

## Balance Sheet as at 31st March, 2021

	Note	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3A	18489.91		18932.57	
(b) Capital work-in-progress	3B	3329.97		2776.31	
(c) Investment Property	3C	376.56		385.36	
(d) Goodwill	3D	577.20		–	
(e) Other Intangible assets	3E	2004.32		519.45	
(f) Other Intangible assets under development	3F	3.50		3.89	
(g) Right of use assets	3G	726.84		680.17	
(h) Financial Assets					
(i) Investments	4	12950.38		13455.59	
(ii) Loans	5	2.37		3.31	
(iii) Others	6	72.45	13025.20	607.09	14065.99
(j) Other non-current assets	7	1231.62	39765.12	1364.71	38728.45
<b>Current assets</b>					
(a) Inventories	8	9470.87		8038.07	
(b) Financial Assets					
(i) Investments	9	14046.71		17175.02	
(ii) Trade receivables	10	2090.35		2092.00	
(iii) Cash and cash equivalents	11	231.25		561.84	
(iv) Other Bank Balances	12	3770.25		6281.43	
(v) Loans	5	2.77		4.87	
(vi) Others	6	1197.15	21338.48	1505.94	27621.10
(c) Other current assets	7	1006.07	31815.42	847.74	36506.91
<b>TOTAL ASSETS</b>		<b>71580.54</b>		<b>75235.36</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	13	1230.88		1229.22	
(b) Other Equity		57773.70	59004.58	62799.94	64029.16
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	14	5.28		5.63	
(ii) Lease Liabilities	15	272.36		259.25	
(iii) Other financial liabilities	16	239.35	516.99	90.47	355.35
(b) Provisions	17	157.07		143.79	
(c) Deferred tax liabilities (Net)	18	1727.73	2401.79	1617.65	2116.79
<b>Current liabilities</b>					
(a) Financial Liabilities					
(i) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		59.34		34.67	
Total outstanding dues of creditors other than micro enterprises and small enterprises		4060.19		3412.07	
(ii) Lease Liabilities	15	51.36		64.87	
(iii) Other financial liabilities	16	1248.17	5419.06	1147.24	4658.85
(b) Other current liabilities	19	4369.00		4175.91	
(c) Provisions	17	169.05		117.94	
(d) Current Tax Liabilities (Net)	20	217.06	10174.17	136.71	9089.41
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>71580.54</b>		<b>75235.36</b>	

The accompanying notes 1 to 30 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, India  
Dated: June 01, 2021

On behalf of the Board  
R. TANDON  
S. DUTTA  
Director  
Chief Financial Officer  
Kolkata, India  
S. PURI  
R. K. SINGHI  
Chairman & Managing Director  
Company Secretary  
New Delhi, India  
Kolkata, India  
Dated: June 01, 2021

# Statement of Profit and Loss for the year ended 31st March, 2021

	Note	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
I Revenue From Operations	21A, 21B	48524.54	46807.34
II Other Income	22	3250.99	3013.66
<b>III Total Income (I+II)</b>		<b>51775.53</b>	<b>49821.00</b>
<b>IV EXPENSES</b>			
Cost of materials consumed		13605.07	13121.76
Purchases of Stock-in-Trade		6896.40	4289.71
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		(526.86)	(176.34)
Excise duty		3039.43	1187.64
Employee benefits expense	23	2820.95	2658.21
Finance costs	24	47.47	55.72
Depreciation and amortization expense		1561.83	1563.27
Other expenses	25	7167.09	7822.11
<b>Total expenses (IV)</b>		<b>34611.38</b>	<b>30522.08</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>17164.15</b>	<b>19298.92</b>
VI Exceptional Items		–	(132.11)
<b>VII Profit before tax (V+VI)</b>		<b>17164.15</b>	<b>19166.81</b>
<b>VIII Tax expense:</b>			
Current Tax	26	4035.36	4441.97
Deferred Tax	26	97.15	(411.21)
<b>IX Profit for the year (VII-VIII)</b>		<b>13031.64</b>	<b>15136.05</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss:			
– Remeasurements of the defined benefit plans	27(v)	(30.10)	(125.09)
– Equity instruments through other comprehensive income		252.00	(1238.94)
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(6.64)	(1.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss	26	0.49	9.62
B (i) Items that will be reclassified to profit or loss:			
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		40.76	(36.24)
(ii) Income tax relating to items that will be reclassified to profit or loss	26	(10.26)	10.13
<b>X Other Comprehensive Income [A (i-ii)+B (i-ii)]</b>		<b>246.25</b>	<b>(1381.81)</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>13277.89</b>	<b>13754.24</b>
XII Earnings per equity share (Face Value ₹ 1.00 each):	27(i)		
(1) Basic (in ₹)		10.59	12.33
(2) Diluted (in ₹)		10.59	12.31

The accompanying notes 1 to 30 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, India

Dated: June 01, 2021

On behalf of the Board

R. TANDON

Director  
Kolkata, India

S. DUTTA Chief Financial Officer  
Kolkata, India

S. PURI Chairman & Managing Director  
New Delhi, India

R. K. SINGHI Company Secretary  
Kolkata, India

Dated: June 01, 2021

# Statement of changes in equity for the year ended 31st March, 2021

## 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, 2020	1225.86	3.36	1229.22
For the year ended 31st March, 2021	1229.22	1.66	1230.88

## B. Other Equity

(₹ in Crores)

	Reserves and Surplus					Items of other comprehensive income			Total		
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income		Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve
<b>Balance as at 31st March, 2019</b>	2.48	852.76	1997.94	0.30	363.05	17585.31	26978.13	1241.71	(8.30)	40.55	56723.93
Profit for the year	-	-	-	-	-	-	15136.05	-	-	-	15136.05
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(113.54)	(1238.94)	(29.33)	-	(1381.81)
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	15022.51	(1238.94)	(29.33)	-	13754.24
Issue of equity shares under ITC Employee Stock Option Schemes	-	621.94	-	-	-	-	-	-	-	-	621.94
Dividend	-	-	-	-	-	-	(7048.71)	-	-	-	(7048.71)
- Dividend 2018-19 - ₹ 5.75 per share	-	-	-	-	-	-	(1373.52)	-	-	-	(1373.52)
Dividend distribution tax (paid)/refund received	-	-	-	-	-	-	-	-	-	-	-
Transfer from Share Option Outstanding Account on exercise and lapse	-	66.79	(89.80)	-	-	-	17.73	-	-	-	(5.28)
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	13.30	-	13.30
Recognition of share based payment	-	-	114.04	-	-	-	-	-	-	-	114.04
<b>Balance as at 31st March, 2020</b>	2.48	921.49	2022.18	0.30	363.05	17585.31	33596.14	2.77	(24.33)	40.55	62799.94
Profit for the year	-	-	-	-	-	-	13031.64	-	-	-	13031.64
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(29.66)	250.38	25.53	-	246.25
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	13001.98	250.38	25.53	-	13277.89
Issue of equity shares under ITC Employee Stock Option Schemes	-	288.99	-	-	-	-	-	-	-	-	288.99

# Statement of changes in equity for the year ended 31st March, 2021

B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus						Items of other comprehensive income				Total	
	Capital Reserve	Securities Premium	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Equity Instruments through Comprehensive Income	Effective portion of Cash Flow Hedges	Foreign Currency Translation Reserve		
Dividends												
- Final Dividend (2019-20 - ₹ 10.15 per share)	-	-	-	-	-	-	(12476.61)	-	-	-	-	(12476.61)
- Interim Dividend (2020-21 - ₹ 5.00 per share)							(6152.68)					(6152.68)
Dividend distribution tax (paid)/refund received	-	-	-	-	-	-	13.98	-	-	-	-	13.98
Transfer from Share Option Outstanding Account on exercise and lapse	-	111.16	(342.32)	-	-	-	222.96	-	-	-	-	(8.20)
Transfer from Equity Instruments through Other Comprehensive Income reserve on renunciation of rights entitlements (net of tax)	-	-	-	-	-	-	4.82	(4.82)	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	3.73	-	-	3.73
Recognition of share based payment	-	-	26.66	-	-	-	-	-	-	-	-	26.66
<b>Balance as at 31st March, 2021</b>	<b>2.48</b>	<b>9611.64</b>	<b>1706.52</b>	<b>0.30</b>	<b>363.05</b>	<b>17585.31</b>	<b>28210.59</b>	<b>248.33</b>	<b>4.93</b>	<b>40.55</b>	<b>57773.70</b>	

The Board of Directors of the Company have recommended Final Dividend of ₹ 5.75 per share for the financial year ended 31st March, 2021 to be paid on fully paid Equity Shares amounting to ₹ 7077.59 Crores. The Final Dividend is subject to the approval of shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. Including the Interim Dividend of ₹ 5.00 per share declared by the Board of Directors, the total Equity Dividend for the year ended 31st March, 2021 is ₹ 10.75 per share (total Equity Dividend for the year ended 31st March, 2020 - ₹ 10.15 per share).

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

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

**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 Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

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

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

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

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

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

**Foreign Currency Translation Reserve:** This Reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Company's net investment in a foreign operation whose functional currency is other than Indian Rupee. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 30 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, India

Dated: June 01, 2021

On behalf of the Board

R. TANDON  
Director  
Kolkata, India

S. DUTTA  
Chief Financial Officer  
Kolkata, India

S. PURI  
Chairman & Managing Director  
New Delhi, India

R. K. SINGHI  
Company Secretary  
Kolkata, India

Dated: June 01, 2021



## Cash Flow Statement for the year ended 31st March, 2021

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	17164.15	19166.81
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1561.83	1563.27
Share based payments to employees	27.15	105.77
Finance costs	47.47	55.72
Interest Income	(1224.82)	(1438.87)
Dividend Income	(723.94)	(551.11)
Loss on sale of property, plant and equipment, lease termination - Net	55.04	56.08
Doubtful and bad debts	26.02	16.17
Doubtful and bad advances, loans and deposits	33.04	(1.71)
Impairment of investment in joint venture	-	10.00
Net (gain)/loss arising on financial instruments mandatorily measured at fair value through profit or loss	(1107.53)	(944.25)
Foreign currency translations and transactions - Net	(13.00) (1318.74)	0.44 (1128.49)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>15845.41</b>	<b>18038.32</b>
ADJUSTMENTS FOR:		
Trade receivables, advances and other assets	(99.38)	1527.33
Inventories	(1350.89)	(450.83)
Trade payables, other liabilities and provisions	1055.43 (394.84)	(658.50) 418.00
<b>CASH GENERATED FROM OPERATIONS</b>	<b>15450.57</b>	<b>18456.32</b>
Income tax paid	(3956.62)	(4650.14)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11493.95</b>	<b>13806.18</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, Intangibles, ROU asset etc.	(1582.09)	(2140.35)
Sale of property, plant and equipment	2.66	26.75
Purchase of current investments	(51625.18)	(74803.59)
Sale/redemption of current investments	56785.92	69214.00
Payment towards business combination [Refer Note 27 (ix)]	(2176.26)	-
Investment in subsidiaries	(374.53)	(202.39)
Investment in associate	(1.87)	-
Purchase of non-current investments	(1488.71)	(1987.78)
Redemption proceeds of non-current investments	1712.05	3429.63
Dividend Income	723.94	551.11
Interest received	1199.36	1437.26
Investment in bank deposits (original maturity more than 3 months)	(3706.02)	(4666.57)
Redemption/maturity of bank deposits (original maturity more than 3 months)	6259.37	3508.18
Investment in deposit with housing finance companies	(78.38)	(585.16)
Redemption/maturity of deposit with housing finance companies	844.43	699.15
Loans given	(2.12)	(3.22)
Loans realised	5.32	6.27
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>6497.89</b>	<b>(5516.71)</b>

## Cash Flow Statement for the year ended 31st March, 2021

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	290.65	625.30
Repayment of non-current borrowings	(2.26)	(3.23)
Payment of lease liabilities	(49.67)	(44.03)
Interest paid	(43.47)	(45.54)
Net increase/(decrease) in statutory restricted accounts balances	41.17	(1.14)
Dividend paid	(18629.29)	(7048.71)
Dividend distribution tax (paid)/refund received	13.98	(1373.52)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(18378.89)</b>	<b>(7890.87)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(387.05)</b>	<b>398.60</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>561.35</b>	<b>162.75</b>
<b>CASH AND CASH EQUIVALENTS ACQUIRED ON BUSINESS COMBINATION [See Note 3 below]</b>	<b>56.95</b>	<b>–</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>231.25</b>	<b>561.35</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the “Indirect Method” as set out in Ind AS - 7 “Statement of Cash Flows”
- CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents as above	231.25	561.35
Unrealised gain/(loss) on foreign currency cash and cash equivalents	...	0.49
Cash and cash equivalents (Note 11)	<u>231.25</u>	<u>561.84</u>
- Cash & Cash Equivalents include ₹ 56.95 Crores on acquisition of Sunrise Foods Private Limited during the period and is included in the closing Cash and Cash Equivalents.
- Net Cash Flow from Operating Activities includes an amount of ₹ 368.18 Crores (2020 - ₹ 322.06 Crores) spent towards Corporate Social Responsibility.

The accompanying notes 1 to 30 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, India

Dated: June 01, 2021

On behalf of the Board

R. TANDON

Director  
Kolkata, India

S. DUTTA Chief Financial Officer  
Kolkata, India

S. PURI Chairman & Managing Director  
New Delhi, India

R. K. SINGHI Company Secretary  
Kolkata, India

Dated: June 01, 2021

# Notes to the 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 Company 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 Company 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 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.

### Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating

cycle and other criteria set out in the Schedule III to the Companies Act, 2013 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 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 Company are as follows:

Buildings	30-60 Years
Leasehold Improvements	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

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

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.

### Intangible Assets

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

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

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

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

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

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

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

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

### 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 amortise 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.

### 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.



# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

### 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.

### Foreign Currency Transactions

The functional and presentation currency of the Company 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 Company's net investment in a foreign operation (having a functional currency other than Indian Rupee) are accumulated in Foreign Currency Translation Reserve.

### 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 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 Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company 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 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 Subsidiaries, Associates and Joint Ventures

Investment in subsidiaries, associates and joint ventures are carried at cost less accumulated impairment, if any.

### Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

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 Company 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 Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

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

#### Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and/or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, 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 Company 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 Company 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 Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment, in which case the cumulative fair value adjustments previously taken to reserves 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 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 Company 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

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company 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 Company 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 Company 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 Company 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 Company makes contribution to defined contribution pension plan. The contribution payable is recognised as an expense, when an employee renders the related service.

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

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

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

### Employee Share Based Compensation

#### Stock Options

Stock Options are granted to eligible employees under the ITC Employee Stock Option Schemes ("ITC ESOS"), as may be decided by the Nomination & Compensation Committee/Board. Eligible employees for this purpose include employees of the Company including Directors and those on deputation and employees of the Company's subsidiary companies including Managing Director/Wholetime Director of a subsidiary.

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 value of Stock Options granted is recognised in the Statement of Profit and Loss for employees of the Company (other than those out on deputation), the value of Stock Options, net of reimbursements, granted to employees on deputation and to employees of the wholly owned and other subsidiary companies is considered as capital contribution/investment.

The Company 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 from:

- (a) Wholly owned subsidiaries who need to conserve financial capacity to sustain their business and growth plans and to address contingencies that may arise, taking into account the economic and market conditions then prevailing and opportunities and threats in the competitive context.
- (b) Other companies not covered under (a) above, 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 remeasured 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 Company. 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 Company 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.

#### Company 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 Company 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.

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

### Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company 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.

### 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 realize the asset and settle the liability simultaneously.

### Claims

Claims against the Company 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 Company 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 Company'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 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 judgements, apart from those involving estimations (see note B below), that the Company has made in the process of applying its accounting policies and that have a significant effect on the amounts recognised in these financial statements pertain to useful life of intangible assets. The Company is required to determine whether its intangible assets have indefinite or finite life which is a subject matter of judgement. Certain trademarks have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortised 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, investment property and intangible assets:

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

#### 2. Fair value measurements and valuation processes:

Some of the Company'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 Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company 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 Company'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 Company 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 Company 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 Company 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 Company does not expect any significant impact on such carrying values. The impact of COVID -19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

# Notes to the Financial Statements

(₹ in Crores)

Particulars	Gross Block								
	As at 31st March, 2019	Additions	Transfer in/(out) <sup>#</sup>	Withdrawals and adjustments	As at 31st March, 2020	Additions	Acquired through business combinations <sup>@</sup>	Withdrawals and adjustments	As at 31st March, 2021
<b>3A. Property, Plant and Equipment*</b>									
Land <sup>1</sup>	1935.38	4.78	–	6.26	1933.90	46.21	6.57	3.88	1982.80
Buildings	6614.43	1285.59	(340.24)	10.29	7549.49	169.54	30.77	9.15	7740.65
Leasehold Improvements	23.91	1.46	–	12.90	12.47	0.28	–	0.85	11.90
Plant and Equipment	12815.32	1385.35	(66.47)	110.44	14023.76	756.69	28.38	114.88	14693.95
Furniture and Fixtures	620.81	197.90	–	30.63	788.08	23.02	1.36	2.44	810.02
Vehicles	142.77	35.56	–	15.66	162.67	12.64	0.71	17.31	158.71
Office Equipment	22.16	4.42	–	0.82	25.76	1.92	0.87	1.99	26.56
Railway Sidings	1.73	–	–	–	1.73	–	–	–	1.73
<b>TOTAL</b>	<b>22176.51</b>	<b>2915.06</b>	<b>(406.71)</b>	<b>187.00</b>	<b>24497.86</b>	<b>1010.30</b>	<b>68.66</b>	<b>150.50</b>	<b>25426.32</b>
<b>3B. Capital work-in-progress</b>	<b>3391.47</b>	<b>2250.02</b>	<b>–</b>	<b>2865.18</b>	<b>2776.31</b>	<b>1557.78</b>	<b>1.06</b>	<b>1005.18</b>	<b>3329.97</b>
<b>3C. Investment Property<sup>5</sup></b>	<b>–</b>	<b>–</b>	<b>406.71</b>	<b>–</b>	<b>406.71</b>	<b>3.40</b>	<b>–</b>	<b>–</b>	<b>410.11</b>
<b>3D. Goodwill<sup>2</sup></b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>577.20</b>	<b>–</b>	<b>577.20</b>
<b>3E. Other Intangible assets (acquired)<sup>2</sup></b>									
Trademarks	447.30	–	–	–	447.30	–	1473.05	–	1920.35
Computer Software	195.03	20.63	–	1.70	213.96	10.12	0.35	0.38	224.05
Know How, Business and Commercial Rights	33.85	–	–	–	33.85	–	–	–	33.85
Customer Relationships	–	–	–	–	–	–	35.21	–	35.21
<b>TOTAL</b>	<b>676.18</b>	<b>20.63</b>	<b>–</b>	<b>1.70</b>	<b>695.11</b>	<b>10.12</b>	<b>1508.61</b>	<b>0.38</b>	<b>2213.46</b>
<b>3F. Other Intangible assets under development</b>	<b>9.89</b>	<b>13.57</b>	<b>–</b>	<b>19.57</b>	<b>3.89</b>	<b>6.41</b>	<b>–</b>	<b>6.80</b>	<b>3.50</b>

(₹ in Crores)

Particulars	Gross Block								
	As at 1st April, 2019	Additions	Transfer in/(out)	Withdrawals and adjustments	As at 31st March, 2020	Additions	Acquired through business combinations <sup>@</sup>	Withdrawals and adjustments	As at 31st March, 2021
<b>3G. Right of use assets<sup>^</sup></b>									
Land	440.49	–	–	–	440.49	54.98	4.27	–	499.74
Buildings	229.30	26.80	–	3.52	252.58	53.42	5.72	22.32	289.40
Plant and Equipment	48.63	–	–	–	48.63	–	–	–	48.63
<b>TOTAL</b>	<b>718.42</b>	<b>26.80</b>	<b>–</b>	<b>3.52</b>	<b>741.70</b>	<b>108.40</b>	<b>9.99</b>	<b>22.32</b>	<b>837.77</b>

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

@ Refer Note 27(ix) on Business Combination.

^ Also refer Note 27(vii).

* The above includes following assets given on operating lease:	As at 31st March, 2021				2021	As at 31st March, 2020			2020
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Land	1.48	–	1.48	–	–	–	–	–	–
Buildings	4.88	1.24	3.64	0.08	0.08	5.10	1.16	3.94	0.54
Plant and Equipment	216.21	124.30	91.91	20.43	20.43	210.53	103.87	106.66	22.80
<b>TOTAL</b>	<b>222.57</b>	<b>125.54</b>	<b>97.03</b>	<b>20.51</b>	<b>20.51</b>	<b>215.63</b>	<b>105.03</b>	<b>110.60</b>	<b>23.34</b>

(₹ in Crores)

# Notes to the Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization							Net Book Value		
	Upto 31st March, 2019	For the year	Transfer in/ (out) <sup>#</sup>	On Withdrawals and adjustments	Upto 31st March, 2020	For the year	On Withdrawals and adjustments	Upto 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
<b>3A. Property, Plant and Equipment*</b>										
Land <sup>1</sup>	-	-	-	-	-	-	-	-	1982.80	1933.90
Buildings	521.08	207.40	(10.05)	1.11	717.32	207.18	0.19	924.31	6816.34	6832.17
Leasehold Improvements	13.01	1.92	-	9.57	5.36	1.36	0.73	5.99	5.91	7.11
Plant and Equipment	3380.76	1139.30	(5.24)	65.89	4448.93	1139.48	64.92	5523.49	9170.46	9574.83
Furniture and Fixtures	254.64	82.83	-	17.23	320.24	79.86	2.36	397.74	412.28	467.84
Vehicles	47.79	19.04	-	9.01	57.82	19.22	9.50	67.54	91.17	104.85
Office Equipment	13.06	3.25	-	1.34	14.97	3.03	1.44	16.56	10.00	10.79
Railway Sidings	0.52	0.13	-	-	0.65	0.13	-	0.78	0.95	1.08
<b>TOTAL</b>	<b>4230.86</b>	<b>1453.87</b>	<b>(15.29)</b>	<b>104.15</b>	<b>5565.29</b>	<b>1450.26</b>	<b>79.14</b>	<b>6936.41</b>	<b>18489.91</b>	<b>18932.57</b>
<b>3B. Capital work-in-progress</b>	-	-	-	-	-	-	-	-	<b>3329.97</b>	<b>2776.31</b>
<b>3C. Investment Property<sup>5</sup></b>	-	<b>6.06</b>	<b>15.29</b>	-	<b>21.35</b>	<b>12.20</b>	-	<b>33.55</b>	<b>376.56</b>	<b>385.36</b>
<b>3D. Goodwill<sup>2</sup></b>	-	-	-	-	-	-	-	-	<b>577.20</b>	-
<b>3E. Other Intangible assets (acquired)<sup>2</sup></b>										
Trademarks	11.02	3.14	-	-	14.16	3.14	-	17.30	1903.05	433.14
Computer Software	112.70	34.96	-	1.39	146.27	24.23	0.38	170.12	53.93	67.69
Know How, Business and Commercial Rights	11.71	3.52	-	-	15.23	3.50	-	18.73	15.12	18.62
Customer Relationships	-	-	-	-	-	2.99	-	2.99	32.22	-
<b>TOTAL</b>	<b>135.43</b>	<b>41.62</b>	<b>-</b>	<b>1.39</b>	<b>175.66</b>	<b>33.86</b>	<b>0.38</b>	<b>209.14</b>	<b>2004.32</b>	<b>519.45</b>
<b>3F. Other Intangible assets under development</b>	-	-	-	-	-	-	-	-	<b>3.50</b>	<b>3.89</b>

(₹ in Crores)

Particulars	Depreciation and Amortization							Net Book Value		
	Upto 1st April, 2019	For the year	Transfer in/ (out)	On Withdrawals and adjustments	Upto 31st March, 2020	For the year	On Withdrawals and adjustments	Upto 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
<b>3G. Right of use assets<sup>A</sup></b>										
Land	-	6.73	-	-	6.73	7.00	-	13.73	486.01	433.76
Buildings	-	49.51	-	0.24	49.27	53.18	16.30	86.15	203.25	203.31
Plant and Equipment	-	5.53	-	-	5.53	5.52	-	11.05	37.58	43.10
<b>TOTAL</b>	<b>-</b>	<b>61.77</b>	<b>-</b>	<b>0.24</b>	<b>61.53</b>	<b>65.70</b>	<b>16.30</b>	<b>110.93</b>	<b>726.84</b>	<b>680.17</b>

## Notes:

- Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2020 - ₹ 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.
- a) Goodwill arising on Business Combination is carried at cost and annually tested for impairment in line with applicable Accounting Standards. The carrying value of such Goodwill is ₹ 577.20 Crores (2020 - Nil). The Company has also considered certain acquired Trademarks aggregating ₹ 1889.78 Crores (2020 - ₹ 416.73 Crores) as having indefinite useful lives. The indefinite useful life for such trademarks has been assessed considering no technical, technological or commercial risks of obsolescence or any limitations under contract or law. Such assets are also annually tested for impairment. These assets pertain to the 'FMCG - Others' Segment and are related to the Branded Packaged Foods and Personal Care Products businesses of the Company. Impairment testing for goodwill and intangible assets with indefinite useful lives has been carried out considering their recoverable amounts which, inter-alia, includes estimation of their value-in-use based on management projections. These projections have been made for a period of five years, or longer, as applicable and consider various factors, such as market scenario, growth trends, growth and margin projections, and terminal growth rates specific to the business. For such projections, discount rate of 10% and long-term growth rates ranging between 5% to 6% have been considered. Discount rate has been determined considering the Weighted Average Cost of Capital (WACC) of market benchmarks. Based on the above assessment, no impairment has been recognised during the year.
- b) Computer software and Customer Relationships are amortized over a period of 5 years and 8 years respectively. Other 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.
- The amortization expense of intangible assets has been included under 'Depreciation and amortization expense' in the Statement of Profit and Loss.
- The amount of expenditure recognised in the carrying amount of property, plant and equipment in the course of construction is ₹ 26.65 Crores (2020 - ₹ 115.95 Crores).
- The fair value of the investment property is ₹ 861.00 Crores (2020 - ₹ 849.41 Crores), 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.

Amounts recognised in the statement of profit and loss in respect of the investment property is as under:

(₹ in Crores)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Rental Income from investment property	110.05	49.69
Direct Operating Expenses arising from investment property that generated rental income during the year <sup>§</sup>	9.65	15.43
Direct Operating Expenses arising from investment property that did not generate rental income during the year	-	-

<sup>§</sup>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.



# Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments</b>				
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>				
<b>In Subsidiaries (at cost unless stated otherwise)</b>				
Gold Flake Corporation Limited 1,59,98,385 Equity Shares of ₹ 10.00 each, fully paid		16.00		16.00
Russell Credit Limited 59,74,54,177 Equity Shares of ₹ 10.00 each, fully paid 7,54,22,400 Equity Shares of ₹ 10.00 each, ₹ 6.50 per share paid		619.29 39.22		619.29 39.22
ITC Infotech India Limited 8,52,00,000 Equity Shares of ₹ 10.00 each, fully paid		195.06		204.85
Landbase India Limited 31,70,00,000 Equity Shares of ₹ 10.00 each, fully paid		325.57		325.57
Surya Nepal Private Limited 1,18,94,400 Ordinary Shares of Nepalese Rupees 100.00 each, fully paid		10.15		10.15
Srinivasa Resorts Limited 1,63,20,477 Equity Shares of ₹ 10.00 each, fully paid		18.53		18.53
Fortune Park Hotels Limited 4,50,008 Equity Shares of ₹ 10.00 each, fully paid		0.45		0.45
Bay Islands Hotels Limited 11,875 Equity Shares of ₹ 100.00 each, fully paid		0.12		0.12
WelcomHotels Lanka (Private) Limited 13,96,42,260 Shares with no par value		641.85		641.85
Wimco Limited 18,50,81,193 Equity Shares of ₹ 1.00 each, fully paid		3.60		3.61
Technico Pty Limited 1,00,15,502 Ordinary Shares with no par value (₹ 16.29 Crores impaired)		31.88		31.88
Technico Agri Sciences Limited 3,79,62,800 Equity Shares of ₹ 10.00 each, fully paid		121.00		121.00
ITC Investments & Holdings Limited 45,00,000 Equity Shares of ₹ 10.00 each, fully paid		4.50		4.50
ITC IndiVision Limited 5,00,00,000 (2020 - Nil) Equity Shares of ₹ 10.00 each, fully paid		50.00		–
Hobbits International Foods Private Limited [Refer Note 27 (ix)] 3,30,000 (2020 - Nil) Equity Shares of ₹ 10.00 each, fully paid		7.20		–
Sunrise Sheetgrah Private Limited [Refer Note 27 (ix)] 5,57,350 (2020 - Nil) Equity Shares of ₹ 10.00 each, fully paid		5.76		–
North East Nutrients Private Limited 5,54,80,000 Equity Shares of ₹ 10.00 each, fully paid		55.48		55.48
Pavan Poplar Limited 55,10,004 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 5.99 Crores, fully impaired)		–		–
Carried over		2145.66		2092.50

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward		2145.66		2092.50
<b>INVESTMENT IN EQUITY INSTRUMENTS (Contd.)</b>				
Prag Agro Farm Limited 1,28,00,020 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 12.82 Crores, fully impaired)		–		–
<b>In Associates (at cost unless stated otherwise)</b>				
International Travel House Limited 2,87,600 Equity Shares of ₹ 10.00 each, fully paid		0.65		0.65
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid		1.94		1.94
Delectable Technologies Private Limited [Refer Note 27 (x)] 100 (2020 - Nil) Equity Shares of ₹ 10.00 each, fully paid		0.10		–
<b>In Joint Ventures (at cost unless stated otherwise)</b>				
Espirit Hotels Private Limited 4,65,09,200 Equity Shares of ₹ 10.00 each, fully paid		46.51		46.51
Maharaja Heritage Resorts Limited 90,000 Equity Shares of ₹ 100.00 each, fully paid		0.90		0.90
Logix Developers Private Limited 77,66,913 Equity Shares of ₹ 10.00 each, fully paid (₹ 33.45 Crores impaired)		8.50		8.50
<b>In Others (at fair value through other comprehensive income unless stated otherwise)</b>				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid		0.16		0.13
HLV Limited 4,99,53,055 Equity Shares of ₹ 2.00 each, fully paid		28.72		15.74
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid		795.85		563.39
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		0.15		0.08
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Woodlands Multispeciality Hospital Limited 13,605 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid		–		–
Delectable Technologies Private Limited (at fair value through profit or loss) Nil (2020 - 100) Equity Shares of ₹ 10.00 each, fully paid		–		0.10
Carried over	827.47	2204.04	581.93	2150.88

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	827.47	2204.04	581.93	2150.88
<b>INVESTMENT IN PREFERENCE SHARES</b>				
<b>In Subsidiaries (at cost unless stated otherwise)</b>				
North East Nutrients Private Limited (at amortised cost) 18,00,000 Redeemable Preference Shares of ₹ 100.00 each, fully paid		18.00		18.00
WelcomHotels Lanka (Private) Limited 29,61,27,340 (2020 - 21,67,90,940) Redeemable Preference Shares of Sri Lankan Rupee 100.00 each, fully paid		1200.18		888.61
Wimco Limited (at amortised cost) 5,00,000 Cumulative Redeemable Preference Shares of ₹ 100.00 each, fully paid		5.00		5.00
<b>In Associates (at cost unless stated otherwise)</b>				
Delectable Technologies Private Limited [Refer Note 27 (x)] 3,828 (2020 - Nil) Compulsorily Convertible Cumulative Preference Shares of ₹ 10.00 each, fully paid		3.65		—
<b>In Others (at fair value through profit or loss)</b>				
Delectable Technologies Private Limited Nil (2020 - 1,864) Compulsorily Convertible Cumulative Preference Shares of ₹ 10.00 each, fully paid		—		1.78
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>				
Government Securities (cost ₹ 74000.00)		0.01		0.01
National savings certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)		...		...
<b>INVESTMENT IN BONDS/DEBENTURES</b>				
<b>In Others (at amortised cost)</b>				
Housing and Urban Development Corporation Limited 700 6.99% Unsecured Listed Rated Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debenture Series E (11 November 2022) of ₹ 1000000.00 each, fully paid	70.18		70.26	
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	436.49		437.76	
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	15.55		15.65	
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	33.58		33.88	
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	
Carried over	1453.34	3430.88	1209.55	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	1453.34	3430.88	1209.55	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
250 7.61% Rated Listed Taxable Bonds in the nature of Unsecured Debentures Series A 2019 (22 June 2022) of ₹ 1000000.00 each, fully paid	25.14		25.24	
Nil (2020 - 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	
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	54.87		55.54	
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	
<b>ICICI Bank Limited<sup>#</sup></b>				
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	
Nil (2020 - 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	
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	
<b>India Infrastructure Finance Company Limited</b>				
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	50.76		51.15	
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	32.28		32.55	
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	5.21		5.28	
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	124.37		125.06	
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	141.17		142.31	
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	189.99		191.18	
Carried over	2726.83	3430.88	2723.76	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	2726.83	3430.88	2723.76	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
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	7.26		7.30	
250 7.15% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 100 (21 August 2025) of ₹ 1000000.00 each, fully paid	25.79		25.83	
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	50.78		51.15	
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	225.66		225.86	
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	10.84		10.93	
Nil (2020 - 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	
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	84.14		85.42	
100 8.35% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds Series 89 (21 November 2023) of ₹ 1000000.00 each, fully paid	10.47		10.63	
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	132.68		133.40	
130 8.55% Tax Free Secured Non-Convertible Redeemable Bonds Series 94th A (12 February 2029) of ₹ 1000000.00 each, fully paid	13.87		13.95	
LIC Housing Finance Limited				
Nil (2020 - 400) 7.67% Secured Redeemable Non-Convertible Debentures Tranche 339 Option 1 (29 July 2021) of ₹ 1000000.00 each, fully paid	—		40.18	
Nil (2020 - 100) 8.30% Secured Redeemable Non-Convertible Debentures Tranche 304 Option 2 (15 July 2021) of ₹ 1000000.00 each, fully paid	—		10.11	
Nil (2020 - 550) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 294 (10 May 2021) of ₹ 1000000.00 each, fully paid	—		55.58	
500 Zero Coupon Secured Redeemable Non-Convertible Debentures Tranche 378 (04 May 2022) of ₹ 1000000.00 each, fully paid	59.59		54.82	
Carried over	3347.91	3430.88	3483.13	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	3347.91	3430.88	3483.13	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
National Bank for Agriculture and Rural Development				
5,000 (2020 - Nil) 4.60% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bond Series 21E (29 July 2024 with Call and Put Option 29 July 2022) of ₹ 1000000.00 each, fully paid	499.98		–	
250 6.70% Unsecured Listed Rated Redeemable Taxable Non-Convertible Bonds Series 20H (11 November 2022) of ₹ 1000000.00 each, fully paid	25.00		25.00	
2,000 6.98% Unsecured Listed Rated Redeemable Taxable Non-Convertible Bonds Series 20G (19 September 2022) of ₹ 1000000.00 each, fully paid	200.00		200.00	
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	207.62		208.97	
4,300 (2020 - Nil) 7.69% Unsecured Rated Listed Redeemable Non-Convertible Bond Series 20C (29 May 2024) of ₹ 1000000.00 each, fully paid	461.01		–	
500 7.70% Unsecured Listed Redeemable Taxable Non-Convertible Bonds Series 20D (13 June 2022) of ₹ 1000000.00 each, fully paid	50.59		51.06	
900 7.85% Unsecured Listed Taxable Redeemable Non-Convertible Bond Series 20B (23 May 2022) of ₹ 1000000.00 each, fully paid	91.13		92.07	
600 7.90% Unsecured Rated Listed Redeemable Non-Convertible Bonds Series 20A (18 April 2022) of ₹ 1000000.00 each, fully paid	60.73		61.39	
Nil (2020 - 1,000) 8.60% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds Series 19B (31 January 2022) of ₹ 1000000.00 each, fully paid	–		102.59	
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	260.31		260.37	
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	81.91		82.14	
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	183.39		184.01	
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	57.04		57.72	
Carried over	5776.62	3430.88	5058.45	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	5776.62	3430.88	5058.45	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
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	29.14		29.54	
National Housing Bank 800 8.46% NHB Tax Free Bonds 2028, Series V (30 August 2028) of ₹ 1000000.00 each, fully paid	84.70		85.17	
Power Finance Corporation Limited				
100 (2020 - Nil) 5.47% Unsecured Rated Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 206 (19 August 2023) of ₹ 1000000.00 each, fully paid	10.09		–	
1,150 (2020 - Nil) 6.50% Unsecured Rated Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 208 (17 September 2025) of ₹ 1000000.00 each, fully paid	117.13		–	
900 (2020 - Nil) 6.72% Unsecured Rated Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures - Series 203 A (09 June 2023) of ₹ 1000000.00 each, fully paid	93.11		–	
1,200 (2020 - Nil) 6.75% Unsecured Rated Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures - Series 202 A (22 May 2023) of ₹ 1000000.00 each, fully paid	124.12		–	
700 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	70.12		70.20	
600 7.16% Secured Redeemable Non-Convertible Tax Free Bonds Series 136 (17 July 2025) of ₹ 1000000.00 each, fully paid	61.98		62.37	
4,500 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		450.00	
Nil (2020 - 150) 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	
450 (2020 - Nil) 8.20% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 128 (10 March 2025) of ₹ 1000000.00 each, fully paid	48.36		–	
200 (2020 - Nil) 8.39% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 130 C (19 April 2025) of ₹ 1000000.00 each, fully paid	21.66		–	
250 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	25.50		25.83	
Carried over	6912.53	3430.88	5796.58	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	6912.53	3430.88	5796.58	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
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	52.94		53.23	
3,50,000 8.54% Secured Tax Free Redeemable Non-Convertible Bonds Series 2A (16 November 2028) of ₹ 1000.00 each, fully paid	40.69		41.27	
Nil (2020 - 150) 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	
<b>REC Limited</b>				
1,100 (2020 - Nil) 5.85% Unsecured Rated Listed Redeemable Non-Cumulative Non-Convertible Taxable Bond in the nature of Debentures Series 203 B (20 December 2025) of ₹ 1000000.00 each, fully paid	109.26		–	
300 7.09% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 152 (17 October 2022) of ₹ 1000000.00 each, fully paid	29.88		29.81	
2,000 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		200.00	
850 7.17% Secured Redeemable Non-Convertible Tax Free Bonds Series 5-A (23 July 2025) of ₹ 1000000.00 each, fully paid	87.69		88.22	
Nil (2020 - 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	
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	129.72		130.82	
3,50,000 8.46% Secured Redeemable Non-Convertible Tax Free Bonds Tranche I Series 2A (24 September 2028) of ₹ 1000.00 each, fully paid	40.44		41.01	
Nil (2020 - 2,880) 8.50% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bond Series 177 (20 December 2021) of ₹ 1000000.00 each, fully paid	–		288.00	
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	5.32		5.35	
<b>Small Industries Development Bank of India</b>				
Nil (2020 - 2,500) 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	
<b>State Bank of India<sup>#</sup></b>				
Nil (2020 - 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	
Carried over	7608.47	3430.88	7264.67	3064.28



## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	7608.47	3430.88	7264.67	3064.28
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
Nil (2020 - 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	
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	
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	
<b>INVESTMENT IN MUTUAL FUNDS (at fair value through profit or loss)</b>				
Aditya Birla Sun Life Fixed Term Plan - Series OX (1234 Days) Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	–		11.91	
Aditya Birla Sun Life Fixed Term Plan - Series OY (1218 Days) Nil (2020 - 4,00,00,000) Units of ₹ 10.00 each	–		47.71	
Aditya Birla Sun Life Fixed Term Plan - Series OZ (1187 Days) Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.79	
Aditya Birla Sun Life Fixed Term Plan - Series PA (1177 Days) Nil (2020 - 1,50,00,000) Units of ₹ 10.00 each	–		17.88	
Aditya Birla Sun Life Fixed Term Plan - Series RP (1239 Days) 5,50,00,000 Units of ₹ 10.00 each	69.07		63.38	
Aditya Birla Sun Life Fixed Term Plan - Series SF (1161 Days) 40,00,000 Units of ₹ 10.00 each	4.87		4.47	
Aditya Birla Sun Life Fixed Term Plan - Series SG (1155 Days) 1,80,00,000 Units of ₹ 10.00 each	21.88		20.14	
Aditya Birla Sun Life Fixed Term Plan - Series SI (1141 Days) 1,00,00,000 Units of ₹ 10.00 each	12.12		11.13	
Aditya Birla Sun Life Fixed Term Plan - Series SJ (1135 Days) 3,00,00,000 Units of ₹ 10.00 each	36.22		33.29	
DSP Fixed Maturity Plan - Series 217 - 40 M Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	–		11.91	
DSP Fixed Maturity Plan - Series 220 - 40 M Nil (2020 - 1,90,00,000) Units of ₹ 10.00 each	–		22.54	
DSP Fixed Maturity Plan - Series 221 - 40 M Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.66	
Franklin India Fixed Maturity Plans - Series 2 - Plan A Nil (2020 - 1,40,00,000) Units of ₹ 10.00 each	–		16.64	
Carried over	8687.63	3430.88	8833.52	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	8687.63	3430.88	8833.52	3064.28
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
HDFC Fixed Maturity Plan 1158D February 2018 (1) - Series-39 Nil (2020 - 6,50,00,000) Units of ₹ 10.00 each	–		77.26	
HDFC Fixed Maturity Plan 1232D November 2018 (1) - Series-43 4,00,00,000 Units of ₹ 10.00 each	50.10		46.11	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1236 Days - Plan A Nil (2020 - 70,00,000) Units of ₹ 10.00 each	–		8.36	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1225 Days - Plan B Nil (2020 - 3,70,00,000) Units of ₹ 10.00 each	–		44.23	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1217 Days - Plan C Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	–		11.94	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1175 Days - Plan D 40,00,000 Units of ₹ 10.00 each	4.87		4.48	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1219 Days - Plan D Nil (2020 - 1,90,00,000) Units of ₹ 10.00 each	–		22.69	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1168 Days - Plan E 50,00,000 Units of ₹ 10.00 each	6.08		5.58	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1223 Days - Plan E Nil (2020 - 1,30,00,000) Units of ₹ 10.00 each	–		15.50	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1156 Days - Plan G 60,00,000 Units of ₹ 10.00 each	7.27		6.68	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1215 Days - Plan H Nil (2020 - 4,50,00,000) Units of ₹ 10.00 each	–		53.61	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan I Nil (2020 - 5,00,00,000) Units of ₹ 10.00 each	–		59.50	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1203 Days - Plan K Nil (2020 - 4,50,00,000) Units of ₹ 10.00 each	–		53.54	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1199 Days - Plan L Nil (2020 - 5,00,00,000) Units of ₹ 10.00 each	–		59.41	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan M Nil (2020 - 3,50,00,000) Units of ₹ 10.00 each	–		41.51	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1127 Days - Plan O 30,00,000 Units of ₹ 10.00 each	3.58		3.30	
ICICI Prudential Fixed Maturity Plan - Series 85 - 1129 Days - Plan P 2,00,00,000 Units of ₹ 10.00 each	23.91		21.98	
ICICI Prudential Fixed Maturity Plan - Series 84 - 1279 Days - Plan P 5,00,00,000 Units of ₹ 10.00 each	62.45		57.43	
Carried over	8845.89	3430.88	9426.63	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	8845.89	3430.88	9426.63	3064.28
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
ICICI Prudential Fixed Maturity Plan - Series 84 - 1272 Days - Plan Q 1,40,00,000 Units of ₹ 10.00 each	17.47		16.02	
IDFC Fixed Term Plan - Series 176 - 1170 Days 1,00,00,000 Units of ₹ 10.00 each	12.25		11.21	
IDFC Fixed Term Plan - Series 177 - 1160 Days 60,00,000 Units of ₹ 10.00 each	7.30		6.67	
IDFC Fixed Term Plan - Series 178 - 1154 Days 60,00,000 Units of ₹ 10.00 each	7.26		6.63	
Kotak Fixed Maturity Plan - Series 212 Nil (2020 - 60,00,000) Units of ₹ 10.00 each	—		7.15	
Kotak Fixed Maturity Plan - Series 213 Nil (2020 - 1,10,00,000) Units of ₹ 10.00 each	—		13.12	
Kotak Fixed Maturity Plan - Series 214 Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	—		11.94	
Kotak Fixed Maturity Plan - Series 215 Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	—		11.94	
Kotak Fixed Maturity Plan - Series 224 Nil (2020 - 3,50,00,000) Units of ₹ 10.00 each	—		41.22	
Kotak Fixed Maturity Plan - Series 252 10,00,00,000 Units of ₹ 10.00 each	125.15		115.00	
Kotak Fixed Maturity Plan - Series 253 2,20,00,000 Units of ₹ 10.00 each	27.36		25.18	
Kotak Fixed Maturity Plan - Series 254 2,40,00,000 Units of ₹ 10.00 each	29.78		27.43	
Kotak Fixed Maturity Plan - Series 255 90,00,000 Units of ₹ 10.00 each	11.11		10.23	
Kotak Fixed Maturity Plan - Series 259 1,40,00,000 Units of ₹ 10.00 each	17.16		15.81	
Kotak Fixed Maturity Plan - Series 265 1,80,00,000 Units of ₹ 10.00 each	21.73		19.95	
Kotak Fixed Maturity Plan - Series 267 1,00,00,000 Units of ₹ 10.00 each	11.97		11.03	
Nippon India Fixed Horizon Fund - XXXV - Series 11 Nil (2020 - 50,00,000) Units of ₹ 10.00 each	—		5.98	
Nippon India Fixed Horizon Fund - XXXV - Series 12 Nil (2020 - 1,50,00,000) Units of ₹ 10.00 each	—		17.93	
Carried over	9134.43	3430.88	9801.07	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	9134.43	3430.88	9801.07	3064.28
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
Nippon India Fixed Horizon Fund - XXXV - Series 13 Nil (2020 - 80,00,000) Units of ₹ 10.00 each	–		9.54	
Nippon India Fixed Horizon Fund - XXXV - Series 14 Nil (2020 - 1,20,00,000) Units of ₹ 10.00 each	–		14.29	
Nippon India Fixed Horizon Fund - XXXV - Series 15 Nil (2020 - 1,70,00,000) Units of ₹ 10.00 each	–		20.26	
Nippon India Fixed Horizon Fund - XXXV - Series 6 Nil (2020 - 50,00,000) Units of ₹ 10.00 each	–		5.99	
Nippon India Fixed Horizon Fund - XXXVI - Series 1 Nil (2020 - 1,20,00,000) Units of ₹ 10.00 each	–		14.27	
Nippon India Fixed Horizon Fund - XXXVI - Series 3 Nil (2020 - 50,00,000) Units of ₹ 10.00 each	–		5.93	
Nippon India Fixed Horizon Fund - XXXVI - Series 9 Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.48	
Nippon India Fixed Horizon Fund - XXXVII - Series 4 4,50,00,000 Units of ₹ 10.00 each	58.44		54.27	
Nippon India Fixed Horizon Fund - XXXIX - Series 15 3,00,00,000 Units of ₹ 10.00 each	37.89		34.81	
Nippon India Fixed Horizon Fund - XXXX - Series 1 1,00,00,000 Units of ₹ 10.00 each	12.60		11.57	
SBI Debt Fund Series C-7 (1190 Days) Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.69	
SBI Debt Fund Series C-8 (1175 Days) Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.73	
SBI Debt Fund Series C-9 (1150 Days) Nil (2020 - 1,50,00,000) Units of ₹ 10.00 each	–		17.76	
SBI Debt Fund Series C-32 (1223 Days) 4,50,00,000 Units of ₹ 10.00 each	55.83		51.23	
SBI Debt Fund Series C-33 (1216 Days) 3,00,00,000 Units of ₹ 10.00 each	37.09		34.04	
SBI Debt Fund Series C-34 (1211 Days) 1,00,00,000 Units of ₹ 10.00 each	12.31		11.30	
SBI Debt Fund Series C-35 (1235 Days) 1,70,00,000 Units of ₹ 10.00 each	20.89		19.19	
Carried over	9369.48	3430.88	10176.42	3064.28

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-Current investments (Contd.)</b>				
Brought forward	9369.48	3430.88	10176.42	3064.28
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
SBI Debt Fund Series C-43 (1176 Days) 3,00,00,000 Units of ₹ 10.00 each	36.59		33.59	
SBI Debt Fund Series C-44 (1175 Days) 1,50,00,000 Units of ₹ 10.00 each	18.28		16.75	
SBI Debt Fund Series C-48 (1177 Days) 3,00,00,000 Units of ₹ 10.00 each	36.20		33.15	
SBI Debt Fund Series C-50 (1177 Days) 2,00,00,000 Units of ₹ 10.00 each	23.91		21.98	
UTI Fixed Term Income Fund - Series XXVIII - IV (1204 Days) Nil (2020 - 1,50,00,000) Units of ₹ 10.00 each	–		17.85	
UTI Fixed Term Income Fund - Series XXVIII - VI (1190 Days) Nil (2020 - 1,90,00,000) Units of ₹ 10.00 each	–		22.59	
UTI Fixed Term Income Fund - Series XXVIII - VIII (1171 Days) Nil (2020 - 1,50,00,000) Units of ₹ 10.00 each	–		17.83	
UTI Fixed Term Income Fund - Series XXVIII - IX (1168 Days) Nil (2020 - 2,00,00,000) Units of ₹ 10.00 each	–		23.74	
<b>INVESTMENT IN ALTERNATIVE INVESTMENT FUND (at fair value through profit or loss)</b>				
Fireside Ventures Investments Fund I 1,307 Units of ₹ 100000.00 each		25.49		18.89
Fireside Ventures Investments Fund II 50,000 Units of ₹ 1000.00 each		3.64		4.28
Chiratae Ventures India Fund IV 600 (2020 - 465) Units of ₹ 100000.00 each		5.91		4.24
<b>Aggregate amount of quoted and unquoted Investments</b>	<b>9484.46</b>	<b>3465.92</b>	<b>10363.90</b>	<b>3091.69</b>
<b>TOTAL</b>		<b>12950.38</b>		<b>13455.59</b>

Aggregate market value of quoted investments ₹ 9984.03 Crores (2020 - ₹ 10592.71 Crores).

Aggregate amount of impairment in value of investments ₹ 68.55 Crores (2020 - ₹ 68.55 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 Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>5. Loans</b>				
<b>Other Loans</b>				
Others (Employees, suppliers, etc.)				
– Unsecured, considered good*	2.77	2.37	4.87	3.31
<b>TOTAL</b>	<b>2.77</b>	<b>2.37</b>	<b>4.87</b>	<b>3.31</b>

\* Includes interest bearing loan to a supplier, M/s MD Fresh Vegetable Private Limited - Nil (2020 - ₹ 0.50 Crore) carrying interest @ 12% p.a. for upgrading its infrastructure and enhancement of its factory capacity.

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>6. Other Financial assets</b>				
Advances	9.47	–	10.85	–
Deposits*	599.30	72.45	835.75	607.09
Interest accrued on Loans, Deposits, Investments, etc.	448.37	–	534.24	–
Other Receivables**	140.01	–	125.10	–
<b>TOTAL</b>	<b>1197.15</b>	<b>72.45</b>	<b>1505.94</b>	<b>607.09</b>

\* Deposits include deposits to Directors and Key Management Personnel ₹ 0.08 Crore (2020 - ₹ 0.07 Crore) (Refer Note 29).

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

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>7. Other Assets</b>				
Capital Advances	–	232.62	–	368.50
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	0.18	782.05	0.21	789.42
– Others	0.66	115.71	2.24	106.71
Advances to related parties (Refer Note 29)	...	–	0.05	–
Other Advances (including advances with statutory authorities, prepaid expenses, employees, etc.)	897.00	101.24	739.93	100.08
Other Receivables*	108.23	–	105.31	–
<b>TOTAL</b>	<b>1006.07</b>	<b>1231.62</b>	<b>847.74</b>	<b>1364.71</b>

\* Includes receivables on account of export incentives.

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>8. Inventories*</b>				
(At lower of cost and net realisable value)				
Raw materials (including packing materials)		6544.03		5683.46
Work-in-progress		213.07		178.55
Finished goods (manufactured)		1445.49		1301.68
Stock-in-trade (goods purchased for resale)		832.87		473.15
Stores and Spares		390.81		345.44
Intermediates - Tissue paper and Paperboards		44.60		55.79
<b>TOTAL</b>		<b>9470.87</b>		<b>8038.07</b>

The above includes goods in transit as under:

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
Raw materials (including packing materials)	135.09	141.73
Stock-in-trade (goods purchased for resale)	1.60	0.86
Stores and spares	1.35	2.31
<b>TOTAL</b>	<b>138.04</b>	<b>144.90</b>

The cost of inventories recognised as an expense includes ₹ 10.45 Crores (2020 - ₹ 19.08 Crores) in respect of write-downs of inventory to net realisable value. During the year, reversal of previous write-downs of ₹ 1.67 Crores (2020 - ₹ 1.25 Crores) have been made owing to subsequent increase in realisable value.

Inventories of ₹ 669.75 Crores (2020 - ₹ 623.01 Crores) are expected to be recovered after more than twelve months. The operating cycle of the Company is twelve months.

\* Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future.

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise)</b>				
<b>INVESTMENT IN BONDS/DEBENTURES</b>				
Export Import Bank of India 300 9.15% Unsecured Non-Convertible Bonds Series P-16 (05 September 2022) of ₹ 1000000.00 each, fully paid	31.90		32.04	
Indian Railway Finance Corporation Limited 10,00,000 7.18% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th Series (19 February 2023) of ₹ 1000.00 each, fully paid	104.74		101.05	
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	219.75		209.50	
4,35,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	45.00		44.42	
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	51.08		50.60	
Power Finance Corporation Limited 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	15.38		15.29	
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	107.83		103.55	
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series - I (01 February 2022) of ₹ 1000.00 each, fully paid	10.34		10.23	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	141.08		135.10	
REC 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	313.23		302.84	
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	107.82		103.42	
<b>INVESTMENT IN CERTIFICATE OF DEPOSIT</b>				
Axis Bank Limited Nil (2020 - 50,000) Certificate of Deposit (18 December 2020) of ₹ 100000.00 each, fully paid		–		479.76
Kotak Mahindra Bank Limited Nil (2020 - 50,000) Certificate of Deposit (11 December 2020) of ₹ 100000.00 each, fully paid		–		480.76
National Bank for Agriculture and Rural Development Nil (2020 - 15,000) Certificate of Deposit (14 January 2021) of ₹ 100000.00 each, fully paid		–		143.49
Carried over	1148.15	–	1108.04	1104.01



## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1148.15	–	1108.04	1104.01
<b>INVESTMENT IN CERTIFICATE OF DEPOSIT (Contd.)</b>				
Nil (2020 - 45,000) Certificate of Deposit (21 January 2021) of ₹ 100000.00 each, fully paid		–		430.02
Nil (2020 - 10,000) Certificate of Deposit (03 February 2021) of ₹ 100000.00 each, fully paid		–		95.37
Nil (2020 - 25,000) Certificate of Deposit (05 March 2021) of ₹ 100000.00 each, fully paid		–		237.36
<b>INVESTMENT IN MUTUAL FUNDS</b>				
Aditya Birla Sun Life Money Manager Fund 40,95,539 Units of ₹ 100.00 each		117.61		110.96
Aditya Birla Sun Life Corporate Bond Fund 70,15,575 (2020 - 6,05,10,758) Units of ₹ 10.00 each		60.27		475.21
Aditya Birla Sun Life Floating Rate Fund 1,94,01,569 Units of ₹ 100.00 each		525.17		489.49
Aditya Birla Sun Life Savings Fund 1,86,63,673 Units of ₹ 100.00 each		794.72		746.57
Axis Banking & PSU Debt Fund 31,86,227 Units of ₹ 1000.00 each		662.25		613.69
Axis Liquid Fund 2,13,085 (2020 - 13,67,777) Units of ₹ 1000.00 each		48.69		300.12
Axis Overnight Fund 9,20,331 (2020 - Nil) Units of ₹ 1000.00 each		100.00		–
Axis Short Term Fund 4,31,15,900 Units of ₹ 10.00 each		109.52		100.79
Axis Treasury Advantage Fund 14,17,525 Units of ₹ 1000.00 each		351.91		329.60
Bharat Bond ETF – April 2023 30,00,000 Units of ₹ 1000.00 each	335.10		307.06	
DSP Banking and PSU Debt Fund Nil (2020 - 8,62,88,433) Units of ₹ 10.00 each		–		151.22
DSP Liquidity Fund 33,41,890 (2020 - Nil) Units of ₹ 1000.00 each		975.72		–
DSP Low Duration Fund 17,22,63,805 (2020 - 22,32,41,558) Units of ₹ 10.00 each		267.44		328.55
DSP Overnight Fund Nil (2020 - 23,43,641) Units of ₹ 1000.00 each		–		250.16
DSP Short Term Fund 6,67,71,463 Units of ₹ 10.00 each		259.37		239.95
Carried over	1483.25	4272.67	1415.10	6003.07

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1483.25	4272.67	1415.10	6003.07
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
HDFC Floating Rate Debt Fund 10,07,90,662 Units of ₹ 10.00 each		385.94		356.62
HDFC Liquid Fund Nil (2020 - 5,17,089) Units of ₹ 1000.00 each		–		200.82
HDFC Money Market Fund 2,39,118 Units of ₹ 1000.00 each		106.98		100.90
HDFC Short Term Debt Fund Nil (2020 - 14,47,53,251) Units of ₹ 10.00 each		–		327.72
HDFC Ultra Short Term Fund Nil (2020 - 27,49,00,837) Units of ₹ 10.00 each		–		309.50
ICICI Prudential Corporate Bond Fund 13,34,45,209 (2020 - 50,98,14,396) Units of ₹ 10.00 each		313.69		1055.87
ICICI Prudential Savings Fund 53,44,324 Units of ₹ 100.00 each		224.30		208.63
ICICI Prudential Bond Fund Nil (2020 - 2,11,18,618) Units of ₹ 10.00 each		–		62.30
ICICI Prudential Short Term Nil (2020 - 2,70,17,352) Units of ₹ 10.00 each		–		119.87
ICICI Prudential Liquid Fund 5,07,333 (2020 - Nil) Units of ₹ 100.00 each		15.46		–
IDFC Banking & PSU Debt Fund 14,17,61,931 Units of ₹ 10.00 each		272.68		251.53
IDFC Bond Fund - Short Term Plan 6,58,03,493 (2020 - 10,23,94,458) Units of ₹ 10.00 each		308.37		414.04
IDFC Low Duration Fund 7,34,11,386 Units of ₹ 10.00 each		225.06		212.12
IDFC Money Manager Fund 4,22,87,680 Units of ₹ 10.00 each		142.29		135.17
Kotak Bond Fund (Short Term) Nil (2020 - 7,68,78,681) Units of ₹ 10.00 each		–		243.74
Kotak Corporate Bond Fund 6,68,442 Units of ₹ 1000.00 each		196.74		182.23
Kotak Savings Fund 23,75,47,122 (2020 - 31,65,06,578) Units of ₹ 10.00 each		819.42		1033.24
LIC MF Liquid Fund 1,63,399 (2020 - Nil) Units of ₹ 1000.00 each		60.50		–
Nippon India Banking & PSU Debt Fund 10,41,55,094 (2020 - 20,50,51,796) Units of ₹ 10.00 each		167.84		306.09
Carried over	1483.25	7511.94	1415.10	11523.46

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1483.25	7511.94	1415.10	11523.46
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 maturity 58,69,560 (2020 - Nil) Units of ₹ 100.00 each	60.46		–	
Nippon India Floating Rate Fund 6,22,64,756 Units of ₹ 10.00 each		224.08		204.74
Nippon India Money Market Fund 6,60,345 Units of ₹ 1000.00 each		212.68		201.58
Nippon India Overnight Fund Nil (2020 - 2,33,60,862) Units of ₹ 100.00 each		–		250.08
Nippon India Short Term Fund 8,93,74,937 Units of ₹ 10.00 each		384.78		353.38
Nippon India Liquid Fund 92,869 (2020 - Nil) Units of ₹ 1000.00 each		46.74		–
SBI Magnum Low Duration Fund 8,30,697 Units of ₹ 1000.00 each		232.24		218.47
SBI Magnum Ultra Short Duration Fund 2,47,159 Units of ₹ 1000.00 each		116.63		110.71
SBI Savings Fund 6,33,58,708 (2020 - 15,67,64,566) Units of ₹ 10.00 each		216.66		507.39
SBI Short Term Debt Fund 9,72,90,145 (2020 - 28,79,35,474) Units of ₹ 10.00 each		253.24		691.30
SBI Liquid Fund 25,773 (2020 - Nil) Units of ₹ 1000.00 each		8.26		–
UTI Liquid Cash Plan 16,91,359 (2020 - Nil) Units of ₹ 1000.00 each		567.38		–
<b>Current Portion of Non-Current Investment</b>				
<b>INVESTMENT IN BONDS/DEBENTURES (at amortised cost)</b>				
Housing Development Finance Corporation Limited Nil (2020 - 90) 8.50% Secured Redeemable Non-Convertible Debentures Series O - 001 (31 August 2020) of ₹ 10000000.00 each, fully paid	–		90.28	
Nil (2020 - 800) 8.70% Secured Redeemable Non-Convertible Debentures Series N - 017 (18 May 2020) of ₹ 500000.00 each, fully paid	–		40.04	
Nil (2020 - 50) 10.98% Secured Redeemable Non-Convertible Debentures Series R - 007 (18 June 2020) of ₹ 10000000.00 each, fully paid	–		50.24	
Nil (2020 - 150) 11.50% Secured Redeemable Non-Convertible Debentures Series R - 010 (22 June 2020) of ₹ 10000000.00 each, fully paid	–		150.75	
Carried over	1543.71	9774.63	1746.41	14061.11

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1543.71	9774.63	1746.41	14061.11
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
Housing and Urban Development Corporation Limited 3,50,000 (2020 - Nil) 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	35.52		—	
ICICI Bank Limited# 2,000 (2020 - Nil) 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	200.07		—	
Indian Railway Finance Corporation Limited 3,31,819 (2020 - Nil) 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	33.68		—	
LIC Housing Finance Limited Nil (2020 - 800) 8.35% Secured Redeemable Non-Convertible Debentures Tranche 273 Option 1 (23 October 2020) of ₹ 1000000.00 each, fully paid	—		80.24	
Nil (2020 - 750) 8.47% Secured Redeemable Non-Convertible Debentures Tranche 302 (07 July 2020) of ₹ 1000000.00 each, fully paid	—		75.18	
Nil (2020 - 250) 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid	—		25.00	
Nil (2020 - 350) 8.525% Secured Redeemable Non-Convertible Debentures Tranche 266 (24 September 2020) of ₹ 1000000.00 each, fully paid	—		35.19	
Nil (2020 - 850) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 262 (22 July 2020) of ₹ 1000000.00 each, fully paid	—		85.29	
Nil (2020 - 50) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 1 (29 July 2020) of ₹ 1000000.00 each, fully paid	—		5.02	
Nil (2020 - 100) 8.65% Secured Redeemable Non-Convertible Debentures Tranche 270 (29 September 2020) of ₹ 1000000.00 each, fully paid	—		10.06	
Nil (2020 - 700) 8.67% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 2 (26 August 2020) of ₹ 1000000.00 each, fully paid	—		69.45	
Nil (2020 - 1,250) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 290 Option 1 (21 December 2020) of ₹ 1000000.00 each, fully paid	—		126.08	
Carried over	1812.98	9774.63	2257.92	14061.11

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1812.98	9774.63	2257.92	14061.11
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
Nil (2020 - 239) 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid	–		23.92	
550 (2020 - Nil) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 294 (10 May 2021) of ₹ 1000000.00 each, fully paid	55.06		–	
100 (2020 - Nil) 8.30% Secured Redeemable Non-Convertible Debentures Tranche 304 Option 2 (15 July 2021) of ₹ 1000000.00 each, fully paid	10.02		–	
400 (2020 - Nil) 7.67% Secured Redeemable Non-Convertible Debentures Tranche 339 Option 1 (29 July 2021) of ₹ 1000000.00 each, fully paid	40.04		–	
<b>National Bank for Agriculture and Rural Development</b>				
Nil (2020 - 3,200) 6.98% Unsecured Redeemable Non-Convertible Bonds Series 18 G (30 September 2020) of ₹ 1000000.00 each, fully paid	–		318.69	
1,000 (2020 - Nil) 8.60% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bonds Series 19B (31 January 2022) of ₹ 1000000.00 each, fully paid	101.22		–	
<b>Power Finance Corporation Limited</b>				
Nil (2020 - 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	–		24.97	
Nil (2020 - 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	–		24.96	
150 (2020 - 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	15.01		–	
Nil (2020 - 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	–		24.94	
Nil (2020 - 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	–		50.00	
Nil (2020 - 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	–		280.66	
150 (2020 - 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	15.12		–	
Carried over	2049.45	9774.63	3006.06	14061.11

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	2049.45	9774.63	3006.06	14061.11
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
Nil (2020 - 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	–		40.22	
<b>REC Limited</b>				
Nil (2020 - 500) 6.87% Unsecured Listed Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 149 (24 September 2020) of ₹ 1000000.00 each, fully paid	–		49.58	
1,700 (2020 - Nil) 8.45% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 167 (22 March 2022) of ₹ 1000000.00 each, fully paid	170.27		–	
2,880 (2020 - Nil) 8.50% Unsecured Rated Listed Redeemable Non-Convertible Taxable Bond Series 177 (20 December 2021) of ₹ 1000000.00 each, fully paid	288.00		–	
<b>Small Industries Development Bank of India</b>				
2,500 (2020 - 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	250.05		–	
<b>State Bank of India<sup>#</sup></b>				
3,250 (2020 - Nil) 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	325.12		–	
1,550 (2020 - Nil) 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	154.64		–	
<b>INVESTMENT IN MUTUAL FUNDS</b>				
<b>Aditya Birla Sun Life Fixed Term Plan - Series OX (1234 Days)</b> 1,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	12.63		–	
<b>Aditya Birla Sun Life Fixed Term Plan - Series OY (1218 Days)</b> 4,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	50.78		–	
<b>Aditya Birla Sun Life Fixed Term Plan - Series OZ (1187 Days)</b> 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.25		–	
<b>Aditya Birla Sun Life Fixed Term Plan - Series PA (1177 Days)</b> 1,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	18.95		–	
<b>DSP Fixed Maturity Plan - Series 217 - 40 M</b> 1,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	12.62		–	
<b>DSP Fixed Maturity Plan - Series 220 - 40 M</b> 1,90,00,000 (2020 - Nil) Units of ₹ 10.00 each	24.00		–	
Carried over	3381.76	9774.63	3095.86	14061.11

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	3381.76	9774.63	3095.86	14061.11
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
DSP Fixed Maturity Plan - Series 221 - 40 M 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.16		–	
Franklin India Fixed Maturity Plans - Series 2 - Plan A 1,40,00,000 (2020 - Nil) Units of ₹ 10.00 each	17.66		–	
HDFC Fixed Maturity Plan 1158D February 2018 (1) - Series-39 6,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	81.86		–	
ICICI Prudential Fixed Maturity Plan - Series 81 - 1154 Days - Plan J Nil (2020 - 50,00,000) Units of ₹ 10.00 each	–		6.10	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan I 5,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	63.24		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan M 3,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	44.16		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1199 Days - Plan L 5,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	63.20		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1203 Days - Plan K 4,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	56.86		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1215 Days - Plan H 4,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	57.06		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1217 Days - Plan C 1,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	12.64		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1219 Days - Plan D 1,90,00,000 (2020 - Nil) Units of ₹ 10.00 each	24.09		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1223 Days - Plan E 1,30,00,000 (2020 - Nil) Units of ₹ 10.00 each	16.43		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1225 Days - Plan B 3,70,00,000 (2020 - Nil) Units of ₹ 10.00 each	46.86		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1236 Days - Plan A 70,00,000 (2020 - Nil) Units of ₹ 10.00 each	8.85		–	
Kotak Fixed Maturity Plan - Series 210 Nil (2020 - 1,00,00,000) Units of ₹ 10.00 each	–		11.95	
Kotak Fixed Maturity Plan - Series 212 60,00,000 (2020 - Nil) Units of ₹ 10.00 each	7.59		–	
Kotak Fixed Maturity Plan - Series 213 1,10,00,000 (2020 - Nil) Units of ₹ 10.00 each	13.92		–	
Kotak Fixed Maturity Plan - Series 214 1,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	12.67		–	
Kotak Fixed Maturity Plan - Series 215 1,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	12.71		–	
Carried over	3946.72	9774.63	3113.91	14061.11

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	3946.72	9774.63	3113.91	14061.11
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
Kotak Fixed Maturity Plan - Series 224 3,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	43.80		–	
Nippon India Fixed Horizon Fund - XXXV - Series 6 50,00,000 (2020 - Nil) Units of ₹ 10.00 each	6.34		–	
Nippon India Fixed Horizon Fund - XXXV - Series 11 50,00,000 (2020 - Nil) Units of ₹ 10.00 each	6.35		–	
Nippon India Fixed Horizon Fund - XXXV - Series 12 1,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	19.05		–	
Nippon India Fixed Horizon Fund - XXXV - Series 13 80,00,000 (2020 - Nil) Units of ₹ 10.00 each	10.14		–	
Nippon India Fixed Horizon Fund - XXXV - Series 14 1,20,00,000 (2020 - Nil) Units of ₹ 10.00 each	15.22		–	
Nippon India Fixed Horizon Fund - XXXV - Series 15 1,70,00,000 (2020 - Nil) Units of ₹ 10.00 each	21.57		–	
Nippon India Fixed Horizon Fund - XXXVI - Series 1 1,20,00,000 (2020 - Nil) Units of ₹ 10.00 each	15.17		–	
Nippon India Fixed Horizon Fund - XXXVI - Series 3 50,00,000 (2020 - Nil) Units of ₹ 10.00 each	6.31		–	
Nippon India Fixed Horizon Fund - XXXVI - Series 9 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.04		–	
SBI Debt Fund Series C-9 (1150 Days) 1,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	18.87		–	
SBI Debt Fund Series C-8 (1175 Days) 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.18		–	
SBI Debt Fund Series C-7 (1190 Days) 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.21		–	
UTI Fixed Term Income Fund - Series XXVIII - IV (1204 Days) 1,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	18.94		–	
UTI Fixed Term Income Fund - Series XXVIII - VI (1190 Days) 1,90,00,000 (2020 - Nil) Units of ₹ 10.00 each	23.97		–	
UTI Fixed Term Income Fund - Series XXVIII - VIII (1171 Days) 1,50,00,000 (2020 - Nil) Units of ₹ 10.00 each	18.94		–	
UTI Fixed Term Income Fund - Series XXVIII - IX (1168 Days) 2,00,00,000 (2020 - Nil) Units of ₹ 10.00 each	25.26		–	
<b>Aggregate amount of quoted and unquoted Investments</b>	<b>4272.08</b>	<b>9774.63</b>	<b>3113.91</b>	<b>14061.11</b>
<b>TOTAL</b>		<b>14046.71</b>		<b>17175.02</b>

Aggregate market value of quoted investments ₹ 4302.03 Crores (2020 - ₹ 3122.85 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 Financial Statements

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>10. Trade Receivables (Current)</b>		
Secured, considered good	45.32	31.65
Unsecured, considered good	2045.03	2060.35
Doubtful	161.62	137.29
Less: Allowance for doubtful receivables	161.62	137.29
<b>TOTAL</b>	<b>2090.35</b>	<b>2092.00</b>

<b>11. Cash and cash equivalents<sup>@</sup></b>		
Balances with Banks		
Current accounts	227.61	553.88
Cheques, drafts on hand	1.27	5.72
Cash on hand	2.37	2.24
<b>TOTAL</b>	<b>231.25</b>	<b>561.84</b>

<sup>@</sup> 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.

<b>12. Other bank balances</b>		
Earmarked balances	209.23	168.06
In deposit accounts*	3561.02	6113.37
<b>TOTAL</b>	<b>3770.25</b>	<b>6281.43</b>

\* 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 Financial Statements

	As at 31st March, 2021 (No. of Shares)	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (No. of Shares)	As at 31st March, 2020 (₹ in Crores)
<b>13. Equity Share capital</b>				
<b>Authorised</b>				
Ordinary Shares of ₹ 1.00 each	20,00,00,00,000	2000.00	20,00,00,00,000	2000.00
<b>Issued and Subscribed</b>				
Ordinary Shares of ₹ 1.00 each, fully paid	12,30,88,44,231	1230.88	12,29,22,31,241	1229.22
<b>A) Reconciliation of number of Ordinary Shares outstanding</b>				
As at beginning of the year	12,29,22,31,241	1229.22	12,25,86,31,601	1225.86
Add: Issue of Shares on exercise of Options	1,66,12,990	1.66	3,35,99,640	3.36
As at end of the year	<b>12,30,88,44,231</b>	<b>1230.88</b>	<b>12,29,22,31,241</b>	<b>1229.22</b>
<b>B) Shareholders holding more than 5% of the Ordinary Shares in the Company</b>				
	As at 31st March, 2021 (No. of Shares)	As at 31st March, 2021 %	As at 31st March, 2020 (No. of Shares)	As at 31st March, 2020 %
Tobacco Manufacturers (India) Limited	2,97,83,47,320	24.20	2,97,83,47,320	24.23
Life Insurance Corporation of India	1,99,75,66,067	16.23	1,99,75,40,067	16.25
Specified Undertaking of the Unit Trust of India	97,45,31,427	7.92	97,45,31,427	7.93
<b>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: Nil</b>				
<b>D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March</b>				
	<b>2021</b>		<b>2020</b>	
	(No. of Shares)		(No. of Shares)	
Bonus Shares issued in 2016-17	4,02,66,57,100		4,02,66,57,100	
<b>E) Rights, preferences and restrictions attached to the Ordinary Shares</b>				
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.				
<b>F) Shares reserved for issue under Options</b>				
	<b>As at 31st March, 2021 (No. of Shares)</b>		<b>As at 31st March, 2020 (No. of Shares)</b>	
Ordinary Shares of ₹ 1.00 each	29,18,12,920		34,58,05,430	

### 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 27(xi).

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>14. Non-current borrowings</b>		
<b>Unsecured</b>		
Deferred payment liabilities		
Sales tax deferment loans	5.28	5.63
<b>TOTAL</b>	<b>5.28</b>	<b>5.63</b>

### 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:

	Deferred Payment Liabilities	Deferred Payment Liabilities
<b>Borrowings repayable</b>		
In the first year (Refer Note 16)	0.35	2.26
<b>Current maturities of long-term debt</b>	<b>0.35</b>	<b>2.26</b>
In the second year	0.74	0.35
In the third to fifth year	4.54	3.51
After five years	–	1.77
<b>Non-current borrowings</b>	<b>5.28</b>	<b>5.63</b>

	As at 31st March, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>15. Lease Liabilities*</b>				
Lease Liabilities	51.36	272.36	64.87	259.25
<b>TOTAL</b>	<b>51.36</b>	<b>272.36</b>	<b>64.87</b>	<b>259.25</b>

\* Refer Note 27(vii)

### Movement of Lease Liabilities during the year

Particulars	31st March, 2021	31st March, 2020
Opening Lease Liabilities	324.12	344.69
New Leases recognised	55.90	26.80
Remeasurements and withdrawals	(6.63)	(3.34)
Interest expense on Lease Liabilities	28.02	28.92
Payment of Lease Liabilities	(77.69)	(72.95)
<b>Closing Lease Liabilities</b>	<b>323.72</b>	<b>324.12</b>

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>16. Other financial liabilities</b>		
<b>Non-current</b>		
Others (Includes liability in respect of cash-settled share based payments, retention money payable towards property, plant and equipment, contingent consideration on business combination etc.)	239.35	90.47
<b>TOTAL</b>	<b>239.35</b>	<b>90.47</b>
<b>Current</b>		
Current maturities of long-term debt (Refer Note 14)	0.35	2.26
Interest accrued	1.90	1.90
Unpaid dividend*	209.00	167.83
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures/bonds and interest accrued thereon**	0.30	0.30
Others (Includes liability in respect of cash-settled share based payments, payable for property, plant and equipment, derivatives designated as hedging instruments, contingent consideration on business combination etc.)	1036.62	974.95
<b>TOTAL</b>	<b>1248.17</b>	<b>1147.24</b>

\* 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, 2021 (₹ in Crores)		As at 31st March, 2020 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>17. Provisions</b>				
Provision for employee benefits [Refer Note 27(v)]				
Retirement benefits	156.53	107.91	104.88	99.69
Other benefits	12.52	49.16	13.06	44.10
<b>TOTAL</b>	<b>169.05</b>	<b>157.07</b>	<b>117.94</b>	<b>143.79</b>

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>18. Deferred tax liabilities (Net)</b>		
Deferred tax liabilities	2014.01	1914.09
Less: Deferred tax assets	286.28	296.44
<b>TOTAL</b>	<b>1727.73</b>	<b>1617.65</b>

(₹ in Crores)

Movement in deferred tax liabilities/assets balances	Opening Balance	Acquired in Business Combination	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to Profit or loss	Closing Balance
<b>2020-21</b>							
<b>Deferred Tax liabilities/assets in relation to:</b>							
On fiscal allowances on property, plant and equipment, investment property etc.	1617.33	3.79	6.86	-	-	-	1627.98
On Excise Duty/National Calamity Contingent Duty on closing stock	46.09	-	26.16	-	-	-	72.25
On cash flow hedges	(8.19)	-	-	10.44	1.26	(1.85)	1.66
Other timing differences	258.86	0.12	53.14	-	-	-	312.12
<b>Total deferred tax liabilities</b>	<b>1914.09</b>	<b>3.91</b>	<b>86.16</b>	<b>10.44</b>	<b>1.26</b>	<b>(1.85)</b>	<b>2014.01</b>
On employees' separation and retirement etc.	53.32	0.33	4.91	0.44	-	-	59.00
On provision for doubtful debts/advances	36.64	-	14.09	-	-	-	50.73
On State and Central taxes etc.	103.42	-	(39.06)	-	-	-	64.36
Other timing differences	103.06	0.06	9.07	-	-	-	112.19
<b>Total deferred tax assets</b>	<b>296.44</b>	<b>0.39</b>	<b>(10.99)</b>	<b>0.44</b>	<b>-</b>	<b>-</b>	<b>286.28</b>
<b>Deferred tax liabilities (Net)</b>	<b>1617.65</b>	<b>3.52</b>	<b>97.15</b>	<b>10.00</b>	<b>1.26</b>	<b>(1.85)</b>	<b>1727.73</b>
<b>2019-20</b>							
<b>Deferred Tax liabilities/assets in relation to:</b>							
On fiscal allowances on property, plant and equipment, investment property etc.	2204.25	-	(586.92)	-	-	-	1617.33
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	222.77	-	36.09	-	-	-	258.86
<b>Total deferred tax liabilities</b>	<b>2441.18</b>	<b>-</b>	<b>(523.36)</b>	<b>(8.16)</b>	<b>4.47</b>	<b>(0.04)</b>	<b>1914.09</b>
On employees' separation and retirement etc.	68.13	-	(26.36)	11.55	-	-	53.32
On provision for doubtful debts/advances	49.81	-	(13.17)	-	-	-	36.64
On State and Central taxes etc.	140.27	-	(36.85)	-	-	-	103.42
Other timing differences	138.83	-	(35.77)	-	-	-	103.06
<b>Total deferred tax assets</b>	<b>397.04</b>	<b>-</b>	<b>(112.15)</b>	<b>11.55</b>	<b>-</b>	<b>-</b>	<b>296.44</b>
<b>Deferred tax liabilities (Net)</b>	<b>2044.14</b>	<b>-</b>	<b>(411.21)</b>	<b>(19.71)</b>	<b>4.47</b>	<b>(0.04)</b>	<b>1617.65</b>

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>19. Other liabilities</b>		
<b>Current</b>		
Statutory Liabilities	3263.04	3184.49
Advances received from customers	994.80	885.06
Others (includes deferred revenue, accruals, customer deposits etc.)	111.16	106.36
<b>TOTAL</b>	<b>4369.00</b>	<b>4175.91</b>

## Notes to the Financial Statements

	As at 31st March, 2021 (₹ in Crores)	As at 31st March, 2020 (₹ in Crores)
<b>20. Current Tax Liabilities (Net)</b>		
Current taxation (net of advance payment)	217.06	136.71
<b>TOTAL</b>	<b>217.06</b>	<b>136.71</b>

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>21A. Revenue from operations</b>		
Sale of Products	47523.63	44497.50
Sale of Services	627.61	1826.22
Gross Revenue from sale of products and services* [including Excise Duty/National Calamity Contingent Duty of ₹ 2935.48 Crores (2020 - ₹ 1057.82 Crores)]	48151.24	46323.72
Other Operating Revenues <sup>#</sup>	373.30	483.62
<b>TOTAL</b>	<b>48524.54</b>	<b>46807.34</b>

\* Net of sales returns and damaged stocks.

<sup>#</sup> Includes Government grants received of ₹ 42.57 Crores (2020 - ₹ 119.66 Crores) on account of Service Exports from India Scheme, Merchandise Exports from India Scheme, Duty Drawback etc.

<b>21B. Gross Revenue from sale of products and services*</b>		
<b>FMCG</b>		
– Cigarettes etc.	20333.12	21201.74
– Branded Packaged Food Products	12241.14	10377.73
– Others (Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis, Apparel etc.)	2467.48	2436.00
<b>Hotels</b>		
– Hotels Sales/Income from Hotel Services	623.59	1823.41
<b>Agri Business</b>		
– Unmanufactured Tobacco	1420.51	1464.71
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua etc.)	6445.55	4439.68
<b>Paperboards, Paper and Packaging</b>		
– Paperboards and Paper	4019.53	4022.47
– Printed Materials	600.32	557.98
<b>TOTAL</b>	<b>48151.24</b>	<b>46323.72</b>

\* Net of sales returns and damaged stocks.

## Notes to the Financial Statements

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>22. Other income</b>		
Interest income	1224.82	1438.87
Dividend income	723.94	551.11
Other non-operating income	141.36	90.11
Other gains and losses	1160.87	933.57
<b>TOTAL</b>	<b>3250.99</b>	<b>3013.66</b>
Interest income:		
a) Deposits with banks etc. - carried at amortised cost	310.82	460.94
b) Financial assets mandatorily measured at FVTPL	119.04	121.61
c) Other financial assets measured at amortised cost	698.27	842.38
d) Others (from statutory authorities etc.)	96.69	13.94
<b>TOTAL</b>	<b>1224.82</b>	<b>1438.87</b>
Dividend income:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	0.02	7.72
b) Other investments	723.92	543.39
<b>TOTAL</b>	<b>723.94</b>	<b>551.11</b>
Other gains and losses:		
Net foreign exchange gain/(loss)	(1.27)	23.77
Net gain/(loss) arising on financial instruments mandatorily measured at FVTPL*	1162.14	919.80
Impairment of investment in joint venture	-	(10.00)
<b>TOTAL</b>	<b>1160.87</b>	<b>933.57</b>
* Includes ₹ 353.96 Crores (2020 - ₹ 211.24 Crores) being net gain/(loss) on sale of investments.		
<b>23. Employee benefits expense</b>		
Salaries and wages	2423.33	2176.01
Contribution to Provident and other funds	182.14	181.99
Share based payments to employees {Includes cash-settled share based payments ₹ 29.54 Crores [2020 - ₹ (10.19) Crores]}	56.69	95.58
Staff welfare expenses	197.49	239.91
	2859.65	2693.49
Less: Recoveries made/reimbursements received	38.70	35.28
<b>TOTAL</b>	<b>2820.95</b>	<b>2658.21</b>
<b>24. Finance costs</b>		
Interest expense:		
- On Lease Liabilities	27.93	28.92
- On other financial liabilities measured at amortised cost	2.04	2.76
- Others	17.50	24.04
<b>TOTAL</b>	<b>47.47</b>	<b>55.72</b>

## Notes to the Financial Statements

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>25. Other Expenses</b>		
Power and fuel	672.11	744.55
Consumption of stores and spare parts	266.68	302.00
Contract processing charges	671.80	834.51
Rent	211.59	247.06
Rates and taxes	81.64	137.73
Insurance	125.33	93.06
Repairs		
– Buildings	48.30	70.99
– Machinery	224.09	248.95
– Others	41.02	67.92
Maintenance and upkeep	225.72	278.09
Outward freight and handling charges	1312.09	1220.15
Warehousing charges	160.45	159.77
Advertising/Sales promotion	1083.51	979.71
Market research	122.02	143.43
Design and product development	44.96	47.71
Hotel reservation/Marketing expenses	14.58	42.11
Retail accessories	134.35	128.21
Brokerage and discount - sales	15.33	16.35
Commission to selling agents	14.62	8.03
Doubtful and bad debts	26.02	16.17
Doubtful and bad advances, loans and deposits	33.04	(1.71)
Bank and credit card charges	11.47	24.72
Information technology services	247.41	267.06
Travelling and conveyance	139.07	267.87
Training and development	11.02	24.03
Legal expenses	21.25	44.04
Consultancy/Professional fees	135.01	163.24
Postage, telephone etc.	17.39	19.08
Printing and stationery	9.74	17.33
Loss on sale of property, plant and equipment - Net	56.04	56.08
Loss on sale of stores and spare parts - Net	5.03	2.88
Miscellaneous expenses <sup>@</sup>	984.41	1150.99
<b>TOTAL</b>	<b>7167.09</b>	<b>7822.11</b>
<b>Miscellaneous expenses include:</b>		
(1) Auditors' remuneration and expenses*		
Audit fees	2.95	2.95
Tax audit fees	0.60	0.60
Fees for limited review	1.17	1.17
Fees for other services <sup>#</sup>	0.40	0.57
Reimbursement of expenses	0.15	0.57
(2) Cost auditors' fees	0.11	0.10

\* Excluding taxes.

<sup>#</sup> Auditors' remuneration for current year excludes remuneration for services amounting to ₹ 2.01 Crores (2020 - ₹ 1.21 Crores) rendered by network firm/entity which is a part of the network of which auditor is a member firm. Figures of previous year includes remuneration of ₹ 0.47 Crore paid to erstwhile auditor.

<sup>@</sup> Includes Contributions amounting - Nil (2020 - ₹ 73.81 Crores) made under Section 182 of the Companies Act, 2013.



## Notes to the Financial Statements

	For the year ended 31st March, 2021 (₹ in Crores)	For the year ended 31st March, 2020 (₹ in Crores)
<b>26. Income Tax Expenses</b>		
<b>A. Amount recognised in profit or loss</b>		
<b>Current tax</b>		
Income tax for the year	3960.45	4581.16
Adjustments/(credits) related to previous years - Net	74.91	(139.19)
<b>Total current tax</b>	<b>4035.36</b>	<b>4441.97</b>
<b>Deferred tax</b>		
Deferred tax for the year	172.06	(429.88)
Adjustments/(credits) related to previous years - Net	(74.91)	18.67
<b>Total deferred tax</b>	<b>97.15</b>	<b>(411.21)</b>
<b>TOTAL</b>	<b>4132.51</b>	<b>4030.76</b>
<b>B. Amount recognised in other comprehensive income</b>		
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		
Remeasurements gains/(losses) on defined benefit plans	0.44	11.55
Equity instruments through other comprehensive income	(1.62)	-
Related to designated portion of hedging instruments in cash flow hedges	1.67	(1.93)
	<b>0.49</b>	<b>9.62</b>
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	(10.26)	10.13
<b>TOTAL</b>	<b>(9.77)</b>	<b>19.75</b>
<b>C. Amount recognised directly in equity</b>		
The income tax (charged)/credited directly to equity during the year is as follows:		
<b>Deferred tax</b>		
Arising on gains/(losses) of hedging instruments in cash flow hedges transferred to the initial carrying amounts of hedged items	1.26	4.47
<b>TOTAL</b>	<b>1.26</b>	<b>4.47</b>
<b>D. Reconciliation of effective tax rate</b>		
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax</b>	17164.15	19166.81
Income Tax expense calculated @ 25.168% (2020- 25.168%)	4319.87	4823.90
Effect of remeasurement of Deferred Tax Liabilities (net) as on 31st March, 2019*	-	(563.93)
Effect of tax relating to uncertain tax positions	25.59	46.25
Effect of different tax rate on certain items	(80.21)	(131.56)
Effect of Income not taxable	(82.39)	(131.01)
Other differences	(50.35)	107.63
<b>Total</b>	<b>4132.51</b>	<b>4151.28</b>
Adjustments recognised in the current year in relation to the current tax of prior years	-	(120.52)
<b>Income Tax recognised in profit or loss</b>	<b>4132.51</b>	<b>4030.76</b>

The tax rate of 25.168% (22% + surcharge @10% and cess @4%) used for the year 2020-21 and 2019-20 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 Financial Statements

## 27. Additional Notes to the Financial Statements

		2021	2020
(i)	Earnings per share:		
Earnings per share has been computed as under:			
(a)	Profit for the year (₹ in Crores)	13031.64	15136.05
(b)	Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,30,12,07,984	12,27,93,39,192
(c)	Effect of potential Ordinary shares on Employee Stock Options outstanding	12,73,424	1,31,85,149
(d)	Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,30,24,81,408	12,29,25,24,341
(e)	Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
	– Basic [(a)/(b)]	10.59	12.33
	– Diluted [(a)/(d)]	10.59	12.31

(ii) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 353.46 Crores (2020 - ₹ 326.49 Crores) comprising employee benefits expense of ₹ 14.96 Crores (2020 - ₹ 9.69 Crores) and other expenses of ₹ 338.50 Crores (2020 - ₹ 316.80 Crores), of which ₹ 11.94 Crores (2020 - ₹ 26.66 Crores) is accrued for payment as on 31st March, 2021. Such CSR expenditure of ₹ 353.46 Crores (2020 - ₹ 326.49 Crores) excludes ₹ 5.72 Crores (2020 - ₹ 11.83 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 7(1) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 for such expenses.

(iii) Research and Development expenses for the year amount to ₹ 131.22 Crores (2020 - ₹ 141.55 Crores).

(iv) Contingent liabilities and commitments:

### (a) Contingent liabilities

Claims against the Company not acknowledged as debts ₹ 884.97 Crores (2020 - ₹ 735.31 Crores), including interest on claims, where applicable, estimated to be ₹ 257.55 Crores (2020 - ₹ 233.50 Crores). These comprise:

- Excise duty, VAT/sales taxes, GST and other indirect taxes claims disputed by the Company relating to issues of applicability and classification aggregating ₹ 608.26 Crores (2020 - ₹ 573.99 Crores), including interest on claims, where applicable, estimated to be ₹ 245.88 Crores (2020 - ₹ 222.46 Crores).
- Local Authority taxes/cess/royalty on property, utilities, etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 231.50 Crores (2020 - ₹ 117.72 Crores), including interest on claims, where applicable, estimated to be ₹ 5.40 Crores (2020 - ₹ 5.29 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 32.41 Crores (2020 - ₹ 32.28 Crores), including interest on claims, where applicable, estimated to be ₹ 0.88 Crore (2020 - ₹ 0.75 Crore).
- Other matters ₹ 12.80 Crores (2020 - ₹ 11.32 Crores), including interest on other matters, where applicable, estimated to be ₹ 5.39 Crores (2020 - ₹ 5.00 Crores).

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

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

### (b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 1398.30 Crores (2020 - ₹ 1563.33 Crores).
- Uncalled liability on investments partly paid is ₹ 55.88 Crores (2020 - ₹ 59.10 Crores).

### (v) (a) Defined Benefit Plans/Long Term Compensated Absences:-

#### Description of Plans

The Company 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, Pension and Gratuity Benefits are funded 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. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation. Some Group companies also participate in these Plans. These participating Group companies make contributions to the Plans for their respective employees on a uniform basis and each entity ascertains their obligation through actuarial valuation. The net Defined Benefit cost is recognised by these companies in their respective Financial Statements.

#### Risk Management

The Defined Benefit Plans expose the Company 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 Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

		For the year ended 31st March, 2021 (₹ in Crores)			For the year ended 31st March, 2020 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
<b>I</b>	<b>Components of Employer Expense</b>						
	<b>– Recognised in the Statement of Profit and Loss</b>						
1	Current Service Cost	49.90	31.59	9.21	45.71	30.71	8.95
2	Past Service Cost	–	–	–	–	–	–
3	Net Interest Cost	(0.13)	(0.18)	7.33	(5.87)	(2.86)	7.39
4	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>49.77</b>	<b>31.41</b>	<b>16.54</b>	<b>39.84</b>	<b>27.85</b>	<b>16.34</b>
	<b>– Re-measurements recognised in Other Comprehensive Income</b>						
5	Return on plan assets (excluding amounts included in Net Interest Cost)	(40.28)	(4.33)	–	9.17	(0.92)	–
6	Effect of changes in demographic assumptions	–	–	–	10.74	0.68	0.56
7	Effect of changes in financial assumptions	–	–	–	69.62	35.65	11.70
8	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
9	Effect of experience adjustments	68.63	0.84	5.24	(10.34)	(2.84)	1.07
10	<b>Total re-measurements included in Other Comprehensive Income</b>	<b>28.35</b>	<b>(3.49)</b>	<b>5.24</b>	<b>79.19</b>	<b>32.57</b>	<b>13.33</b>
11	<b>Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (4+10)</b>	<b>78.12</b>	<b>27.92</b>	<b>21.78</b>	<b>119.03</b>	<b>60.42</b>	<b>29.67</b>
<p>The current service cost, past 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 23. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.</p>							
(₹ in Crores)							
		<b>Pension</b>	<b>Gratuity</b>	<b>Leave Encashment</b>	Pension	Gratuity	Leave Encashment
<b>II</b>	<b>Actual Returns</b>	90.51	27.01	–	49.32	26.69	–
<b>III</b>	<b>Net Asset/(Liability) recognised in Balance Sheet</b>						
1	Present Value of Defined Benefit Obligation	933.22	396.43	133.52	838.37	377.93	122.67
2	Fair Value of Plan Assets	822.53	376.20	–	784.83	349.57	–
3	Status [Surplus/(Deficit)]	(110.69)	(20.23)	(133.52)	(53.54)	(28.36)	(122.67)
4	Restrictions on Asset Recognised	–	–	–	–	–	–

## Notes to the Financial Statements

### 27. Additional Notes to the Financial Statements (Contd.)

(₹ in Crores)

5	Net Asset/(Liability) recognised in Balance Sheet	As at 31st March, 2021		As at 31st March, 2020	
		Current	Non-current	Current	Non-current
	– Pension	(110.69)	–	(53.54)	–
	– Gratuity	(20.23)	–	(28.36)	–
	– Leave Encashment	(25.61)	(107.91)	(22.98)	(99.69)

IV	Change in Defined Benefit Obligation (DBO)	For the year ended 31st March, 2021 (₹ in Crores)			For the year ended 31st March, 2020 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of DBO at the beginning of the year	838.37	377.93	122.67	733.03	320.10	103.98
2	Current Service Cost	49.90	31.59	9.21	45.71	30.71	8.95
3	Past Service Cost	–	–	–	–	–	–
4	Interest Cost	50.10	22.50	7.33	52.62	22.91	7.39
5	Remeasurement gains/(losses):						
a.	Effect of changes in demographic assumptions	–	–	–	10.74	0.68	0.56
b.	Effect of changes in financial assumptions	–	–	–	69.62	35.65	11.70
c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
d.	Effect of experience adjustments	68.63	0.84	5.24	(10.34)	(2.84)	1.07
6	Curtailment Cost/(Credits)	–	–	–	–	–	–
7	Settlement Cost/(Credits)	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	2.59	–	–	–	–
9	Effects of transfer In/(Out)	(0.06)	–	–	(0.29)	–	–
10	Benefits Paid	(73.72)	(39.02)	(10.93)	(62.72)	(29.28)	(10.98)
11	<b>Present Value of DBO at the end of the year</b>	<b>933.22</b>	<b>396.43</b>	<b>133.52</b>	<b>838.37</b>	<b>377.93</b>	<b>122.67</b>

(₹ in Crores)

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2021	As at 31st March, 2020
	– Pension	164.33	135.40
	– Gratuity	60.35	51.40

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

VI	Change in Fair Value of Assets	For the year ended 31st March, 2021 (₹ in Crores)			For the year ended 31st March, 2020 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Plan Assets at the beginning of the year	784.83	349.57	–	775.01	337.63	–
2	Assets acquired in Business Combination	–	1.88	–	–	–	–
3	Interest Income	50.23	22.68	–	58.49	25.77	–
4	Remeasurement Gains/(Losses) on plan assets	40.28	4.33	–	(9.17)	0.92	–
5	Actual Company Contributions	20.97	36.76	–	23.51	14.53	–
6	Benefits Paid	(73.72)	(39.02)	–	(62.72)	(29.28)	–
7	Effects of transfer In/(Out)	(0.06)	–	–	(0.29)	–	–
8	<b>Plan Assets at the end of the year</b>	<b>822.53</b>	<b>376.20</b>	<b>–</b>	<b>784.83</b>	<b>349.57</b>	<b>–</b>

VII	Actuarial Assumptions	As at 31st March, 2021	As at 31st March, 2020
		Discount Rate (%)	Discount Rate (%)
1	Pension	6.25	6.25
2	Gratuity	6.25	6.25
3	Leave Encashment	6.25	6.25

The estimates of future salary increases, generally between 4% to 5%, 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, 2021	As at 31st March, 2020
1	Government Securities/Special Deposit with RBI	24.25%	25.80%
2	High Quality Corporate Bonds	11.50%	15.00%
3	Insurer Managed Funds*	53.19%	46.79%
4	Mutual Funds	3.51%	2.21%
5	Cash and Cash Equivalents	5.74%	7.63%
6	Term Deposits	1.81%	2.57%

\* 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 Company.

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

<b>IX</b>	<b>Basis used to determine the Expected Rate of Return on Plan Assets</b>
	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 optimize 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, 2021 (₹ in Crores)			For the year ended 31st March, 2020 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	933.22	396.43	133.52	838.37	377.93	122.67
2	Fair Value of Plan Assets	822.53	376.20	–	784.83	349.57	–
3	Status [Surplus/(Deficit)]	(110.69)	(20.23)	(133.52)	(53.54)	(28.36)	(122.67)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	40.28	4.33	–	(9.17)	0.92	–
5	Experience Adjustment of obligation [(Gain)/Loss]	68.63	0.84	5.24	(10.34)	(2.84)	1.07

<b>XI</b>	<b>Sensitivity Analysis</b>
	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.

(₹ in Crores)

		DBO as at 31st March, 2021	DBO as at 31st March, 2020
1	Discount Rate + 100 basis points	1378.32	1258.30
2	Discount Rate – 100 basis points	1559.76	1430.79
3	Salary Increase Rate + 1%	1549.04	1420.95
4	Salary Increase Rate – 1%	1386.12	1265.43

Maturity Analysis of the Benefit Payments		As at 31st March, 2021	As at 31st March, 2020
1	Year 1	238.72	201.87
2	Year 2	179.18	181.39
3	Year 3	114.90	125.52
4	Year 4	122.60	102.66
5	Year 5	142.90	107.86
6	Next 5 Years	441.21	449.17

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 23: ₹ 100.96 Crores (2020 - ₹ 114.30 Crores).

(vi) Transactions with subsidiaries of TMI's [Tobacco Manufacturers (India) Limited] ultimate parent company comprise Sale of goods/services ₹ 758.00 Crores (2020 - ₹ 696.30 Crores), Dividend payments ₹ 971.52 Crores (2020 - ₹ 368.73 Crores), Others ₹ 28.58 Crores (2020 - ₹ 27.33 Crores).

(vii) Leases:

As a Lessee

The Company'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.

The amount of ROU Assets and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 3G and Note 15 respectively. The total cash outflow for leases for the year is ₹ 373.38 Crores (2020 - ₹ 424.06 Crores) [including payments of ₹ 295.00 Crores (2020 - ₹ 346.79 Crores) in respect of short-term/low-value leases and variable lease payments of ₹ 0.69 Crore (2020 - ₹ 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	As at 31st March, 2021	As at 31st March, 2020
Not later than three years	177.64	187.26
Later than three years and not later than ten years	169.20	159.54
Later than ten years and not later than twenty five years	219.49	223.44
Later than twenty five years and not later than fifty years	216.76	218.28
Later than fifty years	203.64	195.28

As a Lessor

The Company has leased out its investment properties etc. under operating lease for periods ranging upto 30 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 3C and Note 22. The Company 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	As at 31st March, 2021	As at 31st March, 2020
1 <sup>st</sup> year	91.40	98.94
2 <sup>nd</sup> year	17.18	90.23
3 <sup>rd</sup> year	1.10	17.69
4 <sup>th</sup> year	0.56	0.57
5 <sup>th</sup> year	0.58	Nil
Beyond 5 years	27.57	Nil



# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

- (viii) Under the terms of the Joint Venture Agreement (JVA), Logix Developers Private Limited (LDPL) was to develop a luxury hotel-cum-service apartment complex. However, Logix Estates Private Limited, Noida, the JV partner communicated its intention to explore alternative development plans to which the Company reiterated that it was committed only to the project as envisaged in the JVA. The JV partner refused to progress the project and instead expressed its intent to exit the JV by selling its stake to the Company and subsequently proposed that both parties should find a third party to sell the entire shareholding in LDPL. The resultant deadlock has stalled the project. The Company's petition that the affairs of the JV are being conducted in a manner that is prejudicial to the interest of the Company and the JV entity, as also a petition for winding up of LDPL filed by Logix Estates, are currently before the Hon'ble National Company Law Tribunal. The financial statements of LDPL for the year ended 31st March, 2021 are yet to be approved by its Board of Directors.
- (ix) The Company on 27th July, 2020, acquired, in an all cash deal, 100% of the equity share capital of Sunrise Foods Private Limited (Sunrise), an Indian company primarily engaged in the business of spices under the trademark 'Sunrise'. The Scheme of Amalgamation of Sunrise with the Company was sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench, vide order dated 26th February, 2021 and became effective from 1st April, 2021, with the Appointed Date being 27th July, 2020.

Further, pursuant to the amalgamation of Sunrise, its wholly owned subsidiaries viz., Hobbits International Foods Private Limited and Sunrise Sheetgrah Private Limited, have become direct wholly owned subsidiaries of the Company with effect from the Appointed Date. Necessary petition for amalgamation of these subsidiaries with the Company is pending before the Hon'ble National Company Law Tribunal, Allahabad Bench.

The amalgamation has been accounted for using the acquisition method prescribed under Ind AS 103 – 'Business Combinations', and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognised as Goodwill.

The total purchase consideration (including fair value of contingent consideration of ₹ 134.93 Crores) is ₹ 2340.10 Crores. The fair value of identifiable assets acquired and liabilities assumed on acquisition are as follows:

Particulars	₹ in Crores
Tangible assets	69.72
Right of use assets	9.99
Other intangible assets	1508.61
Investments in subsidiaries	12.96
Trade receivables	28.32
Other assets (net)	133.30
<b>Sub Total</b>	<b>1762.90</b>
Goodwill#	577.20
<b>Total</b>	<b>2340.10</b>

# Goodwill is attributed to the potential of growing the brand nationally, assembled workforce, expected operating synergies etc. Goodwill has not been considered as a depreciable asset for income tax purpose.

As a part of the acquisition, contingent consideration of an amount not exceeding ₹ 150.00 Crores (undiscounted value) is payable to the Sellers of Sunrise in two annual tranches on the business achieving mutually agreed operational and financial milestones. The fair value of contingent consideration as on 31st March, 2021 is ₹ 139.51 Crores.

- (x) The Company on 17th September, 2020 acquired, in the second tranche, 1964 Compulsorily Convertible Preference Shares of ₹ 10/- each of Delectable Technologies Private Limited (Delectable), consequent to which the Company's shareholding in Delectable aggregated 20.06% of its share capital on a fully diluted basis. Accordingly, Delectable has become an associate of the Company and the investment is being carried at cost.

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

(xi) 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 ( <i>Adjusted for Bonus Shares issued in terms of Shareholders approval</i> )	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"> <li>On completion of 12 months from the date of grant of the Options : 30% vests</li> <li>On completion of 24 months from the date of grant of the Options : 30% vests</li> <li>On completion of 36 months from the date of grant of the Options : 40% vests</li> </ul>	
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 under the aforesaid Regulations.	
5.	Maximum term of Options granted	Five years - the exercise period commences from the date of vesting of the Options granted and expires at the end of five 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 2020-21 is ₹ 27.15 Crores (2020 - ₹ 105.77 Crores); for the group entities, such compensation cost is ₹ (0.49) Crore (2020 - ₹ 8.27 Crores).	
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	In addition to the terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore, 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.	
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 : ₹ 1,699.20 Weighted average fair value per Option : ₹ 253.87	

## Notes to the Financial Statements

### 27. Additional Notes to the Financial Statements (Contd.)

SI. 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	:	3,85,880		3,41,94,663	
	b) Options granted during the year	:	1,19,650		6,18,250	
	c) Options cancelled and lapsed during the year	:	34,942		44,40,910	
	d) Options vested and exercisable during the year (net of Options lapsed and exercised)	:	40,647		25,44,818	
	e) Options exercised during the year	:	58,000		16,03,299	
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	:	5,80,000		1,60,32,990	
	g) Options outstanding at the end of the year (a+b-c-e)	:	4,12,588		2,87,68,704	
	h) Options exercisable at the end of the year	:	2,92,938		2,75,56,418	
	i) Money realised by exercise of the Options during the year (₹ in Crores)	:	9.65		281.00	
12.	Summary of the status of Options:	:				
	<b>Particulars</b>		<b>As at 31st March, 2021</b>		<b>As at 31st March, 2020</b>	
			<b>No. of Options</b>	<b>Weighted Average Exercise Prices (₹)</b>	<b>No. of Options</b>	<b>Weighted Average Exercise Prices (₹)</b>
	Outstanding at the beginning of the year	:	3,45,80,543	2364.54	3,81,90,906	2321.75
	Add: Granted during the year	:	7,37,900	1699.20	4,60,950	2510.50
	Less: Lapsed during the year	:	44,75,852	2236.28	7,11,349	2540.29
	Less: Exercised during the year	:	16,61,299	1749.52	33,59,964	1861.02
	Outstanding at the end of the year	:	2,91,81,292	2402.40	3,45,80,543	2364.54
	Options exercisable at the end of the year	:	2,78,49,356	2416.25	3,12,75,682	2316.88

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

13.	Weighted average share price of Shares arising upon exercise of Options	:	The weighted average share price of Shares, arising upon exercise of Options during the year ended 31st March, 2021, was ₹ 198.13 (2020 - ₹ 258.84). This was 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).														
14.	Summary of Options outstanding, scheme-wise:																
	<b>Particulars</b>	<b>As at 31st March, 2021</b>			<b>As at 31st March, 2020</b>												
		<b>No. of Options Outstanding</b>	<b>Range of Exercise Prices (₹)</b>	<b>Weighted average remaining contractual life</b>	<b>No. of Options Outstanding</b>	<b>Range of Exercise Prices (₹)</b>	<b>Weighted average remaining contractual life</b>										
	ITC Employee Stock Option Scheme - 2006	:	4,12,588	1698.00 – 2885.50	3.45	3,85,880	1663.00 – 2885.50	2.45									
	ITC Employee Stock Option Scheme - 2010	:	2,87,68,704	1698.00 – 2885.50	2.12	3,41,94,663	1663.00 – 2885.50	2.59									
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	:	<p>The fair value of each Option is estimated using the Black Scholes Option Pricing model.</p> <p>Weighted average exercise price per Option : ₹ 1,699.20</p> <p>Weighted average fair value per Option : ₹ 253.87</p>														
	The significant assumptions used to ascertain the above	:	<p>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:</p> <table border="0"> <tr> <td>(i) Risk-free interest rate</td> <td>5.19%</td> </tr> <tr> <td>(ii) Expected life</td> <td>4.60 years</td> </tr> <tr> <td>(iii) Expected volatility</td> <td>24.48%</td> </tr> <tr> <td>(iv) Expected dividends</td> <td>5.81%</td> </tr> <tr> <td>(v) The price of the underlying shares in market at the time of Option grant</td> <td>₹ 1,699.20</td> </tr> </table> <p>(One Option = 10 Ordinary Shares)</p>					(i) Risk-free interest rate	5.19%	(ii) Expected life	4.60 years	(iii) Expected volatility	24.48%	(iv) Expected dividends	5.81%	(v) The price of the underlying shares in market at the time of Option grant	₹ 1,699.20
(i) Risk-free interest rate	5.19%																
(ii) Expected life	4.60 years																
(iii) Expected volatility	24.48%																
(iv) Expected dividends	5.81%																
(v) The price of the underlying shares in market at the time of Option grant	₹ 1,699.20																
16.	Methodology for determination of expected volatility.	:	<p>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.</p>														

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements (Contd.)

17	Options granted to	:	As provided below:-		
	(a) Senior managerial personnel				
			<b>Name</b>	<b>Designation</b>	<b>No. of Options granted during the financial year 2020-21</b>
		1	S. Puri	Chairman & Managing Director	1,09,700
		2	N. Anand	Executive Director	54,850
		3	B. Sumant	Executive Director	54,850
		4	R. Tandon	Executive Director	54,850
		5	Supratim Dutta	Chief Financial Officer	9,050
		6	H. Malik	Divisional Chief Executive (FBD)	9,050
		7	A. K. Rajput	Senior Vice President - Corporate Affairs	11,100
		8	S. Rangrass	Group Head - LS&T, Central Projects, EHS & Quality Assurance	7,250
		9	S. K. Singh	Group Head - Paper & Packaging	13,250
	10	S. Sivakumar	Group Head - Agri Business	13,250	
	11	R. K. Singhi	Executive Vice President & Company Secretary	6,300	
<i>The Optionees were granted Options on 5th November, 2020 at the exercise price of ₹ 1,698.00 per Option.</i>					
	(b) Any other employee who received a grant on any one year of Options amounting to 5% or more of the Options granted during the year.	:		None	
	(c) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	:		None	

**Abbreviations denote :**

FBD	Foods Business Division
LS&T	Life Sciences & Technology
EHS	Environment, Health & Safety

(xii) 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, 2021 is 52,96,190 (2020 - 55,33,730) and the weighted average fair value at measurement date is ₹ 162.39 (2020 - ₹ 67.08) 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 2020-21 is ₹ 29.54 Crores [2020 - ₹ (10.19) Crores] and ₹ 1.31 Crores [2020 - ₹ (0.41) Crore] for group entities (Refer Note 23). The amount carried in the Balance Sheet as a non - current financial liability is ₹ 33.13 Crores (2020 - ₹ 8.01 Crores) and as current financial liability is ₹ 4.08 Crores (2020 - ₹ 0.06 Crore) (Refer Note 16).

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

A sum of ₹ 76.92 Crores is payable to Micro and Small Enterprises as at 31st March, 2021 (2020 - ₹ 51.35 Crores). The above amount comprises ₹ 59.34 Crores (2020 - ₹ 34.67 Crores) on account of trade payables and ₹ 17.58 Crores (2020 - ₹ 16.68 Crores) on account of liabilities other than trade payables. There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days during the year and also as at 31st March, 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

(xiv) The financial statements were approved for issue by the Board of Directors on 1st June, 2021.

# Notes to the Financial Statements

## 28. Segment Reporting

(₹ in Crores)

	2021			2020		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>1. Segment Revenue - Gross</b>						
FMCG - Cigarettes	20333.12	–	20333.12	21201.74	–	21201.74
FMCG - Others	14708.62	19.59	14728.21	12813.73	30.50	12844.23
<b>FMCG - Total</b>	<b>35041.74</b>	<b>19.59</b>	<b>35061.33</b>	<b>34015.47</b>	<b>30.50</b>	<b>34045.97</b>
Hotels	623.59	3.92	627.51	1823.41	13.87	1837.28
Agri Business	7866.06	4716.18	12582.24	5904.39	4336.33	10240.72
Paperboards, Paper and Packaging	4619.85	998.70	5618.55	4580.45	1526.73	6107.18
<b>Segment Total</b>	<b>48151.24</b>	<b>5738.39</b>	<b>53889.63</b>	<b>46323.72</b>	<b>5907.43</b>	<b>52231.15</b>
Eliminations			(5738.39)			(5907.43)
<b>Gross Revenue from sale of products and services</b>			<b>48151.24</b>			<b>46323.72</b>
<b>2. Segment Results</b>						
FMCG - Cigarettes			12720.41			14852.55
FMCG - Others			832.69			423.05
<b>FMCG - Total</b>			<b>13553.10</b>			<b>15275.60</b>
Hotels			(534.91)			157.75
Agri Business			820.74			788.92
Paperboards, Paper and Packaging			1098.68			1305.33
<b>Segment Total</b>			<b>14937.61</b>			<b>17527.60</b>
Eliminations			44.76			(37.54)
<b>Total</b>			<b>14982.37</b>			<b>17490.06</b>
Unallocated corporate expenses net of unallocated income			829.53			1059.66
<b>Profit before interest etc. and taxation</b>			<b>14152.84</b>			<b>16430.40</b>
Finance Costs			47.47			55.72
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			3058.78			2924.24
Exceptional items			–			(132.11)
<b>Profit before tax</b>			<b>17164.15</b>			<b>19166.81</b>
Tax expense			4132.51			4030.76
<b>Profit for the year</b>			<b>13031.64</b>			<b>15136.05</b>
<b>3. Other Information</b>						
	2021		2020			
	Segment Assets	Segment Liabilities	Segment Assets	Segment Liabilities		
FMCG - Cigarettes	6737.04	4469.56	6903.91	3991.11		
FMCG - Others	11392.40	2534.55	8694.53	2133.61		
<b>FMCG - Total</b>	<b>18129.44</b>	<b>7004.11</b>	<b>15598.44</b>	<b>6124.72</b>		
Hotels	6525.59	769.31	6646.08	858.06		
Agri Business	5004.19	1158.87	4030.59	1098.29		
Paperboards, Paper and Packaging	7244.53	1080.26	6823.85	764.73		
<b>Segment Total</b>	<b>36903.75</b>	<b>10012.55</b>	<b>33098.96</b>	<b>8845.80</b>		
Unallocated Corporate Assets/Liabilities	34676.79	2563.41	42136.40	2360.40		
<b>Total</b>	<b>71580.54</b>	<b>12575.96</b>	<b>75235.36</b>	<b>11206.20</b>		

# Notes to the Financial Statements

## 28. Segment Reporting (Contd.)

(₹ in Crores)

	2021		2020	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	79.95	263.74	129.92	272.57
FMCG - Others	475.07	484.13	838.64	490.96
<b>FMCG - Total</b>	<b>555.02</b>	<b>747.87</b>	<b>968.56</b>	<b>763.53</b>
Hotels	201.08	266.31	721.25	262.13
Agri Business	38.57	75.36	54.79	72.80
Paperboards, Paper and Packaging	775.40	359.81	247.86	357.51
<b>Segment Total</b>	<b>1570.07</b>	<b>1449.35</b>	<b>1992.46</b>	<b>1455.97</b>
Unallocated	71.96	112.48	322.45	107.30
<b>Total</b>	<b>1642.03</b>	<b>1561.83</b>	<b>2314.91</b>	<b>1563.27</b>
	Non Cash expenditure other than depreciation		Non Cash expenditure other than depreciation	
FMCG - Cigarettes		21.87		10.96
FMCG - Others		60.46		52.12
<b>FMCG - Total</b>		<b>82.33</b>		<b>63.08</b>
Hotels		4.71		10.18
Agri Business		0.07		0.01
Paperboards, Paper and Packaging		38.25		13.40
<b>Segment Total</b>		<b>125.36</b>		<b>86.67</b>

### GEOGRAPHICAL INFORMATION

	2021	2020
<b>1. Revenue from external customers</b>		
– Within India	42974.35	43261.67
– Outside India	5176.89	3062.05
<b>Total</b>	<b>48151.24</b>	<b>46323.72</b>
<b>2. Non-current assets</b>		
– Within India	26739.91	24662.45
– Outside India	0.01	0.01
<b>Total</b>	<b>26739.92</b>	<b>24662.46</b>

### NOTES:

- The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The 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 : Others  Hotels Paperboards, Paper and Packaging Agri Business	– Cigarettes, Cigars, etc. – 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. – Hoteliering. – Paperboards, Paper including Specialty Paper and Packaging including Flexibles. – Agri commodities such as soya, spices, coffee and leaf tobacco.
--	--
- The geographical information considered for disclosure are:
 

– Sales within India. – Sales outside India.
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- 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 the 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 enterprise as a whole, the charge thereof do not form part of the segment performance reviewed by the Corporate Management Committee.
- The Company 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 Financial Statements

## 29. Related Party Disclosures

### 1. ENTERPRISES WHERE CONTROL EXISTS:

#### Subsidiaries:

- a) Srinivasa Resorts Limited
- b) Fortune Park Hotels Limited
- c) Bay Islands Hotels Limited
- d) WelcomHotels Lanka (Private) Limited, Sri Lanka
- e) Landbase India Limited
- f) Russell Credit Limited and its subsidiary  
Greenacre Holdings Limited
- g) Technico Pty Limited, Australia and its subsidiaries  
Technico Technologies Inc., Canada  
Technico Asia Holdings Pty Limited, Australia and its subsidiary  
Technico Horticultural (Kunming) Co. Limited, China
- h) Technico Agri Sciences Limited
- i) Wimco Limited
- j) Pavan Poplar Limited
- k) Prag Agro Farm Limited
- l) ITC Infotech India Limited and its subsidiaries  
ITC Infotech Limited, UK  
ITC Infotech (USA), Inc. and its subsidiary  
Indivate Inc., USA
- m) Gold Flake Corporation Limited
- n) ITC Investments & Holdings Limited and its subsidiary  
MRR Trading & Investment Company Limited
- o) Surya Nepal Private Limited
- p) North East Nutrients Private Limited
- q) ITC IndiVision Limited (w.e.f. 29.07.2020)
- r) Sunrise Sheetgrah Private Limited (w.e.f. 27.07.2020)
- s) Hobbits International Foods Private Limited (w.e.f. 27.07.2020)

### 2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS

#### i) Associates & Joint Ventures:

##### Associates

- a) Gujarat Hotels Limited
- b) International Travel House Limited
- c) Delectable Technologies Private Limited (w.e.f. 17.09.2020)  
– being associates of the Company, and
- d) Tobacco Manufacturers (India) Limited, UK  
– of which the Company is an associate

##### Associates of the Company's subsidiaries

- a) ATC Limited  
– being associate of Gold Flake Corporation Limited
- b) Divya Management Limited, and
- c) Antrang Finance Limited  
– being associate of Russell Credit Limited

##### Joint Ventures

Maharaja Heritage Resorts Limited

##### Joint Venture of the Company's subsidiary

ITC Essentra Limited

– being joint venture of Gold Flake Corporation Limited



# Notes to the Financial Statements

## 29. Related Party Disclosures (Contd.)

### ii) a) Key Management Personnel:

S. Puri	Chairman & Managing Director
N. Anand	Executive Director
B. Sumant	Executive Director
R. Tandon*	Executive Director
S. Banerjee#	Non-Executive Director
H. Bhargava	Non-Executive Director
A. Duggal#	Non-Executive Director
A. Jerath§	Non-Executive Director
S. B. Mathur#	Non-Executive Director
A. Nayak#	Non-Executive Director
N. Rao#	Non-Executive Director
A. K. Seth#	Non-Executive Director
M. Shankar#	Non-Executive Director
D. R. Simpson	Non-Executive Director

# Independent Directors

\*ceased as Chief Financial Officer w.e.f. 05.09.2020

§resigned as Non-Executive Director w.e.f. 01.05.2021

Chief Financial Officer

S. Dutta (w.e.f. 05.09.2020)

Company Secretary

R. K. Singhi

Members - Corporate Management Committee

S. Puri

N. Anand

B. Sumant

R. Tandon

S. K. Singh

S. Sivakumar

S. Dutta (w.e.f. 05.09.2020)

H. Malik (w.e.f. 05.09.2020)

A. Rajput (w.e.f. 05.09.2020)

S. Rangrass (w.e.f. 24.09.2020)

C. Dar (upto 23.09.2020)

### b) Relatives of Key Management Personnel:

T. Anand (wife of N. Anand)

R. Tandon (wife of R. Tandon)

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

### iii) Employee Trusts:

- IATC Provident Fund
- ITC Defined Contribution Pension Fund
- ITC Management Staff Gratuity Fund
- ITC Employees Gratuity Fund
- ITC Gratuity Fund 'C'
- ITC Pension Fund
- ILTD Seasonal Employees Pension Fund
- ITC Platinum Jubilee Pension Fund
- ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- ITC Hotels Limited Employees Superannuation Scheme

# Notes to the Financial Statements

## 29. Related Party Disclosures (Contd.)

### 3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS AT 31.03.2021

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	Subsidiaries		2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	2021	2020												
1. Sale of Goods/Services	256.06	329.45	0.30	0.26	34.04	25.70							290.40	355.41
2. Purchase of Goods/Services	422.08	383.02	51.72	114.63	229.79	242.95							703.59	740.60
3. Acquisition cost of Property, Plant and Equipment	2.07	5.10											2.07	5.10
4. Sale of Property, Plant and Equipment	12.62	1.00					0.18						12.62	1.18
5. Investment in Subsidiaries	360.57	202.39											360.57	202.39
6. Renunciation of Rights Issue entitlement	6.45	—											6.45	—
7. Value of Share Based Payment	(9.80)	(0.33)											(9.80)	(0.33)
7A. Capital Contribution for Share Based Payments	1.94	2.53	0.39	0.29	0.09	0.09							2.42	2.91
7B. Reimbursement for Share Based Payments	25.86	21.33	0.63	0.93									26.49	22.26
8. Rent Received*	8.05	8.56	1.17	4.42			0.58	0.31	0.32	0.32			10.12	13.61
9. Rent Paid	2.50	3.05	6.00	6.28	1.29	1.06							8.50	9.33
10. Remuneration of Managers on Deputation reimbursed	30.65	26.11	6.23	5.56									38.17	32.73
11. Remuneration of Managers on Deputation recovered	723.43	541.93	0.43	0.68									112.98	88.73
12. Contribution to Employees' Benefit Plans	2.70	5.78	4512.20	1712.55			5.51	0.69					723.86	542.61
13. Dividend Income	10.75	23.17	0.17	0.22	0.20	0.21							4517.71	1713.24
14. Dividend Payments	3.08	4.82	0.23	0.25	—	0.01							2.70	5.78
15. Interest Income	—	0.30	0.06	0.68									11.12	23.60
16. Expenses Recovered	—	—	0.11	1.12									3.33	5.12
17. Expenses Reimbursed	—	—	0.06	0.68									0.06	0.98
18. Advances Given during the year	—	—	0.33	0.11									0.11	1.45
19. Adjustment/Receipt towards Refund of Advances	127.76	184.85											127.76	184.85
20. Advance Received during the year	108.61	166.34											108.61	166.34
21. Adjustment/Payment towards Refund of Advance													—	0.10
22. Deposits Given during the year			0.02	—									0.02	—
23. Deposits Refunded during the year													49.64	42.28
24. Remuneration to Key Management Personnel (KMP) <sup>1</sup>													8.96	7.82
24A. – Short term benefits														
24B. – Other remuneration														
24C. – Stock options granted <sup>2</sup>														
25. Outstanding Balances <sup>#</sup>														
i) Receivables	50.61	49.22	1.41	2.65	11.13	7.98							63.15	59.85
ii) Advances Given	0.60	0.60	—	0.05									—	0.05
iii) Deposits Given <sup>3</sup>	214.52	195.37					0.08	0.07	0.07	0.07			0.75	0.74
iv) Advance Taken													214.52	195.37
v) Deposits Taken			0.04	0.06									0.04	0.06
vi) Payables	10.58	9.04	5.56	7.27	20.98	8.49							167.65	106.70
26. Impairment of investments in Subsidiaries/ Joint Venture as at the year end	25.29	25.29			33.45	33.45							58.74	58.74
27. Commitments	0.07	1.46											0.07	1.46

\* 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 eligible employees, including Executive Directors and KMPs, 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 Company has recorded employee benefits expense by way of share based payments to employees at ₹ 56.69 Crores for the year ended 31st March, 2021 (2020 - ₹ 96.58 Crores), of which ₹ 27.71 Crores (2020 - ₹ 45.33 Crores) is attributable to Executive Directors and KMPs.

3 Outstanding deposit balances includes deposit with KMP which are existing on the date of being appointed as KMP.

Note: Transactions with subsidiaries of TMI's [Tobacco Manufacturers (India) Limited] ultimate parent company comprise Sale of goods/ services ₹ 758.00 Crores (2020 - ₹ 696.30 Crores), Dividend payments ₹ 971.52 Crores (2020 - ₹ 368.73 Crores), Others ₹ 28.58 Crores (2020 - ₹ 27.33 Crores).

# Notes to the Financial Statements

## 29. Related Party Disclosures (Contd.)

### 4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS/BALANCES

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

RELATED PARTY TRANSACTIONS SUMMARY		2021	2020	RELATED PARTY TRANSACTIONS SUMMARY		2021	2020	RELATED PARTY TRANSACTIONS SUMMARY		2021	2020
1.	<b>Sale of Goods/Services</b> Surya Nepal Private Limited ITC Essentra Limited	250.30 34.03	322.51 25.68	12.	<b>Contribution to Employees' Benefit Plans</b> IATC Provident Fund ITC Defined Contribution Pension Fund ITC Pension Fund	51.66 — 21.00	36.14 15.96 20.56	25.	<b>Outstanding Balances</b>		
2.	<b>Purchase of Goods/Services</b> ITC Infotech India Limited North East Nutrients Private Limited ITC Essentra Limited	165.12 192.43 229.73 24.86	173.53 158.21 242.81 85.28	13.	<b>Dividend Income</b> Russell Credit Limited ITC Infotech India Limited Surya Nepal Private Limited	12.56 17.61 12.93 276.90 362.78	12.58 — 54.95 100.11 363.52	26.	<b>Receivables</b>		
3.	<b>Acquisition cost of Property, Plant and Equipment</b> ITC Infotech India Limited Wimco Limited	2.07 —	3.20 1.91	14.	<b>Dividend Payments</b> Tobacco Manufacturers (India) Limited, UK	4512.20	1712.55	27.	<b>Commitments</b>		
4.	<b>Sale of Property, Plant and Equipment</b> Landbase India Limited ITC Indivision Limited	12.62	1.00	15.	<b>Interest Income</b> North East Nutrients Private Limited Wimco Limited	2.25 0.45	5.63 0.15	28.	<b>Payables</b>		
5.	<b>Investment in Subsidiaries</b> WelcomHotels Lanka (Private) Limited ITC Indivision Limited	311.57 49.00	197.39 —	16.	<b>Expenses Recovered</b> Srinivasa Resorts Limited Fortune Park Hotels Limited ITC Infotech India Limited Surya Nepal Private Limited	1.40 0.77 4.54 2.60	2.49 3.04 8.57 5.08	29.	<b>Advances Taken</b>		
6.	<b>Renunciation of Rights issue entitlement</b> Russell Credit Limited	6.45	—	17.	<b>Expenses Reimbursed</b> Srinivasa Resorts Limited Landbase India Limited Wimco Limited	0.35 0.01 2.13 0.35	1.12 0.94 2.11 0.30	30.	<b>Advances Given during the year</b>		
7.	<b>Value of share based payment</b>			18.	<b>Advances Given during the year</b> Wimco Limited	—	0.30	31.	<b>Payables</b>		
7A.	<b>Capital Contribution for Share Based Payments</b> ITC Infotech India Limited Wimco Limited	(9.79) (0.01)	(0.38) 0.04	19.	<b>Adjustment/Receipt towards Refund of Advances</b> International Travel House Limited	0.06	0.68	32.	<b>Impairment of Investment in Subsidiaries / Joint Venture as at the year end</b>		
7B.	<b>Reimbursement for Share Based Payments</b> ITC Infotech India Limited International Travel House Limited Surya Nepal Private Limited Technico Agri Sciences Limited WelcomHotels Lanka (Private) Limited Fortune Park Hotels Limited	0.33 0.30 0.31 0.53 0.25 0.26	(0.12) 0.12 1.02 0.45 0.58 0.12	20.	<b>Advances Received during the year</b> Surya Nepal Private Limited	127.76	184.65	33.	<b>Commitments</b>		
8.	<b>Rent Received</b> ITC Infotech India Limited Surya Nepal Private Limited	20.97 3.71	18.06 2.86	21.	<b>Adjustment/Payment towards Refund of Advance</b> Surya Nepal Private Limited	108.59	166.34	34.	<b>Other Remuneration</b>		
9.	<b>Rent Paid</b> Landbase India Limited Technico Agri Sciences Limited Gujarat Hotels Limited	5.31 1.34 1.17	5.31 1.32 4.42	22.	<b>Deposits Given during the year</b> N. Anand T. Anand	— —	0.05 0.05	35.	<b>Share based payments</b>		
10.	<b>Remuneration of Managers on Deputation reimbursed</b> Fortune Park Hotels Limited Bay Islands Hotels Limited Gujarat Hotels Limited	1.18 1.27 6.00	1.11 1.71 6.28	23.	<b>Deposits refunded during the year</b> International Travel House Limited	0.02	—	36.	<b>Share based payments</b>		
11.	<b>Remuneration of Managers on Deputation recovered</b> Srinivasa Resorts Limited Fortune Park Hotels Limited ITC Infotech India Limited Technico Agri Sciences Limited	4.50 5.17 7.99 5.07	5.78 4.90 5.73 3.07	24.	<b>Remuneration to Key Management Personnel #</b> S. Puri N. Anand R. Tandon B. Sumant Y.C. Deveshwar (related party up to 11.05.2019)	13.12 6.58 6.05 6.06 —	10.29 5.65 4.92 4.95 5.12	37.	<b>Share based payments</b>		

# In accordance with Ind AS - 102, the Company has recognised employee benefits expense by way of share based payments [refer Note 29.3], of which ₹ 27.71 Crores (2020 - ₹ 45.33 Crores) is attributable to Executive Directors & KMIPs:

S. Puri ₹ 10.21 Crores (2020 - ₹ 13.60 Crores), N. Anand ₹ 3.57 Crores (2020 - ₹ 8.14 Crores), B. Sumant ₹ 4.13 Crores (2020 - ₹ 3.49 Crores), R. Tandon ₹ 4.62 Crores (2020 - ₹ 7.40 Crores), S. Dutta ₹ 0.22 Crore (2020 - Nil), R. K. Singh ₹ 0.86 Crore (2020 - ₹ 1.20 Crores).

1 The maximum indebtedness during the year was ₹ 0.36 Crore (2020 - ₹ 0.36 Crore).

2 The maximum indebtedness during the year was ₹ 0.24 Crore (2020 - ₹ 0.24 Crore).

# Notes to the Financial Statements

## 30. Financial Instruments and Related Disclosures

### 1. Capital Management

The Company'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 Company funds its operations through internal accruals and aims at maintaining a strong capital base to support the future growth of its businesses.

During the year, the Company issued 1,66,12,990 ordinary shares of ₹ 1.00 each amounting to ₹ 1.66 Crores (2020 - ₹ 3.36 Crores) towards its equity-settled employee stock options. The securities premium stood at ₹ 9611.64 Crores as at 31st March, 2021 (2020 - ₹ 9211.49 Crores).

### 2. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2021		As at 31st March, 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>A. Financial assets</b>					
<b>a) Measured at amortised cost</b>					
i) Cash and cash equivalents	11	231.25	231.25	561.84	561.84
ii) Other bank balances	12	3770.25	3770.25	6281.43	6281.43
iii) Investment in Bonds/ Debentures, Preference Shares & Government or Trust Securities	4, 9	9432.82	9945.03	9646.93	9871.42
iv) Loans	5	5.14	4.75	8.18	7.66
v) Trade receivables	10	2090.35	2090.35	2092.00	2092.00
vi) Other financial assets	6	1247.79	1199.49	2099.90	2072.55
<b>Sub-total</b>		<b>16777.60</b>	<b>17241.12</b>	<b>20690.28</b>	<b>20886.90</b>
<b>b) Measured at Fair value through OCI</b>					
i) Equity shares	4	827.25	827.25	581.71	581.71
<b>Sub-total</b>		<b>827.25</b>	<b>827.25</b>	<b>581.71</b>	<b>581.71</b>
<b>c) Measured at Fair value through Profit or Loss</b>					
i) Investment in Mutual Funds	4, 9	12145.73	12145.73	14358.29	14358.29
ii) Investment in Bonds/Debentures, Certificate of Deposits	9	1148.15	1148.15	2974.79	2974.79
iii) Investment in Venture Capital Fund	4	35.04	35.04	27.41	27.41
iv) Investment in Equity & Preference shares	4	—	—	1.88	1.88
<b>Sub-total</b>		<b>13328.92</b>	<b>13328.92</b>	<b>17362.37</b>	<b>17362.37</b>
<b>d) Derivatives measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	6	8.93	8.93	0.97	0.97
ii) Derivative instruments designated as hedging instruments	6	12.88	12.88	12.16	12.16
<b>Sub-total</b>		<b>21.81</b>	<b>21.81</b>	<b>13.13</b>	<b>13.13</b>
<b>Total financial assets</b>		<b>30955.58</b>	<b>31419.10</b>	<b>38647.49</b>	<b>38844.11</b>

# Notes to the Financial Statements

## 30. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Note	As at 31st March, 2021		As at 31st March, 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Sales tax deferment loans	14, 16	5.63	3.69	7.89	5.49
ii) Trade payables		4119.53	4119.53	3446.74	3446.74
iii) Lease Liabilities	15	323.72	323.72	324.12	324.12
iv) Other financial liabilities	16	1327.11	1306.40	1187.09	1169.00
<b>Sub-total</b>		<b>5775.99</b>	<b>5753.34</b>	<b>4965.84</b>	<b>4945.35</b>
<b>b) Measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	16	1.54	1.54	12.61	12.61
ii) Derivative instruments designated as hedging instruments	16	19.01	19.01	35.75	35.75
iii) Contingent Consideration	16	139.51	139.51	–	–
<b>Sub-total</b>		<b>160.06</b>	<b>160.06</b>	<b>48.36</b>	<b>48.36</b>
<b>Total financial liabilities</b>		<b>5936.05</b>	<b>5913.40</b>	<b>5014.20</b>	<b>4993.71</b>

### 3. Financial risk management objectives

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 regulations. It also seeks to drive accountability in this regard.

#### Liquidity Risk

The Company's Current assets aggregate ₹ 31815.42 Crores (2020 - ₹ 36506.91 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 18048.21 Crores (2020 - ₹ 24018.29 Crores) against an aggregate Current liability of ₹ 10174.17 Crores (2020 - ₹ 9089.41 Crores). Other Non-current liabilities other than lease liabilities due between one year to three years amounted to ₹ 162.10 Crores (2020 - ₹ 16.38 Crores) and Other Non-current liabilities due after three years amounted to ₹ 82.53 Crores (2020 - ₹ 79.72 Crores) on the reporting date. The maturity analysis of undiscounted lease liabilities are disclosed under Note 27(vii).

Further, while the Company's total equity stands at ₹ 59004.58 Crores (2020 - ₹ 64029.16 Crores), it has non-current borrowings of ₹ 5.28 Crores (2020 - ₹ 5.63 Crores). In such circumstances, liquidity risk or the risk that the Company may not be able to settle or meet its obligations as they become due does not exist.

#### Market Risks

The Company is not an active investor in equity markets; it holds 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, 2021 is ₹ 827.25 Crores (2020 - ₹ 581.71 Crores). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

As the Company 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. Further, treasury activities, focused on managing investments in debt instruments, are centralised and administered under a set of approved policies and procedures guided by the tenets of safety, liquidity and returns. This ensures that investments are made within acceptable risk parameters after due evaluation.

The Company's investments are predominantly held in bonds/debentures, fixed deposits and debt mutual funds. Mark to market movements in respect of the Company'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

# Notes to the Financial Statements

## 30. Financial Instruments and Related Disclosures (Contd.)

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 Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks 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 Company 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. Such activities are managed by the business team within an approved policy framework. 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 Company's net exposure to commodity price risk is considered to be insignificant.

### Foreign currency risk

The Company 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 Company'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, 2021	USD	Euro	GBP	JPY	Others	Total
Financial Assets	886.99	37.91	24.69	–	14.06	963.65
Financial Liabilities	76.41	36.92	1.44	40.55	7.49	162.81
As at 31st March, 2020	USD	Euro	GBP	JPY	Others	Total
Financial Assets	377.43	26.68	10.41	1.05	20.91	436.48
Financial Liabilities	102.95	19.67	4.69	75.21	8.13	210.65

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

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

(In Million)

Designated under Hedge Accounting		As at 31st March, 2021		As at 31st March, 2020	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	45.61	66.01	38.98	119.14
Euro	US Dollar	29.27	–	21.93	–
AUD	US Dollar	0.08	–	0.08	–
CHF	US Dollar	0.02	–	0.03	–
GBP	US Dollar	0.01	–	0.01	–
SEK	US Dollar	4.09	–	4.09	–
SGD	US Dollar	0.04	–	0.04	–
JPY	US Dollar	829.68	–	1182.41	–

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

# Notes to the Financial Statements

## 30. Financial Instruments and Related Disclosures (Contd.)

(In Million)

Not designated under Hedge Accounting		As at 31st March, 2021		As at 31st March, 2020	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	177.72	2.61	60.63
Euro	US Dollar	–	9.42	2.51	1.14
AUD	US Dollar	0.03	–	0.07	–
CAD	US Dollar	–	–	–	1.57
CHF	US Dollar	0.22	–	0.50	–
GBP	US Dollar	–	3.60	–	2.18
SEK	US Dollar	0.40	–	–	–
SGD	US Dollar	0.32	–	0.10	–
KWD	US Dollar	0.13	0.41	–	0.71
JPY	US Dollar	58.40	–	39.60	–
HKD	US Dollar	–	–	0.65	–

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

(In Million)

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

### Hedges of foreign currency risk and derivative financial instruments

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 foreign exchange rate fluctuations. 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 Financial Statements

## 30. 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	2021	2020
<b>At the beginning of the year</b>	<b>(24.33)</b>	<b>(8.30)</b>
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	34.47	(14.08)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	7.02	(23.32)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	6.51	...
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	0.86	0.14
Less: Amounts transferred to initial cost of non-financial assets	(4.99)	(17.77)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on Ineffectiveness	–	–
(Less)/Add: Deferred tax	(9.85)	3.73
<b>At the end of the year</b>	<b>4.93</b>	<b>(24.33)</b>
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	<b>2.53</b>	<b>(1.36)</b>

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, 2021	As at 31st March, 2020
Within one year	3.86	(20.81)
Between one and three years	1.07	(3.52)
<b>Total</b>	<b>4.93</b>	<b>(24.33)</b>

### Foreign Currency Sensitivity

For every percentage point increase/decrease 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, 2021 would decrease/increase by ₹ 6.16 Crores (2020 - ₹ 2.51 Crores) and other equity as at 31st March, 2021 would decrease/increase by ₹ 5.76 Crores (2020 - ₹ 6.93 Crores) on a pre-tax basis.

### 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. Of this, investments that are held at amortised cost stood at ₹ 13561.33 Crores (2020 - ₹ 17093.80 Crores). With respect to the Company's investing activities, counter parties are shortlisted and exposure limits determined on the basis of their credit rating (by independent agencies), financial statements and other relevant information. 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 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 exposure to trade receivables on the reporting date, net of expected loss provisions, stood at ₹ 2090.35 Crores (2020 - ₹ 2092.00 Crores).



## Notes to the Financial Statements

### 30. Financial Instruments and Related Disclosures (Contd.)

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.

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

(₹ in Crores)

Particulars	Expected Loss Provision	
	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	149.08	146.09
Add: Provisions made (net)	57.43	13.89
Less: Utilisation for impairment/de-recognition	1.46	10.90
Effects of foreign exchange fluctuation	–	–
Closing Balance	<b>205.05</b>	<b>149.08</b>

### 4. 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)	As at 31st March, 2021	As at 31st March, 2020
<b>A. Financial assets</b>			
<b>a) Measured at amortised cost</b>			
i) Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities	2	9945.03	9871.42
ii) Loans*	3	1.98	2.64
iii) Other Financial assets*	3	24.15	579.74
<b>Sub-total</b>		<b>9971.16</b>	<b>10453.80</b>
<b>b) Measured at Fair value through OCI</b>			
i) Equity shares – Quoted	1	824.88	579.34
<b>Sub-total</b>		<b>824.88</b>	<b>579.34</b>
<b>c) Measured at Fair value through Profit or Loss</b>			
i) Investment in Mutual Funds	1	12145.73	14358.29
ii) Investment in Bonds/Debentures, Certificate of Deposits	2	1148.15	2974.79
iii) Investment in Venture Capital Fund	2	35.04	27.41
iv) Investment in Equity & Preference shares	3	–	1.88
<b>Sub-total</b>		<b>13328.92</b>	<b>17362.37</b>
<b>d) Derivatives measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	8.93	0.97
ii) Derivative instruments designated as hedging instruments	2	12.88	12.16
<b>Sub-total</b>		<b>21.81</b>	<b>13.13</b>
<b>Total financial assets</b>		<b>24146.77</b>	<b>28408.64</b>

# Notes to the Financial Statements

## 30. Financial Instruments and Related Disclosures (Contd.)

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	As at 31st March, 2021	As at 31st March, 2020
<b>B. Financial Liabilities</b>			
<b>a) Measured at amortised cost</b>			
i) Sales tax deferment loans*	3	3.34	3.23
ii) Lease liabilities*	3	272.36	259.25
iii) Other Financial liabilities*	3	151.81	72.38
<b>Sub-total</b>		<b>427.51</b>	<b>334.86</b>
<b>b) Measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	1.54	12.61
ii) Derivative instruments designated as hedging instruments	2	19.01	35.75
iii) Contingent Consideration	3	139.51	–
<b>Sub-total</b>		<b>160.06</b>	<b>48.36</b>
<b>Total financial liabilities</b>		<b>587.57</b>	<b>383.22</b>

\* 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 Company 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
S. DUTTA	Chief Financial Officer
R. K. SINGHI	Company Secretary

# Independent Auditor's Report

## to the Members of ITC Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **ITC Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the

Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 standalone 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 standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	Auditor's Response
<b>Revenue recognition</b>	
<p>Revenue from the sale of goods (hereinafter referred to as "Revenue") is recognised when the Company 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> <p>The timing of revenue recognition is relevant to the reported performance of the Company. The management considers revenue as a key measure for evaluation of</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Assessed the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and tested thereof.</li> <li>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.</li> <li>Evaluated the design, implementation and operating effectiveness of Company's controls in respect of revenue recognition.</li> </ul>

Key audit matters	Auditor's Response
<p>performance. There is a risk of revenue being recorded before control is transferred.</p> <p>Refer Note 1 to the Standalone Ind AS Financial Statements - Significant Accounting Policies and Note 21A/21B.</p>	<ul style="list-style-type: none"> <li>● Tested the effectiveness of such controls over revenue cut off at year-end.</li> <li>● On a sample basis, tested supporting documentation for sales transactions recorded during the year which included sales invoices, customer contracts and shipping documents.</li> <li>● Performed an increased level of substantive testing in respect of sales transactions recorded during the period closer to the year end and subsequent to the year end.</li> <li>● Compared revenue with historical trends and where appropriate, conducted further enquiries and testing.</li> <li>● Assessed disclosures in financial statements in respect of revenue, as specified in Ind AS 115.</li> </ul>
<b><i>Litigations – Contingencies</i></b>	
<p>The Company 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 Company 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 27(iv)(a) to the Standalone Ind AS Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Obtained and read the Company's accounting policies in respect of claims, provisions and contingent liabilities to assess compliance with accounting standards.</li> <li>● Assessed the design and implementation of the Company'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.</li> <li>● 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.</li> <li>● Additionally, considered the effect of new information in respect of contingencies as at April 1, 2020 to evaluate whether any change was required in the management's position on these contingencies as at March 31, 2021.</li> <li>● Assessed in accordance with accounting standards, the provisions in respect of litigations and assessed disclosures relating thereto, including those for contingencies.</li> </ul>

Key audit matters	Auditor's Response
<b>Acquisition of Sunrise Foods Private Limited and its two wholly owned subsidiaries</b>	
<p>The Company acquired 100% of the equity share capital of Sunrise Foods Private Limited ('SFPL') and its two wholly owned subsidiaries, Hobbits International Foods Private Limited and Sunrise Sheetgrah Private Limited on July 27, 2020 for a purchase consideration of Rs. 2,340 Crores. Subsequently, SFPL merged with the Company during the year w.e.f. July 27, 2020. The purchase consideration was allocated to the fair value of identifiable assets acquired and liabilities assumed, resulting in the recognition of goodwill of Rs. 577 Crores as on the date of acquisition.</p> <p>Considering the involvement of significant judgements and assumptions in fair value measurements and purchase price allocations including the magnitude of the acquisition made, this is considered as a key audit matter.</p> <p>Refer Note 27(ix) to the Standalone Ind AS Financial Statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Read the share purchase agreement, the scheme approved by the National Company Law Tribunal and other related documents to obtain an understanding of the transactions and the key terms and conditions.</li> <li>● Assessed whether the accounting treatment is in accordance with Ind AS 103.</li> <li>● Obtained and read the valuation reports for Purchase price allocation from independent valuer. Engaged our specialist and evaluated the appropriateness of methodology, key assumptions such as discount and long-term growth rate, risk free rate of return and weighted average cost of capital considered in determining the valuation of intangible assets, including resultant Goodwill.</li> <li>● Tested the valuation for arithmetical accuracy.</li> <li>● Assessed the competence, capabilities and relevant experience of the experts engaged by the management to determine fair valuation of assets and liabilities acquired.</li> <li>● Assessed disclosures in financial statements in respect to acquisition in accordance with the accounting standards.</li> </ul>

We have determined that there are no other key audit matters to communicate in our report.

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

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

Our opinion on the standalone 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or

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

**Responsibilities of Management for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies

(Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone

## Independent Auditor's Report

Ind AS financial statements for the financial year ended March 31, 2021 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone 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 as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 27 (iv)(a) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Sudhir Soni  
Partner  
Membership Number: 41870  
UDIN: 21041870AAAAAY6504

Place of Signature: Mumbai  
Date: June 01, 2021

## Annexure 1 referred to in paragraph 1 under the heading “Report on Other legal and Regulatory Requirements” of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management and audit procedures performed by us, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. Inventories lying with third parties have substantially been confirmed by them as at year end and no material discrepancies were noticed in respect of such confirmations.
- (iii) According to the information and explanations given to us and audit procedures performed by us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of Sections 73 and 76 of the Companies Act, 2013. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 74 and 75 or any other relevant provisions of the Companies Act, 2013. We are informed by the management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of specified products of the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and services tax, cess and other statutory dues applicable to it. The Goods and Services Tax of Rs. 550.22 crores payable for the month of April 2020 has been paid subsequent to due date without any interest in accordance with Notification Nos. 31/2020 and 32/2020 dated 03.04.2020 issued by the Government of India, Ministry of Revenue (Department of Revenue), Central Board of Indirect Taxes and Customs.



- (b) According to the information and explanations given to us and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, duty of excise, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Sales Tax and Value Added Tax Laws	Sales tax & VAT	64.22	1987-2019	Appellate Authority– upto Commissioners'/ Revisional authorities level
		19.81	1994-2017	Appellate Authority – Tribunal level
		190.69	1997-2016	High Court
Customs Act, 1962	Customs Duty	0.70	2011-2016	Appellate Authority – upto Commissioners'/ Revisional authorities level
		47.88	2005-2019	Appellate Authority – Tribunal level
Central Excise Act, 1944	Excise duty	0.47	1996-2017	Appellate Authority – upto Commissioners'/ Revisional authorities level
		95.89	1973-2017	Appellate Authority – Tribunal level
		8.88	2005-2009	High Court
Finance Act, 1994	Service tax	10.60	2006-2017	Appellate Authority – upto Commissioners'/ Revisional authorities level
		67.87	2003-2016	Appellate Authority – Tribunal level

Out of the total disputed dues aggregating ₹ 507.01 Crores as above, ₹ 390.06 Crores pertain to matters which have been stayed for recovery by the relevant authorities.

\* Net of amount paid under protest

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government or dues to debenture holders.
- (ix) According to the information and explanations given by the management and audit procedures performed by us, the Company has not raised any money by way of initial public offer/further public offer/debt instruments and term loans. Therefore, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management and audit procedures performed by us, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management and audit procedures performed by us, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management and audit procedures performed by us, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Sudhir Soni  
Partner

Membership Number: 41870

UDIN: 21041870AAAAAY6504

Place of Signature: Mumbai

Date: June 01, 2021

## Annexure 2 to the Independent Auditor's Report of even date on the Standalone 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")

We have audited the internal financial controls with reference to standalone financial statements of **ITC Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditor's Responsibility

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

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

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

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference

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

#### **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

per Sudhir Soni  
*Partner*

Membership Number: 41870

UDIN: 21041870AAAAAY6504

Place of Signature: Mumbai  
Date: June 01, 2021