

## Balance Sheet as at 31st March, 2018

	Note	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
<b>ASSETS</b>					
<b>Non-current assets</b>					
(a) Property, Plant and Equipment	3A	15120.00		14469.32	
(b) Capital work-in-progress	3B	5016.85		3491.33	
(c) Intangible assets	3C	445.99		410.92	
(d) Intangible assets under development	3D	8.73		45.69	
<b>(e) Financial Assets</b>					
(i) Investments	4	13493.77		8485.51	
(ii) Loans	5	7.40		5.84	
(iii) Others	6	1741.28	15242.45	99.83	8591.18
(f) Income Tax Assets (Net)	20A	18.66		-	
(g) Other non-current assets	7	2025.63	37878.31	2670.12	29678.56
<b>Current assets</b>					
(a) Inventories	8	7237.15		7863.99	
<b>(b) Financial Assets</b>					
(i) Investments	9	9903.45		10099.78	
(ii) Trade receivables	10	2357.01		2207.50	
(iii) Cash and cash equivalents	11	96.03		156.15	
(iv) Other Bank Balances	12	2498.85		2591.12	
(v) Loans	5	4.15		3.37	
(vi) Others	6	1147.95	16007.44	1004.91	16062.83
(c) Other current assets	7	1258.41	24503.00	610.57	24537.39
<b>TOTAL ASSETS</b>		<b>62381.31</b>		<b>54215.95</b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
(a) Equity Share capital	13	1220.43		1214.74	
(b) Other Equity		50179.64	51400.07	44126.22	45340.96
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	14	11.13		17.99	
(ii) Other financial liabilities	15	35.36	46.49	9.21	27.20
(b) Provisions	16	121.91		131.37	
(c) Deferred tax liabilities (Net)	17	1917.94		1871.70	
(d) Other non-current liabilities	18	38.30	2124.64	14.65	2044.92
<b>Current liabilities</b>					
<b>(a) Financial Liabilities</b>					
(i) Borrowings	19	-		0.01	
(ii) Trade payables		3382.28		2551.22	
(iii) Other financial liabilities	15	778.30	4160.58	784.78	3336.01
(b) Other current liabilities	18	4656.78		3351.15	
(c) Provisions	16	39.24		41.83	
(d) Current Tax Liabilities (Net)	20B	-	8856.60	101.08	6830.07
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>62381.31</b>		<b>54215.95</b>	

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

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

P. R. RAMESH  
Partner

Gurugram, 16th May, 2018

On behalf of the Board

Y. C. DEVESHWAR

S. PURI

R. TANDON

R. K. SINGHI

Chairman

Managing Director

Director & Chief Financial Officer

Company Secretary

# Statement of Profit and Loss for the year ended 31st March, 2018

	Note	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
I Revenue From Operations*	21A, 21B	44329.77	55448.46
II Other Income	22	2129.84	1985.91
<b>III Total Income (I+II)</b>		<b>46459.61</b>	<b>57434.37</b>
<b>IV EXPENSES</b>			
Cost of materials consumed		11756.21	11765.56
Purchases of Stock-in-Trade		2991.98	3566.57
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		1041.85	644.17
Excise duty		3702.23	15359.78
Employee benefits expense	23	2487.46	2444.31
Finance costs	24	86.65	22.95
Depreciation and amortization expense		1145.37	1038.04
Other expenses	25	6809.06	7090.03
<b>Total expenses (IV)</b>		<b>30020.81</b>	<b>41931.41</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>16438.80</b>	<b>15502.96</b>
VI Exceptional Items	27(i)	412.90	–
<b>VII Profit before tax (V+VI)</b>		<b>16851.70</b>	<b>15502.96</b>
<b>VIII Tax expense:</b>			
Current Tax	26	5599.83	5285.65
Deferred Tax	26	28.62	16.41
<b>IX Profit for the year (VII-VIII)</b>		<b>11223.25</b>	<b>10200.90</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(vii)(a)	80.83	(27.96)
– Equity instruments through other comprehensive income		335.10	129.95
– Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		10.29	(61.19)
(ii) Income tax relating to items that will not be reclassified to profit or loss	26	(31.61)	24.22
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		(18.69)	18.29
(ii) Income tax relating to items that will be reclassified to profit or loss	26	6.42	(6.31)
<b>X Other Comprehensive Income [A (i-ii)+B (i-ii)]</b>		<b>382.34</b>	<b>77.00</b>
<b>XI Total Comprehensive Income for the year (IX+X)</b>		<b>11605.59</b>	<b>10277.90</b>
XII Earnings per equity share (Face Value ₹ 1.00 each):	27(ii)		
(1) Basic (in ₹)		9.22	8.43
(2) Diluted (in ₹)		9.16	8.38

\* Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise [other than National Calamity Contingent Duty (NCCD) on cigarettes], Value Added Tax (VAT) etc. have been replaced by GST. In accordance with Indian Accounting Standard - 18 on Revenue and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, VAT, etc. are excluded and NCCD is not excluded from Gross Revenue from sale of products and services for applicable periods. In view of the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and services and Excise duty for the year ended 31st March, 2018 is not comparable with the previous year. Following additional information is being provided to facilitate such comparison:

Gross Sales Value (net of rebates and discounts) (A)	67081.92	64174.17
Taxes other than Excise Duty/NCCD (B)@	23125.02	9172.48
Gross Revenue from sale of products and services [C = (A-B)]	43956.90	55001.69
Other Operating Revenues (D)	372.87	446.77
Revenue From Operations [E = (C+D)]	44329.77	55448.46

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

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

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

P. R. RAMESH  
Partner

Gurugram, 16th May, 2018

On behalf of the Board

Y. C. DEVESHWAR

S. PURI

R. TANDON

R. K. SINGHI

Chairman

Managing Director

Director & Chief Financial Officer

Company Secretary

# Statement of changes in equity for the year ended 31st March, 2018

## 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, 2017	804.72	410.02	1214.74
For the year ended 31st March, 2018	1214.74	5.69	1220.43

## B. Other Equity

(₹ in Crores)

	Reserves and Surplus						Items of other comprehensive income			Total	
	Capital Reserve	Securities Premium Account	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, 2016</b>	2.48	5685.86	1201.30	0.30	363.05	16555.31	16589.89	406.55	6.42	40.55	40851.71
Profit for the year	-	-	-	-	-	-	10200.90	-	-	-	10200.90
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	(24.92)	129.95	(28.03)	-	77.00
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	<b>10175.98</b>	<b>129.95</b>	<b>(28.03)</b>	-	<b>10277.90</b>
Issue of equity shares under ITC Employee Stock Option Scheme	-	1059.61	-	-	-	-	-	-	-	-	1059.61
Issue of Bonus Shares	-	(402.67)	-	-	-	-	-	-	-	-	(402.67)
Dividends	-	-	-	-	-	-	-	-	-	-	-
- Ordinary Dividend (2015-16 – ₹ 6.50 per share)	-	-	-	-	-	-	(5230.68)	-	-	-	(5230.68)
- Special Dividend (2015-16 – ₹ 2.00 per share)	-	-	-	-	-	-	(1609.44)	-	-	-	(1609.44)
Income tax on Dividend paid	-	-	-	-	-	-	(1333.52)	-	-	-	(1333.52)
Transfer from retained earnings	-	-	-	-	-	1030.00	(1030.00)	-	-	-	-
Transfer from share option reserve on exercise and lapse	-	89.44	(104.44)	-	-	-	14.58	-	-	-	(0.42)
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	10.88	-	10.88
Recognition of share based payment	-	-	502.85	-	-	-	-	-	-	-	502.85
<b>Balance as at 31st March, 2017</b>	2.48	6432.24	1599.71	0.30	363.05	17585.31	17576.81	536.50	(10.73)	40.55	44126.22
Profit for the year	-	-	-	-	-	-	11223.25	-	-	-	11223.25
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	52.78	335.10	(5.54)	-	382.34
<b>Total Comprehensive Income for the year</b>	-	-	-	-	-	-	<b>11276.03</b>	<b>335.10</b>	<b>(5.54)</b>	-	<b>11605.59</b>

# Statement of changes in equity for the year ended 31st March, 2018

## B. Other Equity (Contd.)

	Reserves and Surplus										Items of other comprehensive income			Total
	Capital Reserve	Securities Premium Account	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				
Issue of equity shares under ITC Employee Stock Option Scheme	-	907.10	-	-	-	-	-	-	-	-	-	-	907.10	
Dividend													-	
- Ordinary Dividend (2016-17 - ₹ 4.75 per share)	-	-	-	-	-	(5770.01)	-	-	-	-	-	-	(5770.01)	
Income tax on Dividend paid	-	-	-	-	-	(1110.24)	-	-	-	-	-	-	(1110.24)	
Transfer from retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer from share option reserve on exercise and lapse	-	105.07	(124.50)	-	-	-	18.65	-	-	-	-	-	(0.78)	
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	23.00	-	-	-	-	23.00	
Recognition of share based payment	-	-	398.76	-	-	-	-	-	-	-	-	-	398.76	
<b>Balance as at 31st March, 2018</b>	<b>2.48</b>	<b>7444.41</b>	<b>1873.97</b>	<b>0.30</b>	<b>363.05</b>	<b>17585.31</b>	<b>21991.24</b>	<b>871.60</b>	<b>6.73</b>	<b>40.55</b>	<b>40.55</b>	<b>50179.64</b>		

The Board of Directors of the Company recommended a dividend of ₹ 5.15 per share (for the year ended 31st March, 2017 - ordinary dividend ₹ 4.75 per share) to be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 6285.21 Crores (for the year ended 31st March, 2017 - ₹ 5770.01 Crores). Income tax on proposed dividend being ₹ 1291.94 Crores (for the year ended 31st March, 2017 - ₹ 1174.64 Crores).

**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 Account:** 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 Account 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 the 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 Rupees. 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 Deloitte Haskins & Sells

Chartered Accountants

P. R. RAMESH

Partner

Gurugram, 16th May, 2018

On behalf of the Board

Y. C. DEVESHWAR

S. PURI

R. TANDON

R. K. SINGHI

Chairman

Managing Director

Director & Chief Financial Officer

Company Secretary



## Cash Flow Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	<b>16851.70</b>	<b>15502.96</b>
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1145.37	1038.04
Share based payments to employees	349.28	450.32
Finance costs	86.65	22.95
Interest Income	(917.80)	(864.58)
Dividend Income	(409.79)	(248.85)
Loss on sale of property, plant and equipment - Net	14.48	5.00
Doubtful and bad debts	25.14	30.74
Doubtful and bad advances, loans and deposits	3.74	1.25
Impairment of investment in joint venture/subsidiary company	23.45	16.29
Net (gain)/loss recognised on disposal of subsidiary and return of capital by subsidiary	(9.61)	(203.95)
Net (gain)/loss arising on investments mandatorily measured at fair value through profit and loss	(716.81)	(605.20)
Foreign currency translations and transactions - Net	4.46    (401.44)	6.90    (351.09)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16450.26	15151.87
ADJUSTMENTS FOR:		
Trade receivables, loans, advances and other assets	(784.11)	(859.05)
Inventories	626.84	655.83
Trade payables, other liabilities and provisions	2077.43    1920.16	266.33    63.11
CASH GENERATED FROM OPERATIONS	18370.42	15214.98
Income tax paid	(5719.57)	(5212.96)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>12650.85</b>	<b>10002.02</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of property, plant and equipment, Intangibles etc.	(2619.04)	(2944.49)
Sale of property, plant and equipment	71.23	47.38
Purchase of current investments	(89843.68)	(76998.70)
Sale/redemption of current investments	91080.09	74903.71
Investment in subsidiaries	(224.19)	(139.80)
Purchase of non-current investments	(4713.31)	(2280.65)
Proceeds on disposal of subsidiary	17.53	132.88
Return of capital by subsidiary	-	126.57
Dividend Income	409.79	248.85
Interest received	691.40	720.43
Investment in bank deposits (original maturity more than 3 months)	(3920.32)	(1714.79)
Redemption/maturity of bank deposits (original maturity more than 3 months)	2997.48	5615.52
Investment in deposit with housing finance company	(1135.88)	(500.00)
Redemption/maturity of deposit with housing finance company	500.00	-
Loans given	(7.52)	-
Loans realised	5.18	2.76
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6691.24)</b>	<b>(2780.33)</b>

# Cash Flow Statement for the year ended 31st March, 2018

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of share capital	912.79	1066.96
Repayment of non-current borrowings	(7.84)	(12.86)
Interest paid	(45.32)	(21.77)
Net increase in statutory restricted accounts balances	0.77	3.69
Dividend paid	(5770.01)	(6840.12)
Income tax on dividend paid	(1110.24)	(1333.52)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6019.85)</b>	<b>(7137.62)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(60.24)</b>	<b>84.07</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>156.26</b>	<b>72.19</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>96.02</b>	<b>156.26</b>

**Notes:**

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS-7 "Statement of Cash Flows"

**2. CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents as above	96.02	156.26
Unrealised gain/(loss) on foreign currency cash and cash equivalents	0.01	(0.12)
Cash credit facilities (Note 19)	-	0.01
Cash and cash equivalents (Note 11)	<u>96.03</u>	<u>156.15</u>

The accompanying notes 1 to 30 are an integral part of the Financial Statements.

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

P. R. RAMESH  
Partner

Gurugram, 16th May, 2018

On behalf of the Board

Y. C. DEVESHWAR

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R. K. SINGHI

Chairman

Managing Director

Director & Chief Financial Officer

Company Secretary

# 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 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

### 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 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

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

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

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:

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

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

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

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

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

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

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

### Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life.



# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

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

### Inventories

Inventories are stated at lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Net realisable value is the estimated selling price less estimated costs for completion and sale.

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

### Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupees.

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 Rupees) 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 is 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 is recognised in the Statement of Profit and Loss.

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### 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 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, 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.

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

**De-recognition:** 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 is reclassified within equity.

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

### Financial Liabilities

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

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

### Offsetting Financial Instruments

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

### Equity Instruments

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

### Revenue

Revenue is measured at the fair value of the consideration received or receivable for goods supplied and services

rendered, net of returns and discounts to customers. Revenue from the sale of goods is shown to include Excise Duties and National Calamity Contingent Duty which are payable on manufacture of goods but excludes taxes such as VAT and Goods and Services Tax which are payable in respect of sale of goods and services.

Revenue from the sale of goods is recognised when significant risks and rewards of ownership have been transferred to the customer, which is mainly upon delivery, the amount of revenue can be measured reliably and recovery of the consideration is probable. Revenue from services is recognised in the periods in which the 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, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the balance sheet as deferred income and recognised as income over the useful life of the assets.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

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

### Dividend Distribution

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

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

### 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.

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

### Employee Share Based Compensation

Stock Options are granted to eligible employees in accordance with the ITC Employee Stock Option Schemes ("ITC ESOS"), as may be decided by the Nomination & Compensation Committee. Eligible employees for this purpose include (a) such employees of the Company including Directors and those on deputation and (b) such 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 are recognised in profit and loss for employees of the Company (other than those out on deputation), the value of Stock Options, net of reimbursements, to employees on deputation and to employees of the wholly owned and other subsidiary companies are 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.

### Leases

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

### Company as a Lessee

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

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

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the

# Notes to the Financial Statements

## 1. Significant Accounting Policies (Contd.)

lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

### 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 and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

### Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to 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 business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

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

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

### Financial and Management Information Systems

The 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 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 amortized over their useful economic life. Refer notes to the financial statements.

### B. Key sources of estimation uncertainty

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

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

As described in the significant accounting policies, the Company reviews the estimated useful lives of

property, plant and equipment and intangible assets at the end of each reporting period.

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

Some of the 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 depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

#### 4. Claims, Provisions and Contingent Liabilities:

The 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.

## Notes to the Financial Statements

(₹ in Crores)

Particulars	Gross Block						
	As at 31st March, 2016	Additions	Withdrawals and adjustments	As at 31st March, 2017	Additions	Withdrawals and adjustments	As at 31st March, 2018
<b>3A. Property, plant and equipment</b>							
Land <sup>1</sup>	1538.34	59.19	1.05	1596.48	8.41	0.51	1604.38
Buildings	3844.80	494.65	5.42	4334.03	624.18	8.40	4949.81
Leasehold Improvements	26.08	3.39	1.78	27.69	1.32	3.57	25.44
Plant and Equipment	8646.02	1294.91	40.48	9900.45	1111.65	65.90	10946.20
Furniture and Fixtures	391.71	53.76	7.61	437.86	67.09	30.06	474.89
Vehicles	94.37	29.30	10.66	113.01	23.49	10.41	126.09
Office Equipment	17.66	5.57	1.73	21.50	2.49	3.52	20.47
Railway Sidings	1.73	–	–	1.73	–	–	1.73
<b>TOTAL</b>	<b>14560.71</b>	<b>1940.77</b>	<b>68.73</b>	<b>16432.75</b>	<b>1838.63</b>	<b>122.37</b>	<b>18149.01</b>
<b>3B. Capital work-in-progress<sup>5</sup></b>	<b>2388.42</b>	<b>2969.67</b>	<b>1866.76</b>	<b>3491.33</b>	<b>3325.16</b>	<b>1799.64</b>	<b>5016.85</b>
<b>3C. Intangible Assets (acquired)</b>							
Trademarks <sup>2</sup>	333.26	–	–	333.26	7.04	–	340.30
Computer Software	83.99	18.92	0.01	102.90	71.19	–	174.09
Know How, Business and Commercial Rights	27.36	–	0.68	26.68	–	–	26.68
<b>TOTAL</b>	<b>444.61</b>	<b>18.92</b>	<b>0.69</b>	<b>462.84</b>	<b>78.23</b>	<b>–</b>	<b>541.07</b>
<b>3D. Intangible Assets under Development</b>	<b>30.75</b>	<b>32.94</b>	<b>18.00</b>	<b>45.69</b>	<b>35.77</b>	<b>72.73</b>	<b>8.73</b>

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2018			2018	As at 31st March, 2017			2017
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the Year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the Year
Buildings	3.36	0.60	2.76	0.15	3.24	0.45	2.79	0.23
Plant and Equipment	180.36	55.72	124.64	18.93	176.88	37.17	139.71	18.60
<b>TOTAL</b>	<b>183.72</b>	<b>56.32</b>	<b>127.40</b>	<b>19.08</b>	<b>180.12</b>	<b>37.62</b>	<b>142.50</b>	<b>18.83</b>

# Notes to the Financial Statements

(₹ in Crores)

Particulars	Depreciation and Amortization						Net Book Value		
	Upto 31st March, 2016	For the year	On Withdrawals and adjustments	Upto 31st March, 2017	For the year	On Withdrawals and adjustments	Upto 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
<b>3A. Property, plant and equipment</b>									
Land <sup>1</sup>	-	-	-	-	-	-	-	1604.38	1596.48
Buildings	109.96	115.73	0.40	225.29	131.87	1.00	356.16	4593.65	4108.74
Leasehold Improvements	5.85	4.85	0.99	9.71	3.83	2.02	11.52	13.92	17.98
Plant and Equipment	768.67	805.42	7.59	1566.50	875.32	16.59	2425.23	8520.97	8333.95
Furniture and Fixtures	66.04	65.89	2.67	129.26	70.50	11.60	188.16	286.73	308.60
Vehicles	13.53	15.13	3.57	25.09	16.24	4.46	36.87	89.22	87.92
Office Equipment	4.57	4.48	1.73	7.32	4.32	0.96	10.68	9.79	14.18
Railway Sidings	0.13	0.13	-	0.26	0.13	-	0.39	1.34	1.47
<b>TOTAL</b>	<b>968.75</b>	<b>1011.63</b>	<b>16.95</b>	<b>1963.43</b>	<b>1102.21</b>	<b>36.63</b>	<b>3029.01</b>	<b>15120.00</b>	<b>14469.32</b>
<b>3B. Capital work-in-progress<sup>5</sup></b>	-	-	-	-	-	-	-	<b>5016.85</b>	<b>3491.33</b>
<b>3C. Intangible Assets (acquired)</b>									
Trademarks <sup>2</sup>	2.45	2.43	-	4.88	2.99	-	7.87	332.43	328.38
Computer Software	20.53	20.84	0.01	41.36	37.36	-	78.72	95.37	61.54
Know How, Business and Commercial Rights	2.62	3.14	0.08	5.68	2.81	-	8.49	18.19	21.00
<b>TOTAL</b>	<b>25.60</b>	<b>26.41</b>	<b>0.09</b>	<b>51.92</b>	<b>43.16</b>	<b>-</b>	<b>95.08</b>	<b>445.99</b>	<b>410.92</b>
<b>3D. Intangible Assets under Development</b>	-	-	-	-	-	-	-	<b>8.73</b>	<b>45.69</b>

- Land includes certain lands at Munger with Gross Block - ₹ 1.16 Crores (2017 - ₹ 1.16 Crores) which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.
- Certain trademarks with a carrying value of ₹ 309.73 Crores (2017 - ₹ 309.73 Crores) have been considered of having an indefinite useful life taking into account that there are no technical, technological or commercial risks of obsolescence or limitations under contract or law. Other trademarks have been amortized over 10 years.
- The amortization expense of intangible assets have 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 ₹ 127.92 Crores (2017 - ₹ 73.91 Crores).
- Includes ₹ 541.21 Crores as at 31st March, 2018 towards payment to IFCI Limited (IFCI) and applicable stamp duty for purchase of a five star hotel resort in Goa operating under the name Park Hyatt Goa Resort & Spa and IFCI issued required sale certificate in favour of the Company. The erstwhile owners of the property thereafter challenged the sale. By its judgement dated 23.03.2016, the Bombay High Court set aside the sale and directed IFCI to refund the sale consideration to the Company. The Company and IFCI had approached the Hon'ble Supreme Court against the High Court judgement. The Hon'ble Supreme Court, by its judgement and order dated 19.03.2018 has set aside the impugned judgement and order of the Hon'ble Bombay High Court, thereby upholding the sale of Park Hyatt Goa Resort & Spa to the Company and directed the erstwhile owners to handover possession to the Company within a period of six months along with relevant accounts. Pursuant to the said order, the amount of ₹ 541.21 Crores has been adjusted from Capital Advances (Refer Note 7) and reflected in Capital Work-in-Progress.



## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ 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		186.61		153.93
Landbase India Limited 31,70,00,000 Equity Shares of ₹ 10.00 each, fully paid		325.57		325.57
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully impaired)		–		–
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		3.46		3.26
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
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)		–		–
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
<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
Carried over	2.59	2120.62	2.59	2087.74

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	2.59	2120.62	2.59	2087.74
<b>INVESTMENT IN EQUITY INSTRUMENTS (Contd.)</b>				
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 (₹ 23.45 Crores impaired)		18.50		41.95
<b>In Others (at fair value through other comprehensive income)</b>				
VST Industries Limited 476 Equity Shares of ₹ 10.00 each, fully paid	0.14		0.14	
Hotel Leelaventure Limited 4,99,53,055 Equity Shares of ₹ 2.00 each, fully paid	85.42		81.42	
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid	1362.24		1031.31	
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989		—		—
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	0.38		0.21	
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Woodlands Multispeciality Hospital Limited 13,072 Equity Shares of ₹ 10.00 each, fully paid		0.01		0.01
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid		—		—
Bilaspur Cane Development Corporation Limited 100 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 1000.00)		...		...
<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 (2017 - Nil) Redeemable Preference Shares of ₹ 100.00 each, fully paid		18.00		—
WelcomHotels Lanka (Private) Limited 6,26,41,900 (2017 - 1,36,57,500) Redeemable Preference Shares of Sri Lankan Rupee 100.00 each, fully paid		264.74		58.55
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES (at amortised cost)</b>				
Government Securities (cost ₹ 74000.00) National savings certificates (pledged with various Mandi Samitis) (cost ₹ 6000.00)		0.01		0.01
		...		...
<b>INVESTMENT IN BONDS/DEBENTURES</b>				
<b>In Others (at amortised cost)</b>				
Housing Development Finance Corporation Limited 30 7.95% Secured Redeemable Non-Convertible Debentures Series Q - 002 (23 September 2019) of ₹ 10000000.00 each, fully paid	30.09		30.15	
170 (2017 - 50) 8.38% Secured Redeemable Non-Convertible Debentures Series P - 021 (15 July 2019) of ₹ 10000000.00 each, fully paid	171.48		50.72	
Carried over	1652.34	2425.14	1196.54	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	1652.34	2425.14	1196.54	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
255 (2017 - 160) 8.45% Secured Redeemable Non-Convertible Debentures Series P - 013 (24 July 2019) of ₹ 10000000.00 each, fully paid	257.31		162.27	
Nil (2017 - 30) 8.45% Secured Redeemable Non-Convertible Debentures Series O - 009 (08 February 2019) of ₹ 10000000.00 each, fully paid	–		30.36	
90 8.50% Secured Redeemable Non-Convertible Debentures Series O - 001 (31 August 2020) of ₹ 10000000.00 each, fully paid	91.52		92.07	
800 8.70% Secured Redeemable Non-Convertible Debentures Series N - 017 (18 May 2020) of ₹ 500000.00 each, fully paid	40.71		41.01	
1,700 8.75% Secured Redeemable Non-Convertible Debentures Series N - 002 (13 January 2020) of ₹ 500000.00 each, fully paid	86.55		87.33	
600 9.40% Secured Redeemable Non-Convertible Debentures Series M - 016 (26 August 2019) of ₹ 1000000.00 each, fully paid	61.55		62.59	
2,100 9.45% Secured Redeemable Non-Convertible Debentures Series M - 015 (21 August 2019) of ₹ 1000000.00 each, fully paid	214.85		218.10	
<b>Housing and Urban Development Corporation Limited</b>				
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	440.11		441.20	
150 (2017 - Nil) 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	15.85		–	
3,29,870 (2017 - 1,79,870) 7.34% (Tranche I Series 1 Bonds) For Category I, II, III Tax Free Tranche I Series 1 Bonds in the nature of Secured Redeemable Non-Convertible Debentures (16 February 2023) of ₹ 1000.00 each, fully paid	34.42		18.82	
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	
1,000 (2017 - Nil) 7.70% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series F (19 March 2020) of ₹ 1000000.00 each, fully paid	100.00		–	
3,50,000 8.10% For Category I & II Tax Free Bonds Tranche 1 Series - 1 in the nature of Secured Non-Convertible Debentures (05 March 2022) of ₹ 1000.00 each, fully paid	37.02		37.47	
5,00,000 (2017 - Nil) 8.20% for Category I & II, Tax Free Bonds in the nature of Secured Non-Convertible Debentures Tranche1 Series - 2 (05/03/2027) of ₹ 1000.00 each, fully paid	56.75		–	
<b>ICICI Bank Limited</b>				
2,647 (2017 - Nil) 9.15% Unsecured Subordinated Non-Convertible Basel III Compliant Perpetual Bonds in the nature of Debentures Series DMR 18AT (with first Call Option on 20 June 2023) of ₹ 1000000.00 each, fully paid	264.70		–	
2,000 (2017 - 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	200.24		–	
Carried over	3623.99	2425.14	2457.83	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	3623.99	2425.14	2457.83	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
ICICI Home Finance Company Limited Nil (2017 - 1,900) 7.65% Unsecured Rated Listed Redeemable Senior Non-Convertible Bonds in the nature of Debentures Series HDBFB171 (23 October 2018) of ₹ 500000.00 each, fully paid	–		95.00	
India Infrastructure Finance Company Limited 5,00,000 (2017 - 2,50,000) 7.19% For Category I,II,III & IV Tax Free Secured Redeemable Non-Convertible Bonds 2012-13 (Tranche I Series I) (22 January 2023) of ₹ 1000.00 each, fully paid	51.86		25.98	
3,00,000 (2017 - Nil) 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	33.03		–	
50,000 (2017 - Nil) 8.01% Secured Redeemable Non-Convertible Tax Free Bonds 2013-14 Tranche I Series 1A (12 November 2023) of ₹ 1000.00 each, fully paid	5.42		–	
1,175 (2017 - 1,000) 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	126.31		106.47	
1,300 (2017 - 800) 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	144.38		86.52	
1,780 (2017 - 1,630) 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	193.35		176.49	
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	7.37		7.40	
250 7.15% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 100 (21 August 2025) of ₹ 1000000.00 each, fully paid	26.19		26.35	
5,00,000 7.18% (For Categories I,II & III) Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures Series 86 (19 February 2023) of ₹ 1000.00 each, fully paid	51.84		52.15	
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	226.23		226.40	
1,00,000 7.34% (2017 - Nil) (For Categories I,II & III) Tax Free Non-Cumulative Non-Convertible Redeemable Bonds in the nature of Debentures 86th "A" Series (19 February 2028) of ₹ 1000.00 each, fully paid	11.12		–	
3,31,819 (2017 - 2,50,000) 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	35.17		26.69	
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	87.75		88.82	
Carried over	4624.01	2425.14	3376.10	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	4624.01	2425.14	3376.10	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
100 8.35% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds Series 89 (21 November 2023) of ₹ 1000000.00 each, fully paid	10.92		11.05	
1,250 8.48% Tax Free Secured Non-Cumulative Non-Convertible Redeemable Bonds 89th A Series (21 November 2028) of ₹ 1000000.00 each, fully paid	134.71		135.30	
130 8.55% Tax Free Secured Non-Convertible Redeemable Bonds Series 94th A (12 February 2029) of ₹ 1000000.00 each, fully paid	14.09		14.15	
LIC Housing Finance Limited				
400 (2017 - Nil) 7.67% Secured Redeemable Non-Convertible Debentures Tranche 339 Option 1 (29 July 2021) of ₹ 1000000.00 each, fully paid	40.41		–	
750 7.79% Secured Redeemable Non-Convertible Debentures Tranche 328 (10 May 2019) of ₹ 1000000.00 each, fully paid	75.00		75.00	
100 8.30% Secured Redeemable Non-Convertible Debentures Tranche 304 Option 2 (15 July 2021) of ₹ 1000000.00 each, fully paid	10.25		10.32	
750 8.35% Secured Redeemable Non-Convertible Debentures Tranche 272 (18 October 2019) of ₹ 1000000.00 each, fully paid	75.62		76.00	
800 8.35% Secured Redeemable Non-Convertible Debentures Tranche 273 Option 1 (23 October 2020) of ₹ 1000000.00 each, fully paid	81.04		81.40	
250 8.37% Secured Redeemable Non-Convertible Debentures Tranche 293 (03 October 2019) of ₹ 1000000.00 each, fully paid	25.22		25.35	
550 (2017 - Nil) 8.37% Secured Redeemable Non-Convertible Debentures Tranche 294 (10 May 2021) of ₹ 1000000.00 each, fully paid	56.53		–	
750 (2017 - Nil) 8.47% Secured Redeemable Non-Convertible Debentures Tranche 302 (07 July 2020) of ₹ 1000000.00 each, fully paid	76.47		–	
250 8.49% Secured Redeemable Non-Convertible Debentures Tranche 249 (28 April 2020) of ₹ 1000000.00 each, fully paid	24.90		24.85	
350 (2017 - Nil) 8.525% Secured Redeemable Non-Convertible Debentures Tranche 266 (24 September 2020) of ₹ 1000000.00 each, fully paid	35.92		–	
850 (2017 - Nil) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 262 (22 July 2020) of ₹ 1000000.00 each, fully paid	87.04		–	
50 (2017 - Nil) 8.60% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 1 (29 July 2020) of ₹ 1000000.00 each, fully paid	5.12		–	
100 (2017 - Nil) 8.65% Secured Redeemable Non-Convertible Debentures Tranche 270 (29 September 2020) of ₹ 1000000.00 each, fully paid	10.27		–	
700 8.67% Secured Redeemable Non-Convertible Debentures Tranche 263 Option 2 (26 August 2020) of ₹ 1000000.00 each, fully paid	71.03		71.75	
3,000 8.69% Secured Redeemable Non-Convertible Debentures Tranche 257 (26 June 2019) of ₹ 1000000.00 each, fully paid	300.00		300.00	
100 (2017 - Nil) 8.73% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 2 (14 January 2020) of ₹ 1000000.00 each, fully paid	10.23		–	
Carried over	5768.78	2425.14	4201.27	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	5768.78	2425.14	4201.27	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
1,250 (2017 - 350) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 290 Option 1 (21 December 2020) of ₹ 1000000.00 each, fully paid	128.53		36.47	
250 (2017 - Nil) 8.75% Secured Redeemable Non-Convertible Debentures Tranche 239 Option 1 (14 January 2020) of ₹ 1000000.00 each, fully paid	25.57		–	
239 8.95% Unsecured Non-Convertible Redeemable Tier II Subordinated Bonds Series III (15 September 2020) of ₹ 1000000.00 each, fully paid	23.97		24.01	
450 8.97% Secured Redeemable Non-Convertible Debentures Tranche 231 Option 2 (29 October 2019) of ₹ 1000000.00 each, fully paid	45.76		46.20	
700 9.3532% Secured Redeemable Non-Convertible Debentures Tranche 224 (19 August 2019) of ₹ 1000000.00 each, fully paid	71.40		72.36	
350 (2017 - Nil) 9.44% Secured Redeemable Non-Convertible Debentures Tranche 228 (30 August 2019) of ₹ 1000000.00 each, fully paid	35.88		–	
National Bank for Agriculture and Rural Development 3,200 (2017 - Nil) 6.98% Unsecured Redeemable Non-Convertible Bonds Series 18 G (30 September 2020) of ₹ 1000000.00 each, fully paid	313.90		–	
2,000 (2017 - Nil) 7.07% Secured Redeemable Non-Convertible Bonds in the nature of Debentures Series 1A (25 February 2026) of ₹ 1000000.00 each, fully paid	211.43		–	
National Highways Authority of India 2,600 7.11% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series NHAI-IIA (18 September 2025) of ₹ 1000000.00 each, fully paid	260.46		260.50	
8,06,381 7.14% Secured Redeemable Tax Free Non-Convertible Bonds in the nature of Debentures Series IA (11 January 2026) of ₹ 1000.00 each, fully paid	82.54		82.72	
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 (2017 - 9,99,943) 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	185.16		99.99	
5,00,000 (2017 - Nil) 8.50% (For Category I, II & III) Secured Non-Convertible Tranche I Series IIA Bonds (05 February 2029) of ₹ 1000.00 each, fully paid	58.96		–	
2,50,000 (2017 - Nil) 8.75% (For Category IV) Secured Non-Convertible Tranche I Series IIB Bonds (05 February 2029) of ₹ 1000.00 each, fully paid	30.28		–	
National Housing Bank 800 8.46% NHB Tax Free Bonds 2028, Series V (30 August 2028) of ₹ 1000000.00 each, fully paid	86.01		86.38	
Power Finance Corporation Limited 250 (2017 - Nil) 7.05% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 159 (15 May 2020) of ₹ 1000000.00 each, fully paid	24.58		–	
Carried over	7603.21	2425.14	5159.90	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	7603.21	2425.14	5159.90	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
600 7.16% Secured Redeemable Non-Convertible Tax Free Bonds Series 136 (17 July 2025) of ₹ 1000000.00 each, fully paid	63.09		63.42	
250 (2017 - Nil) 7.42% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 165 (26 June 2020) of ₹ 1000000.00 each, fully paid	24.85		–	
250 (2017 - Nil) 7.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 163 (17 September 2020) of ₹ 1000000.00 each, fully paid	24.76		–	
Nil (2017 - 170) 8.29% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 129-B (13 June 2018) of ₹ 1000000.00 each, fully paid	–		17.03	
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	50.07		50.10	
500 8.46% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-B (30 August 2028) of ₹ 1000000.00 each, fully paid	53.75		53.99	
250 (2017 - Nil) 8.50% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 135-B (29 June 2019) of ₹ 1000000.00 each, fully paid	25.22		–	
250 (2017 - Nil) 8.52% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 124 Series A (09 December 2019) of ₹ 1000000.00 each, fully paid	25.30		–	
2,800 (2017 - Nil) 8.53% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 137 (24 July 2020) of ₹ 1000000.00 each, fully paid	284.61		–	
3,50,000 (2017 - Nil) 8.54% Secured Tax Free Redeemable Non-Convertible Bonds Series 2A (16 November 2028) of ₹ 1000.00 each, fully paid	42.32		–	
200 (2017 - Nil) 8.65% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 123 Series B (28 November 2019) of ₹ 1000000.00 each, fully paid	20.24		–	
50 (2017 - Nil) 8.76% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 122 (07 November 2019) of ₹ 1000000.00 each, fully paid	5.07		–	
750 (2017 - Nil) 8.96% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 121 B (21 October 2019) of ₹ 1000000.00 each, fully paid	76.27		–	
400 (2017 - Nil) 9.29% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series - 92 - C (21 August 2022 with Call / Put Option 21 August 2020) of ₹ 1000000.00 each, fully paid	41.27		–	
850 (2017 - Nil) 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 119 B (17 September 2019) of ₹ 1000000.00 each, fully paid	86.72		–	
200 (2017 - Nil) 9.39% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 118 B (I) (27 August 2019) of ₹ 1000000.00 each, fully paid	20.38		–	
Carried over	8447.13	2425.14	5344.44	2191.52

# Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	8447.13	2425.14	5344.44	2191.52
<b>INVESTMENT IN BONDS/DEBENTURES (Contd.)</b>				
PNB Housing Finance Limited				
1,000 7.95% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXIX (18 October 2019) of ₹ 1000000.00 each, fully paid	100.20		100.32	
100 8.23% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXII (09 April 2019) of ₹ 1000000.00 each, fully paid	10.05		10.11	
600 8.36% Secured Redeemable Non-Convertible Bonds in the nature of Promissory Note Series XXIV (12 July 2019) of ₹ 1000000.00 each, fully paid	60.08		60.14	
400 (2017 - Nil) 8.65% Secured Redeemable Non-Convertible Taxable Bonds in the nature of Promissory Note Series XXVIII Option B (28 June 2019) of ₹ 1000000.00 each, fully paid	40.44		–	
Rural Electrification Corporation Limited				
850 7.17% Secured Redeemable Non-Convertible Tax Free Bonds Series 5-A (23 July 2025) of ₹ 1000000.00 each, fully paid	89.19		89.64	
1,190 (2017 - 800) 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	132.82		86.39	
3,50,000 (2017 - Nil) 8.46% Secured Redeemable Non-Convertible Tax Free Bonds Tranche I Series 2A (24 September 2028) of ₹ 1000.00 each, fully paid	42.04		–	
50 8.54% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 4B (11 October 2028) of ₹ 1000000.00 each, fully paid	5.41		5.43	
250 8.87% Unsecured 7 Year Non-Convertible Non-Cumulative Redeemable Taxable Bonds - 2020 113th Series (08 March 2020) of ₹ 1000000.00 each, fully paid	25.23		25.34	
2,250 (2017 - Nil) 9.04% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds in the nature of Debentures Series 125th (12 October 2019) of ₹ 1000000.00 each, fully paid	228.83		–	
Small Industries Development Bank Of India				
500 (2017 - Nil) 7% Unsecured Listed Redeemable Non-Convertible Bonds Series IV of 2017-18 (21 December 2020) of ₹ 1000000.00 each, fully paid	49.52		–	
Nil (2017 - 1,000) 8.28% Unsecured Redeemable Non-Convertible Bonds in the nature of Promissory Notes Series 7 of 2015-16 (26 February 2019) of ₹ 1000000.00 each, fully paid	–		100.00	
State Bank Of India Limited				
3,250 (2017 - 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	325.89		–	
1,550 (2017 - 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	152.98		–	
<b>INVESTMENT IN MUTUAL FUNDS (at fair value through profit or loss)</b>				
Aditya Birla Sun Life Fixed Term Plan - Series OY (1218 Days) 4,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	40.72		–	
Carried over	9750.53	2425.14	5821.81	2191.52



## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	9750.53	2425.14	5821.81	2191.52
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
Aditya Birla Sun Life Fixed Term Plan - Series OX (1234 Days) 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.18		–	
Aditya Birla Sun Life Fixed Term Plan - Series OZ (1187 Days) 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.31		–	
Aditya Birla Sun Life Fixed Term Plan - Series PA (1177 Days) 1,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	15.26		–	
DSP BlackRock Fixed Maturity Plan - Series 217 - 40 M 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.18		–	
DSP BlackRock Fixed Maturity Plan - Series 220 - 40 M 1,90,00,000 (2017 - Nil) Units of ₹ 10.00 each	19.22		–	
DSP BlackRock Fixed Maturity Plan - Series 221 - 40 M 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.26		–	
Franklin India Fixed Maturity Plans - Series 2-Plan A 1,40,00,000 (2017 - Nil) Units of ₹ 10.00 each	14.22		–	
HDFC Fixed Maturity Plan 1107D March 2016 (1) - Series-36 4,00,00,000 Units of ₹ 10.00 each	47.08		43.97	
HDFC Fixed Maturity Plan 1114D March 2016 (1) - Series-35 12,80,00,000 Units of ₹ 10.00 each	150.73		140.79	
HDFC Fixed Maturity Plan 1132D February 2016 (1) - Series-35 4,30,00,000 Units of ₹ 10.00 each	50.75		47.43	
HDFC Fixed Maturity Plan - 1158D - February 2018 (1) - Series-39 6,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	65.83		–	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan I - 1170 Days 1,50,00,000 Units of ₹ 10.00 each	17.84		16.64	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan J - 1168 Days 1,00,00,000 Units of ₹ 10.00 each	11.86		11.06	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan N - 1150 Days 1,50,00,000 Units of ₹ 10.00 each	17.75		16.56	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan T - 1130 Days 1,00,00,000 Units of ₹ 10.00 each	11.75		10.96	
ICICI Prudential Fixed Maturity Plan - Series 78 - Plan W - 1135 Days 1,20,00,000 Units of ₹ 10.00 each	14.09		13.15	
ICICI Prudential Fixed Maturity Plan - Series 79 - Plan P - 1104 Days 40,00,000 Units of ₹ 10.00 each	4.46		4.17	
ICICI Prudential Fixed Maturity Plan - Series 81 - 1154 Days - Plan J 50,00,000 (2017 - Nil) Units of ₹ 10.00 each	5.24		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1223 Days - Plan E 1,30,00,000 (2017 - Nil) Units of ₹ 10.00 each	13.20		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan M 3,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	35.35		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1219 Days - Plan D 1,90,00,000 (2017 - Nil) Units of ₹ 10.00 each	19.33		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1215 Days - Plan H 4,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	45.65		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1217 Days - Plan C 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.17		–	
Carried over	10381.24	2425.14	6126.54	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	10381.24	2425.14	6126.54	2191.52
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
ICICI Prudential Fixed Maturity Plan - Series 82 - 1185 Days - Plan I 5,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	50.66		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1199 Days - Plan L 5,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	50.61		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1203 Days - Plan K 4,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	45.58		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1225 Days - Plan B 3,70,00,000 (2017 - Nil) Units of ₹ 10.00 each	37.68		–	
ICICI Prudential Fixed Maturity Plan - Series 82 - 1236 Days - Plan A 70,00,000 (2017 - Nil) Units of ₹ 10.00 each	7.13		–	
Kotak Fixed Maturity Plan - Series 190 50,00,000 Units of ₹ 10.00 each	5.95		5.55	
Kotak Fixed Maturity Plan - Series 191 1,50,00,000 Units of ₹ 10.00 each	17.65		16.47	
Kotak Fixed Maturity Plan - Series 210 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.25		–	
Kotak Fixed Maturity Plan - Series 212 60,00,000 (2017 - Nil) Units of ₹ 10.00 each	6.10		–	
Kotak Fixed Maturity Plan - Series 213 1,10,00,000 (2017 - Nil) Units of ₹ 10.00 each	11.19		–	
Kotak Fixed Maturity Plan - Series 214 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.17		–	
Kotak Fixed Maturity Plan - Series 215 1,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	10.16		–	
Kotak Fixed Maturity Plan - Series 224 3,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	35.00		–	
Reliance Fixed Horizon Fund - XXX - Series 5 1,50,00,000 Units of ₹ 10.00 each	17.72		16.54	
Reliance Fixed Horizon Fund - XXX - Series 12 1,00,00,000 Units of ₹ 10.00 each	11.80		11.03	
Reliance Fixed Horizon Fund - XXX - Series 13 2,00,00,000 Units of ₹ 10.00 each	23.62		22.06	
Reliance Fixed Horizon Fund - XXX - Series 17 3,50,00,000 Units of ₹ 10.00 each	41.16		38.41	
Reliance Fixed Horizon Fund - XXX - Series 6 1,00,00,000 Units of ₹ 10.00 each	11.85		11.07	
Reliance Fixed Horizon Fund - XXXI - Series 9 1,80,00,000 Units of ₹ 10.00 each	20.22		18.92	
Reliance Fixed Horizon Fund - XXXV - Series 6 50,00,000 (2017 - Nil) Units of ₹ 10.00 each	5.10		–	
Reliance Fixed Horizon Fund - XXXVI - Series 1 1,20,00,000 (2017 - Nil) Units of ₹ 10.00 each	12.15		–	
Reliance Fixed Horizon Fund - XXXVI - Series 9 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.03		–	
Reliance Fixed Horizon Fund - XXXV - Series 13 80,00,000 (2017 - Nil) Units of ₹ 10.00 each	8.13		–	
Carried over	10851.15	2425.14	6266.59	2191.52

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>4. Non-current investments (Contd.)</b>				
Brought forward	10851.15	2425.14	6266.59	2191.52
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
Reliance Fixed Horizon Fund - XXXV - Series 14 1,20,00,000 (2017 - Nil) Units of ₹ 10.00 each	12.19		–	
Reliance Fixed Horizon Fund - XXXV - Series 15 1,70,00,000 (2017 - Nil) Units of ₹ 10.00 each	17.26		–	
Reliance Fixed Horizon Fund - XXXVI - Series 3 50,00,000 (2017 - Nil) Units of ₹ 10.00 each	5.06		–	
Reliance Fixed Horizon Fund - XXXV - Series 11 50,00,000 (2017 - Nil) Units of ₹ 10.00 each	5.09		–	
Reliance Fixed Horizon Fund - XXXV - Series 12 1,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	15.27		–	
SBI Debt Fund Series C-7 (1190 Days) 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.33		–	
SBI Debt Fund Series C-8 (1175 Days) 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.30		–	
SBI Debt Fund Series C-9 (1150 Days) 1,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	15.19		–	
UTI Fixed Term Income Fund Series XXIV - VI - 1181 Days 1,20,00,000 Units of ₹ 10.00 each	14.25		13.32	
UTI Fixed Term Income Fund Series XXIV - VIII - 1184 Days 80,00,000 Units of ₹ 10.00 each	9.44		8.83	
UTI Fixed Term Income Fund Series XXV - V - 1100 Days 50,00,000 Units of ₹ 10.00 each	5.61		5.25	
UTI Fixed Term Income Fund - Series XXVIII - IV (1204 Days) 1,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	15.24		–	
UTI Fixed Term Income Fund - Series XXVIII - VI (1190 Days) 1,90,00,000 (2017 - Nil) Units of ₹ 10.00 each	19.27		–	
UTI Fixed Term Income Fund - Series XXVIII - VIII (1171Days) 1,50,00,000 (2017 - Nil) Units of ₹ 10.00 each	15.22		–	
UTI Fixed Term Income Fund Series XXVIII - IX (1168 Days) 2,00,00,000 (2017 - Nil) Units of ₹ 10.00 each	20.26		–	
<b>INVESTMENT IN ALTERNATIVE INVESTMENT FUND (at fair value through profit or loss)</b>				
Fireside Ventures Investments Fund I 750 (2017 - Nil) Units of ₹ 100000.00 each		7.50		–
<b>Aggregate amount of quoted and unquoted Investments</b>	<b>11061.13</b>	<b>2432.64</b>	<b>6293.99</b>	<b>2191.52</b>
<b>TOTAL</b>		<b>13493.77</b>		<b>8485.51</b>

Aggregate market value of quoted investments ₹ 11096.58 Crores (2017 - ₹ 6344.59 Crores).

Aggregate amount of impairment in value of investments ₹ 84.13 Crores (2017 - ₹ 60.68 Crores).

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>5. Loans</b>				
<b>Other Loans</b>				
Others (Employees, suppliers, etc.)				
– Unsecured, considered good*	4.15	7.40	3.37	5.84
<b>TOTAL</b>	<b>4.15</b>	<b>7.40</b>	<b>3.37</b>	<b>5.84</b>

\* Includes interest bearing loan to a supplier, M/s MD Fresh Vegetable Private Limited ₹ 1.50 Crores (2017 - ₹ 2.00 Crores) carrying interest @ 12% p.a. for upgrading its infrastructure and enhancement of its factory capacity. Out of the above, current portion of the loan being ₹ 0.50 Crore (2017 - ₹ 0.50 Crore).

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>6. Other Financial assets</b>				
Bank deposits with more than 12 months maturity	–	1015.88	–	–
Other Financial assets				
Advances	2.42	–	3.96	–
Deposits*	533.99	725.40	530.35	99.83
Interest accrued on Loans, Deposits, Investments, etc.	491.72	–	314.82	–
Other Receivables**	119.82	–	155.78	–
<b>TOTAL</b>	<b>1147.95</b>	<b>1741.28</b>	<b>1004.91</b>	<b>99.83</b>

\* Deposits include deposits to directors ₹ 0.08 Crore (2017 - ₹ 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, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>7. Other Assets</b>				
Capital Advances (Refer Note 3B)	–	412.99	–	1056.48
Advances other than capital advances				
Security Deposits				
– With Statutory Authorities	8.36	886.71	10.85	861.67
– Others	4.29	104.26	6.91	103.57
Advances to related parties (Refer Note 29)	68.45	19.51	–	–
Other Advances (including advances with statutory authorities, prepaid expenses, employees, etc.)	1109.67	602.16	530.76	648.40
Other Receivables*	67.64	–	62.05	–
<b>TOTAL</b>	<b>1258.41</b>	<b>2025.63</b>	<b>610.57</b>	<b>2670.12</b>

\* Includes receivables on account of export incentives.

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ 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)		5288.47		4873.78
Work-in-progress		191.35		172.80
Finished goods (manufactured)		988.22		2022.75
Stock-in-trade (goods purchased for resale)		406.84		435.08
Stores and Spares		296.01		295.69
Intermediates - Tissue paper and Paperboards		66.26		63.89
<b>TOTAL</b>		<b>7237.15</b>		<b>7863.99</b>

The above includes goods in transit as under:

	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (₹ in Crores)
Raw materials (including packing materials)	128.27	89.65
Stock-in-trade (goods purchased for resale)	3.14	2.86
Stores and spares	5.14	1.65
<b>TOTAL</b>	<b>136.55</b>	<b>94.16</b>

The cost of inventories recognised as an expense includes ₹ 28.08 Crores (2017 - ₹ 15.06 Crores) in respect of write-downs of inventory to net realisable value. Further, a sum of ₹ 0.55 Crore (2017 - ₹ 0.65 Crore) is in respect of reversal of such write-downs. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

Inventories of ₹ 710.52 Crores (2017 - ₹ 640.28 Crores) are expected to be recovered after more than twelve months.

\* Also Refer Note 19.

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise)</b>				
<b>INVESTMENT IN PREFERENCE SHARES</b>				
ICICI Bank Limited 310 Non-Cumulative Redeemable Non-Convertible Non-Participative Preference Shares (20 April 2018) of ₹ 10000000.00 each, fully paid		308.56		277.65
<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	31.11		30.92	
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	101.68		101.98	
20,00,000 8.23% Tax Free Secured Non-Convertible Redeemable Bonds Series 91st (18 February 2024) of ₹ 1000.00 each, fully paid	202.95		200.00	
4,35,012 8.00% Tax Free Non-Cumulative Non-Convertible Redeemable Bonds 80th Series (23 February 2022) of ₹ 1000.00 each, fully paid	45.29		43.50	
National Bank For Agriculture and Rural Development Nil (2017 - 4,100) Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 August 2017) 2D of ₹ 20000.00 each, fully paid	–		7.96	
1,41,270 Zero Coupon Unsecured Non-Convertible Bonds in the form of Promissory Notes Series BNB (01 January 2019) of ₹ 20000.00 each, fully paid	267.66		243.86	
National Highways Authority of India 4,94,476 8.20% Tax Free Secured Redeemable Non-Convertible Bonds (25 January 2022) of ₹ 1000.00 each, fully paid	50.54		49.45	
National Housing Bank 1,03,785 Zero Coupon Unsecured Non-Convertible Taxable Bonds in the form of Promissory Notes (24 December 2018) of ₹ 10000.00 each, fully paid	98.51		89.67	
Power Finance Corporation Limited 450 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 119 B (17 September 2019) of ₹ 1000000.00 each, fully paid	45.94		45.83	
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	15.26		15.48	
1,000 8.01% Secured Redeemable Non-Convertible Non-Cumulative Tax Free Bonds in the nature of Debentures Series 107-A (30 August 2023) of ₹ 1000000.00 each, fully paid	100.89		100.00	
1,00,000 8.20% Secured Non-Convertible Tax Free Bonds Series - I (01 February 2022) of ₹ 1000.00 each, fully paid	10.22		10.35	
12,95,560 8.18% Secured Tax Free Redeemable Non-Convertible Bonds Series 1A (16 November 2023) of ₹ 1000.00 each, fully paid	131.73		129.56	
Rural Electrification Corporation Limited 30,00,000 7.22% Secured Tax Free Redeemable Non-Convertible Bonds Tranche 1 Series 1 (19 December 2022) of ₹ 1000.00 each, fully paid	296.60		300.00	
1,000 8.01% Secured Redeemable Non-Convertible Tax Free Bonds in the nature of Debentures Series 3A (29 August 2023) of ₹ 1000000.00 each, fully paid	100.89		100.00	
Carried over	1499.27	308.56	1468.56	277.65

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1499.27	308.56	1468.56	277.65
<b>INVESTMENT IN CERTIFICATE OF DEPOSITS</b>				
Axis Bank Limited 20,000 (2017 - Nil) Certificate of Deposit (31 January 2019) of ₹ 100000.00 each, fully paid		188.82		–
ICICI Bank Limited 10,000 (2017 - Nil) Certificate of Deposit (29 January 2019) of ₹ 100000.00 each, fully paid		94.42		–
IDFC Bank Limited Nil (2017 - 15,000) Certificate of Deposit (06 October 2017) of ₹ 100000.00 each, fully paid		–		145.10
IndusInd Bank Limited Nil (2017 - 10,000) Certificate of Deposit (31 August 2017) of ₹ 100000.00 each, fully paid		–		97.34
Kotak Mahindra Bank Limited 50,000 (2017 - Nil) Certificate of Deposit (19 September 2018) of ₹ 100000.00 each, fully paid		484.50		–
National Bank For Agriculture and Rural Development 25,000 (2017 - Nil) Certificate of Deposit (14 February 2019) of ₹ 100000.00 each, fully paid		235.40		–
Small Industries Development Bank Of India 20,000 (2017 - Nil) Certificate of Deposit (18 January 2019) of ₹ 100000.00 each, fully paid		189.21		–
20,000 (2017 - Nil) Certificate of Deposit (22 January 2019) of ₹ 100000.00 each, fully paid		189.14		–
25,000 (2017 - Nil) Certificate of Deposit (08 February 2019) of ₹ 100000.00 each, fully paid		235.67		–
25,000 (2017 - Nil) Certificate of Deposit (14 February 2019) of ₹ 100000.00 each, fully paid		235.40		–
<b>INVESTMENT IN MUTUAL FUNDS</b>				
Aditya Birla Sun Life Floating Rate Fund - Long Term 3,52,34,101 (2017 - 1,71,61,769) Units of ₹ 100.00 each		758.68		344.35
Aditya Birla Sun Life Savings Fund 1,72,75,965 (2017 - 1,50,00,045) Units of ₹ 100.00 each		593.23		479.83
Aditya Birla Sun Life Short Term Fund 2,68,28,196 Units of ₹ 10.00 each		179.27		167.79
Aditya Birla Sun Life Treasury Optimizer Plan Nil (2017 - 15,45,665) Units of ₹ 100.00 each		–		32.51
Axis Short Term Fund 8,89,51,089 (2017 - 22,61,88,081) Units of ₹ 10.00 each		174.71		416.22
Axis Treasury Advantage Fund 5,46,967 Units of ₹ 1000.00 each		108.35		100.98
DHFL Pramerica Ultra Short Term Fund 3,91,50,224 (2017 - 5,09,80,716) Units of ₹ 10.00 each		49.74		60.40
DSP BlackRock Low Duration Fund (Formerly known as DSP BlackRock Ultra Short Term Fund) 26,30,57,340 Units of ₹ 10.00 each		333.10		311.78
DSP BlackRock Short Term Fund Nil (2017 - 8,80,67,259) Units of ₹ 10.00 each		–		252.18
Carried over	1499.27	4358.20	1468.56	2686.13

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (at fair value through profit or loss, unless stated otherwise) (Contd.)</b>				
Brought forward	1499.27	4358.20	1468.56	2686.13
<b>INVESTMENT IN MUTUAL FUNDS (Contd.)</b>				
HDFC Floating Rate Income Fund - Short Term Plan 10,23,22,267 Units of ₹ 10.00 each		310.88		290.18
HDFC High Interest Fund - Dynamic Plan Nil (2017 - 1,06,18,432) Units of ₹ 10.00 each		–		62.22
HDFC Medium Term Opportunities Fund 13,70,31,285 Units of ₹ 10.00 each		265.95		249.09
HDFC Short Term Opportunities Fund 14,47,53,251 Units of ₹ 10.00 each		277.56		260.38
ICICI Prudential - Flexible Income Plan 53,44,324 Units of ₹ 100.00 each		179.08		167.05
ICICI Prudential Banking & PSU Debt Fund 4,92,90,221 Units of ₹ 10.00 each		59.96		56.14
ICICI Prudential Income Opportunities Fund 2,11,18,618 (2017 - 7,98,55,052) Units of ₹ 10.00 each		52.29		186.27
ICICI Prudential Short Term 2,70,17,352 (2017 - 7,64,50,849) Units of ₹ 10.00 each		101.33		267.81
ICICI Ultra-Short Term Plan 22,03,55,476 Units of ₹ 10.00 each		374.16		350.02
IDFC Corporate Bond Fund Nil (2017 - 20,53,11,314) Units of ₹ 10.00 each		–		230.28
IDFC Money Manager Fund - Investment Plan 1,22,42,641 (2017 - 7,43,04,224) Units of ₹ 10.00 each		128.63		172.89
IDFC Money Manager Fund - Treasury Plan 4,22,87,680 (2017 - 5,21,99,899) Units of ₹ 10.00 each		118.02		136.69
IDFC Super Saver Income Fund - Short Term 4,72,99,811 (2017 - 7,02,30,210) Units of ₹ 10.00 each		172.91		241.02
Kotak Bond Short Term 7,68,78,681 (2017 - 16,24,19,814) Units of ₹ 10.00 each		204.71		463.19
Kotak Treasury Advantage Fund 17,04,16,740 Units of ₹ 10.00 each		481.10		449.20
Reliance Floating Rate Fund - Short Term Plan 38,18,89,185 (2017 - 40,11,92,118) Units of ₹ 10.00 each		478.59		498.44
Reliance Medium Term Fund 10,42,77,348 Units of ₹ 10.00 each		246.09		229.47
Reliance Money Manager Fund 6,71,878 Units of ₹ 1000.00 each		163.85		152.95
Reliance Short Term Fund 2,07,06,236 Units of ₹ 10.00 each		69.75		65.43
SBI Premier Liquid Fund Nil (2017 - 7,74,070) Units of ₹ 1000.00 each		–		197.05
Tata Ultra Short Term Nil (2017 - 12,53,751) Units of ₹ 1000.00 each		–		311.12
UTI Money Market Fund - Institutional 3,53,612 (2017 - Nil) Units of ₹ 1000.00 each		68.59		–
<b>Current Portion of Non-Current Investment (at amortised cost)</b>				
<b>INVESTMENT IN BONDS/DEBENTURES</b>				
Housing Development Finance Corporation Limited 30 (2017 - Nil) 8.45% Secured Redeemable Non-Convertible Debentures Series O 009 (08 February 2019) of ₹ 10000000.00 each, fully paid		30.17		–
Carried over	1529.44	8111.65	1468.56	7723.02



## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>9. Current investments (Contd.)</b>				
Brought forward	1529.44	8111.65	1468.56	7723.02
<b>INVESTMENT IN BONDS / DEBENTURES (Contd.)</b>				
ICICI Home Finance Company Limited 1,900 (2017 - Nil) 7.65% Unsecured Rated Listed Redeemable Senior Non-Convertible Bonds in the nature of Debentures Series HDBFB171 (23 October 2018) of ₹ 500000.00 each, fully paid	95.00		–	
IDFC Bank Limited Nil (2017 - 3,000) Zero Coupon Unsecured Redeemable Non-Convertible Debentures Series IDFC Bank OBB 20/2015 (27 November 2017) of ₹ 1000000.00 each, fully paid	–		354.25	
LIC Housing Finance Limited Nil (2017 - 30) 8.50% Secured Redeemable Non-Convertible Debentures Tranche 187 (13 April 2017) of ₹ 1000000.00 each, fully paid	–		3.00	
Nil (2017 - 1,000) 9.18% Secured Redeemable Non-Convertible Debentures Tranche 219 (03 July 2017) of ₹ 1000000.00 each, fully paid	–		100.11	
Nil (2017 - 300) 9.29% Secured Redeemable Non-Convertible Debentures Tranche 230 Option 1 (16 October 2017) of ₹ 1000000.00 each, fully paid	–		30.12	
Nil (2017 - 170) 9.80% Secured Redeemable Non-Convertible Debentures Tranche XXVI (22 October 2017) of ₹ 1000000.00 each, fully paid	–		17.10	
500 (2017 - Nil) 8.38% Secured Redeemable Non-Convertible Debentures Tranche 277 Option 1 (27 February 2019) of ₹ 1000000.00 each, fully paid	50.35		–	
Power Finance Corporation Limited Nil (2017 - 1,000) 8.12% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 139-B (22 May 2017) of ₹ 1000000.00 each, fully paid	–		99.99	
Nil (2017 - 1,500) 9.11% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 115 I (07 July 2017) of ₹ 1000000.00 each, fully paid	–		150.22	
Nil (2017 - 379) 9.27% Unsecured Redeemable Non-Convertible Non-Cumulative Taxable Bonds Series 92-B (21 August 2017) of ₹ 1000000.00 each, fully paid	–		38.04	
Nil (2017 - 150) 9.32% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 117A (19 August 2017) of ₹ 1000000.00 each, fully paid	–		15.06	
170 (2017 - Nil) 8.29% Unsecured Redeemable Non-Convertible Taxable Bonds in the nature of Debentures Series 129-B (13 June 2018) of ₹ 1000000.00 each, fully paid	17.01		–	
Rural Electrification Corporation Limited Nil (2017 - 1,000) 9.40% Unsecured Non-Convertible, Non-Cumulative Redeemable Taxable Bonds - 2017 Series - 108 (Option I) (20 July 2017) of ₹ 1000000.00 each, fully paid	–		100.31	
Small Industries Development Bank Of India 1,000 (2017 - Nil) 8.28% Unsecured Redeemable Non-Convertible Bonds in the nature of Promissory Notes Series 7 of 2015 -16 (26 February 2019) of ₹ 1000000.00 each, fully paid	100.00		–	
<b>Aggregate amount of quoted and unquoted Investments</b>	<b>1791.80</b>	<b>8111.65</b>	<b>2376.76</b>	<b>7723.02</b>
<b>TOTAL</b>		<b>9903.45</b>		<b>10099.78</b>

Aggregate market value of quoted investments ₹ 1792.59 Crores (2017 - ₹ 2380.97 Crores).

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (₹ in Crores)
<b>10. Trade Receivables (Current)</b>		
Secured, considered good	29.06	28.89
Unsecured, considered good	2327.95	2178.61
Doubtful	116.27	96.74
Less: Allowance for doubtful receivables	116.27	96.74
<b>TOTAL</b>	<b>2357.01</b>	<b>2207.50</b>

<b>11. Cash and cash equivalents<sup>@</sup></b>		
Balances with Banks		
Current accounts	91.47	150.70
Cheques, drafts on hand	1.88	3.28
Cash on hand	2.68	2.17
<b>TOTAL</b>	<b>96.03</b>	<b>156.15</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	158.45	157.68
In deposit accounts*	2340.40	2433.44
<b>TOTAL</b>	<b>2498.85</b>	<b>2591.12</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, 2018 (No. of Shares)	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 (₹ 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	12,20,42,94,911	1220.43	12,14,73,83,071	1214.74
<b>A) Reconciliation of number of Ordinary Shares outstanding</b>				
As at beginning of the year	12,14,73,83,071	1214.74	8,04,72,06,991	804.72
Add: Issue of Bonus Shares	–	–	4,02,66,57,100	402.67
Add: Issue of Shares on exercise of Options	5,69,11,840	5.69	7,35,18,980	7.35
As at end of the year	<u>12,20,42,94,911</u>	<u>1220.43</u>	<u>12,14,73,83,071</u>	<u>1214.74</u>
<b>B) Shareholders holding more than 5% of the Ordinary Shares in the Company</b>				
	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2018 %	As at 31st March, 2017 (No. of Shares)	As at 31st March, 2017 %
Tobacco Manufacturers (India) Limited	2,97,83,47,320	24.40	2,97,83,47,320	24.52
Life Insurance Corporation of India	1,97,50,75,980	16.18	1,97,50,75,980	16.26
Specified Undertaking of the Unit Trust of India	1,02,52,89,805	8.40	1,10,25,91,521	9.08
<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</b>				
	2018 (No. of Shares)	2017 (No. of Shares)		
Shares issued in 2014-15 pursuant to the Scheme of Arrangement between Wimco Limited and ITC Limited	87,761	87,761		
<b>D) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March</b>				
	2018 (No. of Shares)	2017 (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>				
	As at 31st March, 2018 (No. of Shares)	As at 31st March, 2017 (No. of Shares)		
Ordinary Shares of ₹ 1.00 each	43,30,60,920	43,15,59,080		

### Terms and Conditions of Options Granted

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

The vesting period for conversion of Options is as follows:

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

The Options have been granted at the 'market price' as defined 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(xii).

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (₹ in Crores)
<b>14. Non-current borrowings</b>		
<b>Unsecured</b>		
Deferred payment liabilities		
Sales tax deferment loans	11.13	17.99
<b>TOTAL</b>	<b>11.13</b>	<b>17.99</b>

### Sales tax deferment loans

Interest free deferral period ranging from 10 to 14 years and are 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 15)	6.86	7.84
<b>Current maturities of long-term debt</b>	<b>6.86</b>	<b>7.84</b>
In the second year	3.24	6.86
In the third to fifth year	3.35	5.85
After five years	4.54	5.28
<b>Non-current borrowings</b>	<b>11.13</b>	<b>17.99</b>

	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (₹ in Crores)
<b>15. Other financial liabilities</b>		
<b>Non-current</b>		
Others (Includes retention money payable towards property, plant and equipment)	35.36	9.21
<b>TOTAL</b>	<b>35.36</b>	<b>9.21</b>
<b>Current</b>		
Current maturities of long-term debt (Refer Note 14)	6.86	7.84
Interest accrued	1.75	1.65
Unpaid dividend *	158.23	157.42
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures / bonds and interest accrued thereon **	0.30	0.30
Others (Includes payable for property, plant and equipment, derivatives designated as hedging instruments etc.)	611.16	617.57
<b>TOTAL</b>	<b>778.30</b>	<b>784.78</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.

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>16. Provisions</b>				
Provision for employee benefits [Refer Note 27 (vii)]				
Retirement benefits	13.18	84.87	21.43	85.41
Other benefits	26.06	37.04	20.40	45.96
<b>TOTAL</b>	<b>39.24</b>	<b>121.91</b>	<b>41.83</b>	<b>131.37</b>

	As at 31st March, 2018 (₹ in Crores)		As at 31st March, 2017 (₹ in Crores)	
	Current	Non-Current	Current	Non-Current
<b>17. Deferred tax liabilities (Net)</b>				
Deferred tax liabilities		2329.70		2416.95
Less: Deferred tax assets		411.76		545.25
<b>TOTAL</b>		<b>1917.94</b>		<b>1871.70</b>

(₹ in Crores)

Movement in deferred tax liabilities/assets balances	Opening Balance	Recognised in profit or loss	Recognised in OCI	Recognised directly in Equity	Reclassified to profit or loss	Closing Balance
<b>2017-18</b>						
<b>Deferred Tax liabilities/assets in relation to:</b>						
On fiscal allowances on property, plant and equipment, etc.	1866.58	145.88	–	–	–	2012.46
On excise duty/National Calamity Contingent Duty on closing stock	372.24	(347.67)	–	–	–	24.57
On cash flow hedges	(5.70)	–	12.10	12.17	(14.96)	3.61
Other timing differences	183.83	105.23	–	–	–	289.06
<b>Total deferred tax liabilities</b>	<b>2416.95</b>	<b>(96.56)</b>	<b>12.10</b>	<b>12.17</b>	<b>(14.96)</b>	<b>2329.70</b>
On employees' separation and retirement etc.	86.53	(9.02)	(8.31)	–	–	69.20
On provision for doubtful debts/advances	35.00	8.97	–	–	–	43.97
On State and Central taxes etc.	335.83	(146.94)	–	–	–	188.89
Other timing differences	87.89	21.81	–	–	–	109.70
<b>Total deferred tax assets</b>	<b>545.25</b>	<b>(125.18)</b>	<b>(8.31)</b>	<b>–</b>	<b>–</b>	<b>411.76</b>
<b>Deferred tax liabilities (Net)</b>	<b>1871.70</b>	<b>28.62</b>	<b>20.41</b>	<b>12.17</b>	<b>(14.96)</b>	<b>1917.94</b>
<b>2016-17</b>						
<b>Deferred Tax liabilities/assets in relation to:</b>						
On fiscal allowances on property, plant and equipment, etc.	1744.15	122.43	–	–	–	1866.58
On excise duty/National Calamity Contingent Duty on closing stock	600.92	(228.68)	–	–	–	372.24
On cash flow hedges	3.40	–	(7.18)	5.77	(7.69)	(5.70)
Other timing differences	40.68	143.15	–	–	–	183.83
<b>Total deferred tax liabilities</b>	<b>2389.15</b>	<b>36.90</b>	<b>(7.18)</b>	<b>5.77</b>	<b>(7.69)</b>	<b>2416.95</b>
On employees' separation and retirement etc.	80.10	3.39	3.04	–	–	86.53
On provision for doubtful debts/advances	26.05	8.95	–	–	–	35.00
On State and Central taxes etc.	322.60	13.23	–	–	–	335.83
Other timing differences	92.97	(5.08)	–	–	–	87.89
<b>Total deferred tax assets</b>	<b>521.72</b>	<b>20.49</b>	<b>3.04</b>	<b>–</b>	<b>–</b>	<b>545.25</b>
<b>Deferred tax liabilities (Net)</b>	<b>1867.43</b>	<b>16.41</b>	<b>(10.22)</b>	<b>5.77</b>	<b>(7.69)</b>	<b>1871.70</b>

The Company has long term capital losses of ₹ Nil (2017 - ₹ 74.12 Crores) for which no deferred tax assets have been recognised.

## Notes to the Financial Statements

	As at 31st March, 2018 (₹ in Crores)	As at 31st March, 2017 (₹ in Crores)
<b>18. Other liabilities</b>		
<b>Non-current</b>		
Deferred revenue arising from Government grant	38.30	14.65
<b>TOTAL</b>	<b>38.30</b>	<b>14.65</b>
<b>Current</b>		
Statutory Liabilities	3988.60	2682.76
Advances received from customers	570.73	580.26
Others		
– Deferred revenue arising from Government grant	1.27	0.79
– Others (includes deferred revenue, accruals, customer deposits etc.)	96.18	87.34
<b>TOTAL</b>	<b>4656.78</b>	<b>3351.15</b>
<b>19. Current Borrowings</b>		
<b>Secured</b>		
Loans from Banks		
Cash Credit Facilities	–	0.01
<b>TOTAL</b>	<b>–</b>	<b>0.01</b>
Cash credit facilities are secured by hypothecation of inventories of the Company, both present and future (Refer Note 8).		
<b>20A. Income Tax Assets (Net)</b>		
Income Tax Assets (net of provision)	18.66	–
<b>TOTAL</b>	<b>18.66</b>	<b>–</b>
<b>20B. Current Tax Liabilities (Net)</b>		
Current taxation (net of advance payment)	–	101.08
<b>TOTAL</b>	<b>–</b>	<b>101.08</b>

## Notes to the Financial Statements

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>21A. Revenue from operations</b>		
Sale of Products	42552.80	53672.44
Sale of Services	1404.10	1329.25
Gross Revenue from sale of products and services* [including excise duty/National Calamity Contingent Duty of ₹ 4701.64 Crores (2017 - ₹ 16022.49 Crores)] <sup>@</sup>	43956.90	55001.69
Other Operating Revenues <sup>#</sup>	372.87	446.77
<b>TOTAL</b>	<b>44329.77</b>	<b>55448.46</b>

\* Net of sales returns and damaged stocks.

<sup>@</sup> Also refer to the note in the 'Statement of Profit and Loss'.

<sup>#</sup> Includes Government grants received of ₹ 86.95 Crores (2017 - ₹ 127.01 Crores) on account of Export Promotion Capital Goods, Served from India Scheme, Service Export from India Scheme, Merchandise Export from India Scheme etc.

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>21B. Gross Revenue from sale of products and services*<sup>@</sup></b>		
<b>FMCG</b>		
– Cigarettes etc.	22894.01	34001.98
– Branded Packaged Food Products	8668.72	8036.41
– Others (Apparel, Education and Stationery Products, Personal Care Products, Safety Matches, Agarbattis etc.)	2645.66	2462.16
<b>Hotels</b>		
– Hotels Sales/Income from Hotel Services	1404.10	1329.25
<b>Agri Business</b>		
– Unmanufactured Tobacco	1696.13	1817.93
– Other Agri Products and Commodities (Wheat, Soya, Spices, Coffee, Aqua etc.)	2855.85	3534.95
<b>Paperboards, Paper and Packaging</b>		
– Paperboards and Paper	3221.11	3219.57
– Printed Materials	571.32	599.44
<b>TOTAL</b>	<b>43956.90</b>	<b>55001.69</b>

\* Net of sales returns and damaged stocks.

<sup>@</sup> Also refer to the note in the 'Statement of Profit and Loss'.

## Notes to the Financial Statements

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>22. Other income</b>		
Interest income	917.80	864.58
Dividend income	409.79	248.85
Other non-operating income	24.25	37.62
Other gains and losses	778.00	834.86
<b>TOTAL</b>	<b>2129.84</b>	<b>1985.91</b>
Interest income comprises interest from:		
a) Deposits with banks etc. - carried at amortised cost	242.63	320.96
b) Financial assets mandatorily measured at FVTPL	156.34	154.27
c) Other financial assets measured at amortised cost	480.87	388.97
d) Others (from statutory authorities etc.)	37.96	0.38
<b>TOTAL</b>	<b>917.80</b>	<b>864.58</b>
Dividend income comprises dividend from:		
a) Equity instruments measured at FVTOCI held at the end of reporting period	7.73	0.02
b) Other investments	402.06	248.83
<b>TOTAL</b>	<b>409.79</b>	<b>248.85</b>
Other gains and losses:		
Net foreign exchange gain/(loss)	42.90	0.49
Net gain/(loss) arising on financial assets mandatorily measured at FVTPL*	748.94	646.71
Net gain recognised on disposal of subsidiary and return of capital by subsidiary	9.61	203.95
Impairment of investment in joint venture/subsidiary company	(23.45)	(16.29)
<b>TOTAL</b>	<b>778.00</b>	<b>834.86</b>
* Includes ₹ 258.09 Crores (2017 - ₹ 143.53 Crores) being net gain/(loss) on sale of investments.		
<b>23. Employee benefits expense</b>		
Salaries and wages	1805.05	1687.15
Contribution to Provident and other funds	165.09	147.28
Share based payments to employees	349.28	450.32
Staff welfare expenses	199.57	189.06
	2518.99	2473.81
Less: Recoveries made/reimbursements received	31.53	29.50
<b>TOTAL</b>	<b>2487.46</b>	<b>2444.31</b>
<b>24. Finance costs</b>		
Interest expense:		
– On financial liabilities measured at amortised cost	33.38	7.42
– Others	53.27	15.53
<b>TOTAL</b>	<b>86.65</b>	<b>22.95</b>



## Notes to the Financial Statements

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ in Crores)
<b>25. Other Expenses</b>		
Power and fuel	620.92	550.32
Consumption of stores and spare parts	260.69	262.23
Contract processing charges	823.28	821.62
Rent [Refer Note 27(ix)]	314.80	308.68
Rates and taxes	209.60	556.89
Insurance	54.30	55.25
Repairs		
– Buildings	57.80	63.00
– Machinery	206.52	209.01
– Others	59.58	62.71
Maintenance and upkeep	209.09	184.20
Outward freight and handling charges	886.72	836.95
Warehousing charges	134.87	116.90
Advertising/Sales promotion	886.23	792.44
Market research	131.42	113.44
Design and product development	45.22	49.58
Hotel reservation/Marketing expenses	33.42	31.40
Retail accessories	133.44	202.95
Brokerage and discount - sales	7.89	9.01
Commission to selling agents	26.76	38.69
Doubtful and bad debts	25.14	30.74
Doubtful and bad advances, loans and deposits	3.74	1.25
Bank and credit card charges	22.95	22.38
Information technology services	243.16	227.08
Travelling and conveyance	248.24	229.90
Training and development	24.27	20.66
Legal expenses	39.84	44.85
Consultancy/Professional fees	102.84	103.06
Postage, telephone etc.	23.70	27.74
Printing and stationery	17.30	17.19
Loss on sale of property, plant and equipment - Net	14.48	5.00
Loss on sale of stores and spare parts - Net	3.72	4.54
Miscellaneous expenses	937.13	1090.37
<b>TOTAL</b>	<b>6809.06</b>	<b>7090.03</b>
<b>Miscellaneous expenses include:</b>		
(1) Auditors' remuneration and expenses*		
– Audit fees	2.95	2.65
– Tax audit fees	0.60	0.55
– Fees for limited review	1.02	0.93
– Fees for other services <sup>#</sup>	1.99	1.99
– Reimbursement of expenses	0.42	0.45
(2) Cost auditors' fees	0.09	0.10

\* Excluding taxes.

<sup>#</sup> Includes remuneration for professional services rendered by firms of auditors in which some of the partners of the statutory auditors firm are partners ₹ 0.83 Crore (2017 - ₹ 0.91 Crore).

## Notes to the Financial Statements

	For the year ended 31st March, 2018 (₹ in Crores)	For the year ended 31st March, 2017 (₹ 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		
Current tax	5863.36	5339.68
Adjustments/(credits) related to previous years - Net		
Current tax	(263.53)	(54.03)
<b>Total current tax</b>	<b>5599.83</b>	<b>5285.65</b>
<b>Deferred tax</b>		
Deferred tax for the year	(65.70)	(37.62)
Adjustments/(credits) related to previous years - Net	94.32	54.03
<b>Total deferred tax</b>	<b>28.62</b>	<b>16.41</b>
<b>TOTAL</b>	<b>5628.45</b>	<b>5302.06</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		
Remeasurement gains/(losses) on defined benefit plans	(28.05)	3.04
Related to designated portion of hedging instruments in cash flow hedges	(3.56)	21.18
	<b>(31.61)</b>	<b>24.22</b>
On items that will be reclassified to profit or loss		
Related to designated portion of hedging instruments in cash flow hedges	6.42	(6.31)
<b>TOTAL</b>	<b>(25.19)</b>	<b>17.91</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	12.17	5.77
<b>TOTAL</b>	<b>12.17</b>	<b>5.77</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>	16851.70	15502.96
Income tax expense calculated @ 34.608% (2017- 34.608%)	5832.04	5365.26
Effect of tax relating to uncertain tax positions	78.12	93.90
Effect of different tax rate on certain items	(99.68)	(101.54)
Effect of income not taxable	(151.06)	(89.75)
Other differences	157.02	85.66
Benefit of previously unrecognised tax loss to reduce current tax expense	(18.78)	(41.38)
Benefit of previously unrecognised tax loss to reduce deferred tax expense	-	(10.09)
<b>Total</b>	<b>5797.66</b>	<b>5302.06</b>
Adjustments recognised in the current year in relation to the current tax of prior years	(169.21)	-
<b>Income tax recognised in profit or loss</b>	<b>5628.45</b>	<b>5302.06</b>

The tax rate used for the year 2017-18 and 2016-17 is the corporate tax rate of 34.608% (30% + surcharge @ 12% and education cess @ 3%) payable on taxable profits under the Income Tax Act, 1961.

# Notes to the Financial Statements

## 27. Additional Notes to the Financial Statements

(i) Exceptional Items represent provisions for earlier years of ₹ 412.90 Crores (₹ 270.00 Crores post tax), in respect of Tamil Nadu entry tax that have been written back, based on a favourable order of the Hon'ble Supreme Court.

(ii) Earnings per share:

	2018	2017
Earnings per share has been computed as under:		
(a) Profit for the year (₹ in Crores)	11223.25	10200.90
(b) Weighted average number of Ordinary shares outstanding for the purpose of basic earnings per share	12,17,58,14,877	12,10,38,51,999
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	7,09,84,629	7,54,20,442
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	12,24,67,99,506	12,17,92,72,441
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	9.22	8.43
– Diluted [(a)/(d)]	9.16	8.38

(iii) Expenditure incurred under Section 135 of the Companies Act, 2013 on Corporate Social Responsibility (CSR) activities - ₹ 290.98 Crores (2017 - ₹ 275.96 Crores) comprising employee benefits expense of ₹ 7.84 Crores (2017 - ₹ 6.75 Crores) and other expenses of ₹ 283.14 Crores (2017 - ₹ 269.21 Crores) of which ₹ 14.42 Crores (2017 - ₹ 16.80 Crores) is accrued for payment as on 31st March, 2018. Such CSR expenditure of ₹ 290.98 Crores (2017 - ₹ 275.96 Crores) excludes ₹ 10.29 Crores (2017 - ₹ 11.80 Crores) being the excess of expenditure of salaries of CSR personnel and administrative expenses over the limit imposed of 5% of total CSR expenditure laid down under Rule 4(6) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 for such expenses.

(iv) Research and Development expenses for the year amount to ₹ 130.44 Crores (2017 - ₹ 134.83 Crores).

(v) Cost of inventory recognised as expense during the year amount to ₹ 22969.81 Crores (2017 - ₹ 34655.68 Crores).

(vi) Contingent liabilities and commitments:

(a) Contingent liabilities

(i) Claims against the Company not acknowledged as debts ₹ 777.25 Crores (2017 - ₹ 688.53 Crores), including interest on claims, where applicable, estimated to be ₹ 225.17 Crores (2017 - ₹ 195.17 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 ₹ 626.71 Crores (2017 - ₹ 582.60 Crores), including interest on claims, where applicable, estimated to be ₹ 215.72 Crores (2017 - ₹ 185.88 Crores).
- Local Authority taxes/cess/royalty on property, utilities, etc. claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 104.21 Crores (2017 - ₹ 59.42 Crores), including interest on claims, where applicable, estimated to be ₹ 5.03 Crores (2017 - ₹ 4.99 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 39.17 Crores (2017 - ₹ 39.04 Crores), including interest on claims, where applicable, estimated to be ₹ 0.48 Crore (2017 - ₹ 0.36 Crore).
- Other matters ₹ 7.16 Crores (2017 - ₹ 7.47 Crores), including interest on other matters, where applicable, estimated to be ₹ 3.94 Crores (2017 - ₹ 3.94 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.)

(ii) Corporate Guarantee given to Yes Bank Limited for credit facility availed by Broadcast Audience Research Council (BARC) outstanding - ₹ 1.30 Crores (2017 - ₹ 1.30 Crores).

### (b) Commitments

- Estimated amount of contracts remaining to be executed on capital accounts and not provided for ₹ 1445.07 Crores (2017 - ₹ 1990.24 Crores).
- Uncalled liability on investments partly paid is ₹ 33.90 Crores (2017 - ₹ 26.40 Crores).

### (vii) (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 due to adverse inflationary pressures might lead to higher liabilities.

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

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

# Notes to the Financial Statements

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

		For the year ended 31st March, 2018 (₹ in Crores)			For the year ended 31st March, 2017 (₹ 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 Profit or Loss</b>						
1	Current Service Cost	44.47	26.13	7.76	44.66	28.04	5.57
2	Past Service Cost	-	6.56	-	-	-	-
3	Net Interest Cost	(3.48)	(0.07)	6.28	(5.13)	(1.18)	6.36
4	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>40.99</b>	<b>32.62</b>	<b>14.04</b>	<b>39.53</b>	<b>26.86</b>	<b>11.93</b>
-	<b>Re-measurements recognised in Other Comprehensive Income</b>						
5	Return on plan assets (excluding amounts included in Net interest cost)	(1.74)	(4.78)	-	(20.58)	(4.44)	-
6	Effect of changes in demographic assumptions	(0.48)	(0.37)	(0.39)	-	-	-
7	Effect of changes in financial assumptions	(33.73)	(11.78)	(5.59)	32.35	15.66	4.86
8	Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
9	Effect of experience adjustments	(21.08)	(3.67)	2.78	7.41	(10.59)	3.29
10	<b>Total re-measurements included in Other Comprehensive Income</b>	<b>(57.03)</b>	<b>(20.60)</b>	<b>(3.20)</b>	<b>19.18</b>	<b>0.63</b>	<b>8.15</b>
11	<b>Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (4+10)</b>	<b>(16.04)</b>	<b>12.02</b>	<b>10.84</b>	<b>58.71</b>	<b>27.49</b>	<b>20.08</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>							
		<b>Pension</b>	<b>Gratuity</b>	<b>Leave Encashment</b>	Pension	Gratuity	Leave Encashment
<b>II</b>	<b>Actual Returns</b>	52.09	24.80	-	71.46	26.37	-
<b>III</b>	<b>Net Asset/(Liability) recognised in Balance Sheet</b>						
1	Present Value of Defined Benefit Obligation	702.21	314.68	98.05	722.69	313.11	98.84
2	Fair Value of Plan Assets	775.53	329.09	-	716.25	311.55	-
3	Status [Surplus/(Deficit)]	73.32	14.41	(98.05)	(6.44)	(1.56)	(98.84)
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, 2018		As at 31st March, 2017	
		Current	Non-current	Current	Non-current
	– Pension	53.81	19.51	(6.44)	–
	– Gratuity	14.41	–	(1.56)	–
	– Leave Encashment	(13.18)	(84.87)	(13.43)	(85.41)

IV	Change in Defined Benefit Obligation (DBO)	For the year ended 31st March, 2018 (₹ in Crores)			For the year ended 31st March, 2017 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of DBO at the beginning of the year	722.69	313.11	98.84	627.53	293.99	90.82
2	Current Service Cost	44.47	26.13	7.76	44.66	28.04	5.57
3	Past Service Cost	–	6.56	–	–	–	–
4	Interest Cost	46.87	19.95	6.28	45.75	20.75	6.36
5	Remeasurement gains/(losses):						
a.	Effect of changes in demographic assumptions	(0.48)	(0.37)	(0.39)	–	–	–
b.	Effect of changes in financial assumptions	(33.73)	(11.78)	(5.59)	32.35	15.66	4.86
c.	Changes in asset ceiling (excluding interest income)	–	–	–	–	–	–
d.	Effect of experience adjustments	(21.08)	(3.67)	2.78	7.41	(10.59)	3.29
6	Curtailment Cost/(Credits)	–	–	–	–	–	–
7	Settlement Cost/(Credits)	–	–	–	–	–	–
8	Liabilities assumed in business combination	–	–	–	–	–	–
9	Exchange difference on foreign plans	–	–	–	–	–	–
10	Benefits Paid	(56.53)	(35.25)	(11.63)	(35.01)	(34.74)	(12.06)
11	<b>Present Value of DBO at the end of the year</b>	<b>702.21</b>	<b>314.68</b>	<b>98.05</b>	<b>722.69</b>	<b>313.11</b>	<b>98.84</b>

(₹ in Crores)

V	Best Estimate of Employers' Expected Contribution for the next year	As at 31st March, 2018	As at 31st March, 2017
	– Pension	53.81	107.46
	– Gratuity	17.59	18.41

## Notes to the Financial Statements

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

		For the year ended 31st March, 2018 (₹ in Crores)			For the year ended 31st March, 2017 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>VI</b>	<b>Change in Fair Value of Assets</b>						
1	Plan Assets at the beginning of the year	716.25	311.55	–	640.50	273.12	–
2	Asset acquired in Business Combination	–	–	–	–	–	–
3	Interest Income	50.35	20.02	–	50.88	21.93	–
4	Remeasurement Gains/(Losses) on plan assets	1.74	4.78	–	20.58	4.44	–
5	Actual Company Contributions	63.72	27.99	–	39.30	46.80	–
6	Benefits Paid	(56.53)	(35.25)	–	(35.01)	(34.74)	–
7	<b>Plan Assets at the end of the year</b>	<b>775.53</b>	<b>329.09</b>	<b>–</b>	<b>716.25</b>	<b>311.55</b>	<b>–</b>

<b>VII Actuarial Assumptions</b>		<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
		<b>Discount Rate (%)</b>	<b>Discount Rate (%)</b>
1	Pension	7.50	6.75
2	Gratuity	7.50	6.75
3	Leave Encashment	7.50	6.75

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

<b>VIII Major Category of Plan Assets as a % of the Total Plan Assets</b>		<b>As at 31st March, 2018</b>	<b>As at 31st March, 2017</b>
1	Government Securities/Special Deposit with RBI	24.09%	27.68%
2	High Quality Corporate Bonds	16.01%	19.80%
3	Insurer Managed Funds*	48.67%	41.93%
4	Mutual Funds	2.34%	2.36%
5	Cash and Cash Equivalents	6.25%	5.39%
6	Term Deposits	2.64%	2.84%

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The fair value of Government securities, corporate bonds, mutual funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the 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 optimise returns within acceptable risk parameters, the plan assets are well diversified.

		For the year ended 31st March, 2018 (₹ in Crores)			For the year ended 31st March, 2017 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>X</b>	<b>Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)</b>						
	1 Present Value of Defined Benefit Obligation	702.21	314.68	98.05	722.69	313.11	98.84
	2 Fair Value of Plan Assets	775.53	329.09	–	716.25	311.55	–
	3 Status [Surplus/(Deficit)]	73.32	14.41	(98.05)	(6.44)	(1.56)	(98.84)
	4 Experience Adjustment of Plan Assets [Gain/(Loss)]	1.74	4.78	–	20.58	4.44	–
	5 Experience Adjustment of obligation [(Gain)/Loss]	(21.08)	(3.67)	2.78	7.41	(10.59)	3.29

<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, 2018	DBO as at 31st March, 2017
	1 Discount Rate + 100 basis points	1055.58	1074.55
	2 Discount Rate - 100 basis points	1177.68	1210.20
	3 Salary Increase Rate + 1%	1177.75	1196.49
	4 Salary Increase Rate – 1%	1066.85	1076.22

### Maturity Analysis Of The Benefit Payments

	1 Year 1	182.31	159.35
	2 Year 2	127.57	143.80
	3 Year 3	118.87	87.94
	4 Year 4	98.82	111.05
	5 Year 5	120.50	111.82
	6 Next 5 Years	460.62	497.13

(b) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 23: ₹ 91.48 Crores (2017 - ₹ 80.89 Crores).



# Notes to the Financial Statements

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

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

A sum of ₹ 45.43 Crores is payable to Micro and Small Enterprises as at 31st March, 2018 (2017 - ₹ 38.54 Crores). The above amount comprises ₹ 29.43 Crores (2017 - ₹ 28.98 Crores) on account of trade payable and ₹ 16.00 Crores (2017 - ₹ 9.56 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, 2018. 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.

(ix) The Company's significant leasing arrangements are in respect of operating leases for premises (land, residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as 'Rent' under Note 25.

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

	<b>As at 31st March, 2018</b>	As at 31st March, 2017
Not later than one year	11.52	15.88
Later than one year and not later than five years	22.62	34.97
Later than five years	—	—

(₹ in Crores)

(x) Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) (Amendment) Rules, 2018 on 28th March, 2018 notifying Ind AS 115, 'Revenue from Contracts with Customers' and amending Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'; Ind AS 12 'Income Taxes'. The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2018. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

(xi) 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 JV agreement. 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 is currently before the National Company Law Tribunal. The financial statements of LDPL for year ended 31st March, 2018 are yet to be approved by its Board of Directors.

# Notes to the Financial Statements

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

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

Sl. No.		ITC Employee Stock Option Scheme (introduced in 2001)	ITC Employee Stock Option Scheme - 2006	ITC Employee Stock Option Scheme - 2010
1.	Date of Shareholders' approval	17-01-2001	22-01-2007	23-07-2010
2.	Total number of Options approved under the Schemes	Options equivalent to 12,27,07,450 Ordinary Shares of ₹ 1/- each	Options equivalent to 37,89,18,503 Ordinary Shares of ₹ 1/- each	Options equivalent to 55,60,44,823 Ordinary Shares of ₹ 1/- each
		<i>Note: Adjusted for Bonus Shares issued in terms of Shareholders approval.</i>		
3.	Vesting Schedule	The vesting period for conversion of Options is as follows: <ul style="list-style-type: none"> <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 from time to time under the aforesaid Regulations.		
5.	Maximum term of Options granted	5 years from the date of grant	5 years from the date of vesting	
6.	Source of Shares	Primary		
7.	Variation in terms of Options	None		
8.	Method used for accounting of share-based payment plans	The employee compensation cost has been calculated using the 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 2017-18 is ₹ 349.28 Crores (2017 - ₹ 450.32 Crores) and ₹ 49.48 Crores (2017 - ₹ 52.53 Crores) for group entities.		
9.	Nature and extent of employee share based payment plans that existed during the period including the general terms and conditions of each plan	Each Option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of the Company of ₹ 1.00 each upon payment of the exercise price during the exercise period. The exercise period commences from the date of vesting of the Options and expires at the end of five years from (i) the date of grant in respect of Options granted under the ITC Employee Stock Option Scheme (introduced in 2001) and (ii) the date of vesting in respect of Options granted under the ITC Employee Stock Option Scheme - 2006 & the ITC Employee Stock Option Scheme - 2010. The above is in addition to the other terms and conditions provided in the table under Serial Nos. (3) to (5) hereinbefore.		
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 : ₹ 2884.88 Weighted average fair value per Option : ₹ 697.13		

# Notes to the Financial Statements

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

11.	Option movements during the year	:	<b>ITC Employee Stock Option Scheme (introduced in 2001)</b>	<b>ITC Employee Stock Option Scheme - 2006</b>	<b>ITC Employee Stock Option Scheme - 2010</b>	
	a) Options outstanding at the beginning of the year	:	–	24,40,800	4,07,15,108	
	b) Options granted during the year	:	–	1,04,090	63,99,770	
	c) Options cancelled and lapsed during the year	:	–	62,118	6,00,374	
	d) Options vested and exercisable during the year (net of Options lapsed and exercised)	:	–	46,564	76,16,833	
	e) Options exercised during the year	:	–	13,85,250	43,05,934	
	f) Number of Ordinary Shares of ₹ 1.00 each arising as a result of exercise of Options during the year	:	–	1,38,52,500	4,30,59,340	
	g) Options outstanding at the end of the year	:	–	10,97,522	4,22,08,570	
	h) Options exercisable at the end of the year	:	–	9,17,359	2,78,62,976	
	i) Money realised by exercise of the Options during the year (₹ in Crores)	:	–	134.51	778.28	
12.	Summary of the status of Options	:				
	<b>Particulars</b>		<b>As at 31st March, 2018</b>		<b>As at 31st March, 2017</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	:	4,31,55,908	2066.94	3,01,29,927	2835.55
	Add: Granted during the year (Includes Bonus Options allocated consequent to the Bonus Share issue in 2016-17)	:	65,03,860	2884.88	2,12,65,611	2088.96 *
	Less: Lapsed during the year	:	6,62,492	2238.58	8,87,732	2128.33 *
	Less: Exercised during the year	:	56,91,184	1603.88	73,51,898	1451.27 *
	Outstanding at the end of the year	:	4,33,06,092	2248.01	4,31,55,908	2066.94 *
	Options exercisable at the end of the year	:	2,87,80,335	2082.54	2,61,58,809	1897.24 *
	* Adjusted for Bonus Share Issue 1:2 in 2016-17					

# 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 Options were exercised during the periods permitted under the Schemes, and weighted average share price of Shares arising upon exercise of Options, based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Securityholders Relationship Committee) for the year ended 31st March, 2018 was ₹ 286.71 (2017 - ₹ 265.38).					
14.	Summary of Options outstanding, scheme-wise:							
	Particulars		As at 31st March, 2018			As at 31st March, 2017		
		No. of Options Outstanding	Range of Exercise Prices* (₹)	Weighted average remaining contractual life	No. of Options Outstanding	Range of Exercise Prices* (₹)	Weighted average remaining contractual life	
	ITC Employee Stock Option Scheme - 2006	:	10,97,522	974.50 – 2885.50	1.90	24,40,800	726.67 - 2506.00	1.55
	ITC Employee Stock Option Scheme - 2010	:	4,22,08,570	1349.00 – 2885.50	3.30	4,07,15,108	1349.00 - 2655.00	3.32
	* Adjusted for Bonus Share Issue 1:2 in 2016-17							
15.	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair values of Options granted	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹ 2884.88 Weighted average fair value per Option : ₹ 697.13					
	The significant assumptions used to ascertain the above	:	The fair value of each Option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis:					
			(i) Risk-free interest rate					6.40%
			(ii) Expected life					3.47 years
			(iii) Expected volatility					26.37%
			(iv) Expected dividends					1.94%
			(v) The price of the underlying shares in market at the time of Option grant					₹ 2884.91
			(One Option = 10 Ordinary Shares)					
16.	Methodology for determination of expected volatility	:	The volatility used in the Black Scholes Option Pricing model is the annualised standard deviation of the continuously compounded rates of return on the stock over a period of time. The period considered for the working is commensurate with the expected life of the Options and is based on the daily volatility of the Company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behaviour. There are no market conditions attached to the grant and vest.					

# Notes to the Financial Statements

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

17.	Options granted to (a) Senior managerial personnel:	As provided below:-		No. of Options granted during the financial year 2017-18	
		Name	Designation		
		1	S. Puri	Chief Executive Officer & Executive Director	2,70,000
		2	N. Anand	Executive Director	1,35,000
		3	R. Tandon	Executive Director & Chief Financial Officer	1,35,000
		4	C. Dar	Group Head - LS&T, Central Projects, EHS & Quality Assurance	56,250
		5	S. K. Singh	Group Head - Paper & Packaging and Divisional Chief Executive (PSPD)	40,000
		6	S. Sivakumar	Group Head - Agri Business	56,250
		7	R. Sridhar	Head - Corporate Human Resources	40,000
		8	B. Sumant	President - FMCG Businesses	56,250
		9	K. S. Suresh	General Counsel	56,250
		10	S. M. Ahmad	On deputation	25,300
		11	A. Ambasta	Executive Vice President & Head - Social Investments Programme	25,300
		12	N. Arif	Executive Vice President & Head - Corporate Communications	38,000
		13	R. Batra	On deputation	25,300
		14	S. K. Bezbaroa	Executive Vice President - Corporate EHS	25,300
		15	L. C. Chandrasekharan	Chief Scientist - Research & Technology Innovation	31,720
		16	Saradindu Dutta	Head - Corporate Accounts	30,600
		17	Supratim Dutta	Executive Vice President - Corporate Finance	30,600
		18	M. Ganesan	Executive Vice President - Finance, Procurement & IT (FD)	30,600
		19	S. Ganesh Kumar	Chief Operating Officer - Staples, Snacks & Meals (FD)	30,600
		20	S. Guha	Executive Vice President - Technical (ITD)	20,700
		21	P. Gupta	Head - Corporate Taxation	20,700
		22	D. Haksar	Chief Executive - ITC Hotels / WelcomHotels (HD)	20,070
		23	S. Kaul	Divisional Chief Executive (ITD)	28,950
		24	V. Kulkarni	Chief Operating Officer (PSPD)	25,300
		25	H. Malik	Divisional Chief Executive (FD)	40,000
		26	A. K. Mukerji	Corporate Financial Controller	40,000
		27	A. Mukherji	Executive Vice President - Human Resources (FD)	21,280
		28	A. R. Noronha	Executive Vice President - Projects (HD)	17,550
		29	R. Parasuram	Head - Corporate Internal Audit	28,950
		30	A. Pathak	On deputation	20,700
		31	A. K. Poddar	On deputation	25,300
		32	R. Rai	SBU Chief Executive - ABD Agri Business SBU	30,600
		33	V. M. Rajasekharan	SBU Chief Executive - Matches & Agarbatti	20,700
		34	A. K. Rajput	Senior Vice President - Corporate Affairs	46,000

# Notes to the Financial Statements

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

(a) Senior managerial personnel: (contd.)	Name	Designation	No. of Options granted during the financial year 2017-18
	35 S. Rangrass	Divisional Chief Executive (ABD)	28,950
	36 A. Roy	Executive Vice President - Finance, MIS & T&RA (ITD)	25,300
	37 C. V. Sarma	Executive Vice President - Finance & MIS (PSPD)	25,300
	38 S. Satpathy	SBU Chief Executive (PCPB)	30,600
	39 R. Senguttuvan	SBU Chief Executive (PPB)	28,950
	40 A. Sharma	Executive Vice President - Human Resources & Learning Services (HD)	17,550
	41 J. Singh	Executive Vice President - Finance, IT & Procurement (HD)	25,300
	42 R. K. Singhi	Executive Vice President & Company Secretary	17,600
	43 S. A. Sule	Chief Executive Officer (TM&D)	25,300
	44 S. Tyagi	SBU Chief Executive (ESPB)	25,300
	45 K. I. Viswanathan	Executive Vice President - Marketing & Commercial (PSPD)	30,600
	46 S. Wanchoo	Executive Vice President - Marketing (ITD)	20,700
	47 A. Zachariah	Executive Vice President & Head - Central Projects Organisation	20,700

*The Optionees were granted Options on 28th July, 2017 at the exercise price of ₹ 2885.50 per Option.*

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

**Abbreviations denote:**

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

\* Bonus Options were allocated during 2016-17 on unvested Options in the same ratio as Bonus Shares (i.e., in the ratio of 1 Bonus Share for every 2 Ordinary Shares), in accordance with the ITC Employee Stock Option Schemes read with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(xiii) The financial statements were approved for issue by the Board of Directors on 16th May, 2018.

# Notes to the Financial Statements

## 28. Segment Reporting

(₹ in Crores)

	2018			2017		
	External	Inter Segment	Total	External	Inter Segment	Total
<b>1. Segment Revenue - Gross</b>						
FMCG - Cigarettes	22894.01	–	22894.01	34001.98	–	34001.98
FMCG - Others	11314.38	14.22	11328.60	10498.57	13.26	10511.83
<b>FMCG - Total</b>	<b>34208.39</b>	<b>14.22</b>	<b>34222.61</b>	<b>44500.55</b>	<b>13.26</b>	<b>44513.81</b>
Hotels	1404.10	13.41	1417.51	1329.25	12.48	1341.73
Agri Business	4551.98	3515.69	8067.67	5352.88	2911.67	8264.55
Paperboards, Paper and Packaging	3792.43	1457.21	5249.64	3819.01	1543.85	5362.86
<b>Segment Total</b>	<b>43956.90</b>	<b>5000.53</b>	<b>48957.43</b>	<b>55001.69</b>	<b>4481.26</b>	<b>59482.95</b>
Eliminations			(5000.53)			(4481.26)
<b>Gross Revenue from sale of products and services</b>			<b>43956.90</b>			<b>55001.69</b>
<b>2. Segment Results</b>						
FMCG - Cigarettes			13340.82			12513.91
FMCG - Others			164.12			28.12
<b>FMCG - Total</b>			<b>13504.94</b>			<b>12542.03</b>
Hotels			139.79			110.95
Agri Business			848.62			905.80
Paperboards, Paper and Packaging			1042.16			965.84
<b>Segment Total</b>			<b>15535.51</b>			<b>14524.62</b>
Eliminations			(93.60)			41.46
<b>Consolidated Total</b>			<b>15441.91</b>			<b>14566.08</b>
Unallocated corporate expenses net of unallocated income			947.01			946.47
<b>Profit before interest etc. and taxation</b>			<b>14494.90</b>			<b>13619.61</b>
Finance Costs			86.65			22.95
Interest earned on loans and deposits, income from current and non-current investments, profit and loss on sale of investments etc. - Net			2030.55			1906.30
Exceptional items [Refer Note 27(i)]			412.90			–
<b>Profit before tax</b>			<b>16851.70</b>			<b>15502.96</b>
Tax expense			5628.45			5302.06
<b>Profit for the year</b>			<b>11223.25</b>			<b>10200.90</b>

3. Other Information	2018		2017	
	Segment Assets	Segment Liabilities*	Segment Assets	Segment Liabilities*
FMCG - Cigarettes	7956.89	4624.83	7994.51	2447.84
FMCG - Others	7623.20	1906.52	7113.91	1407.21
<b>FMCG - Total</b>	<b>15580.09</b>	<b>6531.35</b>	<b>15108.42</b>	<b>3855.05</b>
Hotels (Refer Note 3B)	5520.54	521.45	5082.80	420.62
Agri Business	3407.41	900.18	2991.57	795.88
Paperboards, Paper and Packaging	6739.83	787.13	6322.79	623.85
<b>Segment Total</b>	<b>31247.87</b>	<b>8740.11</b>	<b>29505.58</b>	<b>5695.40</b>
Unallocated Corporate Assets/Liabilities	31133.44	2241.13	24710.37	3179.59
<b>Total</b>	<b>62381.31</b>	<b>10981.24</b>	<b>54215.95</b>	<b>8874.99</b>

\* Segment Liabilities of FMCG - Cigarettes is before considering ₹ 233.02 Crores (2017 - ₹ 629.83 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'. Also Refer Note 27(i).

# Notes to the Financial Statements

## 28. Segment reporting (Contd.)

(₹ in Crores)

	2018		2017	
	Capital expenditure	Depreciation and amortization	Capital expenditure	Depreciation and amortization
FMCG - Cigarettes	90.09	249.23	253.49	248.34
FMCG - Others	833.64	291.46	1153.44	236.55
<b>FMCG - Total</b>	<b>923.73</b>	<b>540.69</b>	<b>1406.93</b>	<b>484.89</b>
Hotels	610.54	172.60	398.74	169.01
Agri Business	92.43	66.73	159.44	49.13
Paperboards, Paper and Packaging	910.01	274.60	560.63	254.14
<b>Segment Total</b>	<b>2536.71</b>	<b>1054.62</b>	<b>2525.74</b>	<b>957.17</b>
Unallocated	327.50	90.75	551.83	80.87
<b>Total</b>	<b>2864.21</b>	<b>1145.37</b>	<b>3077.57</b>	<b>1038.04</b>
		Non Cash expenditure other than depreciation		Non Cash expenditure other than depreciation
FMCG - Cigarettes		2.44		3.13
FMCG - Others		48.55		40.14
<b>FMCG - Total</b>		<b>50.99</b>		<b>43.27</b>
Hotels		4.29		10.00
Agri Business		2.29		0.52
Paperboards, Paper and Packaging		44.32		22.97
<b>Segment Total</b>		<b>101.89</b>		<b>76.76</b>

### GEOGRAPHICAL INFORMATION

	2018	2017
<b>1. Revenue from external customers</b>		
– Within India	40828.12	51700.52
– Outside India	3128.78	3301.17
<b>Total</b>	<b>43956.90</b>	<b>55001.69</b>
<b>2. Non-Current Assets</b>		
– Within India	22616.34	21087.37
– Outside India	0.01	0.01
<b>Total</b>	<b>22616.35</b>	<b>21087.38</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	– Cigarettes, Cigars etc.
:	Others	– Branded Packaged Foods Businesses (Staples; Snacks and Meals; Dairy and Beverages; Confections); Apparel; Education and Stationery Products; Personal Care Products; Safety Matches and Agarbattis.
Hotels		– Hoteliering.
Paperboards, Paper and Packaging		– Paperboards, Paper including Specialty Paper and Packaging including Flexibles.
Agri Business		– Agri commodities such as soya, spices, coffee and leaf tobacco.
- The geographical information considered for disclosure are:
 

	– Sales within India.
	– Sales outside India.
- Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of the Branded Packaged Foods businesses and Personal Care Products business.
- As stock options are granted under ITC ESOS to align the interests of employees with those of shareholders and also to attract and retain talent for the enterprise as a whole, the option value of ITC ESOS 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
- The above list does not include ITC Global Holdings Pte. Limited, Singapore (in liquidation)

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

#### i) Associates & Joint Ventures:

##### Associates

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

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

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

##### Joint Ventures

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

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

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

# Notes to the Financial Statements

## 29. Related Party Disclosures (Contd.)

### ii) a) Key Management Personnel:

Y. C. Deveshwar	Chairman & Non-Executive Director
S. Puri	Chief Executive Officer & Executive Director
N. Anand	Executive Director
R. Tandon	Executive Director & Chief Financial Officer
Z. Alam	Non-Executive Director (upto 20.03.2018)
A. Malik	Non-Executive Director (w.e.f. 11.04.2017 and upto 31.07.2017)
S. Banerjee*	Non-Executive Director
A. Duggal*	Non-Executive Director
S. B. Mainak	Non-Executive Director
S. B. Mathur*	Non-Executive Director
P. B. Ramanujam*	Non-Executive Director (upto 31.07.2017)
N. Rao*	Non-Executive Director
S. S. H. Rehman*	Non-Executive Director
M. Shankar*	Non-Executive Director
D.R. Simpson	Non-Executive Director

\* Independent Directors

Members - Corporate Management Committee

S. Puri  
N. Anand  
R. Tandon  
B. B. Chatterjee (upto 03.02.2018)  
S. Sivakumar  
K. S. Suresh  
C. Dar  
R. Sridhar  
B. Sumant  
S. K. Singh  
Company Secretary  
R. K. Singhi (w.e.f. 04.02.2018)

### b) Relatives of Key Management Personnel:

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

### iii) Employee Trusts where there is significant influence:

- 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
- Tribeni Tissues Limited Gratuity Fund (merged with ITC Employees Gratuity Fund w.e.f. 01.04.2017)
- 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 31.03.2018

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists Subsidiaries		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
1. Sale of Goods/Services	336.42	322.90	0.67	0.49	17.37	6.88							354.46	330.27
2. Purchase of Goods/Services	337.45	299.28	76.12	74.88	223.23	252.92							636.80	627.08
3. Acquisition cost of Property, Plant and Equipments	1.33	1.54											1.33	1.54
4. Sale of Property, Plant and Equipments etc./Scraps				0.05										0.05
5. Investment in Subsidiaries	224.19	139.80											224.19	139.80
6. Value of share based payment	32.88	35.06											32.88	35.06
6A. Capital Contribution for Share Based Payments														
6B. Reimbursement for Share Based Payments for current year	13.11	13.20	1.94	2.89	0.77	0.96							15.82	17.05
6C. Reimbursement for Capital Contribution for Share Based Payments for previous year				3.33		1.14								16.14
7. Return of Capital by Subsidiary		60.55												60.55
8. Rent Received	17.68	17.54	0.93	0.89									18.61	18.43
9. Rent Paid	8.15	8.75	3.88	3.74					0.25	0.14			13.03	13.35
10. Remuneration of Managers on Deputation reimbursed		3.87	5.25	5.32									8.90	9.19
11. Remuneration of Managers on Deputation recovered	21.11	18.87	4.82	4.45	1.33	1.53							27.26	24.85
12. Contribution to Employees' Benefit Plans													136.77	127.36
13. Dividend Income	401.17	247.98	0.73	0.73					1.10	3.77			401.90	248.71
14. Dividend Payments			1414.71	1687.73									1415.81	1691.50
15. Expenses Recovered	18.34	15.13	0.33	0.39	0.28	0.32							18.95	15.84
16. Expenses Reimbursed	14.87	13.27	0.35	0.72	0.92	0.09			0.03	0.03			16.17	14.11
17. Advances Given during the year	0.24	0.17	0.35										0.59	0.17
18. Adjustment/Receipt towards Refund of Advances	0.24	0.17	0.12										0.36	0.17
19. Advance Received during the year	189.11	118.61											189.11	118.61
20. Adjustment/Payment towards Refund of Advance	158.71	153.67							0.04	0.08			158.71	153.67
21. Deposits Given during the year													0.12	
22. Adjustment/Receipt towards Refund of Deposit		0.10												0.10
23. Adjustment/Payment towards Refund of Deposits				0.04										0.04
24. Transactions with Key Management Personnel <sup>1</sup>														
24A. – Short term benefits									45.05	37.83			45.05	37.83
24B. – Other remuneration									6.34	5.05			6.34	5.05
24C. – Stock options granted <sup>2</sup>														
<b>Outstanding Balances<sup>#</sup></b>														
i) Receivables	44.31	57.36	2.66	7.54	14.81	4.54							61.78	69.44
ii) Advances Given			0.23										87.96	
iii) Deposits Given <sup>3</sup>	0.60	0.60							0.08	0.07			1.08	0.97
iv) Advance Taken	129.36	98.96											129.36	98.96
v) Deposits Taken			0.06	0.06									0.06	0.06
vi) Payables	10.11	6.07	4.76	5.81	9.88	0.87					8.00		24.75	20.75
26. Impairment of investment in Subsidiaries/ Joint Venture	25.29	25.29			23.45								48.74	25.29
27. Commitments	0.43	0.13											0.43	0.13

<sup>#</sup> The amounts outstanding are unsecured and will be settled in cash

<sup>1</sup> Post employment benefits are actuarially determined on overall basis and hence not separately provided. Payments made on settlement of leave liability upon retirement - Nil (2017 - ₹ 4.10 Crores) has not been included in the above;

<sup>2</sup> The Company grants Stock Options to the Directors, Key Management Personnel (KMP) and other employees under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. Since such options are not tradeable, no perquisite or benefit is immediately conferred upon an employee by such grant. However, the Company has recorded employee benefits expense by way of share based payments to employees, in accordance with Ind AS 102, at ₹ 349.28 Crores for the year ended 31st March, 2018 (2017 - ₹ 450.32 Crores), out of which ₹ 53.43 Crores (2017 - ₹ 74.05 Crores) is attributable to Directors and KMP<sup>3</sup>.

<sup>3</sup> Outstanding deposit balances includes/excludes deposit with KMPs which are existing on the date of being designated/retired as KMPs.

# 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)

(₹ in Crores)

RELATED PARTY TRANSACTIONS SUMMARY		2018	2017	RELATED PARTY TRANSACTIONS SUMMARY		2018	2017	RELATED PARTY TRANSACTIONS SUMMARY		2018	2017
1.	<b>Sale of Goods/Services</b> Surya Nepal Private Limited	323.09	297.76	11.	<b>Remuneration of Managers on Deputation recovered</b> Srinivasa Resorts Limited	6.40	5.83	24.	<b>Remuneration to Key Management Personnel #</b>		
2.	<b>Purchase of Goods/Services</b> ITC Infotech India Limited	159.66	147.98		Fortune Park Hotels Limited	3.44	3.65	24A.	<i>Short term benefits</i> Mr. Y.C. Deveshwar	19.29	18.82
	North East Nutrients Private Limited	166.88	138.21		ITC Infotech India Limited	4.20	3.33		Mr. S. Puri	6.09	3.57
	ITC Essentra Limited	222.99	252.60	12.	<b>Contribution to Employees' Benefit Plans</b> IATC Provident Fund	26.73	25.32	24B.	<i>Other Remuneration</i> Ms. M. Shankar	0.61	0.51
3.	<b>Acquisition cost of Property, Plant and Equipments</b> ITC Infotech India Limited	1.33	1.52		ITC Defined Contribution Pension Fund	19.54	17.81		Mr. S. B. Mathur	0.61	0.51
4.	<b>Sale of Property, Plant and Equipments etc./Scraps</b> ATC Limited	-	0.05		ITC Management Staff Gratuity Fund	5.94	14.63	25.	Mr. S. S. H. Rehman	0.65	0.51
5.	<b>Investment in Subsidiaries</b> WelcomHotels Lanka (Private) Limited	206.19	139.80	13.	<b>Dividend Income</b> Russell Credit Limited	49.78	-	(i)	<b>Outstanding Balances</b> <i>Receivables</i> Fortune Park Hotels Limited	0.78	8.32
6.	<b>Value of share based payment</b>				Technico Agri Sciences Limited	34.17	26.57		Surya Nepal Private Limited	39.55	36.28
6A.	<i>Capital Contribution for Share Based Payments</i> ITC Infotech India Limited	32.68	34.34		ITC Infotech India Limited	51.12	-		ITC Essentra Limited	11.38	1.22
6B.	<i>Reimbursement for Share Based Payments for current year</i> Fortune Park Hotels Limited	2.65	3.50	14.	<b>Dividend Payments</b> Tobacco Manufacturers (India) Limited, UK	261.06	221.33	(ii)	<i>Advances Given</i> Employee Trust - Pension Funds	73.32	-
	International Travel House Limited	1.26	2.27			1414.71	1687.73	(iii)	Employee Trust - Gratuity Funds	14.41	-
	Surya Nepal Private Limited	3.47	3.24	15.	<b>Expenses Recovered</b> Srinivasa Resorts Limited	2.41	1.68		<i>Deposits Given</i> Russell Credit Limited <sup>1</sup>	0.36	0.36
	Technico Agri Sciences Limited	2.11	1.66		Fortune Park Hotels Limited	3.46	1.79		Greenacre Holdings Limited <sup>2</sup>	0.24	0.24
	WelcomHotels Lanka (Private) Limited	2.64	2.98	16.	<b>Expenses Reimbursed</b> Landbase India Limited	7.75	7.45	(iv)	Mrs. B. Deveshwar	0.38	0.30
6C.	<i>Reimbursement for Capital Contribution for Share Based Payments for previous year</i> Fortune Park Hotels Limited	-	4.27		Wimco Limited	3.48	2.60	(v)	<i>Advance Taken</i> Surya Nepal Private Limited	129.36	98.96
	International Travel House Limited	-	2.58	17.	<b>Advances Given during the year</b> North East Nutrients Private Limited	4.07	4.82	(v)	<i>Deposits Taken</i> International Travel House Limited	0.06	0.06
	Surya Nepal Private Limited	-	3.24		International Travel House Limited	2.00	1.73	(vi)	<i>Payables</i> North East Nutrients Private Limited	7.78	4.85
	Technico Agri Sciences Limited	-	1.84	18.	<b>Adjustment/Receipt towards Refund of Advances</b> North East Nutrients Private Limited	0.24	0.17		ITC Essentra Limited	9.88	0.87
	WelcomHotels Lanka (Private) Limited	-	0.76		International Travel House Limited	0.35	-		International Travel House Limited	1.36	2.67
7.	<b>Return of Capital by Subsidiary</b> Technico Pty Limited	-	60.55	19.	<b>Advance Received during the year</b> International Travel House Limited	189.10	118.61	26.	<b>Impairment of investment in Subsidiaries/Joint Venture</b> Prag Agro Farm Limited - Equity Shares	-	6.44
8.	<b>Rent Received</b> ITC Infotech India Limited	13.15	13.09	20.	<b>Adjustment/Payment towards Refund of Advance</b> Surya Nepal Private Limited	158.71	153.67		Technico Pty Ltd	9.00	9.00
9.	<b>Rent Paid</b> Bay Islands Hotels Limited	0.91	1.69	21.	<b>Deposits Given during the year</b> Mr. B. B. Chatterjee	0.03	-	27.	<b>Commitments</b> ITC Infotech India Limited	16.29	16.29
	Landbase India Limited	5.28	5.17		Mrs. B. Deveshwar	0.08	-			23.45	-
	Gujarat Hotels Limited	3.88	3.74	22.	<b>Adjustment/Receipt towards Refund of Deposit</b> Greenacre Holdings Limited	-	0.10			0.43	0.13
10.	<b>Remuneration of Managers on Deputation reimbursed</b> Fortune Park Hotels Limited	1.57	2.05	23.	<b>Adjustment/Payment towards Refund of Deposits</b> International Travel House Limited	-	0.04				
	Bay Islands Hotels Limited	1.52	1.30								
	Gujarat Hotels Limited	5.15	5.05								

# 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 ₹ 53.43 Crores (2017 - ₹ 74.05 Crores) is attributable to key managerial personnel: Mr. Y.C. Deveshwar<sup>3</sup> ₹ 0.25 Crore (2017 - ₹ 33.34 Crores), Mr. S. Puri ₹ 10.69 Crores (2017 - ₹ 5.31 Crores), Mr. N. Anand ₹ 10.88 Crores (2017 - ₹ 7.24 Crores), Mr. R. Tandon ₹ 5.83 Crores (2017 - ₹ 7.54 Crores), Mr. B.B. Chatterjee ₹ 6.03 Crores (2017 - ₹ 2.82 Crores) and Mr. R.K. Singhi ₹ 0.18 Crore (2017 - Nil).

1 The maximum indebtedness during the year was ₹ 0.36 Crore (2017 - ₹ 0.36 Crore).

2 The maximum indebtedness during the year was ₹ 0.24 Crore (2017 - ₹ 0.34 Crores).

3 Chairman & Non-Executive Director since 05.02.2017, prior to which Mr. Deveshwar was Executive Chairman.

# 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 5,69,11,840 equity shares of ₹ 1.00 each amounting to ₹ 5.69 Crores (2017 - ₹ 7.35 Crores) towards its equity-settled employee stock options. The securities premium stood at ₹ 7444.41 Crores as at 31st March, 2018 (2017 - ₹ 6432.24 Crores).

### 2. Categories of Financial Instruments

(₹ in Crores)

Particulars	Note	As at 31st March, 2018		As at 31st March, 2017	
		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	96.03	96.03	156.15	156.15
ii) Other bank balances	12	2498.85	2498.85	2591.12	2591.12
iii) Investment in Bonds/ Debentures, Preference Shares & Government or Trust Securities	4, 9	8569.58	8582.42	5614.35	5643.93
iv) Loans	5	11.55	9.59	9.21	8.73
v) Trade receivables	10	2357.01	2357.01	2207.50	2207.50
vi) Other financial assets	6	2877.35	2847.67	1073.29	1013.56
<b>Sub-total</b>		<b>16410.37</b>	<b>16391.57</b>	<b>11651.62</b>	<b>11620.99</b>
<b>b) Measured at Fair value through OCI</b>					
i) Equity shares	4	1450.55	1450.55	1115.45	1115.45
<b>Sub-total</b>		<b>1450.55</b>	<b>1450.55</b>	<b>1115.45</b>	<b>1115.45</b>
<b>c) Measured at Fair value through Profit or Loss</b>					
i) Investment In Mutual Funds	4, 9	7301.85	7301.85	7675.11	7675.11
ii) Investment in Bonds/ Debentures, Certificate of Deposits, Preference Shares	9	3660.39	3660.39	1988.65	1988.65
iii) Investment in Alternative Investments Fund	4	7.50	7.50	–	–
<b>Sub-total</b>		<b>10969.74</b>	<b>10969.74</b>	<b>9663.76</b>	<b>9663.76</b>
<b>d) Derivatives measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	6	0.72	0.72	4.95	4.95
ii) Derivative instruments designated as hedging instruments	6	11.16	11.16	26.50	26.50
<b>Sub-total</b>		<b>11.88</b>	<b>11.88</b>	<b>31.45</b>	<b>31.45</b>
<b>Total financial assets</b>		<b>28842.54</b>	<b>28823.74</b>	<b>22462.28</b>	<b>22431.65</b>

# Notes to the Financial Statements

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

(₹ in Crores)

Particulars	Note	As at 31st March, 2018		As at 31st March, 2017	
		Carrying Value	Fair Value	Carrying Value	Fair Value
<b>B. Financial liabilities</b>					
<b>a) Measured at amortised cost</b>					
i) Cash credit facilities	19	–	–	0.01	0.01
ii) Sales tax deferment loans	14,15	17.99	14.25	25.83	20.23
iii) Trade payables		3382.28	3382.28	2551.22	2551.22
iv) Other financial liabilities	15	803.70	799.38	766.86	765.63
<b>Sub-total</b>		<b>4203.97</b>	<b>4195.91</b>	<b>3343.92</b>	<b>3337.09</b>
<b>b) Derivatives measured at fair value</b>					
i) Derivative instruments not designated as hedging instruments	15	0.64	0.64	0.75	0.75
ii) Derivative instruments designated as hedging instruments	15	2.46	2.46	18.54	18.54
<b>Sub-total</b>		<b>3.10</b>	<b>3.10</b>	<b>19.29</b>	<b>19.29</b>
<b>Total financial liabilities</b>		<b>4207.07</b>	<b>4199.01</b>	<b>3363.21</b>	<b>3356.38</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 applicable regulation. It also seeks to drive accountability in this regard.

#### Liquidity Risk

The Company's Current assets aggregate to ₹ 24503.00 Crores (2017 - ₹ 24537.39 Crores) including Current Investments, Cash and cash equivalents and Other Bank Balances of ₹ 12498.33 Crores (2017 - ₹ 12847.05 Crores) against an aggregate Current liability of ₹ 8856.60 Crores (2017 - ₹ 6830.07 Crores); Non-current liabilities due between one year to three years amounting to ₹ 39.06 Crores (2017 - ₹ 18.31 Crores) and Non-current liabilities due after three years amounting to ₹ 7.43 Crores (2017 - ₹ 8.89 Crores) on the reporting date.

Further, while the Company's total equity stands at ₹ 51400.07 Crores (2017 - ₹ 45340.96 Crores), it has borrowings of ₹ 11.13 Crores (2017 - ₹ 18.00 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 continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through Other Comprehensive Income. The value of investments in such equity instruments as at 31st March, 2018 is ₹ 1450.55 Crores (2017 - ₹ 1115.45 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 liquidity, safety and returns. This ensures that investments are only 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 amount of foreign currency denominated financial assets and liabilities including derivative contracts, are as follows:

(₹ in Crores)

As at 31st March, 2018	USD	Euro	GBP	JPY	Others	Total
Financial Assets	334.04	12.67	13.62	1.32	13.27	374.92
Financial Liabilities	56.05	52.33	0.42	14.45	2.90	126.15
As at 31st March, 2017	USD	Euro	GBP	JPY	Others	Total
Financial Assets	329.86	6.96	12.14	0.46	4.63	354.05
Financial Liabilities	53.58	33.91	2.49	23.68	4.16	117.82

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. Accordingly,

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

(in Million)

Designated under Hedge Accounting		As at 31st March, 2018		As at 31st March, 2017	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	43.08	99.53	55.22	71.10
Euro	US Dollar	18.21	–	31.76	–
AUD	US Dollar	2.76	–	0.09	–
CHF	US Dollar	–	–	0.57	–
GBP	US Dollar	0.65	–	0.11	–
SEK	US Dollar	–	–	0.73	–
SGD	US Dollar	0.04	–	0.09	–
JPY	US Dollar	437.90	–	368.95	–

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, 2018		As at 31st March, 2017	
Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	25.84	2.20	35.12
Euro	US Dollar	5.21	–	6.04	–
CAD	US Dollar	–	1.08	–	0.94
CHF	US Dollar	0.53	–	0.28	–
GBP	US Dollar	–	1.35	–	1.68
SEK	US Dollar	2.11	–	4.25	–
JPY	US Dollar	634.74	–	272.65	–

b. Currency options that were outstanding on respective reporting dates (Not designated under Hedge Accounting):

Currency	Cross Currency	Buy	Sell	Buy	Sell
US Dollar	Indian Rupee	–	–	3.00	7.00

### 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 changes in movement in foreign currency. Where such derivatives are not designated under hedge accounting, changes in the fair value of such hedges are recognised in the Statement of Profit and Loss.

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



# Notes to the 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:

Particulars	2018	2017
	(₹ in Crores)	
<b>At the beginning of the year</b>	<b>(10.73)</b>	<b>6.42</b>
Add: Changes in the fair value of effective portion of matured cash flow hedges during the year	26.64	(3.29)
Add: Changes in fair value of effective portion of outstanding cash flow hedges	8.21	(17.38)
Less: Amounts transferred to the Statement of Profit and Loss on occurrence of forecast hedge transactions during the year	43.49	21.71
Less: Amounts transferred to the Statement of Profit and Loss due to cash flows no longer expected to occur	(0.24)	0.52
Less: Amounts transferred to initial cost of non-financial assets	(35.17)	(16.65)
Less: Net gain/(loss) transferred to the Statement of Profit and Loss on ineffectiveness	–	–
(Less)/Add: Deferred tax	(9.31)	9.10
<b>At the end of the year</b>	<b>6.73</b>	<b>(10.73)</b>
Of the above, balances remaining in cash flow hedge reserve for matured hedging relationships	1.06	0.64

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:

Outstanding balance in Cash Flow Hedge Reserve to be subsequently recycled from OCI	As at 31st March, 2018	As at 31st March, 2017
Within one year	6.19	(10.62)
Between one and three years	0.54	(0.11)
<b>Total</b>	<b>6.73</b>	<b>(10.73)</b>

### Foreign Currency Sensitivity

For every percentage point change in the underlying exchange rate of the outstanding foreign currency denominated assets and liabilities, including derivative contracts, holding all other variables constant, the profit before tax for the year ended 31st March, 2018 would change by ₹ 0.32 Crore [2017 - ₹ (0.24) Crore] and pre-tax total equity as at 31st March, 2018 would change by ₹ (1.62) Crores (2017 - ₹ 1.11 Crores).

### 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 ₹ 13220.19 Crores (2017 - ₹ 8705.47 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 ₹ 2357.01 Crores (2017 - ₹ 2207.50 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 recognised, 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)

Particular	Expected Loss Provision	
	As at 31st March, 2018	As at 31st March, 2017
Opening Balance	106.16	80.68
Add: Provisions made (net)	26.29	26.89
Less: Utilisation for impairment/de-recognition	5.56	1.41
Effects of foreign exchange fluctuation	–	–
Closing Balance	<b>126.89</b>	<b>106.16</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)	Fair Value	
		As at 31st March, 2018	As at 31st March, 2017
<b>A. Financial assets</b>			
<b>a) Measured at amortised cost</b>			
i) Investment in Bonds/Debentures, Preference Shares & Government or Trust Securities	2	8582.42	5643.93
ii) Loans*	3	5.44	5.36
iii) Other Financial assets*	3	1711.60	40.10
<b>Sub-total</b>		<b>10299.46</b>	<b>5689.39</b>
<b>b) Measured at Fair value through OCI</b>			
i) Equity shares - Quoted	1	1448.18	1113.08
<b>Sub-total</b>		<b>1448.18</b>	<b>1113.08</b>
<b>c) Measured at Fair value through Profit or Loss</b>			
i) Investment in Mutual Funds	1	7301.85	7675.11
ii) Investment in Bonds/Debentures, Certificate of Deposits, Preference Shares	2	3660.39	1988.65
iii) Investment in Alternative Investment Fund	2	7.50	–
<b>Sub-total</b>		<b>10969.74</b>	<b>9663.76</b>
<b>d) Derivatives measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	0.72	4.95
ii) Derivative instruments designated as hedging instruments	2	11.16	26.50
<b>Sub-total</b>		<b>11.88</b>	<b>31.45</b>
<b>Total financial assets</b>		<b>22729.26</b>	<b>16497.68</b>

# Notes to the Financial Statements

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

(₹ in Crores)

Particulars	Fair Value Hierarchy (Level)	Fair Value	
		As at 31st March, 2018	As at 31st March, 2017
<b>B. Financial liabilities</b>			
<b>a) Measured at amortised cost</b>			
i) Sales Tax deferment loans*	3	7.39	12.39
ii) Other Financial liabilities*	3	31.04	7.98
<b>Sub-total</b>		<b>38.43</b>	<b>20.37</b>
<b>b) Derivatives measured at fair value</b>			
i) Derivative instruments not designated as hedging instruments	2	0.64	0.75
ii) Derivative instruments designated as hedging instruments	2	2.46	18.54
<b>Sub-total</b>		<b>3.10</b>	<b>19.29</b>
<b>Total financial liabilities</b>		<b>41.53</b>	<b>39.66</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 maximise 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 the best estimate of fair value.

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

Y. C. DEVESHWAR

Chairman

S. PURI

Managing Director

R. TANDON

Director & Chief Financial Officer

R. K. SINGHI

Company Secretary

# Independent Auditor's Report to the Members of ITC Limited

## Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **ITC LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be

included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
5. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## Independent Auditor's Report

### Report on Other Legal and Regulatory Requirements

7. As required by section 143(3) of the Act, based on our audit we report that:
- 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.
  - 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.
  - the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - on the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- 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:
    - The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements in accordance with the generally accepted accounting practice – also refer Note 27 (vi) (a) (i) to the standalone financial statements.
    - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
8. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Gurugram,  
16th May, 2018

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

# Annexure - A to the Independent Auditor's Report

(Referred to in paragraph 7 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of ITC Limited of even date)

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

We have audited the internal financial controls over financial reporting of **ITC Limited** ("the Company") as of 31st March, 2018 in conjunction with our audit of the standalone Ind AS 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. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Gurugram  
16th May, 2018

## Annexure - B to the Independent Auditor's Report

(Referred to in paragraph 8 under 'Report on Other Legal and Regulatory Requirements' section 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) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements/amalgamations and other documents provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories other than material lying with third parties (which have substantially been confirmed) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on such physical verification.
- (iii) 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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and accordingly the question of complying with Sections 73 and 76 of the Companies Act, 2013 does not arise. 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. According to the information and explanations given to us, no Order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal on the Company.

- (vi) The maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of specified products of the Company. For such products, we have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of statute	Nature of dues	Amount (₹ in Crores)	Period to which the amount relates	Forum where dispute is pending
			<b>Various years covering the period</b>	
<b>Sales Tax and Value Added Tax Laws</b>	<b>Sales tax and VAT</b>	71.97	1987-2017	Appellate Authority – upto Commissioners'/ Revisional authorities level Appellate Authority – Tribunal level High Court
		13.14	1994-2015	
		259.99	2005-2015	
<b>Customs Act, 1962</b>	<b>Customs duty</b>	0.15	2010-2016	Appellate Authority – upto Commissioners'/ Revisional authorities level Appellate Authority – Tribunal level
		0.56	2005-2007	
<b>Central Excise Act, 1944</b>	<b>Excise duty</b>	9.49	1996-2016	Appellate Authority – upto Commissioners'/ Revisional authorities level Appellate Authority – Tribunal level High Court
		101.22	1973-2016	
		4.14	2005-2010	
<b>Finance Act, 1994</b>	<b>Service tax</b>	6.43	2010-2016	Appellate Authority – upto Commissioners'/ Revisional authorities level Appellate Authority – Tribunal level
		60.95	2003-2015	

Out of the total disputed dues aggregating ₹ 528.04 Crores as above, ₹ 406.83 Crores pertain to matters which have been stayed for recovery by the relevant authorities.



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable Indian accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Gurugram  
16th May, 2018

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