



Consolidated Financial Statements

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Consolidated Balance Sheet as at 31st March, 2019

	Note	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	3A	18625.74		15863.68	
(b) Capital work-in-progress	3B	4126.18		5499.60	
(c) Goodwill on consolidation		202.53		202.53	
(d) Other Intangible assets	3C	545.92		457.75	
(e) Intangible assets under development	3D	10.24		8.73	
		23510.61		22032.29	
(f) Financial Assets					
(i) Investments	4				
(a) Investment in Associates		157.26		159.79	
(b) Investment in Joint Ventures		121.86		117.14	
(c) Others		11416.87		11206.86	
		11695.99		11483.79	
(ii) Loans	5	8.34		9.69	
(iii) Others	6	2385.17	14089.50	1747.38	13240.86
(g) Deferred tax assets (Net)	7	59.37		47.98	
(h) Income Tax Assets (Net)	21A	28.53		61.56	
(i) Other non-current assets	8	2363.13	40051.14	2512.55	37895.24
Current assets					
(a) Inventories	9	7859.56		7495.09	
(b) Biological assets other than bearer plants	10	84.41		89.44	
(c) Financial Assets					
(i) Investments	11	13347.50		10569.07	
(ii) Trade receivables	12	4035.28		2682.29	
(iii) Cash and cash equivalents	13	317.81		153.07	
(iv) Other Bank Balances	14	3834.22		2746.53	
(v) Loans	5	6.75		5.84	
(vi) Others	6	1499.68	23041.24	1352.84	17509.64
(d) Other current assets	8	762.06	31747.27	1299.45	26393.62
TOTAL ASSETS			71798.41		64288.86
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	15	1225.86		1220.43	
(b) Other Equity		57915.01		51289.68	
Attributable to owners of the parent		59140.87		52510.11	
Non-controlling interests		343.47	59484.34	334.47	52844.58
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	16	8.15		11.50	
(ii) Other financial liabilities	17	73.41	81.56	67.79	79.29
(b) Provisions	18	161.95		149.63	
(c) Deferred tax liabilities (Net)	7	2052.06		1923.02	
(d) Other non-current liabilities	19	6.51	2302.08	42.19	2194.13
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	1.86		17.35	
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		55.41		30.31	
Total outstanding dues of creditors other than micro enterprises and small enterprises		3454.17	3509.58	3465.87	3496.18
(iii) Other financial liabilities	17	1187.16		993.87	
(b) Other current liabilities	19	4838.32		4610.39	
(c) Provisions	18	51.38		63.80	
(d) Current Tax Liabilities (Net)	21B	423.69	10011.99	68.56	9250.15
TOTAL EQUITY AND LIABILITIES			71798.41		64288.86

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner
Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI
Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

	Note	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
I Revenue From Operations*	22A, 22B	49862.11	47688.55
II Other Income	23	2173.79	1831.86
III Total Income (I+II)		52035.90	49520.41
IV EXPENSES			
Cost of materials consumed		13403.01	11943.75
Purchases of Stock-in-Trade		4220.51	2883.97
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		(203.19)	1027.76
Excise duty		1509.43	4239.61
Employee benefits expense	24	4177.88	3760.90
Finance costs	25	45.42	89.91
Depreciation and amortization expense		1396.61	1236.28
Other expenses	26	8348.11	7349.60
Total expenses (IV)		32897.78	32531.78
V Share of profit/(loss) of Associates and Joint Ventures		11.70	7.58
VI Profit before exceptional items and tax (III-IV+V)		19149.82	16996.21
VII Exceptional Items		-	412.90
VIII Profit before tax (VI+VII)		19149.82	17409.11
IX Tax expense:			
Current Tax	27	6191.62	5893.19
Deferred Tax	27	122.30	23.24
X Profit for the year (VIII-IX)		12835.90	11492.68
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
- Remeasurements of the defined benefit plans	28(vii)	10.92	86.17
- Equity instruments through other comprehensive income		397.71	360.84
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(21.05)	10.29
- Share of OCI in Associates and Joint Ventures		(4.54)	(7.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	3.04	(33.40)
B (i) Items that will be reclassified to profit or loss:			
- Exchange differences in translating the financial statements of foreign operations		(60.23)	(6.08)
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		0.85	(18.69)
(ii) Income tax relating to items that will be reclassified to profit or loss	27	(0.30)	6.42
XI Other Comprehensive Income [A (i+ii)+B (i+ii)]		326.40	398.10
XII Total Comprehensive Income for the year (X+XI)		13162.30	11890.78
Profit for the year			
Attributable to:			
Owners of the parent		12592.33	11271.20
Non-controlling interests		243.57	221.48
Total Comprehensive Income for the year			
Attributable to:			
Owners of the parent		12919.28	11669.47
Non-controlling interests		243.02	221.31
XIII Earnings per equity share (Face Value ₹ 1.00 each):	28(i)		
(1) Basic (in ₹)		10.30	9.26
(2) Diluted (in ₹)		10.24	9.20

* Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise [other than National Calamity Contingent Duty (NCCD) on cigarettes], Value Added Tax (VAT) etc. have been replaced by GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, VAT, etc. are excluded and NCCD is not excluded from Gross Revenue from sale of products and services for applicable periods. In view of the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and services and Excise duty for the year ended 31st March, 2019 are not comparable with the previous year. Following additional information is being provided to facilitate such comparison:

Gross Sales Value (net of rebates and discounts) (A)	79854.69	70852.18
Taxes other than Excise duty/NCCD (B) @	30506.26	23489.67
Gross Revenue from sale of products and services [C = (A-B)]	49348.43	47362.51
Other Operating Revenues (D)	513.68	326.04
Revenue From Operations [E = (C+D)]	49862.11	47688.55

@ Taxes include GST, GST Compensation Cess, Service Tax, VAT, Luxury Tax etc., as applicable for the reported periods.

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner
Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI
Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary

Consolidated Statement of changes in equity for the year ended 31st March, 2019

A. Equity Share Capital

(₹ in Crores)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2018	1214.74	5.69	1220.43
For the year ended 31st March, 2019	1220.43	5.43	1225.86

B. Other Equity

(₹ in Crores)

	Reserves and Surplus										Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total	
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under 45-IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidiary Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Related Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges				Exchange differences on translating the financial statements of foreign operations
Balance as at 31st March, 2017	5.46	6403.41	72.67	114.92	102.86	0.23	1599.71	0.22	363.05	17672.57	18200.30	585.59	(10.73)	87.93	45198.19	294.74	45492.93
Profit for the year	-	-	-	-	-	-	-	-	-	-	11271.20	-	-	-	11271.20	221.48	11492.68
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	55.95	353.94	(5.54)	(5.54)	(6.08)	398.27	(0.17)	398.10
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	11327.15	353.94	(5.54)	(5.54)	(6.08)	11669.47	221.31	11890.78
Issue of equity shares under ITC Employee Stock Option Scheme	-	907.10	-	-	-	-	-	-	-	-	-	-	-	-	907.10	-	907.10
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Ordinary Dividend (2016-17 - ₹ 4.75 per share)	-	-	-	-	-	-	-	-	-	(5770.01)	-	-	-	-	(5770.01)	(181.58)	(5951.59)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	(1136.83)	-	-	-	-	(1136.83)	-	(1136.83)
Transfer from retained earnings	-	-	-	12.76	7.82	-	-	-	-	(20.58)	-	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	398.76	-	-	-	-	-	-	-	398.76	-	398.76
Transfer from share option reserve on exercise and lapse	-	105.07	-	-	-	-	(124.50)	-	-	19.43	-	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	23.00	-	-	23.00	-	23.00
Balance as at 31st March, 2018	5.46	7415.58	72.67	127.68	110.68	0.23	1873.97	0.22	363.05	17672.57	22619.46	939.53	6.73	81.85	51289.68	334.47	51624.15
Profit for the year	-	-	-	-	-	-	-	-	-	12592.33	-	-	-	-	12592.33	243.57	12835.90
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	6.84	393.48	(13.14)	(13.14)	(60.23)	326.95	(0.55)	326.40
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	12599.17	393.48	(13.14)	(13.14)	(60.23)	12919.28	243.02	13162.30

Consolidated Statement of changes in equity for the year ended 31st March, 2019

B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus										Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total	
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45-IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidy Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Related Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges				Exchange differences on translating the financial statements of foreign operations
Issue of equity shares under ITC Employee Stock Option Scheme	-	963.70	-	-	-	-	-	-	-	-	-	-	-	-	963.70	-	963.70
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Ordinary Dividend (2017-18 - ₹ 5.15 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6285.21)	(234.02)	(6519.23)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1213.60)	-	(1213.60)
Transfer from retained earnings	-	-	-	7.57	-	-	-	-	-	(7.57)	-	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	-	-	-	-	243.05	-	-	-	-	-	243.05
Transfer from share option reserve on exercise and lapse	-	114.65	-	-	-	-	-	-	-	4.43	(119.08)	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	(1.89)	-	-	(1.89)	-	(1.89)
Balance as at 31st March, 2019	5.46	8493.93	72.87	135.25	110.68	0.23	1997.94	0.22	363.05	17672.57	27716.68	1333.01	(8.30)	21.62	57915.01	343.47	58258.48

The Board of Directors of the Company recommended a dividend of ₹ 5.75 per share (for the year ended 31st March, 2018 - ordinary dividend ₹ 5.15 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 7048.71 Crores (for the year ended 31st March, 2018 - ordinary dividend ₹ 6285.21 Crores). Income tax on proposed dividend being ₹ 1448.88 Crores (for the year ended 31st March, 2018 - ₹ 1291.94 Crores).

Capital Reserve and Capital Reserve on Consolidation: This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Special Reserve under Section 45-IC of the RBI Act, 1934: This Reserve represents profits transferred before declaration of dividend by companies of the Group which are registered as NBFCs with the Reserve Bank of India (RBI).

Employees Housing Reserve under Nepal labour laws: This Reserve represents the amounts set aside for providing employees' housing as per the provisions of the Nepal Labour Act, 2048. The said Act has since been repealed with effect from 4th September, 2017, consequent to the introduction of the new Labour Act, 2074, which does not require creation of similar Reserve.

Subsidy Reserve: This Reserve represents subsidies received from government authorities for capital investment and amounts taken over by the Group, consequent to business combinations.

Share Options Outstanding Account: This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or cancellation of vested options.

Capital Redemption Reserve: This Reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

Contingency Reserve: This Reserve has been created out of Retained Earnings, as a matter of prudence, to take care of any unforeseen adverse developments in pending legal disputes.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity Instruments through Other Comprehensive Income: This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Effective portion of Cash Flow Hedges: This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Group's accounting policy.

Exchange differences on translating the financial statements of foreign operations: This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI
Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	19149.82	17409.11
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1396.61	1236.28
Share based payments to employees	258.23	393.41
Finance costs	45.42	89.91
Interest Income	(1312.79)	(964.74)
Dividend Income	(8.38)	(8.48)
Loss on sale of property, plant and equipment - Net	105.05	8.81
Net gain recognised on disposal of subsidiary	(9.40)	(9.61)
Doubtful and bad debts	32.56	30.82
Doubtful and bad advances, loans and deposits	6.01	4.03
Share of (profit)/loss of associates and joint ventures	(11.70)	(7.58)
Net (gain)/loss arising on investments mandatorily measured at Fair Value through profit or loss	(777.35)	(757.56)
Foreign currency translations and transactions - Net	6.85	3.41
Impairment of investment in joint venture	– (268.89)	4.82 23.52
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18880.93	17432.63
ADJUSTMENTS FOR:		
Trade receivables, loans, advances and other assets	(754.55)	(963.73)
Inventories and biological assets other than bearer plants	(359.44)	601.62
Trade payables, other liabilities and provisions	619.93 (494.06)	2098.49 1736.38
CASH GENERATED FROM OPERATIONS	18386.87	19169.01
Income tax paid	(5803.46)	(5999.61)
NET CASH FROM OPERATING ACTIVITIES	12583.41	13169.40
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, Intangibles etc.	(3169.12)	(2878.20)
Sale of property, plant and equipment	27.82	79.72
Purchase of current investments	(90732.22)	(93616.27)
Sale/redemption of current investments	92154.09	95017.00
Purchase of non-current investments	(3454.56)	(4713.31)
Redemption proceeds of long-term investments	300.29	–
Proceeds on disposal of subsidiary	17.75	17.53
Dividend from associates and joint ventures	4.97	4.30
Dividend from others	8.38	8.48
Interest received	1183.95	735.91
Investment in bank deposits (original maturity more than 3 months)	(5053.76)	(4173.57)
Redemption/maturity of bank deposits (original maturity more than 3 months)	3477.97	3041.61
Investment in deposit with housing finance companies	(849.17)	(1136.88)
Redemption/maturity of deposit with housing finance companies	537.49	500.00
Loans given	(9.60)	(7.52)
Loans realised from associates	–	1.40
Loans realised	10.04	5.91
NET CASH USED IN INVESTING ACTIVITIES	(5545.68)	(7113.89)

Consolidated Cash Flow Statement for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	969.13	912.79
(Repayment) of/proceeds from current borrowings	(10.56)	10.56
Repayment of non-current borrowings	(7.07)	(8.21)
Interest paid	(98.06)	(48.62)
Net increase in statutory restricted accounts balances	10.75	0.77
Dividend paid	(6519.23)	(5951.59)
Income tax on dividend paid	(1213.60)	(1136.83)
NET CASH USED IN FINANCING ACTIVITIES	(6868.64)	(6221.13)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	169.09	(165.62)
OPENING CASH AND CASH EQUIVALENTS	173.79	339.41
CLOSING CASH AND CASH EQUIVALENTS	342.88	173.79
<i>Notes:</i>		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".		
2. CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents as above	342.88	173.79
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(26.93)	(27.51)
Cash credit facilities (Note 20)	1.86	6.79
Cash and cash equivalents (Note 13)	<u>317.81</u>	<u>153.07</u>

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner
Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Group adopted Ind AS from 1st April, 2016.

Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

Basis of Consolidation

The Consolidated Financial Statements (CFS) include the financial statements of the Company and its subsidiaries together with the share of the total comprehensive income of joint ventures and associates.

Subsidiaries are entities controlled by the Group. Associates are entities over which the Group exercise significant influence but does not control. An entity / arrangement in which the Group has the ability to exercise control jointly with one or more uncontrolled entities may be a joint venture (“JV”) or a joint operation (“JO”). Unlike in a JV where parties have proportionate interests in the assets and liabilities of the JV entity, parties have rights to and obligations towards specified assets and liabilities in a JO.

Control, significant influence and joint control is assessed annually with reference to the voting power (usually arising from equity shareholdings and potential voting rights) and other rights (usually contractual) enjoyed by the Group in its capacity as an investor that provides it the power and consequential ability to direct the investee’s activities and significantly affect the Group’s returns from its investment. Such assessment requires the exercise of judgement and is disclosed by way of a note to the Financial Statements. The Group is considered not to be in control of entities where it is unclear as to whether it enjoys such power over the investee.

The assets, liabilities, income and expenses of subsidiaries are aggregated and consolidated, line by line, from the date control is acquired by any Group entity to the date it ceases. Profit or loss and each component of other comprehensive income are attributed to the Group as owners and to the non-controlling interests. The Group presents the non-controlling interests in the Balance Sheet within equity, separately from the equity of the Group as owners. The excess of the Group’s investment in a subsidiary over its share in the net worth of such subsidiary on the date control is acquired is treated as goodwill while a deficit is considered as a capital reserve in the CFS. In case of JO, Group’s share of assets, liabilities, income and expenses are consolidated. On disposal of the subsidiary, attributable amount on goodwill is included in the determination of the profit or loss and recognised in the Statement of Profit and Loss. Impairment loss, if any, to the extent the carrying amount exceeds the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

reversed. For impairment testing, goodwill is allocated to Cash Generating Unit (CGU) or a group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes. An investment in an associate or a JV is initially recognised at cost on the date of the investment, and inclusive of any goodwill / capital reserve embedded in the cost, in the Balance Sheet. The proportionate share of the Group in the net profits / losses as also in the other comprehensive income is recognised in the Statement of Profit and Loss and the carrying value of the investment is adjusted by a like amount (referred as 'equity method').

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous Generally Accepted Accounting Principles (GAAP).

Cost is 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 for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying

amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Land is not depreciated.

The estimated useful lives of property, plant and equipment of the Group are as follows:

Buildings	30 – 60 Years
Leasehold Improvement	Shorter of lease period or estimated useful lives
Plant and Equipment	7 – 25 Years
Furniture and Fixtures	8 – 10 Years
Vehicles	8 – 10 Years
Office Equipment	5 Years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Goodwill on Consolidation

Goodwill arising on consolidation is stated at cost less impairment losses, where applicable. On disposal of a subsidiary, attributable amount of goodwill is included in the determination of the profit or loss recognised in the Statement of Profit and Loss. On acquisition of an associate or joint venture, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Impairment loss, if any, to the extent the carrying amount exceed the recoverable amount is charged off to the Statement of Profit and Loss as it arises and is not reversed. For impairment testing, goodwill is allocated to CGU or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

Intangible Assets

Intangible Assets that the Group controls and from which it expects future economic benefits, are capitalised upon acquisition and measured initially:

- a. for assets acquired in a business combination, at fair value on the date of acquisition
- b. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g. patents, licences, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g. computer software, design, prototypes) or commercial obsolescence (e.g. lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units 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 or cash generating unit 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 amortization or depreciation) had no impairment loss been recognised in previous years.

Inventories

Inventories are stated 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 present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

Foreign Currency Transactions

The presentation currency of the Group is Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

of monetary items are recognised in the Statement of Profit and Loss.

Exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in foreign currency translation reserve.

For the preparation of the consolidated financial statements:

- (a) assets and liabilities of foreign operations, together with goodwill and fair value adjustments assumed on acquisition thereof, are translated to Indian Rupees at exchange rates prevailing at the reporting period end;
- (b) income and expense items are translated at the average exchange rates prevailing during the period; when exchange rates fluctuate significantly the rates prevailing on the transaction date are used instead.

Differences arising on such translation are accumulated in foreign currency translation reserve and attributed to non-controlling interests proportionately.

On the disposal of a foreign operation, all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group is reclassified to the Statement of Profit and Loss. In relation to a partial disposal, that does not result in losing control over the subsidiary, the proportionate exchange differences accumulated in equity is reclassified to the Statement of Profit and Loss.

Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Group documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for

undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains/losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

Investment in Associate and Joint Venture

Investment in associate and joint venture is accounted for using the 'equity method' less accumulated impairment, if any.

Financial Instruments, Financial Assets, Financial Liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Group commits to purchase or sell the asset.

Financial Assets

Recognition: Financial assets include Investments, Trade receivables, Advances, Security deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Group becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from

changes in the fair value being recognised in other comprehensive income.

- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

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

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

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

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

Offsetting Financial Instruments

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

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of returns and discounts to customers. Revenue from the sale of goods is shown to include excise duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as Value Added Tax and Goods and Services Tax which are payable in respect of sale of goods and services. Revenue from the sale of goods and services is recognised when the Group performs its obligations to its customers

and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery and in case of services, in the period in which such services are rendered.

Government Grant

Group entities may receive government grants that require compliance with certain conditions related to the entity's operating activities or are provided to the entity by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognised when there is reasonable assurance that the grant will be received upon the Group entity complying with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets, are deducted from the carrying amount of the asset.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Employee Benefits

The Group makes contributions to both defined benefit and defined contribution schemes which are mainly administered through duly constituted and approved Trusts.

Provident Fund contributions are in the nature of defined contribution scheme. In respect of employees who are members of constituted and approved trusts, the Group recognises contribution payable to such trusts as an expense including any shortfall in interest between the amount of interest realised by the investment and the interest payable to members at the rate declared by the Government of

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

India. In respect of other employees, provident funds are deposited with the Government and recognised as expense. The Group makes contribution to defined contribution pension plan. The contribution payable is recognised as an expense, when an employee renders the related service. The Group also makes contribution to defined benefit pension and gratuity plan. The cost of providing benefits under the defined benefit obligation is calculated by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

The employees of the Group are entitled to compensated leave for which the Group records the liability based on actuarial valuation computed using projected unit credit method. These benefits are unfunded.

Actual disbursements made, under the Workers' Voluntary Retirement Scheme are accounted as revenue expenses.

Employee Share Based Compensation

Stock Options

Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ("ITC ESOS"), as may be decided by the Nomination & Compensation Committee / Board. Eligible employees for this purpose include employees of the Group entities, their Directors and those on deputation to joint ventures and associates. Under Ind AS, the cost of ITC Stock Options (Stock Options) is recognised based on the fair value of Stock Options as on the grant date.

While the fair values of Stock Options granted are recognised in the Statement of Profit and Loss for employees of the Group (other than those out on deputation), the value of Stock Options, net of reimbursements, to employees on deputation are considered as capital contribution / investment.

The Group generally seeks reimbursement of the value of Stock Options from such companies, as applicable. It may, if so recommended by the Corporate Management Committee and approved by the Audit Committee, decide not to seek such reimbursements in respect of value of Stock Options from such companies, who need to conserve financial capacity to sustain their business and growth plans

and where the quantum of reimbursement is not material - the materiality threshold being ₹ 5 Crores for each entity for a financial year.

Cash Settled Stock Appreciation Linked Reward (SAR) Plan

Cash Settled SAR units are granted to eligible employees under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan ("ITC ESARP"). The eligible employees for this purpose are such present and future permanent employees of the Company, including a Director of the Company, as may be decided by the CMC / Nomination & Compensation Committee / Board.

For cash settled SAR units granted to eligible employees, a liability is initially measured at fair value at the grant date and is subsequently re-measured at each reporting period, until settled. The fair value of ESAR units granted is recognised in the Statement of Profit and Loss for employees of the Group. In case of employees on deputation to group Companies, the Company generally seeks reimbursements from the concerned group Company. The value of such payments, net of reimbursements, is considered as capital contribution / investment.

Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Group as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Group is a lessor under an operating lease, the asset is capitalised within property, plant and equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

Taxes on Income

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

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

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Claims

Claims against the Group not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

Provisions

Provisions are recognised when, as a result of a past event, the Group has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Inter-segment revenue is reported on the basis of transactions which are primarily market led. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

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

Financial and Management Information Systems

The Group’s Accounting System is designed to unify the Financial and Cost Records and also to comply with the relevant provisions of the Companies Act, 2013, to provide financial and cost information appropriate to the businesses and facilitate Internal Control.

Notes to the Consolidated Financial Statements

2. Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A. Judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see note B below), that the Group have made in the process of applying the accounting policies and that have a significant effect on the amounts recognised in the consolidated financial statements:

1. Control:

The Group assessed whether or not it has control on its investees based on whether, as an investor, it has the power / rights and consequently the practical ability to direct the relevant activities of its investees unilaterally.

In making this judgement, the Group considered the absolute size of its holding, the relative size of and dispersion of other shareholders, and whether any contractual arrangements exist between the Company (and its subsidiaries) and other shareholders of the investees. Based on this, and in accordance with its Accounting Policy, the Group has determined that the entities listed in the notes to the financial statements are the only entities over which Group has control.

The Company is a settlor for certain trusts, i.e., ITC Sangeet Research Academy, ITC Education Trust and ITC Rural Development Trust. The Group while considering the nature and insignificant variability of its return has concluded that it does not 'control' these trusts.

2. Significant influence:

The Group assessed whether or not it has significant influence on its investees based on its practical ability to participate in the financial and operating policy decisions of the investee, though it is not in control or in joint control of these policies. Based on such assessment, the Group determined that the entities listed in the notes to the financial statements are the only entities over which the Group has significant influence, and accordingly associates.

3. Joint Control:

- (i) The Group holds 50% of the equity share capital of Maharaja Heritage Resorts Limited, a company involved in operation of hotel properties. The Group do not consider that it is able to exercise control over the company as the decisions about relevant activities of the company are made jointly between the Group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.
- (ii) The Group holds 26% of the equity share capital of Espirit Hotels Private Limited, a company involved in development of a luxury hotel complex. The Group has considered that in view of the shareholder agreement, key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 74% of the equity share capital) and both the parties have rights to the net assets of such arrangement.
- (iii) The Group holds 27.90% of the equity share capital of Logix Developers Private Limited, a company intended for the purpose of developing a luxury hotel-cum-service apartment complex. The Group has concluded that the key decisions about relevant activities of such company are made jointly between the Group and the co-venturer (who holds 72.10% of the equity share capital) and both the parties have rights to the net assets of such arrangement.
- (iv) The Group holds 50% of the equity share capital of ITC Essentra Limited, a company involved in manufacture and sale of filter rods. The Group has concluded that the key decisions about relevant

Notes to the Consolidated Financial Statements

2. Use of estimates and judgements (Contd.)

activities of such company are made jointly between the Group and the co-venturer (who holds 50% of the equity share capital) and both the parties have rights to the net assets of such arrangement.

4. Useful life of Intangible Assets:

The Group is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over their useful economic life. Refer notes to the financial statements.

B. Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1. Useful lives of property, plant and equipment and intangible assets:

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

2. Fair value measurements and valuation processes:

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses

market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

3. Actuarial Valuation:

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

4. Claims, Provisions and Contingent Liabilities:

The Group has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Gross Block								
	As at 31st March, 2017	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2018	Additions	Withdrawals and adjustments [@]	Foreign Currency Translation Reserve adjustments	As at 31st March, 2019
3A. Property, plant and equipment									
Land ¹	1673.47	12.26	1.01	0.01	1684.73	336.43	0.40	–	2020.76
Buildings	4679.34	625.13	8.40	0.01	5296.08	1667.82	1.98	–	6961.92
Leasehold Improvements	36.76	1.32	3.61	0.01	34.48	1.96	2.86	–	33.58
Plant and Equipment	10384.25	1139.16	70.88	0.09	11452.62	2075.53	212.87	0.22	13315.50
Furniture and Fixtures	459.10	68.16	30.21	–	497.05	161.48	14.74	0.09	643.88
Vehicles	127.57	24.38	12.35	–	139.60	33.72	12.61	(0.07)	160.64
Office Equipment	31.78	3.78	3.67	0.01	31.90	3.84	1.54	0.03	34.23
Railway Sidings	1.73	–	–	–	1.73	–	–	–	1.73
TOTAL	17394.00	1874.19	130.13	0.13	19138.19	4280.78	247.00	0.27	23172.24
3B. Capital work-in-progress	3684.20	3641.14	1820.75	(4.99)	5499.60	2891.25	4228.83	(35.84)	4126.18
3C. Other Intangible Assets (acquired)²									
Trademarks	333.40	7.06	–	–	340.46	107.02	–	–	447.48
Computer Software	137.85	74.02	–	–	211.87	22.53	–	–	234.40
Know How, Business and Commercial Rights	26.65	–	–	–	26.65	7.17	–	–	33.82
TOTAL	497.90	81.08	–	–	578.98	136.72	–	–	715.70
3D. Intangible Assets under Development	45.69	35.77	72.73	–	8.73	123.43	121.92	–	10.24
GRAND TOTAL	21621.79	5632.18	2023.61	(4.86)	25225.50	7432.18	4597.75	(35.57)	28024.36

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2019			2019	As at 31st March, 2018			2018
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	33.36	0.65	32.71	0.58	1.29	0.07	1.22	0.03
Plant and Equipment	207.25	83.80	123.45	26.10	182.22	57.70	124.52	19.69
TOTAL	240.61	84.45	156.16	26.68	183.51	57.77	125.74	19.72

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization								Net Book Value		
	Upto 31st March, 2017	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2018	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
3A. Property, plant and equipment											
Land ¹	-	-	-	-	-	-	-	-	-	2020.76	1684.73
Buildings	257.66	145.95	1.00	-	402.61	175.51	0.21	-	577.91	6384.01	4893.47
Leasehold Improvements	13.86	6.04	2.05	0.06	17.91	5.34	2.40	-	20.85	12.73	16.57
Plant and Equipment	1683.84	934.33	19.57	0.02	2598.62	1064.32	56.18	0.23	3606.99	9708.51	8854.00
Furniture and Fixtures	134.24	72.89	11.68	(0.03)	195.42	78.50	9.90	0.09	264.11	379.77	301.63
Vehicles	30.21	18.76	6.19	-	42.78	19.35	6.51	-	55.62	105.02	96.82
Office Equipment	11.66	6.17	1.07	0.02	16.78	4.91	1.22	0.03	20.50	13.73	15.12
Railway Sidings	0.26	0.13	-	-	0.39	0.13	-	-	0.52	1.21	1.34
TOTAL	2131.73	1184.27	41.56	0.07	3274.51	1348.06	76.42	0.35	4546.50	18625.74	15863.68
3B. Capital work-in-progress	-	-	-	-	-	-	-	-	-	4126.18	5499.60
3C. Other Intangible Assets (acquired)²											
Trademarks	4.92	3.01	-	-	7.93	3.16	-	-	11.09	436.39	332.53
Computer Software	58.62	46.19	-	-	104.81	42.17	-	-	146.98	87.42	107.06
Know How, Business and Commercial Rights	5.68	2.81	-	-	8.49	3.22	-	-	11.71	22.11	18.16
TOTAL	69.22	52.01	-	-	121.23	48.55	-	-	169.78	545.92	457.75
3D. Intangible Assets under Development	-	-	-	-	-	-	-	-	-	10.24	8.73
GRAND TOTAL	2200.95	1236.28	41.56	0.07	3395.74	1396.61	76.42	0.35	4716.28	23308.08	21829.76

[@] Also refer Note 28 (xi)(a).

- Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2018 - ₹ 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.
- Certain trademarks with a carrying value of ₹ 416.73 Crores (2018 - ₹ 309.73 Crores) have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Intangibles with finite useful life are amortized over a period of 10 years unless shorter useful life is required based on contractual or legal terms. Computer software is amortized over a period of 5 years.
- The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 208.40 Crores (2018 - ₹ 128.10 Crores).
- The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments				
INVESTMENT IN EQUITY INSTRUMENTS				
In Subsidiaries (at cost unless stated otherwise)				
ITC Global Holdings Pte. Limited (since dissolved) Nil (2018 - 89,99,645) Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully impaired, written-off)		-		-
In Associates (carrying amount determined using the equity method of accounting)				
International Travel House Limited 39,14,233 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 11.89 Crores) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019	21.87		21.87	
	<u>69.94</u>	91.81	<u>70.99</u>	92.86
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.16 Crores) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019	1.94		1.94	
	<u>13.23</u>	15.17	<u>12.09</u>	14.03
ATC Limited 55,650 Equity Shares of ₹ 100.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.16 Crore) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019 1,39,125 Equity Shares of ₹ 100.00 each, partly paid Cost of acquisition (including goodwill of ₹ 0.30 Crore) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		0.83		0.83
		<u>1.54</u>	2.37	<u>1.47</u>
		2.92		2.92
		<u>1.63</u>	4.55	<u>1.50</u>
				4.42
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.30 Crore) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		4.27		4.27
		<u>26.85</u>	31.12	<u>29.77</u>
				34.04
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.09 Crores) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		6.93		6.93
		<u>0.44</u>	7.37	<u>0.36</u>
				7.29
Antrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 0.10 Crore) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		4.40		4.40
		<u>0.47</u>	4.87	<u>0.45</u>
				4.85
In Joint Ventures (carrying amount determined using the equity method of accounting)				
Espirit Hotels Private Limited 4,65,09,200 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		46.17		46.17
		<u>...</u>	46.17	<u>...</u>
				46.17
Maharaja Heritage Resorts Limited 90,000 Equity Shares of ₹ 100.00 each, fully paid Cost of acquisition (including goodwill of ₹ 0.13 Crore) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		...		...
		-	...	-
				...
Logix Developers Private Limited 77,66,913 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 23.84 Crores) Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019 Add/(Less): Provision for Impairment		42.07		42.07
		<u>(27.15)</u>		<u>(18.75)</u>
		<u>(4.82)</u>	10.10	<u>(4.82)</u>
				18.50
ITC Essentra Limited 22,50,000 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition Add/(Less): Group Share of Profits/(Losses) upto 31.03.2019		38.85		38.85
		<u>26.74</u>	65.59	<u>13.62</u>
				52.47
In Others (at fair value through other comprehensive income)				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid		0.16		0.14
Carried over	107.14	172.14	107.03	170.04

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	107.14	172.14	107.03	170.04
INVESTMENT IN EQUITY INSTRUMENTS (Contd.)				
Hotel Leelaventure Limited 5,49,80,620 Equity Shares of ₹ 2.00 each, fully paid	59.93		94.02	
EIH Limited 9,21,78,024 Equity Shares of ₹ 2.00 each, fully paid	1898.42		1466.55	
Punjab Anand Batteries Limited (since dissolved) Nil (2018 - 11,86,157) Equity Shares of ₹ 10.00 each, fully paid		–		–
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.30		0.38	
Lotus Court Private Limited 2 Class G Shares of ₹ 48000.00 each, fully paid		2.34		2.34
Adyar Property Holding Company Limited 311 Equity Shares of ₹ 100.00 each, partly paid		23.19		23.19
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid		–		–
Bilaspur Cane Development Corporation Limited (written off) Nil (2018 - 100) Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 1000.00)		–		...
Jupiter Township Limited 150 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 150.00)		...		...
Woodlands Multispeciality Hospital Limited 13,605 (2018 - 13,072) Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)				
Government Securities (cost ₹ 74000.00)		0.01		0.01
National Savings Certificate, fully paid (Deposited with Government Authorities) (cost ₹ 5000.00, fully impaired)		–		–
Kisan Vikas Patra, fully Paid (Deposited with Government Authorities) (cost ₹ 5000.00, fully impaired)		–		–
National Saving Certificate (pledged with various Mandi Samitis) (cost ₹ 6000.00)		...		...
INVESTMENT IN BONDS / DEBENTURES (at amortised cost)				
Housing Development Finance Corporation Limited Nil (2018 - 30) 7.95% Secured Redeemable Non-Convertible Debentures Series Q - 002 (23 September 2019) of ₹ 10000000.00 each, fully paid	–		30.09	
Nil (2018 - 170) 8.38% Secured Redeemable Non-Convertible Debentures Series P - 021 (15 July 2019) of ₹ 10000000.00 each, fully paid	–		171.48	
Nil (2018 - 255) 8.45% Secured Redeemable Non-Convertible Debentures Series P - 013 (24 July 2019) of ₹ 10000000.00 each, fully paid	–		257.31	
90 8.50% Secured Redeemable Non-Convertible Debentures Series O - 001 (31 August 2020) of ₹ 10000000.00 each, fully paid	90.93		91.52	
Carried over	2156.72	200.05	2218.38	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	2156.72	200.05	2218.38	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
800 8.70% Secured Redeemable Non-Convertible Debentures Series N - 017 (18 May 2020) of ₹ 500000.00 each, fully paid	40.39		40.71	
Nil (2018 - 1,700) 8.75% Secured Redeemable Non-Convertible Debentures Series N - 002 (13 January 2020) of ₹ 500000.00 each, fully paid	–		86.55	
Nil (2018 - 600) 9.40% Secured Redeemable Non-Convertible Debentures Series M - 016 (26 August 2019) of ₹ 1000000.00 each, fully paid	–		61.55	
Nil (2018 - 2,100) 9.45% Secured Redeemable Non-Convertible Debentures Series M - 015 (21 August 2019) of ₹ 1000000.00 each, fully paid	–		214.85	
50 (2018 - Nil) 10.98% Secured Redeemable Non-Convertible Debentures Series R - 007 (18 June 2020) of ₹ 10000000.00 each, fully paid	51.07		–	
150 (2018 - Nil) 11.50% Secured Redeemable Non-Convertible Debentures Series R - 010 (22 June 2020) of ₹ 10000000.00 each, fully paid	154.07		–	
Housing and Urban Development Corporation Limited				
4,300 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	439.01		440.11	
150 7.19% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series A (31 July 2025) of ₹ 1000000.00 each, fully paid	15.76		15.85	
3,29,870 7.34% (Tranche I Series 1 Bonds) For Category I, II, III Tax Free Tranche I Series 1 Bonds in the nature of Secured Redeemable Non-Convertible Debentures (16 February 2023) of ₹ 1000.00 each, fully paid	34.16		34.42	
7,00,696 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		70.07	
Nil (2018 - 1,000) 7.70% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series F (19 March 2020) of ₹ 1000000.00 each, fully paid	–		100.00	
3,50,000 8.10% For Category I & II Tax Free Bonds Tranche 1 Series - 1 in the nature of Secured Non-Convertible Debentures (05 March 2022) of ₹ 1000.00 each, fully paid	36.55		37.02	
5,00,000 8.20% For Category I & II, Tax Free Bonds in the nature of Secured Non-Convertible Debentures Tranche 1 Series - 2 (05 March 2027) of ₹ 1000.00 each, fully paid	56.16		56.75	
850 (2018 - Nil) 8.40% Unsecured Rated Listed Taxable Redeemable Non-Convertible Bonds Series C 2018 (11 April 2022) of ₹ 1000000.00 each, fully paid	85.00		–	
ICICI Bank Limited				
2,647 9.15% Unsecured Rated Listed Subordinated Non-Convertible Basel III Compliant Perpetual Bonds in the nature of Debentures Series DMR 18AT (with first Call Option on 20 June 2023) of ₹ 1000000.00 each, fully paid	264.70		264.70	
2,000 9.20% Unsecured Subordinated Non-Convertible Basel III Compliant Perpetual Bonds in the nature of Debentures Series DMR 17AT (with first Call Option on 17 March 2022) of ₹ 1000000.00 each, fully paid	200.17		200.24	
Carried over	3603.83	200.05	3841.20	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	3603.83	200.05	3841.20	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
3,000 (2018 - Nil) 9.90% ICICI Unsecured Rated Listed Subordinated Perpetual Additional Tier 1 Basel III Compliant Non-Convertible Bonds in the nature of Debentures (with first Call Option on 28 December 2023) of ₹ 1000000.00 each, fully paid	300.00			–
India Infrastructure Finance Company Limited				
5,00,000 7.19% For Category I,II,III & IV Tax Free Secured Redeemable Non-Convertible Bonds 2012-13 (Tranche I Series I) (22 January 2023) of ₹ 1000.00 each, fully paid	51.58		51.86	
3,00,000 7.36% For Category I,II,III & IV Public Issue of Tax Free Secured Redeemable Non-Convertible Bonds 2012-13 (Tranche I Series II) (22 January 2028) of ₹ 1000.00 each, fully paid	32.80		33.03	
50,000 8.01% Secured Redeemable Non-Convertible Tax Free Bonds 2013-14 Tranche I Series 1A (12 November 2023) of ₹ 1000.00 each, fully paid	5.35		5.42	
1,175 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	125.71		126.31	
1,300 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	143.38		144.38	
1,780 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	192.36		193.35	
Indian Railway Finance Corporation Limited				
70,498 7.07% (For Category I,II & III) Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 102 (21 December 2025) of ₹ 1000.00 each, fully paid	7.34		7.37	
250 7.15% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 100 (21 August 2025) of ₹ 1000000.00 each, fully paid	26.01		26.19	
5,00,000 7.18% (For Categories I,II & III) Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures Series 86 (19 February 2023) of ₹ 1000.00 each, fully paid	51.51		51.84	
2,250 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	226.05		226.23	
1,00,000 7.34% (For Categories I,II & III) Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th "A" Series (19 February 2028) of ₹ 1000.00 each, fully paid	11.03		11.12	
3,31,819 8.00% (For Categories I & II) Tax Free Non-Cumulative Non-Convertible Redeemable Bonds Series 80 (23 February 2022) of ₹ 1000.00 each, fully paid	34.70		35.17	
8,00,000 8.23% (For Category I,II & III) Tax Free Secured Non-Convertible Redeemable Bonds Series 91 (18 February 2024) of ₹ 1000.00 each, fully paid	86.62		87.75	
100 8.35% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds Series 89 (21 November 2023) of ₹ 1000000.00 each, fully paid	10.78		10.92	
1,250 8.48% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds 89th A Series (21 November 2028) of ₹ 1000000.00 each, fully paid	134.08		134.71	
130 8.55% Tax Free Secured Non-Convertible Redeemable Bonds Series 94th A (12 February 2029) of ₹ 1000000.00 each, fully paid	14.02		14.09	
Carried over	5057.15	200.05	5000.94	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	5057.15	200.05	5000.94	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
LIC Housing Finance Limited				
400 7.67% Secured Redeemable Non-Convertible Debentures Tranche 339 Option 1 (29 July 2021) of ₹ 1000000.00 each, fully paid	40.29		40.41	
Nil (2018 - 750) 7.79% Secured Redeemable Non-Convertible Debentures Tranche 328 (10 May 2019) of ₹ 1000000.00 each, fully paid	–		75.00	
100 8.30% Secured Redeemable Non-Convertible Debentures Tranche 304 Option 2 (15 July 2021) of ₹ 1000000.00 each, fully paid	10.18		10.25	
Nil (2018 - 750) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 272 (18 October 2019) of ₹ 1000000.00 each, fully paid	–		75.62	
800 8.35% Secured Redeemable Non-Convertible Debentures Tranche 273 Option 1 (23 October 2020) of ₹ 1000000.00 each, fully paid	80.66		81.04	
Nil (2018 - 250) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 293 (03 October 2019) of ₹ 1000000.00 each, fully paid	–		25.22	
550 8.37% Secured Redeemable Non-Convertible Debentures Tranche 294 (10 May 2021) of ₹ 1000000.00 each, fully paid	56.07		56.53	
750 8.47% Secured Redeemable Non-Convertible Debentures Tranche 302 (07 July 2020) of ₹ 1000000.00 each, fully paid	75.85		76.47	
250 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid	24.94		24.90	
350 8.525% Secured Redeemable Non-Convertible Debentures Tranche 266 (24 September 2020) of ₹ 1000000.00 each, fully paid	35.57		35.92	
850 8.60% Secured Redeemable Non-Convertible Debentures Tranche 262 (22 July 2020) of ₹ 1000000.00 each, fully paid	86.19		87.04	
50 8.60% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 1 (29 July 2020) of ₹ 1000000.00 each, fully paid	5.07		5.12	
100 8.65% Secured Redeemable Non-Convertible Debentures Tranche 270 (29 September 2020) of ₹ 1000000.00 each, fully paid	10.17		10.27	
700 8.67% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 2 (26 August 2020) of ₹ 1000000.00 each, fully paid	70.27		71.03	
Nil (2018 - 3,000) 8.69% Secured Redeemable Non-Convertible Debentures Tranche 257 (26 June 2019) of ₹ 1000000.00 each, fully paid	–		300.00	
Nil (2018 - 100) 8.73% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 2 (14 January 2020) of ₹ 1000000.00 each, fully paid	–		10.23	
1,250 8.75% Secured Redeemable Non-Convertible Debentures Tranche 290 Option 1 (21 December 2020) of ₹ 1000000.00 each, fully paid	126.81		128.53	
Nil (2018 - 250) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 1 (14 January 2020) of ₹ 1000000.00 each, fully paid	–		25.57	
239 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid	23.93		23.97	
Carried over	5703.15	200.05	6164.06	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	5703.15	200.05	6164.06	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
Nil (2018 - 450) 8.97% Secured Redeemable Non-Convertible Debentures Tranche 231 Option 2 (29 October 2019) of ₹ 1000000.00 each, fully paid	–		45.76	
Nil (2018 - 700) 9.3532% Secured Redeemable Non-Convertible Debentures Tranche 224 (19 August 2019) of ₹ 1000000.00 each, fully paid	–		71.40	
Nil (2018 - 350) 9.44% Secured Redeemable Non-Convertible Debentures Tranche 228 (30 August 2019) of ₹ 1000000.00 each, fully paid	–		35.88	
500 (2018 - Nil) Zero Coupon Secured Redeemable Non-Convertible Debentures Tranche 378 (04 May 2022) of ₹ 1000000.00 each, fully paid	50.42		–	
National Bank for Agriculture and Rural Development 3,200 6.98% Unsecured Redeemable Non-Convertible Bonds Series 18 G (30 September 2020) of ₹ 1000000.00 each, fully paid	316.15		313.90	
2,000 7.07% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 1A (25 February 2026) of ₹ 1000000.00 each, fully paid	210.24		211.43	
National Highways Authority of India 2,600 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	260.40		260.46	
8,06,381 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	82.35		82.54	
2,500 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		250.00	
17,49,943 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	184.60		185.16	
5,00,000 8.50% (For Category I, II & III) Secured Non-Convertible Tranche I Series IIA Bonds (05 February 2029) of ₹ 1000.00 each, fully paid	58.36		58.96	
2,50,000 8.75% (For Category IV) Secured Non-Convertible Tranche I Series IIB Bonds (05 February 2029) of ₹ 1000.00 each, fully paid	29.91		30.28	
National Housing Bank 800 8.46% NHB Tax Free Bonds 2028, Series V (30 August 2028) of ₹ 1000000.00 each, fully paid	85.60		86.01	
Power Finance Corporation Limited 250 7.05% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 159 (15 May 2020) of ₹ 1000000.00 each, fully paid	24.80		24.58	
600 7.16% Secured Redeemable Non-Convertible Tax Free Bonds Series 136 (17 July 2025) of ₹ 1000000.00 each, fully paid	62.74		63.09	
250 7.42% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 165 (26 June 2020) of ₹ 1000000.00 each, fully paid	24.92		24.85	
250 7.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 163 (17 September 2020) of ₹ 1000000.00 each, fully paid	24.87		24.76	
Carried over	7368.51	200.05	7933.12	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	7368.51	200.05	7933.12	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
500 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	50.04		50.07	
500 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	53.50		53.75	
Nil (2018 - 250) 8.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 135-B (29 June 2019) of ₹ 1000000.00 each, fully paid	–		25.22	
Nil (2018 - 250) 8.52% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 124 Series A (09 December 2019) of ₹ 1000000.00 each, fully paid	–		25.30	
2,800 8.53% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 137 (24 July 2020) of ₹ 1000000.00 each, fully paid	282.64		284.61	
3,50,000 8.54% Secured Tax Free Redeemable Non-Convertible Bonds Series 2A (16 November 2028) of ₹ 1000.00 each, fully paid	41.79		42.32	
Nil (2018 - 200) 8.65% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 123 Series B (28 November 2019) of ₹ 1000000.00 each, fully paid	–		20.24	
Nil (2018 - 50) 8.76% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 122 (07 November 2019) of ₹ 1000000.00 each, fully paid	–		5.07	
Nil (2018 - 750) 8.96% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 121 B (21 October 2019) of ₹ 1000000.00 each, fully paid	–		76.27	
400 9.29% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series - 92 - C (21 August 2022 with Call and Put Option 21 August 2020) of ₹ 1000000.00 each, fully paid	40.75		41.27	
Nil (2018 - 850) 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	–		86.72	
Nil (2018 - 200) 9.39% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 118 B (I) (27 August 2019) of ₹ 1000000.00 each, fully paid	–		20.38	
PNB Housing Finance Limited				
Nil (2018 - 1,000) 7.95% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXIX (18 October 2019) of ₹ 1000000.00 each, fully paid	–		100.20	
Nil (2018 - 100) 8.23% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXII (09 April 2019) of ₹ 1000000.00 each, fully paid	–		10.05	
Nil (2018 - 600) 8.36% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXIV (12 July 2019) of ₹ 1000000.00 each, fully paid	–		60.08	
Nil (2018 - 400) 8.65% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXVIII Option B (28 June 2019) of ₹ 1000000.00 each, fully paid	–		40.44	
Rural Electrification Corporation Limited				
850 7.17% Secured Redeemable Non-Convertible Tax Free Bonds Series 5-A (23 July 2025) of ₹ 1000000.00 each, fully paid	88.72		89.19	
Carried over	7925.95	200.05	8964.30	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	7925.95	200.05	8964.30	197.95
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
500 (2018 - Nil) 8.37% Secured Redeemable Non-Convertible Taxable Bonds Tranche Series 3A (14 March 2020) of ₹ 1000000.00 each, fully paid	49.91		–	
1,190 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	131.85		132.82	
3,50,000 8.46% Secured Redeemable Non-Convertible Tax Free Bonds Tranche I Series 2A (24 September 2028) of ₹ 1000.00 each, fully paid	41.51		42.04	
50 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	5.38		5.41	
1,700 (2018- Nil) 8.45% Unsecured Redeemable Non-Convertible Non - Cumulative Taxable Bonds Series 167 (22 March 2022) of ₹ 1000000.00 each, fully paid	170.85		–	
Nil (2018 - 250) 8.87% Unsecured 7 Year Non-Convertible Non-Cumulative Redeemable Taxable Bonds - 2020 113th Series (08 March 2020) of ₹ 1000000.00 each, fully paid	–		25.23	
Nil (2018 - 2,250) 9.04% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 125th (12 October 2019) of ₹ 1000000.00 each, fully paid	–		228.83	
500 (2018 - Nil) 6.87% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 149 (24 September 2020) of ₹ 1000000.00 each, fully paid	48.77		–	
Small Industries Development Bank Of India Nil (2018 - 500) 7% Unsecured Listed Redeemable Non-Convertible Bonds Series IV of 2017-18 (21 December 2020 with Call and Put Option date 21 November 2019) of ₹ 1000000.00 each, fully paid	–		49.52	
State Bank of India 3,250 9.00% Unsecured Non-Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds in the nature of Debentures Series I (with first Call Option 06 September 2021) of ₹ 1000000.00 each, fully paid	325.64		325.89	
1,550 8.39% Unsecured Non-Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds in the nature of Debentures Series III (with first Call Option 25 October 2021) of ₹ 1000000.00 each, fully paid	153.50		152.98	
2,350 (2018 - Nil) 9.37% Unsecured Non-Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds in the nature of Debentures Series II (with first Call Option 21 December 2023) of ₹ 1000000.00 each, fully paid	235.00		–	
7,000 (2018 - Nil) 9.56% Unsecured Non-Convertible Perpetual Subordinated Basel III Compliant Tier 1 Bonds in the nature of Debentures Series I (with first Call Option 04 December 2023) of ₹ 1000000.00 each, fully paid	700.00		–	
INVESTMENT IN MUTUAL FUNDS (at fair value through profit or loss)				
Aditya Birla Sun Life Fixed Term Plan - Series OY (1218 Days) 4,00,00,000 Units of ₹ 10.00 each	43.75		40.72	
Aditya Birla Sun Life Fixed Term Plan - Series OX (1234 Days) 1,00,00,000 Units of ₹ 10.00 each	10.94		10.18	
Carried over	9843.05	200.05	9977.92	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	9843.05	200.05	9977.92	197.95
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Aditya Birla Sun Life Fixed Term Plan - Series OZ (1187 Days) 2,00,00,000 Units of ₹ 10.00 each	21.83		20.31	
Aditya Birla Sun Life Fixed Term Plan - Series PA (1177 Days) 1,50,00,000 Units of ₹ 10.00 each	16.40		15.26	
Aditya Birla Sun Life Fixed Term Plan - Series RP (1239 Days) 5,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	57.64		–	
Aditya Birla Sun Life Fixed Term Plan - Series SF (1161 Days) 40,00,000 (2018 - Nil) Units of ₹ 10.00 each	4.08		–	
Aditya Birla Sun Life Fixed Term Plan - Series SG (1155 Days) 1,80,00,000 (2018 - Nil) Units of ₹ 10.00 each	18.33		–	
Aditya Birla Sun Life Fixed Term Plan - Series SJ (1135 Days) 3,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	30.27		–	
Aditya Birla Sun Life Fixed Term Plan - Series SI (1141 Days) 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.13		–	
DSP Fixed Maturity Plan - Series 217 - 40 M 1,00,00,000 Units of ₹ 10.00 each	10.93		10.18	
DSP Fixed Maturity Plan - Series 220 - 40 M 1,90,00,000 Units of ₹ 10.00 each	20.67		19.22	
DSP Fixed Maturity Plan - Series 221 - 40 M 2,00,00,000 Units of ₹ 10.00 each	21.75		20.26	
Franklin India Fixed Maturity Plans - Series 2 - Plan A 1,40,00,000 Units of ₹ 10.00 each	15.26		14.22	
HDFC Fixed Maturity Plan 1107D March 2016 (1) - Series-36 Nil (2018 - 4,00,00,000) Units of ₹ 10.00 each	–		47.08	
HDFC Fixed Maturity Plan 1114D March 2016 (1) - Series-35 Nil (2018 - 12,80,00,000) Units of ₹ 10.00 each	–		150.73	
HDFC Fixed Maturity Plan 1132D February 2016 (1) - Series-35 Nil (2018 - 4,30,00,000) Units of ₹ 10.00 each	–		50.75	
HDFC Fixed Maturity Plan - 1158D - February 2018 (1) - Series-39 6,50,00,000 Units of ₹ 10.00 each	70.80		65.83	
HDFC Fixed Maturity Plan - 1232D - November 2018 (1) - Series-43 4,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	41.89		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan I - 1170 Days Nil (2018 - 1,50,00,000) Units of ₹ 10.00 each	–		17.84	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan J - 1168 Days Nil (2018 - 1,00,00,000) Units of ₹ 10.00 each	–		11.86	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan N - 1150 Days Nil (2018 - 1,50,00,000) Units of ₹ 10.00 each	–		17.75	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan T - 1130 Days Nil (2018 - 1,00,00,000) Units of ₹ 10.00 each	–		11.75	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan W - 1135 Days Nil (2018 - 1,20,00,000) Units of ₹ 10.00 each	–		14.09	
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan P - 1104 Days Nil (2018 - 40,00,000) Units of ₹ 10.00 each	–		4.46	
ICICI Prudential Fixed Maturity Plan - Series 81 - 1154 Days - Plan J 50,00,000 Units of ₹ 10.00 each	5.64		5.24	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1223 Days - Plan E 1,30,00,000 Units of ₹ 10.00 each	14.23		13.20	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan M 3,50,00,000 Units of ₹ 10.00 each	38.03		35.35	
Carried over	10240.93	200.05	10523.30	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	10240.93	200.05	10523.30	197.95
INVESTMENT IN MUTUAL FUNDS (Contd.)				
ICICI Prudential Fixed Maturity Plan - Series 82 - 1219 Days - Plan D 1,90,00,000 Units of ₹ 10.00 each	20.82		19.33	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1215 Days - Plan H 4,50,00,000 Units of ₹ 10.00 each	49.18		45.65	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1217 Days - Plan C 1,00,00,000 Units of ₹ 10.00 each	10.96		10.17	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan I 5,00,00,000 Units of ₹ 10.00 each	54.51		50.66	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1199 Days - Plan L 5,00,00,000 Units of ₹ 10.00 each	54.50		50.61	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1203 Days - Plan K 4,50,00,000 Units of ₹ 10.00 each	49.11		45.58	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1225 Days - Plan B 3,70,00,000 Units of ₹ 10.00 each	40.59		37.68	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1236 Days - Plan A 70,00,000 Units of ₹ 10.00 each	7.67		7.13	
ICICI Prudential Fixed Maturity Plan - Series 84 - 1272 Days - Plan Q 1,40,00,000 (2018 - Nil) Units of ₹ 10.00 each	14.55		–	
ICICI Prudential Fixed Maturity Plan - Series 84 - 1279 Days - Plan P 5,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	52.11		–	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1168 Days - Plan E 50,00,000 (2018 - Nil) Units of ₹ 10.00 each	5.07		–	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1175 Days - Plan D 40,00,000 (2018 - Nil) Units of ₹ 10.00 each	4.07		–	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1127 Days - Plan O 30,00,000 (2018 - Nil) Units of ₹ 10.00 each	3.00		–	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1129 Days - Plan P 2,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	20.01		–	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1156D - Plan G 60,00,000 (2018 - Nil) Units of ₹ 10.00 each	6.06		–	
IDFC Fixed Term Plan - Series 176 - 1170 Days 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.18		–	
IDFC Fixed Term Plan - Series 177 - 1160 Days 60,00,000 (2018 - Nil) Units of ₹ 10.00 each	6.06		–	
IDFC Fixed Term Plan - Series 178 - 1154 Days 60,00,000 (2018 - Nil) Units of ₹ 10.00 each	6.02		–	
Kotak Fixed Maturity Plan - Series 190 Nil (2018 - 50,00,000) Units of ₹ 10.00 each	–		5.95	
Kotak Fixed Maturity Plan - Series 191 Nil (2018 - 1,50,00,000) Units of ₹ 10.00 each	–		17.65	
Kotak Fixed Maturity Plan - Series 210 1,00,00,000 Units of ₹ 10.00 each	11.03		10.25	
Kotak Fixed Maturity Plan - Series 212 60,00,000 Units of ₹ 10.00 each	6.56		6.10	
Kotak Fixed Maturity Plan - Series 213 1,10,00,000 Units of ₹ 10.00 each	12.03		11.19	
Kotak Fixed Maturity Plan - Series 214 1,00,00,000 Units of ₹ 10.00 each	10.94		10.17	
Kotak Fixed Maturity Plan - Series 215 1,00,00,000 Units of ₹ 10.00 each	10.93		10.16	
Carried over	10706.89	200.05	10861.58	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	10706.89	200.05	10861.58	197.95
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Kotak Fixed Maturity Plan - Series 224 3,50,00,000 Units of ₹ 10.00 each	37.77		35.00	
Kotak Fixed Maturity Plan - Series 252 10,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	104.38		–	
Kotak Fixed Maturity Plan - Series 253 2,20,00,000 (2018 - Nil) Units of ₹ 10.00 each	22.87		–	
Kotak Fixed Maturity Plan - Series 254 2,40,00,000 (2018 - Nil) Units of ₹ 10.00 each	24.90		–	
Kotak Fixed Maturity Plan - Series 255 90,00,000 (2018 - Nil) Units of ₹ 10.00 each	9.28		–	
Kotak Fixed Maturity Plan - Series 259 1,40,00,000 (2018 - Nil) Units of ₹ 10.00 each	14.35		–	
Kotak Fixed Maturity Plan - Series 265 1,80,00,000 (2018 - Nil) Units of ₹ 10.00 each	18.12		–	
Kotak Fixed Maturity Plan - Series 267 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.00		–	
Reliance Fixed Horizon Fund - XXX - Series 5 Nil (2018 - 1,50,00,000) Units of ₹ 10.00 each	–		17.72	
Reliance Fixed Horizon Fund - XXX - Series 12 Nil (2018 - 1,00,00,000) Units of ₹ 10.00 each	–		11.80	
Reliance Fixed Horizon Fund - XXX - Series 13 Nil (2018 - 2,00,00,000) Units of ₹ 10.00 each	–		23.62	
Reliance Fixed Horizon Fund - XXX - Series 17 Nil (2018 - 3,50,00,000) Units of ₹ 10.00 each	–		41.16	
Reliance Fixed Horizon Fund - XXX - Series 6 Nil (2018 - 1,00,00,000) Units of ₹ 10.00 each	–		11.85	
Reliance Fixed Horizon Fund - XXXI - Series 9 Nil (2018 - 1,80,00,000) Units of ₹ 10.00 each	–		20.22	
Reliance Fixed Horizon Fund - XXXV - Series 6 50,00,000 Units of ₹ 10.00 each	5.49		5.10	
Reliance Fixed Horizon Fund - XXXVI - Series 1 1,20,00,000 Units of ₹ 10.00 each	13.06		12.15	
Reliance Fixed Horizon Fund - XXXVI - Series 9 2,00,00,000 Units of ₹ 10.00 each	21.52		20.03	
Reliance Fixed Horizon Fund - XXXV - Series 13 80,00,000 Units of ₹ 10.00 each	8.74		8.13	
Reliance Fixed Horizon Fund - XXXV - Series 14 1,20,00,000 Units of ₹ 10.00 each	13.11		12.19	
Reliance Fixed Horizon Fund - XXXV - Series 15 1,70,00,000 Units of ₹ 10.00 each	18.56		17.26	
Reliance Fixed Horizon Fund - XXXVI - Series 3 50,00,000 Units of ₹ 10.00 each	5.44		5.06	
Reliance Fixed Horizon Fund - XXXVII - Series 4 4,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	49.23		–	
Reliance Fixed Horizon Fund - XXXV - Series 11 50,00,000 Units of ₹ 10.00 each	5.48		5.09	
Reliance Fixed Horizon Fund - XXXV - Series 12 1,50,00,000 Units of ₹ 10.00 each	16.43		15.27	
Reliance Fixed Horizon Fund - XXXIX - Series 15 3,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	31.61		–	
Carried over	11137.23	200.05	11123.23	197.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	11137.23	200.05	11123.23	197.95
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Reliance Fixed Horizon Fund - XXXX - Series 1 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.50		–	
SBI Debt Fund Series C-7 (1190 Days) 2,00,00,000 Units of ₹ 10.00 each	21.77		20.33	
SBI Debt Fund Series C-8 (1175 Days) 2,00,00,000 Units of ₹ 10.00 each	21.78		20.30	
SBI Debt Fund Series C-9 (1150 Days) 1,50,00,000 Units of ₹ 10.00 each	16.30		15.19	
SBI Debt Fund Series C-48 (1177 Days) 3,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	30.18		–	
SBI Debt Fund Series C-50 (1177 Days) 2,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	20.03		–	
SBI Debt Fund Series C-32 (1223 Days) 4,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	46.62		–	
SBI Debt Fund Series C-33 (1216 Days) 3,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	30.99		–	
SBI Debt Fund Series C-34 (1211 Days) 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.29		–	
SBI Debt Fund Series C-35 (1235 Days) 1,70,00,000 (2018 - Nil) Units of ₹ 10.00 each	17.50		–	
SBI Debt Fund Series C-43 (1176 Days) 3,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	30.57		–	
SBI Debt Fund Series C-44 (1175 Days) 1,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	15.23		–	
UTI Fixed Term Income Fund Series XXIV - VI (1181 Days) Nil (2018 - 1,20,00,000) Units of ₹ 10.00 each	–		14.25	
UTI Fixed Term Income Fund Series XXIV - VIII (1184 Days) Nil (2018 - 80,00,000) Units of ₹ 10.00 each	–		9.44	
UTI Fixed Term Income Fund Series XXV - V (1100 Days) Nil (2018 - 50,00,000) Units of ₹ 10.00 each	–		5.61	
UTI Fixed Term Income Fund - Series XXVIII - IV (1204 Days) 1,50,00,000 Units of ₹ 10.00 each	16.37		15.24	
UTI Fixed Term Income Fund - Series XXVIII - VI (1190 Days) 1,90,00,000 Units of ₹ 10.00 each	20.71		19.27	
UTI Fixed Term Income Fund - Series XXVIII - VIII (1171 Days) 1,50,00,000 Units of ₹ 10.00 each	16.34		15.22	
UTI Fixed Term Income Fund Series XXVIII - IX (1168 Days) 2,00,00,000 Units of ₹ 10.00 each	21.74		20.26	
INVESTMENT IN ALTERNATIVE INVESTMENT FUND (at fair value through profit or loss)				
Fireside Ventures Investments Fund I 1105 (2018 - 750) Units of ₹ 100000.00 each		11.79		7.50
Aggregate amount of quoted and unquoted Investments	11484.15	211.84	11278.34	205.45
TOTAL		11695.99		11483.79

Aggregate market value of quoted investments ₹ 11459.86 Crores (2018 - ₹ 11276.13 Crores).

Aggregate amount of impairment in value of investments ₹ 4.82 Crores (2018 - ₹ 30.40 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
5. Loans				
Other Loans				
Others (Employees, suppliers, etc.)				
– Unsecured, considered good	6.75	8.34	5.84	9.69
– Doubtful	–	0.22	–	0.22
	6.75	8.56	5.84	9.91
Less: Allowance for doubtful loans	–	0.22	–	0.22
	6.75	8.34	5.84	9.69
TOTAL	6.75	8.34	5.84	9.69
6. Other financial assets				
Bank deposits with more than 12 months maturity	–	1520.33	–	1021.88
Other financial assets				
Advances	6.70	–	4.36	0.08
Deposits*	708.34	864.84	544.61	725.42
Interest accrued on Loans, Deposits, Investments, etc.	553.85	–	506.00	–
Other Receivables**	230.79	–	297.87	–
TOTAL	1499.68	2385.17	1352.84	1747.38

* Deposits includes deposits to directors ₹ 0.08 Crore (2018 - ₹ 0.08 Crore) (Refer Note 30).

** Others comprise receivables on account of claims, interest, rentals, derivatives designated as hedging instruments, etc.

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
7. Deferred tax		
Deferred tax liabilities (Net)	2052.06	1923.02
Deferred tax assets (Net)	59.37	47.98
TOTAL	1992.69	1875.04

Movement in deferred tax liabilities/assets balances

(₹ in Crores)

2018-19	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Effect of foreign exchange	Closing Balance
Deferred tax liabilities/assets in relation to:							
On fiscal allowances on property, plant and equipment etc.	2016.43	189.68	-	-	-	-	2206.11
On excise duty/National Calamity Contingent Duty on closing stock	24.57	(5.95)	-	-	-	-	18.62
On cash flow hedges	3.61	-	(18.81)	(1.01)	11.75	-	(4.46)
Other timing differences	295.45	(61.96)	-	-	-	(4.03)	229.46
Total deferred tax liabilities	2340.06	121.77	(18.81)	(1.01)	11.75	(4.03)	2449.73
On fiscal allowances on property, plant and equipment etc.	18.25	1.48	-	-	-	(10.73)	9.00
On employees' separation and retirement etc.	90.25	7.11	(4.32)	-	-	(4.62)	88.42
On provision for doubtful debts/advances	50.34	7.60	-	-	-	0.13	58.07
On State and Central taxes etc.	188.89	(48.62)	-	-	-	-	140.27
On unabsorbed tax losses and depreciation	1.03	0.08	-	-	-	-	1.11
Other timing differences	112.50	29.88	-	-	-	12.09	154.47
Total deferred tax assets before MAT credit entitlement	461.26	(2.47)	(4.32)	-	-	(3.13)	451.34
Total deferred tax liabilities before MAT credit entitlement (Net)	1878.80	124.24	(14.49)	(1.01)	11.75	(0.90)	1998.39
Less: MAT credit entitlement	3.76	1.94	-	-	-	-	5.70
Total deferred tax liabilities (Net)	1875.04	122.30	(14.49)	(1.01)	11.75	(0.90)	1992.69

Notes to the Consolidated Financial Statements

(₹ in Crores)

7. Deferred tax (Contd.)							
2017-18	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Effect of foreign exchange	Closing Balance
Deferred tax liabilities / assets in relation to:							
On fiscal allowances on property, plant and equipment etc.	1874.21	142.22	–	–	–	–	2016.43
On excise duty / National Calamity Contingent Duty on closing stock	372.24	(347.67)	–	–	–	–	24.57
On cash flow hedges	(5.70)	–	12.10	12.17	(14.96)	–	3.61
On employees' separation and retirement etc.	–	(0.02)	0.02	–	–	–	–
Other timing differences	189.47	105.93	–	–	–	0.05	295.45
Total deferred tax liabilities	2430.22	(99.54)	12.12	12.17	(14.96)	0.05	2340.06
On fiscal allowances on property, plant and equipment etc.	16.24	1.95	–	–	–	0.06	18.25
On employees' separation and retirement etc.	106.36	(6.14)	(10.07)	–	–	0.10	90.25
On provision for doubtful debts/advances	42.44	7.89	–	–	–	0.01	50.34
On State and Central taxes etc.	335.83	(146.94)	–	–	–	–	188.89
On unabsorbed tax losses and depreciation	1.14	(0.11)	–	–	–	–	1.03
Other timing differences	91.94	20.57	–	–	–	(0.01)	112.50
Total deferred tax assets before MAT credit entitlement	593.95	(122.78)	(10.07)	–	–	0.16	461.26
Total deferred tax liabilities before MAT credit entitlement (Net)	1836.27	23.24	22.19	12.17	(14.96)	(0.11)	1878.80
Less: MAT credit entitlement	2.45	1.31	–	–	–	–	3.76
Total deferred tax liabilities (Net)	1833.82	21.93	22.19	12.17	(14.96)	(0.11)	1875.04

The Group has losses of ₹ 175.62 Crores (2018 - ₹ 258.34 Crores) for which no deferred tax assets have been recognised. A part of these losses will expire between financial year 2019-20 to 2031-32.

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
8. Other assets				
Capital Advances	–	437.22	–	488.27
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	4.00	777.50	8.36	890.47
– Others	2.08	103.77	4.29	110.59
Advances to related parties (Refer Note 30)	60.00	–	68.45	19.51
Other Advances (including advances with statutory authorities, prepaid expenses, employees, etc.)	593.14	1040.12	1150.58	999.19
Other Receivables*	102.84	4.52	67.77	4.52
TOTAL	762.06	2363.13	1299.45	2512.55

* Includes receivables on account of export incentives.

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
9. Inventories*		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	5528.05	5407.07
Work-in-progress	249.88	195.67
Finished goods (manufactured)	1153.56	1097.02
Stock-in-trade (goods purchased for resale)	515.36	412.54
Stores and spares	351.81	316.53
Intermediates - Tissue paper and Paperboards	60.90	66.26
TOTAL	7859.56	7495.09

The above includes goods in transit as under:

Raw materials (including packing materials)	191.08	128.56
Stock-in-trade (goods purchased for resale)	-	0.72
Stores and spares	2.31	5.52
TOTAL	193.39	134.80

The cost of inventories recognised as an expense includes ₹ 29.05 Crores (2018 - ₹ 28.19 Crores) in respect of write-downs of inventory to net realisable value, and the same has been reduced by ₹ 1.70 Crores (2018 - ₹ 0.55 Crore) in respect of the reversal of such write-downs. Previous write-downs have been reversed as a result of subsequent increase in realisable value.

Inventories of ₹ 574.91 Crores (2018 - ₹ 710.52 Crores) are expected to be recovered after more than twelve months.

* Also Refer Note 20.

10. Biological assets other than bearer plants		
Balance at the beginning of the year	89.44	70.05
Biological assets acquired during the year	0.82	3.82
Cost incurred during the year	87.62	83.40
Changes in fair value*	22.30	(5.80)
Transfer of Biological assets to Inventories	(9.67)	(4.61)
Biological assets sold during the year	(106.09)	(57.64)
Effect of foreign exchange translation	(0.01)	0.22
Balance at the end of the year	84.41	89.44

* Represents aggregate gain/(loss) arising on account of change in fair value less costs to sell during the year.

The Group had 1,52,27,008 numbers of TECHNITUBER® seed potatoes (2018 - 1,46,24,225 numbers).

There were 71567 MT of field generated seed potatoes (2018 - 77582 MT). During the year, output of agricultural produce (potatoes) is 8241 MT (2018 - 4739 MT).

In October 2018 - 13100 MT (October 2017 - 12573 MT) of seed potatoes were planted and in February/March 2019 - 79440 MT (February/March 2018 - 82558 MT) of seed potatoes were harvested as a result of quantitative biological transformation. Estimated amount of contracts remaining to be executed for acquisition/development of biological assets are ₹ 2.43 Crores (2018 - ₹ 0.08 Crore).

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise)				
INVESTMENT IN PREFERENCE SHARES				
ICICI Bank Limited Nil (2018 - 310) Non-Cumulative Redeemable Non-Convertible Non-Participative Preference Shares (20 April 2018) of ₹ 10000000.00 each, fully paid		–		308.56
INVESTMENT IN BONDS/DEBENTURES				
Canfin Homes Limited 500 7.57% Secured Redeemable Non-Convertible Debentures (12 April 2020) of ₹ 1000000.00 each, fully paid	49.60		49.59	
Export Import Bank of India 300 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid	31.26		31.11	
Housing & Urban Development Corporation Limited 500 7.70% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series F (19 March 2020) of ₹ 1000000.00 each, fully paid	50.10		50.00	
ICICI Bank Limited 350 9.15% Unsecured Subordinated Non-Convertible Basel III Compliant Perpetual Bonds in the nature of Debentures Series DMR 18AT (with first call option on 20 June 2023) of ₹ 1000000.00 each, fully paid	34.42		35.00	
India Infrastructure Finance Company Limited 1,50,000 7.19% For Category I, II, III & IV Tax Free Secured Redeemable Non-Convertible Bonds 2012-13 (Tranche I Series I) (22 January 2023) of ₹ 1000.00 each, fully paid	15.43		15.53	
Infrastructure Leasing & Financial Services Ltd. 7,50,000 8.74% Taxable Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures Series I Option II (11 August 2018) of ₹ 1000.00 each, fully paid	–		75.12	
Indian Railway Finance Corporation Limited 25,00,000 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	253.42		254.20	
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	202.57		202.95	
5,25,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	54.15		54.66	
National Bank For Agriculture and Rural Development Nil (2018 - 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	–		267.66	
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	50.28		50.54	
1,04,000 8.50% (For Category I, II & III) Secured Non-Convertible Tranche I Series IIA Bonds (15 February 2029) of ₹ 1000.00 each, fully paid	11.88		11.98	
National Housing Bank Nil (2018 - 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	–		98.51	
5,000 6.82% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 2012-13 (26 March 2023) of ₹ 10000.00 each, fully paid	5.09		5.10	
Carried over	758.20	–	1201.95	308.56

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	758.20	–	1201.95	308.56
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
PNB Housing Finance Limited 150 7.46% Non-Convertible Non-Cumulative Taxable Bonds in the nature of Promissory Note Series XXXI (30 April 2020) of ₹ 1000000.00 each, fully paid	14.66		14.89	
Power Finance Corporation Limited 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	45.26		45.94	
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	15.04		15.26	
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	100.11		100.89	
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series - I (01 February 2022) of ₹ 1000.00 each, fully paid	10.06		10.22	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	130.56		131.73	
Rural Electrification Corporation Limited 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	292.95		296.60	
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	100.12		100.89	
60,000 8.12% For Category I & II Tax Free Secured Redeemable Non-Convertible Bonds (27 March 2027) of ₹ 1000.00 each, fully paid	6.59		6.65	
INVESTMENT IN CERTIFICATE OF DEPOSITS				
Axis Bank Limited Nil (2018 - 20,000) Certificate of Deposit (31 January 2019) of ₹ 100000.00 each, fully paid		–		188.82
ICICI Bank Limited Nil (2018 - 10,000) Certificate of Deposit (29 January 2019) of ₹ 100000.00 each, fully paid		–		94.42
Kotak Mahindra Bank Limited Nil (2018 - 50,000) Certificate of Deposit (19 September 2018) of ₹ 100000.00 each, fully paid		–		484.50
33,997 (2018 - Nil) Certificate of Deposit (27 December 2019) of ₹ 100000.00 each, fully paid		322.40		–
National Bank For Agriculture and Rural Development Nil (2018 - 25,000) Certificate of Deposit (14 February 2019) of ₹ 100000.00 each, fully paid		–		235.40
Small Industries Development Bank Of India Nil (2018 - 20,000) Certificate of Deposit (18 January 2019) of ₹ 100000.00 each, fully paid		–		189.21
Nil (2018 - 20,000) Certificate of Deposit (22 January 2019) of ₹ 100000.00 each, fully paid		–		189.14
Carried over	1473.55	322.40	1925.02	1690.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1473.55	322.40	1925.02	1690.05
INVESTMENT IN CERTIFICATE OF DEPOSITS (Contd.)				
Nil (2018 - 25,000) Certificate of Deposit (08 February 2019) of ₹ 100000.00 each, fully paid		–		235.67
Nil (2018 - 25,000) Certificate of Deposit (14 February 2019) of ₹ 100000.00 each, fully paid		–		235.40
50,000 (2018 - Nil) Certificate of Deposit (20 November 2019) of ₹ 100000.00 each, fully paid		477.53		–
15,000 (2018 - Nil) Certificate of Deposit (05 December 2019) of ₹ 100000.00 each, fully paid		142.84		–
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
National Saving Certificate pledged at Mandi Samiti (cost ₹ 13000.00)		–		–
National Savings Certificates (cost ₹ 10000.00)		...		...
INVESTMENT IN MUTUAL FUNDS				
Aditya Birla Sun Life Floating Rate Fund - Long Term 1,96,03,366 (2018 - 3,54,35,898) Units of ₹ 100.00 each		456.75		762.97
Aditya Birla Sun Life Savings Fund 2,04,90,928 (2018 - 1,91,06,088) Units of ₹ 100.00 each		760.56		656.17
Aditya Birla Sun Life Floating Rate Fund Short Term Plan Nil (2018 - 5,96,17,262) Units of ₹ 100.00 each		–		2.47
Aditya Birla Sun Life Cash Plus 9,80,827 (2018 - 3,15,512) Units of ₹ 100.00 each		29.32		8.78
Aditya Birla Sun Life Corporate Bond Fund (Formerly known as Aditya Birla Sun Life Short Term Fund) 3,38,43,771 (2018 - 2,68,28,196) Units of ₹ 10.00 each		243.89		179.27
Aditya Birla Sun Life Money Manager Fund 40,95,539 (2018 - Nil) Units of ₹ 100.00 each		103.08		–
Aditya Birla Sun Life Liquid Fund - Growth Direct 14,40,478 (2018 - Nil) Units of ₹ 100.00 each		43.08		–
Aditya Birla Sun Life Cash Plus - Growth - Direct Plan 66,774 (2018 - Nil) Units of ₹ 100.00 each		2.01		–
Axis Short Term Fund 8,89,51,089 Units of ₹ 10.00 each		188.81		174.71
Axis Treasury Advantage Fund 5,46,967 Units of ₹ 1000.00 each		117.36		108.35
DHFL Pramerica Ultra Short Term Fund Nil (2018 - 3,91,50,224) Units of ₹ 10.00 each		–		49.74
DSP Low Duration Fund 26,30,57,340 Units of ₹ 10.00 each		359.25		333.10
DSP Short Term Fund 3,12,12,253 (2018 - Nil) Units of ₹ 10.00 each		102.60		–
HDFC Floating Debt Fund (Formerly known as HDFC Floating Rate Income Fund - Short Term Plan) 10,23,22,267 Units of ₹ 10.00 each		334.63		310.88
HDFC Corporate Bond Fund (Formerly known as HDFC Medium Term Opportunities Fund) 13,70,31,285 Units of ₹ 10.00 each		286.88		265.95
HDFC Short Term Debt Fund (Formerly known as HDFC Short Term Opportunities Fund) 14,47,53,251 Units of ₹ 10.00 each		298.76		277.56
Carried over	1473.55	4269.75	1925.02	5291.07

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1473.55	4269.75	1925.02	5291.07
INVESTMENT IN MUTUAL FUNDS (Contd.)				
HDFC Ultra Short Term Fund 9,57,80,853 (2018 - Nil) Units of ₹ 10.00 each		100.32		–
ICICI Prudential Savings Fund (Formerly known as ICICI Prudential - Flexible Income Plan) 57,85,519 (2018 - 58,41,947) Units of ₹ 100.00 each		208.95		195.75
ICICI Prudential Banking & PSU Debt Fund Nil (2018 - 4,92,90,221) Units of ₹ 10.00 each		–		59.96
ICICI Prudential Bond Fund (Formerly known as ICICI Prudential Income Opportunities Fund) 2,11,18,618 Units of ₹ 10.00 each		55.80		52.29
ICICI Prudential Short Term 2,70,17,352 Units of ₹ 10.00 each		109.00		101.33
ICICI Prudential Liquid - Direct Plan - Growth 27,03,484 (2018 - Nil) Units of ₹ 100.00 each		74.55		–
ICICI Prudential - Money Market Fund 9,81,551 (2018 - Nil) Units of ₹ 100.00 each		27.03		–
ICICI Prudential Corporate Bond Fund (Formerly known as ICICI Prudential Ultra - Short Term Plan) 22,03,55,476 Units of ₹ 10.00 each		402.24		374.16
IDFC Money Manager Fund - Investment Plan (Merged with IDFC Super Saver Income Fund - Short Term) Nil (2018 - 1,22,42,641) Units of ₹ 10.00 each		–		128.63
IDFC Bond Fund - Short Term Plan (Formerly known as IDFC Super Saver Income Fund - Short Term) 10,23,94,458 (2018 - 4,72,99,811) Units of ₹ 10.00 each		377.59		172.91
IDFC Low Duration Fund 3,85,46,192 (2018 - Nil) Units of ₹ 10.00 each		103.10		–
IDFC Money Manager Fund - Treasury Plan 4,22,87,680 Units of ₹ 10.00 each		126.57		118.02
IDFC Corporate Bond Fund 15,62,58,545 (2018 - Nil) Units of ₹ 10.00 each		200.95		–
Kotak Bond Short Term 7,68,78,681 Units of ₹ 10.00 each		221.63		204.71
Kotak Liquid Plan 1,91,002 (2018 - Nil) Units of ₹ 1000.00 each		72.06		–
Kotak Savings Fund (Formerly known as Kotak Treasury Advantage Fund) 22,43,93,543 (2018 - 19,04,35,278) Units of ₹ 10.00 each		684.79		537.61
Reliance Floating Rate Fund - Short Term Plan 38,18,89,185 Units of ₹ 10.00 each		512.80		478.59
Reliance Liquid Fund - Treasury Plan Nil (2018 - 9,111) Units of ₹ 1000.00 each		–		3.87
Reliance Prime Debt Fund (Formerly known as Reliance Medium Term Fund) 4,84,63,633 (2018 - 10,42,77,348) Units of ₹ 10.00 each		194.41		246.09
Reliance Low Duration Fund (Formerly known as Reliance Money Manager Fund) 6,71,878 Units of ₹ 1000.00 each		177.40		163.85
Carried over	1473.55	7918.94	1925.02	8128.84

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1473.55	7918.94	1925.02	8128.84
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Reliance Short Term Fund 2,07,06,236 Units of ₹ 10.00 each		74.70		69.75
SBI Liquid Fund 2,70,300 (2018 - Nil) Units of ₹ 1000.00 each		78.87		–
SBI Magnum Insta Cash Fund Nil (2018 - 13,162) Units of ₹ 1000.00 each		–		5.06
SBI Magnum Low Duration Fund 8,30,697 (2018 - Nil) Units of ₹ 1000.00 each		202.05		–
SBI Magnum Ultra Short Duration Fund 2,47,159 (2018 - Nil) Units of ₹ 1000.00 each		103.05		–
UTI Money Market Fund - Institutional Nil (2018 - 7,53,921) Units of ₹ 1000.00 each		–		146.27
INVESTMENT IN BONDS/DEBENTURES (at amortised cost)				
Housing Development Finance Corporation Limited 30 (2018 - Nil) 7.85% Secured Listed Redeemable Non-Convertible Debentures, Series T-002 (21 June 2019) of ₹ 10000000.00 each, fully paid	29.93		–	
10 (2018 - Nil) 8.38% Secured Redeemable Non-Convertible Debentures Series P - 021 (15 July 2019) of ₹ 10000000.00 each, fully paid	9.98		–	
Power Finance Corporation Limited 250 (2018 - Nil) 7.85% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures, Series 145 (15 April 2019) of ₹ 1000000.00 each, fully paid	24.99		–	
Current Portion of Non-Current Investment				
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)				
6.5% Bikash Rinpatra, 2075 (Vikram Samvat Calendar Year)		–		1.60
INVESTMENT IN BONDS/DEBENTURES (at amortised cost)				
Housing Development Finance Corporation Limited Nil (2018 - 30) 8.45% Secured Redeemable Non-Convertible Debentures Series O - 009 (08 February 2019) of ₹ 10000000.00 each, fully paid	–		30.17	
30 (2018 - Nil) 7.95% Secured Redeemable Non-Convertible Debentures Series Q - 002 (23 September 2019) of ₹ 10000000.00 each, fully paid	30.03		–	
170 (2018 - Nil) 8.38% Secured Redeemable Non-Convertible Debentures Series P - 021 (15 July 2019) of ₹ 10000000.00 each, fully paid	170.33		–	
255 (2018 - Nil) 8.45% Secured Redeemable Non-Convertible Debentures Series P - 013 (24 July 2019) of ₹ 10000000.00 each, fully paid	255.57		–	
1,700 (2018 - Nil) 8.75% Secured Redeemable Non-Convertible Debentures Series N - 002 (13 January 2020) of ₹ 500000.00 each, fully paid	85.69		–	
2,500 (2018 - Nil) 9.11% Secured Listed Redeemable Non-Convertible Debentures Series U - 002 (13 December 2019) of ₹ 1000000.00 each, fully paid	250.00		–	
Carried over	2330.07	8377.61	1955.19	8351.52

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	2330.07	8377.61	1955.19	8351.52
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
600 (2018 - Nil) 9.40% Secured Redeemable Non-Convertible Debentures Series M - 016 (26 August 2019) of ₹ 1000000.00 each, fully paid	60.45		–	
2,100 (2018 - Nil) 9.45% Secured Redeemable Non-Convertible Debentures Series M - 015 (21 August 2019) of ₹ 1000000.00 each, fully paid	211.39		–	
Housing and Urban Development Corporation Limited 1,850 (2018 - Nil) 7.70% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series F (19 March 2020) of ₹ 1000000.00 each, fully paid	184.17		–	
ICICI Home Finance Company Limited Nil (2018 - 1,900) 7.65% Unsecured Rated Listed Redeemable Senior Non-Convertible Bonds in the nature of Debentures Series HDBFB171 (23 October 2018) of ₹ 500000.00 each, fully paid	–		95.00	
LIC Housing Finance Limited Nil (2018 - 500) 8.38% Secured Redeemable Non-Convertible Debentures Tranche 277 Option 1 (27 February 2019) of ₹ 1000000.00 each, fully paid	–		50.35	
750 (2018 - Nil) 7.79% Secured Redeemable Non-Convertible Debentures Tranche 328 (10 May 2019) of ₹ 1000000.00 each, fully paid	75.00		–	
750 (2018 - Nil) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 272 (18 October 2019) of ₹ 1000000.00 each, fully paid	75.23		–	
250 (2018 - Nil) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 293 (03 October 2019) of ₹ 1000000.00 each, fully paid	25.08		–	
100 (2018 - Nil) 8.73% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 2 (14 January 2020) of ₹ 1000000.00 each, fully paid	10.11		–	
250 (2018 - Nil) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 1 (14 January 2020) of ₹ 1000000.00 each, fully paid	25.26		–	
450 (2018 - Nil) 8.97% Secured Redeemable Non-Convertible Debentures Tranche 231 Option 2 (29 October 2019) of ₹ 1000000.00 each, fully paid	45.28		–	
700 (2018 - Nil) 9.3532% Secured Redeemable Non-Convertible Debentures Tranche 224 (19 August 2019) of ₹ 1000000.00 each, fully paid	70.40		–	
350 (2018 - Nil) 9.44% Secured Redeemable Non-Convertible Debentures Tranche 228 (30 August 2019) of ₹ 1000000.00 each, fully paid	35.27		–	
National Bank for Agriculture and Rural Development 4,370 (2018 - Nil) 8.50% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds Series 19 C (31 January 2022 with Call and Put Option 31 January 2020) of ₹ 1000000.00 each, fully paid	436.27		–	
Power Finance Corporation Limited Nil (2018 - 170) 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	–		17.01	
Carried over	3583.98	8377.61	2117.55	8351.52

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	3583.98	8377.61	2117.55	8351.52
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
250 (2018 - Nil) 8.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 135-B (29 June 2019) of ₹ 1000000.00 each, fully paid	25.04		—	
250 (2018 - Nil) 8.52% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 124 Series A (09 December 2019) of ₹ 1000000.00 each, fully paid	25.13		—	
200 (2018 - Nil) 8.65% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 123 Series B (28 November 2019) of ₹ 1000000.00 each, fully paid	20.10		—	
50 (2018 - Nil) 8.76% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 122 (07 November 2019) of ₹ 1000000.00 each, fully paid	5.03		—	
750 (2018 - Nil) 8.96% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 121 B (21 October 2019) of ₹ 1000000.00 each, fully paid	75.46		—	
850 (2018 - Nil) 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	85.56		—	
200 (2018 - Nil) 9.39% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 118 B (I) (27 August 2019) of ₹ 1000000.00 each, fully paid	20.11		—	
PNB Housing Finance Limited				
1,000 (2018 - Nil) 7.95% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXIX (18 October 2019) of ₹ 1000000.00 each, fully paid	100.07		—	
100 (2018 - Nil) 8.23% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXII (09 April 2019) of ₹ 1000000.00 each, fully paid	10.00		—	
600 (2018 - 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	60.02		—	
400 (2018 - Nil) 8.65% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXVIII Option B (28 June 2019) of ₹ 1000000.00 each, fully paid	40.09		—	
Rural Electrification Corporation Limited				
2,250 (2018 - Nil) 9.04% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 125th (12 October 2019) of ₹ 1000000.00 each, fully paid	226.34		—	
250 (2018 - 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	25.12		—	
Small Industries Development Bank Of India				
Nil (2018 - 1,000) 8.28% Unsecured Redeemable Non-Convertible Bonds in the nature of Promissory Notes Series 7 of 2015 -16 (26 February 2019) of ₹ 1000000.00 each, fully paid	—		100.00	
500 (2018 - Nil) 7 % Unsecured Listed Redeemable Non-Convertible Bonds Series IV of 2017-18 (21 December 2020 with Call and Put Option date 21 November 2019) of ₹ 1000000.00 each, fully paid	49.81		—	
Carried over	4351.86	8377.61	2217.55	8351.52

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	4351.86	8377.61	2217.55	8351.52
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
750 (2018 - Nil) 7.50% Unsecured Rated Listed Redeemable Non-Convertible Bonds Series I of 2018-19 (16 July 2021 with Call and Put Option date 16 July 2019) of ₹ 1000000.00 each, fully paid	74.82		–	
INVESTMENT IN MUTUAL FUNDS				
HDFC Fixed Maturity Plan 1107D March 2016 (1) - Series - 36 4,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	50.38		–	
HDFC Fixed Maturity Plan 1114D March 2016 (1) - Series - 35 12,80,00,000 (2018 - Nil) Units of ₹ 10.00 each	161.93		–	
HDFC Fixed Maturity Plan 1132D February 2016 (1) - Series - 35 4,30,00,000 (2018 - Nil) Units of ₹ 10.00 each	54.55		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan I - 1170 Days 1,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	19.19		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan J - 1168 Days 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	12.76		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan N - 1150 Days 1,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	19.08		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan T - 1130 Days 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	12.64		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan W - 1135 Days 1,20,00,000 (2018 - Nil) Units of ₹ 10.00 each	15.15		–	
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan P - 1104 Days 40,00,000 (2018 - Nil) Units of ₹ 10.00 each	4.80		–	
Kotak Fixed Maturity Plan - Series 190 50,00,000 (2018 - Nil) Units of ₹ 10.00 each	6.40		–	
Kotak Fixed Maturity Plan - Series 191 1,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	18.96		–	
Reliance Fixed Horizon Fund - XXX - Series 5 1,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	19.06		–	
Reliance Fixed Horizon Fund - XXX - Series 12 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	12.69		–	
Reliance Fixed Horizon Fund - XXX - Series 13 2,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	25.39		–	
Reliance Fixed Horizon Fund - XXX - Series 17 3,50,00,000 (2018 - Nil) Units of ₹ 10.00 each	44.23		–	
Reliance Fixed Horizon Fund - XXX - Series 6 1,00,00,000 (2018 - Nil) Units of ₹ 10.00 each	12.71		–	
Reliance Fixed Horizon Fund - XXXI - Series 9 1,80,00,000 (2018 - Nil) Units of ₹ 10.00 each	21.78		–	
UTI Fixed Term Income Fund Series XXIV - VI - 1181 Days 1,20,00,000 (2018 - Nil) Units of ₹ 10.00 each	15.32		–	
UTI Fixed Term Income Fund Series XXIV - VIII - 1184 Days 80,00,000 (2018 - Nil) Units of ₹ 10.00 each	10.15		–	
UTI Fixed Term Income Fund Series XXV - V - 1100 Days 50,00,000 (2018 - Nil) Units of ₹ 10.00 each	6.04		–	
Aggregate amount of quoted and unquoted Investments	4969.89	8377.61	2217.55	8351.52
TOTAL		13347.50		10569.07

Aggregate market value of quoted investments ₹ 4973.37 Crores (2018 - ₹ 2394.82 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
12. Trade receivables (Current)		
Secured, considered good	38.10	29.41
Unsecured, considered good	3997.18	2652.88
Doubtful	153.11	133.90
Less: Allowance for doubtful receivables	153.11	133.90
TOTAL	4035.28	2682.29

13. Cash and cash equivalents[®]		
Balances with Banks		
Current accounts	252.63	131.52
Deposit accounts	59.13	16.66
Cheques, drafts on hand	2.53	2.10
Cash on hand	3.52	2.79
TOTAL	317.81	153.07

[®] 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.

14. Other bank balances		
Earmarked balances	169.20	158.45
In deposit accounts*	3665.02	2588.08
TOTAL	3834.22	2746.53

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

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 (₹ in Crores)
15. Equity Share capital				
Authorised				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
Issued and Subscribed				
Ordinary Shares of ₹ 1.00 each, fully paid	12,25,86,31,601	1225.86	12,20,42,94,911	1220.43
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	12,20,42,94,911	1220.43	12,14,73,83,071	1214.74
Add: Issue of Shares on exercise of Options	5,43,36,690	5.43	5,69,11,840	5.69
As at end of the year	<u>12,25,86,31,601</u>	<u>1225.86</u>	<u>12,20,42,94,911</u>	<u>1220.43</u>
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %
Tobacco Manufacturers (India) Limited	2,97,83,47,320	24.30	2,97,83,47,320	24.40
Life Insurance Corporation of India	1,98,15,49,720	16.16	1,97,50,75,980	16.18
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.95	1,02,52,89,805	8.40
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				
	2019 (No. of Shares)	2018 (No. of Shares)		
Shares issued in 2014-15 pursuant to the Scheme of Arrangement between Wimco Limited and ITC Limited	87,761	87,761		
D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March				
	2019 (No. of Shares)	2018 (No. of Shares)		
Bonus Shares issued in 2016-17	4,02,66,57,100	4,02,66,57,100		
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, 2019 (No. of Shares)	As at 31st March, 2018 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	38,19,09,060	43,30,60,920		

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 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 under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Further details of ITC Employee Stock Option Schemes are provided in Note 28(xii).

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
16. Non-current borrowings		
Unsecured		
Term loans		
– From Others	0.26	0.37
Deferred payment liabilities		
– Sales tax deferment loans	7.89	11.13
TOTAL	8.15	11.50

Terms of borrowings are as under:

Term Loans from Others:

Comprise two interest free loans. One of the loans is repayable by 2019-20 in annual instalments and the other loan stipulates repayment on the basis of 33% (2018 - 33%) of the net profits earned by a subsidiary or the residual balance, whichever is less.

Sales tax deferment loans:

Interest free deferral period of 14 years and repayable by 2025-26.

The scheduled maturity of the Non-current borrowings are summarised as under:

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
Borrowings repayable				
In the first year (Refer Note 17)	0.19	3.24	0.21	6.86
Current maturities of long-term debt	0.19	3.24	0.21	6.86
In the second year	0.02	2.26	0.13	3.24
In the third to fifth year	0.24	2.34	0.24	3.35
After five years	–	3.29	–	4.54
Non-current borrowings	0.26	7.89	0.37	11.13

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
17. Other financial liabilities		
Non-current		
Others		
(Includes liability in respect of cash-settled share based payments, retention money payable towards property, plant and equipment, deposits, etc.)	73.41	67.79
TOTAL	73.41	67.79
Current		
Current maturities of long-term debt (Refer Note 16)	3.43	7.07
Interest accrued	1.97	1.75
Unpaid dividend*	168.97	158.23
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.30	0.30
Others		
(Includes payable for property, plant and equipment, derivatives designated as hedging instruments, etc.)	1012.49	826.52
TOTAL	1187.16	993.87

* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 126 of the Companies Act, 2013, or such amounts in respect of which Prohibitory/Attachment Orders are on record with the Company.

** Represents amounts which are subject matter of a pending legal dispute with a bank for which the Company has filed a suit.

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
18. Provisions				
Provision for employee benefits [Refer Note 28(vii)]				
Retirement benefits	22.66	114.50	23.38	104.71
Other benefits	28.72	47.16	40.42	44.63
Provision for standard assets	–	0.29	–	0.29
TOTAL	51.38	161.95	63.80	149.63

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
19. Other liabilities				
Non-current				
Revenue received in advance		6.51		3.89
Deferred revenue arising from Government grant [Refer Note 28(xi)(a)]		–		38.30
TOTAL		6.51		42.19
Current				
Statutory liabilities		4303.87		4038.46
Advances received from customers		422.95		460.53
Revenue received in advance		7.28		11.02
Others				
– Deferred revenue arising from Government grant [Refer Note 28(xi)(a)]		–		1.27
– Others (includes deferred revenue, accruals, customer deposits, etc.)		104.22		99.11
TOTAL		4838.32		4610.39

	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
20. Current borrowings				
Secured				
Loans from Banks				
Cash credit facilities*		1.86		6.79
Short term loan from Bank**		–		10.56
TOTAL		1.86		17.35

* Cash credit facilities are secured by hypothecation of certain property, plant and equipment, investments and current assets, both present and future.

** Short term loan from Bank is in the nature of fixed rate short tenure loan @ 8.15% p.a. and is secured by way of charge on certain current assets.

Notes to the Consolidated Financial Statements

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
21A. Income Tax Assets (Net)		
Income Tax Assets (net of provisions)	28.53	61.54
Fringe Benefit Tax (net of provisions)	–	0.02
TOTAL	28.53	61.56
21B. Current Tax liabilities (Net)		
Current taxation (net of advance payment)	423.69	68.56
TOTAL	423.69	68.56
	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
22A. Revenue from operations		
Sale of Products	45758.57	44385.65
Sale of Services	3589.86	2976.86
Gross Revenue from sale of products and services* [including excise duty/National Calamity Contingent Duty/Health Risk Tax of ₹ 1503.00 Crores (2018 - ₹ 5238.80 Crores)] [@]	49348.43	47362.51
Other Operating Revenues [#]	513.68	326.04
TOTAL	49862.11	47688.55
* Net of sales returns and damaged stocks.		
[@] Also refer to the note in the 'Consolidated Statement of Profit and Loss'.		
[#] Includes Government grants received of ₹ 112.23 Crores (2018 - ₹ 94.23 Crores) on account of Export Promotion Capital Goods, Served from India Scheme, Service Export from India Scheme, Merchandise Export from India Scheme, etc.		
22B. Gross revenue from sale of products and services *[@]		
FMCG		
– Cigarettes etc.	22913.27	24848.09
– Branded Packaged Food Products	9670.99	8667.43
– Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis, etc.)	2846.08	2671.88
Hotels		
– Hotels Sales/Income from Hotel Services	1728.15	1480.02
Agri Business		
– Unmanufactured Tobacco	1593.61	1538.52
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua, etc.)	4481.69	2935.70
Paperboards, Paper and Packaging		
– Paperboards and Paper	3710.32	3212.12
– Printed Materials	520.08	483.29
Others		
– Others	1884.24	1525.46
TOTAL	49348.43	47362.51
* Net of sales returns and damaged stocks.		
[@] Also refer to the note in the 'Consolidated Statement of Profit and Loss'.		

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
23. Other income		
Interest income	1312.79	964.74
Dividend income	8.38	8.48
Other non-operating income	25.90	19.22
Other gains and losses	826.72	839.42
TOTAL	2173.79	1831.86
Interest income comprises interest from:		
a) Deposits with Banks etc. - carried at amortised cost	298.59	261.27
b) Financial assets mandatorily measured at FVTPL	239.42	183.30
c) Other financial assets measured at amortised cost	740.27	481.86
d) Others (from statutory authorities etc.)	34.51	38.31
TOTAL	1312.79	964.74
Dividend income comprises dividend from:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	8.32	8.32
b) Other investments	0.06	0.16
TOTAL	8.38	8.48
Other gains and losses:		
Net foreign exchange gain/(loss)	(6.95)	47.14
Net gain/(loss) arising on financial assets mandatorily measured at FVTPL*	753.80	787.49
Gain recognised on disposal of subsidiary	9.40	9.61
Impairment of investment in joint venture company	-	(4.82)
Restructuring of Lifestyle Retailing Business (Net)#	70.47	-
TOTAL	826.72	839.42
* Includes ₹ 205.16 Crores (2018 - ₹ 299.11 Crores) being net gain/(loss) on sale of investments.		
# Net gain on restructuring of the Lifestyle Retailing Business comprising sale proceeds of John Players trademark/copyright and its variants alongwith related goodwill, write-off of assets and other disengagement costs.		
24. Employee benefits expense		
Salaries and wages	3451.87	2943.95
Contribution to Provident and other funds	246.93	232.18
Share based payments to employees [Includes cash-settled share based payments ₹ 18.53 Crores (2018 - Nil)]	258.23	393.41
Staff welfare expenses	246.31	218.07
	4203.34	3787.61
Less: Recoveries made/reimbursements received	25.46	26.71
TOTAL	4177.88	3760.90

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
25. Finance costs		
Interest expense:		
– On financial liabilities measured at amortised cost	10.02	36.64
– Others	35.40	53.27
TOTAL	45.42	89.91
26. Other expenses		
Power and fuel	746.73	653.50
Consumption of stores and spare parts	301.34	268.69
Contract processing charges	902.55	862.04
Rent [Refer Note 28 (viii)]	337.84	332.84
Rates and taxes	263.56	222.39
Insurance	84.35	85.68
Repairs		
– Buildings	64.25	61.31
– Machinery	235.44	220.62
– Others	80.55	62.82
Maintenance and upkeep	270.09	222.14
Outward freight and handling charges	1176.49	904.07
Warehousing charges	166.85	152.97
Advertising/Sales promotion	994.63	902.24
Market research	135.20	132.64
Design and product development	57.15	46.49
Hotel reservation/Marketing expenses	42.76	34.80
Retail accessories	155.37	134.36
Brokerage and discount - sales	13.10	7.89
Commission to selling agents	14.43	27.98
Doubtful and bad debts	32.56	30.82
Doubtful and bad advances, loans and deposits	6.01	4.03
Bank and credit card charges	25.98	25.10
Information technology services	171.48	147.16
Travelling and conveyance	400.81	359.98
Training and development	24.71	30.27
Legal expenses	50.00	42.00
Consultancy/Professional fees	405.47	338.40
Postage, telephone, etc.	32.82	34.12
Printing and stationery	19.37	18.59
Loss on sale of property, plant and equipment - Net	105.05	8.81
Loss on sale of stores and spare parts - Net	16.79	3.72
Miscellaneous expenses	1014.38	971.13
TOTAL	8348.11	7349.60

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
27. Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	6322.55	6158.16
Adjustments/(credits) related to previous years - Net	(130.93)	(264.97)
Total current tax	6191.62	5893.19
Deferred tax		
Deferred tax for the year	92.61	(71.08)
Adjustments/(credits) related to previous years - Net	31.63	94.32
MAT credit entitlement	(1.94)	-
Total deferred tax	122.30	23.24
TOTAL	6313.92	5916.43
B. Amount recognised in other comprehensive income		
The tax (charge)/credit arising on income and expenses recognised in other comprehensive income is as follows:		
On items that will not be reclassified to profit or loss		
Remeasurement gains/(losses) on defined benefit plans	(4.32)	(29.84)
Related to designated portion of hedging instruments in cash flow hedges	7.36	(3.56)
	3.04	(33.40)
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	(0.30)	6.42
TOTAL	2.74	(26.98)
C. Amount recognised directly in equity		
The income tax (charged)/credited directly to equity during the year is as follows:		
Deferred tax		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	(1.01)	12.17
TOTAL	(1.01)	12.17
D. Reconciliation of effective tax rate		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	19149.82	17409.11
Income tax expense calculated @ 34.944% (2018: 34.608%)	6691.72	6024.94
Effect of tax relating to uncertain tax positions	38.47	88.95
Effect of different tax rate on certain items	(182.14)	(60.60)
Difference in tax rates of subsidiary companies	(52.19)	(40.15)
Effect of income not taxable	(124.26)	(103.36)
Other differences	169.03	201.93
Benefit of previously unrecognised tax loss to reduce current tax expense	(68.29)	(23.60)
Benefit of previously unrecognised tax loss to reduce deferred tax expense	(59.12)	(1.03)
Total	6413.22	6087.08
Adjustments recognised in the current year in relation to the current tax of prior years	(99.30)	(170.65)
Income tax recognised in profit or loss	6313.92	5916.43

The tax rate of 34.944% (30% + surcharge @ 12% and cess @ 4%) used for the year 2018-19 and 34.608% (30% + surcharge @ 12% and cess @ 3%) used for the year 2017-18 is the corporate tax rate payable on taxable profits under the Income Tax Act, 1961.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements

(i) Earnings per share:	2019	2018
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	12592.33	11271.20
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,23,11,13,530	12,17,58,14,877
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	6,93,50,255	7,09,84,629
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,30,04,63,785	12,24,67,99,506
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 10.30	₹ 9.26
– Diluted [(a)/(d)]	₹ 10.24	₹ 9.20

(ii) (a) The subsidiaries (which along with ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2019	Percentage of ownership interest as at 31st March, 2018
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Indivate Inc. [a 100% subsidiary of ITC Infotech (USA), Inc.]	USA	100	100
Surya Nepal Private Limited	Nepal	59	59
Technico Pty Limited	Australia	100	100
Technico Agri Sciences Limited	India	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2019	Percentage of ownership interest as at 31st March, 2018
Landbase India Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
WelcomHotels Lanka (Private) Limited	Sri Lanka	100	100
Russell Credit Limited	India	100	100
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited	India	98.21	98.21
Gold Flake Corporation Limited	India	100	100
ITC Investments & Holdings Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of ITC Investments & Holdings Limited)	India	100	100
North East Nutrients Private Limited	India	76	76
Prag Agro Farm Limited	India	100	100
Pavan Poplar Limited	India	100	100

The above does not include ITC Global Holdings Pte. Limited, Singapore, which has been dissolved vide Order dated 10th July, 2018 of the High Court of the Republic of Singapore.

The financial statements of all subsidiaries, considered in the Consolidated Accounts, are drawn upto 31st March other than for Surya Nepal Private Limited where it is upto 14th March, based on the local laws of Nepal where the company is incorporated.

(b) Interests in Joint Ventures:

The Group's interests in jointly controlled entities (incorporated Joint Ventures) are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2019	Percentage of ownership interest as at 31st March, 2018
Espirit Hotels Private Limited	India	26	26
Logix Developers Private Limited	India	27.90	27.90
ITC Essentra Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50
Maharaja Heritage Resorts Limited	India	50	50

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

The Group's interests in jointly controlled operations:

Technico Technologies Inc., Canada has terminated the farming arrangement with Shamrock Seed Potato Farm Limited, Canada during the financial year 2018-19. Accordingly, the participating share of Technico Technologies Inc., Canada in the arrangement is Nil (2018 - 35%).

The financial statements of all the Joint Ventures, considered in the Consolidated Accounts, are drawn upto 31st March.

(c) Investments in Associates:

The Group's Associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2019	Percentage of ownership interest as at 31st March, 2018
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Gujarat Hotels Limited	India	45.78	45.78
Divya Management Limited	India	33.33	33.33
ATC Limited	India	47.50	47.50
Antrang Finance Limited	India	33.33	33.33

The financial statements of all Associates, considered in the Consolidated Accounts, are drawn upto 31st March.

(d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of Indian Accounting Standard – 110 (Ind AS 110) on "Consolidated Financial Statements", Indian Accounting Standard – 28 (Ind AS 28) on "Investments in Associates and Joint Ventures" and Indian Accounting Standard – 111 (Ind AS 111) on "Joint Arrangements" by each of the included entities other than in respect of a joint venture Logix Developers Private Limited which has been considered on the basis of financial statements as certified by Logix Developers Private Limited's management and provided to the Company.

(iii) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 309.72 Crores (2018 - ₹ 294.95 Crores) comprising employee benefits expenses of ₹ 8.69 Crores (2018 - ₹ 7.84 Crores) and other expenses of ₹ 301.03 Crores (2018 - ₹ 287.11 Crores) of which ₹ 22.23 Crores (2018 - ₹ 14.42 Crores) is accrued for payment as on 31st March, 2019. Such CSR expenditure of ₹ 309.72 Crores (2018 - ₹ 294.95 Crores) excludes ₹ 10.34 Crores (2018 - ₹ 10.29 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 as applicable to individual entities.

(iv) Contingent liabilities and commitments:

(a) Contingent liabilities:

Claims against the Group not acknowledged as debts, are ₹ 847.13 Crores (2018 - ₹ 855.74 Crores), including interest on claims, where applicable, estimated to be ₹ 221.14 Crores (2018 - ₹ 237.56 Crores), including share of joint venture Nil (2018 - ₹ 0.11 Crore) and share of associates ₹ 0.15 Crore (2018 - ₹ 0.15 Crore).

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 632.56 Crores (2018 - ₹ 640.23 Crores), including interest on claims, where applicable, estimated to be ₹ 206.42 Crores (2018 - ₹ 217.07 Crores), including share of joint venture Nil (2018 - ₹ 0.11 Crore) and share of associates ₹ 0.12 Crore (2018 - ₹ 0.12 Crore).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 106.81 Crores (2018 - ₹ 106.06 Crores), including interest on claims, where applicable, estimated to be ₹ 5.14 Crores (2018 - ₹ 5.03 Crores) including share of associates ₹ 0.03 Crore (2018 - ₹ 0.03 Crore).
- Third party claims arising from disputes relating to contracts aggregating ₹ 39.40 Crores (2018 - ₹ 39.25 Crores), including interest on claims, where applicable, estimated to be ₹ 0.60 Crore (2018 - ₹ 0.48 Crore).
- Other matters aggregating ₹ 68.36 Crores (2018 - ₹ 70.20 Crores), including interest on other matters, where applicable, estimated to be ₹ 8.98 Crores (2018 - ₹ 14.98 Crores).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income Tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. The basis for all these SCNs and demands is an untenable contention by the Revenue Authorities that SNPL could have produced more cigarettes than it has actually produced in a given year, by applying an input-output ratio allegedly submitted by the SNPL in the year 1990-91 and, that, SNPL is liable to pay taxes on such cigarettes that could have been theoretically produced and sold. This, despite the fact that SNPL's cigarette factory was under 'physical control' of the Excise authorities and cigarettes produced were duly accounted for and certified as such by the Excise authorities.

As reported in earlier years, the above basis of theoretical production has been rejected by the Hon'ble Supreme Court of Nepal vide its orders dated 29th October, 2009 and 1st April, 2010. In the said order of the Hon'ble Supreme Court of Nepal dated 1st April, 2010, the Excise demands for the financial years 1998-99 to 2002-03 and Income Tax demands for the financial year 2001-02 were set aside. Citing the aforesaid decisions of the Hon'ble Supreme Court of Nepal, the Inland Revenue Department has, on 11th February, 2011 and 12th August, 2013 decided administrative review petitions in favour of SNPL setting aside Value Added Tax demands for the financial years 2001-02 and 2007-08 and Income Tax demand for the financial year 2005-06.

Various demands and a Show Cause Notice on theoretical production for different years (as listed below) have been challenged by SNPL by way of writ petitions in the Hon'ble Supreme Court of Nepal, which are pending:

1. Excise demand letters and Show Cause Notice for ₹ 29.66 Crores [Nepalese Rupee (NRs.) 47.45 Crores] relating to the financial years 2003-04 to 2007-08.
2. Value Added Tax (VAT) demand letters for ₹ 10.93 Crores (NRs. 17.49 Crores) relating to financial years 2002-03 to 2006-07.
3. Income Tax demand letters for ₹ 13.45 Crores (NRs. 21.52 Crores) relating to financial years 2002-03 and 2003-04.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

These petitions have been admitted by the Hon'ble Supreme Court of Nepal and notices have been issued to the Inland Revenue Department. In one of the writ petitions, the Hon'ble Supreme Court of Nepal has issued interim order on 7th March, 2010, in relation to a Show Cause Notice for the financial year 2007-08, directing the Inland Revenue Department not to raise excise demand, pending final disposal of the writ petition.

SNPL's counsel has opined that the verdict of the Hon'ble Supreme Court of Nepal dated 29th October, 2009 will add substantial strength to SNPL's pending cases relating to theoretical production.

SNPL also considers that all the demands and show cause notice listed above have no legal or factual basis. Accordingly, SNPL is of the view that there is no liability that is likely to arise, particularly in the light of the decisions in favour of SNPL by the Hon'ble Supreme Court of Nepal and the Inland Revenue Department.

It is not practicable for the Group to estimate the closure of these issues and the consequential timings of cash flows, if any, in respect of the above.

- (b) Uncalled liability on investments partly paid is ₹ 5.00 Crores (2018 - ₹ 8.75 Crores).
- (c) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding ₹ 1.30 Crores (2018 - ₹ 1.30 Crores).
- (d) Commitments: Estimated amount of contracts remaining to be executed on capital accounts and not provided for, including share of joint ventures ₹ 11.18 Crores (2018 - ₹ 10.28 Crores), are ₹ 2709.10 Crores (2018 - ₹ 2330.67 Crores).
- (v) Research and Development expenses for the year amount to ₹ 145.51 Crores (2018 - ₹ 130.60 Crores).
- (vi) Cost of inventory recognised as expense during the year amount to ₹ 22563.07 Crores (2018 - ₹ 23731.05 Crores).
- (vii) The Group has adopted Indian Accounting Standard – 19 (Ind AS 19) on 'Employee Benefits'. These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.
- (a) Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuations as on 31st March, 2019 and recognised in the financial statements in respect of Employee Benefit Schemes:

Description of Plans

The Group makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable Statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund and Pension Benefits are funded, Gratuity Benefits are both funded as well unfunded; and Leave Encashment Benefits are unfunded in nature. The Defined Benefit Pension Plans are based on employees' pensionable remuneration and length of service. The Pension entitlement for certain category of employees has been enhanced

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

during the year. Also, the Defined Benefit plan relating to gratuity benefits for certain employees has, in effect, been replaced by a Defined Contribution plan. Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits.

The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method as at year end. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

Risk Management

The Defined Benefit Plans expose the Group to risk of actuarial deficit arising out of investment risk, interest rate risk and salary cost inflation risk.

Investment Risks: This may arise from volatility in asset values due to market fluctuations and impairment of assets due to credit losses. These Plans primarily invest in debt instruments such as Government securities and highly rated corporate bonds – the valuation of which is inversely proportional to the interest rate movements.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

These Plans have a relatively balanced mix of investments in order to manage the above risks. The investment strategy is designed based on the interest rate scenario, liquidity needs of the Plans and pattern of investment as prescribed under various Statutes.

The Trustees regularly monitor the funding and investments of these Plans. Risk mitigation systems are in place to ensure that the health of the portfolio is regularly reviewed and investments do not pose any significant risk of impairment. Periodic audits are conducted to ensure adequacy of internal controls. Pension obligation of the employees is secured by purchasing annuities thereby de-risking the Plans from future payment obligation.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

	For the year ended 31st March, 2019 (₹ in Crores)				For the year ended 31st March, 2018 (₹ in Crores)			
	Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
	Funded	Funded	Unfunded	Unfunded	Funded	Funded	Unfunded	Unfunded
I Components of Employer Expense								
- Recognised in Profit or Loss								
1 Current Service Cost	48.50	35.43	0.68	12.70	46.30	33.00	0.39	11.43
2 Past Service Cost	13.62	(4.73)	0.05	–	–	7.99	(0.46)	–
3 Net Interest Cost	(8.41)	(2.86)	0.36	7.90	(3.37)	(3.26)	0.05	7.18
4 Total expense recognised in the Statement of Profit and Loss	53.71	27.84	1.09	20.60	42.93	37.73	(0.02)	18.61
- Re-measurements recognised in Other Comprehensive Income								
5 Return on plan assets (excluding amounts included in net interest cost)	(2.37)	(0.06)	–	–	(2.99)	(5.96)	–	–
6 Effect of changes in demographic assumptions	(1.40)	(0.18)	0.01	(0.01)	(0.48)	(0.34)	0.01	(0.37)
7 Effect of changes in financial assumptions	(1.06)	(0.78)	(0.23)	(0.04)	(36.00)	(11.79)	(0.52)	(5.91)
8 Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
9 Effect of experience adjustments	5.54	(12.03)	(0.43)	2.12	(18.24)	(4.64)	(0.56)	1.62
10 Total re-measurements included in Other Comprehensive Income	0.71	(13.05)	(0.65)	2.07	(57.71)	(22.73)	(1.07)	(4.66)
11 Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)	54.42	14.79	0.44	22.67	(14.78)	15.00	(1.09)	13.95

The current service cost and net interest cost for the year pertaining to Pension and Gratuity expenses have been recognised in “Contribution to Provident and other funds” and Leave Encashment in “Salaries and wages” under Note 24. The re-measurements of the net defined benefit liability are included in Other Comprehensive Income.

II Actual Returns	63.04	28.20	–	–	55.46	29.12	–	–
III Net Asset/(Liability) recognised in Balance Sheet								
1 Present Value of Defined Benefit Obligation	771.20	369.26	6.11	120.27	739.61	365.29	5.85	113.23
2 Fair Value of Plan Assets	808.56	380.63	–	–	809.14	374.48	–	–
3 Status [Surplus/(Deficit)]	37.36	11.37	(6.11)	(120.27)	69.53	9.19	(5.85)	(113.23)
4 Restrictions on Asset Recognised	–	–	–	–	–	–	–	–
5 Net (Liability) recognised in Balance Sheet	(4.62)	(6.16)	(6.11)	(120.27)	(3.79)	(5.22)	(5.85)	(113.23)
a. Current	(0.91)	(4.60)	(0.36)	(16.79)	(0.88)	(5.01)	(0.30)	(17.19)
b. Non-Current	(3.71)	(1.56)	(5.75)	(103.48)	(2.91)	(0.21)	(5.55)	(96.04)
6 Net Asset recognised in Balance Sheet	41.98	17.53	–	–	73.32	14.41	–	–
a. Current	41.98	17.53	–	–	53.81	14.41	–	–
b. Non-Current	–	–	–	–	19.51	–	–	–

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

IV	Change in Defined Benefit Obligation (DBO)	For the year ended 31st March, 2019 (₹ in Crores)				For the year ended 31st March, 2018 (₹ in Crores)			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Funded	Funded	Unfunded	Unfunded	Funded	Funded	Unfunded	Unfunded
1	Present Value of DBO at the beginning of the year	739.61	365.29	5.85	113.23	755.94	359.36	7.35	113.51
2	Current Service Cost	48.50	35.43	0.68	12.70	46.30	33.00	0.39	11.43
3	Past Service Cost	13.62	(4.73)	0.05	–	–	7.99	(0.46)	–
4	Interest Cost	52.26	25.28	0.36	7.90	49.10	19.90	0.05	7.18
5	Re-measurement Gains/(Losses):								
	a. Effect of changes in demographic assumptions	(1.40)	(0.18)	0.01	(0.01)	(0.48)	(0.34)	0.01	(0.37)
	b. Effect of changes in financial assumptions	(1.06)	(0.78)	(0.23)	(0.04)	(36.00)	(11.79)	(0.52)	(5.91)
	c. Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	d. Effect of experience adjustments	5.54	(12.03)	(0.43)	2.12	(18.24)	(4.64)	(0.56)	1.62
6	Curtailment Cost/(Credit)	–	–	–	–	–	–	–	–
7	Settlement Cost/(Credit)	–	–	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–	–	–	–	–
9	Effects of transfer in/(out)	(0.06)	–	–	–	–	–	–	–
10	Benefits Paid	(85.81)	(39.02)	(0.18)	(15.63)	(57.01)	(38.19)	(0.41)	(14.23)
11	Present Value of DBO at the end of the year	771.20	369.26	6.11	120.27	739.61	365.29	5.85	113.23

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2019	As at 31st March, 2018
		(₹ in Crores)	(₹ in Crores)
	– Pension	78.79	56.83
	– Gratuity	32.82	29.81

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

VI	Change in Fair Value of Assets	For the year ended 31st March, 2019 (₹ in Crores)				For the year ended 31st March, 2018 (₹ in Crores)			
		Pension		Gratuity		Leave Encashment		Leave Encashment	
		Funded	Unfunded	Funded	Unfunded	Funded	Unfunded	Funded	Unfunded
1	Plan Assets at the beginning of the year	809.14	374.48	–	–	745.55	352.11	–	–
2	Asset acquired in Business Combination	–	–	–	–	–	–	–	–
3	Interest Income	60.67	28.14	–	–	52.47	23.16	–	–
4	Re-measurement Gains/ (Losses) on plan assets	2.37	0.06	–	–	2.99	5.96	–	–
5	Actual Group Contributions	22.25	16.97	–	–	65.14	31.44	–	–
6	Benefits Paid	(85.81)	(39.02)	–	–	(57.01)	(38.19)	–	–
7	Effects of transfer in/(out)	(0.06)	–	–	–	–	–	–	–
8	Plan Assets at the end of the year	808.56	380.63	–	–	809.14	374.48	–	–

VII	Actuarial Assumptions	As at 31st March, 2019	As at 31st March, 2018
		Discount Rate (%)	Discount Rate (%)
1	Pension	7.50	7.50
2	Gratuity	7.50	7.50
3	Leave Encashment	7.50	7.50

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, 2019	As at 31st March, 2018
1	Government Securities/Special Deposit with RBI	25.74%	23.85%
2	High Quality Corporate Bonds	15.32%	15.85%
3	Insurer/Citizen Investment Trust Managed Funds*	46.99%	49.26%
4	Mutual Funds	2.83%	2.34%
5	Cash and Cash Equivalents	6.52%	6.14%
6	Term Deposits	2.60%	2.56%

* 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. The fair value of Government Securities, Corporate Bonds, Mutual Funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the participating companies.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated 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.

X	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)	For the year ended 31st March, 2019 (₹ in Crores)				For the year ended 31st March, 2018 (₹ in Crores)			
		Pension		Gratuity		Gratuity		Leave Encashment	
		Funded	Funded	Unfunded	Unfunded	Funded	Funded	Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation	771.20	369.26	6.11	120.27	739.61	365.29	5.85	113.23
2	Fair Value of Plan Assets	808.56	380.63	–	–	809.14	374.48	–	–
3	Status [Surplus/(Deficit)]	37.36	11.37	(6.11)	(120.27)	69.53	9.19	(5.85)	(113.23)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	2.37	0.06	–	–	2.99	5.96	–	–
5	Experience Adjustment of obligation [(Gain)/Loss]	5.54	(12.03)	(0.43)	2.12	(18.24)	(4.64)	(0.56)	1.62

XI Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

		DBO as at 31st March, 2019		DBO as at 31st March, 2018	
1	Discount Rate + 100 basis points	1201.36		1158.38	
2	Discount Rate – 100 basis points	1341.45		1292.73	
3	Salary Increase Rate + 1%	1332.83		1291.81	
4	Salary Increase Rate – 1%	1207.21		1170.43	

Maturity Analysis of the Benefit Payments

1	Year 1	183.40	198.46
2	Year 2	171.10	139.86
3	Year 3	139.89	131.60
4	Year 4	147.57	112.61
5	Year 5	103.22	132.26
6	Next 5 Years	546.82	507.67

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 24: - ₹ 165.38 Crores (2018 - ₹ 151.52 Crores).

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

(viii) The Group's significant leasing arrangements are in respect of operating leases for land and building 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 26.

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

	As at 31st March, 2019 (₹ in Crores)	As at 31st March, 2018 (₹ in Crores)
Not later than one year	21.16	14.52
Later than one year and not later than five years	28.70	29.04
Later than five years	35.17	35.15

(ix) Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income		
	As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)	
Parent									
ITC Limited	93.04%	55346.58	93.93%	12056.29	111.08%	362.56	94.35%	12418.85	
Subsidiaries									
Indian									
1	Russell Credit Limited	1.38%	823.54	0.28%	36.30	8.45%	27.59	0.49%	63.89
2	Greenacre Holdings Limited	0.08%	46.12	0.01%	1.78	...	(0.01)	0.01%	1.77
3	Wimco Limited	...	(0.16)	...	0.04	0.01%	0.02	...	0.06
4	Prag Agro Farm Limited	...	1.06	...	(0.01)	-	-	...	(0.01)
5	Pavan Poplar Limited	...	0.43	...	(0.55)	(0.02%)	(0.06)	...	(0.61)
6	Technico Agri Sciences Limited	0.12%	74.11	0.06%	8.19	0.01%	0.04	0.06%	8.23
7	Srinivasa Resorts Limited	0.11%	65.74	(0.01%)	(1.44)	...	(0.01)	(0.01%)	(1.45)
8	Fortune Park Hotels Limited	0.06%	32.77	0.05%	6.61	0.01%	0.02	0.05%	6.63

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

	Name of the Entity	Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
	Indian								
9	Bay Islands Hotels Limited	0.03%	16.49	0.01%	1.10	–	–	0.01%	1.10
10	ITC Infotech India Limited	0.55%	323.84	0.51%	63.91	2.93%	9.54	0.56%	73.45
11	Gold Flake Corporation Limited	0.03%	19.51	...	0.16	...	0.01	...	0.17
12	ITC Investments & Holdings Limited	0.01%	5.17	...	0.02	–	–	...	0.02
13	MRR Trading & Investment Company Limited	...	0.01	...	...	–	–	...	...
14	Landbase India Limited	0.39%	234.10	0.02%	3.11	...	0.01	0.02%	3.12
15	North East Nutrients Private Limited	0.18%	106.96	0.07%	8.68	0.02%	0.05	0.07%	8.73
	Foreign								
1	Technico Pty Limited	0.05%	30.96	0.05%	6.19	(0.16%)	(0.52)	0.04%	5.67
2	Technico Technologies Inc.	...	1.57	...	0.32	–	–	...	0.32
3	Technico Asia Holdings Pty Limited	–	–	–	–	–	–	–	–
4	Technico Horticultural (Kunming) Co. Limited	0.01%	7.74	0.01%	0.97	–	–	0.01%	0.97
5	WelcomHotels Lanka (Private) Limited	2.01%	1196.45	...	0.61	(20.51%)	(66.93)	(0.50%)	(66.32)
6	ITC Infotech Limited	0.15%	87.67	0.11%	14.27	–	–	0.11%	14.27

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Name of the Entity		Net Assets		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % of Consolidated Net Assets	Amount (₹ in Crores)	As % of Consolidated Profit or (Loss)	Amount (₹ in Crores)	As % of Consolidated Other Comprehensive Income	Amount (₹ in Crores)	As % of Consolidated Total Comprehensive Income	Amount (₹ in Crores)
Foreign									
7	ITC Infotech (USA), Inc.	0.27%	160.88	0.20%	25.52	–	–	0.19%	25.52
8	Indivate Inc.	...	0.44	...	0.21	–	–	...	0.21
9	Surya Nepal Private Limited	0.48%	279.77	2.72%	348.35	(0.25%)	(0.82)	2.64%	347.53
Non-Controlling Interest in all subsidiaries		0.58%	343.47	1.90%	243.57	(0.17%)	(0.55)	1.85%	243.02
Associates									
Indian									
1	International Travel House Limited	0.15%	91.81	0.01%	0.95	(0.11%)	(0.34)	...	0.61
2	Gujarat Hotels Limited	0.03%	15.17	0.01%	1.75	–	–	0.01%	1.75
3	Russell Investments Limited	0.05%	31.12	0.01%	1.30	(1.29%)	(4.22)	(0.02%)	(2.92)
4	Divya Management Limited	0.01%	7.37	...	0.08	–	–	...	0.08
5	Antrang Finance Limited	0.01%	4.87	...	0.02	–	–	...	0.02
6	ATC Limited	0.01%	6.92	...	0.15	0.01%	0.05	...	0.20
Joint Ventures									
Indian									
1	ITC Essentra Limited	0.11%	65.59	0.12%	15.85	(0.01%)	(0.03)	0.12%	15.82
2	Maharaja Heritage Resorts Limited	–	–	–	–	–	–	–	–
3	Espirit Hotels Private Limited	0.08%	46.17	...	...	–	–	...	...
4	Logix Developers Private Limited	0.02%	10.10	(0.07%)	(8.40)	–	–	(0.06%)	(8.40)
Total		100.00%	59484.34	100.00%	12835.90	100.00%	326.40	100.00%	13162.30

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Note:

The above does not include ITC Global Holdings Pte. Limited, Singapore, which has been dissolved vide Order dated 10th July, 2018 of the High Court of the Republic of Singapore.

(x) The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 on 30th March, 2019:

- notifying Ind AS 116 – ‘Leases’ and
- amending Ind AS 12 – ‘Income Taxes’ and Ind AS 19 – ‘Employee Benefits’.

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Group expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

(xi) Impact of implementation of new standards/amendments:

- a) The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2018 applicable from the financial year 2018-19 in respect of Indian Accounting Standard – 20 on ‘Accounting for Government Grants and Disclosure of Government Assistance’. The Group has exercised the alternative available in the amendment of deducting the amount of Government grants from related assets as against setting up the grants as deferred income. The deferred income as on April 1, 2018 arising out of Government grants related to assets has, therefore, been adjusted against the carrying amount of such assets. The amounts so adjusted are not material (Also refer Note 19).
- b) Effective April 1, 2018 the Group adopted Ind AS – 115 ‘Revenue from Contracts with Customers’ using the cumulative catch-up transition method. There were no major contracts that were not completed as at the date of initial application of the Standard. The effect on adoption of the Standard was not material.
- c) Effective April 1, 2018 the Group has applied Appendix B to Ind AS – 21 ‘Foreign Currency Transactions and Advance Consideration’. This Appendix clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency. The effect on application of this amendment was not material.

(xii) Information in respect of Options granted under the Company’s Employee Stock Option Schemes (‘Schemes’):

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders’ approval :	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes (Adjusted for Bonus Shares issued in terms of Shareholders approval) :	Options equivalent to 37,89,18,503 Ordinary Shares of ₹ 1.00 each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹ 1.00 each
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 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 Regulations.	

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Sl. No.		ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
5.	Maximum term of Options granted	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 fair value method of accounting for Options issued under the Company's Employee Stock Option Schemes. The total fair value cost for the financial year 2018-19 is ₹ 243.05 Crores (2018 - ₹ 398.76 Crores), out of which, ₹ 239.70 Crores (2018 - ₹ 393.41 Crores) relate to employee benefits expense, ₹ 1.61 Crores (2018 - ₹ 2.64 Crores) to property, plant and equipment and ₹ 1.74 Crores (2018 - ₹ 2.71 Crores) to group entities.	
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 ₹ 1.00 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 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.	
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 : ₹ 2764.50 Weighted average fair value per Option : ₹ 682.92	
11.	Option movements during the year		
	a) Options outstanding at the beginning of the year	10,97,522	4,22,08,570
	b) Options granted during the year	–	6,88,425
	c) Options cancelled and lapsed during the year	29,475	3,40,467
	d) Options vested and exercisable during the year (net of Options lapsed and exercised)	84,974	64,56,266
	e) Options exercised during the year	5,92,754	48,40,915
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	59,27,540	4,84,09,150
	g) Options outstanding at the end of the year	4,75,293	3,77,15,613
	h) Options exercisable at the end of the year	3,82,579	3,03,48,634
	i) Money realised by exercise of the Options during the year (₹ in Crores)	66.94	902.19

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

Sl. No.		ITC Employee Stock Option Scheme - 2006		ITC Employee Stock Option Scheme - 2010			
12.	Summary of the status of Options						
	Particulars	As at 31st March, 2019		As at 31st March, 2018			
		No. of Options	Weighted Average Exercise Prices (₹)	No. of Options	Weighted Average Exercise Prices (₹)		
	Outstanding at the beginning of the year	4,33,06,092	2248.01	4,31,55,908	2066.94		
	Add: Granted during the year	6,88,425	2764.50	65,03,860	2884.88		
	Less: Lapsed during the year	3,69,942	2418.44	6,62,492	2238.58		
	Less: Exercised during the year	54,33,669	1783.57	56,91,184	1603.88		
	Outstanding at the end of the year	3,81,90,906	2321.75	4,33,06,092	2248.01		
	Options exercisable at the end of the year	3,07,31,213	2217.40	2,87,80,335	2082.54		
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, 2019 was ₹ 289.39 (2018 - ₹ 286.71).					
14.	Summary of Options outstanding, scheme-wise:						
	Particulars	As at 31st March, 2019			As at 31st March, 2018		
		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 - 2006	4,75,293	1349.00 – 2885.50	2.98	10,97,522	974.50 – 2885.50	1.90
	ITC Employee Stock Option Scheme - 2010	3,77,15,613	2023.50 – 2885.50	3.34	4,22,08,570	1349.00 – 2885.50	3.30
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 : ₹ 2764.50 Weighted average fair value per Option : ₹ 682.92					
	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					7.46%
		(ii) Expected life					3.47 years
		(iii) Expected volatility					24.20%
		(iv) Expected dividends					1.86%
		(v) The price of the underlying shares in market at the time of Option grant					₹ 2764.50
		<i>(One Option = 10 Ordinary Shares)</i>					

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements (Contd.)

16.	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised 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.
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Note: The ITC Employee Stock Option Scheme – 2001 is no longer operative consequent to grant and exercise of Options under the said Scheme having been completed.

(xiii) Information in respect of Stock Appreciation Linked Reward Plan:

Sl. No.	Particulars	:	Details
1	Nature and extent of Stock Appreciation Linked Reward Plan that existed during the year along with general terms and conditions	:	ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) Under the ITC ESAR Plan, the eligible employees receive cash on vesting of SAR units, equivalent to the difference between the grant price and the market price of the share on vesting subject to the terms and conditions specified in the Plan.
2	Settlement Method	:	Cash Settled
3	Vesting period and maximum term of SAR units granted	:	Over a period of five years from the date of grant in accordance with the Plan
4	Method used to estimate the fair value of SAR units granted	:	Black Scholes Option Pricing model. The said model considers inputs such as Risk-free interest rate, Expected life, Expected volatility, Expected dividend, Market Price etc. The number of SAR units outstanding at measurement date is 31,62,350 and the weighted average fair value at measurement date is ₹ 743.98 per SAR units.
5	Total cost recognised in the Statement of Profit and Loss	:	The employee compensation cost has been calculated using the fair value method of accounting for SAR units issued under the ITC ESAR Plan. The employee compensation cost as per fair value method for the financial year 2018-19 is ₹ 18.53 Crores (2018 - Nil) and ₹ 0.14 Crore (2018 - Nil) for group entities (Refer Note 24) and the amount carried as a non-current financial liability in the Balance Sheet is ₹ 18.67 Crores (2018 - Nil) (Refer Note 17).

(xiv) The financial statements were approved for issue by the Board of Directors on 13th May, 2019.

Notes to the Consolidated Financial Statements

29. Segment reporting

(₹ in Crores)

	2019			2018		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment Revenue - Gross						
FMCG - Cigarettes	22913.27	–	22913.27	24848.09	–	24848.09
FMCG - Others	12517.07	17.97	12535.04	11339.31	18.07	11357.38
FMCG - Total	35430.34	17.97	35448.31	36187.40	18.07	36205.47
Hotels	1728.15	18.59	1746.74	1480.02	14.65	1494.67
Agri Business	6075.30	3490.09	9565.39	4474.22	3680.82	8155.04
Paperboards, Paper and Packaging	4230.40	1629.76	5860.16	3695.41	1554.23	5249.64
Others	1884.24	82.38	1966.62	1525.46	76.97	1602.43
Segment Total	49348.43	5238.79	54587.22	47362.51	5344.74	52707.25
Eliminations			(5238.79)			(5344.74)
Gross Revenue from sale of products and services			49348.43			47362.51
2. Segment Results						
FMCG - Cigarettes			15411.77			14128.12
FMCG - Others			325.55			170.46
- Restructuring of Lifestyle Retailing Business (Refer Note 23)			70.47			–
FMCG - Total			15807.79			14298.58
Hotels			185.69			145.00
Agri Business			793.38			841.49
Paperboards, Paper and Packaging			1239.23			1042.16
Others			172.45			126.81
Segment Total			18198.54			16454.04
Eliminations			(13.80)			(93.60)
Consolidated Total			18184.74			16360.44
Unallocated corporate expenses net of unallocated income			1109.10			1020.29
Profit before interest etc. and taxation			17075.64			15340.15
Finance Costs			45.42			89.91
Interest earned on loans and deposits, income from current and non current investments, profit and loss on sale of investments etc. - Net			2107.90			1738.39
Share of net profit of associates & joint ventures			11.70			7.58
Exceptional items			–			412.90
Profit before tax			19149.82			17409.11
Tax expense			6313.92			5916.43
Profit for the year			12835.90			11492.68
3. Other Information						
		2019		2018		
	Segment Assets	Segment Liabilities*	Segment Assets	Segment Liabilities*		
FMCG - Cigarettes	8863.69	4888.65	8508.42	4756.35		
FMCG - Others	8224.57	2020.85	7760.11	1909.42		
FMCG - Total	17088.26	6909.50	16268.53	6665.77		
Hotels	7302.46	637.39	6564.68	619.34		
Agri Business	4191.18	785.36	3693.37	807.75		
Paperboards, Paper and Packaging	6960.54	755.48	6730.78	786.73		
Others	901.55	296.42	900.81	229.54		
Segment Total	36443.99	9384.15	34158.17	9109.13		
Unallocated Corporate Assets/Liabilities	35354.42	2929.92	30130.69	2335.15		
Total	71798.41	12314.07	64288.86	11444.28		

* Segment Liabilities of FMCG - Cigarettes is before considering ₹ 123.48 Crores (2018 - ₹ 233.02 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 Consolidated Financial Statements

29. Segment reporting (Contd.)

(₹ in Crores)

	2019		2018	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	171.38	285.61	96.23	295.15
FMCG - Others	1324.87	383.81	835.85	301.97
FMCG - Total	1496.25	669.42	932.08	597.12
Hotels	936.48	199.70	918.64	174.98
Agri Business	54.10	72.36	92.90	68.04
Paperboards, Paper and Packaging	258.74	326.24	910.01	274.60
Others	22.09	24.43	16.25	25.68
Segment Total	2767.66	1292.15	2869.88	1140.42
Unallocated	316.36	104.46	327.65	95.86
Total	3084.02	1396.61	3197.53	1236.28

	Non Cash expenditure other than depreciation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	1.30	2.44
FMCG - Others	66.95	48.55
FMCG - Total	68.25	50.99
Hotels	15.96	6.89
Agri Business	1.23	2.33
Paperboards, Paper and Packaging	62.13	44.32
Others	11.56	4.89
Segment Total	159.13	109.42

GEOGRAPHICAL INFORMATION

	2019	2018
1. Revenue from external customers		
– Within India	42259.87	41175.15
– Outside India	7088.56	6187.36
Total	49348.43	47362.51
2. Non-Current Assets		
– Within India	24339.84	23341.21
– Outside India	1562.43	1245.68
Total	25902.27	24586.89

NOTES:

- The Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Corporate Management Committee, which is the Chief Operating Decision Maker.
- 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.
Others		— Information Technology services etc.
- The Group companies have been included in segment classification as follows:

FMCG	: Cigarettes	— Surya Nepal Private Limited.
	: Others	— Surya Nepal Private Limited and North East Nutrients Private Limited.
Hotels		— Srinivasa Resorts Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited and WelcomHotels Lanka (Private) Limited.
Agri Business		— Technico Agri Sciences Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited.
Others		— ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Indivate Inc., Russell Credit Limited and its subsidiary Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited, ITC Investments & Holdings Limited and its subsidiary MRR Trading & Investment Company Limited, Landbase India Limited and Gold Flake Corporation Limited.
- The geographical information 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.
- As stock options and stock appreciation linked reward units are granted under ITC ESOS and ITC ESARP respectively to align the interests of employees with those of shareholders and also to attract and retain talent for the Group as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.
- The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes to the Consolidated Financial Statements

30. Related Party Disclosures

1. OTHER RELATED PARTIES WITH WHOM THE COMPANY AND ITS SUBSIDIARIES HAD TRANSACTIONS:

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) Russell Investments Limited
- c) ATC Limited
- d) International Travel House Limited
 - being associates of the Group
- e) Tobacco Manufacturers (India) Limited, UK
 - of which the Company is an associate

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) ITC Essentra Limited

ii) a) Key Management Personnel (KMP):

Y. C. Deveshwar [#]	Chairman & Non-Executive Director
S. Puri [§]	Managing Director
N. Anand	Executive Director
B. Sumant	Executive Director (w.e.f. 16.11.2018)
R. Tandon	Executive Director & Chief Financial Officer
S. Banerjee*	Non-Executive Director
H. Bhargava	Non-Executive Director (w.e.f. 28.07.2018)
A. Duggal*	Non-Executive Director
S. B. Mainak	Non-Executive Director (upto 23.07.2018)
S. B. Mathur*	Non-Executive Director
J. Pulinthanam	Non-Executive Director (w.e.f. 16.05.2018)
N. Rao*	Non-Executive Director
S. S. H. Rehman*	Non-Executive Director
M. Shankar*	Non-Executive Director
D. R. Simpson	Non-Executive Director

[#] Passed away on 11.05.2019

[§] Managing Director since 16.05.2018, prior to which Mr. Puri was Chief Executive Officer & Executive Director. Also appointed as the Chairman of the Company with effect from 13.05.2019.

* Independent Directors

Members - Corporate Management Committee

- S. Puri
N. Anand
B. Sumant
R. Tandon
C. Dar
S. K. Singh
S. Sivakumar
R. Sridhar (upto 04.02.2019)
K. S. Suresh

Company Secretary

R. K. Singhi

b) Relatives of Key Management Personnel:

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

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) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- j) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- k) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- l) ITC Hotels Limited Employees Superannuation Scheme
- m) Greenacre Holdings Limited Provident Fund
- n) Greenacre Holdings Limited Gratuity Fund

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (Contd.)

2. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2019

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	1. Sale of Goods/ Services	3.56	3.48	41.97	17.97							45.53
2. Purchase of Goods/ Services	125.16	104.43	272.34	223.28							397.50	327.71
3. Value of share based payment												
— Reimbursement for Share Based Payments	1.47	1.94	0.41	0.77							1.88	2.71
4. Interest Income	—	0.07									—	0.07
5. Interest Paid	—	0.12									—	0.12
6. Rent Received	1.06	1.07									1.06	1.07
7. Rent Paid	4.36	3.88			0.21	0.25	0.80	0.75			5.37	4.88
8. Remuneration of Managers on Deputation reimbursed	5.35	5.25									5.35	5.25
9. Remuneration of Managers on Deputation recovered	5.62	4.82	1.16	1.33							6.78	6.15
10. Contribution to Employees' Benefit Plans									90.44	141.34	90.44	141.34
11. Dividend Income	2.27	2.27	2.70	2.03							4.97	4.30
12. Dividend Payments	1533.85	1414.71			1.61	1.10	...	...			1535.46	1415.81
13. Expenses Recovered	0.23	0.33	0.31	0.28							0.54	0.61
14. Expenses Reimbursed	0.24	0.36	0.01	0.92	0.05	0.03					0.30	1.31
15. Receipt towards Loan Repayment	—	1.40									—	1.40
16. Adjustment/ Payment towards Loan Repayment	—	18.00									—	18.00
17. Advances Given during the year	0.26	0.35									0.26	0.35
18. Adjustment/Receipt towards Refund of Advances	—	0.12									—	0.12
19. Deposits Received during the year	0.01	—						0.08			0.01	—
20. Deposits Given during the year											—	0.12
21. Transactions with Key Management Personnel ¹												
21A. — Short term benefits ²												
21B. — Other remuneration					44.09	45.05					44.09	45.05
21C. — Stock options granted ³					6.99	6.34					6.99	6.34
22. Outstanding Balances [#]												
i) Receivables	1.76	2.67	3.53	14.81							5.29	17.48
ii) Advances Given	0.49	0.23							59.51	87.73	60.00	87.96
iii) Deposits Given											0.48	0.48
iv) Deposits Taken	0.63	0.62			0.08	0.08	0.40	0.40			0.63	0.62
v) Payables	9.99	5.55	16.21	9.88							26.20	15.43
23. Impairment of investment in Joint Venture as at the year end			4.82	4.82							4.82	4.82

[#] The amounts outstanding are unsecured and will be settled in cash

¹ Post employment benefits are actuarially determined on overall basis and hence not separately provided.

² Includes ₹ 1.17 Crores (2018 - Nil) attributable to remuneration of a Director which is subject to approval by the Company in General Meeting.

³ During the year, the Group granted Stock Options to the Directors and KMP under its Employee Stock Option Schemes at 'market price' (within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014). Since such Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of Options, and accordingly the said grant has not been considered as remuneration. However, the Group has recorded employee benefits expense by way of share based payments to employees, in accordance with Ind AS - 102, at ₹ 239.70 Crores for the year ended 31st March, 2019 (2018 - ₹ 393.41 Crores), out of which ₹ 43.73 Crores (2018 - ₹ 53.43 Crores) is attributable to Directors and KMP.

Notes to the Consolidated Financial Statements

30. Related Party Disclosures (Contd.)

3. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES (Generally in excess of 10% of the total transaction value of the same type)

RELATED PARTY TRANSACTIONS SUMMARY	2019	2018	RELATED PARTY TRANSACTIONS SUMMARY	2019	2018
1. Sale of Goods / Services			11. Dividend Income		
International Travel House Limited	3.45	3.36	Gujarat Hotels Limited	0.61	0.61
ITC Essentra Limited	41.97	17.36	International Travel House Limited	1.66	1.66
2. Purchase of Goods / Services			ITC Essentra Limited	2.70	2.03
International Travel House Limited	98.63	79.06	12. Dividend Payments		
ITC Essentra Limited	272.10	223.03	Tobacco Manufacturers (India) Limited, UK	1533.85	1414.71
3. Value of share based payment			13. Expenses Recovered		
<i>Reimbursement for Share Based Payments</i>			International Travel House Limited	0.23	0.33
Maharaja Heritage Resorts Limited	0.23	0.38	Maharaja Heritage Resorts Limited	0.31	0.27
International Travel House Limited	0.99	1.26	14. Expenses Reimbursed		
ITC Essentra Limited	0.18	0.39	Gujarat Hotels Limited	0.22	0.24
ATC Limited	0.48	0.68	ITC Essentra Limited	-	0.90
4. Interest Income			15. Receipt towards Loan Repayment		
ATC Limited	-	0.07	ATC Limited	-	1.40
5. Interest Paid			16. Adjustment/ Payment towards Loan Repayment		
Russell Investments Limited	-	0.12	Russell Investments Limited	-	18.00
6. Rent Received			17. Advances Given during the year		
International Travel House Limited	1.05	1.07	International Travel House Limited	0.26	0.35
7. Rent Paid			18. Adjustment/ Receipt towards Refund of Advances		
Gujarat Hotels Limited	4.36	3.88	International Travel House Limited	-	0.12
Mrs. B. Deveshwar	0.75	0.75	19. Deposit Received during the year		
8. Remuneration of Managers on Deputation reimbursed			International Travel House Limited	0.01	-
Gujarat Hotels Limited	5.35	5.15	20. Deposits Given during the year		
9. Remuneration of Managers on Deputation recovered			Mr. B. B. Chatterjee (KMP upto 03.02.2018)	-	0.03
International Travel House Limited	2.84	2.31	Mrs. B. Deveshwar	-	0.08
ATC Limited	2.19	1.98	21. Remuneration to Key Management Personnel [#]		
Maharaja Heritage Resorts Limited	0.61	0.84	21A Short term benefits	15.90	19.29
10. Contribution to Employees' Benefit Plans			Mr. Y. C. Deveshwar	6.16	6.09
IATC Provident Fund	30.03	26.73	Mr. S. Puri	-	-
ITC Defined Contribution Pension Fund	21.98	19.54			
ITC Pension Fund	20.79	60.50			
ITC Employees Gratuity Fund	10.00	10.00			

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	2019	2018
21B. Other Remuneration		
Mr. Y. C. Deveshwar	0.73	0.61
Mr. S. Banerjee	0.72	0.60
Mr. A. Duggal	0.73	0.60
Ms. M. Shankar	0.73	0.61
Mr. S. B. Mathur	0.73	0.61
Mr. S. S. H. Rehman	0.78	0.65
22. Outstanding Balances		
<i>i) Receivables</i>		
ATC Limited	1.15	1.22
Maharaja Heritage Resorts Limited	3.33	3.43
International Travel House Limited	0.60	1.45
ITC Essentra Limited	0.20	11.38
<i>ii) Advances Given</i>		
Employee Trust - Pension Funds	41.98	73.32
Employee Trust - Gratuity Funds	17.53	14.41
<i>iii) Deposits Given</i>		
Mr. Y. C. Deveshwar	0.05	0.05
Mrs. B. Deveshwar	0.38	0.38
<i>iv) Deposits Taken</i>		
International Travel House Limited	0.63	0.62
<i>v) Payables</i>		
International Travel House Limited	4.75	2.15
ITC Essentra Limited	16.21	9.88
Gujarat Hotels Limited	2.09	1.83
ATC Limited	3.16	1.57
23. Impairment of investment in Joint Venture as at the year end		
Logix Developers Private Limited	4.82	4.82

[#] In accordance with Ind AS - 102, the Group has recognised employee benefits expense by way of share based payments (refer Note 30.2), of which ₹ 43.73 Crores (2018 - ₹ 53.43 Crores) is attributable to Key Management Personnel: Mr. Y. C. Deveshwar ₹ 0.51 Crore (2018 - ₹ 0.25 Crore), Mr. S. Puri ₹ 11.84 Crores (2018 - ₹ 10.69 Crores), Mr. N. Anand ₹ 5.62 Crores (2018 - ₹ 10.88 Crores), Mr. R. Tandon ₹ 6.50 Crores (2018 - ₹ 5.83 Crores), Mr. B. Sumant ₹ 2.68 Crores (2018 - ₹ 3.14 Crores) and Mr. R. K. Singhi ₹ 1.06 Crores (2018 - ₹ 0.18 Crore).

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures

A. Capital Management

The Group's financial strategy aims to support its strategic priorities and provide adequate capital to its businesses for growth and creation of sustainable stakeholder value. The Group funds its operations through internal accrual and aims at maintaining a strong capital base to support the future growth of its businesses.

During the year, the Group issued 5,43,36,690 equity shares of ₹ 1.00 each amounting to ₹ 5.43 Crores (2018 - ₹ 5.69 Crores) towards its equity-settled employee stock options. The securities premium stood at ₹ 8493.93 Crores as at 31st March, 2019 (2018 - ₹ 7415.58 Crores).

B. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	13	317.81	317.81	153.07	153.07
ii) Other bank balances	14	3834.22	3834.22	2746.53	2746.53
iii) Investment in Bonds/ Debentures & Government or Trust Securities	4, 11	10675.71	10689.21	8553.18	8566.02
iv) Loans	5	15.09	13.24	15.53	12.81
v) Trade receivables	12	4035.28	4035.28	2682.29	2682.29
vi) Other financial assets	6	3861.34	3834.81	3088.12	3058.45
Sub-total		22739.45	22724.57	17238.72	17219.17
b) Measured at Fair value through OCI					
i) Equity shares	4	1986.71	1986.71	1588.99	1588.99
Sub-total		1986.71	1986.71	1588.99	1588.99
c) Measured at Fair value through Profit or Loss					
i) Investment in Mutual Funds	4, 11	9673.84	9673.84	7540.13	7540.13
ii) Investment in Bonds/ Debentures, Certificate of Deposits, Preference Shares	11	2416.32	2416.32	4086.13	4086.13
iii) Investments in Alternative Investment Fund	4	11.79	11.79	7.50	7.50
Sub-total		12101.95	12101.95	11633.76	11633.76
d) Derivatives measured at fair value					
i) Derivative instruments not designated as hedging instruments	6	5.69	5.69	0.87	0.87
ii) Derivative instruments designated as hedging instruments	6	17.82	17.82	11.23	11.23
Sub-total		23.51	23.51	12.10	12.10
Total financial assets		36851.62	36836.74	30473.57	30454.02

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Note	As at 31st March, 2019		As at 31st March, 2018	
		Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial liabilities					
a) Measured at amortised cost					
i) Cash credit facilities & loans	16,17,20	2.31	2.28	17.93	17.90
ii) Sales tax deferment loans	16,17	11.13	7.87	17.99	14.25
iii) Trade payables		3509.58	3509.58	3496.18	3496.18
iv) Other financial liabilities	17	1236.29	1224.19	1050.74	1046.37
Sub-total		4759.31	4743.92	4582.84	4574.70
b) Derivatives measured at fair value					
i) Derivative instruments not designated as hedging instruments	17	1.90	1.90	1.39	1.39
ii) Derivative instruments designated as hedging instruments	17	18.95	18.95	2.46	2.46
Sub-total		20.85	20.85	3.85	3.85
Total financial liabilities		4780.16	4764.77	4586.69	4578.55

C. Financial risk management objectives

Entities comprising the Group have put in place risk management systems as applicable to the respective operations. The following explains the objectives and processes of the Company, being the largest component of the Group: The Company has a system-based approach to risk management, anchored to policies and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks (such as market risk, credit risk and liquidity risk) that may arise as a consequence of its business operations as well as its investing and financing activities. Accordingly, the Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

Liquidity Risk

The Group's Current assets aggregate ₹ 31747.27 Crores (2018 - ₹ 26393.62 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 17499.53 Crores (2018 - ₹ 13468.67 Crores) against an aggregate Current liability of ₹ 10011.99 Crores (2018 - ₹ 9250.15 Crores); Non-current liabilities due between one year to three years amounting to ₹ 19.26 Crores (2018 - ₹ 71.86 Crores) and Non-current liability due after three years amounting to ₹ 62.30 Crores (2018 - ₹ 7.43 Crores) on the reporting date.

Further, while the Group's total equity stands at ₹ 59484.34 Crores (2018 - ₹ 52844.58 Crores), it has non-current borrowings of ₹ 8.15 Crores (2018 - ₹ 11.50 Crores). In such circumstances, liquidity risk or the risk that the Group may not be able to settle or meet its obligations as they become due does not exist.

Market Risks

The Group is not an active investor in equity markets; it continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at 31st March, 2019 is ₹ 1986.71 Crores (2018 - ₹ 1588.99 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Group is virtually debt-free and its deferred payment liabilities do not carry interest, the exposure to interest rate risk from the perspective of Financial Liabilities is negligible.

The Group's investments are predominantly held in bonds/debentures, fixed deposits and debt mutual funds. Mark to market

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

movements in respect of the Group's investments in bonds/debentures that are held at amortised cost are temporary and get recouped through fixed coupon accruals. Other investments in bonds/debentures are fair valued through the Statement of Profit and Loss to recognise market volatility, which is not considered to be significant. Fixed deposits are held with highly rated banks and companies and have a short tenure and are not subject to interest rate volatility.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risk that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

For select agricultural commodities primarily held for trading, futures contracts are used to hedge price risks till positions in the physical market are matched. The carrying value of inventories is adjusted to the extent of fair value movement of the risk being hedged. Such hedges are generally for short time horizons and recognised in profit or loss within the crop cycle and are managed by the business within the approved policy framework. Accordingly, the Group's net exposure to commodity price risk is considered to be insignificant.

Foreign currency risk

The Group undertakes transactions denominated in foreign currency (mainly US Dollar, Pound Sterling, Euro and Japanese Yen) which are subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, including the Group's net investments in foreign operations (with a functional currency other than Indian Rupee), are also subject to reinstatement risks.

The carrying amounts of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

(₹ in Crores)

As at 31st March, 2019	USD	Euro	GBP	JPY	Others	Total
Financial Assets	827.70	49.47	138.87	0.21	62.43	1078.68
Financial Liabilities	150.74	39.97	56.98	10.90	8.78	267.37
As at 31st March, 2018	USD	Euro	GBP	JPY	Others	Total
Financial Assets	617.16	54.14	129.40	1.32	58.07	860.09
Financial Liabilities	96.86	56.60	37.69	14.45	85.12	290.72

The Group uses forward exchange contracts and currency options to hedge its exposures in foreign currency arising from firm commitments and highly probable forecast transactions. Accordingly,

- a. Forward exchange contracts that were outstanding on respective reporting dates:

(in Million)

Designated under Hedge Accounting		As at 31st March, 2019		As at 31st March, 2018	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	53.98	88.45	43.08	99.53
Euro	US Dollar	21.51	–	18.21	–
AUD	US Dollar	0.16	–	2.76	–
CHF	US Dollar	0.09	–	–	–
GBP	US Dollar	0.15	–	0.65	–
SEK	US Dollar	13.64	–	–	–
SGD	US Dollar	0.04	–	0.04	–
JPY	US Dollar	2220.96	–	437.90	–

The aforesaid hedges have a maturity of less than 1 year from the year end.

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

(in Million)

Not designated under Hedge Accounting		As at 31st March, 2019		As at 31st March, 2018	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	10.65	62.40	0.06	45.74
Euro	US Dollar	5.87	1.54	5.21	2.30
AUD	US Dollar	0.10	–	–	–
CAD	US Dollar	–	0.74	–	1.08
SGD	US Dollar	–	–	0.03	–
CHF	US Dollar	0.55	–	0.53	–
GBP	US Dollar	–	8.49	–	4.85
SEK	US Dollar	1.09	–	2.11	–
JPY	US Dollar	236.84	–	634.74	–
ZAR	US Dollar	–	13.00	–	15.50
USD	Nepalese Rupee	0.99	–	0.68	–
Euro	Nepalese Rupee	–	–	0.11	–
GBP	Nepalese Rupee	–	–	0.01	–

b. Currency options that were outstanding on respective reporting dates (Designated under Hedge Accounting):

(in Million)

Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	3.00	–	–

Hedges of foreign currency risk and derivative financial instruments

Each entity comprising the Group manages its own currency risk. Within the Group, derivative instruments are largely entered into by the Company. The Company has established risk management policies to hedge the volatility arising from exchange rate fluctuations in respect of firm commitments and highly probable forecast transactions, through foreign exchange forward and options contracts. The proportion of forecast transactions that are to be hedged is decided based on the size of the forecast transaction and market conditions. As the counterparty for such transactions are highly rated banks, the risk of their non-performance is considered to be insignificant. The Company uses derivatives to hedge its exposure to changes in movement in foreign currency. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

The Company may also designate certain hedges, usually for large transactions, as a cash flow hedge under hedge accounting, with the objective of shielding the exposure from variability in cash flows. The currency, amount and tenure of such hedges are generally matched to the underlying transaction(s). Changes in the fair value of the effective portion of cash flow hedges are recognised as cash flow hedging reserve in Other Comprehensive Income. While the probability of such hedges becoming ineffective is very low, the ineffective portion, if any, is immediately recognised in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

The movement in the cash flow hedging reserve in respect of designated cash flow hedges is summarised below:

(₹ in Crores)

Particulars	2019	2018
At the beginning of the year	6.73	(10.73)
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(48.46)	26.64
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(5.37)	8.21
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	(32.97)	43.49
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(0.66)	(0.24)
Less: Amounts transferred to initial cost of non-financial assets	2.90	(35.17)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	8.07	(9.31)
At the end of the year	(8.30)	6.73
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	(5.36)	1.06

Once the hedged transaction materialises, the amount accumulated in the cash flow hedging reserve will be included in the initial cost of the non-financial hedged item on its initial recognition or reclassified to profit or loss, as applicable, in the anticipated timeframes given below:

(₹ in Crores)

Outstanding balance in Cash Flow Hedge Reserve to be subsequently recycled from OCI	As at 31st March, 2019	As at 31st March, 2018
Within one year	(4.46)	6.19
Between one and three years	(3.84)	0.54
Total	(8.30)	6.73

Foreign Currency Sensitivity

For every percentage point change in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2019 would change by ₹ 4.16 Crores (2018 - ₹ 1.97 Crores) and pre-tax total equity as at 31st March, 2019 would change by ₹ 2.72 Crores (2018 - ₹ 0.03 Crore).

Credit Risk

Each entity comprising the Group manages its own credit risk. The following explains the processes followed by the Company, being the largest component of the Group, to manage its credit risk: Company's deployment in debt instruments are primarily in fixed deposits with highly rated banks and companies; bonds issued by Government institutions, public sector undertakings and certificate of deposits issued by highly rated banks and financial institutions. As these counter parties are Government institutions, public sector undertakings with investment grade credit ratings and taking into account the experience of the Company over time, the counter party risk attached to such assets is considered to be insignificant.

The Group's investments that are held at amortised cost stood at ₹ 17309.62 Crores (2018 - ₹ 13458.47 Crores).

The Company's customer base is large and diverse limiting the risk arising out of credit concentration. Further, credit is extended in business interest in accordance with guidelines issued centrally and business-specific credit policies that are consistent with such guidelines. Exceptions are managed and approved by appropriate authorities, after due consideration of the counterparty's credentials and financial capacity, trade practices and prevailing business and economic conditions. The Company's historical experience of collecting receivables and the level of default indicate that credit risk is low and generally uniform across markets; consequently, trade receivables are considered to be a single class of financial assets. All overdue customer balances are evaluated taking into account the age of the dues, specific credit circumstances, the track record of the counterparty etc. Loss allowances and impairment is recognized, where considered appropriate by responsible management.

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

The Group's exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 4035.28 Crores (2018 - ₹ 2682.29 Crores).

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the Group are as under:

(₹ in Crores)

Particulars	Expected Loss Provision	
	As at 31st March, 2019	As at 31st March, 2018
Opening Balance	146.06	129.77
Add: Provisions made (net)	35.36	33.18
Less: Utilisation for impairment/de-recognition	10.50	16.44
Effects of foreign exchange fluctuation	0.12	(0.45)
Closing Balance	171.04	146.06

D. Fair value measurement

The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2019	As at 31st March, 2018
A. Financial assets			
a) Measured at amortised cost			
i) Investment in Bonds/Debentures & Government or Trust Securities	2	10689.21	8566.02
ii) Loans*	3	6.49	6.97
iii) Other Financial assets*	3	2358.64	1717.71
Sub-total		13054.34	10290.70
b) Measured at Fair value through OCI			
i) Equity shares - Quoted	1	1958.81	1561.09
Sub-total		1958.81	1561.09
c) Measured at Fair value through Profit or Loss			
i) Investment in Mutual Funds	1	9673.84	7540.13
ii) Investment in Bonds/ Debentures, Certificate of Deposits, Preference Shares	2	2416.32	4086.13
iii) Investments in Alternative Investment Fund	2	11.79	7.50
Sub-total		12101.95	11633.76
d) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	5.69	0.87
ii) Derivative instruments designated as hedging instruments	2	17.82	11.23
Sub-total		23.51	12.10
Total financial assets		27138.61	23497.65

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2019	As at 31st March, 2018
B. Financial liabilities			
a) Measured at amortised cost			
i) Sales tax deferment loans*	3	4.63	7.39
ii) Other Financial liabilities*	3	61.31	63.42
iii) Loans*	3	0.23	0.34
Sub-total		66.17	71.15
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	1.90	1.39
ii) Derivative instruments designated as hedging instruments	2	18.95	2.46
Sub-total		20.85	3.85
Total financial liabilities		87.02	75.00

*Represents Fair value of Non-current Financial Instruments

Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using market approach and valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Derivatives are valued using valuation techniques with market observable inputs such as foreign exchange spot rates and forward rates at the end of the reporting period, yield curves, risk free rate of returns, volatility etc., as applicable.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other Current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. Similarly, unquoted equity instruments where most recent information to measure fair value is insufficient, or if there is a wide range of possible fair value measurements, cost has been considered as best estimate of fair value and has been excluded in the fair value measurement disclosed above.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Group has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2 during the year.

On behalf of the Board

S. PURI	<i>Chairman & Managing Director</i>
R. TANDON	<i>Director & Chief Financial Officer</i>
R. K. SINGHI	<i>Company Secretary</i>

Independent Auditor's Report to the Members of ITC Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **ITC Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit/loss in its associates and joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of subsidiaries, associates and joint ventures referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated changes in equity and

their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>Revenue Recognition</p> <p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Group performs its obligation to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is mainly upon delivery.</p> <p>The timing of revenue recognition is relevant to the reported performance of the Group. The management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Consolidated Financial Statements - Significant Accounting Policies.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof. Evaluating the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls. Evaluating the design and implementation of Group's controls in respect of revenue recognition. Testing the effectiveness of such controls over revenue cut off at year-end. Testing the supporting documentation for sales transactions recorded during the period closer to the

Independent Auditor's Report

Sr. No.	Key Audit Matter	Auditor's Response
		<p>year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</p> <ul style="list-style-type: none"> Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing.
2.	<p>Litigations - Contingencies</p> <p>The Group has ongoing litigations with various authorities and third parties which could have a significant impact on the results, if the potential exposures were to materialise.</p> <p>The amounts involved are significant, and the application of accounting standards to determine the amount, if any, to be provided as a liability or disclosed as a contingent liability, is inherently subjective.</p> <p>Claims against the Group not acknowledged as debts are disclosed in the Consolidated Financial Statements by the Group after a careful evaluation of the facts and legal aspects of the matters involved. The outcome of such litigation is uncertain and the position taken by management involves significant judgment and estimation to determine the likelihood and/or timing of cash outflows and the interpretation of preliminary and pending court rulings.</p> <p>Refer Note 28(iv)(a) to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures including:</p> <ul style="list-style-type: none"> Assessing the appropriateness of the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation are tested for the positions taken by the management, meetings are conducted with in-house legal counsel and/or legal team and minutes of Board and sub-committee meetings are reviewed, to confirm the operating effectiveness of these controls. Involving our direct and indirect tax specialists to assess relevant historical and recent judgements passed by the appropriate authorities in order to challenge the basis used for the accounting treatment and resulting disclosures. Additionally, considering the effect of new information in respect of contingencies as at 1st April, 2018 to evaluate whether any change was required in the management's position on these contingencies as at 31st March, 2019.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Report on Corporate Governance, Shareholder information and Report of the Board of Directors & Management Discussion and Analysis, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries, joint ventures and associates audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated

financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint Ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

Independent Auditor's Report

in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹ 1612.66 Crores as at 31st March, 2019, total revenues of ₹ 662.41 Crores and net cash inflows amounting to ₹ 36.69 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 3.28 Crores for the year ended 31st March, 2019, as considered in the consolidated financial statements, in respect of five associates and one joint venture, whose financial statements have not been audited

by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the reports of the other auditors.

(b) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries, associates and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other

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Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement and dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Parent as on 31st March, 2019 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies, associate companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the

remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act. In respect of one director, aggregate remuneration of ₹ 1.17 Crores paid/provided during the year, is subject to the approval of the Members at the forthcoming Annual General Meeting.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures in accordance with the generally accepted accounting practice – also refer Note 28(iv)(a) to the consolidated financial statements.
- ii) The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

P. R. Ramesh

Partner

(Membership No. 70928)

Gurugram,
13th May, 2019

Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ITC Limited of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2019, we have audited the internal financial controls over financial reporting of ITC Limited (hereinafter referred to as "the Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint venture, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect

the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies, five associate companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 302009E)

Gurugram
13th May, 2019

P. R. Ramesh
Partner
(Membership No. 70928)