



## Consolidated Financial Statements

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# Consolidated Balance Sheet as at 31st March, 2012

	Note	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	1	781.84		773.81	
Reserves and surplus	2	18676.74	19458.58	15716.09	16489.90
<b>Minority interests</b>			157.09		140.82
<b>Non-current liabilities</b>					
Long-term borrowings	3	105.38		89.75	
Deferred tax liabilities (Net)	4A	882.03		811.20	
Other Long term liabilities	5	53.06		56.25	
Long-term provisions	6	119.63	1160.10	105.55	1062.75
<b>Current liabilities</b>					
Short-term borrowings	7	1.89		24.00	
Trade payables [Includes share of Joint Ventures ₹ 10.79 Crores (2011 - ₹ 7.84 Crores)]		1515.59		1498.57	
Other current liabilities	8	3427.42		3131.43	
Short-term provisions	9	4359.10	9304.00	4057.10	8711.10
<b>TOTAL</b>			<b>30079.77</b>		<b>26404.57</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Fixed assets	10				
Tangible assets		9578.95		8762.61	
Intangible assets		120.01		144.34	
Capital work-in-progress - Tangible assets		2388.87		1357.15	
Intangible assets under development		7.59		10.80	
		12095.42		10274.90	
Less: Provision for assets given on lease		5.67		5.67	
		12089.75		10269.23	
Goodwill on consolidation		314.13		270.44	
Non-current investments	11	765.02		772.64	
Deferred tax assets (Net)	4B	16.26		13.13	
Long-term loans and advances	12	1093.16	14278.32	1206.83	12532.27
<b>Current assets</b>					
Current investments	13	4441.81		4095.16	
Inventories	14	6428.11		5734.80	
Trade receivables	15	1203.84		1086.68	
Cash and cash equivalents	16	3130.12		2426.87	
Short-term loans and advances	17	465.98		432.50	
Other current assets	18	131.59	15801.45	96.29	13872.30
<b>TOTAL</b>			<b>30079.77</b>		<b>26404.57</b>

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

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

On behalf of the Board

P. R. RAMESH  
Partner

P. V. DHOBALE

Director

Y. C. DEVESHWAR

Chairman

R. TANDON Chief Financial Officer

B. B. CHATTERJEE Company Secretary

Kolkata, 25th May, 2012

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

	Note	For the year ended 31st March, 2012 (₹ in Crores)	For the year ended 31st March, 2011 (₹ in Crores)
<b>Gross Income</b>	19	<b>37774.07</b>	<b>32824.75</b>
Gross Revenue from sale of products and services		36617.45	31993.06
Less: Excise Duty		10437.93	9713.95
Net Revenue from sale of products and services		26179.52	22279.11
Other operating revenue		372.27	295.59
Revenue from operations	20	26551.79	22574.70
Other income	21	784.35	536.10
<b>Total Revenue</b>		<b>27336.14</b>	<b>23110.80</b>
<b>Expenses</b>			
Cost of materials consumed [Includes share of Joint Ventures ₹ 64.43 Crores (2011 - ₹ 50.42 Crores)]		7810.52	7136.87
Purchases of Stock-in-Trade		1921.18	1296.83
Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and Intermediates	22	(86.42)	(272.72)
Employee benefits expense	23	1944.28	1708.50
Finance costs	24	80.50	70.93
Depreciation and amortisation expense [Includes share of Joint Ventures ₹ 1.32 Crores (2011 - ₹ 1.24 Crores)]		745.48	699.09
Other expenses	25	5752.45	5036.43
<b>Total Expenses</b>		<b>18167.99</b>	<b>15675.93</b>
<b>Profit before tax</b>		<b>9168.15</b>	<b>7434.87</b>
Tax expense:			
Current tax	26	2777.57	2347.95
Deferred tax	27	68.19	17.50
<b>Profit after tax before share of results of associates and minority interests</b>		<b>6322.39</b>	<b>5069.42</b>
Less: Minority interests		75.53	61.10
Share of net profit of associates		11.28	9.61
<b>Profit for the year</b>		<b>6258.14</b>	<b>5017.93</b>
Earnings per share (Face Value ₹ 1.00 each)	28 (vi)		
Basic		₹ 8.05	₹ 6.53
Diluted		₹ 7.96	₹ 6.45

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

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

P. R. RAMESH  
Partner

Kolkata, 25th May, 2012

On behalf of the Board

P. V. DHOBALÉ

Director

R. TANDON *Chief Financial Officer*

Y. C. DEVESHWAR

Chairman

B. B. CHATTERJEE *Company Secretary*

# Consolidated Cash Flow Statement for the year ended 31st March, 2012

	For the year ended 31st March, 2012 (₹ in Crores)	For the year ended 31st March, 2011 (₹ in Crores)
<b>A. Cash Flow from Operating Activities</b>		
PROFIT BEFORE TAX	9168.15	7434.87
ADJUSTMENTS FOR :		
Depreciation and Amortisation Expense	745.48	699.09
Finance costs	80.50	70.93
Interest Income	(321.88)	(179.99)
Dividend Income from Long Term Investments	(16.32)	(14.67)
Dividend Income from Current Investments	(222.38)	(173.71)
Loss on Sale of Fixed Assets - Net	12.72	26.21
Net gain on sale of Current Investments	(76.05)	(54.90)
Gain on sale of Long Term Investments	(137.25)	(63.01)
Doubtful and Bad Debts	14.38	2.97
Doubtful and Bad Advances, Loans and Deposits	2.72	3.34
Provision for Standard Assets	-	0.09
Excess of Cost of Current Investments over Fair Value, reversed - Net	-	(2.57)
Excess of Carrying Cost over Fair Value of Current Investments - Net	5.74	-
Foreign Currency translation and transactions - Net	(12.32)	(10.77)
Amortisation of Miscellaneous Expenditure	0.11	0.10
Doubtful Debts, Claims and Advances - previous years (Included in Note 20)	(1.48)	(1.64)
Liability no longer required written back (Included in Note 20)	(51.34)	(29.89)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>9190.78</b>	<b>7706.45</b>
ADJUSTMENTS FOR :		
Trade Receivables, Loans and Advances and Other Assets	(361.11)	(161.94)
Inventories	(693.31)	(642.78)
Trade Payables, Other Liabilities and Provisions	256.11	885.42
	(798.31)	80.70
<b>CASH GENERATED FROM OPERATIONS</b>	<b>8392.47</b>	<b>7787.15</b>
Income Tax Paid	(2415.34)	(2278.41)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>5977.13</b>	<b>5508.74</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(2467.84)	(1498.23)
Sale of Fixed Assets	58.87	8.78
Purchase of Current Investments	(50402.64)	(69488.97)
Sale/Redemption of Current Investments	50144.11	69923.82
Purchase of Long Term Investments	(10.46)	(260.00)
Investment in Associate	-	(1.04)
Payment of contingent purchase consideration	-	(2.70)
Sale of Long Term Investments	164.61	103.58
Dividend Income from Long Term Investments Received	16.32	14.67
Dividend Income from Current Investments Received	222.38	173.71
Dividend from Associates	2.00	1.74
Interest Received	302.01	149.30
Purchase of interest in Joint Venture	(22.22)	-
Loans Realised	15.66	4.00
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1977.20)</b>	<b>(871.34)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	764.99	903.82
Proceeds from Long Term Borrowings	15.63	1.43
Repayments of Long Term Borrowings	(10.79)	(11.89)
Net increase / (decrease) in Cash / Export Credit Facilities	(22.11)	24.00
Interest Paid	(19.43)	(16.72)
Net increase in Statutory Restricted Accounts Balances	16.83	20.58
Dividends Paid	(3502.61)	(3866.21)
Income Tax on Dividends Paid	(559.22)	(634.75)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(3316.71)</b>	<b>(3579.74)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>683.22</b>	<b>1057.66</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>2362.27</b>	<b>1304.61</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>3045.49</b>	<b>2362.27</b>
Notes :		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 Cash Flow Statements.		
2. <b>CASH AND CASH EQUIVALENTS :</b>		
Cash and Cash Equivalents as above	3045.49	2362.27
Balances in Statutory Restricted Accounts	81.15	64.32
Unrealised Gain on Foreign Currency Cash and Cash Equivalents	3.48	0.28
Cash and Cash Equivalents (Note 16)	<u>3130.12</u>	<u>2426.87</u>

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

In terms of our report of even date  
For Deloitte Haskins & Sells  
Chartered Accountants  
P. R. RAMESH  
Partner

Kolkata, 25th May, 2012

On behalf of the Board

P. V. DHOBALÉ Director Y. C. DEVESHWAR Chairman  
R. TANDON Chief Financial Officer B. B. CHATTERJEE Company Secretary

# Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (No. of Shares)	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (No. of Shares)	As at 31st March, 2011 (₹ in Crores)
<b>1. Share capital</b>				
<b>Authorised</b>				
Ordinary Shares of ₹ 1.00 each	10,00,00,00,000	1000.00	10,00,00,00,000	1000.00
<b>Issued and Subscribed</b>				
Ordinary Shares of ₹ 1.00 each, fully paid	7,81,84,24,300	781.84	7,73,81,44,280	773.81

## A) Reconciliation of number of Ordinary Shares outstanding

	As at 31st March, 2012 (No. of Shares)	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (No. of Shares)	As at 31st March, 2011 (₹ in Crores)
As at beginning of the year	7,73,81,44,280	773.81	3,81,81,76,790	381.82
Add: Issue of Bonus Shares	—	—	3,82,67,01,530	382.67
Add: Issue of Shares on exercise of Options	8,02,80,020	8.03	9,32,65,960	9.32
As at end of the year	7,81,84,24,300	781.84	7,73,81,44,280	773.81

## B) Shareholders holding more than 5% of the Ordinary Shares in the Company

	As at 31st March, 2012 (No. of Shares)	As at 31st March, 2012 %	As at 31st March, 2011 (No. of Shares)	As at 31st March, 2011 %
Tobacco Manufacturers (India) Limited	1,98,55,64,880	25.39	1,98,55,64,880	25.66
Life Insurance Corporation of India	93,87,40,442	12.01	1,00,01,60,528	12.92
Specified Undertaking of the Unit Trust of India	89,67,22,590	11.47	89,67,21,090	11.59

## C) Ordinary Shares allotted as fully paid up Bonus Shares for the period of five years immediately preceding 31st March

	2012 (No. of Shares)	2011 (No. of Shares)
Bonus Shares issued in 2010-11	3,82,67,01,530	3,82,67,01,530

## D) Rights, preferences and restrictions attached to the Ordinary Shares

The Ordinary Shares of the Company, having par value of ₹ 1.00 per share, rank *pari passu* in all respects including voting rights and entitlement to dividend.

## E) Shares reserved for issue under Options

	As at 31st March, 2012 (No. of Shares)	As at 31st March, 2011 (No. of Shares)
Ordinary Shares of ₹ 1.00 each	27,20,11,920	29,76,07,800

## Terms and Conditions of Options Granted

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

The vesting period for conversion of Options is as follows:

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

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

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>2. Reserves and surplus</b>		
Capital Reserve		
At the beginning of the year	5.75	5.76
Less: Minority Interest - Wimco Limited	—	0.01
At the end of the year	<u>5.75</u>	<u>5.75</u>
Capital Reserve on consolidation		
At the beginning and at the end of the year	74.12	74.12
Capital Redemption Reserve		
At the beginning of the year	5.06	5.22
Add: Consequent to change in Group's Interest	0.07	—
Less: Minority Interest - Wimco Limited	—	0.16
At the end of the year	<u>5.13</u>	<u>5.06</u>
Securities Premium Account		
At the beginning of the year	1776.47	1264.64
Add: On issue of Shares	756.96	894.50
Less: Utilised for issue of Bonus Shares	—	382.67
At the end of the year	<u>2533.43</u>	<u>1776.47</u>
Revaluation Reserve		
At the beginning of the year	102.51	59.22
Add: Consequent to change in Group's Interest	0.62	—
Created during the year - Wimco Limited	—	45.87
Less: Minority Interest - Wimco Limited	—	1.45
Depreciation	0.34	0.68
On disposal of Fixed Assets	0.03	0.45
At the end of the year	<u>102.76</u>	<u>102.51</u>
Contingency Reserve		
At the beginning and at the end of the year	363.05	363.05
Foreign Exchange Translation Reserve		
At the beginning of the year	61.52	20.21
Add: Adjustment for translation of Non Integral Foreign Operations	35.09	41.31
At the end of the year	<u>96.61</u>	<u>61.52</u>
Special Reserve under Section 45-IC of the RBI Act, 1934		
At the beginning of the year	62.81	58.82
Add: Transfer from Surplus in Statement of Profit and Loss	6.29	3.99
At the end of the year	<u>69.10</u>	<u>62.81</u>
Employees Housing Reserve		
At the beginning of the year	18.85	11.88
Add: Transfer from Surplus in Statement of Profit and Loss	8.41	6.97
At the end of the year	<u>27.26</u>	<u>18.85</u>
Subsidy Reserve		
At the beginning and at the end of the year	0.23	0.23
General Reserve		
At the beginning of the year	12602.69	12102.94
Add: Consequent to change in Group's Interest	0.94	—
Transfer from Surplus in Statement of Profit and Loss	651.10	499.75
At the end of the year	<u>13254.73</u>	<u>12602.69</u>
Surplus in Statement of Profit and Loss		
At the beginning of the year	624.34	120.35
Add: Surplus brought forward for Joint Ventures	16.89	16.51
Profit for the Year	6258.14	5017.93
Less: Transfer to General Reserve	651.10	499.75
Transfer to Special Reserve under Section 45-IC of the RBI Act, 1934	6.29	3.99
Employees Housing Reserve	8.41	6.97
Consequent to change in Group's Interest	1.42	—
Proposed Dividend		
— Ordinary Dividend [ ₹ 4.50 (2011- ₹ 2.80) per share ]	3518.29	2166.68
— Special Dividend [ Nil (2011 - ₹ 1.65) per share ]	—	1276.79
Income Tax on Dividend Proposed/Paid		
— Current Year	571.68	559.57
— Earlier year's provision no longer required	(0.59)	(0.60)
Share of Revenue reserves of Joint Ventures carried forward	19.66	17.30
At the end of the year	<u>2123.11</u>	<u>624.34</u>
<b>TOTAL</b>	<b>18655.28</b>	<b>15697.40</b>
Share of Joint Ventures - Note 28 (ii) (b)	21.46	18.69
<b>GRAND TOTAL</b>	<b>18676.74</b>	<b>15716.09</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>3. Long-term borrowings</b>		
Secured		
Term loans from Banks*	–	1.06
Unsecured		
Term loans		
– From Banks	0.12	0.88
– From Others	2.08	2.11
	2.20	2.99
Deferred payment liabilities		
Sales tax deferment loans	77.20	85.70
	79.40	88.69
<b>TOTAL</b>	<b>79.40</b>	<b>89.75</b>
Share of Joint Ventures - Note 28 (ii) (b)*	25.98	–
<b>GRAND TOTAL</b>	<b>105.38</b>	<b>89.75</b>

\* secured by hypothecation of certain fixed assets and current assets.

### Terms of borrowings are as under:

#### Term Loans from Banks:

Secured loans carry an interest rate of 9.70% p.a. and have been repaid in the month of June 2011. Unsecured loans are repayable in equated periodic instalments upto a 5 year period from the date of respective loan. These are repayable by 2014-15, and carry an interest of 11.25% p.a.

#### Term Loans from Others:

Comprise two interest free loans. One of the loans is repayable by 2016-17 in annual instalments and the other loan stipulates payment of 50% of the profits earned by a subsidiary.

#### Sales tax deferment loans:

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

#### Share of Joint Ventures:

Represents deferred payment liabilities which are repayable in 16 equal half yearly instalments alongwith interest. These are repayable by 2020-21 and carry an interest of 11.00% p.a.

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

	Term Loans	Deferred Payment Liabilities	Term Loans	Deferred Payment Liabilities
<b>Borrowings repayable</b>				
In the first year (Note 8)	1.06	11.00	5.50	5.29
<b>Current maturities of long-term debt</b>	<b>1.06</b>	<b>11.00</b>	<b>5.50</b>	<b>5.29</b>
In the second year	0.49	14.63	2.09	9.27
In the third to fifth year	1.71	50.94	1.42	38.85
After five years	–	37.61	0.54	37.58
<b>Long-term borrowings</b>	<b>2.20</b>	<b>103.18</b>	<b>4.05</b>	<b>85.70</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>4A. Deferred tax liabilities (Net)</b>		
Deferred tax liabilities		
On fiscal allowances on fixed assets	1056.85	994.08
On excise duty on closing stock	245.01	218.15
Other timing differences	4.30	7.13
	<b>1306.16</b>	<b>1219.36</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.87	0.83
<b>Total Deferred tax liabilities</b>	<b>1307.03</b>	<b>1220.19</b>
Deferred tax assets		
On employees' separation and retirement etc.	56.16	39.82
On provision for doubtful debts/advances	10.18	11.68
On State and Central taxes etc.	334.74	326.21
Other timing differences	23.74	31.21
	<b>424.82</b>	<b>408.92</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.18	0.07
<b>Total Deferred tax assets</b>	<b>425.00</b>	<b>408.99</b>
	<b>882.03</b>	<b>811.20</b>
<b>4B. Deferred tax assets (Net)</b>		
Deferred tax assets		
On fiscal allowances on fixed assets	0.49	0.95
On employees' separation and retirement etc.	7.50	6.13
On provision for doubtful debts/advances	2.24	1.38
On unabsorbed tax losses and depreciation *	4.33	3.57
Other timing differences	1.98	0.88
	<b>16.54</b>	<b>12.91</b>
Share of Joint Ventures - Note 28 (ii) (b) *	0.80	0.78
<b>Total Deferred tax assets</b>	<b>17.34</b>	<b>13.69</b>
Deferred tax liabilities		
On fiscal allowances on fixed assets	0.07	0.14
Other timing differences	1.00	0.41
	<b>1.07</b>	<b>0.55</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.01	0.01
<b>Total Deferred tax liabilities</b>	<b>1.08</b>	<b>0.56</b>
	<b>16.26</b>	<b>13.13</b>
<b>5. Other Long term liabilities</b>		
Sundry deposits	31.25	30.09
Others (Includes retention monies payable towards fixed assets etc.)	21.81	26.16
<b>TOTAL</b>	<b>53.06</b>	<b>56.25</b>

\* Set up based on future profit projections/plans and, where applicable, past financial performance of individual subsidiaries/joint ventures.



## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>6. Long-term provisions</b>		
Provision for employee benefits		
Retirement benefits	63.83	59.97
Other long-term benefits	55.34	45.31
Provision for standard assets	0.03	0.05
<b>TOTAL</b>	<b>119.20</b>	<b>105.33</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.43	0.22
<b>GRAND TOTAL</b>	<b>119.63</b>	<b>105.55</b>

<b>7. Short-term borrowings</b>		
Secured		
Loans from Banks		
Cash credit facilities	1.89	24.00
<b>TOTAL</b>	<b>1.89</b>	<b>24.00</b>

Cash credit facilities are secured by hypothecation of certain fixed assets, investments and current assets, both present and future.

<b>8. Other current liabilities</b>		
Current maturities of long-term debt (Note 3)	10.33	10.79
Interest accrued but not due on borrowings	0.40	0.97
Income received in advance	1.37	2.86
Unpaid dividend*	80.76	63.93
Unpaid matured deposits and interest accrued thereon	...	...
Unpaid matured debentures / bonds and interest accrued thereon	0.32	0.32
Sundry deposits	30.74	28.88
Other payables (includes payables for fixed assets, statutory liabilities, advances from customers etc.)	3298.42	3021.72
<b>TOTAL</b>	<b>3422.34</b>	<b>3129.47</b>
Share of Joint Ventures - Note 28 (ii) (b)	5.08	1.96
<b>GRAND TOTAL</b>	<b>3427.42</b>	<b>3131.43</b>

\* Represents dividend amounts either not claimed or kept in abeyance in accordance with Section 206A of the Companies Act, 1956, or such amounts in respect of which Prohibitory / Attachment Orders are on record with the Company.

<b>9. Short-term provisions</b>		
Current portion of long-term employee benefits		
Retirement benefits	25.62	13.45
Other long-term benefits	27.52	15.38
Current taxation (net of advance payment)	215.34	26.12
Fringe benefit tax (net of advance payment)	1.55	-
Provision for standard assets	...	0.04
Proposed dividend	3518.29	3443.47
Income tax on proposed dividend	570.75	558.62
<b>TOTAL</b>	<b>4359.07</b>	<b>4057.08</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.03	0.02
<b>GRAND TOTAL</b>	<b>4359.10</b>	<b>4057.10</b>

# Notes to the Consolidated Financial Statements

(₹ in Crores)

## 10. Fixed Assets

Particulars	Gross Block				Depreciation and Amortisation						Net Book Value	
	@ As at 31st March, 2011	Additions	Withdrawals and adjustments	Foreign Exchange Translation Reserve adjustments	@ As at 31st March, 2012	Upto 31st March, 2011	For the year	On Withdrawals and adjustments	Foreign Exchange Translation Reserve adjustments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<b>Tangible assets</b>												
Land												
Freehold *	1058.25	244.95	26.24	0.02	1276.98	–	–	–	–	–	1276.98	1058.25
Leasehold	226.78	0.43	–	0.25	227.46	19.48	2.63	–	0.25	22.36	205.10	207.30
Buildings												
Freehold	2516.56	209.05	6.68	1.08	2720.01	452.53	58.09	3.28	1.04	508.38	2211.63	2064.03
Licensed Properties - Building Improvement	60.40	19.77	0.75	0.57	79.99	28.34	8.21	0.19	0.12	36.48	43.51	32.06
Plant and Equipment **	8849.86	1037.05	95.71	2.53	9793.73	3795.28	581.70	64.68	1.75	4314.05	5479.68	5054.58
Furniture and Fixtures	503.74	26.97	9.82	(1.70)	519.19	279.10	29.27	8.49	(0.54)	299.34	219.85	224.64
Vehicles	79.14	33.41	12.79	0.03	99.79	25.79	8.20	6.68	0.02	27.33	72.46	53.35
Office Equipment	23.45	3.03	1.16	0.19	25.51	10.41	1.54	0.89	0.13	11.19	14.32	13.04
Railway Sidings etc.	1.72	–	–	–	1.72	0.82	0.15	–	–	0.97	0.75	0.90
	<b>13319.90</b>	<b>1574.66</b>	<b>153.15</b>	<b>2.97</b>	<b>14744.38</b>	<b>4611.75</b>	<b>689.79</b>	<b>84.21</b>	<b>2.77</b>	<b>5220.10</b>	<b>9524.28</b>	<b>8708.15</b>
Share of Joint Ventures	64.03	1.77	0.98	–	64.82	9.57	1.29	0.71	–	10.15	54.67	54.46
<b>Total (A)</b>	<b>13383.93</b>	<b>1576.43</b>	<b>154.13</b>	<b>2.97</b>	<b>14809.20</b>	<b>4621.32</b>	<b>691.08</b>	<b>84.92</b>	<b>2.77</b>	<b>5230.25</b>	<b>9578.95</b>	<b>8762.61</b>
Capital Work-in-Progress	1357.14	2248.88	1255.99	–	2350.03	–	–	–	–	–	2350.03	1357.14
Share of Joint Ventures	0.01	39.09	0.26	–	38.84	–	–	–	–	–	38.84	0.01
<b>Total (B)</b>	<b>1357.15</b>	<b>2287.97</b>	<b>1256.25</b>	<b>–</b>	<b>2388.87</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2388.87</b>	<b>1357.15</b>
<b>Tangible assets (A+B)</b>	<b>14741.08</b>	<b>3864.40</b>	<b>1410.38</b>	<b>2.97</b>	<b>17198.07</b>	<b>4621.32</b>	<b>691.08</b>	<b>84.92</b>	<b>2.77</b>	<b>5230.25</b>	<b>11967.82</b>	<b>10119.76</b>
Previous Year	13500.91	2178.36	937.37	0.86	14742.76	4039.30	651.63	68.98	1.05	4623.00	10119.76	
<b>Intangible assets (acquired)</b>												
Goodwill	4.90	–	–	–	4.90	4.90	–	–	–	4.90	–	–
Trademarks	6.37	–	–	0.06	6.43	5.62	0.60	–	0.04	6.26	0.17	0.75
Computer Software	278.01	19.41	1.51	0.05	295.96	150.60	47.69	1.24	0.05	197.10	98.86	127.41
Know-how, Business and Commercial Rights	75.04	11.23	–	2.26	88.53	58.93	6.42	–	2.26	67.61	20.92	16.11
	<b>364.32</b>	<b>30.64</b>	<b>1.51</b>	<b>2.37</b>	<b>395.82</b>	<b>220.05</b>	<b>54.71</b>	<b>1.24</b>	<b>2.35</b>	<b>275.87</b>	<b>119.95</b>	<b>144.27</b>
Share of Joint Ventures	0.21	0.02	–	–	0.23	0.14	0.03	–	–	0.17	0.06	0.07
<b>Total (C)</b>	<b>364.53</b>	<b>30.66</b>	<b>1.51</b>	<b>2.37</b>	<b>396.05</b>	<b>220.19</b>	<b>54.74</b>	<b>1.24</b>	<b>2.35</b>	<b>276.04</b>	<b>120.01</b>	<b>144.34</b>
Intangible assets under development	10.80	23.09	26.30	–	7.59	–	–	–	–	–	7.59	10.80
Share of Joint Ventures	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total (D)</b>	<b>10.80</b>	<b>23.09</b>	<b>26.30</b>	<b>–</b>	<b>7.59</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7.59</b>	<b>10.80</b>
<b>Intangible assets (C+D)</b>	<b>375.33</b>	<b>53.75</b>	<b>27.81</b>	<b>2.37</b>	<b>403.64</b>	<b>220.19</b>	<b>54.74</b>	<b>1.24</b>	<b>2.35</b>	<b>276.04</b>	<b>127.60</b>	<b>155.14</b>
Previous Year	314.55	71.22	12.13	1.69	375.33	172.73	48.14	2.36	1.68	220.19	155.14	
Provision for assets given on lease											5.67	5.67
<b>Grand Total</b>											<b>12089.75</b>	<b>10269.23</b>
Previous Year	13815.46	2249.58	949.50	2.55	15118.09	4212.03	699.77	71.34	2.73	4843.19	10269.23	

The above includes following assets given on operating lease:

Particulars	As at 31st March, 2012			2012	As at 31st March, 2011			2011
	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year	Gross Block	Accumulated Depreciation	Net Block	Depreciation Charge for the year
Buildings	9.42	2.75	6.67	0.11	6.88	2.94	3.94	0.07
Plant and Equipment	248.68	173.51	75.17	10.57	256.02	180.57	75.45	9.72
<b>Total</b>	<b>258.10</b>	<b>176.26</b>	<b>81.84</b>	<b>10.68</b>	<b>262.90</b>	<b>183.51</b>	<b>79.39</b>	<b>9.79</b>

@ Original Cost / Professional Valuation as at 30th June, 1986 in respect of assets of ITC Limited, as at 31st March, 1987 in respect of Surya Nepal Private Limited and as at 31st March, 1999 in respect of Bay Islands Hotels Limited

Land Freehold includes the provisional purchase price of (a) ₹ 17.29 Crores (2011 - ₹ 17.29 Crores) in respect of land at Bengaluru. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 21 years time from the date of agreement (b) ₹ 8.92 Crores (2011 - ₹ 8.92 Crores) in respect of land at Mysore. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 6 years time from the date of agreement.

Land Freehold includes certain lands at Munger which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined. Litigation relating to the ITC Windsor land is pending. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.

Buildings Freehold include ₹ 770.31 Crores (2011 - ₹ 729.17 Crores), aggregate cost of building on leasehold land situated at various locations.

Trademarks are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating ₹ 72.99 Crores (2011 - ₹ 61.76 Crores) :-

– ₹ 59.97 Crores (2011 - ₹ 48.74 Crores) acquired during the year and in earlier years are being amortised over 10 years.

– ₹ 8.05 Crores (2011 - ₹ 8.05 Crores) acquired in earlier years and have been amortised over 5 years.

– ₹ 4.97 Crores (2011 - ₹ 4.97 Crores) acquired in earlier years and have been amortised over 4 years.

Depreciation for the year includes ₹ 0.34 Crore (2011 - ₹ 0.68 Crore) transferred from Revaluation Reserve in respect of revalued assets.

\* Based on the professional valuation, Wimco Limited has revalued a plot of land at Chennai by ₹ 45.87 Crores and the same has been transferred to Revaluation Reserve Account.

\*\* In respect of assets aggregating to ₹ 18.50 Crores (2011 - ₹ 18.50 Crores), the primary lease period has expired and balances reflected on this account have been fully realised or provided for.

# Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>11. Non-current investments (at cost unless otherwise stated)</b>				
<b>Long Term</b>				
<b>A. TRADE INVESTMENTS</b>				
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>				
<b>In Subsidiaries</b>				
ITC Global Holdings Pte. Limited (in liquidation) 89,99,645 Ordinary Shares of US \$ 1.00 each, fully paid (cost ₹ 25.58 Crores, fully provided)		–		–
<b>In Associates</b>				
International Travel House Limited 39,14,233 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 11.89 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012	21.87 42.68	64.55	21.87 35.07	56.94
Gujarat Hotels Limited 17,33,907 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.16 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012	1.94 7.03	8.97	1.94 6.24	8.18
ATC Limited 55,650 Equity Shares of ₹ 100.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.16 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012 1,39,125 Equity Shares of ₹ 100.00 each, partly paid Cost of acquisition (including goodwill of ₹ 0.30 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012		0.83 0.78	0.83 0.66	1.49 3.19
Russell Investments Limited 42,75,435 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (net of capital reserve of ₹ 0.30 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012		4.27 4.34	4.27 4.05	8.32
Classic Infrastructure and Development Limited 54,00,000 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 7.78 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012		10.40 0.60	10.40 0.44	10.84
Divya Management Limited 41,82,915 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 1.09 Crores) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012		6.93 0.08	6.93 0.07	7.00
Antrang Finance Limited 43,24,634 Equity Shares of ₹ 10.00 each, fully paid Cost of acquisition (including goodwill of ₹ 0.10 Crore) Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2012		4.40 0.17	4.40 0.07	4.47
<b>In Others</b>				
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of ₹ 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.04.1989 (cost ₹ 1.19 Crores, fully provided)		–		–
Bihar Hotels Limited 8,00,000 Equity Shares of ₹ 2.00 each, fully paid		0.04		0.04
VST Industries Limited 7,72,501 (2011 - 17,11,748) Equity Shares of ₹ 10.00 each, fully paid	12.83		28.44	
Agro Tech Foods Limited Nil (2011 - 8,93,465) Equity Shares of ₹ 10.00 each, fully paid	–		11.75	
Carried over	86.35	36.23	105.31	35.35

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>11. Non-current investments (at cost unless otherwise stated) (Contd.)</b>				
Brought forward	86.35	36.23	105.31	35.35
<b>TRADE INVESTMENTS (Contd.)</b>				
<b>In Others (Contd.)</b>				
Hotel Leelaventure Limited 5,30,89,889 (2011 - 4,99,53,055) Equity Shares of ₹ 2.00 each, fully paid	194.69		184.23	
EIH Limited 8,56,21,473 Equity Shares of ₹ 2.00 each, fully paid	392.29		392.29	
<b>B. OTHER INVESTMENTS</b>				
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>				
Lotus Court Private Limited 2 Class G Shares of ₹ 48,000.00 each, fully paid		2.34		2.34
Adyar Property Holding Company Limited 311 Equity Shares of ₹ 100.00 each, partly paid		43.86		43.86
Tourism Finance Corporation of India Limited 25,000 Equity Shares of ₹ 10.00 each, fully paid	0.05		0.05	
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of ₹ 10.00 each, fully paid		2.32		2.32
Mirage Advertising and Marketing Limited 12,488 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 0.01 Crore, fully provided)		—		—
Bilaspur Cane Development Corporation Limited 100 Equity Shares of ₹ 10.00 each, fully paid (cost ₹ 1000.00)		...		...
Prime Golf Ranking Private Limited 150 Equity Shares of ₹ 1.00 each, fully paid (cost ₹ 150.00)		...		...
<b>INVESTMENT IN PREFERENCE SHARES</b>				
Gilt Facilities India Private Limited Nil (2011 - 545) Redeemable Preference Shares (0.5%) of ₹ 100000.00 each, fully paid [cost Nil (2011 - ₹ 5.45 Crores), fully provided]		—		—
<b>INVESTMENT IN DEBENTURES</b>				
Woodlands Multispeciality Hospital Limited (Formerly Woodlands Hospital & Medical Research Centre Limited) 1/2% Registered Debentures, fully paid (Cost ₹ 15200.00) 5% Registered Debentures, fully paid		0.01		0.01
<b>INVESTMENT IN GOVERNMENT OR TRUST SECURITIES</b>				
Government Securities (cost ₹ 76000.00)		0.01		0.01
Government Securities - National Savings Certificates (cost ₹ 10000.00)		...		...
National Savings Certificate fully paid (Deposited with Government Authorities) (cost ₹ 5000.00)		...		...
Kisan Vikas Patra fully Paid (Deposited with Government Authorities) (cost ₹ 6000.00)		...		...
National Saving Certificate pledged at Mandi Samiti Cost - ₹ 40000.00 (2011 - ₹ 33000.00)		...		...
<b>Government Securities</b>				
5% Bikash Rinpatra, 2071 (Vikram Samvat Calendar Year)		5.27		5.27
6.5% Bikash Rinpatra, 2075 (Vikram Samvat Calendar Year)		1.60		1.60
<b>Aggregate amount of quoted and unquoted Investments</b>	<b>673.38</b>	<b>91.64</b>	<b>681.88</b>	<b>90.76</b>
<b>Total Non-current investments</b>		<b>765.02</b>		<b>772.64</b>

Aggregate market value of quoted investments ₹ 1120.37 Crores (2011 - ₹ 1119.54 Crores).  
Aggregate provision for diminution in value ₹ 26.78 Crores (2011 - ₹ 32.23 Crores).

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
<b>12. Long-term loans and advances</b>				
Capital advances				
Secured, considered good	3.86		6.46	
Unsecured, considered good	<u>310.37</u>	314.23	<u>408.88</u>	415.34
Security deposits				
Secured, considered good	1.06		0.59	
Unsecured, considered good	459.89		304.02	
Doubtful	<u>0.23</u>		<u>0.29</u>	
	461.18		304.90	
Less: Provision for doubtful deposits	<u>0.23</u>	460.95	<u>0.29</u>	304.61
Loans and advances to Related Parties				
Security deposits - unsecured, considered good		0.06		0.05
Loans and advances - unsecured, considered good		0.41		0.43
Advance tax (net of provisions)		34.01		199.26
Fringe benefit tax (net of provisions)		0.17		3.80
MAT credit entitlement		–		0.32
Other loans and advances (Comprise loans to employees, prepaid expenses and advances with statutory authorities etc.)				
Secured, considered good	0.88		1.25	
Unsecured, considered good	281.10		281.34	
Doubtful	<u>20.20</u>		<u>22.78</u>	
	302.18		305.37	
Less: Provision for doubtful deposits	<u>20.20</u>	281.98	<u>22.78</u>	282.59
<b>TOTAL</b>		<b>1091.81</b>		<b>1206.40</b>
Share of Joint Ventures - Note 28 (ii) (b)		1.35		0.43
<b>GRAND TOTAL</b>		<b>1093.16</b>		<b>1206.83</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)		
	Quoted	Unquoted	Quoted	Unquoted	
<b>13. Current investments (at lower of cost and fair value)</b>					
<b>Investment in Preference Shares</b>					
ICICI Bank Limited 310 Non-Cumulative, Non-Participating, Non-Voting Preference Shares of ₹ 10000000.00 each, fully paid		134.99		120.44	
<b>Investment in Bonds</b>					
Indian Railway Finance Corporation Limited 10,000 6.30% Tax Free Bonds of ₹ 100000.00 each, fully paid		93.46		96.64	
4,35,012 8.00% Tax Free Bonds of ₹ 1000.00 each, fully paid		43.50		–	
India Infrastructure Finance Company Limited 43,070 6.85% Tax Free Bonds (22/01/2014) of ₹ 100000.00 each, fully paid		424.91		430.70	
3,000 6.85% Tax Free Bonds (20/03/2014) of ₹ 100000.00 each, fully paid		29.57		30.00	
National Highways Authority of India 4,94,476 8.20% Tax Free Bonds of ₹ 1000.00 each, fully paid		49.45		–	
National Housing Bank 1,03,785 Zero Coupon Bonds 2018 of ₹ 10000.00 each, fully paid		56.79		54.99	
National Bank for Agriculture and Rural Development 4,100 Zero Coupon Bhavishya Nirman Bonds 2017 of ₹ 20000.00 each, fully paid		5.10		4.89	
1,41,270 Zero Coupon Bhavishya Nirman Bonds 2019 of ₹ 20000.00 each, fully paid		153.83		148.90	
State Bank of India Nil (2011 - 6,066) 9.45% Series 4 Lower Tier II Bonds (16/03/2026) of ₹ 10000.00 each, fully paid		–		6.07	
Nil (2011 - 11,570) 9.95% Series 4 Lower Tier II Bonds (16/03/2026) of ₹ 10000.00 each, fully paid		–		11.91	
<b>Investment in Mutual Funds</b>					
Axis Fixed Term Plan - Series 20 (3 Months) - Dividend Payout 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each		25.00		–	
Birla Sun Life Fixed Maturity Plan - Series DS - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each		10.00		–	
Birla Sun Life Fixed Maturity Plan - Series EU - Dividend Payout 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each		10.00		–	
Birla Sun Life Fixed Term Plan Series CG Growth Nil (2011 - 3,00,00,000) Units of ₹ 10.00 each		–		30.00	
Birla Sun Life Fixed Term Plan Series CI - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00	
Birla Sun Life Fixed Term Plan Series CJ Dividend - Payout Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each		–		50.00	
Birla Sun Life Fixed Term Plan Series CK Dividend - Payout Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each		–		50.00	
Birla Sun Life Fixed Term Plan Series CO Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00	
Birla Sun Life Fixed Term Plan - Series DT - Growth 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each		25.00		–	
Birla Sun Life Fixed Term Plan - Series DY - Growth 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each		20.00		–	
Birla Sun Life Fixed Term Plan - Series EB - Growth 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each		30.00		–	
	Carried over	120.00	991.60	197.98	886.56

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	120.00	991.60	197.98	886.56
<b>Investment in Mutual Funds (Contd.)</b>				
Birla Sun Life Fixed Term Plan - Series EE - Dividend - Payout 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Birla Sun Life Fixed Term Plan - Series EM - Growth 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Birla Sun Life Fixed Term Plan - Series EW - Growth 4,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	45.00		–	
Birla Sun Life Fixed Term Plan - Series FA - Growth 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Birla Sun Life Medium Term Plan - Institutional - Weekly Dividend - Reinvestment Nil (2011 - 10,08,03,045) Units of ₹ 10.00 each		–		101.12
Birla Sun Life Quarterly Interval Fund - Series 4 - Dividend - Payout 2,00,00,000 (2011 - 2,50,00,000) Units of ₹ 10.00 each	20.00			25.00
Birla Sun Life Short Term Fixed Maturity Plan Series 4 Dividend - Payout Nil (2011 - 7,50,00,000) Units of ₹ 10.00 each	–		75.00	
Birla Sun Life Short Term Fixed Maturity Plan - Series 22 - Dividend Payout 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Birla Sun Life Short Term Fixed Maturity Plan - Series 23 - Dividend Payout 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Birla Sun Life Short Term Fixed Maturity Plan - Series 29 - Dividend Payout 2,70,00,000 (2011 - Nil) Units of ₹ 10.00 each	27.00		–	
Birla Sun Life Short Term Fixed Maturity Plan - Series 30 - Dividend Payout 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
Birla Sun Life Floating Rate - Long Term Institutional Plan Daily Dividend 30,10,706 (2011 - Nil) Units of ₹ 10.00 each		2.73		–
Birla Sun Life Floating Rate Fund - Short Term Plan - Institutional Plan - Daily Dividend Reinvestment 1,92,295 (2011 - Nil) Units of ₹ 10.00 each		1.92		–
Birla Sun life Floating Rate Fund - Daily Dividend Reinvestment 16,80,760 (2011 - Nil) Units of ₹ 100.00 each		16.81		–
Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend Reinvestment Nil (2011 - 1,09,78,592) Units of ₹ 10.00 each		–		11.03
BNP Paribas Money Plus Institutional Growth 5,28,96,512 Units of ₹ 10.00 each		71.23		71.23
Canara Robeco Fixed Maturity Plan - Series 5 - 13 months (Plan A) Dividend Payout Nil (2011 - 2,00,00,000) Units of ₹ 10.00 each	–		20.00	
Canara Robeco Fixed Maturity Plan Series 7 - Plan A - Growth Plan 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Canara Robeco Interval Series - 2 - Quarterly Plan 2 - Institutional Dividend Fund 99,97,501 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - 3M Series 27 - Dividend Payout Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
DSP BlackRock Fixed Maturity Plan - 3M Series 28 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 3M Series 29 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Carried over	382.00	1084.29	392.98	1094.94

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	382.00	1084.29	392.98	1094.94
<b>Investment in Mutual Funds (Contd.)</b>				
DSP BlackRock Fixed Maturity Plan - 3M - Series 29 - Dividend Payout 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
DSP BlackRock Fixed Maturity Plan - 3M - Series 30 - Dividend Payout 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - 3M Series 32 - Dividend Payout Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
DSP BlackRock Fixed Maturity Plan - 3M - Series 33 - Dividend Payout 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	30.00		–	
DSP BlackRock Fixed Maturity Plan - 3M - Series 40 - Dividend Payout 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
DSP BlackRock Fixed Maturity Plan - 3M - Series 42 - Dividend Payout 3,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	35.00		–	
DSP BlackRock Fixed Maturity Plan - 12M Series 10 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 12M Series 11 - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 12M - Series 12 - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - 12M Series 12 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 12M Series 13 - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 12M Series 14 - Growth Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
DSP BlackRock Fixed Maturity Plan - 12M - Series 16 - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - 12M - Series 23 - Growth 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
DSP BlackRock Fixed Maturity Plan - 12M - Series 32 - Growth 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	30.00		–	
DSP BlackRock Fixed Maturity Plan - 12M - Series 34 - Dividend Payout 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
DSP BlackRock Fixed Maturity Plan - 12M - Series 36 - Dividend Payout 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
DSP BlackRock Fixed Maturity Plan - 12M - Series 43 - Growth 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
DSP BlackRock Fixed Maturity Plan - 13M Series 2 - Dividend Nil (2011 - 4,50,00,000) Units of ₹ 10.00 each	–		45.00	
DSP BlackRock Fixed Maturity Plan - 13M Series 3 - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DSP BlackRock Fixed Maturity Plan - 13M - Series 37 - Dividend Payout 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
DSP BlackRock Liquidity Fund - Institutional Plan - Daily Dividend 4,99,966 (2011 - 6,63,632) Units of ₹ 1000.00 each		50.01		66.39
DSP BlackRock Strategic Bond Fund - Monthly Dividend 2,44,500 (2011 - Nil) Units of ₹ 1000.00 each		25.24		–
DWS Fixed Maturity Plan - Series 1 - Dividend Plan Payout 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Carried over	652.00	1159.54	627.98	1161.33



## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	652.00	1159.54	627.98	1161.33
<b>Investment in Mutual Funds (Contd.)</b>				
DWS Fixed Maturity Plan - Series 5 - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00			–
DWS Fixed Term Fund - Series 67 - Dividend Plan - Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DWS Fixed Term Fund - Series 77 - Dividend Plan - Payout Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
DWS Fixed Term Plan - Series 76 - Dividend Plan - Payout Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
DWS Fixed Term Fund Series 79 - Dividend Plan - Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
DWS Money Plus Fund - Institutional Plan Weekly Dividend - Reinvestment Nil (2011 - 4,97,90,382) Units of ₹ 10.00 each		–		50.00
DWS Short Maturity Fund - Premium Plus Weekly Dividend - Reinvestment Nil (2011 - 5,00,74,399) Units of ₹ 10.00 each		–		50.07
HDFC Cash Management Fund - Savings Plan - Daily Dividend Reinvestment 8,20,39,253 (2011 - Nil) Units of ₹ 10.00 each		87.26		–
HDFC Fixed Maturity Plan 370D November 2010 (1) - Growth - Series XVII Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
HDFC Fixed Maturity Plan 370D November 2011 (1) - Growth - Series XIX 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
HDFC Fixed Maturity Plan 370D December 2011 (2) - Growth - Series XIX 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
HDFC Fixed Maturity Plan 370D January 2012 (2) - Growth - Series XIX 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
HDFC Fixed Maturity Plan 370D January 2012 (3) - Growth - Series XIX 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
HDFC Fixed Maturity Plan 370D February 2012 (2) - Growth - Series XXI 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
HDFC Fixed Maturity Plan 370D March 2012 (1) - Growth - Series XXI 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
HDFC Fixed Maturity Plan 92D January 2012 (2) - Dividend - Series XIX 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
HDFC Fixed Maturity Plan 92D February 2012 (2) - Dividend - Series XIX 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
HDFC Fixed Maturity Plan 92D February 2012 (3) - Dividend - Series XIX 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
HDFC Fixed Maturity Plan 92D March 2012 (1) - Dividend - Series XIX 4,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	40.00		–	
HDFC Fixed Maturity Plan 92D March 2012 (3) - Dividend - Series XIX 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
HDFC High Interest Fund - Short Term Plan - Dividend 2,38,23,226 (2011 - Nil) Units of ₹ 10.00 each	25.21		–	
ICICI Prudential Fixed Maturity Plan Series 51 - 1 Year Plan B Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
ICICI Prudential Fixed Maturity Plan Series 51 - 13 Months Plan C Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
ICICI Prudential Fixed Maturity Plan Series 51 - 14 Months Plan D Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Carried over	887.21	1246.80	797.98	1261.40

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	887.21	1246.80	797.98	1261.40
<b>Investment in Mutual Funds (Contd.)</b>				
ICICI Prudential Fixed Maturity Plan Series 53 - 1 Year Plan C Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
ICICI Prudential Fixed Maturity Plan Series 53 - 1 Year Plan F Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
ICICI Prudential Fixed Maturity Plan Series 53 - 6 Months Plan A Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
ICICI Prudential Fixed Maturity Plan Series 55 - 1 Year Plan A Cumulative Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
ICICI Prudential Fixed Maturity Plan Series 55 - 1 Year Plan B Cumulative Nil (2011 - 7,50,00,000) Units of ₹ 10.00 each	–		75.00	
ICICI Prudential Fixed Maturity Plan Series 60 - 1 Year Plan F Cumulative 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
ICICI Prudential Fixed Maturity Plan Series 60 - 1 Year Plan J Cumulative 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
ICICI Prudential Fixed Maturity Plan Series 61 - 1 Year Plan C Dividend 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
ICICI Prudential Fixed Maturity Plan Series 61 - 1 Year Plan E Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
ICICI Prudential Fixed Maturity Plan Series 62 - 396 Days Plan F Dividend 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	30.00		–	
ICICI Prudential Fixed Maturity Plan Series 62 - 1 Year Plan G Cumulative 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
ICICI Prudential Fixed Maturity Plan Series 63 - 1 Year Plan B Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
ICICI Prudential Interval Fund Annual Interval Plan IV Institutional Cumulative 1,18,66,995 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
ICICI Prudential Interval Fund Half Yearly Interval Plan - I Institutional Dividend Nil (2011 - 5,00,01,063) Units of ₹ 10.00 each		–		50.00
ICICI Prudential Interval Fund Half Yearly Interval Plan II Institutional Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
ICICI Prudential Interval Fund II Quarterly Interval Plan Institutional Dividend 2,00,00,000 (2011 - 2,50,00,000) Units of ₹ 10.00 each	20.00			25.00
ICICI Prudential Interval Fund II Quarterly Interval Plan B Institutional Dividend 4,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	40.00		–	
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
ICICI Prudential Interval Fund II Quarterly Interval Plan F Institutional Dividend Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
ICICI Prudential Interval Fund IV Quarterly Interval Plan B Institutional Dividend Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
ICICI Prudential Interval Fund Quarterly Interval Plan - 1 Institutional Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDBI Fixed Maturity Plan - 369 Days - Series - II (February 2012) - C - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
IDFC Fixed Maturity 100 Days Series - 1 Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
IDFC Fixed Maturity 100 Days Series - 3 Dividend Nil (2011 - 2,00,00,000) Units of ₹ 10.00 each	–		20.00	
Carried over	1177.21	1246.80	1002.98	1366.40

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	1177.21	1246.80	1002.98	1366.40
<b>Investment in Mutual Funds (Contd.)</b>				
IDFC Fixed Maturity Plan Yearly Series 37 - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
IDFC Fixed Maturity Plan - Yearly Series 49 - Quarterly Dividend 3,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	35.00		–	
IDFC Fixed Maturity Plan - Yearly Series 52 - Growth 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDFC Fixed Maturity Plan - Yearly Series 53 - Growth 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDFC Fixed Maturity Plan - Yearly Series 57 - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
IDFC Fixed Maturity Plan - Yearly Series 61 - Quarterly Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDFC Fixed Maturity Plan - Yearly Series 62 - Growth 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDFC Fixed Maturity Plan - Yearly Series 64 - Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
IDFC Fixed Maturity Plan - Yearly Series 66 - Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
IDFC Fixed Maturity Quarterly Series 70 Dividend 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	30.00		–	
IDFC Fixed Maturity Quarterly Series 71 Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
IDFC Fixed Maturity Quarterly Series 73 Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Monthly Dividend 7,44,45,441 (2011 - Nil) Units of ₹ 10.00 each	75.48		–	
IDFC Super Saver Income Fund - Medium Term Plan B - Monthly Dividend 2,50,90,051 (2011 - Nil) Units of ₹ 10.00 each	25.15		–	
JPMorgan Fixed Maturity Plan - Series 6 - Dividend Plan 4,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	45.00		–	
JPMorgan Fixed Maturity Plan - Series 7 - Dividend Plan 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
JPMorgan Fixed Maturity Plan - Series 8 - Dividend Plan 7,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	75.00		–	
JPMorgan India Fixed Maturity Plan 367D Series 1 - Growth Plan Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00
JPMorgan India Fixed Maturity Plan 400D Series 1 - Growth Plan Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
JPMorgan India Liquid Fund Super Institutional Daily Dividend Plan - Reinvestment 71,49,223 (2011 - Nil) Units of ₹ 10.00 each		7.15		–
JPMorgan India Treasury Fund - Super Institutional Growth Plan 5,68,14,390 Units of ₹ 10.00 each	66.24			66.24
Kotak Bond (Short Term) - Monthly Dividend 2,49,32,134 (2011 - Nil) Units of ₹ 10.00 each	25.18		–	
Kotak Fixed Maturity Plan Series 28 - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Carried over	1754.26	1253.95	1102.98	1457.64

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	1754.26	1253.95	1102.98	1457.64
<b>Investment in Mutual Funds (Contd.)</b>				
Kotak Fixed Maturity Plan Series 30 - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Kotak Fixed Maturity Plan Series 32 - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Kotak Fixed Maturity Plan Series 34 - Growth Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Kotak Fixed Maturity Plan Series 37 - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Kotak Fixed Maturity Plan Series 62 - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Kotak Fixed Maturity Plan Series 70 - Growth 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Kotak Fixed Maturity Plan Series 72 - Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Kotak Fixed Maturity Plan Series 75 - Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Kotak Fixed Maturity Plan Series 78 - Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Kotak Fixed Maturity Plan Series 79 - Growth 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
Kotak Fixed Maturity Plan Series 83 - Growth 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
Kotak Fixed Maturity Plan 370 Days Series 3 Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Kotak Fixed Maturity Plan 370 Days Series 9 Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Kotak Floater Fund Short term Nil (2011 - 69,21,384) Units of ₹ 10.00 each		–		7.00
Kotak Floater Long Term - Growth 10,45,70,180 Units of ₹ 10.00 each	150.00			150.00
Kotak Quarterly Interval Plan Series 1 - Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Kotak Quarterly Interval Plan Series 2 - Dividend 99,99,722 (2011 - 29,99,641) Units of ₹ 10.00 each	10.00		3.00	
Kotak Quarterly Interval Plan Series 5 - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Kotak Quarterly Interval Plan Series 10 - Dividend Nil (2011 - 5,00,06,947) Units of ₹ 10.00 each	–		50.00	
L&T Fixed Maturity Plan Series - 12 - Plan 15 M - March 10 - I - Dividend (Payout) Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
Reliance Fixed Horizon Fund - XIII - Series 6 - Growth Plan Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
Reliance Fixed Horizon Fund - XVI - Series 5 - Growth Plan Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Reliance Fixed Horizon Fund - XVI - Series 8 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Carried over	2059.26	1253.95	1460.98	1614.64

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	2059.26	1253.95	1460.98	1614.64
<b>Investment in Mutual Funds (Contd.)</b>				
Reliance Fixed Horizon Fund - XVII - Series 1 - Growth Plan Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Reliance Fixed Horizon Fund - XVII - Series 2 - Growth Plan Nil (2011 - 2,00,00,000) Units of ₹ 10.00 each	–		20.00	
Reliance Fixed Horizon Fund - XVII - Series 4 - Dividend Payout Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Reliance Fixed Horizon Fund - XVII - Series 6 - Dividend Payout Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Reliance Fixed Horizon Fund - XVIII - Series 7 - Dividend Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Reliance Fixed Horizon Fund - XIX - Series 1 - Growth Plan Nil (2011 - 3,00,00,000) Units of ₹ 10.00 each	–		30.00	
Reliance Fixed Horizon Fund - XIX - Series 4 - Dividend Payout 2,00,03,258 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Reliance Fixed Horizon Fund - XX - Series 13 - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Reliance Fixed Horizon Fund - XX - Series 24 - Dividend Plan 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Reliance Fixed Horizon Fund - XXI - Series 2 - Growth Plan 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
Reliance Fixed Horizon Fund - XXI - Series 4 - Growth Plan 3,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	35.00		–	
Reliance Fixed Horizon Fund - XXI - Series 5 - Dividend Plan 10,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	100.00		–	
Reliance Fixed Horizon Fund - XXI - Series 9 - Growth Plan 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
Reliance Fixed Horizon Fund - XXI - Series 12 - Growth Plan 4,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	40.00		–	
Reliance Fixed Horizon Fund XXI - Series 13 - Growth Option 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Reliance Fixed Horizon Fund - XXI - Series 14 - Growth Plan 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Reliance Fixed Horizon Fund - XXI - Series 16 - Growth Plan 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
Reliance Money Manager Fund - Institutional Option - Growth Plan 2,18,184 Units of ₹ 1000.00 each		26.66		26.66
Reliance Interval Fund Monthly Income Plan - Series 1 - Institutional Dividend Plan Nil (2011 - 24,98,376) Units of ₹ 10.00 each		–		2.50
Reliance Monthly Interval Fund - Series II - Institutional Dividend Plan Nil (2011 - 9,99,90,438) Units of ₹ 10.00 each		–		100.00
Reliance Interval Fund Quarterly Interval Plan - Series 1 - Institutional Dividend Nil (2011 - 20,19,065) Units of ₹ 10.00 each		–		2.02
Reliance Quarterly Interval Fund - Series II - Institutional Dividend Plan Nil (2011 - 4,99,60,531) Units of ₹ 10.00 each		–		50.00
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan 99,89,910 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Carried over	2424.26	1280.61	1660.98	1795.82

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	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	2424.26	1280.61	1660.98	1795.82
<b>Investment in Mutual Funds (Contd.)</b>				
Reliance Short Term Fund - Quarterly Dividend Option 1,85,66,844 (2011 - Nil) Units of ₹ 10.00 each	25.25		–	
Reliance Liquid Fund - Cash Plan - Daily Dividend Reinvestment Nil (2011 - 1,79,94,135) Units of ₹ 10.00 each		–		20.14
Reliance Liquid Fund Treasury Plan - Daily Dividend Reinvestment 98,43,158 (2011 - Nil) Units of ₹ 10.00 each		15.05		–
Religare Active Income Fund - Plan A Discretionary Dividend 8,00,00,000 (2011 - Nil) Units of ₹ 10.00 each		80.00		–
Religare Fixed Maturity Plan - Series - II Plan A (13 Months) - Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Religare Fixed Maturity Plan - Series - II Plan B (15 Months) - Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Religare Fixed Maturity Plan - Series - II Plan C (15 Months) - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Religare Fixed Maturity Plan - Series - II Plan F (13 Months) - Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Religare Fixed Maturity Plan - Series IV - Plan F - Dividend Plan Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
Religare Fixed Maturity Plan Series - V Plan C (3 Months) Dividend - Dividend Plan Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each	–		15.00	
Religare Fixed Maturity Plan - Series VI - Plan E (367 Days) - Growth Plan Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
Religare Fixed Maturity Plan Series IX Plan B - 371 Days - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Fixed Maturity Plan Series X Plan E - 371 Days - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Fixed Maturity Plan Series XI Plan A - 369 Days - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Fixed Maturity Plan Series - XI - Plan E - 371 Days - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Fixed Maturity Plan - Series XII - Plan A - 370 Days - Dividend Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Fixed Maturity Plan - Series XIII - Plan A - 370 Days - Dividend Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Religare Liquid Fund - Super Institutional Daily Dividend 4,99,730 (2011 - Nil) Units of ₹ 1000.00 each		50.01		–
Religare Liquid Fund - Daily Dividend - Reinvestment Nil (2011 - 1,51,489) Units of ₹ 1000.00 each		–		15.19
Religare Fixed Maturity Plan Series V Plan A 368 Days Growth - Growth Plan Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
SBI Debt Fund Series - 90 Days - 39 - Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each	–		25.00	
SBI Debt Fund Series - 90 Days - 42 - Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each		–		50.00
SBI Debt Fund Series - 90 Days - 55 - Dividend 2,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	20.00		–	
Carried over	2529.51	1425.67	1925.98	1896.15

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	2529.51	1425.67	1925.98	1896.15
<b>Investment in Mutual Funds (Contd.)</b>				
SBI Debt Fund Series - 90 Days - 56 - Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
SBI Debt Fund Series - 90 Days - 58 - Dividend 3,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	30.00		–	
SBI Debt Fund Series - 90 Days - 59 - Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
SBI Debt Fund Series - 90 Days - 60 - Dividend 4,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	45.00		–	
SBI Debt Fund Series - 180 Days - 23 - Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
SBI Debt Fund Series - 367 Days - 13 - Growth 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
SBI Debt Fund Series - 367 Days - 17 - Dividend 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
SBI Debt Fund Series - 15 Months - 5 - Dividend Nil (2011 - 5,00,00,000) Units of ₹ 10.00 each	–		50.00	
Sundaram Fixed Term Plan AP 367 Days Growth Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
Sundaram Fixed Term Plan AS 367 Days Dividend Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
Sundaram Fixed Term Plan AW 366 Days Growth Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each	–		10.00	
Sundaram Fixed Term Plan CC 366 Days Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
Sundaram Interval Fund Quarterly - Plan C - Institutional Dividend Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00
Sundaram Money Fund Super Daily Dividend Reinvestment 1,43,83,992 (2011 - Nil) Units of ₹ 10.00 each		14.52		–
TATA Fixed Income Portfolio Fund Scheme A - 2 Institutional 14,98,322 (2011 - 35,00,865) Units of ₹ 10.00 each		1.50		3.50
TATA Fixed Income Portfolio Fund Scheme B3 Institutional Monthly Dividend Nil (2011 - 1,00,00,000) Units of ₹ 10.00 each		–		10.00
TATA Fixed Income Portfolio Fund Scheme C3 - Regular Half Yearly Dividend 97,58,002 (2011 - Nil) Units of ₹ 10.00 each		10.00		–
TATA Fixed Maturity Plan Series 25 Scheme A - Super High Invest Plan - Growth Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00
TATA Fixed Maturity Plan Series 26 Scheme A - Quarterly Dividend Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
TATA Fixed Maturity Plan Series 28 Scheme A Dividend Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
TATA Fixed Maturity Plan Series 29 Scheme A Dividend Nil (2011 - 2,00,00,000) Units of ₹ 10.00 each		–		20.00
TATA Fixed Maturity Plan Series 29 Scheme C - Growth Nil (2011 - 1,50,00,000) Units of ₹ 10.00 each		–		15.00
TATA Fixed Maturity Plan Series 30 Scheme A Dividend Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00
Carried over	2694.51	1451.69	2120.98	1919.65

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)		As at 31st March, 2011 (₹ in Crores)	
	Quoted	Unquoted	Quoted	Unquoted
<b>13. Current investments (at lower of cost and fair value) (Contd.)</b>				
Brought forward	2694.51	1451.69	2120.98	1919.65
<b>Investment in Mutual Funds (Contd.)</b>				
TATA Fixed Maturity Plan Series 38 Scheme I - Dividend 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
TATA Fixed Maturity Plan Series 38 Scheme D - Growth 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
UTI Fixed Income Interval Fund - Quarterly Interval Plan Series - I - Institutional Dividend Plan - Payout Nil (2011 - 2,50,00,000) Units of ₹ 10.00 each		–		25.00
UTI Fixed Term Income Fund - Series X - VI (368 Days) - Growth Plan 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
UTI Fixed Term Income Fund - Series X - VII (368 Days) - Growth Plan 5,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	50.00		–	
UTI Fixed Term Income Fund - Series X - VIII (368 Days) - Growth Plan 2,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	25.00		–	
UTI Fixed Term Income Fund - Series X - X (367 Days) - Growth Plan 1,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	10.00		–	
UTI Fixed Term Income Fund - Series XI - III (368 Days) - Growth Plan 4,00,00,000 (2011 - Nil) Units of ₹ 10.00 each	40.00		–	
UTI Fixed Term Income Fund - Series XI - IV (367 Days) 1,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	15.00		–	
UTI Fixed Term Income Fund - Series XI - VII (366 Days) - Growth Plan 8,50,00,000 (2011 - Nil) Units of ₹ 10.00 each	85.00		–	
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option 2,48,309 Units of ₹ 1000.00 each		25.00		25.00
<b>Aggregate amount of Quoted and Unquoted Investments</b>	<b>2954.51</b>	<b>1476.69</b>	<b>2120.98</b>	<b>1969.65</b>
<b>Total Current Investments</b>		<b>4431.20</b>		<b>4090.63</b>
Share of Joint Ventures - Note 28 (ii) (b)	4.60	6.01	0.50	4.03
		<b>10.61</b>		<b>4.53</b>
<b>Grand Total</b>		<b>4441.81</b>		<b>4095.16</b>

Aggregate market value of quoted investments ₹ 3032.42 Crores (2011 - ₹ 2154.89 Crores).

Aggregate excess of cost over fair value ₹ 205.24 Crores (2011 - ₹ 199.50 Crores).



## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>14. Inventories</b>		
(At lower of cost and net realisable value)		
Stocks and shares	542.07	257.05
Raw materials (including packing materials)	3645.71	3467.39
Work-in-progress	112.33	109.24
Finished Goods (manufactured)	1566.06	1428.03
Stock-in-Trade (goods purchased for resale)	213.41	173.65
Stores and Spares	252.73	216.95
Intermediates - Tissue paper and Paperboards	79.67	69.37
<b>TOTAL</b>	<b>6411.98</b>	<b>5721.68</b>
Share of Joint Ventures - Note 28 (ii) (b)	16.13	13.12
<b>GRAND TOTAL</b>	<b>6428.11</b>	<b>5734.80</b>

<b>15. Trade receivables</b>		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1.53	3.81
Unsecured, considered good	43.10	36.54
Doubtful	49.76	53.28
	<u>94.39</u>	<u>93.63</u>
Less: Provision for doubtful receivables	49.76	53.28
	44.63	40.35
Others		
Secured, considered good	17.31	15.27
Unsecured, considered good	1140.07	1029.13
Doubtful	0.02	0.14
	<u>1157.40</u>	<u>1044.54</u>
Less: Provision for doubtful receivables	0.02	0.14
	1157.38	1044.40
<b>TOTAL</b>	<b>1202.01</b>	<b>1084.75</b>
Share of Joint Ventures - Note 28 (ii) (b)	1.83	1.93
<b>GRAND TOTAL</b>	<b>1203.84</b>	<b>1086.68</b>

## Notes to the Consolidated Financial Statements

	As at 31st March, 2012 (₹ in Crores)	As at 31st March, 2011 (₹ in Crores)
<b>16. Cash and cash equivalents</b>		
Balances with Banks		
Current accounts	170.96	118.31
Earmarked balances	81.15	64.32
Deposit accounts *	2861.57	2227.65
Cheques, drafts on hand	11.06	11.91
Cash on hand	2.85	2.84
<b>TOTAL</b>	<b>3127.59</b>	<b>2425.03</b>
Share of Joint Ventures - Note 28 (ii) (b)	2.53	1.84
<b>GRAND TOTAL</b>	<b>3130.12</b>	<b>2426.87</b>

\* Includes balances with original maturity of more than 12 months ₹ 644.39 Crores (2011 - ₹ 814.49 Crores) in deposit accounts. These can be withdrawn at any point of time without prior notice or exit costs on the principal amount.

<b>17. Short-term loans and advances</b>		
Unsecured, considered good unless otherwise stated		
Loans and advances to related parties		
Security deposits	0.37	0.37
Loans and advances	4.80	5.17
Others		
With Statutory authorities	158.65	125.36
Commercial advances and deposits		
Secured, considered good	4.86	6.39
Unsecured, considered good	204.59	209.45
MAT credit entitlement	0.35	2.16
Other loans and advances (Employees, unexpired expenses etc.)	89.75	74.61
<b>TOTAL</b>	<b>463.37</b>	<b>429.44</b>
Share of Joint Ventures - Note 28 (ii) (b)	2.61	3.06
<b>GRAND TOTAL</b>	<b>465.98</b>	<b>432.50</b>

<b>18. Other current assets</b>		
Interest accrued on loans, deposits etc.	17.17	16.26
Interest accrued on investments	9.80	8.65
Unamortised expenses	-	0.11
Others *		
Unsecured, considered good	104.62	71.27
Doubtful	0.71	0.98
	105.33	72.25
Less: Provision for doubtful assets	0.71	0.98
<b>TOTAL</b>	<b>131.59</b>	<b>96.29</b>

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

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2012 (₹ in Crores)	For the year ended 31st March, 2011 (₹ in Crores)
<b>19. Gross income</b>		
Gross Revenue from sale of products and services	36609.81	31982.31
Other operating revenue	371.81	294.43
Other income	783.99	535.82
<b>TOTAL</b>	<b>37765.61</b>	<b>32812.56</b>
Share of Joint Ventures - Note 28(ii)(b)	8.46	12.19
<b>GRAND TOTAL</b>	<b>37774.07</b>	<b>32824.75</b>
<b>20. Revenue from operations</b>		
Sale of products [Includes share of Joint Ventures ₹ 6.11 Crores (2011 - ₹ 9.03 Crores)]	34831.01	30384.67
Sale of services [Includes share of Joint Ventures ₹ 1.54 Crores (2011 - ₹ 1.72 Crores)]	1786.44	1608.39
Gross Revenue from sale of products and services	36617.45	31993.06
Other operating revenue [Includes share of Joint Ventures ₹ 0.46 Crore (2011 - ₹ 1.16 Crores)]	372.27	295.59
	36989.72	32288.65
Less: Excise Duty attributable to products sold [Includes share of Joint Ventures ₹ 0.65 Crore (2011 - ₹ 0.82 Crore)]	10437.93	9713.95
<b>TOTAL</b>	<b>26551.79</b>	<b>22574.70</b>
<b>21. Other income</b>		
Interest income	321.85	179.99
Dividend income		
– Long-term investments	16.32	14.67
– Current investments	222.06	173.71
Gain on sale of long-term investments	137.25	63.01
Net gain on sale of current investments	76.04	54.90
Excess of cost of current investments over fair value, reversed - Net	–	2.57
Other non-operating income		
– Net gain on foreign currency transactions and translation	–	33.18
– Others	10.47	13.79
<b>TOTAL</b>	<b>783.99</b>	<b>535.82</b>
Share of Joint Ventures - Note 28 (ii) (b)	0.36	0.28
<b>GRAND TOTAL</b>	<b>784.35</b>	<b>536.10</b>
Interest income comprises interest from:		
a) Deposits with Banks	196.51	92.18
b) Current investments	57.03	51.59
c) Others (from customers, statutory authorities etc.)	68.31	36.22

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)		
<b>22. Changes in inventories of finished goods, work-in-progress, Stock-in-Trade and intermediates</b>						
Finished goods (manufactured)						
Opening stock	1428.03			1137.62		
Closing stock	<u>1566.06</u>	(138.03)		<u>1428.03</u>	(290.41)	
Work-in-progress						
Opening stock	109.24			88.32		
Closing stock	<u>112.33</u>	(3.09)		<u>109.24</u>	(20.92)	
Intermediates - Tissue paper and Paperboards						
Opening stock	69.37			47.57		
Closing stock	<u>79.67</u>	(10.30)		<u>69.37</u>	(21.80)	
Stock-in-Trade (goods purchased for resale)						
Opening stock	173.65			148.61		
Closing stock	<u>213.41</u>	(39.76)	<b>(191.18)</b>	<u>173.65</u>	(25.04)	<b>(358.17)</b>
Excise duties on increase / (decrease) of finished goods			104.88			85.24
<b>TOTAL</b>			<b>(86.30)</b>			<b>(272.93)</b>
Share of Joint Ventures - Note 28(ii)(b)			(0.12)			0.21
<b>GRAND TOTAL</b>			<b>(86.42)</b>			<b>(272.72)</b>
<b>23. Employee benefits expense</b>						
Salaries and wages			1669.26			1437.94
Contribution to Provident and other funds			142.35			149.94
Staff welfare expenses			138.41			126.25
			<u>1950.02</u>			<u>1714.13</u>
Less : Recoveries / reimbursements			8.46			7.94
<b>TOTAL</b>			<b>1941.56</b>			<b>1706.19</b>
Share of Joint Ventures - Note 28(ii)(b)			2.72			2.31
<b>GRAND TOTAL</b>			<b>1944.28</b>			<b>1708.50</b>
<b>24. Finance costs</b>						
Interest expense			69.55			60.84
Applicable net loss on foreign currency transactions and translation			10.94			10.06
<b>TOTAL</b>			<b>80.49</b>			<b>70.90</b>
Share of Joint Ventures - Note 28(ii)(b)			0.01			0.03
<b>GRAND TOTAL</b>			<b>80.50</b>			<b>70.93</b>

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2012 (₹ in Crores)	For the year ended 31st March, 2011 (₹ in Crores)
<b>25. Other expenses</b>		
Power and fuel	476.91	446.64
Consumption of stores and spare parts	243.49	222.81
Contract processing charges	533.51	472.65
Rent	228.41	191.26
Rates and taxes	322.31	324.39
Insurance	41.78	39.84
Repairs		
– Buildings	48.38	44.17
– Machinery	135.50	119.19
– Others	36.25	36.49
Maintenance and upkeep	113.73	109.52
Outward freight and handling charges	842.70	683.09
Warehousing charges	70.06	65.38
Advertising / Sales promotion	710.09	654.55
Market research	54.40	53.62
Design and product development	24.04	23.89
Hotel reservation / Marketing expenses	29.25	29.90
Retail accessories	238.89	211.18
Brokerage and discount - sales	9.40	8.94
Commission to selling agents	27.23	27.60
Doubtful and bad debts	14.36	2.74
Doubtful and bad advances, loans and deposits	2.61	3.34
Provision for standard assets	...	0.09
Bank and credit card charges	21.49	20.74
Information technology services	100.25	91.63
Travelling and conveyance	235.09	207.96
Training and development	24.63	19.13
Legal expenses	15.00	30.55
Consultancy / Professional fees	82.39	85.55
Postage, telephone etc.	31.10	31.07
Printing and stationery	14.98	14.62
Net loss on foreign currency transactions and translation	43.05	–
Excess of carrying cost over fair value of current investments - Net	5.74	–
Loss on sale of fixed assets - Net	12.64	26.19
Loss on sale of stores and spare parts - Net	2.71	2.38
Miscellaneous expenses	955.79	731.53
<b>TOTAL</b>	<b>5748.16</b>	<b>5032.63</b>
Share of Joint Ventures - Note 28(ii)(b)	4.29	3.80
<b>GRAND TOTAL</b>	<b>5752.45</b>	<b>5036.43</b>

## Notes to the Consolidated Financial Statements

	For the year ended 31st March, 2012 (₹ in Crores)	For the year ended 31st March, 2011 (₹ in Crores)
<b>26. Current tax</b>		
Income tax for the year:		
Current tax	2796.34	2373.21
	<u>2796.34</u>	<u>2373.21</u>
Adjustments/(credits) related to previous years - Net		
Current tax	(21.35)	(26.79)
Fringe benefit tax	-	(0.25)
MAT credit entitlement	-	(0.11)
	<u>(21.35)</u>	<u>(27.15)</u>
<b>TOTAL</b>	<b>2774.99</b>	<b>2346.06</b>
Share of Joint Ventures - Note 28(ii)(b)	2.58	1.89
<b>GRAND TOTAL</b>	<b>2777.57</b>	<b>2347.95</b>
<b>27. Deferred tax</b>		
Deferred tax for the year	54.82	0.49
Adjustments/(credits) related to previous years - Net	13.45	17.21
<b>TOTAL</b>	<b>68.27</b>	<b>17.70</b>
Share of Joint Ventures - Note 28(ii)(b)	(0.08)	(0.20)
<b>GRAND TOTAL</b>	<b>68.19</b>	<b>17.50</b>

### 28. Additional Notes to the Consolidated Financial Statements

- (i) The revised Schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the Consolidated Financial Statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.
- (ii) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures" as notified by Companies (Accounting Standards) Rules, 2006.
- (a) The subsidiaries (which along with ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
Surya Nepal Private Limited	Nepal	59	59
Landbase India Limited	India	100	100
BFIL Finance Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of BFIL Finance Limited)	India	100	100
Russell Credit Limited	India	100	100
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited	India	98.18	96.82

# Notes to the Consolidated Financial Statements

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Prag Agro Farm Limited (a 100% subsidiary of Wimco Limited)	India	98.18	96.82
Pavan Poplar Limited (a 100% subsidiary of Wimco Limited)	India	98.18	96.82
Technico Pty Limited	Australia	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Agri Sciences Limited (a 100% subsidiary of Technico Pty Limited)	India	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Pyxis Solutions, LLC (a 100% subsidiary of ITC Infotech (USA), Inc.)	USA	100	100
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing, Inc.	USA	100	100

ITC Global Holdings Pte. Limited, Singapore (a wholly owned subsidiary of ITC Limited) in liquidation has not been considered in the preparation of these Consolidated Financial Statements.

The financial statements of all subsidiaries, considered in the consolidated accounts, are drawn upto 31st March other than for Surya Nepal Private Limited where it is upto 13th March.

# Notes to the Consolidated Financial Statements

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

(b) Interests in Joint Ventures:

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Maharaja Heritage Resorts Limited	India	50	50
Espirit Hotels Private Limited	India	26	26*
Logix Developers Private Limited	India	26**	–
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

\* With effect from 24.09.2010

\*\* With effect from 27.09.2011

The Group's interests in jointly controlled operations:

Technico Technologies Inc., Canada has entered into a farming arrangement with Shamrock Seed Potato Farm Limited for production and sale of Early Generation seed potatoes. The participating share of Technico Technologies Inc., Canada is 35% (2011 – 27%).

The financial statements of the joint ventures, considered in the consolidated accounts, are drawn upto 31st March other than for ITC Filtrona Limited where it is upto 31st December.

The Group's interest in these joint ventures is accounted for using proportionate consolidation.

(c) Investments in Associates:

The Group's associates are:

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2012	Percentage of ownership interest as at 31st March, 2011
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited	India	47.50	47.50
Classic Infrastructure and Development Limited	India	42.35	42.35

The financial statements of all associates, considered in the consolidated accounts, are drawn upto 31st March.

These investments have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets. During the year, the Group has received dividend aggregating ₹ 2.01 Crores (2011 – ₹ 1.74 Crores) in respect of the investments in associates.

(d) These Consolidated Financial Statements are based, in so far as they relate to amounts included in respect of subsidiaries, associates and joint ventures on the audited financial statements prepared for consolidation in accordance with the requirements of AS 21, AS 23 and AS 27 by each of the included entities.



# Notes to the Consolidated Financial Statements

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

(iii) (a) Claims against the Group not acknowledged as debts, including share of Joint Ventures ₹ 1.56 Crores (2011 - ₹ 1.53 Crores), are ₹ 365.05 Crores (2011 - ₹ 340.71 Crores). These comprise:

- Excise duty, Sales taxes and other Indirect taxes claims disputed by the Group relating to issues of applicability and classification aggregating ₹ 212.41 Crores (2011 - ₹ 195.43 Crores).
- Local Authority taxes/cess/royalty on property, utilities etc. claims disputed by the Group relating to issues of applicability and determination aggregating ₹ 51.22 Crores (2011 - ₹ 37.32 Crores).
- Third party claims arising from disputes relating to contracts aggregating ₹ 42.04 Crores (2011 - ₹ 39.15 Crores).
- Other matters, including share of Joint Ventures ₹ 1.56 Crores (2011 - ₹ 1.53 Crores), are ₹ 59.38 Crores (2011 - ₹ 68.81 Crores).
- In respect of Surya Nepal Private Limited (SNPL), Excise, Income tax and VAT authorities issued Show Cause Notices (SCNs) and raised demands to recover taxes for different years on theoretical production of cigarettes. The basis for all these SCNs and demands is an untenable contention by the Revenue Authorities that SNPL could have produced more cigarettes than it has actually produced in a given year, by applying an input-output ratio allegedly submitted by SNPL in the year 1990-91 and that SNPL is liable to pay taxes on such cigarettes that could have been theoretically produced and sold. This, despite the fact that SNPL's cigarette factory is under 'physical control' of the Revenue Authorities and cigarettes produced are duly accounted for and certified as such by the Revenue authorities.

The above basis of theoretical production has been rejected by the Supreme Court of Nepal vide its orders dated 29th October, 2009 and 1st April, 2010. In the said order of the Supreme Court of Nepal dated 1st April, 2010, the Excise demands (for the financial years 1998-99 to 2002-03) and Income tax demands (for the financial year 2001-02) were set aside. Citing the aforesaid decisions of the Supreme Court of Nepal, the Inland Revenue Department has, on 11th February, 2011 decided the following administrative review petitions in favour of SNPL relating to theoretical production:

- (i) Value added tax – ₹ 4.72 Crores [Nepalese Rupee (NRs.) 7.55 Crores] for the financial year 2001-02.
- (ii) Income tax – ₹ 3.07 Crores (NRs. 4.91 Crores) for the financial year 2005-06.

SNPL's counsel appearing in the matter has opined that the verdict of the Supreme Court of Nepal dated 29th October, 2009, which was delivered by a Full Bench of the Supreme Court of Nepal, will add substantial strength to SNPL's case in all the other matters relating to the issue of theoretical production.

Following is the status of pending demands and Show Cause Notices received from the Revenue Authorities based on similar untenable contention:

### (i) Excise Demands and Show Cause Notice

1. Excise demand letter dated 22nd February, 2008 for ₹ 9.34 Crores (NRs. 14.95 Crores) relating to the financial years 2003-04 to 2005-06. SNPL's writ petition challenging the demand, has been admitted by the Supreme Court of Nepal on 2nd April, 2008 and it has issued Show Cause Notices to the respondents.
2. Excise demand letter dated 30th November, 2008 for ₹ 8.03 Crores (NRs. 12.85 Crores) relating to the financial year 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 6th January, 2009 and it has issued Show Cause Notices to the respondents.
3. Show Cause Notice dated 19th January, 2010 seeking to demand ₹ 12.28 Crores (NRs. 19.65 Crores) by way of Excise duty for the financial year 2007-08. SNPL's writ petition challenging the Notice was admitted by the Supreme Court of Nepal. On 7th March, 2010, Supreme Court of Nepal issued interim order directing Inland Revenue Department not to raise demand, pending final disposal of the writ petition.

### (ii) Value Added Tax (VAT) Demands

1. VAT demand letter dated 8th August, 2007 for ₹ 3.58 Crores (NRs. 5.72 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. VAT demand letter dated 5th August, 2008 for ₹ 0.67 Crore (NRs. 1.07 Crores) relating to the financial year 2003-04. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 5th September, 2008 and it has issued Show Cause Notices to the respondents.
3. VAT demand letter dated 10th July, 2009 for ₹ 6.69 Crores (NRs. 10.70 Crores) relating to the financial years 2004-05 to 2006-07. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 9th August, 2009 and it has issued Show Cause Notices to the respondents.

# Notes to the Consolidated Financial Statements

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

### (iii) Income Tax Demands

1. Income tax demand letter dated 12th August, 2007 for ₹ 12.26 Crores (NRs. 19.61 Crores) relating to the financial year 2002-03. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 12th September, 2007 and it has issued Show Cause Notices to the respondents.
2. Income tax demand letter dated 15th September, 2008 for the financial year 2003-04. Out of a total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of demand for ₹ 1.19 Crores (NRs. 1.91 Crores) is on theoretical production. SNPL's writ petition, challenging the demand, has been admitted by the Supreme Court of Nepal on 8th December, 2008 and it has issued Show Cause Notices to the respondents.
3. Income tax demand letter dated 16th October, 2009 for the financial year 2004-05. Out of a total demand of ₹ 1.41 Crores (NRs. 2.26 Crores), the basis of demand for ₹ 1.35 Crores (NRs. 2.16 Crores) is on theoretical production. SNPL has filed an administrative review petition before the Director General, Inland Revenue Department on 18th December, 2009. However, the Director General without dealing with the issues raised by SNPL, summarily dismissed the petition by an order dated 2nd March, 2010. SNPL thereafter filed an appeal before the Revenue Tribunal, on 17th June, 2010 and the matter is pending.

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

- (b) Uncalled liability on shares partly paid ₹ 0.42 Crore (2011 – ₹ 0.42 Crore).
- (c) Commitments: Estimated amount of contracts remaining to be executed on capital accounts and not provided for, including share of joint venture ₹ 6.27 Crores (2011 – ₹ 1.21 Crores), are ₹ 2332.44 Crores (2011 – ₹ 2037.30 Crores).
- (iv) The status on excise matters which is treated as an annexure to these accounts are as outlined in this year's Report of the Directors of ITC Limited (the Company) under the Excise section. In the opinion of the Directors, the Company does not accept any further liability.
- (v) In respect of Russell Credit Limited (RCL), a petition was filed by an individual in the High Court at Calcutta seeking an injunction against the company's Counter Offer to the shareholders of VST Industries Limited made in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, as a competitive bid, pursuant to a Public Offer made by an Acquirer which closed on 13th June, 2001. The Hon'ble High Court while refusing to grant such an injunction, instructed that the acquisition of shares pursuant to the Counter Offer by RCL and the other Acquirer, would be subject to the final Order of the Hon'ble High Court, which is awaited.

Similar petitions filed by an individual and two shareholders, in the Hon'ble High Courts of Delhi at New Delhi and Andhra Pradesh at Hyderabad, had earlier been dismissed by the respective High Courts.

### (vi) Earnings per share

Earnings per share have been computed as under :

- (a) Profit for the year (₹ in Crores)
- (b) Weighted average number of Ordinary shares outstanding
- (c) Effect of potential Ordinary shares on Employee Stock Options outstanding
- (d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]
- (e) Earnings per share on profit for the year  
(Face Value ₹ 1.00 per share)
  - Basic [(a)/(b)]
  - Diluted [(a)/(d)]

	2012	2011
(a) Profit for the year (₹ in Crores)	6258.14	5017.93
(b) Weighted average number of Ordinary shares outstanding	7,77,09,54,800	7,68,06,73,807
(c) Effect of potential Ordinary shares on Employee Stock Options outstanding	9,24,70,193	10,22,43,533
(d) Weighted average number of Ordinary shares in computing diluted earnings per share [(b) + (c)]	7,86,34,24,993	7,78,29,17,340
(e) Earnings per share on profit for the year (Face Value ₹ 1.00 per share)		
– Basic [(a)/(b)]	₹ 8.05	₹ 6.53
– Diluted [(a)/(d)]	₹ 7.96	₹ 6.45

# Notes to the Consolidated Financial Statements

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

- (vii) Research and Development expenses for the year amount to ₹ 87.96 Crores (2011 – ₹ 90.56 Crores).
- (viii) The Group's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as "Rent" under Note 25.

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

	<b>As at 31st March, 2012 (₹ in Crores)</b>	<b>As at 31st March, 2011 (₹ in Crores)</b>
Not later than one year	13.54	13.30
Later than one year and not later than five years	16.72	20.74
Later than five years	2.00	3.16

- (ix) The Group has adopted Accounting Standard 15 (AS 15) on 'Employee Benefits'. These Consolidated Financial Statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation / provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

Defined Benefit Plans / Long Term Compensated Absences - As per Actuarial Valuations as on March 31, 2012 and recognised in the financial statements in respect of Employee Benefit Schemes:

I	Components of Employer Expense	For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
1	Current Service Cost	41.30	20.22	5.27	40.68	18.65	5.98
2	Interest Cost	40.60	16.11	5.50	34.05	14.02	4.07
3	Expected Return on Plan Assets	(42.29)	(18.81)	–	(36.18)	(17.37)	–
4	Curtailment Cost/(Credit)	–	–	–	–	–	–
5	Settlement Cost/(Credit)	–	–	–	–	–	–
6	Past Service Cost	–	–	–	–	0.03	–
7	Actuarial Losses/(Gains)	(7.91)	9.78	0.15	17.05	3.75	7.53
8	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>31.70</b>	<b>27.30</b>	<b>10.92</b>	55.60	19.08	17.58

The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Salaries and wages" under Note 23.

## Notes to the Consolidated Financial Statements

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

		For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
<b>II</b>	<b>Actual Returns</b>	36.76	17.65	–	36.83	17.86	–
<b>III</b>	<b>Net Asset/ (Liability) recognised in Balance Sheet</b>						
	1 Present Value of Defined Benefit Obligation	552.53	229.80	70.06	499.99	201.29	65.48
	2 Fair Value of Plan Assets	533.14	233.63	–	492.05	222.71	–
	3 Status [Surplus/(Deficit)]	(19.39)	3.83	(70.06)	(7.94)	21.42	(65.48)
	4 Unrecognised Past Service Cost	–	–	–	–	–	–
	<b>5 Net Asset/(Liability) recognised in Balance Sheet</b>	<b>(19.39)</b>	<b>3.83</b>	<b>(70.06)</b>	<b>(7.94)</b>	<b>21.42</b>	<b>(65.48)</b>
	– Current	<b>(18.65)</b>	<b>3.83</b>	<b>(6.97)</b>	<b>(7.31)</b>	<b>21.42</b>	<b>(6.14)</b>
	– Non-current	<b>(0.74)</b>	–	<b>(63.09)</b>	<b>(0.63)</b>	–	<b>(59.34)</b>
<b>IV</b>	<b>Change in Defined Benefit Obligation (DBO)</b>						
	1 Present Value of DBO at the beginning of year	499.99	201.29	65.48	442.61	180.39	55.12
	2 Current Service Cost	41.30	20.22	5.27	40.68	18.65	5.98
	3 Interest Cost	40.60	16.11	5.50	34.05	14.02	4.07
	4 Curtailment Cost/(Credit)	–	–	–	–	–	–
	5 Settlement Cost/(Credit)	–	–	–	–	–	–
	6 Past Service Cost	–	–	–	–	0.03	–
	7 Plan Amendments	–	–	–	–	–	–
	8 Acquisitions	–	–	–	–	–	–
	9 Actuarial (Gains)/Losses	(13.44)	8.62	0.15	17.70	4.24	7.53
	10 Benefits Paid	(15.92)	(16.44)	(6.34)	(35.05)	(16.04)	(7.22)
	<b>11 Present Value of DBO at the end of the year</b>	<b>552.53</b>	<b>229.80</b>	<b>70.06</b>	<b>499.99</b>	<b>201.29</b>	<b>65.48</b>
<b>V</b>	<b>Change in Fair Value of Assets</b>						
	1 Plan Assets at the beginning of the year	492.05	222.71	–	412.49	203.78	–
	2 Acquisition Adjustment	–	–	–	–	–	–
	3 Expected Return on Plan Assets	42.29	18.81	–	36.18	17.37	–
	4 Actuarial Gains/(Losses)	(5.53)	(1.16)	–	0.65	0.49	–
	5 Actual Company Contributions	20.25	9.71	–	77.78	17.11	–
	6 Benefits Paid	(15.92)	(16.44)	–	(35.05)	(16.04)	–
	<b>7 Plan Assets at the end of the year</b>	<b>533.14</b>	<b>233.63</b>	<b>–</b>	<b>492.05</b>	<b>222.71</b>	<b>–</b>
<b>VI</b>	<b>Actuarial Assumptions</b>						
	1 Discount Rate (%)	8.25	8.00 - 8.25	8.00 - 8.25	8.00	8.00	8.00
	2 Expected Return on Plan Assets (%)	8.25	7.25 - 9.15	–	8.00	7.50 - 9.15	–

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.

# Notes to the Consolidated Financial Statements

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

VII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2012	As at 31st March, 2011
1	Government Securities/Special Deposit with RBI	28%	27%
2	High Quality Corporate Bonds	24%	28%
3	Insurance Companies*	40%	40%
4	Mutual Funds/Direct Equity	2%	3%
5	Cash and Cash Equivalents	2%	2%
6	Term Deposits	4%	–

\* 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.

## VIII Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

IX	Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)	For the year ended 31st March, 2012 (₹ in Crores)			For the year ended 31st March, 2011 (₹ in Crores)			For the year ended 31st March, 2010 (₹ in Crores)			For the year ended 31st March, 2009 (₹ in Crores)			For the year ended 31st March, 2008 (₹ in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
1	Present Value of Defined Benefit Obligation	552.53	229.80	70.06	499.99	201.29	65.48	442.61	180.39	55.12	385.36	162.26	53.70	351.82	150.60	46.94
2	Fair Value of Plan Assets	533.14	233.63	–	492.05	222.71	–	412.49	203.78	–	386.04	189.82	–	365.50	172.27	–
3	Status [Surplus/(Deficit)]	(19.39)	3.83	(70.06)	(7.94)	21.42	(65.48)	(30.12)	23.39	(55.12)	0.68	27.56	(53.70)	13.68	21.67	(46.94)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(4.25)	(0.61)	–	4.08	2.27	–	7.50	1.28	–	1.60	3.93	–	2.94	(0.75)	–
5	Experience Adjustment of Obligation [(Gain)/Loss]	(18.01)	6.96	0.40	42.69	21.00	9.68	(13.79)	1.82	3.57	(16.25)	(0.05)	3.40	(19.17)	0.05	2.94

Amounts towards Defined Contribution Plans have been recognised under 'Contribution to Provident and other funds' in Note 23.

## Notes to the Consolidated Financial Statements

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

(x) Derivative Instruments:

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

a) Forward exchange contracts outstanding as at year end:

(in Million)

Currency	Cross Currency	As at 31st March, 2012		As at 31st March, 2011	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupees	146.33	183.23	9.00	84.40
EURO	US Dollar	60.08	–	57.40	–
CHF	US Dollar	1.58	–	0.92	–
GBP	US Dollar	1.00	–	3.00	–
SEK	US Dollar	3.33	–	3.20	–
JPY	US Dollar	770.54	–	483.08	–

b) Currency option contracts outstanding as at year end :

(in Million)

Currency	Cross Currency	As at 31st March, 2012		As at 31st March, 2011	
		Buy	Sell	Buy	Sell
US Dollar	Indian Rupees	–	–	20.00	45.00
EURO	US Dollar	–	–	6.00	–

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

(in Million)

Currency	Cross Currency	As at 31st March, 2012			As at 31st March, 2011		
		Buy	Sell	Net*	Buy	Sell	Net*
US Dollar	Indian Rupees	17.93	17.83	0.10	133.88	120.50	13.38
EURO	US Dollar	3.66	3.67	(0.01)	1.64	3.66	(2.02)
GBP	US Dollar	1.84	1.74	0.10	2.07	1.96	0.11
JPY	US Dollar	–	–	–	94.20	–	94.20
SEK	US Dollar	0.08	–	0.08	2.69	–	2.69
CHF	US Dollar	0.05	–	0.05	0.70	–	0.70
SGD	US Dollar	0.10	–	0.10	0.86	–	0.86
CAD	US Dollar	0.46	0.28	0.18	–	0.10	(0.10)
AUD	US Dollar	0.13	–	0.13	0.20	–	0.20
MYR	US Dollar	–	–	–	0.04	–	0.04

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

# Notes to the Consolidated Financial Statements

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

(xi) Statement of information regarding Subsidiary Companies :

(₹ in Crores)

Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments (excluding Investments made in subsidiaries)	Turnover	Profit/(Loss) before Tax	Provision for Tax	Profit/(Loss) after Tax	Proposed Dividend
Russell Credit Limited	646.48	170.54	821.23	821.23	108.11	40.58	37.35	5.91	31.44	–
Greenacre Holdings Limited	42.06	11.72	57.90	57.90	12.56	2.97	1.20	0.23	0.97	–
Wimco Limited	68.59	42.99	219.85	219.85	...	184.98	(45.99)	–	(45.99)	–
Pavan Poplar Limited	5.51	1.48	7.35	7.35	–	0.73	0.04	...	0.03	–
Prag Agro Farm Limited	3.80	(7.43)	4.33	4.33	–	1.32	0.06	...	0.06	–
Srinivasa Resorts Limited	24.00	73.91	120.68	120.68	46.38	63.39	11.89	2.49	9.40	4.80
Fortune Park Hotels Limited	0.45	16.19	24.72	24.72	7.15	22.84	7.18	2.22	4.96	0.45
Bay Islands Hotels Limited	0.12	10.89	11.10	11.10	–	1.37	1.30	0.38	0.92	0.08
ITC Infotech India Limited	85.20	85.08	341.14	341.14	–	566.23	35.47	6.78	28.69	–
ITC Infotech Limited *	5.59	55.83	90.14	90.14	–	198.38	24.25	6.93	17.32	–
ITC Infotech (USA), Inc. §	92.59	(7.83)	135.91	135.91	–	227.74	4.27	0.64	3.63	–
Pyxis Solutions, LLC §	–	9.51	12.93	12.93	–	29.71	0.45	–	0.45	2.54@
Wills Corporation Limited	4.88	3.54	8.66	8.66	–	0.81	0.67	0.02	0.65	–
Gold Flake Corporation Limited	16.00	11.42	27.47	27.47	6.01	3.58	3.49	...	3.49	–
Landbase India Limited	199.00	(83.59)	154.43	154.43	...	10.57	(3.22)	–	(3.22)	–
BFIL Finance Limited	20.00	(59.91)	8.46	8.46	–	0.68	0.43	–	0.43	–
MRR Trading & Investment Company Limited	0.05	(0.04)	0.01	0.01	–	–	–	–	–	–
Surya Nepal Private Limited #	126.00	173.91	508.39	508.39	6.87	904.39	260.39	81.46	178.93	140.49@
King Maker Marketing, Inc. §	0.02	30.64	51.32	51.32	–	137.75	3.99	1.55	2.44	–
Technico Pty Limited ~	232.75	(155.81)	80.86	80.86	–	7.24	0.59	–	0.59	–
Technico Technologies Inc. ^	6.56	(5.71)	2.17	2.17	–	1.38	0.08	–	0.08	–
Technico Horticultural (Kunming) Co. Limited **	15.36	(4.44)	11.11	11.11	–	3.39	...	–	...	–
Technico Agri Sciences Limited	37.96	8.25	64.15	64.15	8.43	51.97	7.83	–	7.83	–
Technico Asia Holdings Pty Limited ~	19.49	(14.36)	5.13	5.13	–	–	–	–	–	–

\* Converted into Indian Rupees at the exchange rate, 1GBP = ₹ 81.4575 as on 30.03.2012 <

§ Converted into Indian Rupees at the exchange rate, 1USD = ₹ 50.875 as on 30.03.2012 <

# Converted into Indian Rupees at the exchange rate, 1NR = ₹ 0.625 as on 13.03.2012

~ Converted into Indian Rupees at the exchange rate, 1AUD = ₹ 52.91 as on 30.03.2012 <

^ Converted into Indian Rupees at the exchange rate, 1CAD = ₹ 51.0425 as on 30.03.2012 <

\*\* Converted into Indian Rupees at the exchange rate, 1RMB = ₹ 8.0765 as on 30.03.2012 <

< Being the last working day of the financial year

@ Dividend paid during the year

### Notes :

- The aforesaid data in respect of the subsidiaries is for a period of 12 months as on 31st March, 2012 other than Surya Nepal Private Limited where it is as on 13th March, 2012.
- Pyxis Solutions, LLC is a New York Limited Liability Company and does not have any share capital. ITC Infotech (USA), Inc., holds 100% membership interest of Pyxis Solutions, LLC.
- The Subsidiary not considered in the preparation of the above statement is ITC Global Holdings Pte. Limited, Singapore, (ITC Global) a wholly owned subsidiary of ITC Limited, which is under liquidation vide Singapore High Court's Order dated 30th November, 2007. Prior to this, ITC Global was under Judicial Management in terms of an Interim Order passed by the Singapore High Court on 8th November, 1996, and confirmed by the Singapore High Court on 6th December, 1996.
- Turnover includes Other Income and Other Operating Income.

# Notes to the Consolidated Financial Statements

## 29. Segment Reporting

### PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(₹ in Crores)

	2012			2011		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
<b>1. Segment Revenue</b>						
FMCG – Cigarettes	23232.32	–	23232.32	20721.27	–	20721.27
FMCG – Others	5555.95	7.77	5563.72	4495.06	8.97	4504.03
<b>FMCG – Total</b>	<b>28788.27</b>	<b>7.77</b>	<b>28796.04</b>	<b>25216.33</b>	<b>8.97</b>	<b>25225.30</b>
Hotels	1062.94	11.84	1074.78	1056.38	10.09	1066.47
Agri Business	3412.46	2282.85	5695.31	2815.16	1932.83	4747.99
Paperboards, Paper and Packaging	2525.32	1604.47	4129.79	2264.12	1402.76	3666.88
Others	828.46	192.41	1020.87	641.07	136.64	777.71
<b>Segment Total</b>	<b>36617.45</b>	<b>4099.34</b>	<b>40716.79</b>	<b>31993.06</b>	<b>3491.29</b>	<b>35484.35</b>
Eliminations			(4099.34)			(3491.29)
<b>Gross Revenue from sale of products and services</b>			<b>36617.45</b>			<b>31993.06</b>
<b>2. Segment Results</b>						
FMCG – Cigarettes			7191.24			<b>6000.92</b>
FMCG – Others			(215.08)			(331.52)
<b>FMCG – Total</b>			<b>6976.16</b>			<b>5669.40</b>
Hotels			294.29			283.30
Agri Business			643.15			566.29
Paperboards, Paper and Packaging			936.78			819.24
Others			93.64			57.65
<b>Segment Total</b>			<b>8944.02</b>			<b>7395.88</b>
Eliminations			(178.44)			(71.57)
<b>Consolidated Total</b>			<b>8765.58</b>			<b>7324.31</b>
Unallocated corporate expenses net of unallocated income			301.59			317.41
<b>Profit before Interest etc. and tax</b>			<b>8463.99</b>			<b>7006.90</b>
Interest expense			69.56			60.87
Interest earned on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc. - Net			773.72			488.84
<b>Profit before tax</b>			<b>9168.15</b>			<b>7434.87</b>
Tax expense			2845.76			2365.45
<b>Profit after tax before share of results of associates and minority interests</b>			<b>6322.39</b>			<b>5069.42</b>
Share of net profit of associates			11.28			9.61
<b>Profit after tax before Minority Interests</b>			<b>6333.67</b>			<b>5079.03</b>
<b>3. Other Information</b>						
	<b>Segment Assets</b>	<b>Segment Liabilities*</b>		<b>Segment Assets</b>	<b>Segment Liabilities*</b>	
FMCG - Cigarettes	5885.55	1981.66		4969.05	1676.02	
FMCG - Others	2653.68	634.43		2517.87	537.79	
<b>FMCG - Total</b>	<b>8539.23</b>	<b>2616.09</b>		<b>7486.92</b>	<b>2213.81</b>	
Hotels	3633.65	248.16		3069.93	236.28	
Agri Business	2211.71	393.33		2149.53	533.92	
Paperboards, Paper and Packaging	4808.64	456.48		4246.18	485.21	
Others	836.03	237.87		467.02	183.08	
<b>Segment Total</b>	<b>20029.26</b>	<b>3951.93</b>		<b>17419.58</b>	<b>3652.30</b>	
Unallocated Corporate Assets/Liabilities	10476.59	6938.25		9394.54	6531.10	
<b>Total</b>	<b>30505.85</b>	<b>10890.18</b>		<b>26814.12</b>	<b>10183.40</b>	
	<b>Capital Expenditure</b>	<b>Depreciation</b>	<b>Non Cash expenditure other than depreciation</b>	<b>Capital Expenditure</b>	<b>Depreciation</b>	<b>Non Cash expenditure other than depreciation</b>
FMCG - Cigarettes	655.80	222.27	0.99	370.18	206.95	5.11
FMCG - Others	276.50	107.28	25.29	113.40	96.66	6.77
<b>FMCG - Total</b>	<b>932.30</b>	<b>329.55</b>	<b>26.28</b>	<b>483.58</b>	<b>303.61</b>	<b>11.88</b>
Hotels	764.67	85.53	7.53	369.15	88.96	4.89
Agri Business	159.26	21.57	1.41	91.07	22.75	1.66
Paperboards, Paper and Packaging	593.77	237.38	3.17	249.53	231.32	14.26
Others	84.14	23.38	5.54	26.26	21.30	0.66
<b>Segment Total</b>	<b>2534.14</b>	<b>697.41</b>	<b>43.93</b>	<b>1219.59</b>	<b>667.94</b>	<b>33.35</b>

\* Segment Liabilities of FMCG – Cigarettes is before considering ₹ 763.31 Crores (2011 – ₹ 765.24 Crores) in respect of disputed taxes, the recovery of which has been stayed or where States' appeals are pending before Courts. These have been included under 'Unallocated Corporate Liabilities'.



# Notes to the Consolidated Financial Statements

## 29. Segment Reporting (Contd.)

### SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(₹ in Crores)

	2012	2011
<b>1. Segment Revenue</b>		
– Within India	32805.73	28223.37
– Outside India	3811.72	3769.69
<b>Total</b>	<b>36617.45</b>	<b>31993.06</b>
<b>2. Segment Assets</b>		
– Within India	19378.30	16805.75
– Outside India	650.96	613.83
<b>Total</b>	<b>20029.26</b>	<b>17419.58</b>
<b>3. Capital Expenditure</b>		
– Within India	2460.14	1161.90
– Outside India	74.00	57.69
<b>Total</b>	<b>2534.14</b>	<b>1219.59</b>

#### NOTES :

- (1) ITC Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper and Packaging and Agri Business. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :
- |   |  |
|---|--|
| <p>FMCG : Cigarettes</p> <p style="padding-left: 20px;">: Others</p> <p>Hotels</p> <p>Paperboards, Paper and Packaging</p> <p>Agri Business</p> <p>Others</p> | <p>– Cigarettes, Cigars and Smoking Mixtures.</p> <p>– Branded Packaged Foods (Staples, Biscuits, Confectionery, Snack Foods, Pasta &amp; Noodles, Ready to Eat Foods), Garments, Educational and other Stationery products, Matches, Agarbattis and Personal Care products.</p> <p>– Hoteliering.</p> <p>– Paperboards, Paper including Specialty Paper and Packaging including Flexibles.</p> <p>– Agri commodities such as soya, spices, coffee and leaf tobacco.</p> <p>– Information Technology services, Filter Rods, etc.</p> |
|---|--|
- (3) The Group companies and joint ventures have been included in segment classification as follows :
- |  |  |
|--|--|
| <p>FMCG : Cigarettes</p> <p style="padding-left: 20px;">: Others</p> <p>Hotels</p> <p>Others</p> | <p>– Surya Nepal Private Limited and King Maker Marketing, Inc.</p> <p>– Surya Nepal Private Limited, Wimco Limited and King Maker Marketing, Inc.</p> <p>– Srinivasa Resorts Limited, Fortune Park Hotels Limited, Bay Islands Hotels Limited and joint ventures Maharaja Heritage Resorts Limited, Espirit Hotels Private Limited and Logix Developers Private Limited.</p> <p>– ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Pyxis Solutions, LLC, Russell Credit Limited and its subsidiary Greenacre Holdings Limited, Wimco Limited and its subsidiaries Pavan Poplar Limited and Prag Agro Farm Limited, Technico Pty Limited and its subsidiaries Technico Technologies Inc., along with its jointly controlled operation with Shamrock Seed Potato Farm Limited, Technico Agri Sciences Limited, Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited, BFIL Finance Limited and its subsidiary MRR Trading &amp; Investment Company Limited, Landbase India Limited, Wills Corporation Limited, Gold Flake Corporation Limited and its joint venture ITC Filtrona Limited.</p> |
|--|--|
- (4) The geographical segments considered for disclosure are :
- Sales within India
  - Sales outside India
- (5) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of Branded Packaged Foods and Personal Care Products businesses.
- (6) The Group's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods Business and sources leaf tobacco for the Cigarettes Business. The segment results for the year are after absorbing costs relating to the strategic e-Choupal initiative.

# Notes to the Consolidated Financial Statements

## 30. Related Party Disclosures

### 1. ENTERPRISES WHERE CONTROL EXISTS:

#### Entities, other than subsidiaries, under the control of the Group:

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

The above list does not include ITC Global Holdings Pte. Limited, Singapore (in liquidation)

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

#### i) Associates & Joint Ventures:

##### Associates

- a) Gujarat Hotels Limited
- b) Russell Investments Limited
- c) ATC Limited
- d) Classic Infrastructure & Development Limited
- e) International Travel House Limited
- f) Divya Management Limited
- g) Antrang Finance Limited  
– being associates of the Group
- h) Tobacco Manufacturers (India) Limited, UK  
– of which the Company is an associate

##### Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) ITC Filtrona Limited
- c) Espirit Hotels Private Limited
- d) Logix Developers Private Limited (w.e.f. 27.09.2011)

#### ii) a) Key Management Personnel (KMP):

Y. C. Deveshwar	Executive Chairman
N. Anand	Executive Director
P. V. Dhobale	Executive Director
K. N. Grant	Executive Director
A. Baijal	Non-Executive Director
S. Banerjee	Non-Executive Director
S. H. Khan	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director
S. B. Mathur	Non-Executive Director
D. K. Mehrotra	Non-Executive Director
H. G. Powell	Non-Executive Director
P. B. Ramanujam	Non-Executive Director
A. Ruys	Non-Executive Director
B. Sen	Non-Executive Director
K. Vaidyanath	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director

Members - Corporate Management Committee

B. B. Chatterjee

A. Nayak

T. V. Ramaswamy

S. Sivakumar

K. S. Suresh

R. Tandon

#### b) Relatives of Key Management Personnel:

Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)

Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)

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

- a) IATC Provident Fund
- b) IATC Staff X Provident Fund
- c) ITC Defined Contribution Pension Fund
- d) ITC Management Staff Gratuity Fund
- e) ITC Employees Gratuity Fund
- f) ITC Gratuity Fund 'C'
- g) ITC Pension Fund
- h) ILTD Seasonal Employees Pension Fund
- i) ITC Platinum Jubilee Pension Fund
- j) Tribeni Tissues Limited Provident Fund
- k) Tribeni Tissues Limited Gratuity Fund
- l) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- m) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- n) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'B'
- o) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- p) ITC Bhadrachalam Paperboards Limited Staff Provident Fund
- q) ITC Hotels Limited Employees Superannuation Scheme
- r) ITC Hotels Limited Employees Gratuity Fund
- s) Greenacre Holdings Limited Provident Fund
- t) Greenacre Holdings Limited Gratuity Fund

# Notes to the Consolidated Financial Statements

## 30. Related Party Disclosures (Contd.)

### 3. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31.03.2012

(₹ in Crores)

	RELATED PARTY TRANSACTIONS SUMMARY												Total	
	Enterprise where control exists		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		2012	2011
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
1. Sale of Goods/Services	0.02	0.01	1.68	1.12	6.59	6.42							8.29	7.55
2. Purchase of Goods/Services			94.77	92.68	174.38	131.63							269.15	224.31
3. Acquisition cost of Fixed Assets			-	...									-	...
4. Sale of Fixed Assets/Scraps			0.12	0.09									0.12	0.09
5. Acquisition of Investments					1.04	2.13							1.04	2.13
6. Investment in Associate			-	1.04									-	1.04
7. Interest Income							0.03	0.11					0.03	0.11
8. Remuneration to Key Management Personnel														
- Directors							16.37	17.16					16.37	17.16
- Others							6.15	6.89					6.15	6.89
9. Rent Paid							0.03	0.11	0.57				0.60	0.68
10. Remuneration of Managers on Deputation Reimbursed			0.23	0.19									0.23	0.19
11. Remuneration of Managers on Deputation Recovered			3.48	2.87	1.45	1.43							4.93	4.30
12. Donation	1.50	1.78											1.50	1.78
13. Sponsorship	0.30	-											0.30	-
14. Contributions to Employees Benefit Plans												65.24	127.02	
15. Dividend Income			2.01	1.74	2.02	2.02							4.03	3.76
16. Dividend Payments			883.58	992.78			5.21	5.43					888.79	998.21
17. Expenses Recovered			1.83	1.40	0.28	0.36							2.11	1.76
18. Expenses Reimbursed	0.08	-	0.70	0.28	0.20	0.03							0.98	0.31
19. Receipt towards Loan Repayment							0.02	0.21					0.02	0.21
20. Adjustment/Receipt towards Refund of Advances			0.30	1.80									0.30	1.80
21. Deposits Received during the year			0.01	-									0.01	-
22. Deposits Given during the year							0.01	-					0.01	-
23. Receipt towards Refund of Deposits							-	0.05					-	0.05
24. Balances as on 31st March														
i) Receivables			1.63	1.30	5.29	6.07							6.92	7.37
ii) Advances Given			-	0.30								4.77	23.92	24.22
iii) Loans Given							0.44	0.46					0.44	0.46
iv) Deposits Given			0.10	0.10			0.04	0.03	0.29	0.29			0.43	0.42
v) Deposits Taken			0.64	0.63									0.64	0.63
vi) Payables			6.94	8.03	2.82	1.96						13.38	7.94	17.93
25. In addition, Remuneration of Managers on Deputation, absorbed	0.15	0.21											0.15	0.21

# Notes to the Consolidated Financial Statements

## 30. Related Party Disclosures (contd.)

### 4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES

RELATED PARTY TRANSACTIONS SUMMARY		2012	2011	RELATED PARTY TRANSACTIONS SUMMARY		2012	2011	RELATED PARTY TRANSACTIONS SUMMARY		2012	2011
<b>1. Sale of Goods/Services</b>	International Travel House Limited	1.59	1.10	<b>11. Remuneration of Managers on Deputation Recovered</b>	International Travel House Limited	0.86	0.73	<b>20. Adjustment/Receipt towards Refund of Advances</b>	ATC Limited	0.30	1.80
	ITC Filtrona Limited	6.52	5.31		ATC Limited	2.62	2.14				
	Maharaja Heritage Resorts Limited	0.06	1.11		Maharaja Heritage Resorts Limited	1.12	1.13	<b>21. Deposits Received during the year</b>	International Travel House Limited	0.01	—
<b>2. Purchase of Goods/Services</b>	International Travel House Limited	70.73	71.36	<b>12. Donation</b>	ITC Rural Development Trust	1.50	1.78	<b>22. Deposits Given during the year</b>	Mr. Y. C. Deveshwar	0.01	—
	ITC Filtrona Limited	174.18	131.41	<b>13. Sponsorship</b>	ITC Sangeet Research Academy	0.30	—		Mr. Y. C. Deveshwar	—	0.05
<b>3. Acquisition Cost of Fixed Assets</b>	International Travel House Limited	—	—	<b>14. Contributions to Employees' Benefit Plans</b>	IATC Provident Fund	31.03	24.06	<b>24. Balances as on 31st March</b>			
					ITC Pension Fund	18.61	68.13	i) Receivables			
<b>4. Sale of Fixed Assets/Scraps</b>	ATC Limited	0.12	0.09		ITC Defined Contribution Pension Fund	7.77	5.50		ATC Limited	1.17	1.02
				<b>15. Dividend Income</b>	Gujarat Hotels Limited	0.52	0.47		Maharaja Heritage Resorts Limited	4.89	5.79
<b>5. Acquisition of Investments</b>	Espirito Hotels Private Limited	1.04	2.13		International Travel House Limited	1.49	1.27		Advances Given		
					ITC Filtrona Limited	2.02	2.02		Employee Trust - Gratuity Funds	4.77	23.92
<b>6. Investment in Associate</b>	ATC Limited	—	1.04	<b>16. Dividend Payments</b>	Tobacco Manufacturers (India) Limited, UK	883.58	992.78		Loans Given		
									Mr. Y. C. Deveshwar	0.10	0.10
<b>7. Interest Income</b>	Mr. Y. C. Deveshwar	0.01	0.01						Mr. N. Anand	0.18	0.19
	Mr. N. Anand	0.01	0.01	<b>17. Expenses Recovered</b>	Gujarat Hotels Limited	0.93	0.57		Mr. B. B. Chatterjee	0.14	0.15
	Mr. K. Vaidyanath	—	0.04		International Travel House Limited	0.90	0.82		Classic Infrastructure & Development Limited	0.10	0.10
	Mr. B. B. Chatterjee	0.01	0.01		Maharaja Heritage Resorts Limited	0.27	0.36		Mrs. B. Deveshwar	0.27	0.27
	Mr. T. V. Ramaswamy	—	0.04	<b>18. Expenses Reimbursed</b>	Gujarat Hotels Limited	0.46	0.01		Deposits Taken		
<b>8. Remuneration to Key Management Personnel- Directors &amp; Others</b>	Mr. Y. C. Deveshwar	9.85	9.83		ATC Limited	0.20	0.22		International Travel House Limited	0.64	0.63
	Mr. K. Vaidyanath	0.10	2.47		Divya Management Limited	0.04	0.04		Payables		
					Maharaja Heritage Resorts Limited	0.20	0.03		International Travel House Limited	5.77	6.48
<b>9. Rent Paid</b>	Mrs. B. Deveshwar	0.54	0.54	<b>19. Receipt towards Loans Repayment</b>	Mr. K. Vaidyanath	—	0.12		Gujarat Hotels Limited	0.97	—
					Mr. T. V. Ramaswamy	—	0.05		ITC Filtrona Limited	2.82	1.96
<b>10. Remuneration of Managers on Deputation Reimbursed</b>	International Travel House Limited	0.23	0.19		Mr. P. V. Dhobale	0.01	—		Employee Trust - Pension Funds	13.38	7.94
					Mr. N. Anand	0.01	0.01		<b>25. In addition, Remuneration of Managers on Deputation, absorbed</b>		
									ITC Sangeet Research Academy	0.15	0.21

# Notes to the Consolidated Financial Statements

## 31. Significant Accounting Policies

### IT IS GROUP CORPORATE POLICY

#### Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below. The financial statements have also been prepared in accordance with relevant presentational requirements of the Companies Act, 1956.

#### Basis of Accounting

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the revised Schedule VI to the Companies Act, 1956 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

#### Fixed Assets

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

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

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

#### Depreciation

To calculate depreciation on Fixed Assets, Tangible and Intangible, in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or, where specified, lives based on the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, by equal annual instalments. Leasehold properties are amortised over the period of the lease.

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

#### Revaluation of Assets

As and when Fixed Assets are revalued, to adjust the provision for depreciation on such revalued Fixed Assets, where applicable, in order to make allowance for consequent additional diminution in value on considerations of age, condition and unexpired useful life of such Fixed Assets; to transfer to Revaluation Reserve the difference between the written up value of the Fixed Assets revalued and depreciation adjustment and to charge Revaluation Reserve Account with annual depreciation on that portion of the value which is written up.

#### Impairment of Assets

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

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

#### Investments

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

To account for investments in associates using the equity method.

#### Interests in Joint Ventures

To account for interests in jointly controlled entities (incorporated Joint Ventures) using proportionate consolidation.

#### Goodwill on Consolidation

To state goodwill arising on consolidation at cost, and to recognise, where applicable, any impairment.

#### Inventories

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

#### Revenue from sale of products and services

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

#### Investment Income

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

# Notes to the Consolidated Financial Statements

## 31. Significant Accounting Policies (Contd.)

### Proposed Dividend

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

### Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution schemes and such paid/payable amounts are charged against revenue. To administer such Funds through duly constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

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

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

### Lease Rentals

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

### Research and Development

To write off all expenditure other than capital expenditure on Research and Development in the year it is incurred. Capital expenditure on Research and Development is included under Tangible Assets.

### Taxes on Income

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

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

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

### Foreign Currency Translation

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains/Losses arising out of fluctuations in the exchange rates are recognised in the Statement of Profit and Loss in the period in which they arise.

To account for differences between the forward exchange rates and the exchange rates at the date of transactions, as income or expense over the life of the contracts.

To account for profit / loss arising on cancellation or renewal of forward exchange contracts as income / expense for the period.

To account for premium paid on currency options in the Statement of Profit and Loss at the inception of the option.

To account for profit/loss arising on settlement or cancellation of currency option as income/expense for the period.

To recognise the net mark to market losses in the Statement of Profit and Loss on the outstanding portfolio of options / forwards / swaps as at the Balance Sheet date, and to ignore the net gain, if any.

To account for gains / losses in the Statement of Profit and Loss on foreign exchange rate fluctuations relating to monetary items at the year end.

To translate the financial statement of non-integral foreign operations by recording the exchange difference arising on translation of assets / liabilities and income / expenses in a foreign exchange translation reserve.

### Claims

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

### Segment Reporting

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

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

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

### Financial and Management Information Systems

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

On behalf of the Board

P. V. DHOBALE *Director* Y. C. DEVESHWAR *Chairman*  
R. TANDON *Chief Financial Officer* B. B. CHATTERJEE *Company Secretary*

Kolkata  
25th May, 2012

# Auditors' Report

## to the Board of Directors of ITC Limited

1. We have audited the attached Consolidated Balance Sheet of ITC Limited and its subsidiaries (the Group) as at 31st March, 2012, and also the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. The Consolidated Financial Statements are the responsibility of ITC Limited's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect the Group's share of total assets of ₹ 1217.02 crores as at 31st March, 2012, and the Group's share of total revenues of ₹ 1045.08 crores for the year ended on that date, and net cash inflows amounting to ₹ 123.65 crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit upto 31st March, 2012 of ₹ 56.15 crores and the Group's share of profit of ₹ 11.28 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by ITC Limited's Management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2012;
  - (b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date, and
  - (c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

P. R. Ramesh  
*Partner*

Kolkata  
25th May, 2012

(Membership No. 70928)