised by the investment and the

Notes to the Financial Statements

34. Significant Accounting Policies (Contd.)

interest payable to members at the rate declared by the Government of India. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard – 15 on “Employee Benefits”. To determine actuarial gains or losses and to recognise such gains or losses immediately in Statement of Profit and Loss as income or expense.

To charge against revenue, actual disbursements made, when due, under the Workers’ Voluntary Retirement Scheme.

Lease Rentals

To charge Rentals in respect of leased premises and equipment to the Statement of Profit and Loss.

To recognise rental income on assets given on operating lease on an accrual basis over the lease term in the Statement of Profit and Loss.

Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred.

Capital expenditure on Research and Development is included under Tangible Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period, measured using the applicable tax rates and tax laws.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence, measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Not to recognise Deferred tax assets on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that there will be sufficient future taxable income available to realise such assets.

Foreign Currency Transactions

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising on settlement of such transactions as also the translation of monetary items at period ends due to fluctuations in the exchange rates are recognised in the Statement of Profit and Loss.

To account for differences between the forward exchange rates and the exchange rates at the inception of forward exchange contracts (other than those designated as cash flow hedges), as income or expense over the life of the contracts.

To account for gains/losses arising on cancellation or renewal of forward exchange contracts (other than those designated as cash flow hedges) as income/expense for the period.

To apply the principles of hedge accounting as set out in Accounting Standard-30 “Financial Instruments: Recognition and Measurement” to those forward exchange contracts and currency options that are designated as cash flow hedges and, accordingly, to account for the changes in the fair value of such contracts, to the extent that they are effective, directly in the Hedging Reserve Account, and to take the ineffective portion to the Statement of Profit and Loss. To recognise in the Statement of Profit and Loss the balance in the Hedging Reserve Account when the hedged item affects the profit or loss.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of forward exchange contracts and currency options, other than those designated as cash flow hedges, as at the Balance Sheet date, and to ignore the net gain, if any.

To accumulate exchange differences arising on monetary items that, in substance, form part of the Company’s net investment in a non-integral foreign operation in a foreign currency translation reserve. To recognise such balances in the Statement of Profit and Loss on disposal of the net investment.

Claims

To disclose claims against the Company not acknowledged as debts after a careful evaluation of the facts and legal aspects of the matter involved.

Segment Reporting

To identify segments based on the dominant source and nature of risks and returns and the internal organisation and management structure.

To account for inter-segment revenue on the basis of transactions which are primarily market led.

To include under “Unallocated Corporate Expenses” revenue and expenses which relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practice an Accounting System which unifies Financial and Cost Records and is designed to comply with the relevant provisions of the Companies Act, 2013 provide financial and cost information appropriate to the businesses and facilitate Internal Control.

On behalf of the Board

Y. C. DEVESHWAR Chairman
R. TANDON Director & Chief Financial Officer
B. B. CHATTERJEE Company Secretary

Kolkata
20th May, 2016