



Consolidated Financial Statements

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Consolidated Balance Sheet as at 31st March, 2020

	Note	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	3A	19632.92		18625.74	
(b) Capital work-in-progress	3B	3251.61		4126.18	
(c) Investment Property	3E	385.36		–	
(d) Goodwill on consolidation		202.53		202.53	
(e) Other Intangible assets	3C	525.37		545.92	
(f) Intangible assets under development	3D	4.85		10.24	
(g) Right of Use Assets	3F	967.16		–	
		24969.80		23510.61	
(h) Financial Assets					
(i) Investments	4				
(a) Investment in Associates		142.10		157.26	
(b) Investment in Joint Ventures		124.46		121.86	
(c) Others		10448.46		11416.87	
		10715.02		11695.99	
(ii) Loans	5	5.27		8.34	
(iii) Others	6	615.65	11335.94	2385.17	14089.50
(i) Deferred tax assets (Net)	7	56.29		59.37	
(j) Income Tax Assets (Net)	21A	38.42		28.53	
(k) Other non-current assets	8	1461.24	37861.69	2363.13	40051.14
Current assets					
(a) Inventories	9	8879.33		7859.56	
(b) Biological assets other than bearer plants	10	86.20		84.41	
(c) Financial Assets					
(i) Investments	11	17948.33		13347.50	
(ii) Trade receivables	12	2562.48		4035.28	
(iii) Cash and cash equivalents	13	650.35		317.81	
(iv) Other Bank Balances	14	6626.99		3834.22	
(v) Loans	5	6.33		6.75	
(vi) Others	6	1818.54	29613.02	1499.68	23041.24
(d) Other current assets	8	926.80	39505.35	762.06	31747.27
TOTAL ASSETS			77367.04		71798.41
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	15	1229.22		1225.86	
(b) Other Equity		64044.04		57915.01	
Attributable to owners of the parent		65273.26		59140.87	
Non-controlling interests		377.47	65650.73	343.47	59484.34
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	16	5.90		8.15	
(ii) Lease Liabilities	17A	204.00		–	
(iii) Other financial liabilities	17B	127.87	337.77	73.41	81.56
(b) Provisions	18	175.37		161.95	
(c) Deferred tax liabilities (Net)	7	1627.20		2052.06	
(d) Other non-current liabilities	19	16.20	2156.54	6.51	2302.08
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	1.42		1.86	
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		37.93		55.41	
Total outstanding dues of creditors other than micro enterprises and small enterprises		3591.90	3629.83	3454.17	3509.58
(iii) Lease Liabilities	17A	63.87		–	
(iv) Other financial liabilities	17B	1394.88		1187.16	
(b) Other current liabilities	19	4072.72		4838.32	
(c) Provisions	18	148.18		51.38	
(d) Current Tax Liabilities (Net)	21B	248.87	9559.77	423.69	10011.99
TOTAL EQUITY AND LIABILITIES			77367.04		71798.41

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

In terms of our report attached
For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003
Sudhir Soni
Partner
Mumbai, June 26, 2020

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI
Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary
Kolkata, June 26, 2020

Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

	Note	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
I Revenue From Operations	22A, 22B	51393.47	49862.11
II Other Income	23	2597.89	2173.79
III Total Income (I+II)		53991.36	52035.90
IV EXPENSES			
Cost of materials consumed		13810.70	13403.01
Purchases of Stock-in-Trade		4237.90	4220.51
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		(703.13)	(203.19)
Excise duty		1989.42	1509.43
Employee benefits expense	24	4295.79	4177.88
Finance costs	25	54.68	45.42
Depreciation and amortization expense		1644.91	1396.61
Other expenses	26	8502.63	8348.11
Total expenses (IV)		33832.90	32897.78
V Share of profit/(loss) of Associates and Joint Ventures		8.22	11.70
VI Profit before exceptional items and tax (III-IV+V)		20166.68	19149.82
VII Exceptional Items	28(i)	(132.11)	–
VIII Profit before tax (VI+VII)		20034.57	19149.82
IX Tax expense:			
Current Tax	27	4846.15	6191.62
Deferred Tax	27	(404.36)	122.30
X Profit for the year (VIII-IX)		15592.78	12835.90
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
– Remeasurements of the defined benefit plans	28(vii)	(127.57)	10.92
– Equity instruments through other comprehensive income		(1349.52)	397.71
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(1.29)	(21.05)
– Share of OCI in Associates and Joint Ventures		(12.60)	(4.54)
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	10.14	3.04
B (i) Items that will be reclassified to profit or loss:			
– Exchange differences in translating the financial statements of foreign operations		36.98	(60.23)
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(36.24)	0.85
(ii) Income tax relating to items that will be reclassified to profit or loss	27	10.13	(0.30)
XI Other Comprehensive Income [A(i+ii)+B(i+ii)]		(1469.97)	326.40
XII Total Comprehensive Income for the year (X+XI)		14122.81	13162.30
Profit for the year			
Attributable to:			
Owners of the parent		15306.23	12592.33
Non-controlling interests		286.55	243.57
Total Comprehensive Income for the year			
Attributable to:			
Owners of the parent		13835.90	12919.28
Non-controlling interests		286.91	243.02
XIII Earnings per equity share (Face Value ₹ 1.00 each):	28(ii)		
(1) Basic (in ₹)		12.47	10.30
(2) Diluted (in ₹)		12.45	10.24

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

In terms of our report attached
For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003
Sudhir Soni
Partner
Mumbai, June 26, 2020

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary
Kolkata, June 26, 2020

Consolidated Statement of changes in equity for the year ended 31st March, 2020

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, 2019	1220.43	5.43	1225.86
For the year ended 31st March, 2020	1225.86	3.36	1229.22

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 Section 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, 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)	(60.23)	12919.28	243.02	13162.30
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)	-	-	-	-	(6285.21)	(234.02)	(6519.23)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	(1213.60)	-	-	-	-	(1213.60)	-	(1213.60)
Transfer from retained earnings	-	-	-	7.57	-	-	-	-	-	(7.57)	-	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	243.05	-	-	-	-	-	-	-	243.05	-	243.05
Transfer from share option reserve on exercise and lapse	-	114.65	-	-	-	-	(119.08)	-	-	4.43	-	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	(1.89)	(1.89)	-	(1.89)	-	(1.89)
Balance as at 31st March, 2019	5.46	8493.93	72.67	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
Profit for the year	-	-	-	-	-	-	-	-	-	-	15306.23	-	-	-	15306.23	286.55	15592.78
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	(116.89)	(1361.09)	(29.33)	(29.33)	36.98	(1470.33)	0.36	(1469.97)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	15189.34	(1361.09)	(29.33)	36.98	13835.90	286.91	14122.81

Consolidated Statement of changes in equity for the year ended 31st March, 2020

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	-	621.94	-	-	-	-	-	-	-	-	-	-	-	-	621.94	-	621.94
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Ordinary Dividend (2018-19 - ₹ 5.75 per share)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7048.71)	(252.86)	(7301.57)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1407.44)	(0.05)	(1407.49)
Transfer from retained earnings	-	-	-	8.35	-	-	-	-	-	-	-	-	-	-	(8.35)	-	-
Transfer from Employee Housing Reserve	-	-	-	-	(16.42)	-	-	-	-	-	-	-	-	-	16.42	-	-
Recognition of share based payment	-	-	-	-	-	-	-	-	-	-	114.04	-	-	-	-	-	114.04
Transfer from share option reserve on exercise and lapse	-	66.79	-	-	-	-	-	-	-	-	(89.80)	-	-	-	23.01	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	-	13.30	-	-	-	13.30
Balance as at 31st March, 2020	5.46	9182.66	72.87	143.60	94.26	0.23	2022.18	0.22	363.05	17672.57	34480.95	(28.08)	(24.33)	58.60	64044.04	377.47	64421.51

The Board of Directors of the Company recommended an ordinary dividend of ₹ 10.15 per share (for the year ended 31st March, 2019 - ordinary dividend ₹ 5.75 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 ₹ 12476.61 Crores (for the year ended 31st March, 2019 - ordinary dividend ₹ 7048.71 Crores). Dividend for the year ended 31st March, 2020 is subject to deduction of income tax.

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 utilised 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, 2043. 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.

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

In terms of our report attached
For S R B C & CO LLP

Chartered Accountants

Firm Registration Number: 324982E/E300003

Sudhir Soni

Partner

Mumbai, June 26, 2020

On behalf of the Board

S. PURI

R. TANDON

R. K. SINGHI

Chairman & Managing Director

Director & Chief Financial Officer

Company Secretary

Kolkata, June 26, 2020



Consolidated Cash Flow Statement for the year ended 31st March, 2020

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	20034.57	19149.82
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1644.91	1396.61
Share based payments to employees	112.99	239.70
Finance costs	54.68	45.42
Interest Income	(1522.13)	(1312.79)
Dividend Income	(8.31)	(8.38)
Loss on sale of property, plant and equipment - Net	56.68	105.05
Net gain recognised on disposal of subsidiary	-	(9.40)
Doubtful and bad debts	37.59	32.56
Doubtful and bad advances, loans and deposits	(2.68)	6.01
Share of (profit)/loss of associates and joint ventures	(8.22)	(11.70)
Net (gain)/loss arising on investments mandatorily measured at Fair Value through profit or loss	(974.03)	(777.35)
Foreign currency translations and transactions - Net	(9.49)	6.85
Impairment of investment in joint venture	(0.15)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	19416.41	18862.40
ADJUSTMENTS FOR:		
Trade receivables, advances and other assets	1411.00	(754.69)
Inventories and biological assets other than bearer plants	(507.99)	(359.44)
Trade payables, other liabilities and provisions	(606.87)	296.14
CASH GENERATED FROM OPERATIONS	19712.55	18386.87
Income tax paid	(5022.89)	(5803.46)
NET CASH FROM OPERATING ACTIVITIES	14689.66	12583.41
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, Intangibles etc.	(2441.15)	(3169.12)
Sale of property, plant and equipment	27.02	27.82
Purchase of current investments	(77847.64)	(90732.22)
Sale/redemption of current investments	72405.47	92154.09
Purchase of non-current investments	(1987.78)	(3454.56)
Redemption proceeds of non-current investments	3429.63	300.29
Proceeds on disposal of subsidiary	-	17.75
Dividend from associates and joint ventures	8.34	4.97
Dividend from others	8.31	8.38
Interest received	1513.35	1183.95
Investment in bank deposits (original maturity more than 3 months)	(5602.32)	(5053.76)
Redemption/maturity of bank deposits (original maturity more than 3 months)	4321.20	3477.97
Investment in deposit with housing finance companies	(712.16)	(849.17)
Redemption/maturity of deposit with housing finance companies	700.22	537.49
Loans given	(3.61)	(9.60)
Loans realised	7.10	10.04
NET CASH USED IN INVESTING ACTIVITIES	(6174.02)	(5545.68)

Consolidated Cash Flow Statement for the year ended 31st March, 2020

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	625.30	969.13
Repayment of current borrowings	–	(10.56)
Repayment of non-current borrowings	(3.42)	(7.07)
Payment of lease liabilities	(49.35)	–
Interest paid	(43.84)	(98.06)
Net increase/(decrease) in statutory restricted accounts balances	(1.13)	10.75
Dividend paid	(7301.62)	(6519.23)
Income tax on dividend paid	(1407.42)	(1213.60)
NET CASH USED IN FINANCING ACTIVITIES	(8181.48)	(6868.64)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	334.16	169.09
OPENING CASH AND CASH EQUIVALENTS	342.88	173.79
CLOSING CASH AND CASH EQUIVALENTS	677.04	342.88
<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	677.04	342.88
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(28.11)	(26.93)
Cash credit facilities (Note 20)	1.42	1.86
Cash and cash equivalents (Note 13)	<u>650.35</u>	<u>317.81</u>
3. Net Cash Flow from Operating Activities includes an amount of ₹ 324.68 Crores (2019 - ₹ 301.91 Crores) spent towards Corporate Social Responsibility.		

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

In terms of our report attached
For S R B C & CO LLP
Chartered Accountants
Firm Registration Number: 324982E/E300003
Sudhir Soni
Partner
Mumbai, June 26, 2020

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary
Kolkata, June 26, 2020

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 116 – 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 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.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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 Cash Generating Unit (CGU) or group of CGUs to which it relates, which is not larger than an operating segment, and is monitored for internal management purposes.

Intangible Assets

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

- for assets acquired in a business combination, at fair value on the date of acquisition;
- 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.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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.

Investment Property

Properties that are held for long-term rental yields and/or for capital appreciation are classified as investment properties. Investment properties are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. Depreciation is recognised using the straight line method so as to amortize the cost of investment properties over their useful lives as specified in Schedule II of the Companies Act, 2013. Freehold land and properties under construction are not depreciated.

Transfers to, or from, investment properties are made at the carrying amount when and only when there is a change in use.

An item of investment property 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 investment property is determined as the difference between the sales proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss.

Income received from investment property is recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

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 their 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.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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 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 are 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 are 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 remain 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 are recognised immediately in the Statement of Profit and Loss.

Investment in Associate and Joint Venture

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

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

Financial Instrument, 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 or 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.

Derecognition: 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;
- (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 are 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

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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 or 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 VAT 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) are 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 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.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

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 is 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, granted to employees on deputation is 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

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a Lessee

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

The Group recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

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 or investment property 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.

Notes to the Consolidated Financial Statements

1. Significant Accounting Policies (Contd.)

Taxes on Income

Taxes on income comprise 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, insofar as it relates to items disclosed under other comprehensive income or equity, is 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 businesses 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.

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 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

Notes to the Consolidated Financial Statements

2. Use of estimates and judgements (Contd.)

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 depends 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.

5. COVID-19:

The Group has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, investments, inventories, trade receivables, etc. For this purpose, the Group has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts, market value of certain investments etc. Based on the current estimates, the Group does not expect any significant impact on such carrying values. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Gross Block								
	As at 31st March, 2018	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 31st March, 2019	Additions	Withdrawals and adjustments [#]	Foreign Currency Translation Reserve adjustments	As at 31st March, 2020
3A. Property, Plant and Equipment*									
Land ¹	1684.73	336.43	0.40	–	2020.76	9.81	6.26	0.01	2024.32
Buildings	5296.08	1667.82	1.98	–	6961.92	1311.07	350.53	–	7922.46
Leasehold Improvements	34.48	1.96	2.86	–	33.58	2.66	12.90	0.06	23.40
Plant and Equipment	11452.62	2075.53	212.87	0.22	13315.50	1442.20	181.79	0.33	14576.24
Furniture and Fixtures	497.05	161.48	14.74	0.09	643.88	199.21	32.86	0.14	810.37
Vehicles	139.60	33.72	12.61	(0.07)	160.64	39.29	16.40	0.03	183.56
Office Equipment	31.90	3.84	1.54	0.03	34.23	6.37	0.99	0.09	39.70
Railway Sidings	1.73	–	–	–	1.73	–	–	–	1.73
TOTAL	19138.19	4280.78	247.00	0.27	23172.24	3010.61	601.73	0.66	25581.78
3B. Capital work-in-progress	5499.60	2891.25	4228.83	(35.84)	4126.18	2523.11	3405.98	8.30	3251.61
3C. Other Intangible assets (acquired)									
Trademarks ²	340.46	107.02	–	–	447.48	–	–	–	447.48
Computer Software	211.87	22.53	–	–	234.40	24.01	1.69	–	256.72
Know How, Business and Commercial Rights	26.65	7.17	–	–	33.82	–	–	–	33.82
TOTAL	578.98	136.72	–	–	715.70	24.01	1.69	–	738.02
3D. Intangible assets under development	8.73	123.43	121.92	–	10.24	14.20	19.59	–	4.85

Includes amounts transferred to Investment Property on its initial recognition. Refer Note 3E.

@ Also refer Note 27 (viii) and 27(ix)

(₹ in Crores)

Particulars	As at 31st March, 2020	As at 31st March, 2019
3E. Investment Property		
Gross Block		
Opening Gross Block	–	–
Transferred from Property, Plant and Equipment	406.71	–
Additions during the year	–	–
Withdrawals and adjustments	–	–
Closing Gross Block	406.71	–
Accumulated Depreciation		
Opening Accumulated Depreciation	–	–
Transferred from Property, Plant and Equipment	15.29	–
Depreciation for the year	6.06	–
Depreciation on Withdrawals and adjustments	–	–
Closing Accumulated Depreciation	21.35	–
Net Block	385.36	–

1. The fair value of the investment property is ₹ 849.41 Crores (2019 - ₹ Nil), which has been determined on the basis of valuation carried out at the reporting date by independent valuer. The fair value measurement for investment property has been categorised as Level 2 based on the valuation techniques used and inputs applied. The main inputs considered by the valuer are government rates, property location, market research, market trend, contracted rentals, terminal yields, discount rates and comparable values, as appropriate.
2. Amounts recognised in the statement of profit or loss in respect of the investment property is as under:

Particulars	(₹ in Crores)
	For the year ended 31st March, 2020
Rental Income from investment property	49.69
Direct Operating Expenses arising from investment property that generated rental income during the year*	15.43
Direct Operating Expenses arising from investment property that did not generate rental income during the year	–

* As per the contractual arrangements, the Company is responsible for the maintenance of common area/ bears maintenance costs. The expenses arising out of such arrangements are not material.

(₹ in Crores)

Particulars	Gross Block								
	As at 31st March, 2018	Additions	Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	As at 1st April, 2019	Additions	Withdrawals and adjustments [#]	Foreign Currency Translation Reserve adjustments	As at 31st March, 2020
3F. Right of Use Assets[@]									
Land	–	–	–	–	767.50	–	–	4.74	772.24
Buildings	–	–	–	–	193.88	27.48	7.01	0.70	215.05
Plant and Equipment	–	–	–	–	48.63	–	–	–	48.63
TOTAL	–	–	–	–	1010.01	27.48	7.01	5.44	1035.92

Notes to the Consolidated Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization								Net Book Value		
	Upto 31st March, 2018	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2019	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
3A. Property, Plant and Equipment*											
Land ¹	–	–	–	–	–	–	–	–	–	2024.32	2020.76
Buildings	402.61	175.51	0.21	–	577.91	217.17	11.16	–	783.92	7138.54	6384.01
Leasehold Improvements	17.91	5.34	2.40	–	20.85	2.12	9.57	0.01	13.41	9.99	12.73
Plant and Equipment	2598.62	1064.32	56.18	0.23	3606.99	1197.48	75.86	0.27	4728.88	9847.36	9708.51
Furniture and Fixtures	195.42	78.50	9.90	0.09	264.11	85.34	18.74	0.13	330.84	479.53	379.77
Vehicles	42.78	19.35	6.51	–	55.62	21.54	9.67	0.02	67.51	116.05	105.02
Office Equipment	16.78	4.91	1.22	0.03	20.50	4.67	1.57	0.05	23.65	16.05	13.73
Railway Sidings	0.39	0.13	–	–	0.52	0.13	–	–	0.65	1.08	1.21
TOTAL	3274.51	1348.06	76.42	0.35	4546.50	1528.45	126.57	0.48	5948.86	19632.92	18625.74
3B. Capital work-in-progress	–	–	–	–	–	–	–	–	–	3251.61	4126.18
3C. Other Intangible assets (acquired)											
Trademarks ²	7.93	3.16	–	–	11.09	3.16	–	–	14.25	433.23	436.39
Computer Software	104.81	42.17	–	–	146.98	37.60	1.39	(0.02)	183.17	73.55	87.42
Know How, Business and Commercial Rights	8.49	3.22	–	–	11.71	3.52	–	–	15.23	18.59	22.11
TOTAL	121.23	48.55	–	–	169.78	44.28	1.39	(0.02)	212.65	525.37	545.92
3D. Intangible assets under development	–	–	–	–	–	–	–	–	–	4.85	10.24

(₹ in Crores)

* The above includes following assets given on operating lease:	As at 31st March, 2020				As at 31st March, 2019			
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	0.68	0.03	0.65	0.02	0.57	0.01	0.56	0.01
Plant and Equipment	205.35	102.12	103.23	18.32	207.25	83.80	123.45	26.10
TOTAL	206.03	102.15	103.88	18.34	207.82	83.81	124.01	26.11

- Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2019 - ₹ 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 (2019 - ₹ 416.73 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 ₹ 119.85 Crores (2019 - ₹ 208.40 Crores).
- The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.

(₹ in Crores)

Particulars	Depreciation and Amortization								Net Book Value		
	Upto 31st March, 2018	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 1st April, 2019	For the year	On Withdrawals and adjustments	Foreign Currency Translation Reserve adjustments	Upto 31st March, 2020	As at 31st March, 2020	As at 1st April, 2019
3F. Right of Use Assets®											
Land	–	–	–	–	–	9.97	–	0.02	9.99	762.25	767.50
Buildings	–	–	–	–	–	54.40	1.27	0.11	53.24	161.81	193.88
Plant and Equipment	–	–	–	–	–	5.53	–	–	5.53	43.10	48.63
TOTAL	–	–	–	–	–	69.90	1.27	0.13	68.76	967.16	1010.01

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments				
INVESTMENT IN EQUITY INSTRUMENTS				
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)	21.87		21.87	
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020	64.36	86.23	69.94	91.81
Gujarat Hotels Limited				
17,33,907 Equity Shares of ₹ 10.00 each, fully paid				
Cost of acquisition (including goodwill of ₹ 1.16 Crores)	1.94		1.94	
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020	14.47	16.41	13.23	15.17
ATC Limited				
55,650 Equity Shares of ₹ 100.00 each, fully paid				
Cost of acquisition (net of capital reserve of ₹ 0.16 Crore)		0.83		0.83
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		1.54	2.37	1.54
1,39,125 Equity Shares of ₹ 100.00 each, partly paid				2.37
Cost of acquisition (including goodwill of ₹ 0.30 Crore)		2.92		2.92
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		1.63	4.55	1.63
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)		4.27		4.27
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		15.96	20.23	26.85
Divya Management Limited				
41,82,915 Equity Shares of ₹ 10.00 each, fully paid				
Cost of acquisition (including goodwill of ₹ 1.09 Crores)		6.93		6.93
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		0.49	7.42	0.44
Antrang Finance Limited				
43,24,634 Equity Shares of ₹ 10.00 each, fully paid				
Cost of acquisition (including goodwill of ₹ 0.10 Crore)		4.40		4.40
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		0.49	4.89	0.47
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		46.17		46.17
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		...	46.17	...
Maharaja Heritage Resorts Limited				
1,80,000 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 31.03.2020		-	...	-
Logix Developers Private Limited				
77,66,913 Equity Shares of ₹ 10.00 each, fully paid				
Cost of acquisition (including goodwill of ₹ 23.84 Crores)		42.07		42.07
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		(37.40)		(27.15)
Add/(Less): Provision for Impairment		(4.67)	-	(4.82)
ITC Essentra Limited				
22,50,000 Equity Shares of ₹ 10.00 each, fully paid				
Cost of acquisition		38.85		38.85
Add/(Less): Group Share of Profits/(Losses) upto 31.03.2020		39.44	78.29	26.74
In Others (at fair value through other comprehensive income unless stated otherwise)				
VST Industries Limited				
476 Equity Shares of ₹ 10.00 each, fully paid		0.13		0.16
Carried over	102.77	163.92	107.14	172.14

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	102.77	163.92	107.14	172.14
INVESTMENT IN EQUITY INSTRUMENTS (Contd.)				
HLV Limited (Formerly Hotel Leelaventure Limited) 5,49,80,620 Equity Shares of ₹ 2.00 each, fully paid	17.33		59.93	
EIH Limited 9,21,78,024 Equity Shares of ₹ 2.00 each, fully paid	606.54		1898.42	
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	0.08		0.30	
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		8.40		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		–		–
Jupiter Township Limited 150 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 150.00)		...		...
Woodlands Multispeciality Hospital Limited 13,605 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Delectable Technologies Private Limited (at fair value through profit or loss) 100 (2019 - Nil) Equity Shares of ₹ 10.00 each, fully paid		0.10		–
INVESTMENT IN PREFERENCE SHARES				
In Others (at fair value through profit or loss)				
Delectable Technologies Private Limited 1,864 (2019 - Nil) Compulsorily Convertible Cumulative Preference Shares of ₹ 10.00 each, fully paid		1.78		–
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)				
Government Securities (cost ₹ 74000.00)		0.01		0.01
National Savings Certificate (Deposited with Government Authorities) (cost ₹ 5000.00, fully impaired)		–		–
Kisan Vikas Patra (Deposited with Government Authorities) (cost ₹ 5000.00, fully impaired)		–		–
National Savings Certificate (pledged with various Mandi Samitis) (cost ₹ 6000.00)		...		...
INVESTMENT IN BONDS/DEBENTURES				
In Others (at amortised cost)				
Housing Development Finance Corporation Limited Nil (2019 - 90) 8.50% Secured Redeemable Non-Convertible Debentures Series O - 001 (31 August 2020) of ₹ 10000000.00 each, fully paid		–	90.93	
Carried over	726.72	178.92	2156.72	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	726.72	178.92	2156.72	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
Nil (2019 - 800) 8.70% Secured Redeemable Non-Convertible Debentures Series N - 017 (18 May 2020) of ₹ 500000.00 each, fully paid	–		40.39	
Nil (2019 - 50) 10.98% Secured Redeemable Non-Convertible Debentures Series R - 007 (18 June 2020) of ₹ 10000000.00 each, fully paid	–		51.07	
Nil (2019 - 150) 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	437.76		439.01	
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	15.65		15.76	
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	33.88		34.16	
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	
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	36.06		36.55	
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	55.54		56.16	
850 8.40% Unsecured Rated Listed Taxable Redeemable Non-Convertible Bonds Series C 2018 (11 April 2022) of ₹ 1000000.00 each, fully paid	85.00		85.00	
250 (2019 - Nil) 7.61% Rated Listed Taxable Bonds in the nature of Unsecured Debentures Series A 2019 (22 June 2022) of ₹ 1000000.00 each, fully paid	25.24		–	
700 (2019 - Nil) 6.99% Unsecured Listed Rated Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debenture Series E (11 Nov 2022) of ₹ 1000000.00 each, fully paid	70.26		–	
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	200.14		200.17	
Carried over	2021.02	178.92	3603.83	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	2021.02	178.92	3603.83	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
3,000 9.90% 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		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	51.15		51.58	
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	32.55		32.80	
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	5.28		5.35	
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	125.06		125.71	
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	142.31		143.38	
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	191.18		192.36	
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	7.30		7.34	
250 7.15% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 100 (21 August 2025) of ₹ 1000000.00 each, fully paid	25.83		26.01	
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	51.15		51.51	
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	225.86		226.05	
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	10.93		11.03	
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	34.21		34.70	
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	85.42		86.62	
Carried over	3309.25	178.92	4898.27	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	3309.25	178.92	4898.27	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
100 8.35% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds Series 89 (21 November 2023) of ₹ 1000000.00 each, fully paid	10.63		10.78	
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	133.40		134.08	
130 8.55% Tax Free Secured Non-Convertible Redeemable Bonds Series 94th A (12 February 2029) of ₹ 1000000.00 each, fully paid	13.95		14.02	
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	40.18		40.29	
100 8.30% Secured Redeemable Non-Convertible Debentures Tranche 304 Option 2 (15 July 2021) of ₹ 1000000.00 each, fully paid	10.11		10.18	
Nil (2019 - 800) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 273 Option 1 (23 October 2020) of ₹ 1000000.00 each, fully paid	—		80.66	
550 8.37% Secured Redeemable Non-Convertible Debentures Tranche 294 (10 May 2021) of ₹ 1000000.00 each, fully paid	55.58		56.07	
Nil (2019 - 750) 8.47% Secured Redeemable Non-Convertible Debentures Tranche 302 (07 July 2020) of ₹ 1000000.00 each, fully paid	—		75.85	
Nil (2019 - 250) 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid	—		24.94	
Nil (2019 - 350) 8.525% Secured Redeemable Non-Convertible Debentures Tranche 266 (24 September 2020) of ₹ 1000000.00 each, fully paid	—		35.57	
Nil (2019 - 850) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 262 (22 July 2020) of ₹ 1000000.00 each, fully paid	—		86.19	
Nil (2019 - 50) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 1 (29 July 2020) of ₹ 1000000.00 each, fully paid	—		5.07	
Nil (2019 - 100) 8.65% Secured Redeemable Non-Convertible Debentures Tranche 270 (29 September 2020) of ₹ 1000000.00 each, fully paid	—		10.17	
Nil (2019 - 700) 8.67% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 2 (26 August 2020) of ₹ 1000000.00 each, fully paid	—		70.27	
Nil (2019 - 1,250) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 290 Option 1 (21 December 2020) of ₹ 1000000.00 each, fully paid	—		126.81	
Nil (2019 - 239) 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid	—		23.93	
Carried over	3573.10	178.92	5703.15	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	3573.10	178.92	5703.15	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
500 Zero Coupon Secured Redeemable Non-Convertible Debentures Tranche 378 (04 May 2022) of ₹ 1000000.00 each, fully paid	54.82		50.42	
National Bank for Agriculture and Rural Development Nil (2019 - 3,200) 6.98% Unsecured Redeemable Non-Convertible Bonds Series 18G (30 September 2020) of ₹ 1000000.00 each, fully paid	–		316.15	
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	208.97		210.24	
2,000 (2019 - Nil) 6.98% Unsecured Listed Rated Redeemable Taxable Non-Convertible Bonds Series 20G (19 September, 2022) of ₹ 1000000.00 each, fully paid	200.00		–	
1,000 (2019 - Nil) 8.60% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds Series 19B (31 January 2022) of ₹ 1000000.00 each, fully paid	102.59		–	
500 (2019 - Nil) 7.70% Unsecured Listed Redeemable Taxable Non-Convertible Bonds Series 20D (13 June 2022) of ₹ 1000000.00 each, fully paid	51.06		–	
900 (2019 - Nil) 7.85% Unsecured Listed Taxable Redeemable Non-Convertible Bond Series 20B (23 May 2022) of ₹ 1000000.00 each, fully paid	92.07		–	
600 (2019 - Nil) 7.90% Unsecured Rated Listed Redeemable Non-Convertible Bonds Series 20A (18 April 2022) of ₹ 1000000.00 each, fully paid	61.39		–	
250 (2019 - Nil) 6.70% Unsecured Listed Rated Redeemable Taxable Non-Convertible Bonds Series 20H (11 November 2022) of ₹ 1000000.00 each, fully paid	25.00		–	
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	260.37		260.40	
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	82.14		82.35	
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	184.01		184.60	
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	57.72		58.36	
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	29.54		29.91	
Carried over	5232.78	178.92	7145.58	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	5232.78	178.92	7145.58	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
National Housing Bank 800 8.46% NHB Tax Free Bonds 2028, Series V (30 August 2028) of ₹ 1000000.00 each, fully paid	85.17		85.60	
Power Finance Corporation Limited Nil (2019 - 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	
600 7.16% Secured Redeemable Non-Convertible Tax Free Bonds Series 136 (17 July 2025) of ₹ 1000000.00 each, fully paid	62.37		62.74	
Nil (2019 - 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	
Nil (2019 - 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	
Nil (2019 - 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	
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	53.23		53.50	
Nil (2019 - 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	
3,50,000 8.54% Secured Tax Free Redeemable Non-Convertible Bonds Series 2A (16 November 2028) of ₹ 1000.00 each, fully paid	41.27		41.79	
Nil (2019 - 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	
150 (2019 - Nil) 7.47% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 151 A (16 September 2021) of ₹ 1000000.00 each, fully paid	15.02		–	
150 (2019 - Nil) 8.66% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 123 Series C (27 November 2021) of ₹ 1000000.00 each, fully paid	15.29		–	
4,500 (2019 - Nil) 7.35% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 191 (15 October 2022) of ₹ 1000000.00 each, fully paid	450.00		–	
700 (2019 - Nil) 7.10% Unsecured Listed Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 169 A (08 August 2022) of ₹ 1000000.00 each, fully paid	70.20		–	
250 (2019 - Nil) 8.45% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 181 (11 August 2022) of ₹ 1000000.00 each, fully paid	25.83		–	
Carried over	6051.16	178.92	7837.23	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	6051.16	178.92	7837.23	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
REC Limited (Formerly 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	88.22		88.72	
Nil (2019 - 500) 8.37% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 134 (14 August 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	130.82		131.85	
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	41.01		41.51	
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	5.35		5.38	
1,700 8.45% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 167 (22 March 2022) of ₹ 1000000.00 each, fully paid	170.57		170.85	
Nil (2019 - 500) 6.87% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 149 (24 September 2020) of ₹ 1000000.00 each, fully paid	–		48.77	
2,880 (2019 - Nil) 8.50% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bond Series 177 (20 December 2021) of ₹ 1000000.00 each, fully paid	288.00		–	
300 (2019 - Nil) 7.09% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 152 (17 October 2022) of ₹ 1000000.00 each, fully paid	29.81		–	
2,000 (2019 - Nil) 7.09% Unsecured Rated Listed Non-Cumulative Non-Convertible Redeemable Taxable Bonds Series 185 (13 December 2022) of ₹ 1000000.00 each, fully paid	200.00		–	
Small Industries Development Bank of India				
2,500 (2019 - Nil) 7.89% Unsecured Listed Redeemable Non-Convertible Bond Series III of 2019-20 (15 November 2022 with Call and Put Option 14 May 2021) of ₹ 1000000.00 each, fully paid	250.48		–	
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	325.40		325.64	
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	154.04		153.50	
2,350 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		235.00	
Carried over	7969.86	178.92	9088.36	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	7969.86	178.92	9088.36	200.05
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
7,000 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		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	47.71		43.75	
Aditya Birla Sun Life Fixed Term Plan - Series OX (1234 Days) 1,00,00,000 Units of ₹ 10.00 each	11.91		10.94	
Aditya Birla Sun Life Fixed Term Plan - Series OZ (1187 Days) 2,00,00,000 Units of ₹ 10.00 each	23.79		21.83	
Aditya Birla Sun Life Fixed Term Plan - Series PA (1177 Days) 1,50,00,000 Units of ₹ 10.00 each	17.88		16.40	
Aditya Birla Sun Life Fixed Term Plan - Series RP (1239 Days) 5,50,00,000 Units of ₹ 10.00 each	63.38		57.64	
Aditya Birla Sun Life Fixed Term Plan - Series SF (1161 Days) 40,00,000 Units of ₹ 10.00 each	4.47		4.08	
Aditya Birla Sun Life Fixed Term Plan - Series SG (1155 Days) 1,80,00,000 Units of ₹ 10.00 each	20.14		18.33	
Aditya Birla Sun Life Fixed Term Plan - Series SJ (1135 Days) 3,00,00,000 Units of ₹ 10.00 each	33.29		30.27	
Aditya Birla Sun Life Fixed Term Plan - Series SI (1141 Days) 1,00,00,000 Units of ₹ 10.00 each	11.13		10.13	
DSP Fixed Maturity Plan - Series 217 - 40 M 1,00,00,000 Units of ₹ 10.00 each	11.91		10.93	
DSP Fixed Maturity Plan - Series 220 - 40 M 1,90,00,000 Units of ₹ 10.00 each	22.54		20.67	
DSP Fixed Maturity Plan - Series 221 - 40 M 2,00,00,000 Units of ₹ 10.00 each	23.66		21.75	
Franklin India Fixed Maturity Plans - Series 2 - Plan A 1,40,00,000 Units of ₹ 10.00 each	16.64		15.26	
HDFC Fixed Maturity Plan 1158D February 2018 (1) - Series-39 6,50,00,000 Units of ₹ 10.00 each	77.26		70.80	
HDFC Fixed Maturity Plan 1232D November 2018 (1) - Series-43 4,00,00,000 Units of ₹ 10.00 each	46.11		41.89	
ICICI Prudential Fixed Maturity Plan - Series 81 - 1154 Days - Plan J Nil (2019 - 50,00,000) Units of ₹ 10.00 each	-		5.64	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1223 Days - Plan E 1,30,00,000 Units of ₹ 10.00 each	15.50		14.23	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan M 3,50,00,000 Units of ₹ 10.00 each	41.51		38.03	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1219 Days - Plan D 1,90,00,000 Units of ₹ 10.00 each	22.69		20.82	
Carried over	9181.38	178.92	10261.75	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	9181.38	178.92	10261.75	200.05
INVESTMENT IN MUTUAL FUNDS (Contd.)				
ICICI Prudential Fixed Maturity Plan - Series 82 - 1215 Days - Plan H 4,50,00,000 Units of ₹ 10.00 each	53.61		49.18	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1217 Days - Plan C 1,00,00,000 Units of ₹ 10.00 each	11.94		10.96	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan I 5,00,00,000 Units of ₹ 10.00 each	59.50		54.51	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1199 Days - Plan L 5,00,00,000 Units of ₹ 10.00 each	59.41		54.50	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1203 Days - Plan K 4,50,00,000 Units of ₹ 10.00 each	53.54		49.11	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1225 Days - Plan B 3,70,00,000 Units of ₹ 10.00 each	44.23		40.59	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1236 Days - Plan A 70,00,000 Units of ₹ 10.00 each	8.36		7.67	
ICICI Prudential Fixed Maturity Plan - Series 84 - 1272 Days - Plan Q 1,40,00,000 Units of ₹ 10.00 each	16.02		14.55	
ICICI Prudential Fixed Maturity Plan - Series 84 - 1279 Days - Plan P 5,00,00,000 Units of ₹ 10.00 each	57.43		52.11	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1168 Days - Plan E 50,00,000 Units of ₹ 10.00 each	5.58		5.07	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1175 Days - Plan D 40,00,000 Units of ₹ 10.00 each	4.48		4.07	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1127 Days - Plan O 30,00,000 Units of ₹ 10.00 each	3.30		3.00	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1129 Days - Plan P 2,00,00,000 Units of ₹ 10.00 each	21.98		20.01	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1156 Days - Plan G 60,00,000 Units of ₹ 10.00 each	6.68		6.06	
IDFC Fixed Term Plan - Series 176 - 1170 Days 1,00,00,000 Units of ₹ 10.00 each	11.21		10.18	
IDFC Fixed Term Plan - Series 177 - 1160 Days 60,00,000 Units of ₹ 10.00 each	6.67		6.06	
IDFC Fixed Term Plan - Series 178 - 1154 Days 60,00,000 Units of ₹ 10.00 each	6.63		6.02	
Kotak Fixed Maturity Plan - Series 210 Nil (2019 - 1,00,00,000) Units of ₹ 10.00 each	–		11.03	
Kotak Fixed Maturity Plan - Series 212 60,00,000 Units of ₹ 10.00 each	7.15		6.56	
Kotak Fixed Maturity Plan - Series 213 1,10,00,000 Units of ₹ 10.00 each	13.12		12.03	
Kotak Fixed Maturity Plan - Series 214 1,00,00,000 Units of ₹ 10.00 each	11.94		10.94	
Kotak Fixed Maturity Plan - Series 215 1,00,00,000 Units of ₹ 10.00 each	11.94		10.93	
Kotak Fixed Maturity Plan - Series 224 3,50,00,000 Units of ₹ 10.00 each	41.22		37.77	
Carried over	9697.32	178.92	10744.66	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	9697.32	178.92	10744.66	200.05
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Kotak Fixed Maturity Plan - Series 252 10,00,00,000 Units of ₹ 10.00 each	115.00		104.38	
Kotak Fixed Maturity Plan - Series 253 2,20,00,000 Units of ₹ 10.00 each	25.18		22.87	
Kotak Fixed Maturity Plan - Series 254 2,40,00,000 Units of ₹ 10.00 each	27.43		24.90	
Kotak Fixed Maturity Plan - Series 255 90,00,000 Units of ₹ 10.00 each	10.23		9.28	
Kotak Fixed Maturity Plan - Series 259 1,40,00,000 Units of ₹ 10.00 each	15.81		14.35	
Kotak Fixed Maturity Plan - Series 265 1,80,00,000 Units of ₹ 10.00 each	19.95		18.12	
Kotak Fixed Maturity Plan - Series 267 1,00,00,000 Units of ₹ 10.00 each	11.03		10.00	
Nippon India Fixed Horizon Fund - XXXV - Series 6 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 6) 50,00,000 Units of ₹ 10.00 each	5.99		5.49	
Nippon India Fixed Horizon Fund - XXXV - Series 11 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 11) 50,00,000 Units of ₹ 10.00 each	5.98		5.48	
Nippon India Fixed Horizon Fund - XXXV - Series 12 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 12) 1,50,00,000 Units of ₹ 10.00 each	17.93		16.43	
Nippon India Fixed Horizon Fund - XXXV - Series 13 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 13) 80,00,000 Units of ₹ 10.00 each	9.54		8.74	
Nippon India Fixed Horizon Fund - XXXV - Series 14 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 14) 1,20,00,000 Units of ₹ 10.00 each	14.29		13.11	
Nippon India Fixed Horizon Fund - XXXV - Series 15 (Formerly known as Reliance Fixed Horizon Fund - XXXV - Series 15) 1,70,00,000 Units of ₹ 10.00 each	20.26		18.56	
Nippon India Fixed Horizon Fund - XXXVI - Series 1 (Formerly known as Reliance Fixed Horizon Fund - XXXVI - Series 1) 1,20,00,000 Units of ₹ 10.00 each	14.27		13.06	
Nippon India Fixed Horizon Fund - XXXVI - Series 3 (Formerly known as Reliance Fixed Horizon Fund - XXXVI - Series 3) 50,00,000 Units of ₹ 10.00 each	5.93		5.44	
Nippon India Fixed Horizon Fund - XXXVI - Series 9 (Formerly known as Reliance Fixed Horizon Fund - XXXVI - Series 9) 2,00,00,000 Units of ₹ 10.00 each	23.48		21.52	
Nippon India Fixed Horizon Fund - XXXVII - Series 4 (Formerly known as Reliance Fixed Horizon Fund - XXXVII - Series 4) 4,50,00,000 Units of ₹ 10.00 each	54.27		49.23	
Nippon India Fixed Horizon Fund - XXXIX - Series 15 (Formerly known as Reliance Fixed Horizon Fund - XXXIX - Series 15) 3,00,00,000 Units of ₹ 10.00 each	34.81		31.61	
Carried over	10128.70	178.92	11137.23	200.05

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
4. Non-current investments (Contd.)				
Brought forward	10128.70	178.92	11137.23	200.05
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Nippon India Fixed Horizon Fund - XXXX - Series 1 (Formerly known as Reliance Fixed Horizon Fund - XXXX - Series 1) 1,00,00,000 Units of ₹ 10.00 each	11.57		10.50	
SBI Debt Fund Series C-7 (1190 Days) 2,00,00,000 Units of ₹ 10.00 each	23.69		21.77	
SBI Debt Fund Series C-8 (1175 Days) 2,00,00,000 Units of ₹ 10.00 each	23.73		21.78	
SBI Debt Fund Series C-9 (1150 Days) 1,50,00,000 Units of ₹ 10.00 each	17.76		16.30	
SBI Debt Fund Series C-48 (1177 Days) 3,00,00,000 Units of ₹ 10.00 each	33.15		30.18	
SBI Debt Fund Series C-50 (1177 Days) 2,00,00,000 Units of ₹ 10.00 each	21.98		20.03	
SBI Debt Fund Series C-32 (1223 Days) 4,50,00,000 Units of ₹ 10.00 each	51.23		46.62	
SBI Debt Fund Series C-33 (1216 Days) 3,00,00,000 Units of ₹ 10.00 each	34.04		30.99	
SBI Debt Fund Series C-34 (1211 Days) 1,00,00,000 Units of ₹ 10.00 each	11.30		10.29	
SBI Debt Fund Series C-35 (1235 Days) 1,70,00,000 Units of ₹ 10.00 each	19.19		17.50	
SBI Debt Fund Series C-43 (1176 Days) 3,00,00,000 Units of ₹ 10.00 each	33.59		30.57	
SBI Debt Fund Series C-44 (1175 Days) 1,50,00,000 Units of ₹ 10.00 each	16.75		15.23	
UTI Fixed Term Income Fund - Series XXVIII - IV (1204 Days) 1,50,00,000 Units of ₹ 10.00 each	17.85		16.37	
UTI Fixed Term Income Fund - Series XXVIII - VI (1190 Days) 1,90,00,000 Units of ₹ 10.00 each	22.59		20.71	
UTI Fixed Term Income Fund - Series XXVIII - VIII (1171 Days) 1,50,00,000 Units of ₹ 10.00 each	17.83		16.34	
UTI Fixed Term Income Fund - Series XXVIII - IX (1168 Days) 2,00,00,000 Units of ₹ 10.00 each	23.74		21.74	
INVESTMENT IN ALTERNATIVE INVESTMENT FUND (at fair value through profit or loss)				
Fireside Ventures Investments Fund I 1,307 (2019 - 1,105) Units of ₹ 100000.00 each		18.89		11.79
Fireside Ventures Investments Fund II 50,000 (2019 - Nil) Units of ₹ 1000.00 each		4.28		–
Chiratae Ventures India Fund IV 465 (2019 - Nil) Units of ₹ 100000.00 each		4.24		–
Aggregate amount of quoted and unquoted Investments	10508.69	206.33	11484.15	211.84
TOTAL		10715.02		11695.99

Aggregate market value of quoted investments ₹ 10653.86 Crores (2019 - ₹ 11459.86 Crores).

Aggregate amount of impairment in value of investments ₹ 4.67 Crores (2019 - ₹ 4.82 Crores).

Additional Tier 1 bonds, which are perpetual in nature, are issued by commercial banks under Reserve Bank of India guidelines. These have been classified as debt instruments by the Company based on the substantive characteristics of the contract.

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
5. Loans				
Other Loans				
Others (Employees, suppliers, etc.)				
– Unsecured, considered good	6.33	5.27	6.75	8.34
TOTAL	6.33	5.27	6.75	8.34

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
6. Other financial assets				
Bank deposits with more than 12 months maturity	–	6.10	–	1520.33
Other financial assets				
Advances	12.62	–	6.70	–
Deposits*	963.68	609.42	708.34	864.84
Interest accrued on Loans, Deposits, Investments, etc.	554.92	0.13	553.85	–
Other Receivables**	287.32	–	230.79	–
TOTAL	1818.54	615.65	1499.68	2385.17

* Deposits include deposits to Directors ₹ 0.07 Crore (2019 - ₹ 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, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
7. Deferred tax		
Deferred tax liabilities (Net)	1627.20	2052.06
Deferred tax assets (Net)	56.29	59.37
TOTAL	1570.91	1992.69

Movement in deferred tax liabilities/assets balances

(₹ in Crores)

2019-20	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, investment property etc.	2206.11	(589.04)	-	-	-	-	1617.07
On Excise Duty/National Calamity Contingent Duty on closing stock	18.62	27.47	-	-	-	-	46.09
On cash flow hedges	(4.46)	-	(8.16)	4.47	(0.04)	-	(8.19)
Other timing differences	229.46	37.48	-	-	-	0.03	266.97
Total deferred tax liabilities	2449.73	(524.09)	(8.16)	4.47	(0.04)	0.03	1921.94
On fiscal allowances on property, plant and equipment etc.	9.00	(2.65)	-	-	-	-	6.35
On employees' separation and retirement etc.	88.42	(33.35)	12.07	-	-	0.25	67.39
On provision for doubtful debts/advances	58.07	(11.79)	-	-	-	0.33	46.61
On State and Central taxes etc.	140.27	(36.85)	-	-	-	-	103.42
On unabsorbed tax losses and depreciation	1.11	4.19	-	-	-	-	5.30
Other timing differences	154.47	(36.13)	-	-	-	1.07	119.41
Total deferred tax assets before MAT credit entitlement	451.34	(116.58)	12.07	-	-	1.65	348.48
Total deferred tax liabilities before MAT credit entitlement (Net)	1998.39	(407.51)	(20.23)	4.47	(0.04)	(1.62)	1573.46
Less: MAT credit entitlement	5.70	(3.15)	-	-	-	-	2.55
Total deferred tax liabilities (Net)	1992.69	(404.36)	(20.23)	4.47	(0.04)	(1.62)	1570.91

Notes to the Consolidated Financial Statements

(₹ in Crores)

7. Deferred tax (Contd.)

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)
On employees' separation and retirement etc.	-	-	-	-	-	-	-
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

The Group has losses of ₹ 158.35 Crores (2019 - ₹ 175.62 Crores) for which no deferred tax assets have been recognised. A part of these losses will expire between financial year 2020-21 to 2039-40.

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
8. Other assets				
Capital Advances	-	448.54	-	437.22
Advances other than capital advances				
Security Deposits				
- With Statutory Authorities	0.22	795.28	4.00	777.50
- Others	2.24	107.56	2.08	103.77
Advances to related parties (Refer Note 30)	0.05	-	60.00	-
Other Advances (including advances with statutory authorities, prepaid expenses, employees, etc.)	796.52	105.33	593.14	1040.12
Other Receivables*	127.77	4.53	102.84	4.52
TOTAL	926.80	1461.24	762.06	2363.13

* Includes receivables on account of export incentives.

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
9. Inventories*		
(At lower of cost and net realisable value)		
Raw materials (including packing materials)	5833.34	5528.05
Work-in-progress	703.07	249.88
Finished goods (manufactured)	1426.76	1153.56
Stock-in-trade (goods purchased for resale)	495.42	515.36
Stores and spares	364.95	351.81
Intermediates - Tissue paper and Paperboards	55.79	60.90
TOTAL	8879.33	7859.56

The above includes goods in transit as under:

Raw materials (including packing materials)	141.99	191.08
Stock-in-trade (goods purchased for resale)	0.15	-
Stores and spares	2.35	2.31
TOTAL	144.49	193.39

The cost of inventories recognised as an expense includes ₹ 19.17 Crores (2019 - ₹ 29.05 Crores) in respect of write-downs of inventory to net realisable value. During the year reversal of previous write-downs of ₹ 1.90 Crores (2019 - ₹ 1.70 Crores) have been made owing to subsequent increase in realisable value.

Inventories of ₹ 1136.59 Crores (2019 - ₹ 574.91 Crores) are expected to be recovered after more than twelve months. The operating cycle of the Group is twelve months.

* Also Refer Note 20.

10. Biological assets other than bearer plants		
Balance at the beginning of the year	84.41	89.44
Biological assets acquired during the year	0.83	0.82
Cost incurred during the year	102.28	87.62
Changes in fair value*	46.81	22.30
Transfer of Biological assets to Inventories	(6.33)	(9.67)
Biological assets sold during the year	(141.89)	(106.09)
Effect of foreign exchange translation	0.09	(0.01)
Balance at the end of the year	86.20	84.41

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

The Group had 1,41,83,585 numbers of TECHNITUBER® seed potatoes (2019 - 1,52,27,008 numbers).

There were 70407 MT of field generated seed potatoes (2019 - 71567 MT). During the year, output of agricultural produce (potatoes) is 4897 MT (2019 - 8241 MT).

In October 2019 - 13589 MT (October 2018 - 13100 MT) of seed potatoes were planted and in February/March 2020 - 75051 MT (February/March 2019 - 79440 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 ₹ 1.08 Crores (2019 - ₹ 2.43 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise)				
INVESTMENT IN BONDS/DEBENTURES				
Canfin Homes Limited 500 7.57% Secured Redeemable Non-Convertible Debentures (12 April 2020) of ₹ 1000000.00 each, fully paid	50.02		49.60	
Export Import Bank of India 300 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid	32.04		31.26	
Housing & Urban Development Corporation Limited Nil (2019 - 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	
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	34.19		34.42	
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	15.33		15.43	
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	252.62		253.42	
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	209.50		202.57	
5,25,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	53.61		54.15	
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	50.60		50.28	
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	11.76		11.88	
National Housing Bank 5,000 6.82% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 2012-13 (26 March 2023) of ₹ 10000.00 each, fully paid	5.07		5.09	
PNB Housing Finance Limited Nil (2019 - 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	
Power Finance Corporation Limited Nil (2019 - 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	
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	15.29		15.04	
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	103.55		100.11	
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series - I (01 February 2022) of ₹ 1000.00 each, fully paid	10.23		10.06	
Carried over	843.81		943.33	

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	843.81		943.33	
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	135.10		130.56	
REC Limited (Formerly 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	302.84		292.95	
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	103.42		100.12	
60,000 8.12% For Category I & II Tax Free Secured Redeemable Non-Convertible Bonds (27 March 2027) of ₹ 1000.00 each, fully paid	6.53		6.59	
INVESTMENT IN CERTIFICATE OF DEPOSIT				
Axis Bank Limited 50,000 (2019 - Nil) Certificate of Deposit (18 December 2020) of ₹ 100000.00 each, fully paid		479.76		–
Kotak Mahindra Bank Limited Nil (2019 - 33,997) Certificate of Deposit (27 December 2019) of ₹ 100000.00 each, fully paid		–		322.40
50,000 (2019 - Nil) Certificate of Deposit (11 December 2020) of ₹ 100000.00 each, fully paid		480.76		–
National Bank for Agriculture and Rural Development 15,000 (2019 - Nil) Certificate of Deposit (14 January 2021) of ₹ 100000.00 each, fully paid		143.49		–
45,000 (2019 - Nil) Certificate of Deposit (21 January 2021) of ₹ 100000.00 each, fully paid		430.02		–
10,000 (2019 - Nil) Certificate of Deposit (03 February 2021) of ₹ 100000.00 each, fully paid		95.37		–
25,000 (2019 - Nil) Certificate of Deposit (05 March 2021) of ₹ 100000.00 each, fully paid		237.36		–
Small Industries Development Bank of India Nil (2019 - 50,000) Certificate of Deposit (20 November 2019) of ₹ 100000.00 each, fully paid		–		477.53
Nil (2019 - 15,000) Certificate of Deposit (05 December 2019) of ₹ 100000.00 each, fully paid		–		142.84
INVESTMENT IN GOVERNMENT OR TRUST SECURITIES				
National Savings Certificate pledged at Mandi Samiti (cost ₹ 2000.00)		...		...
National Savings Certificate (cost ₹ 10000.00)		...		...
INVESTMENT IN MUTUAL FUNDS				
Aditya Birla Sun Life Floating Rate Fund 1,96,03,366 Units of ₹ 100.00 each		494.50		456.75
Aditya Birla Sun Life Savings Fund 2,04,86,447 (2019 - 2,04,90,928) Units of ₹ 100.00 each		819.64		760.56
Aditya Birla Sun Life Cash Plus Nil (2019 - 9,80,827) Units of ₹ 100.00 each		–		29.32
Aditya Birla Sun Life Corporate Bond Fund 6,05,10,758 (2019 - 3,38,43,771) Units of ₹ 10.00 each		475.21		243.89
Carried over	1391.70	3656.11	1473.55	2433.29

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1391.70	3656.11	1473.55	2433.29
INVESTMENT IN MUTUAL FUNDS (Contd.)				
Aditya Birla Sun Life Money Manager Fund 40,95,539 Units of ₹ 100.00 each		110.96		103.08
Aditya Birla Sun Life Liquid Fund 3,10,777 (2019 - 14,40,478) Units of ₹ 100.00 each		12.20		43.08
Aditya Birla Sun Life Cash Plus Nil (2019 - 66,774) Units of ₹ 100.00 each		–		2.01
Axis Short Term Fund 4,31,15,900 (2019 - 8,89,51,089) Units of ₹ 10.00 each		100.79		188.81
Axis Banking & PSU Debt Fund 31,86,227 (2019 - Nil) Units of ₹ 1000.00 each		613.69		–
Axis Liquid Fund 14,71,847 (2019 - Nil) Units of ₹ 1000.00 each		322.96		–
Axis Treasury Advantage Fund 14,61,916 (2019 - 5,46,967) Units of ₹ 1000.00 each		339.92		117.36
Bharat Bond ETF - April 2023 30,00,000 (2019 - Nil) Units of ₹ 1000.00 each	307.06		–	
DSP Banking and PSU Debt Fund 8,62,88,433 (2019 - Nil) Units of ₹ 10.00 each		151.22		–
DSP Low Duration Fund 22,32,41,558 (2019 - 26,30,57,340) Units of ₹ 10.00 each		328.55		359.25
DSP Overnight Fund 30,83,707 (2019 - Nil) Units of ₹ 1000.00 each		329.16		–
DSP Short Term Fund 6,67,71,463 (2019 - 3,12,12,253) Units of ₹ 10.00 each		239.95		102.60
HDFC Corporate Bond Fund Nil (2019 - 13,70,31,285) Units of ₹ 10.00 each		–		286.88
HDFC Floating Rate Debt Fund 10,07,90,662 (2019 - 10,23,22,267) Units of ₹ 10.00 each		356.62		334.63
HDFC Liquid Fund 5,17,089 (2019 - Nil) Units of ₹ 1000.00 each		200.82		–
HDFC Money Market Fund 2,39,118 (2019 - Nil) Units of ₹ 1000.00 each		100.90		–
HDFC Short Term Debt Fund 14,47,53,251 Units of ₹ 10.00 each		327.72		298.76
HDFC Ultra Short Term Fund 27,49,00,837 (2019 - 9,57,80,853) Units of ₹ 10.00 each		309.50		100.32
ICICI Prudential Corporate Bond Fund 51,14,23,698 (2019 - 22,03,55,476) Units of ₹ 10.00 each		1059.33		402.24
ICICI Prudential Savings Fund 60,84,787 (2019 - 57,85,519) Units of ₹ 100.00 each		237.45		208.95
ICICI Prudential Bond Fund 2,11,18,618 Units of ₹ 10.00 each		62.30		55.80
ICICI Prudential Short Term 2,70,17,352 Units of ₹ 10.00 each		119.87		109.00
ICICI Prudential Liquid Fund Nil (2019 - 27,03,484) Units of ₹ 100.00 each		–		74.55
ICICI Prudential - Money Market Fund Nil (2019 - 9,81,551) Units of ₹ 100.00 each		–		27.03
Carried over	1698.76	8980.02	1473.55	5247.64

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1698.76	8980.02	1473.55	5247.64
INVESTMENT IN MUTUAL FUNDS (Contd.)				
IDFC Banking & PSU Debt Fund 14,17,61,931 (2019 - Nil) Units of ₹ 10.00 each		251.53		–
IDFC Bond Fund - Short Term Plan 10,23,94,458 Units of ₹ 10.00 each		414.04		377.59
IDFC Corporate Bond Fund Nil (2019 - 15,62,58,545) Units of ₹ 10.00 each		–		200.95
IDFC Low Duration Fund 7,34,11,386 (2019 - 3,85,46,192) Units of ₹ 10.00 each		212.12		103.10
IDFC Money Manager Fund 4,22,87,680 Units of ₹ 10.00 each		135.17		126.57
Kotak Bond Fund (Short Term) 7,68,78,681 Units of ₹ 10.00 each		243.74		221.63
Kotak Corporate Bond Fund 6,74,130 (2019 - Nil) Units of ₹ 1000.00 each		183.80		–
Kotak Liquid Plan 4,373 (2019 - 1,91,002) Units of ₹ 1000.00 each		1.76		72.06
Kotak Savings Fund 34,27,71,778 (2019 - 22,43,93,543) Units of ₹ 10.00 each		1119.53		684.79
Nippon India Banking & PSU Debt Fund 20,50,51,796 (2019 - Nil) Units of ₹ 10.00 each		306.09		–
Nippon India Floating Rate Fund (Formerly known as Reliance Floating Rate Fund - Short Term Plan) 6,22,64,756 (2019 - 38,18,89,185) Units of ₹ 10.00 each		204.74		512.80
Nippon India Money Market Fund 6,60,345 (2019 - Nil) Units of ₹ 1000.00 each		201.58		–
Nippon India Overnight Fund 3,14,39,459 (2019 - Nil) Units of ₹ 100.00 each		336.58		–
Nippon India Short Term Fund (Formerly known as Reliance Short Term Fund) 8,93,74,937 (2019 - 2,07,06,236) Units of ₹ 10.00 each		353.38		74.70
Nippon India Low Duration Fund (Formerly known as Reliance Low Duration Fund) Nil (2019 - 6,71,878) Units of ₹ 1000.00 each		–		177.40
Nippon India Prime Debt Fund (Formerly known as Reliance Prime Debt Fund) Nil (2019 - 4,84,63,633) Units of ₹ 10.00 each		–		194.41
Nippon India Liquid Fund (Formerly known as Reliance Liquid Fund) 10,356 (2019 - Nil) Units of ₹ 10.00 each		5.02		–
SBI Liquid Fund 1,549 (2019 - 2,70,300) Units of ₹ 1000.00 each		0.48		78.87
SBI Magnum Low Duration Fund 8,30,697 Units of ₹ 1000.00 each		218.47		202.05
SBI Magnum Ultra Short Duration Fund 2,47,159 Units of ₹ 1000.00 each		110.71		103.05
SBI Savings Fund 15,99,53,181 (2019 - Nil) Units of ₹ 10.00 each		517.71		–
SBI Short Term Debt Fund 28,79,35,474 (2019 - Nil) Units of ₹ 10.00 each		691.30		–
Carried over	1698.76	14487.77	1473.55	8377.61

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	1698.76	14487.77	1473.55	8377.61
INVESTMENT IN MUTUAL FUNDS (Contd.)				
UTI Overnight Fund 47,928 (2019 - Nil) Units of ₹ 10.00 each		13.01		–
INVESTMENT IN BONDS/DEBENTURES (at amortised cost)				
Housing Development Finance Corporation Limited Nil (2019 - 30) 7.85% Secured Listed Redeemable Non-Convertible Debentures Series T - 002 (21 June 2019) of ₹ 10000000.00 each, fully paid	–		29.93	
Nil (2019 - 10) 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 Nil (2019 - 250) 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 BONDS/DEBENTURES (at amortised cost)				
Housing Development Finance Corporation Limited Nil (2019 - 30) 7.95% Secured Redeemable Non-Convertible Debentures Series Q - 002 (23 September 2019) of ₹ 10000000.00 each, fully paid	–		30.03	
Nil (2019 - 170) 8.38% Secured Redeemable Non-Convertible Debentures Series P - 021 (15 July 2019) of ₹ 10000000.00 each, fully paid	–		170.33	
Nil (2019 - 255) 8.45% Secured Redeemable Non-Convertible Debentures Series P - 013 (24 July 2019) of ₹ 10000000.00 each, fully paid	–		255.57	
Nil (2019 - 1,700) 8.75% Secured Redeemable Non-Convertible Debentures Series N - 002 (13 January 2020) of ₹ 500000.00 each, fully paid	–		85.69	
Nil (2019 - 2,500) 9.11% Secured Listed Redeemable Non-Convertible Debentures Series U - 002 (13 December 2019) of ₹ 1000000.00 each, fully paid	–		250.00	
Nil (2019 - 600) 9.40% Secured Redeemable Non-Convertible Debentures Series M - 016 (26 August 2019) of ₹ 1000000.00 each, fully paid	–		60.45	
Nil (2019 - 2,100) 9.45% Secured Redeemable Non-Convertible Debentures Series M - 015 (21 August 2019) of ₹ 1000000.00 each, fully paid	–		211.39	
90 (2019 - Nil) 8.50% Secured Redeemable Non-Convertible Debentures Series O - 001 (31 August 2020) of ₹ 10000000.00 each, fully paid	90.28		–	
800 (2019 - Nil) 8.70% Secured Redeemable Non-Convertible Debentures Series N - 017 (18 May 2020) of ₹ 500000.00 each, fully paid	40.04		–	
50 (2019 - Nil) 10.98% Secured Redeemable Non-Convertible Debentures Series R - 007 (18 June 2020) of ₹ 10000000.00 each, fully paid	50.24		–	
150 (2019 - Nil) 11.50% Secured Redeemable Non-Convertible Debentures Series R - 010 (22 June 2020) of ₹ 10000000.00 each, fully paid	150.75		–	
Carried over	2030.07	14500.78	2601.91	8377.61

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	2030.07	14500.78	2601.91	8377.61
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
Housing and Urban Development Corporation Limited				
Nil (2019 - 1,850) 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	
LIC Housing Finance Limited				
Nil (2019 - 750) 7.79% Secured Redeemable Non-Convertible Debentures Tranche 328 (10 May 2019) of ₹ 1000000.00 each, fully paid	–		75.00	
Nil (2019 - 750) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 272 (18 October 2019) of ₹ 1000000.00 each, fully paid	–		75.23	
Nil (2019 - 250) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 293 (03 October 2019) of ₹ 1000000.00 each, fully paid	–		25.08	
Nil (2019 - 100) 8.73% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 2 (14 January 2020) of ₹ 1000000.00 each, fully paid	–		10.11	
Nil (2019 - 250) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 1 (14 January 2020) of ₹ 1000000.00 each, fully paid	–		25.26	
Nil (2019 - 450) 8.97% Secured Redeemable Non-Convertible Debentures Tranche 231 Option 2 (29 October 2019) of ₹ 1000000.00 each, fully paid	–		45.28	
Nil (2019 - 700) 9.3532% Secured Redeemable Non-Convertible Debentures Tranche 224 (19 August 2019) of ₹ 1000000.00 each, fully paid	–		70.40	
Nil (2019 - 350) 9.44% Secured Redeemable Non-Convertible Debentures Tranche 228 (30 August 2019) of ₹ 1000000.00 each, fully paid	–		35.27	
800 (2019 - Nil) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 273 Option 1 (23 October 2020) of ₹ 1000000.00 each, fully paid	80.24		–	
750 (2019 - Nil) 8.47% Secured Redeemable Non-Convertible Debentures Tranche 302 (07 July 2020) of ₹ 1000000.00 each, fully paid	75.18		–	
250 (2019 - Nil) 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid	25.00		–	
350 (2019 - Nil) 8.525% Secured Redeemable Non-Convertible Debentures Tranche 266 (24 September 2020) of ₹ 1000000.00 each, fully paid	35.19		–	
850 (2019 - Nil) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 262 (22 July 2020) of ₹ 1000000.00 each, fully paid	85.29		–	
50 (2019 - Nil) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 1 (29 July 2020) of ₹ 1000000.00 each, fully paid	5.02		–	
100 (2019 - Nil) 8.65% Secured Redeemable Non-Convertible Debentures Tranche 270 (29 September 2020) of ₹ 1000000.00 each, fully paid	10.06		–	
Carried over	2346.05	14500.78	3147.71	8377.61

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	2346.05	14500.78	3147.71	8377.61
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
700 (2019 - Nil) 8.67% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 2 (26 August 2020) of ₹ 1000000.00 each, fully paid	69.45		—	
1,250 (2019 - Nil) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 290 Option 1 (21 December 2020) of ₹ 1000000.00 each, fully paid	126.08		—	
239 (2019 - Nil) 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid	23.92		—	
National Bank for Agriculture and Rural Development Nil (2019 - 4,370) 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	
3,200 (2019 - Nil) 6.98% Unsecured Redeemable Non-Convertible Bonds Series 18 G (30 September 2020) of ₹ 1000000.00 each, fully paid	318.69		—	
Power Finance Corporation Limited				
Nil (2019 - 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	—		25.04	
Nil (2019 - 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	—		25.13	
Nil (2019 - 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	—		20.10	
Nil (2019 - 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	—		5.03	
Nil (2019 - 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	—		75.46	
Nil (2019 - 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	—		85.56	
Nil (2019 - 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	—		20.11	
250 (2019 - Nil) 7.05% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 159 (15 May 2020) of ₹ 1000000.00 each, fully paid	24.97		—	
250 (2019 - Nil) 7.42% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 165 (26 June 2020) of ₹ 1000000.00 each, fully paid	24.96		—	
250 (2019 - Nil) 7.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 163 (17 September 2020) of ₹ 1000000.00 each, fully paid	24.94		—	
Carried over	2959.06	14500.78	3840.41	8377.61

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	2959.06	14500.78	3840.41	8377.61
INVESTMENT IN BONDS/DEBENTURES (Contd.)				
500 (2019 - Nil) 8.38% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 131-B (27 April 2020) of ₹ 1000000.00 each, fully paid	50.00		–	
2,800 (2019 - Nil) 8.53% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 137 (24 July 2020) of ₹ 1000000.00 each, fully paid	280.66		–	
400 (2019 - Nil) 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	40.22		–	
PNB Housing Finance Limited				
Nil (2019 - 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	–		100.07	
Nil (2019 - 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	–		10.00	
Nil (2019 - 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	–		60.02	
Nil (2019 - 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	–		40.09	
REC Limited (Formerly Rural Electrification Corporation Limited)				
500 (2019 - Nil) 6.87% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 149 (24 September 2020) of ₹ 1000000.00 each, fully paid	49.58		–	
500 (2019 - Nil) 8.37% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 134 (14 August 2020) of ₹ 1000000.00 each, fully paid	49.98		–	
Nil (2019 - 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	–		25.12	
Nil (2019 - 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	–		226.34	
Small Industries Development Bank of India				
Nil (2019 - 500) 7.00% Unsecured Listed Redeemable Non-Convertible Bonds Series IV of 2017-18 (21 December 2020 with Call and Put Option dated 21 November 2019) of ₹ 1000000.00 each, fully paid	–		49.81	
Nil (2019 - 750) 7.50% Unsecured Rated Listed Redeemable Non-Convertible Bonds Series I of 2018-19 (16 July 2021 with Call and Put Option dated 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 Nil (2019 - 4,00,00,000) Units of ₹ 10.00 each	–		50.38	
HDFC Fixed Maturity Plan 1114D March 2016 (1) - Series-35 Nil (2019 - 12,80,00,000) Units of ₹ 10.00 each	–		161.93	
Carried over	3429.50	14500.78	4638.99	8377.61

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
11. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)				
Brought forward	3429.50	14500.78	4638.99	8377.61
INVESTMENT IN MUTUAL FUNDS (Contd.)				
HDFC Fixed Maturity Plan 1132D February 2016 (1) - Series-35 Nil (2019 - 4,30,00,000) Units of ₹ 10.00 each	–		54.55	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan I - 1170 Days Nil (2019 - 1,50,00,000) Units of ₹ 10.00 each	–		19.19	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan J - 1168 Days Nil (2019 - 1,00,00,000) Units of ₹ 10.00 each	–		12.76	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan N - 1150 Days Nil (2019 - 1,50,00,000) Units of ₹ 10.00 each	–		19.08	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan T - 1130 Days Nil (2019 - 1,00,00,000) Units of ₹ 10.00 each	–		12.64	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan W - 1135 Days Nil (2019 - 1,20,00,000) Units of ₹ 10.00 each	–		15.15	
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan P - 1104 Days Nil (2019 - 40,00,000) Units of ₹ 10.00 each	–		4.80	
ICICI Prudential Fixed Maturity Plan - Series 81 - Plan J - 1154 Days 50,00,000 (2019 - Nil) Units of ₹ 10.00 each	6.10		–	
Kotak Fixed Maturity Plan - Series 190 Nil (2019 - 50,00,000) Units of ₹ 10.00 each	–		6.40	
Kotak Fixed Maturity Plan - Series 191 Nil (2019 - 1,50,00,000) Units of ₹ 10.00 each	–		18.96	
Kotak Fixed Maturity Plan - Series 210 1,00,00,000 (2019 - Nil) Units of ₹ 10.00 each	11.95		–	
Reliance Fixed Horizon Fund - XXX - Series 5 Nil (2019 - 1,50,00,000) Units of ₹ 10.00 each	–		19.06	
Reliance Fixed Horizon Fund - XXX - Series 12 Nil (2019 - 1,00,00,000) Units of ₹ 10.00 each	–		12.69	
Reliance Fixed Horizon Fund - XXX - Series 13 Nil (2019 - 2,00,00,000) Units of ₹ 10.00 each	–		25.39	
Reliance Fixed Horizon Fund - XXX - Series 17 Nil (2019 - 3,50,00,000) Units of ₹ 10.00 each	–		44.23	
Reliance Fixed Horizon Fund - XXX - Series 6 Nil (2019 - 1,00,00,000) Units of ₹ 10.00 each	–		12.71	
Nippon Fixed Horizon Fund - XXXI - Series 9 (Formerly known as Reliance Fixed Horizon Fund - XXXI - Series 9) Nil (2019 - 1,80,00,000) Units of ₹ 10.00 each	–		21.78	
UTI Fixed Term Income Fund Series XXIV - VI - 1181 Days Nil (2019 - 1,20,00,000) Units of ₹ 10.00 each	–		15.32	
UTI Fixed Term Income Fund Series XXIV - VIII - 1184 Days Nil (2019 - 80,00,000) Units of ₹ 10.00 each	–		10.15	
UTI Fixed Term Income Fund Series XXV - V - 1100 Days Nil (2019 - 50,00,000) Units of ₹ 10.00 each	–		6.04	
Aggregate amount of quoted and unquoted Investments	3447.55	14500.78	4969.89	8377.61
TOTAL		17948.33		13347.50

Aggregate market value of quoted investments ₹ 3456.49 Crores (2019 - ₹ 4973.37 Crores).

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
12. Trade receivables (Current)		
Secured, considered good	31.88	38.10
Unsecured, considered good	2530.60	3997.18
Doubtful	174.89	153.11
Less: Allowance for doubtful receivables	174.89	153.11
TOTAL	2562.48	4035.28

13. Cash and cash equivalents[@]		
Balances with Banks		
Current accounts	630.42	252.63
Deposit accounts	10.78	59.13
Cheques, drafts on hand	5.85	2.53
Cash on hand	3.30	3.52
TOTAL	650.35	317.81

[@] 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	168.07	169.20
In deposit accounts*	6458.92	3665.02
TOTAL	6626.99	3834.22

* 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, 2020 (No. of Shares)	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 (₹ 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	12,29,22,31,241	1229.22	12,25,86,31,601	1225.86
A) Reconciliation of number of Ordinary Shares outstanding				
As at beginning of the year	12,25,86,31,601	1225.86	12,20,42,94,911	1220.43
Add: Issue of Shares on exercise of Options	3,35,99,640	3.36	5,43,36,690	5.43
As at end of the year	<u>12,29,22,31,241</u>	<u>1229.22</u>	<u>12,25,86,31,601</u>	<u>1225.86</u>
B) Shareholders holding more than 5% of the Ordinary Shares in the Company				
	As at 31st March, 2020 (No. of Shares)	As at 31st March, 2020 %	As at 31st March, 2019 (No. of Shares)	As at 31st March, 2019 %
Tobacco Manufacturers (India) Limited	2,97,83,47,320	24.23	2,97,83,47,320	24.30
Life Insurance Corporation of India	1,99,75,40,067	16.25	1,98,15,49,720	16.16
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.93	97,45,31,427	7.95
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				
	2020 (No. of Shares)	2019 (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				
	2020 (No. of Shares)	2019 (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, 2020 (No. of Shares)	As at 31st March, 2019 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	34,58,05,430	38,19,09,060		

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.

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, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
16. Non-current borrowings		
Unsecured		
Term loans		
– From Others	0.27	0.26
Deferred payment liabilities		
– Sales tax deferment loans	5.63	7.89
TOTAL	5.90	8.15

Terms of borrowings are as under:

Term Loans from Others

Comprise two interest free loans. One of the loans has been fully repaid in 2019-20 and the other loan stipulates repayment on the basis of 33% (2019 - 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 17B)	...	2.26	0.19	3.24
Current maturities of long-term debt	...	2.26	0.19	3.24
In the second year	–	0.35	0.02	2.26
In the third to fifth year	0.07	3.51	0.24	2.34
After five years	0.20	1.77	–	3.29
Non-current borrowings	0.27	5.63	0.26	7.89

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
17A. Lease Liabilities*				
Lease Liabilities	63.87	204.00	–	–
TOTAL	63.87	204.00	–	–

* Refer Note 28(x) and 28(xi)

Movement of Lease Liabilities during the year

Particulars	31st March, 2020	31st March, 2019
Opening Lease Liability recognised on transition to Ind AS 116	294.95	–
New Leases recognised	27.48	–
Remeasurements and withdrawals	(5.83)	–
Interest expense on Lease Liabilities	23.61	–
Payment of Lease Liabilities made	(72.95)	–
Foreign Currency Translation Reserve adjustment	0.61	–
Closing balance of Lease Liability	267.87	–

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
17B. 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.)	127.87	73.41
TOTAL	127.87	73.41
Current		
Current maturities of long-term debt (Refer Note 16)	2.26	3.43
Interest accrued	1.92	1.97
Unpaid dividend*	167.83	168.97
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.)	1222.57	1012.49
TOTAL	1394.88	1187.16

* 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.

	As at 31st March, 2020 (₹ in Crores)		As at 31st March, 2019 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
18. Provisions				
Provision for employee benefits [Refer Note 28 (vii)]				
Retirement benefits	119.69	123.74	22.66	114.50
Other benefits	28.49	51.34	28.72	47.16
Provision for standard assets	-	0.29	-	0.29
TOTAL	148.18	175.37	51.38	161.95

Notes to the Consolidated Financial Statements

	As at 31st March, 2020 (₹ in Crores)	As at 31st March, 2019 (₹ in Crores)
19. Other liabilities		
Non-current		
Revenue received in advance	16.20	6.51
TOTAL	16.20	6.51
Current		
Statutory liabilities	3250.51	4303.87
Advances received from customers	703.07	422.95
Revenue received in advance	9.53	7.28
Others		
– Others (includes deferred revenue, accruals, customer deposits, etc.)	109.61	104.22
TOTAL	4072.72	4838.32
20. Current borrowings		
Secured		
Loans from Banks		
Cash credit facilities*	1.42	1.86
TOTAL	1.42	1.86
* Cash credit facilities are secured by hypothecation of certain property, plant and equipment, investments and current assets, both present and future.		
21A. Income Tax Assets (Net)		
Income Tax Assets (net of provisions)	38.42	28.53
TOTAL	38.42	28.53
21B. Current Tax liabilities (Net)		
Current taxation (net of advance payment)	248.87	423.69
TOTAL	248.87	423.69

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
22A. Revenue from operations		
Sale of Products	46950.03	45758.57
Sale of Services	4018.47	3589.86
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty/Health Risk Tax of ₹ 1864.34 Crores (2019 - ₹ 1503.00 Crores)]	50968.50	49348.43
Other Operating Revenues#	424.97	513.68
TOTAL	51393.47	49862.11

* Net of sales returns and damaged stocks.

Includes Government grants received of ₹ 130.74 Crores (2019 - ₹ 112.23 Crores) on account of Export Promotion Capital Goods, Service Exports from India Scheme, Merchandise Exports from India Scheme, Duty Drawback etc.

22B. Gross revenue from sale of products and services*		
FMCG		
– Cigarettes etc.	23679.13	22913.27
– Branded Packaged Food Products	10379.48	9670.99
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis, Apparel, etc.)	2464.51	2846.08
Hotels		
– Hotels Sales/Income from Hotel Services	1911.59	1728.15
Agri Business		
– Unmanufactured Tobacco	1300.29	1593.61
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua, etc.)	4612.25	4481.69
Paperboards, Paper and Packaging		
– Paperboards and Paper	4013.72	3710.32
– Printed Materials	485.26	520.08
Others		
– Others	2122.27	1884.24
TOTAL	50968.50	49348.43

* Net of sales returns and damaged stocks.

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
23. Other income		
Interest income	1522.13	1312.79
Dividend income	8.31	8.38
Other non-operating income	87.08	25.90
Other gains and losses	980.37	826.72
TOTAL	2597.89	2173.79
Interest income comprises interest from:		
a) Deposits with Banks etc. – carried at amortised cost	516.17	298.59
b) Financial assets mandatorily measured at FVTPL	148.32	239.42
c) Other financial assets measured at amortised cost	842.74	740.27
d) Others (from statutory authorities etc.)	14.90	34.51
TOTAL	1522.13	1312.79
Dividend income comprises dividend from:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	8.31	8.32
b) Other investments	0.01	0.06
TOTAL	8.32	8.38
Other gains and losses:		
Net foreign exchange gain/(loss)	34.38	(6.95)
Net gain/(loss) arising on financial assets mandatorily measured at FVTPL*	945.84	753.80
Gain recognised on disposal of subsidiary	–	9.40
Impairment of investment in joint venture company	0.15	–
Restructuring of Lifestyle Retailing Business (Net)	–	70.47
TOTAL	980.37	826.72
* Includes ₹ 227.77 Crores (2019 - ₹ 205.16 Crores) being net gain/(loss) on sale of investments.		
24. Employee benefits expense		
Salaries and wages	3676.20	3451.87
Contribution to Provident and other funds	267.10	246.93
Share based payments to employees [Includes cash-settled share based payments ₹ (10.52) Crores (2019 - ₹ 18.53 Crores)]	102.48	258.23
Staff welfare expenses	262.96	246.31
	4308.74	4203.34
Less: Recoveries made/reimbursements received	12.95	25.46
TOTAL	4295.79	4177.88

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
25. Finance costs		
Interest expense:		
– On Lease Liabilities	23.61	–
– On financial liabilities measured at amortised cost	4.81	10.02
– Others	26.26	35.40
TOTAL	54.68	45.42
26. Other expenses		
Power and fuel	780.85	746.73
Consumption of stores and spare parts	312.49	301.34
Contract processing charges	885.01	902.55
Rent	267.50	337.84
Rates and taxes	151.52	263.56
Insurance	129.93	84.35
Repairs		
– Buildings	77.79	64.25
– Machinery	261.80	235.44
– Others	72.18	80.55
Maintenance and upkeep	296.14	270.09
Outward freight and handling charges	1244.08	1176.49
Warehousing charges	182.81	166.85
Advertising/Sales promotion	1000.68	994.63
Market research	145.02	135.20
Design and product development	48.00	57.15
Hotel reservation/Marketing expenses	44.09	42.76
Retail accessories	128.87	155.37
Brokerage and discount - sales	16.35	13.10
Commission to selling agents	9.39	14.43
Doubtful and bad debts	37.59	32.56
Doubtful and bad advances, loans and deposits	(2.68)	6.01
Bank and credit card charges	26.70	25.98
Information technology services	172.84	171.48
Travelling and conveyance	406.87	400.81
Training and development	29.71	24.71
Legal expenses	45.59	50.00
Consultancy/Professional fees	417.01	405.47
Postage, telephone, etc.	29.44	32.82
Printing and stationery	18.93	19.37
Loss on sale of property, plant and equipment - Net	56.68	105.05
Loss on sale of stores and spare parts - Net	2.88	16.79
Miscellaneous expenses	1206.57	1014.38
TOTAL	8502.63	8348.11

Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2020 (₹ in Crores)	For the year ended 31st March, 2019 (₹ in Crores)
27. Income tax expenses		
A. Amount recognised in profit or loss		
Current tax		
Income tax for the year	4977.63	6322.55
Adjustments/(credits) related to previous years - Net	(131.48)	(130.93)
Total current tax	4846.15	6191.62
Deferred tax		
Deferred tax for the year	(432.06)	92.61
Adjustments/(credits) related to previous years - Net	24.55	31.63
MAT credit entitlement	3.15	(1.94)
Total deferred tax	(404.36)	122.30
TOTAL	4441.79	6313.92
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	12.07	(4.32)
Related to designated portion of hedging instruments in cash flow hedges	(1.93)	7.36
	10.14	3.04
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	10.13	(0.30)
	10.13	(0.30)
TOTAL	20.27	2.74
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	4.47	(1.01)
TOTAL	4.47	(1.01)
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	20034.57	19149.82
Income tax expense calculated @ 25.168% (2019: 34.944%)	5042.31	6691.72
Effect of tax relating to uncertain tax positions	48.01	38.47
Effect of different tax rate on certain items	(103.59)	(182.14)
Difference in tax rates of subsidiary companies	47.89	(52.19)
Effect of income not taxable	(93.65)	(124.26)
Effect of remeasurement of Deferred Tax Liabilities (Net) as on 31st March 2019*	(559.12)	-
Other differences	166.87	169.03
Benefit of previously unrecognised tax loss to reduce current tax expense	-	(68.29)
Benefit of previously unrecognised tax loss to reduce deferred tax expense	-	(59.12)
Total	4548.72	6413.22
Adjustments recognised in the current year in relation to the current tax of prior years	(106.93)	(99.30)
Income tax recognised in profit or loss	4441.79	6313.92

The tax rate of 25.168% (22% + surcharge @ 10% and cess @ 4%) used for the year 2019-20 and 34.944% (30% + surcharge @ 12% and cess @ 4%) used for the year 2018-19 is the corporate tax rate applicable on taxable profits under the Income-tax Act, 1961.

* On exercising the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019.

Notes to the Consolidated Financial Statements

28. Additional Notes to the Consolidated Financial Statements

(i) Exceptional items represent cost of leaf tobacco stocks (including taxes) destroyed at a third party owned warehouse due to fire, for which insurance claim has been filed and is under process.

(ii) Earnings per share:

Earnings per share has been computed as under:

(a) Profit for the year (₹ in Crores)

(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share

(c) Effect of potential Ordinary shares on Employee Stock Options outstanding

(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]

(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)

– Basic [(a)/(b)]

– Diluted [(a)/(d)]

	2020	2019
(a) Profit for the year (₹ in Crores)	15,306.23	12,592.33
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,27,93,39,192	12,23,11,13,530
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	1,31,85,149	6,93,50,255
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,29,25,24,341	12,30,04,63,785
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 12.47	₹ 10.30
– Diluted [(a)/(d)]	₹ 12.45	₹ 10.24

(iii) (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, 2020	Percentage of ownership interest as at 31st March, 2019
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 Agri Sciences Limited	India	100	100
Technico Pty Limited	Australia	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, 2020	Percentage of ownership interest as at 31st March, 2019
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 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 13th 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, 2020	Percentage of ownership interest as at 31st March, 2019
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:

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, 2020	Percentage of ownership interest as at 31st March, 2019
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited	India	47.50	47.50

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.

(iv) Transactions with subsidiaries of TMI's [Tobacco Manufacturers (India) Limited] ultimate parent company comprise Sale of goods/services ₹ 813.24 Crores (2019 - ₹ 1096.88 Crores), Dividend payments ₹ 381.05 Crores (2019 - ₹ 341.67 Crores), Others ₹ 27.33 Crores (2019 - ₹ 19.21 Crores).

(v) Contingent liabilities and commitments:

(a) Contingent liabilities:

Claims against the Group not acknowledged as debts, are ₹ 766.10 Crores (2019 - ₹ 847.13 Crores), including interest on claims, where applicable, estimated to be ₹ 239.52 Crores (2019 - ₹ 221.14 Crores), including share of associates ₹ 0.15 Crore (2019 - ₹ 0.15 Crore). 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 ₹ 588.28 Crores (2019 - ₹ 632.56 Crores), including interest on claims, where applicable, estimated to be ₹ 224.10 Crores (2019 - ₹ 206.42 Crores), including share of associates ₹ 0.12 Crore (2019 - ₹ 0.12 Crore).

Notes to the Consolidated Financial Statements

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

- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 119.55 Crores (2019 - ₹ 106.81 Crores), including interest on claims, where applicable, estimated to be ₹ 5.29 Crores (2019 - ₹ 5.14 Crores) including share of associates ₹ 0.03 Crore (2019 - ₹ 0.03 Crore).
- Third party claims arising from disputes relating to contracts aggregating ₹ 32.40 Crores (2019 - ₹ 39.40 Crores), including interest on claims, where applicable, estimated to be ₹ 0.75 Crore (2019 - ₹ 0.60 Crore).
- Other matters aggregating ₹ 25.87 Crores (2019 - ₹ 68.36 Crores), including interest on other matters, where applicable, estimated to be ₹ 9.38 Crores (2019 - ₹ 8.98 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 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.

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.

Notes to the Consolidated Financial Statements

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

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 the 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 ₹ 33.95 Crores (2019 - ₹ 5.00 Crores).
- (c) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding ₹ Nil (2019 - ₹ 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 ₹ 11.94 Crores (2019 - ₹ 11.18 Crores), are ₹ 2983.97 Crores (2019 - ₹ 2709.10 Crores).
- (vi) Research and Development expenses for the year amount to ₹ 141.78 Crores (2019 - ₹ 145.51 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, 2020 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. 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.

Notes to the Consolidated Financial Statements

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

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 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, 2020 (₹ in Crores)				For the year ended 31st March, 2019 (₹ 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	47.81	40.02	0.90	14.33	48.50	35.43	0.68	12.70
2	Past Service Cost	–	–	–	–	13.62	(4.73)	0.05	–
3	Net Interest Cost	(5.69)	(2.90)	0.43	8.46	(8.41)	(2.86)	0.36	7.90
4	Total expense recognised in the Statement of Profit and Loss	42.12	37.12	1.33	22.79	53.71	27.84	1.09	20.60
	– Re-measurements recognised in Other Comprehensive Income								
5	Return on plan assets (excluding amounts included in net interest cost)	9.78	(0.94)	–	–	(2.37)	(0.06)	–	–
6	Effect of changes in demographic assumptions	10.74	0.51	0.01	0.53	(1.40)	(0.18)	0.01	(0.01)
7	Effect of changes in financial assumptions	74.72	36.83	(0.17)	12.33	(1.06)	(0.78)	(0.23)	(0.04)
8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
9	Effect of experience adjustments	(9.99)	(5.76)	(0.68)	(0.34)	5.54	(12.03)	(0.43)	2.12
10	Total re-measurements included in Other Comprehensive Income	85.25	30.64	(0.84)	12.52	0.71	(13.05)	(0.65)	2.07
11	Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)	127.37	67.76	0.49	35.31	54.42	14.79	0.44	22.67
<p>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.</p>									

II	Actual Returns	51.16	30.19	–	–	63.04	28.20	–	–
III	Net Asset/(Liability) recognised in Balance Sheet								
1	Present Value of Defined Benefit Obligation	880.50	432.79	6.56	140.56	771.20	369.26	6.11	120.27
2	Fair Value of Plan Assets	816.49	400.49	–	–	808.56	380.63	–	–
3	Status [Surplus/(Deficit)]	(64.01)	(32.30)	(6.56)	(140.56)	37.36	11.37	(6.11)	(120.27)
4	Restrictions on Asset Recognised	–	–	–	–	–	–	–	–
5	Net (Liability) recognised in Balance Sheet	(64.01)	(32.30)	(6.56)	(140.56)	(4.62)	(6.16)	(6.11)	(120.27)
a.	Current	(60.69)	(30.74)	(0.33)	(27.93)	(0.91)	(4.60)	(0.36)	(16.79)
b.	Non-Current	(3.32)	(1.56)	(6.23)	(112.63)	(3.71)	(1.56)	(5.75)	(103.48)
6	Net Asset recognised in Balance Sheet	–	–	–	–	41.98	17.53	–	–
a.	Current	–	–	–	–	41.98	17.53	–	–
b.	Non-Current	–	–	–	–	–	–	–	–

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, 2020 (₹ in Crores)				For the year ended 31st March, 2019 (₹ 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	771.20	369.26	6.11	120.27	739.61	365.29	5.85	113.23
2	Current Service Cost	47.81	40.02	0.90	14.33	48.50	35.43	0.68	12.70
3	Past Service Cost	–	–	–	–	13.62	(4.73)	0.05	–
4	Interest Cost	55.25	26.35	0.43	8.46	52.26	25.28	0.36	7.90
5	Re-measurement Gains/(Losses):								
	a. Effect of changes in demographic assumptions	10.74	0.51	0.01	0.53	(1.40)	(0.18)	0.01	(0.01)
	b. Effect of changes in financial assumptions	74.72	36.83	(0.17)	12.33	(1.06)	(0.78)	(0.23)	(0.04)
	c. Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–	–	–
	d. Effect of experience adjustments	(9.99)	(5.76)	(0.68)	(0.34)	5.54	(12.03)	(0.43)	2.12
6	Curtailment Cost/(Credit)	–	–	–	–	–	–	–	–
7	Settlement Cost/(Credit)	–	–	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–	–	–	–	–
9	Effects of transfer in/(out)	(0.29)	–	–	–	(0.06)	–	–	–
10	Benefits Paid	(68.94)	(34.42)	(0.04)	(15.02)	(85.81)	(39.02)	(0.18)	(15.63)
11	Present Value of DBO at the end of the year	880.50	432.79	6.56	140.56	771.20	369.26	6.11	120.27

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2020	As at 31st March, 2019
		(₹ in Crores)	(₹ in Crores)
	– Pension	136.51	78.79
	– Gratuity	65.99	32.82

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, 2020 (₹ in Crores)				For the year ended 31st March, 2019 (₹ in Crores)			
		Pension	Gratuity		Leave Encashment	Pension	Gratuity		Leave Encashment
		Funded	Funded	Unfunded	Unfunded	Funded	Funded	Unfunded	Unfunded
1	Plan Assets at the beginning of the year	808.56	380.63	–	–	809.14	374.48	–	–
2	Asset acquired in Business Combination	–	–	–	–	–	–	–	–
3	Interest Income	60.94	29.25	–	–	60.67	28.14	–	–
4	Re-measurement Gains/ (Losses) on plan assets	(9.78)	0.94	–	–	2.37	0.06	–	–
5	Actual Group Contributions	26.00	24.06	–	–	22.25	16.97	–	–
6	Benefits Paid	(68.94)	(34.39)	–	–	(85.81)	(39.02)	–	–
7	Effects of transfer in/(out)	(0.29)	–	–	–	(0.06)	–	–	–
8	Plan Assets at the end of the year	816.49	400.49	–	–	808.56	380.63	–	–

VII	Actuarial Assumptions	As at 31st March, 2020	As at 31st March, 2019
		Discount Rate (%)	Discount Rate (%)
1	Pension	6.25	7.50
2	Gratuity	6.25	7.50
3	Leave Encashment	6.25	7.50

The estimates of future salary increases, generally between 4% to 5% for the Company (being the largest component of the Group), 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, 2020	As at 31st March, 2019
1	Government Securities/Special Deposit with RBI	25.44%	25.74%
2	High Quality Corporate Bonds	14.80%	15.32%
3	Insurer/Citizen Investment Trust Managed Funds*	47.45%	46.99%
4	Mutual Funds	2.19%	2.83%
5	Cash and Cash Equivalents	7.60%	6.52%
6	Term Deposits	2.52%	2.60%

* 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 and 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, 2020 (₹ in Crores)				For the year ended 31st March, 2019 (₹ in Crores)			
		Pension		Gratuity		Gratuity		Leave Encashment	
		Funded	Funded	Unfunded	Unfunded	Funded	Funded	Unfunded	Unfunded
1	Present Value of Defined Benefit Obligation	880.50	432.79	6.56	140.56	771.20	369.26	6.11	120.27
2	Fair Value of Plan Assets	816.49	400.49	–	–	808.56	380.63	–	–
3	Status [Surplus/(Deficit)]	(64.01)	(32.30)	(6.56)	(140.56)	37.36	11.37	(6.11)	(120.27)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(9.78)	0.94	–	–	2.37	0.06	–	–
5	Experience Adjustment of obligation [(Gain)/Loss]	(9.99)	(5.76)	(0.68)	(0.34)	5.54	(12.03)	(0.43)	2.12

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, 2020		DBO as at 31st March, 2019	
1	Discount Rate + 100 basis points	1373.77		1201.36	
2	Discount Rate - 100 basis points	1558.76		1341.45	
3	Salary Increase Rate + 1%	1547.94		1332.83	
4	Salary Increase Rate – 1%	1381.68		1207.21	

Maturity Analysis of the Benefit Payments

1	Year 1	215.38	183.40
2	Year 2	198.67	171.10
3	Year 3	139.39	139.89
4	Year 4	115.94	147.57
5	Year 5	115.52	103.22
6	Next 5 Years	499.77	546.82

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 24: ₹ 187.86 Crores (2019 - ₹ 165.38 Crores).

Notes to the Consolidated Financial Statements

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

(viii) 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	93.28%	61239.99	93.64%	14600.99	94.00%	(1381.81)	93.60%	13219.18	
Subsidiaries									
Indian									
1	Russell Credit Limited	1.08%	710.61	0.26%	40.85	7.52%	(110.61)	(0.49%)	(69.76)
2	Greenacre Holdings Limited	0.07%	47.43	0.01%	1.33	...	(0.02)	0.01%	1.31
3	Wimco Limited	0.01%	4.48	...	0.07	...	(0.01)	...	0.06
4	Prag Agro Farm Limited	...	1.06	...	...	–	–	...	...
5	Pavan Poplar Limited	...	0.28	...	(0.14)	–	–	...	(0.14)
6	Technico Agri Sciences Limited	0.12%	77.78	0.13%	20.34	0.01%	(0.08)	0.14%	20.26
7	Srinivasa Resorts Limited	0.10%	67.73	0.01%	2.20	...	(0.05)	0.02%	2.15
8	Fortune Park Hotels Limited	0.04%	26.92	0.02%	2.69	...	0.06	0.02%	2.75
9	Bay Islands Hotels Limited	0.03%	17.58	0.01%	1.23	–	–	0.01%	1.23
10	ITC Infotech India Limited	0.57%	374.46	1.12%	174.87	(1.30%)	19.13	1.37%	194.00
11	Gold Flake Corporation Limited	0.04%	26.85	...	0.55	...	0.01	...	0.56
12	ITC Investments & Holdings Limited	0.01%	5.20	...	0.02	–	–	...	0.02
13	MRR Trading & Investment Company Limited	...	0.01	...	...	–	–	...	...

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								
14	Landbase India Limited	0.36%	237.04	0.02%	2.85	...	(0.03)	0.02%	2.82
15	North East Nutrients Private Limited	0.13%	84.49	0.03%	4.09	...	(0.05)	0.03%	4.04
	Foreign								
1	Technico Pty Limited	0.05%	32.26	0.05%	7.41	0.10%	(1.47)	0.04%	5.94
2	Technico Technologies Inc.	...	1.62	...	0.18	–	–	...	0.18
3	Technico Asia Holdings Pty Limited	–	–	–	–	–	–	–	–
4	Technico Horticultural (Kunming) Co. Limited	0.02%	12.11	...	0.74	–	–	0.01%	0.74
5	WelcomHotels Lanka (Private) Limited	2.14%	1404.38	(0.04%)	(6.07)	(1.13%)	16.62	0.07%	10.55
6	ITC Infotech Limited	0.17%	109.36	0.07%	11.09	–	–	0.08%	11.09
7	ITC Infotech (USA), Inc.	0.31%	205.02	0.15%	23.31	–	–	0.17%	23.31
8	Indivate Inc.	...	0.70	...	0.20	–	–	...	0.20
9	Surya Nepal Private Limited	0.50%	319.34	2.63%	409.20	(0.04%)	0.57	2.90%	409.77
	Non-Controlling Interest in all subsidiaries	0.57%	377.47	1.84%	286.55	(0.02%)	0.36	2.03%	286.91

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)	
Associates									
Indian									
1	International Travel House Limited	0.13%	86.23	(0.02%)	(3.83)	0.05%	(0.77)	(0.03%)	(4.60)
2	Gujarat Hotels Limited	0.02%	16.41	0.01%	1.84	—	—	0.01%	1.84
3	Russell Investments Limited	0.03%	20.23	...	0.69	0.80%	(11.58)	(0.08%)	(10.89)
4	Divya Management Limited	0.01%	7.42	...	0.05	...	...	...	0.05
5	Antrang Finance Limited	0.01%	4.89	...	0.02	...	...	...	0.02
6	ATC Limited	0.01%	6.92	...	0.05	...	(0.04)	...	0.01
Joint Ventures									
Indian									
1	ITC Essentra Limited	0.12%	78.29	0.13%	19.66	0.01%	(0.20)	0.14%	19.46
2	Maharaja Heritage Resorts Limited	—	—	—	—	—	—	—	—
3	Espirit Hotels Private Limited	0.07%	46.17	...	...	—	—	...	...
4	Logix Developers Private Limited	—	—	(0.07%)	(10.25)	—	—	(0.07%)	(10.25)
Total		100.00%	65650.73	100.00%	15592.78	100.00%	(1469.97)	100.00%	14122.81

(ix) The Company, on 23rd May, 2020, entered into a Share Purchase Agreement (SPA) to acquire 100% of the equity share capital of Messrs. Sunrise Foods Private Limited, an Indian company primarily engaged in the business of spices under the trademark 'Sunrise', subject to fulfilment of various terms and conditions as specified in the SPA.

(x) Leases:

As a Lessee

The Group's significant leasing arrangements are in respect of operating leases for land, buildings, (comprising licensed properties, residential premises, office premises, stores, warehouses etc.) and plant & equipment. These arrangements generally range between 2 years and 10 years, except for certain land and building leases where the lease term ranges up to 99 years. The lease arrangements have extension/termination options exercisable by either parties which may make the assessment of lease term uncertain. While determining the lease term, the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Notes to the Consolidated Financial Statements

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

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3F and Note 17A respectively. The total cash outflow for leases for the year is ₹ 444.50 Crores (including payments of ₹ 367.23 Crores in respect of short-term/low-value leases and variable lease payments of ₹ 4.32 Crores).

The sensitivity of variable lease payments and effect of extension/termination options not included in measurement of lease liabilities is not material.

The undiscounted maturities of lease liabilities including interest thereon over the remaining lease term is as follows:

(₹ in crores)

Term	Undiscounted Lease Liabilities
Not later than three years	178.88
Later than three years and not later than ten years	118.88
Later than ten years and not later than twenty five years	125.18
Later than twenty five years and not later than fifty years	105.80
Later than fifty years	15.32

As a Lessor

The Group has leased out its investment properties under operating lease for periods ranging upto 5 years. Lease payments are structured with periodic escalations consistent with the prevailing market conditions. There are no variable lease payments. The details of income from such leases are disclosed under Note 3E. The Group does not have any risk relating to recovery of residual value of investment property at the end of leases considering the business requirements and other alternatives.

The undiscounted minimum lease payments to be received over the remaining non-cancellable term on an annual basis are as follows:

(₹ in crores)

Term	Lease Payments*
1 st year	98.94
2 nd year	90.23
3 rd year	17.69
4 th year	0.57
5 th year	Nil

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

The Group has adopted Ind AS 116 “Leases” effective 1st April 2019, as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standards), Amendment Rules, 2019, using the modified retrospective method. Under this simplified approach, the Group recognised equal amount of right of use asset and lease liability on the transition date, adjusted by the amount of prepayments pertaining to such leases, carried in the Balance Sheet on such transition date. Figures for previous year have not been restated as permitted under the transition provisions in Ind AS 116. Further, following practical expedients permitted on initial application have been applied by the Group:

- The Group has utilised the exemptions provided for short-term leases (less than a year) and leases for low value assets.
- The Group has utilised hindsight in determining the lease terms where contracts contained options to extend or terminate the lease.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- The weighted average of Group’s incremental borrowing rate applied to lease liabilities at the date of initial application was 8.17%.

Notes to the Consolidated Financial Statements

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

Accordingly, the Group recognised an amount of ₹ 1010.01 Crores as ROU Asset (including reclassification of prepayments amounting to ₹ 715.06 Crores from Other Assets) and ₹ 294.95 Crores as Lease Liabilities on initial application. It also resulted in decrease in other expenses amounting to ₹ 72.95 Crores (Refer Note 26) and an increase in depreciation of ₹ 69.90 Crores (Refer Note 3F) and finance costs of ₹ 23.61 Crores (Refer Note 25) for the year ended 31st March, 2020. Impact on cash flow statement is 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.	
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 employee compensation cost as per fair value method for the financial year 2019-20 is ₹ 114.04 Crores (2019 - ₹ 243.05 Crores), out of which, ₹ 113.00 Crores (2019 - ₹ 239.70 Crores) relate to employee benefits expense, ₹ 0.58 Crore (2019 - ₹ 1.61 Crores) to property, plant and equipment and ₹ 0.46 Crore (2019 - ₹ 1.74 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 : ₹ 2,510.50 Weighted average fair value per Option : ₹ 622.69	

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				
11.	Option movements during the year :						
	a) Options outstanding at the beginning of the year :	4,75,293	3,77,15,613				
	b) Options granted during the year :	–	4,60,950				
	c) Options cancelled and lapsed during the year :	–	7,11,349				
	d) Options vested and exercisable during the year (net of Options lapsed and exercised) :	43,597	40,29,875				
	e) Options exercised during the year :	89,413	32,70,551				
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year :	8,94,130	3,27,05,510				
	g) Options outstanding at the end of the year :	3,85,880	3,41,94,663				
	h) Options exercisable at the end of the year :	3,45,233	3,09,30,449				
	i) Money realised by exercise of the Options during the year (₹ in Crores) :	14.92	610.38				
12.	Summary of the status of Options :						
	Particulars	As at 31st March, 2020		As at 31st March, 2019			
		No. of Options	Weighted Average Exercise Prices (₹)	No. of Options	Weighted Average Exercise Prices (₹)		
	Outstanding at the beginning of the year :	3,81,90,906	2321.75	4,33,06,092	2248.01		
	Add: Granted during the year :	4,60,950	2510.50	6,88,425	2764.50		
	Less: Lapsed during the year :	7,11,349	2540.29	3,69,942	2418.44		
	Less: Exercised during the year :	33,59,964	1861.02	54,33,669	1783.57		
	Outstanding at the end of the year :	3,45,80,543	2364.54	3,81,90,906	2321.75		
	Options exercisable at the end of the year :	3,12,75,682	2316.88	3,07,31,213	2217.40		
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, 2020 was ₹ 258.84 (2019 - ₹ 289.39).					
14.	Summary of Options outstanding, scheme-wise:						
	Particulars	As at 31st March, 2020			As at 31st March, 2019		
		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 :	3,85,880	1663.00 – 2885.50	2.45	4,75,293	1349.00 – 2885.50	2.98
	ITC Employee Stock Option Scheme - 2010 :	3,41,94,663	1663.00 – 2885.50	2.59	3,77,15,613	1349.00 – 2885.50	3.34

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
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 : ₹ 2,510.50 Weighted average fair value per Option : ₹ 622.69	
	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	6.14%
		(ii) Expected life	4.61 years
		(iii) Expected volatility	23.71%
		(iv) Expected dividends	2.29%
		(v) The price of the underlying shares in market at the time of Option grant	₹ 2,510.50
		<i>(One Option = 10 Ordinary Shares)</i>	
16.	Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the 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.	

(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 of SAR units subject to the terms and conditions specified in the Plan.
2	Settlement Method	Cash Settled
3	Vesting period and maximum term of SAR 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 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 as at 31st March, 2020 is 55,33,730 (2019 - 31,62,350) and the weighted average fair value at measurement date is ₹ 67.08 (2019 - ₹ 743.98) per SAR unit.
5	Total cost recognised in the profit or loss	The cost has been calculated using the fair value method of accounting for SAR units issued under the ITC ESAR Plan. The employee benefits expense/(reversal) as per fair value method for the financial year 2019-20 is ₹ (10.52) Crores (2019 - ₹ 18.53 Crores) and ₹ (0.08) Crore (2019 - ₹ 0.14 Crore) for group entities (Refer Note 24). The amount carried in the Balance Sheet as a non-current financial liability is ₹ 8.01 Crores (2019 - ₹ 18.67 Crores) and as current financial liability is ₹ 0.06 crore (2019 - Nil) (Refer Note 17B).

(xiv) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 329.11 Crores (2019 - ₹ 309.72 Crores) comprising employee benefits expenses of ₹ 9.69 Crores (2019 - ₹ 8.69 Crores) and other expenses of ₹ 319.42 Crores (2019 - ₹ 301.03 Crores), of which ₹ 26.66 Crores (2019 - ₹ 22.23 Crores) is accrued for payment as on 31st March, 2020. Such CSR expenditure of ₹ 329.11 Crores (2019 - ₹ 309.72 Crores) excludes ₹ 11.83 Crores (2019 - ₹ 10.34 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit 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.

(xv) The financial statements were approved for issue by the Board of Directors on 26th June, 2020.

Notes to the Consolidated Financial Statements

29. Segment reporting

(₹ in Crores)

	2020			2019		
	External	Inter Segment	Total	External	Inter Segment	Total
1. Segment Revenue - Gross						
FMCG - Cigarettes	23679.13	–	23679.13	22913.27	–	22913.27
FMCG - Others	12843.99	31.09	12875.08	12517.07	17.97	12535.04
FMCG - Total	36523.12	31.09	36554.21	35430.34	17.97	35448.31
Hotels	1911.59	14.85	1926.44	1728.15	18.59	1746.74
Agri Business	5912.54	4541.33	10453.87	6075.30	3490.09	9565.39
Paperboards, Paper and Packaging	4498.98	1608.20	6107.18	4230.40	1629.76	5860.16
Others	2122.27	80.50	2202.77	1884.24	82.38	1966.62
Segment Total	50968.50	6275.97	57244.47	49348.43	5238.79	54587.22
Eliminations			(6275.97)			(5238.79)
Gross Revenue from sale of products and services			50968.50			49348.43
2. Segment Results						
FMCG - Cigarettes			15838.46			15411.77
FMCG - Others			424.94			325.55
– Restructuring of Lifestyle Retailing Business			–			70.47
FMCG - Total			16263.40			15807.79
Hotels			154.00			185.69
Agri Business			829.74			793.38
Paperboards, Paper and Packaging			1305.33			1239.23
Others			290.95			172.45
Segment Total			18843.42			18198.54
Eliminations			(37.54)			(13.80)
Consolidated Total			18805.88			18184.74
Unallocated corporate expenses net of unallocated income			1097.36			1109.10
Profit before interest etc. and taxation			17708.52			17075.64
Finance Costs			54.68			45.42
Interest earned on loans and deposits, income from current and non current investments, profit and loss on sale of investments etc. - Net			2504.62			2107.90
Share of net profit of associates & joint ventures			8.22			11.70
Exceptional items [(Refer Note 28(i))]			(132.11)			–
Profit before tax			20034.57			19149.82
Tax expense			4441.79			6313.92
Profit for the year			15592.78			12835.90
3. Other Information						
		2020		2019		
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities		
FMCG - Cigarettes	7483.78	4148.85	8863.69	4888.65		
FMCG - Others	8809.78	2122.96	8224.57	2020.85		
FMCG - Total	16293.56	6271.81	17088.26	6909.50		
Hotels	7563.12	830.17	7302.46	637.39		
Agri Business	4333.55	972.06	4191.18	785.36		
Paperboards, Paper and Packaging	6816.90	764.12	6960.54	755.48		
Others	1601.91	375.72	901.55	296.42		
Segment Total	36609.04	9213.88	36443.99	9384.15		
Unallocated Corporate Assets/Liabilities	40758.00	2502.43	35354.42	2929.92		
Total	77367.04	11716.31	71798.41	12314.07		

Notes to the Consolidated Financial Statements

29. Segment reporting (Contd.)

(₹ in Crores)

	2020		2019	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	138.91	312.37	171.38	285.61
FMCG - Others	859.85	497.68	1324.87	383.81
FMCG - Total	998.76	810.05	1496.25	669.42
Hotels	857.36	267.17	936.48	199.70
Agri Business	57.74	74.35	54.10	72.36
Paperboards, Paper and Packaging	247.86	357.51	258.74	326.24
Others	142.94	26.80	22.09	24.43
Segment Total	2304.66	1535.88	2767.66	1292.15
Unallocated	326.27	109.03	316.36	104.46
Total	2630.93	1644.91	3084.02	1396.61

	Non Cash expenditure other than depreciation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	10.97	1.30
FMCG - Others	47.54	66.95
FMCG - Total	58.51	68.25
Hotels	12.28	15.96
Agri Business	0.03	1.23
Paperboards, Paper and Packaging	13.40	62.13
Others	19.24	11.56
Segment Total	103.46	159.13

GEOGRAPHICAL INFORMATION

1. Revenue from external customers

	2020	2019
– Within India	43867.67	42259.87
– Outside India	7100.83	7088.56
Total	50968.50	49348.43

2. Non-current assets

	2020	2019
– Within India	25244.45	24339.84
– Outside India	1225.01	1562.43
Total	26469.46	25902.27

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 & Meals; Snacks; Dairy & Beverages; Biscuits & Cakes; Chocolates, Coffee & Confectionery); Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis; Apparel.
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, Branded Residences 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, WelcomHotels Lanka (Private) Limited and Landbase India 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 Invadate 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, Gold Flake Corporation Limited and WelcomHotels Lanka (Private) 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) Divya Management Limited
- c) Antrang Finance Limited
- d) ATC Limited
- e) International Travel House Limited
 - being associates of the Group
- f) 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:

S. Puri*	Chairman & Managing Director
N. Anand	Executive Director
B. Sumant	Executive Director
R. Tandon	Executive Director & Chief Financial Officer
S. Banerjee#	Non-Executive Director
H. Bhargava	Non-Executive Director
A. Duggal#	Non-Executive Director
A. Jerath	Non-Executive Director (w.e.f. 31.01.2020)
S. B. Mathur#	Non-Executive Director
A. Nayak#	Non-Executive Director (w.e.f. 13.07.2019)
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director (w.e.f. 13.07.2019)
M. Shankar#	Non-Executive Director
D. R. Simpson	Non-Executive Director
Y. C. Deveshwar	Chairman & Non-Executive Director (passed away on 11.05.2019)
J. Pulintham	Non-Executive Director (up to 22.12.2019)
S. S. H. Rehman#	Non-Executive Director (up to 14.09.2019)

*Appointed as the Chairman of the Company w.e.f. 13.05.2019

Independent Director

Company Secretary

R. K. Singhi

Members - Corporate Management Committee

S. Puri

N. Anand

B. Sumant

R. Tandon

C. Dar

S. K. Singh

S. Sivakumar

K. S. Suresh (up to 08.06.2019)

b) Relatives of Key Management Personnel:

B. Deveshwar (wife of Late Y. C. Deveshwar)

T. Anand (wife of N. Anand)

R. Tandon (wife of R. Tandon)

N. Singhi (wife of R. K. Singhi)

iii) Employee Trusts:

- 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 31.03.2020

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
1. Sale of Goods/Services	3.14	3.56	25.70	41.97							28.84	45.53
2. Purchase of Goods/Services	139.41	125.16	242.98	272.34							382.39	397.50
3. Sale of Property, Plant and Equipment											0.18	-
4. Value of share based payment							0.18	-				
5. Reimbursement for Share Based Payments	0.29	1.47	0.09	0.41							0.38	1.88
6. Rent Received	1.08	1.06									1.08	1.06
7. Rent Paid*	4.42	4.36					0.31	0.21			5.05	5.37
8. Remuneration of Managers on Deputation reimbursed	6.28	5.35						0.32			6.28	5.35
9. Remuneration of Managers on Deputation recovered	5.56	5.62	1.06	1.16							6.62	6.78
10. Contribution to Employees' Benefit Plans									98.34	90.44	98.34	90.44
11. Dividend Income	1.59	2.27	6.75	2.70							8.34	4.97
12. Dividend Payments	1712.55	1533.85			0.69	1.61					1713.24	1535.46
13. Expenses Recovered	0.22	0.23	0.21	0.31							0.43	0.54
14. Expenses Reimbursed	0.27	0.24	0.01	0.01			0.04	0.05			0.32	0.30
15. Advances Given during the year	0.68	0.26									0.68	0.26
16. Adjustment/Receipt towards Refund of Advances	1.12	-									1.12	-
17. Deposits Given during the year					0.05	-					0.10	-
18. Deposits Received during the year	-	0.01									-	0.01
19. Remuneration to Key Management Personnel ¹												
18A. -- Short term benefits												
18B. -- Other remuneration					42.28	44.09					42.28	44.09
18C. -- Share based payment granted ²					7.82	6.99					7.82	6.99
19. Outstanding Balances[#]												
i) Receivables	3.35	1.76	7.98	3.53							11.33	5.29
ii) Advances Given	0.05	0.49									0.05	60.00
iii) Deposits Given ³												
iv) Deposits Taken	0.63	0.63			0.07	0.08					0.14	0.48
v) Payables	7.73	9.99	8.49	16.21							106.89	26.20
20. Impairment of investment in Joint Venture as at the year end			4.67	4.82							4.67	4.82

* Includes rent pertaining to leases classified as Right of Use Assets.

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 During the year, the Company granted Stock Options to the Executive 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). The Company also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to the aforesaid persons under the 'ITC Employee Cash Settled Stock Appreciation Linked Reward Plan'. Since such Stock Options and ESAR Units are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Stock Options/ESAR Units, and accordingly the said grants have not been considered as remuneration. However, in accordance with Ind AS - 102, the Group has recorded employee benefits expense by way of share based payments to employees at ₹ 102.48 Crores for the year ended 31st March, 2020 (2019 - ₹ 258.23 Crores), of which ₹ 45.33 Crores (2019 - ₹ 43.73 Crores) is attributable to the Executive Directors and KMP.

3 Outstanding deposit balance excludes deposit with KMP and Relative of KMP which were existing on the date of cessation of being designated as 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		2020	2019	RELATED PARTY TRANSACTIONS SUMMARY		2020	2019
1. Sale of Goods/Services				10. Dividend Income			
International Travel House Limited	3.02	3.45	Gujarat Hotels Limited	0.61	0.61		
ITC Essentra Limited	25.68	41.97	International Travel House Limited	0.98	1.66		
2. Purchase of Goods/Services			ITC Essentra Limited	6.75	2.70		
International Travel House Limited	110.07	98.63	11. Dividend Payments				
ITC Essentra Limited	242.84	272.10	Tobacco Manufacturers (India) Limited, UK	1712.55	1533.85		
3. Sale of Property, Plant and Equipment			12. Expenses Recovered				
K.S. Suresh	0.11	–	International Travel House Limited	0.22	0.23		
R. K. Singhi	0.07	–	Maharaja Heritage Resorts Limited	0.20	0.31		
4. Value of share based payment			13. Expenses Reimbursed				
<i>Reimbursement for Share Based Payments</i>			Gujarat Hotels Limited	0.25	0.22		
Maharaja Heritage Resorts Limited	0.03	0.23	14. Advances Given during the year				
International Travel House Limited	0.12	0.99	International Travel House Limited	0.68	0.26		
ITC Essentra Limited	0.06	0.18	15. Adjustment/Receipt towards Refund of Advances				
ATC Limited	0.17	0.48	International Travel House Limited	1.12	–		
5. Rent Received			16. Deposits Given during the year				
International Travel House Limited	1.08	1.05	N. Anand	0.05	–		
6. Rent Paid			T. Anand	0.05	–		
Gujarat Hotels Limited	4.42	4.36	17. Deposit Received during the year				
B. Deveshwar (Related Party upto 11.05.2019)	0.13	0.75	International Travel House Limited	–	0.01		
7. Remuneration of Managers on Deputation reimbursed			18. Remuneration to Key Management Personnel (KMP)*				
Gujarat Hotels Limited	6.28	5.35	<i>Short term benefits</i>				
8. Remuneration of Managers on Deputation recovered			Y.C. Deveshwar	5.12	15.90		
International Travel House Limited	2.59	2.84	S. Puri	10.29	6.16		
ATC Limited	2.30	2.19	N. Anand	5.65	3.74		
Gujarat Hotels Limited	0.67	0.59	R. Tandon	4.92	3.20		
ITC Essentra Limited	0.73	0.55	B. Sumant	4.95	1.17		
9. Contribution to Employees' Benefit Plans			<i>Other Remuneration</i>				
IATC Provident Fund	36.14	30.03	Y.C. Deveshwar	0.10	0.73		
ITC Defined Contribution Pension Fund	15.96	21.98	S. Banerjee	0.81	0.72		
ITC Pension Fund	22.14	20.79	H. Bhargava	0.80	0.48		
ITC Employees Gratuity Fund	12.58	10.00	A. Duggal	0.78	0.73		
			S. B. Mathur	0.80	0.73		
			S. S. H. Rehman	0.41	0.78		
			M. Shankar	0.81	0.73		

RELATED PARTY TRANSACTIONS SUMMARY		2020	2019
19. Outstanding Balances			
<i>i) Receivables</i>			
ATC Limited	0.52	1.15	
Maharaja Heritage Resorts Limited	2.30	3.33	
International Travel House Limited	2.83	0.60	
ITC Essentra Limited	5.68	0.20	
<i>ii) Advances Given</i>			
Employee Trust - Pension Funds	–	41.98	
Employee Trust - Gratuity Funds	–	17.53	
International Travel House Limited	0.05	0.49	
<i>iii) Deposits Given</i>			
Y. C. Deveshwar	–	0.05	
B. Deveshwar	–	0.38	
N. Anand	0.05	–	
T. Anand	0.05	–	
R. Tandon	0.03	0.03	
N. Singhi	0.03	0.03	
<i>iv) Deposits Taken</i>			
International Travel House Limited	0.63	0.63	
<i>v) Payables</i>			
ATC Limited	2.39	3.16	
Gujarat Hotels Limited	2.01	2.09	
International Travel House Limited	3.34	4.75	
Employee Trust - Pension Funds	8.49	16.21	
Employee Trust - Gratuity Funds	60.69	–	
	29.97	–	
20. Impairment of investment in Joint Venture as at the year end			
Logix Developers Private Limited	4.67	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 ₹ 45.33 Crores (2019 – ₹ 43.73 Crores) is attributable to Executive Directors and KMP: S. Puri ₹ 13.60 Crores (2019 – ₹ 11.84 Crores), N. Anand ₹ 8.14 Crores (2019 – ₹ 5.62 Crores), B. Sumant ₹ 3.49 Crores (2019 – ₹ 2.68 Crores), R. Tandon ₹ 7.40 Crores (2019 – ₹ 6.50 Crores), R. K. Singhi ₹ 1.20 Crores (2019 – ₹ 1.06 Crores) and Y.C. Deveshwar ₹ 0.62 Crore (2019 – ₹ 0.51 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 3,35,99,640 equity shares of ₹ 1.00 each amounting to ₹ 3.36 Crores (2019 - ₹ 5.43 Crores) towards its equity-settled employee stock options. The securities premium stood at ₹ 9182.66 Crores as at 31st March, 2020 (2019 - ₹ 8493.93 Crores).

B. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial assets					
a) Measured at amortised cost					
i) Cash and cash equivalents	13	650.35	650.35	317.81	317.81
ii) Other bank balances	14	6626.99	6626.99	3834.22	3834.22
iii) Investment in Bonds/ Debentures & Government or Trust Securities	4,11	9673.89	9898.82	10675.71	10689.21
iv) Loans	5	11.60	10.24	15.09	13.24
v) Trade receivables	12	2562.48	2562.48	4035.28	4035.28
vi) Other financial assets	6	2418.84	2391.01	3861.34	3834.81
Sub-total		21944.15	22139.89	22739.45	22724.57
b) Measured at Fair value through OCI					
i) Equity shares	4	637.19	637.19	1986.71	1986.71
Sub-total		637.19	637.19	1986.71	1986.71
c) Measured at Fair value through Profit or Loss					
i) Investment in Mutual Funds	4,11	14797.96	14797.96	9673.84	9673.84
ii) Investment in Bonds/ Debentures, Certificate of Deposits	11	3258.46	3258.46	2416.32	2416.32
iii) Investment in Venture Capital Fund	4	27.41	27.41	11.79	11.79
iv) Investment in Equity & Preference Shares	4	1.88	1.88	–	–
Sub-total		18085.71	18085.71	12101.95	12101.95
d) Derivatives measured at fair value					
i) Derivative instruments not designated as hedging instruments	6	3.19	3.19	5.69	5.69
ii) Derivative instruments designated as hedging instruments	6	12.16	12.16	17.82	17.82
Sub-total		15.35	15.35	23.51	23.51
Total financial assets		40682.40	40878.14	36851.62	36836.74

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Note	As at 31st March, 2020		As at 31st March, 2019	
		Carrying Value	Fair Value	Carrying Value	Fair Value
B. Financial liabilities					
a) Measured at amortised cost					
i) Cash credit facilities & loans	16,17B,20	1.69	1.65	2.31	2.28
ii) Sales tax deferment loans	16,17B	7.89	5.49	11.13	7.87
iii) Trade payables		3629.83	3629.83	3509.58	3509.58
iv) Lease Liabilities	17A	267.87	267.87	–	–
v) Other financial liabilities	17B	1467.76	1449.06	1236.29	1224.19
Sub-total		5375.04	5353.90	4759.31	4743.92
b) Derivatives measured at fair value					
i) Derivative instruments not designated as hedging instruments	17B	16.98	16.98	1.90	1.90
ii) Derivative instruments designated as hedging instruments	17B	35.75	35.75	18.95	18.95
Sub-total		52.73	52.73	20.85	20.85
Total financial liabilities		5427.77	5406.63	4780.16	4764.77

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 the applicable regulation. It also seeks to drive accountability in this regard.

Liquidity Risk

The Group's Current assets aggregate ₹ 39505.35 Crores (2019 - ₹ 31747.27 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 25225.67 Crores (2019 - ₹ 17499.53 Crores) against an aggregate Current liabilities of ₹ 9559.77 Crores (2019 - ₹ 10011.99 Crores). Other Non-current liabilities, other than lease liabilities, due between one year to three years amounted to ₹ 23.40 Crores (2019 - ₹ 19.26 Crores) and Other Non-current liabilities due after three years amounted to ₹ 110.37 Crores (2019 - ₹ 62.30 Crores) on the reporting date. The maturity analysis of undiscounted lease liabilities are disclosed under Note 28 (x).

Further, while the Group's total equity stands at ₹ 65650.73 Crores (2019 - ₹ 59484.34 Crores), it has non-current borrowings of ₹ 5.90 Crores (2019 - ₹ 8.15 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, 2020 is ₹ 637.19 Crores (2019 - ₹ 1986.71 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.

Notes to the Consolidated Financial Statements

31. Financial Instruments and Related Disclosures (Contd.)

The Group's investments are predominantly held in bonds/debentures, fixed deposits and debt mutual funds. Mark to market 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, 2020	USD	Euro	GBP	JPY	Others	Total
Financial Assets	777.28	79.16	108.28	1.05	78.21	1043.98
Financial Liabilities	177.68	24.97	29.44	75.21	30.48	337.78
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

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, 2020		As at 31st March, 2019	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	38.98	119.14	53.98	88.45
Euro	US Dollar	21.93	–	21.51	–
AUD	US Dollar	0.08	–	0.16	–
CHF	US Dollar	0.03	–	0.09	–
GBP	US Dollar	0.01	–	0.15	–
SEK	US Dollar	4.09	–	13.64	–
SGD	US Dollar	0.04	–	0.04	–
JPY	US Dollar	1182.41	–	2220.96	–

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, 2020		As at 31st March, 2019	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	2.61	78.13	10.65	62.40
Euro	US Dollar	2.51	3.24	5.87	1.54
AUD	US Dollar	0.07	0.30	0.10	–
CAD	US Dollar	–	1.57	–	0.74
SGD	US Dollar	0.10	–	–	–
CHF	US Dollar	0.50	–	0.55	–
GBP	US Dollar	–	5.08	–	8.49
SEK	US Dollar	–	–	1.09	–
KWD	US Dollar	–	0.71	–	–
JPY	US Dollar	39.60	–	236.84	–
ZAR	US Dollar	–	–	–	13.00
HKD	US Dollar	0.65	–	–	–
USD	Nepalese Rupee	1.83	0.19	0.99	–
Euro	Nepalese Rupee	1.36	–	–	–

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	–	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	2020	2019
At the beginning of the year	(8.30)	6.73
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	(14.08)	(48.46)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	(23.32)	(5.37)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	...	(32.97)
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	0.14	(0.66)
Less: Amounts transferred to initial cost of non-financial assets	(17.77)	2.90
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	3.73	8.07
At the end of the year	(24.33)	(8.30)
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	(1.36)	(5.36)

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, 2020	As at 31st March, 2019
Within one year	(20.81)	(4.46)
Between one and three years	(3.52)	(3.84)
Total	(24.33)	(8.30)

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, 2020 would change by ₹ 1.97 Crores (2019 - ₹ 4.16 Crores) and pre-tax total equity as at 31st March, 2020 would change by ₹ (2.45) Crores (2019 - ₹ 2.72 Crores).

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 ₹ 17599.41 Crores (2019 - ₹ 17309.62 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 ₹ 2562.48 Crores (2019 - ₹ 4035.28 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, 2020	As at 31st March, 2019
Opening Balance	171.04	146.06
Add: Provisions made (net)	34.30	35.36
Less: Utilisation for impairment/de-recognition	18.70	10.50
Effects of foreign exchange fluctuation	1.13	0.12
Closing Balance	187.77	171.04

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, 2020	As at 31st March, 2019
A. Financial assets			
a) Measured at amortised cost			
i) Investment in Bonds/Debentures & Government or Trust Securities	2	9898.82	10689.21
ii) Loans*	3	3.91	6.49
iii) Other Financial assets*	3	587.81	2358.64
Sub-total		10490.54	13054.34
b) Measured at Fair value through OCI			
i) Equity shares – Quoted	1	624.08	1958.81
Sub-total		624.08	1958.81
c) Measured at Fair value through Profit or Loss			
i) Investment in Mutual Funds	1	14797.96	9673.84
ii) Investment in Bonds/ Debentures, Certificate of Deposits	2	3258.46	2416.32
iii) Investment in Venture Capital Fund	2	27.41	11.79
iv) Investment in Equity & Preference shares	3	1.88	–
Sub-total		18085.71	12101.95
d) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	3.19	5.69
ii) Derivative instruments designated as hedging instruments	2	12.16	17.82
Sub-total		15.35	23.51
Total financial assets		29215.68	27138.61

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, 2020	As at 31st March, 2019
B. Financial liabilities			
a) Measured at amortised cost			
i) Sales tax deferment loans*	3	3.23	4.63
ii) Other Financial liabilities*	3	109.16	61.31
iii) Lease Liabilities*	3	204.00	–
iv) Loans*	3	0.23	0.23
Sub-total		316.62	66.17
b) Derivatives measured at fair value			
i) Derivative instruments not designated as hedging instruments	2	16.98	1.90
ii) Derivative instruments designated as hedging instruments	2	35.75	18.95
Sub-total		52.73	20.85
Total financial liabilities		369.35	87.02

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

Independent Auditor's Report to the Members of ITC Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **ITC Limited** (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and joint ventures comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS 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 other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described

in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group, associates, joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Revenue recognition	
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 revenue 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>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed the Group's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof. Evaluated the integrity of the general information and technology control environment and testing the operating effectiveness of key IT application controls over recognition of revenue.

Independent Auditor's Report

Key audit matters	How our audit addressed the key audit matter
<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 and Note 22A/22B.</p>	<ul style="list-style-type: none"> ● Evaluated the design, implementation and operating effectiveness of Group's controls in respect of revenue recognition. ● Tested the effectiveness of such controls over revenue cut off at year-end. ● On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents. ● Tested the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end. ● Compared revenue with historical trends and where appropriate, conducted further enquiries and testing. ● Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.
<i>Litigations – Contingencies</i>	
<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 Financial Statements by the Company 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(v)(a) to the Consolidated Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● Obtained and read the Group's accounting policies in respect of claims, provisions and contingent liabilities to assess compliance with accounting standards. ● Assessed the design and implementation of the Group's controls over the assessment of litigations and completeness of disclosures. Supporting documentation were tested for the positions taken by the management, meetings conducted with in-house legal counsel and/or legal team and minutes of Board and sub-committee meetings were reviewed, to test the operating effectiveness of these controls. ● Involved our 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, considered the effect of new information in respect of contingencies as at 1st April 2019 to evaluate whether any change was required in the management's position on these contingencies as at 31st March 2020. ● Assessed in accordance with accounting standards, the provisions in respect of litigations and assessed disclosures relating thereto, including those for contingencies.
<i>First year audit transition</i>	
<p>Initial audit engagements include a number of elements not performed in recurrent audits. This includes understanding Holding Company specific risks, controls, policies and processes in order to establish an appropriate audit strategy and audit plan. We have to establish the</p>	<p>We prepared a detailed transition plan to enable us to analyse the strategy, risks, internal control measures and their impact on the Holding company's accounting policies. We performed the following procedures:</p> <ul style="list-style-type: none"> ● Engaged with management at a Holding Company and

Key audit matters	How our audit addressed the key audit matter
<p>appropriateness of the account balances at the beginning of the period being audited and understand the accounting policies applied by company to ensure that these are consistently applied between periods and hence it has been considered as a key audit matter.</p>	<p>division level in order to obtain a detailed understanding of the business, its processes and internal controls, identified risks and significant accounting matters.</p> <ul style="list-style-type: none"> ● Evaluated key accounting positions, audit matters from prior years, internal control system and IT systems. ● Understood accounting policies by reviewing accounting policy manuals. ● Performed initial audit procedures to obtain sufficient appropriate evidence regarding opening balances and the appropriate selection and consistent application of accounting policies. ● Held audit planning meeting at which Holding Company management briefed senior members of our audit team on Holding Company's organisation and processes. ● Held discussion with incumbent auditor on their assessment of key accounting and auditing matters. ● Discussed transition plan and the progress with management. <p>We built upon the knowledge gained through these procedures as we undertook our audit work and refined our views on risks and scope accordingly.</p>
<i>Impairment assessment of property, plant & equipment (PPE) of Hotel business</i>	
<p>The spread of COVID-19 pandemic is expected to slow down business and leisure travel globally for the next few years. Consequently, management has performed an impairment assessment for several hotels in its hotel business of Holding Company by calculating their value in use.</p> <p>The processes and methodologies for assessing and determining the value in use are based on assumptions, that by their nature imply the use of the management's judgment, in particular with reference to forecast of future cash flows, basis for terminal value, as well as the long-term growth rates and discount rates applied to such forecasted cash flows.</p> <p>Considering the judgment required for estimating the cash flows and the assumptions used, this is considered as a key audit matter.</p> <p>Refer Note 2B (5) to the Consolidated Financial Statements – Use of estimates and judgements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> ● Obtained an understanding of the Holding Company's policy on assessment of impairment of PPE and assumptions used by the management including design and implementation of controls. Tested the operating effectiveness of these controls. ● Obtained and read the projections/future cashflows along with sensitivity analysis thereof. ● Evaluated management's methodology, assumptions and estimates used in the calculations of discounted future cash flows. ● Performed sensitivity analysis around impact on future cash flows due to changes in key assumptions considered by management. ● Verified the arithmetical accuracy of the future cash flow model including comparison with approved budgets on sample basis. ● Assessed the recoverability of PPE with regard to the value in use.

Independent Auditor's Report

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of the Group and of its associates and 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 the design, implementation and maintenance of

adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those 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 Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures

responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS 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 of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements.

We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by 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.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS 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 Ind AS financial statements for the financial year ended March 31, 2020 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 Matter

- (a) We did not audit the financial statements and other financial information, in respect of seventeen subsidiaries, whose Ind AS financial statements include total assets of ₹ 3,011.01 crores as at March 31, 2020, and total revenues of ₹ 2,205.81 crores and net cash outflows of ₹ 10.98 crores for the year ended on that date included in these consolidated Ind AS financial statements. These Ind AS financial statement and other financial information

Independent Auditor's Report

have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 8.37 crores for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of six associates and four joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS 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 sub-sections (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 such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information 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 Holding Company's management has converted the financial statements of such subsidiaries located outside India 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

(b) The consolidated Ind AS financial statements of the Company for the year ended March 31, 2019, included in these consolidated Ind AS financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 13, 2019.

Our opinion above on the consolidated Ind AS financial statements, 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon 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 Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate companies and joint ventures, none of the directors of the Group's companies, its associates and joint ventures, incorporated

in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate companies and joint ventures, incorporated in India, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associates and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid/provided by the Holding Company, its subsidiaries, associates and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries,

associates and joint ventures, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associates and joint ventures in its consolidated Ind AS financial statements – Refer Note 28(v)(a) to the consolidated Ind AS financial statements;
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2020;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, associates and joint ventures, incorporated in India during the year ended March 31, 2020.

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner

Place of Signature: Mumbai

Date: June 26, 2020

Membership Number: 41870

UDIN: 20041870AAAAAT5839

Annexure to the Independent Auditor's Report of even date on the Consolidated Financial Statements of ITC Limited

Report on the Internal Financial Controls 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 **ITC Limited** as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of ITC Limited (hereinafter referred to as the "Holding Company") 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 Board of Directors of the Holding Company, 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 Holding 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. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, 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 with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors 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 over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding 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 report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, insofar as it relates to these nine subsidiary companies, six associate companies and two joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and joint ventures incorporated in India.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per Sudhir Soni
Partner

Membership Number: 41870

UDIN: 20041870AAAAAT5839

Place of Signature: Mumbai

Date: June 26, 2020