

SCHEDULES TO THE ACCOUNTS

(Figures for the previous year have been rearranged to conform with the revised presentation)

	As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
1. CAPITAL		
Authorised		
5,00,00,00,000 Ordinary Shares of Re. 1.00 each (2006 - 5,00,00,00,000 Ordinary Shares of Re.1.00 each)	<u>500.00</u>	<u>500.00</u>
Issued and Subscribed		
3,76,22,22,780 Ordinary Shares of Re. 1.00 each, fully paid (2006 - 3,75,51,78,860 Ordinary Shares of Re. 1.00 each, fully paid)	<u>376.22</u>	<u>375.52</u>

A) Of the above, following were allotted:

a) as fully paid up Bonus Shares-

3,79,00,000 in 1978-79 by Capitalisation of Capital Reserve, Share Premium Reserve and General Reserve;

4,54,80,000 in 1980-81 by Capitalisation of Capital Reserve and General Reserve;

33,16,81,100 in 1989-90 by Capitalisation of Capital Reserve, Share Premium Reserve, Export Promotion Reserve and General Reserve;

39,80,17,320 in 1991-92 by Capitalisation of General Reserve;

1,21,31,81,770 in 1994-95 by Capitalisation of General Reserve;

1,25,17,12,290 in 2005-06 by Capitalisation of General Reserve.

b) as fully paid up Shares :

10,59,50,750 in 1991-92 consequent to the amalgamation of erstwhile Tribeni Tissues Limited to the Shareholders of erstwhile Tribeni Tissues Limited.

2,09,69,820 in 2002-03 consequent to the amalgamation of erstwhile ITC Bhadrachalam Paperboards Limited to the Shareholders of erstwhile ITC Bhadrachalam Paperboards Limited.

1,21,27,470 in 2005-06 consequent to the amalgamation of erstwhile ITC Hotels Limited & Ansal Hotels Limited to the Shareholders of erstwhile ITC Hotels Limited & Ansal Hotels Limited.

B) Under ITC Employee Stock Option Scheme the Company has granted (net of Options lapsed*) :

a) 2,83,522 (2006 – 2,98,906) Options in 2001-02, of which 2,83,522 vested Options have been exercised.

b) 5,63,891 (2006 – 5,63,891) Options in 2002-03, of which 5,54,180 vested Options have been exercised.

c) 10,91,728 (2006 – 10,91,728) Options in 2003-04 (including 1,83,501 Bonus Options allocated on unvested Options), of which 9,15,795 vested Options have been exercised.

d) 10,90,259 (2006 – 10,95,161) Options in 2004-05 (including 2,85,987 Bonus Options allocated on unvested Options), of which 4,35,135 vested Options have been exercised.

e) 13,99,818 (2006 – 14,13,584) Options in 2005-06 (including 4,75,638 Bonus Options allocated on unvested Options), of which 1,37,784 vested Options have been exercised.

f) 57,59,125 Options in 2006-07, of which no Option has been exercised.

Note :

Each Option entitles the holder thereof to apply for and be allotted 10 Ordinary Shares of the face value of Re. 1.00 each.

* Includes Options which were not exercised during the relevant Exercise Period.

SCHEDULES TO THE ACCOUNTS

2. RESERVES AND SURPLUS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
General Reserve				
At commencement of the year	7251.62		6226.79	
Less: On allotment of Bonus Shares	—		125.17	
Less: Adjustment consequent to recomputation as of 1.4.2006 of liability for defined benefit plans in accordance with the provisions of AS-15 (Revised) : Employee Benefits (Net of deferred tax Rs. 0.08 Crore)	0.17		—	
Add: From Profit and Loss Account	<u>1250.00</u>	8501.45	<u>1150.00</u>	7251.62
Share Premium				
At commencement of the year	447.28		382.25	
Add: On issue of Shares	<u>41.69</u>	488.97	<u>65.03</u>	447.28
Capital Reserve		2.48		2.48
Capital Redemption Reserve		0.30		0.30
Revaluation Reserve				
At commencement of the year	59.17		59.90	
Less: To Profit and Loss Account				
– Depreciation	1.48		0.72	
– Disposal of Fixed Assets	<u>0.61</u>	57.08	<u>0.01</u>	59.17
Contingency Reserve		363.05		363.05
Profit and Loss Account		647.53		562.06
	<u>10060.86</u>		<u>8685.96</u>	

SCHEDULES TO THE ACCOUNTS

3. SECURED LOANS

Loans and Advances from Banks
Cash/Export Credit Facilities *

As at
31st March, 2007
(Rs. in Crores)

60.78

60.78

As at
31st March, 2006
(Rs. in Crores)

25.91

25.91

* Secured by charge over certain current assets of the Company, both present and future.

4. UNSECURED LOANS

Short Term Loans
From Banks
– Temporary overdraft in cash credit account
Other Loans
From Banks
(Due within one year Rs. 1.42 Crores, 2006 - Rs. 0.06 Crore)
From others – Sales tax deferment loan (interest free)
(Due within one year Rs. 0.28 Crore, 2006 - Rs. 0.23 Crore)

15.84

30.45

93.81

140.10

0.13

7.76

85.93

93.82

5. DEFERRED TAX - NET

Deferred Tax Liabilities
On fiscal allowances on fixed assets
On excise duty on closing stock

612.33

115.93

728.26

547.92

—

547.92

Deferred Tax Assets

On employees' separation and retirement
On provision for doubtful debts/advances
On State and Central taxes etc.
Other timing differences

10.01

5.91

239.36

0.13

255.41

6.50

6.89

191.82

17.95

223.16

Deferred Tax – Net

472.85

324.76

SCHEDULES TO THE ACCOUNTS

6. FIXED ASSETS

	@ As at commencement of the year (Rs. in Crores)	Additions (Rs. in Crores)	Withdrawals and adjustments (Rs. in Crores)	@ As at the end of the year (Rs. in Crores)	Depreciation for the year (Rs. in Crores)	Depreciation on Withdrawals and adjustments (Rs. in Crores)	Depreciation upto 31st March, 2007 (Rs. in Crores)	Net Book Value as at 31st March, 2007 (Rs. in Crores)
Trademarks & Goodwill	10.82	0.07	—	10.89	0.60	—	2.99	7.90
Know-how, Business and Commercial Rights	52.31	8.05	—	60.36	6.91	—	17.70	42.66
Land Freehold *	370.22	106.10	0.59	475.73	—	—	—	475.73
Buildings Freehold *	1153.35	130.95	3.66	1280.64	25.23	1.11	209.73	1070.91
Leasehold Properties	89.67	0.27	—	89.94	0.77	—	5.31	84.63
Licensed Properties - Building Improvement	11.29	5.11	—	16.40	1.28	—	4.29	12.11
Railway Sidings etc.	1.17	—	—	1.17	0.05	—	0.68	0.49
Plant & Machinery	3895.71	585.27	35.40	4445.58	250.25	22.92	1810.15	2635.43
Capitalised Software	40.73	27.91	—	68.64	7.75	—	26.78	41.86
Computers, Servers and Other I.T. Equipments	261.15	62.60	8.67	315.08	38.35	7.81	154.21	160.87
Furniture & Fixtures	298.10	29.18	7.92	319.36	28.98	5.94	145.64	173.72
Motor Vehicles etc.	42.65	13.06	5.19	50.52	4.23	2.52	12.06	38.46
	6227.17	968.57	61.43	7134.31	364.40	40.30	2389.54	4744.77
Capital Work-in-Progress	243.40	1432.91	810.17	866.14	—	—	—	866.14
Total	6470.57	2401.48	871.60	8000.45	364.40	40.30	2389.54	5610.91
Previous Year	5932.42	1095.28	557.13	6470.57	333.06	63.13	2065.44	4405.13

@ Original Cost / Professional Valuation as at 30th June, 1986

Land Freehold includes the provisional purchase price of Rs. 14.81 Crores in respect of land at Bangalore. 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.

Land Freehold includes certain lands at Munger acquired by the Government of India under the Bihar Land Reform Act, 1950 for which compensation has not yet been determined.

The Suit filed by a third party in September 1980 for cancellation of lease in respect of Bangalore land appurtenant to ITC Hotel Windsor Sheraton & Towers is still sub judice. In the opinion of the Management, based upon legal advice, the Company's title is tenable.

Buildings Freehold include Rs. 162.98 Crores, aggregate cost of building (2006 - Rs. 148.48 Crores) on leasehold land situated at various locations.

Trademarks & Goodwill include Trademarks acquired Rs. 5.99 Crores (2006 - Rs. 5.92 Crores) which are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating Rs. 60.36 Crores (2006 - Rs. 52.31 Crores) :-

- Rs. 47.34 Crores (2006 - Rs. 47.34 Crores) acquired in earlier years are being amortised over 10 years.

- Rs. 4.97 Crores (2006 - Rs. 4.97 Crores) acquired in earlier years are being amortised over 4 years.

- Rs. 8.05 Crores (2006 - Rs. Nil) acquired during the year are being amortised over 5 years.

Applications for exemption in respect of vacant land under the Urban Land (Ceiling & Regulation) Act, 1976 have been made, wherever applicable.

Capital expenditure commitments are Rs. 794.58 Crores (2006 - Rs. 444.99 Crores).

Capital Work-in-Progress includes intangible assets yet to be capitalised Rs. 26.04 Crores (2006 - Rs. 10.53 Crores).

Additions for the year include net decrease of Rs. 7.05 Crores (2006 - net increase of Rs. 9.08 Crores) due to fluctuations in exchange rates.

Depreciation for the year includes Rs. 1.48 Crores (2006 - Rs. 0.72 Crore) transferred from Revaluation Reserve in respect of revalued assets.

* Includes certain properties for which deeds of conveyance are awaited.

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS				
Long Term				
A. TRADE INVESTMENTS				
International Travel House Limited 2,87,600 Equity Shares of Rs. 10.00 each, fully paid	0.65		0.65	
Gujarat Hotels Limited 17,33,907 Equity Shares of Rs. 10.00 each, fully paid	1.94		1.94	
CLI3L e-Services Limited 1,49,99,999 Equity Shares of Rs. 10.00 each, fully paid (acquired during the year)		51.13		—
Hill Properties Limited 3 Class 'A' Equity Shares of Rs. 1,20,000.00 each, Rs. 1,18,000.00 per share paid		0.04		0.04
Modern Flats Private Limited 4,300 Equity Shares of Rs. 10.00 each, fully paid (cost Rs. 43,000.00)	
Punjab Anand Batteries Limited (in liquidation) 11,86,157 Equity Shares of Rs. 10.00 each, fully paid - under Board for Industrial and Financial Reconstruction's Order of 20.4.1989 *		1.19		1.19
King Maker Marketing Inc. 100 Non Assessable Shares of Class 'B' Cumulative Preferred Stock without par value		—		0.01
Andhra Pradesh Gas Power Corporation Limited 8,04,000 Equity Shares of Rs. 10.00 each, fully paid		2.32		2.32
Cuffe Parade Sealord Co-operative Housing Society Limited 10 Shares of Rs. 50.00 each, fully paid (cost Rs. 500.00)	
Tulsiani Chambers Premises Co-operative Society Limited 5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
Atur Park Co-operative Housing Society Limited 5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
Maharaja Heritage Resorts Limited 90,000 Equity Shares of Rs. 100.00 each, fully paid		0.90		0.90
Bihar Hotels Limited 40,000 Equity Shares of Rs. 10.00 each, fully paid		0.04		0.04
B. SUBSIDIARY COMPANIES				
Gold Flake Corporation Limited 1,59,98,385 Ordinary Shares of Rs. 10.00 each, fully paid		16.00		16.00
Wills Corporation Limited 48,85,626 Ordinary Shares of Rs. 10.00 each, fully paid		4.88		4.88
Russell Credit Limited 59,74,54,177 Equity Shares of Rs. 10.00 each, fully paid 7,54,22,400 Equity Shares of Rs. 10.00 each, Rs. 6.50 per share paid		619.29 39.22		619.29 39.22
ITC Infotech India Limited 2,52,00,000 Equity Shares of Rs. 10.00 each, fully paid		25.14		25.14
Landbase India Limited 40,00,000 Equity Shares of Rs. 10.00 each, fully paid		12.57		12.57
ITC Global Holdings Pte. Limited 89,99,645 Ordinary Shares of US\$ 1.00 each, fully paid *		25.58		25.58
Carried over	2.59	798.30	2.59	747.18

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
SUBSIDIARY COMPANIES (Contd.)				
Brought forward	2.59	798.30	2.59	747.18
BFIL Finance Limited				
2,00,00,000 Equity Shares of Rs. 10.00 each, fully paid		20.00		20.00
15,00,000 – 18.5% Non-Convertible Debentures of Rs. 100.00 each, renewed at 0 %		15.00		15.00
Surya Nepal Private Limited				
19,82,400 Ordinary Shares of Nepalese Rs. 100.00 each, fully paid		7.05		7.05
Srinivasa Resorts Limited				
1,63,20,477 Equity Shares of Rs. 10.00 each, fully paid		18.53		18.53
Fortune Park Hotels Limited				
4,50,008 Equity Shares of Rs. 10.00 each, fully paid		0.45		0.45
Bay Islands Hotels Limited				
11,875 Equity Shares of Rs. 100.00 each, fully paid		0.12		0.12
King Maker Marketing Inc.				
100 Non Assessable Shares of Class 'B' Cumulative Preferred Stock without par value				
4 Non Assessable Share of Voting Common Stock without par value (acquired during the year)		0.01		—
C. DEPOSITS WITH OR FOR DEPOSIT WITH VARIOUS AUTHORITIES				
Government Securities (2006 - cost Rs. 94,500.00)		0.01		0.01
D. OTHER INVESTMENTS				
The Bengal Chamber of Commerce & Industry				
Nil [2006 - 6 1/2% Registered Debentures, fully paid (cost Rs. 2000)] (Redeemed during the year)		—		...
Coffee Futures Exchange India Limited				
1 Equity Share of Rs. 10,000.00 each, fully paid (cost Rs. 10,000.00)	
APIDC - Venture Capital Fund (1990)				
Nil [2006 - 1,000 Units of Rs. 1,000.00 each, fully paid (net of capital returned)] (Redeemed during the year)		—		0.01
Woodlands Hospital & Medical Research Centre Limited (formerly The East India Clinic Limited)				
1/2% Registered Debentures, fully paid (cost Rs. 15,200.00)	
5% Registered Debentures, fully paid		0.01		0.01
Tourism Finance Corporation of India Limited				
25,000 Equity Shares of Rs.10.00 each, fully paid	0.05		0.05	
Total Long Term Investments (At cost)	2.64	859.48	2.64	808.36
Current				
OTHER INVESTMENTS				
Unit Trust of India				
6.75% US-64 Tax Free Bonds				
1,23,44,658 Bonds of Rs. 100.00 each, fully paid		120.00		122.63
6.60% US-64 Tax Free Bonds				
17,19,000 Bonds of Rs. 100.00 each, fully paid		16.03		17.16
National Bank for Agricultural and Rural Development				
50,000 5.10% Tax Free Bonds of Rs. 10,000.00 each, fully paid		49.13		49.78
80,000 (2006 - 75,000 Units) 5% Tax Free Bonds of Rs. 10,000.00 each, fully paid				
(5,000 Bonds acquired during the year)		78.29		74.78
Carried over		263.45		264.35

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)		Brought forward	263.45	264.35
National Housing Bank				
2,500 5.25% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid			24.38	24.86
Indian Railway Finance Corporation Limited				
250 5.20% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid			24.58	24.93
500 4.77% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid			48.39	49.22
Nuclear Power Corporation Limited				
220 4.75% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid			21.27	21.61
Power Finance Corporation Limited				
2,000 10.40% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid			23.10	23.10
ICICI Bank Limited				
350 Non-Cumulative, Non-Participating, Non-Voting Preference Shares of Rs. 1,00,00,000.00 each, fully paid			107.14	120.00
ABN AMRO FTP Series 4 - Quarterly Plan - C - Dividend on Maturity				
2,52,53,942 (2006 - Nil) Units of Rs. 10.00 each (2,52,53,942 Units purchased and Nil Units sold during the year)			25.26	—
ABN AMRO FTP Series 4 - Quarterly Plan - E - Dividend on Maturity				
2,51,01,734 (2006 - Nil) Units of Rs. 10.00 each (2,51,01,734 Units purchased and Nil Units sold during the year)			25.10	—
ABN AMRO FTP Series Yearly Plan Dividend				
2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00	—
Birla FTP - Series H - Growth				
1,50,00,000 (2006 - 1,50,00,000) Units of Rs. 10.00 each			15.00	15.00
Birla FTP - Quarterly - Series 2 - Dividend Payout				
Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (Nil Units purchased and 2,50,00,000 Units sold during the year)			—	25.00
Birla FTP - Quarterly - Series 5 - Dividend Payout				
2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00	—
Birla FTP - Quarterly - Series 7 - Dividend Payout				
2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00	—
Birla FTP - Quarterly - Series 9 - Dividend Payout				
2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00	—
Birla FTP - Quarterly - Series 10 - Dividend Payout				
2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00	—
Birla Cash Plus - Institutional Premium Plan - Daily Dividend - Reinvestment				
7,28,72,688 (2006 - 16,32,76,135) Units of Rs. 10.00 each (1,52,82,77,941 Units purchased and 1,61,86,81,388 Units sold during the year)			73.01	163.59
Birla Cash Plus - Institutional Premium - Growth				
91,80,966 Units of Rs. 10.00 each			10.00	10.00
Birla FMP - Series 2 - Quarterly - Dividend Payout				
Nil (2006 - 2,99,52,076) Units of Rs. 10.00 each (Nil Units purchased and 2,99,52,076 Units sold during the year)			—	30.00
		Carried over	785.68	771.66

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)				
Brought forward		785.68		771.66
CANFLOATING Rate Short Term - Weekly Dividend Nil (2006 - 3,24,24,277) Units of Rs. 10.00 each (12,47,77,246 Units purchased and 15,72,01,523 Units sold during the year)		—		33.27
CANLIQUID Fund - Institutional - Growth 2,39,78,529 Units of Rs. 10.00 each		30.00		30.00
CANLIQUID Fund - Institutional Daily Dividend Reinvestment Nil (2006 - 8,15,39,043) Units of Rs. 10.00 each (47,84,88,942 Units purchased and 56,00,27,985 Units sold during the year)		—		81.87
Chola Liquid Institutional Plus - Cumulative Option 1,43,11,999 Units of Rs. 10.00 each		20.00		20.00
Chola Liquid Institutional - Dividend Reinvestment Plan Nil (2006 - 7,19,07,190) Units of Rs. 10.00 each (27,19,45,062 Units purchased and 34,38,52,252 Units sold during the year)		—		72.05
DBS Chola FMP Series 6 (Quarterly Plan - 3) Dividend 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Deutsche Fixed Term Fund - Series 8 - Dividend Option Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (Nil Units purchased and 2,50,00,000 Units sold during the year)		—		25.00
DSP Merrill Lynch - Fixed Term Plan - Series 1B - Dividend Nil (2006 - 5,02,040) Units of Rs. 1,000.00 each (5,838 Units purchased and 5,07,878 Units sold during the year)		—		50.20
DSP Merrill Lynch - Fixed Term Plan Series 1L - Dividend Institutional Reinvestment Dividend 2,51,500 (2006 - Nil) Units of Rs. 1,000.00 each (2,51,500 Units purchased and Nil Units sold during the year)		25.15		—
DSP Merrill Lynch - Fixed Term Plan - Series 2 - Dividend Nil (2006 - 1,50,97,962) Units of Rs. 10.00 each (3,45,099 Units purchased and 1,54,43,061 Units sold during the year)		—		15.10
DSP Merrill Lynch Fixed Term Plan - Series III - Growth Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (Nil Units purchased and 2,50,00,000 Units sold during the year)		—		25.00
DSP Merrill Lynch Liquid Fund - Institutional - Daily Dividend Nil (2006 - 17,33,753) Units of Rs. 1,000.00 each (89,36,347 Units purchased and 1,06,70,100 Units sold during the year)		—		173.41
DWS Fixed Term Fund - Series 14 - Dividend Option 5,00,00,000 (2006 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased and Nil Units sold during the year)		50.00		—
DWS Fixed Term Fund - Series 16 - Institutional Plan 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
DWS Fixed Term Fund - Series 23 - Dividend Option 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Carried over		985.83		1297.56

SCHEDULES TO THE ACCOUNTS

7. INVESTMENTS (Contd.)

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
Current				
Brought forward		985.83		1297.56
OTHER INVESTMENTS (Contd.)				
HDFC FMP 3M March 06 (1) - Institutional - Dividend Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (4,28,750 Units purchased and 2,54,28,750 Units sold during the year)		—		25.00
HDFC FMP 90D January 2007 (3) - Wholesale Plan Dividend Option : Payout 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
HSBC Cash Fund - Institutional Plus - Daily Dividend Nil (2006 - 17,29,80,184) Units of Rs. 10.00 each (1,65,48,99,726 Units purchased and 1,82,78,79,910 Units sold during the year)		—		173.08
HSBC Fixed Tenure Scheme - 3 - Dividend Nil (2006 - 2,51,03,870) Units of Rs. 10.00 each (7,29,907 Units purchased and 2,58,33,777 Units sold during the year)		—		25.10
HSBC Fixed Tenure Series - 8 - Dividend Nil (2006 - 3,00,00,000) Units of Rs. 10.00 each (5,16,777 Units purchased and 3,05,16,777 Units sold during the year)		—		30.00
HSBC Fixed Term Series - 14 - Dividend 2,58,15,392 (2006 - Nil) Units of Rs. 10.00 each (2,58,15,392 Units purchased and Nil Units sold during the year)		25.82		—
HSBC Fixed Term Series - 15 - Institutional - Dividend 2,55,45,605 (2006 - Nil) Units of Rs. 10.00 each (2,55,45,605 Units purchased and Nil Units sold during the year)		25.55		—
HSBC Fixed Term Series - 13 - Institutional - Growth 1,50,00,000 Units of Rs. 10.00 each		15.00		15.00
HSBC Fixed Term Series 1 - Growth 1,00,00,000 Units of Rs. 10.00 each		10.00		10.00
ING Vysya Fixed Maturity Fund Series VIII - Dividend Option Nil (2006 - 3,00,00,000) Units of Rs. 10.00 each (Nil Units purchased and 3,00,00,000 Units sold during the year)		—		30.00
ING Vysya Fixed Maturity Fund Series IX - Dividend Option Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (Nil Units purchased and 2,50,00,000 Units sold during the year)		—		25.00
ING Vysya Fixed Maturity Fund Series XV - Dividend Option 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
JM Fixed Maturity Fund Series IV Quarterly Plan 1 Dividend Plan 2,53,73,213 (2006 - Nil) Units of Rs. 10.00 each (2,53,73,213 Units purchased and Nil Units sold during the year)		25.37		—
JM Fixed Maturity Fund Series IV Quarterly Plan 4 - F3 Dividend Plan 2,51,91,423 (2006 - Nil) Units of Rs. 10.00 each (2,51,91,423 Units purchased and Nil Units sold during the year)		25.19		—
Kotak FMP 14M Series 2 Institutional Growth 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Carried over		1187.76		1630.74

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)				
Brought forward		1187.76		1630.74
Kotak FMP 3M Series - 8 - Dividend 2,53,44,328 (2006 - Nil) Units of Rs. 10.00 each (2,53,44,328 Units purchased and Nil Units sold during the year)		25.33		—
Kotak FMP 3M Series - 10 - Dividend 2,52,43,621 (2006 - Nil) Units of Rs. 10.00 each (2,52,43,621 Units purchased and Nil Units sold during the year)		25.24		—
Kotak FMP 3M Series - 11 - Dividend 2,51,51,409 (2006 - Nil) Units of Rs. 10.00 each (2,51,51,409 Units purchased and Nil Units sold during the year)		25.15		—
Kotak FMP 3M Series - 12 - Dividend 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Kotak FMP 3M Series - 14 - Dividend 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Kotak FMP Series XIV - Growth 2,50,00,000 Units of Rs. 10.00 each		25.00		25.00
Kotak FMP Series XVII - Dividend Nil (2006 - 2,52,00,206) Units of Rs. 10.00 each (1,56,971 Units purchased and 2,53,57,177 Units sold during the year)		—		25.20
Kotak Liquid (Institutional Premium) - Daily Dividend Nil (2006 - 11,47,48,214) Units of Rs. 10.00 each (73,69,60,415 Units purchased and 85,17,08,629 Units sold during the year)		—		140.32
LIC MF Floating Rate Fund - Short Term Plan - Dividend Nil (2006 - 8,76,66,791) Units of Rs. 10.00 each (4,31,09,139 Units purchased and 13,07,75,930 Units sold during the year)		—		88.72
LIC MF Liquid Fund - Growth Plan 2,41,75,107 Units of Rs. 10.00 each		30.00		30.00
LIC MF Liquid Fund - Dividend Plan Nil (2006 - 13,17,47,521) Units of Rs. 10.00 each (1,14,07,57,287 Units purchased and 1,27,25,04,808 Units sold during the year)		—		144.03
LIC MF Series 6 - 3 Months Dividend Plan Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (4,38,786 Units purchased and 2,54,38,786 Units sold during the year)		—		25.00
Principal PNB Fixed Maturity Plan (FMP - 34) 91 Days Series VII Feb 07 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Principal PNB Fixed Maturity Plan (FMP - 35) 91 Days Series VIII Feb 07 Dividend Payout 5,00,00,000 (2006 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased and Nil Units sold during the year)		50.00		—
Prudential ICICI Floating Rate Plan D - Daily Dividend Nil (2006 - 14,39,77,651) Units of Rs. 10.00 each (41,42,41,100 Units purchased and 55,82,18,751 Units sold during the year)		—		143.98
Carried over		1443.48		2252.99

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)				
Brought forward		1443.48		2252.99
Prudential ICICI FMP - Monthly Plan - Dividend - XXVII Nil (2006 - 3,00,00,000) Units of Rs. 10.00 each (5,11,500 Units purchased and 3,05,11,500 Units sold during the year)		—		30.00
Prudential ICICI FMP - Yearly - Series XXIV - Dividend Nil (2006 - 10,03,58,731) Units of Rs. 10.00 each (4,53,621 Units purchased and 10,08,12,352 Units sold during the year)		—		100.36
Prudential ICICI FMP - Yearly - Series XXV - Dividend Nil (2006 - 2,53,37,000) Units of Rs. 10.00 each (80,825 Units purchased and 2,54,17,825 Units sold during the year)		—		25.34
Prudential ICICI FMP Series 34 - One Year Plan A - Dividend Option 2,54,84,777 (2006 - Nil) Units of Rs. 10.00 each (2,54,84,777 Units purchased and Nil Units sold during the year)		25.49		—
Prudential ICICI FMP Series 35 - Three Months Plan A - Retail Dividend 5,06,80,000 (2006 - Nil) Units of Rs. 10.00 each (5,06,80,000 Units purchased and Nil Units sold during the year)		50.68		—
Prudential ICICI FMP Series 37 - Three Months Plan B - Retail Dividend 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Prudential ICICI FMP Series 35 - Three Months Plan C - Retail Dividend 5,00,00,000 (2006 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased and Nil Units sold during the year)		50.00		—
Prudential ICICI Hybrid FMP 13 Months Plan - Institutional - Dividend Quarterly 2,58,44,026 (2006 - Nil) Units of Rs. 10.00 each (2,58,44,026 Units purchased and Nil Units sold during the year)		25.84		—
Reliance Fixed Horizon Fund I - Quarterly Plan - Series IV - Dividend Plan 5,00,00,000 (2006 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased and Nil Units sold during the year)		50.00		—
Reliance Fixed Horizon Fund II - Quarterly Plan - Series II - Institutional Dividend Plan 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Reliance Fixed Horizon Fund II - Quarterly Plan - Series IV - Dividend Plan 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Reliance Fixed Horizon Fund II - Quarterly Plan - Series V - Institutional Dividend Plan 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
SBI Debt Fund Series - 15 Month (July 06) - Dividend 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Standard Chartered Fixed Maturity Plan - Quarterly Series - 3 2,53,69,000 (2006 - Nil) Units of Rs. 10.00 each (2,53,69,000 Units purchased and Nil Units sold during the year)		25.37		—
Carried over		1795.86		2408.69

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)				
Brought forward		1795.86		2408.69
Standard Chartered Fixed Maturity Plan - Quarterly Series - 4 Dividend 2,52,76,000 (2006 - Nil) Units of Rs. 10.00 each (2,52,76,000 Units purchased and Nil Units sold during the year)		25.28		—
Standard Chartered Fixed Maturity Plan - Quarterly Series - 7 Dividend 2,51,44,500 (2006 - Nil) Units of Rs. 10.00 each (2,51,44,500 Units purchased and Nil Units sold during the year)		25.14		—
Standard Chartered Fixed Maturity - 3rd Plan - Dividend Nil (2006 - 5,02,75,000) Units of Rs. 10.00 each (Nil Units purchased and 5,02,75,000 Units sold during the year)		—		50.28
Standard Chartered Liquidity Manager - Daily Dividend 2,50,07,456 (2006 - Nil) Units of Rs. 10.00 each (32,43,05,817 Units purchased and 29,92,98,361 Units sold during the year)		25.00		—
Sundaram BNP Paribas Fixed Term Plan Series XXV (90 Days) - Dividend Plan 2,51,66,452 (2006 - Nil) Units of Rs. 10.00 each (2,51,66,452 Units purchased and Nil Units sold during the year)		25.17		—
TATA Fixed Horizon Fund - Series 2 - Plan A (13 Months) - Growth Nil (2006 - 2,00,00,000) Units of Rs. 10.00 each (Nil Units purchased and 2,00,00,000 Units sold during the year)		—		20.00
TATA Fixed Horizon Fund - Series 2B Option (18 Months) - Growth 1,00,00,000 Units of Rs. 10.00 each		10.00		10.00
TATA Fixed Horizon Fund - Series 3 - Scheme A (6 Months) - Dividend Nil (2006 - 2,51,63,981) Units of Rs. 10.00 each (1,85,473 Units purchased and 2,53,49,454 Units sold during the year)		—		25.16
TATA Fixed Horizon Fund Series 5 - Scheme A - Dividend Nil (2006 - 2,50,00,000) Units of Rs. 10.00 each (4,36,983 Units purchased and 2,54,36,983 Units sold during the year)		—		25.00
TATA Fixed Horizon Fund - Series 6 - Scheme A 2,59,60,703 (2006 - Nil) Units of Rs. 10.00 each (2,59,60,703 Units purchased and Nil Units sold during the year)		25.96		—
TATA Fixed Horizon Fund - Series 6 - Scheme H Dividend Option 2,55,26,019 (2006 - Nil) Units of Rs. 10.00 each (2,55,26,019 Units purchased and Nil Units sold during the year)		25.53		—
TATA Fixed Horizon Fund Series 8 - Scheme E - Periodic Dividend Institutional Plan 2,53,52,317 (2006 - Nil) Units of Rs. 10.00 each (2,53,52,317 Units purchased and Nil Units sold during the year)		25.35		—
TATA Fixed Horizon Fund Series 9 - Scheme D - Periodic Dividend Institutional Plan 2,51,61,153 (2006 - Nil) Units of Rs. 10.00 each (2,51,61,153 Units purchased and Nil Units sold during the year)		25.16		—
TATA Fixed Horizon Fund Series 9 - Scheme E - Periodic Dividend Institutional Plan 2,51,08,436 (2006 - Nil) Units of Rs. 10.00 each (2,51,08,436 Units purchased and Nil Units sold during the year)		25.11		—
UTI Balanced Fund - Income - Payout 10,00,000 Units of Rs. 10.00 each, fully paid		1.04		1.04
Carried over		2034.60		2540.17

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)		As at 31st March, 2006 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. INVESTMENTS (Contd.)				
Current				
Brought forward		2034.60		2540.17
OTHER INVESTMENTS (Contd.)				
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/I - Dividend Plan - Reinvestment 2,53,51,805 (2006 - Nil) Units of Rs. 10.00 each (2,53,51,805 Units purchased and Nil Units sold during the year)		25.35		—
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/II - Dividend Plan - Reinvestment 2,53,25,057 (2006 - Nil) Units of Rs. 10.00 each (2,53,25,057 Units purchased and Nil Units sold during the year)		25.33		—
UTI Fixed Maturity Plan Quarterly Series QFMP/0207/I - Dividend Plan - Reinvestment 5,05,03,512 (2006 - Nil) Units of Rs. 10.00 each (5,05,03,512 Units purchased and Nil Units sold during the year)		50.50		—
UTI Fixed Maturity Plan Quarterly Series QFMP/0207/II - Dividend Plan - Reinvestment 2,51,49,665 (2006 - Nil) Units of Rs. 10.00 each (2,51,49,665 Units purchased and Nil Units sold during the year)		25.15		—
UTI Fixed Maturity Plan Quarterly Series QFMP/0307/I - Dividend Plan - Payout 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
UTI Fixed Maturity Plan Quarterly Series QFMP/0307/II - Dividend Plan - Payout 2,50,00,000 (2006 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
UTI Fixed Maturity Plan Quarterly Series QFMP/1206/II - Dividend Plan - Reinvestment 1,52,62,659 (2006 - Nil) Units of Rs. 10.00 each (1,52,62,659 Units purchased and Nil Units sold during the year)		15.26		—
UTI - Floating Rate Fund - Short Term Plan (Dividend Option) 61,306 (2006 - 10,15,035) Units of Rs. 1,000.00 each (3,48,345 Units purchased and 13,02,074 Units sold during the year)		6.23		102.15
UTI Liquid Cash Plan Institutional - Daily Income Option Nil (2006 - 8,92,839) Units of Rs. 1,000.00 each (17,97,799 Units purchased and 26,90,638 Units sold during the year)		—		90.46
Total Current Investments	—	2232.42	—	2732.78
Total of Quoted and Unquoted Investments		3094.54		3543.78
Less : Provision for Long term investments*		26.77		26.77
TOTAL OF INVESTMENTS		3067.77		3517.01

Total Market Value of Quoted Investments : 2007 - Rs. 13.30 Crores (2006 - Rs. 13.46 Crores); Total Value of Unquoted Investments : 2007 - Rs. 3091.90 Crores (2006 - Rs. 3541.14 Crores). Total Value of Quoted Investments : 2007 - Rs. 2.64 Crores (2006 - Rs. 2.64 Crores)

SCHEDULES TO THE ACCOUNTS

7. INVESTMENTS (Contd.)

During the year, the following current investments were purchased and sold:

- (1) 8,95,87,386 Units of Birla Sunlife Cash Manager - IP - Daily Dividend at cost of Rs. 89.61 Crores
- (2) 1,09,41,59,863 Units of Deutsche Insta Cash Plus Fund Institutional Plan Daily Dividend at cost of Rs. 1096.29 Crores
- (3) 17,54,139 Units of DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend at cost of Rs. 175.45 Crores
- (4) 1,80,05,098 Units of Grindlays Cash Fund - Super Institutional Plan C - Daily Dividend at cost of Rs. 18.01 Crores
- (5) 84,54,40,558 Units of HDFC Cash Management Fund Call Plan Daily Dividend Reinvestment at cost of Rs. 881.51 Crores
- (6) 1,12,47,73,282 Units of HDFC Cash Management Fund - Saving Plan - Daily Dividend Reinvestment at cost of Rs. 1196.35 Crores
- (7) 45,43,90,617 Units of HDFC Liquid Fund - Premium Plus Plan - Dividend at cost of Rs. 563.35 Crores
- (8) 7,79,17,351 Units of ING Vysya Liquid Fund Institutional - Daily Dividend Option at cost of Rs. 78.00 Crores
- (9) 1,31,34,57,321 Units of ING Vysya Liquid Fund Super Institutional - Daily Dividend Option at cost of Rs. 1313.83 Crores
- (10) 53,39,84,527 Units of JM High Liquidity Fund-Super Institutional Plan - Daily Dividend at cost of Rs. 534.87 Crores
- (11) 18,88,20,161 Units of Kotak Flexi Scheme - Daily Dividend at cost of Rs. 189.41 Crores
- (12) 73,13,19,991 Units of Principal Cash Management Fund Liquid Option IP Premium Dividend Reinvestment Daily at cost of Rs. 731.37 Crores
- (13) 83,68,84,677 Units of Prudential ICICI Institutional Liquid Plan - Super Institutional Daily Dividend at cost of Rs. 836.89 Crores
- (14) 12,71,24,197 Units of Prudential ICICI Liquid Plan Institutional Plus - Daily Dividend Option at cost of Rs. 150.66 Crores
- (15) 82,09,50,845 Units of Reliance Liquidity Fund - Daily Dividend Reinvestment Option at cost of Rs. 821.21 Crores
- (16) 4,89,76,925 Units of Reliance Liquid Fund - Cash Plan - Daily Dividend Option at cost of Rs. 54.57 Crores
- (17) 14,61,43,820 Units of Reliance Liquidity Fund - Treasury Plan Institutional - Daily Dividend Option at cost of Rs. 223.40 Crores
- (18) 43,04,80,288 Units of SBI Magnum Institutional Income Savings Dividend at cost of Rs. 431.88 Crores
- (19) 91,00,362 Units of Standard Chartered Liquidity Manager - Plus - Daily Dividend at cost of Rs. 910.12 Crores
- (20) 77,48,19,406 Units of Sundaram Money Fund Super Institutional - Dividend Reinvestment Daily at cost of Rs. 782.20 Crores
- (21) 54,15,734 Units of TATA Liquid Super High Investment Fund - Daily Dividend at cost of Rs. 603.59 Crores
- (22) 3,90,596 Units of TATA Liquidity Management Fund - Daily Dividend at cost of Rs. 39.15 Crores
- (23) 1,58,30,365 Units of Templeton India Treasury Management Account Super Institutional Plan at cost of Rs. 1583.43 Crores
- (24) 1,52,20,907 Units of ABN AMRO FTP Series 3 - Quarterly Plan - C - Dividend at cost of Rs. 15.22 Crores
- (25) 2,53,81,278 Units of ABN AMRO FTP Series 3 - Quarterly Plan - D - Dividend at cost of Rs. 25.38 Crores
- (26) 2,53,83,877 Units of ABN AMRO FTP Series 3 - Quarterly Plan - E - Dividend at cost of Rs. 25.38 Crores
- (27) 2,53,94,089 Units of ABN AMRO FTP Series 3 - Quarterly Plan - H - Dividend Reinvestment at cost of Rs. 25.39 Crores
- (28) 2,53,93,602 Units of ABN AMRO FTP Series 3 - Quarterly Plan - G - Dividend at cost of Rs. 25.39 Crores
- (29) 1,52,38,301 Units of ABN AMRO FTP Series 4 - Quarterly Plan - A - Monthly Dividend at cost of Rs. 15.24 Crores
- (30) 2,54,43,871 Units of ABN AMRO FTP Series 4 - Quarterly Plan - B - Monthly Dividend at cost of Rs. 25.44 Crores
- (31) 2,57,44,486 Units of ABN AMRO Fixed Term Plan Series 2 Half Yearly Plan A Dividend at cost of Rs. 25.75 Crores
- (32) 2,53,56,632 Units of ABN AMRO Fixed Term Plan Series 2 Quarterly Plan E Dividend at cost of Rs. 25.36 Crores
- (33) 11,02,83,050 Units of ABN AMRO Floating Rate Fund - Institutional Plus Daily Dividend at cost of Rs. 110.28 Crores
- (34) 19,97,08,667 Units of Birla Bond Plus Institutional - Fortnightly Dividend Reinvestment at cost of Rs. 209.84 Crores
- (35) 1,45,29,754 Units of Birla Floating Rate Fund - Short Term - Weekly Dividend - Reinvestment at cost of Rs. 14.55 Crores
- (36) 19,24,91,333 Units of Birla Floating Rate Fund STP - IP Dividend Reinvestment at cost of Rs. 192.66 Crores
- (37) 2,49,27,710 Units of Birla FMP - Series 2 - Quarterly - Dividend - Payout at cost of Rs. 25.00 Crores
- (38) 2,50,00,000 Units of Birla FTP - Quarterly - Series 4 - Dividend - Payout at cost of Rs. 25.00 Crores

SCHEDULES TO THE ACCOUNTS

7. INVESTMENTS (Contd.)

- (39) 8,80,09,466 Units of CANFLOATING Rate ST Daily Dividend Fund at cost of Rs. 90.30 Crores
- (40) 3,75,84,082 Units of DBS Chola Freedom Income - STP - Regular Monthly Dividend at cost of Rs. 41.18 Crores
- (41) 5,90,91,159 Units of Deutsche Floating Rate Fund Regular Plan - Weekly Dividend at cost of Rs. 60.95 Crores
- (42) 1,88,98,291 Units of Deutsche Floating Rate Fund Regular Plan - Daily Dividend at cost of Rs. 18.93 Crores
- (43) 1,92,13,872 Units of DSP Merrill Lynch Short Term Fund Weekly Dividend at cost of Rs. 19.58 Crores
- (44) 12,04,67,964 Units of Grindlays Floating Rate Fund Super Institutional Plan C - Daily Dividend at cost of Rs. 120.47 Crores
- (45) 17,06,97,118 Units of Grindlays Floating Rate ST Super Institutional Plan C - Daily Dividend at cost of Rs. 170.70 Crores
- (46) 6,46,34,646 Units of GSSIF - Short Term Plan C - Fortnightly Dividend at cost of Rs. 64.74 Crores
- (47) 5,17,60,302 Units of GSSIF Short Term Monthly Dividend at cost of Rs. 52.00 Crores
- (48) 7,57,08,366 Units of HDFC Cash Management Fund - Savings Plus Plan - Dividend - Weekly at cost of Rs. 75.85 Crores
- (49) 40,01,18,832 Units of HDFC Floating Rate Income Fund - STP - Dividend Reinvestment Weekly Dividend at cost of Rs. 405.44 Crores
- (50) 14,75,30,969 Units of HDFC Floating Rate Income Fund - Short Term Plan - Dividend Reinvestment Daily Dividend at cost of Rs. 148.72 Crores
- (51) 2,50,00,000 Units of HDFC FMP 90D December 2006 (2) - Wholesale Plan Dividend Option: Payout at cost of Rs. 25.00 Crores
- (52) 1,16,46,353 Units of HDFC Short Term Plan - Dividend Reinvestment at cost of Rs. 12.05 Crores
- (53) 4,35,81,582 Units of HSBC Floating Rate Fund - Short Term - Institutional Option Daily Dividend at cost of Rs. 43.64 Crores
- (54) 18,47,62,903 Units of HSBC Floating Rate Short Term Institutional Plus Daily Dividend at cost of Rs. 185.25 Crores
- (55) 8,79,69,346 Units of HSBC Income Fund Short Term Institutional Dividend at cost of Rs. 88.26 Crores
- (56) 2,50,00,000 Units of ING Vysya Fixed Maturity Fund Series - XI - Dividend Option at cost of Rs. 25.00 Crores
- (57) 2,50,00,000 Units of ING Vysya Fixed Maturity Fund Series - XIV - Dividend Option at cost of Rs. 25.00 Crores
- (58) 9,96,78,407 Units of ING Vysya Income Fund - Short Term Plan Dividend Option at cost of Rs. 111.41 Crores
- (59) 2,53,58,033 Units of JM Fixed Maturity Fund - III - Quarterly Plan - FMP - Dividend at cost of Rs. 25.36 Crores
- (60) 4,28,70,996 Units of JM Short Term Fund Institutional Plan - Dividend at cost of Rs. 44.13 Crores
- (61) 2,53,67,715 Units of JM Fixed Maturity Fund - Series III - Quarterly Plan - FMP - Q2 - Dividend Plan at cost of Rs. 25.37 Crores
- (62) 2,51,33,127 Units of JM Fixed Maturity Fund - Series III - Monthly Plan - FMP - M1 - Dividend at cost of Rs. 25.13 Crores
- (63) 2,53,89,669 Units of JM Fixed Maturity Fund - Series III - Quarterly Plan - FMP - Q5 - Dividend Reinvestment at cost of Rs. 25.39 Crores
- (64) 2,53,89,295 Units of JM Fixed Maturity Fund - Series III - Quarterly Plan - FMP - Q4 - Dividend Option at cost of Rs. 25.39 Crores
- (65) 10,90,42,710 Units of Kotak Bond Short Term - Monthly Dividend at cost of Rs. 109.93 Crores
- (66) 21,16,51,653 Units of Kotak Floater Short Term - Weekly Dividend at cost of Rs. 211.92 Crores
- (67) 2,53,72,931 Units of Kotak FMP 3M Series 4 at cost of Rs. 25.37 Crores
- (68) 2,53,67,174 Units of Kotak FMP 3M Series 3 Dividend at cost of Rs. 25.37 Crores
- (69) 2,53,73,618 Units of Kotak FMP 3M Series 5 at cost of Rs. 25.37 Crores
- (70) 2,53,89,614 Units of Kotak FMP 3M Series 6 Dividend at cost of Rs. 25.39 Crores
- (71) 2,54,46,008 Units of Kotak FMP 3M Series 7 Dividend at cost of Rs. 25.45 Crores
- (72) 2,53,74,878 Units of LIC MF FMP Series 8 - 3 Months Dividend Plan at cost of Rs. 25.37 Crores
- (73) 2,53,63,648 Units of LIC MF FMP Series 9 - 3 Months Dividend Plan at cost of Rs. 25.36 Crores
- (74) 17,47,36,935 Units of Principal Floating Rate Fund SMP IP Dividend Reinvestment Daily at cost of Rs. 174.75 Crores
- (75) 34,77,49,287 Units of Principal Income Fund STP IP Dividend Reinvestment Weekly at cost of Rs. 380.21 Crores
- (76) 2,50,00,000 Units of Principal PNB Fixed Maturity Plan (FMP - 28) 91 Days July 06 at cost of Rs. 25.00 Crores

SCHEDULES TO THE ACCOUNTS

7. INVESTMENTS (Contd.)

- (77) 2,50,00,000 Units of Principal Fixed Maturity Plan (FMP - 32) 91 Days Series VI at cost of Rs. 25.00 Crores
- (78) 2,53,88,250 Units of Prudential ICICI FMP Series 32 - Three Months Plan C - Retail Dividend at cost of Rs. 25.39 Crores
- (79) 5,08,07,000 Units of Prudential ICICI FMP Series 32 - Three Months Plan D - Retail Dividend at cost of Rs. 50.81 Crores
- (80) 22,65,55,147 Units of Prudential ICICI Institutional Short Term Plan DR - Fortnightly at cost of Rs. 250.37 Crores
- (81) 2,50,00,000 Units of Reliance Fixed Horizon Fund I - Quarterly Plan I - Series I - Dividend Option at cost of Rs. 25.00 Crores
- (82) 2,50,00,000 Units of Reliance Fixed Horizon Fund I - Quarterly Plan - Series III - Dividend Plan at cost of Rs. 25.00 Crores
- (83) 2,50,00,000 Units of Reliance Fixed Horizon Fund I - Quarterly Plan - Series II - Dividend Plan at cost of Rs. 25.00 Crores
- (84) 2,29,11,683 Units of Reliance Floating Rate Fund - Daily Dividend Reinvestment Plan at cost of Rs. 23.05 Crores
- (85) 86,52,843 Units of Reliance Short Term Fund - Dividend Plan at cost of Rs. 9.04 Crores
- (86) 8,85,76,201 Units of Reliance Short Term Fund - Quarterly Dividend Plan at cost of Rs. 111.36 Crores
- (87) 2,50,00,000 Units of SBI Debt Fund Series - 180 Days (August 06) - Dividend at cost of Rs. 25.00 Crores
- (88) 4,04,83,521 Units of SBI Magnum Insta Cash Fund - Liquid Floater Plan - Dividend at cost of Rs. 41.41 Crores
- (89) 2,50,00,000 Units of Sundaram Fixed Term Plan - Series 6 - 100 Days - Dividend at cost of Rs. 25.00 Crores
- (90) 2,53,77,125 Units of Sundaram BNP Paribas Fixed Term Plan Series IX 90 Days at cost of Rs. 25.38 Crores
- (91) 2,54,39,600 Units of Sundaram BNP Paribas Fixed Term Plan Series XVII 90 Days Dividend Plan at cost of Rs. 25.44 Crores
- (92) 5,12,66,273 Units of Sundaram Floater ST Institutional - Daily Dividend at cost of Rs. 51.53 Crores
- (93) 1,54,51,678 Units of TATA Fixed Horizon Fund-Series 6 Scheme G - Dividend at cost of Rs. 15.45 Crores
- (94) 17,54,87,715 Units of TATA Floating Rate - Short Term - Institutional Plan - Daily Dividend at cost of Rs. 175.60 Crores
- (95) 2,93,39,537 Units of TATA Short Term Bond Fund - Dividend at cost of Rs. 32.11 Crores
- (96) 43,48,55,155 Units of Templeton Floating Rate Income Fund - Short Term - Institutional Option - Dividend Reinvestment at cost of Rs. 435.42 Crores
- (97) 24,51,322 Units of Templeton India Short Term - Institutional Income Plan - Weekly Dividend at cost of Rs. 246.61 Crores
- (98) 1,01,45,949 Units of UTI Fixed Maturity Plan Quarterly Series QFMP/0806/II Dividend Plan - Reinvestment at cost of Rs. 10.15 Crores
- (99) 1,52,28,193 Units of UTI Quarterly FMP 0906 Dividend Plan - Reinvestment at cost of Rs. 15.23 Crores
- (100) 1,01,54,198 Units of UTI Fixed Maturity Plan Quarterly Series QFMP/1006/II Dividend Plan - Reinvestment at cost of Rs. 10.15 Crores
- (101) 1,52,37,177 Units of UTI Fixed Maturity Plan Quarterly Series QFMP/1106/II Dividend Plan - Reinvestment at cost of Rs. 15.24 Crores
- (102) 1,01,56,076 Units of UTI Fixed Maturity Plan Quarterly Series QFMP/1106/I Dividend Plan - Reinvestment at cost of Rs. 10.16 Crores
- (103) 10,44,96,001 Units of Templeton Floating Rate Income Fund - Long Term Plan - Institutional Option - Dividend Reinvestment at cost of Rs. 108.08 Crores

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
8. INVENTORIES		
Stores and Spare Parts	125.23	109.94
Raw Materials	2037.47	1664.91
Intermediates – Tissue Paper and Paper Board	52.48	49.78
Stock in Process	36.98	24.89
Finished Goods	1101.87	786.77
	<u>3354.03</u>	<u>2636.29</u>
9. SUNDRY DEBTORS		
Over 6 months old		
Good and Secured *	101.40	149.01
Good and Unsecured	1.54	0.09
– From Subsidiaries	41.08	47.30
– From Others *	17.04	20.22
Doubtful and Unsecured – From Others	8.02	7.55
Other Debts	8.30	7.25
Good and Secured	487.77	347.82
Good and Unsecured	665.15	579.24
– From Subsidiaries	17.04	20.22
– From Others	648.11	559.02
Less : Provision for Doubtful Debts	11.42	11.06
Less : Deposits from normal Trade Debtors – Contra	<u>636.69</u>	<u>547.96</u>

* Includes amounts receivable on liquidation of legacy assets acquired as part and parcel of the schemes facilitating exit from the Financial Services and Edible Oil Businesses in 1997, Rs. 103.35 Crores (2006 - Rs. 161.54 Crores) including Rs. 49 Crores (2006 - Rs. 103.35 Crores) not due within one year.

10. CASH AND BANK BALANCES

With Scheduled Banks		
On Current Accounts etc.	72.16	50.88
On Deposit Accounts	796.62	788.35
With Other Banks *
Cash and Cheques on hand	31.38	16.59
	<u>900.16</u>	<u>855.82</u>

Rs. 0.05 Crore (2006 – Rs. 0.05 Crore) on deposit in Karachi–Blocked Account considered doubtful, fully provided.

* Includes on Current Account Rs. 12,720/- (2006 – Rs. 12,720/-) with Post Office Savings Bank and maximum amount outstanding at any time during the year was Rs. 12,720/- (2006 - Rs. 12,720/-).

11. OTHER CURRENT ASSETS

Good and Unsecured		
Deposit towards Property Options	42.19	42.19
Deposits with Government, Public Bodies and Others @	128.81	91.61
Interest accrued on Loans, Advances etc.	0.85	0.82
Interest accrued on Investments	11.02	12.09
Dividend Receivable	0.17	0.09
Doubtful and Unsecured		
Deposits with Government, Public Bodies and Others	1.38	1.38
	<u>184.42</u>	<u>148.18</u>
Less : Provision for Doubtful Deposits	1.38	1.38
	<u>183.04</u>	<u>146.80</u>

@ Deposit with Subsidiary Companies Rs. 2.56 Crores (2006 – Rs. 2.56 Crores).

SCHEDULES TO THE ACCOUNTS

	As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
12. LOANS AND ADVANCES		
Good and Secured		
Loans to Subsidiaries	36.00	32.00
Advances to Others	9.97	14.09
Advances with Subsidiaries	64.81	56.65
Good and Unsecured		
Loans to Subsidiaries	152.86	145.33
Loans to Others *	28.64	26.91
Advances recoverable in cash or in kind or for value to be received **	393.39	233.53
Taxation (net of provisions)	21.85	—
Advances with Government and Public Bodies	487.73	464.57
Advances with Subsidiaries	20.55	1.95
Doubtful and Unsecured		
Loans	3.63	3.63
Advances recoverable in cash or in kind or for value to be received	9.24	8.43
Advances with Government and Public Bodies	0.55	0.55
	<u>1229.22</u>	<u>987.64</u>
Less : Provision for Doubtful Loans and Advances	13.42	12.61
	<u>1215.80</u>	<u>975.03</u>

Loans to Subsidiaries comprise of :

- Interest free loans to wholly owned subsidiaries :
 - ITC Infotech India Limited Rs. 117.47 Crores (2006 – Rs. 108.09 Crores)
(The maximum outstanding during the year was Rs. 129.97 Crores; 2006 – Rs. 118.45 Crores).
 - BFIL Finance Limited Rs. 35.39 Crores (2006 – Rs. 37.24 Crores)
(The maximum outstanding during the year was Rs. 37.24 Crores; 2006 – Rs. 37.24 Crores).
 - Landbase India Limited Rs. 36.00 Crores (2006 – Rs. 32.00 Crores)
(The maximum outstanding during the year was Rs. 36.00 Crores; 2006 – Rs. 32.00 Crores).

* Includes Loans and Advances to Directors and to Company Secretary - Rs. 1.01 Crores (2006 – Rs. 1.14 Crores).
The maximum indebtedness during the year was Rs. 1.14 Crores (2006 – Rs. 1.19 Crores).

** Includes Capital Advances of Rs. 264.06 Crores (2006 – Rs. 156.57 Crores).

SCHEDULES TO THE ACCOUNTS

13. LIABILITIES

	As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
Acceptances	2.69	4.34
Sundry Creditors *		
Total outstanding dues of small scale industrial undertakings	20.04	6.73
Total outstanding dues of creditors other than small scale industrial undertakings **	2323.40	2141.69
Sundry Deposits	23.83	26.82
Unclaimed Dividend	25.66	19.97
Interest Accrued but not due on Loans	0.55	0.54
	<u>2396.17</u>	<u>2200.09</u>
Less : Deposits from normal Trade Debtors – Contra	11.42	11.06
	<u>2384.75</u>	<u>2189.03</u>

There is no amount due and outstanding to be credited to Investor Education and Protection Fund. For this purpose an amount of Rs. 0.30 Crore (2006 - Rs. 0.30 Crore) maintained with a bank has not been considered on account of a pending legal dispute for which the Company has filed a suit. There are no small scale industrial undertakings to whom the Company owes sums outstanding for more than 30 days as at the Balance Sheet date.

* Includes amounts due to Subsidiary Companies Rs. 7.40 Crores (2006 - Rs. 43.22 Crores).

** Includes amounts payable on acquisition of the Paperboards business (Kovai unit) Rs. 77.67 Crores (2006 - Rs. 116.50 Crores), including Rs. 38.84 Crores (2006 - Rs. 77.67 Crores) not due within one year.

14. PROVISIONS

Taxation (net of advance payment)	—	167.09
Fringe Benefit Tax (net of advance payment)	1.98	0.67
Provision for Retirement Benefits	56.36	36.60
Provision for Subsidiary	50.00	50.00
Proposed Dividend	1166.29	995.12
Income Tax on Proposed Dividend	198.21	139.56
	<u>1472.84</u>	<u>1389.04</u>

15. OTHER INCOME

	For the year ended 31st March, 2007 (Rs. in Crores)	For the year ended 31st March, 2006 (Rs. in Crores)
Miscellaneous Income	69.78	96.11
Doubtful Debts, Claims and Advances – previous years	0.35	0.23
Gain on Exchange – Net	8.91	5.67
Income from Long Term Investments – Trade	2.59	1.41
– Subsidiary	18.50	7.10
Income from Current Investments – Others	183.13	155.65
Profit on Sale of Current Investments – Net	6.84	3.43
Interest on Loans and Deposits, etc.	20.79	9.10
Liability no longer required Written Back	25.60	7.38
	<u>336.49</u>	<u>286.08</u>

The Income from Investments and Interest are stated Gross, the amount of Income Tax deducted is Rs. 4.69 Crores (2006 – Rs. 1.16 Crores).

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2007 (Rs. in Crores)		For the year ended 31st March, 2006 (Rs. in Crores)	
16. RAW MATERIALS ETC.				
(a) RAW MATERIALS CONSUMED				
Opening Stock	1664.91		1195.11	
Less : Value Added Tax credit available on Opening Stock	—		0.23	
	<u>1664.91</u>		<u>1194.88</u>	
Purchases	3814.20		3154.09	
	<u>5479.11</u>		<u>4348.97</u>	
Less : Closing Stock	2037.47	3441.64	1664.91	2684.06
(b) PURCHASES AND CONTRACT MANUFACTURING CHARGES				
Cigarettes	26.95		24.30	
Agri Products	1567.38		942.69	
Other Goods	576.63		445.14	
Packing Materials	<u>46.68</u>	<u>2217.64</u>	<u>40.70</u>	<u>1452.83</u>
(c) (INCREASE)/DECREASE IN FINISHED GOODS, INTERMEDIATES, STOCK IN PROCESS				
Opening Stock				
Cigarettes	354.00		345.38	
Smoking Tobacco	0.68		0.33	
Printed Materials	7.21		2.32	
Agri Products	209.71		147.14	
Paper – Specialty Paper	8.16		7.70	
Paperboards and Paper	38.55		44.52	
Other Goods	149.16		98.95	
Packing Materials	19.30		9.12	
Intermediates – Tissue Paper and Paperboards	49.78		38.81	
Stock in Process	<u>24.89</u>		<u>21.31</u>	
	<u>861.44</u>		<u>715.58</u>	
Closing Stock				
Cigarettes	445.76		354.00	
Smoking Tobacco	0.67		0.68	
Printed Materials	6.96		7.21	
Agri Products	348.84		209.71	
Paper – Specialty Paper	9.73		8.16	
Paperboards and Paper	38.18		38.55	
Other Goods	225.50		149.16	
Packing Materials	26.23		19.30	
Intermediates – Tissue Paper and Paperboards	52.48		49.78	
Stock in Process	<u>36.98</u>		<u>24.89</u>	
	<u>1191.33</u>	<u>(329.89)</u>	<u>861.44</u>	<u>(145.86)</u>
Total		5329.39		3991.03
Less : Waste Material Sales		14.94		11.99
		<u>5314.45</u>		<u>3979.04</u>
Excise Duties etc. on Increase/(Decrease) of Finished Goods		70.41		4.19
		<u>5384.86</u>		<u>3983.23</u>

SCHEDULES TO THE ACCOUNTS

	For the year ended 31st March, 2007 (Rs. in Crores)		For the year ended 31st March, 2006 (Rs. in Crores)	
17. MANUFACTURING, SELLING ETC. EXPENSES				
Salaries/Wages and Bonus	510.22		435.42	
Contribution to Provident and Other Funds	57.58		52.10	
Workmen and Staff Welfare Expenses	<u>70.47</u>		<u>58.97</u>	
	<u>638.27</u>		<u>546.49</u>	
Less: Recoveries	<u>8.12</u>	630.15	<u>5.09</u>	541.40
Consumption of Stores and Spare Parts		155.13		139.01
Power and Fuel		253.00		245.17
Rent		93.99		76.80
Rates and Taxes		42.00		40.18
Insurance		46.94		40.27
Repairs				
– Buildings		33.51		28.45
– Machinery		65.32		50.08
– Others		22.27		17.78
Outward Freight and Handling Charges		456.51		352.21
Advertising/Sales Promotion – Net		288.15		225.73
Market Research		29.25		23.70
Doubtful and Bad Debts		1.69		1.81
Doubtful and Bad Advances, Deposits etc.		1.11		0.66
Information Technology Services		99.97		58.23
Travelling and Conveyance		132.61		112.24
Training		12.20		15.18
Legal Expenses		10.67		19.07
Postage, Telephone etc.		26.36		25.44
Brokerage and Discount – Sales		6.37		4.66
Brokerage and Discount – Others		0.62		0.37
Commission to Selling Agents		22.39		20.33
Excess of Cost over fair value of Current Investments		20.60		12.76
Bank Charges		7.41		5.32
Interest etc. Paid – Debentures, Term Loans and Fixed Deposits	1.37		0.19	
– Others	7.26		15.59	
Less : Interest Received on Trading Debts, Deposits with Government Bodies etc.	<u>5.35</u>	3.28	<u>3.85</u>	11.93
Miscellaneous Expenses		593.26		417.51
Fixed Assets and Stores Discarded – Net		19.07		21.34
		<u>3073.83</u>		<u>2507.63</u>
Deduct : Transfers to Fixed Assets etc. Accounts		42.52		15.78
		<u>3031.31</u>		<u>2491.85</u>
Miscellaneous Expenses include :				
(1) Contribution to Prime Minister’s Relief Fund		—		1.00
(2) Auditors’ Remuneration and Expenses (excluding taxes)				
Audit Fees		1.05		1.05
Tax Audit Fees		0.32		0.26
Fees for Limited Review		0.45		0.33
Fees for Other Services		0.40		0.41
Reimbursement of Expenses		0.10		0.22
(3) Cost Auditors’ Fee		0.04		0.03
(4) Consultancy/Professional Fees		92.85		52.34

Interest received on Trading Debts, Deposits with Govt. Bodies etc. is stated Gross, the amount of Income Tax deducted is Rs. 1.18 Crores (2006 - Rs. 0.58 Crore).

SCHEDULES TO THE ACCOUNTS

18. PROVISION FOR TAXATION

	For the year ended 31st March, 2007 (Rs. in Crores)	For the year ended 31st March, 2006 (Rs. in Crores)
Income Tax for the year :		
Current Tax	1214.89	1077.14
Deferred Tax	32.10	(69.60)
Fringe Benefit Tax	16.08	20.03
	<u>1263.07</u>	<u>1027.57</u>
Less : Adjustments related to previous years – Net		
Current Tax	152.41	57.02
Deferred Tax	<u>(116.07)</u>	<u>(18.27)</u>
	<u>36.34</u>	<u>38.75</u>
	<u>1226.73</u>	<u>988.82</u>

19. NOTES TO THE ACCOUNTS

(i) Exceptional items comprise of:

(a) Once-off assistance to contract manufacturers in view of the retrospective withdrawal of Central Excise exemption on Cigarettes manufactured in the North Eastern States during the year 2000

Income Tax thereon (Current Tax)

Exceptional Items (Net of Tax)

Nil	(67.87)
Nil	22.85
Nil	(45.02)

(ii) Exchange difference in respect of forward exchange contracts to be recognised in the profit and loss account or capitalised in the subsequent accounting period amounts to Rs. 1.00 Crore (2006 – Rs. 0.19 Crore).

(iii) (a) Claims against the Company not acknowledged as debts Rs. 129.56 Crores (2006 – Rs. 98.72 Crores). These comprise:

- Excise Duty, Sales Taxes and Indirect Taxes claims disputed by the Company relating to issues of applicability and classification aggregating Rs. 56.07 Crores (2006 – Rs. 37.12 Crores).
- Local Authority Taxes/Cess/Royalty on property, utilities, etc. claims disputed by the Company relating to issues of applicability and determination aggregating Rs. 33.71 Crores (2006 – Rs. 25.12 Crores).
- Third party claims arising from disputes relating to contracts aggregating Rs. 37.10 Crores (2006 – Rs. 34.83 Crores).
- Other matters Rs. 2.68 Crores (2006 – Rs. 1.65 Crores).

(b) Guarantees and Counter Guarantees outstanding

- Excise Rs. 22.02 Crores (2006 – Rs. 22.23 Crores).
- Others Rs. 16.93 Crores (2006 – Rs. 15.79 Crores).

(c) Uncalled liability on shares partly paid Rs. 26.40 Crores (2006 – Rs. 26.40 Crores).

(iv) Earnings per share

Earnings per share has been computed as under :

	<u>2007</u>	<u>2006</u>
(a) Profit after Taxation before Exceptional items (Rs. Crores)	2699.97	2280.37
(b) Profit after Taxation (Rs. Crores)	2699.97	2235.35
(c) Weighted average number of Ordinary Shares outstanding	3,75,76,36,907	3,75,14,55,175
(d) Effect of potential Ordinary Shares on Employee Stock Options outstanding	1,09,49,829	1,84,27,064
(e) Weighted average number of Ordinary Shares in computing diluted earnings per share [(c) + (d)]	3,76,85,86,736	3,76,98,82,239
(f) Earnings per share on profit after taxation before exceptional items (Face Value Re. 1.00 per share)		
- Basic [(a) / (c)]	Rs. 7.19	Rs. 6.08
- Diluted [(a) / (e)]	Rs. 7.16	Rs. 6.05
(g) Earnings per share on profit after taxation (Face Value Re. 1.00 per share)		
- Basic [(b) / (c)]	Rs. 7.19	Rs. 5.96
- Diluted [(b) / (e)]	Rs. 7.16	Rs. 5.93

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

- (v) 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 & Management Discussion and Analysis under the Excise section. In the opinion of the Directors, the Company does not accept any further liability.
- (vi) Research and Development expenses for the year amount to Rs. 35.30 Crores (2006 – Rs. 34.74 Crores).
- (vii) Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2007 and recognised in the financial statements in respect of Employee Benefit Schemes :

(Rs. in Crores)

		Pension	Gratuity	Leave Encashment
		Funded		Unfunded
I	Components of Employer Expense			
1	Current Service Cost	24.38	7.70	1.33
2	Interest Cost	20.01	8.70	1.55
3	Expected Return on Plan Assets	(22.25)	(10.43)	—
4	Curtailement Cost/(Credit)	—	—	—
5	Settlement Cost/(Credit)	—	—	—
6	Past Service Cost	—	—	—
7	Actuarial Losses/(Gains)	8.39	(2.82)	9.92
8	Total expense recognised in the Statement of Profit & Loss Account	30.53	3.15	12.80
The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries/Wages and Bonus" under Schedule 17.				
		Pension	Gratuity	Leave Encashment
II	Actual Returns for the period ended March 31, 2007	18.52	11.44	—
III	Net Asset / (Liability) recognised in Balance Sheet as at March 31, 2007			
1	Present Value of Defined Benefit Obligation	320.53	131.41	33.86
2	Fair Value on Plan Assets	311.77	146.08	—
3	Status [Surplus/(Deficit)]	(8.76)	14.67	(33.86)
4	Unrecognised Past Service Cost	—	—	—
5	Net Asset/(Liability) recognised in Balance Sheet	(8.76)	14.67	(33.86)
IV	Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2007			
1	Present Value of DBO at the Beginning of Period	288.08	125.83	23.70
2	Current Service Cost	24.38	7.70	1.33
3	Interest Cost	20.01	8.70	1.55
4	Curtailement Cost/(Credit)	—	—	—
5	Settlement Cost/(Credit)	—	—	—
6	Plan Amendments	—	—	—
7	Acquisitions	—	—	—
8	Actuarial (Gains)/Losses	4.65	(1.80)	9.92
9	Benefits Paid	(16.59)	(9.02)	(2.64)
10	Present Value of DBO at the End of Period	320.53	131.41	33.86

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

(Rs. in Crores)

		Pension	Gratuity	Leave Encashment
V	Change in Fair Value of Assets during the year ended March 31, 2007			
1	Plan Assets at the Beginning of Period	281.52	132.12	—
2	Acquisition Adjustment	—	—	—
3	Expected Return on Plan Assets	22.25	10.43	—
4	Actuarial Gains/(Losses)	(3.73)	1.01	—
5	Actual Company Contribution	28.32	11.54	—
6	Benefits Paid	(16.59)	(9.02)	—
7	Plan Assets at the End of Period	311.77	146.08	—
VI	Actuarial Assumptions			
1	Discount Rate (%)	7.50	7.50	7.50
2	Expected Return on Plan Assets (%)	7.50	7.50	—
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.				
VII	Major Category of Plan Assets as a % of the Total Plan Assets as at March 31, 2007			
1	Government Securities/Special Deposit with RBI			45%
2	High Quality Corporate Bonds			23%
3	Insurance Companies			26%
4	Mutual Funds			1%
5	Cash and Cash Equivalents			5%

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.

(viii) Micro and Medium scale business entities :

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2007. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

- (ix) The Company's significant leasing arrangements are in respect of operating leases for premises (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 Schedule 17.

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

(x) Interests in Joint Ventures:

The Company's interest, as a venturer, in jointly controlled entities (Incorporated Joint Ventures) is:

Name	Country of Incorporation	Percentage of ownership interests as at 31st March, 2007	Percentage of ownership interests as at 31st March, 2006
King Maker Marketing Inc. (KMM)	U.S.A.	—	50%
Maharaja Heritage Resorts Limited	India	50%	50%
CLI3L e-Services Limited	India	50% minus 1 share (Since 23rd March, 2007)	—

KMM has become a subsidiary company on 25th October, 2006 consequent to an increase in stake (50.98% shareholding) during the year. Effective 9th May, 2007, KMM has become a wholly owned subsidiary.

The Company's interest in these Joint Ventures is reported as Long Term Investments (Schedule - 7) and stated at cost. However, the Company's share of each of the assets, liabilities, income and expenses, etc. (each without elimination of the effect of transactions between the Company and the Joint Venture) related to its interests in these Joint Ventures are :

		As at 31st March, 2007 (Rs. in Crores)	As at 31st March, 2006 (Rs. in Crores)
I.	ASSETS		
1.	Fixed Assets	4.51	0.30
2.	Current Assets, Loans and Advances		
	a) Inventories	—	5.42
	b) Sundry Debtors	5.79	1.80
	c) Cash and Bank Balances	0.22	10.54
	d) Other Current Assets	0.90	1.06
	e) Loans and Advances	0.64	3.44
3.	Deferred Tax-Net	0.03	1.05
II.	LIABILITIES		
1.	Secured Loans	0.02	—
2.	Current Liabilities and Provisions		
	a) Liabilities	3.54	15.37
	b) Provisions	0.12	0.47

		For the year ended 31st March, 2007 (Rs. in Crores)	For the year ended 31st March, 2006 (Rs. in Crores)
III.	INCOME		
1.	Sales	40.81	57.30
2.	Other Income	0.47	0.75
IV.	EXPENSES		
1.	Raw Materials etc.	7.66	14.36
2.	Excise Duties and Taxes on Sales of Products and Services	16.13	21.31
3.	Manufacturing, Selling etc. Expenses	13.12	19.75
4.	Depreciation	0.11	0.08
5.	Provision for Taxation	1.24	1.07

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

	For the year ended 31st March, 2007 (Rs. in Crores)	For the year ended 31st March, 2006 (Rs. in Crores)
(xi) DIRECTORS' REMUNERATION		
Salaries	4.73	3.38
Performance Bonus to Wholetime Directors	4.32	2.68
Other Benefits	0.78	0.60
Commission, etc. to Non-Wholetime Directors	0.34	0.32
Directors' Fees	0.10	0.11
	<u>10.27</u>	<u>7.09</u>

The above excludes contribution to the approved group pension and gratuity funds which are actuarially determined on an overall basis.

Aggregate managerial remuneration of Rs. 10.27 Crores for the year, includes Rs. 1.34 Crores attributable to the increase in the salaries of all the four Wholetime Directors with effect from 1st October, 2006 which is subject to approval by the Company in General Meeting.

Computation of Net Profit and Directors' Commission :

Profit before Taxation and Exceptional Items	3926.70	3269.19
Add :		
– Directors' Remuneration	10.27	7.09
– Wealth Tax – Net	1.27	1.00
– Depreciation	362.92	332.34
– Exceptional Items [See Schedule 19(i)]	— 374.46	(67.87) 272.56
	<u>4301.16</u>	<u>3541.75</u>
Less :		
– Depreciation under Section 350 of the Companies Act, 1956	362.92	332.34
Profit for the purpose of Directors' Commission	3938.24	3209.41
Non-Wholetime Directors' Commission @ 1%	39.38	32.09
Payable for the Year	0.34	0.32

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

(xii) Derivative Instruments :

The Company uses Forward Exchange Contracts and Currency Options to hedge its exposures in foreign currency. The information on Derivative Instruments is as follows:

a) Derivative Instrument outstanding as at year end:

(in Million)

Currency Pair	As at 31st March, 2007		As at 31st March, 2006	
	Buy	Sell	Buy	Sell
(i) Forward Exchange Contracts				
USD/INR	105.00	120.65	45.65	61.45
EUR/USD	52.00	—	40.03	0.25
GBP/USD	—	—	—	1.85
USD/JPY	218.00	—	218.00	—
USD/SEK	—	—	1.50	—
USD/CHF	—	—	8.05	—
(ii) Currency Options				
USD/INR	25.00	—	—	—

b) Foreign Exchange Currency Exposures recognised by the Company that have not been hedged by a Derivative Instrument or otherwise as at year end:

(in Million)

Currency Pair	As at 31st March, 2007			As at 31st March, 2006		
	Buy	Sell	Net*	Buy	Sell	Net*
USD/INR	2.01	6.43	(4.42)	52.24	43.62	8.62
EUR/USD	2.82	2.36	0.46	1.66	1.72	(0.06)
GBP/USD	0.99	1.57	(0.58)	1.00	1.04	(0.04)
USD/JPY	34.86	—	34.86	8.53	—	8.53
USD/SEK	0.36	—	0.36	1.47	—	1.47
USD/CHF	2.06	—	2.06	0.27	—	0.27
USD/SGD	0.18	—	0.18	0.09	—	0.09
USD/DKK	0.15	—	0.15	—	—	—
USD/CAD	—	0.14	(0.14)	—	—	—
AUD/USD	0.19	—	0.19	—	—	—

* Positive figures indicate Open Imports and vice versa.

(xiii) The disclosures in respect of Employees Stock Option Scheme which are outlined in this year's Annexure to the Report of the Directors & Management Discussion and Analysis and Report on Corporate Governance are treated as an annexure to these accounts.

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

(xiv) ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C AND 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956.

(A) Licensed and Installed Capacity and Actual Production

Class of Goods	Unit of Quantity	CAPACITY				PRODUCTION	
		Registered/Licensed		Installed		2007	2006
		2007	2006	2007	2006		
Cigarettes	Million	1,23,547 (a)	1,23,547 (a)	1,07,773	99,349	63,038	59,123
Smoking Tobacco	Tonne	N.A.	N.A.	N.A.	N.A.	163	118
Printing and Packaging including Flexibles	Tonne	N.A.	N.A.	59,803	47,837	46,025 (b)	38,316 (b)
Corrugated Fibre Board Containers	Million	60	N.A.	60	N.A.	23	N.A.
Redried Tobacco	Tonne	N.A.	N.A.	N.A.	N.A.	99,483 (b)	1,03,889 (b)
Pulp	Tonne	N.A.	N.A.	1,00,000	1,00,000	98,950 (b)	97,615 (b)
Paperboards and Paper	Tonne	N.A.	N.A.	3,52,500	3,52,500	3,90,458 (b)	3,65,819 (b)
Snacks	Tonne	N.A.	N.A.	5,100	N.A.	465	N.A.

a) The "Registered/Licensed Capacity" (including as approved by "Letters of Intent") is exclusive of additional capacities permissible under the policy of the Government of India.

b) Includes production meant for internal consumption.

N.A. - Not Applicable

(B) Particulars in respect of Sales *

	Unit of Quantity	QUANTITY		VALUE (Rs. in Crores)	
		2007	2006	2007	2006
Cigarettes	Million	81,265	75,894	12824.42	11322.87
Smoking Tobacco	Tonne	164	93	9.09	6.64
Printed Materials	Tonne	11,361	7,725	111.50	74.06
Agri Products					
- Unmanufactured Tobacco	Tonne	49,691	45,714	422.34	356.31
- Soya Extraction	Tonne	3,64,544	4,23,778	374.78	397.92
- Soya Oil	Tonne	75,623	82,719	297.69	279.43
- Soya Seeds	Tonne	2,28,243	71,472	299.41	89.55
- Rice	Tonne	4,74,230	2,70,703	502.59	285.63
- Wheat	Tonne	1,81,996	2,33,241	190.08	198.69
- Others				501.44	283.46
Marine Products	Tonne	1,654	898	72.02	36.26
Specialty Paper	Tonne	19,674	19,871	135.30	132.53
Paperboards and Paper	Tonne	3,01,196	2,90,109	1016.41	938.37
Branded Packaged Foods (Staples, Biscuits, Confectionery etc.)	Tonne	4,98,376	3,44,745	1071.02	656.70
Hotel Sales/Income from Services				978.71	777.85
Others (Branded Garments, Greeting Cards, Ready to Eat Foods etc.)				698.25	388.16
				19505.05	16224.43

* Net of Sales Returns and Damaged Stocks etc.

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

	Unit of Quantity	Quantity		Value (Rs. in Crores)	
		2007	2006	2007	2006
(C) Details of Finished Goods					
(i) Opening Stock					
Cigarettes	Million	3,456	3,524	354.00	345.38
Smoking Tobacco	Tonne	23	5	0.68	0.33
Printed Materials	Tonne	581	419	7.21	2.32
Agri Products					
- Soya Extraction	Tonne	44,452	9,054	38.75	8.67
- Soya Oil	Tonne	3,029	1,284	9.92	4.82
- Rice	Tonne	34,934	80,058	31.54	75.23
- Wheat	Tonne	10,712	3,116	9.16	3.51
- Others				120.34	54.91
Specialty Paper	Tonne	1,304	1,218	8.16	7.70
Paperboards and Paper	Tonne	12,622	14,968	38.55	44.52
Branded Packaged Foods (Staples, Biscuits and Confectionery)	Tonne				
Other Goods				33.37	20.93
Packing Materials				115.79	78.02
				19.30	9.12
				786.77	655.46
(ii) Closing Stock					
Cigarettes	Million	4,138	3,456	445.76	354.00
Smoking Tobacco	Tonne	20	23	0.67	0.68
Printed Materials	Tonne	578	581	6.96	7.21
Agri Products					
- Soya Extraction	Tonne	38,172	44,452	40.55	38.75
- Soya Oil	Tonne	1,572	3,029	11.22	9.92
- Rice	Tonne	37,257	34,934	43.20	31.54
- Wheat	Tonne	45,326	10,712	54.03	9.16
- Others				199.84	120.34
Specialty Paper	Tonne	1,448	1,304	9.73	8.16
Paperboards and Paper	Tonne	11,694	12,622	38.18	38.55
Branded Packaged Foods (Staples, Biscuits, Confectionery etc.)	Tonne				
Other Goods				50.95	33.37
Packing Materials				174.55	115.79
				26.23	19.30
				1101.87	786.77
(iii) Purchases and Contract Manufacturing Charges					
Cigarettes	Million	18,993	16,867	26.95	24.30
Agri Products					
- Soya Extraction	Tonne	3,58,264	4,62,025	50.26	81.13
- Soya Oil	Tonne	74,166	86,442	19.55	18.96
- Rice	Tonne	4,76,554	2,26,419	473.02	220.88
- Wheat	Tonne	6,43,378	4,83,652	565.88	351.48
- Others				458.67	270.24
Branded Packaged Foods (Staples, Biscuits and Confectionery)	Tonne				
Other Goods				108.62	184.47
Packing Materials				468.01	260.67
				46.68	40.70
				2217.64	1452.83
(D) Details of Raw Materials Consumed during the year *					
Unmanufactured Tobacco	Tonne	1,32,342	1,22,489	703.42	597.90
Waste Paper and Pulp	Tonne	2,65,484	2,40,894	394.47	331.56
Hardwood and Bamboo	BDT**	2,74,528	2,67,102	107.90	95.19
Soya Seeds	Tonne	6,51,981	5,51,127	775.58	648.13
Other Agri Products	Tonne	32,414	16,626	132.82	57.46
Board	Tonne	10,250	10,558	88.01	90.86
Filter Rods	Million	11,335	10,216	124.63	111.17
Aluminium Foil/Metallised Paper	Bobbin	6,77,311	6,70,381	56.76	49.80
BOPP/Viscose Film	Tonne	2,029	1,878	36.69	33.54
Wheat Flour/Maida	Tonne	24,461	31,325	29.89	30.73
Sugar	Tonne	41,956	23,174	73.34	40.92
Hydrogenated Vegetable Oil	Tonne	16,928	11,798	71.30	45.97
Others				846.83	550.83
				3441.64	2684.06

* Relates to the Company's main products and the principal raw materials.

** BDT-Bone Dry Tonne

SCHEDULES TO THE ACCOUNTS

19. NOTES TO THE ACCOUNTS (Contd.)

(E) Value of Raw Materials, Spare Parts and Components Consumed during the year

	(Percentage)		Value (Rs. in Crores)	
	2007	2006	2007	2006
Raw Materials				
Imported	16.92	16.35	582.40	438.89
Indigenous	83.08	83.65	2859.24	2245.17
	<u>100.00</u>	<u>100.00</u>	<u>3441.64</u>	<u>2684.06</u>
Spare Parts and Components				
Imported	28.65	30.98	44.45	43.07
Indigenous	71.35	69.02	110.68	95.94
	<u>100.00</u>	<u>100.00</u>	<u>155.13</u>	<u>139.01</u>

(F) Earnings etc. in Foreign Exchange during the year

	2007 (Rs. in Crores)	2006 (Rs. in Crores)
Export of Goods (F.O.B. – Realisation Basis)	1719.51	1315.78
Dividend	—	1.09
Hotel Earnings	487.19	413.97
Other Earnings	76.51	62.67
	<u>2283.21</u>	<u>1793.51</u>

(G) Value of Imports during the year (C.I.F. Basis)

	2007	2006
Raw Materials	555.13	408.20
Components and Spare Parts	69.87	54.67
Capital Goods	482.48	139.84
Other Goods (including imports under eligible Export House Scheme)	11.76	6.69
	<u>1119.24</u>	<u>609.40</u>

(H) Expenditure in Foreign Currency during the year (on payment basis)

	2007	2006
Professional Fees	22.62	13.80
Advertising/Sales Promotion	7.54	6.67
Export Promotion Expenses	6.24	6.09
Training	2.95	3.44
Hotel Reservation/Marketing Expenses	21.20	15.21
Licence Fees	0.57	0.82
Miscellaneous Expenditure	38.82	23.74
	<u>99.94</u>	<u>69.77</u>

(I) Remittances in Foreign Currencies on account of Dividends

Financial Year	On Account of	No. of Shares held	No. of Non-Resident Shareholders	(Rs. in Crores)
2006/2007	2005/2006	127,17,86,249 (Re. 1.00 each)	69	337.02
2005/2006	2004/2005	8,65,61,943 (Rs. 10.00 each)	76	268.34

SCHEDULES TO THE ACCOUNTS

20. SEGMENT REPORTING

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

					(Rs. in Crores)	
	External Sales	Inter Segment Sales	2007 Total	External Sales	Inter Segment Sales	2006 Total
1. Segment Revenue						
FMCG - Cigarettes	12833.70	—	12833.70	11329.74	—	11329.74
FMCG - Others	1701.45	2.94	1704.39	1011.92	1.55	1013.47
FMCG - Total	14535.15	2.94	14538.09	12341.66	1.55	12343.21
Hotels	978.71	6.96	985.67	777.85	5.50	783.35
Agri Business	2719.57	971.79	3691.36	1954.67	723.77	2678.44
Paperboards, Paper and Packaging	1271.62	828.44	2100.06	1150.25	745.48	1895.73
Segment Total	19505.05	1810.13	21315.18	16224.43	1476.30	17700.73
Eliminations			<u>(1810.13)</u>			<u>(1476.30)</u>
Total Revenue			19505.05			16224.43
2. Segment Results						
FMCG - Cigarettes			3172.15			2708.78
FMCG - Others			(201.99)			(171.81)
FMCG - Total			2970.16			2536.97
Hotels			350.78			258.09
Agri Business			123.55			90.86
Paperboards, Paper and Packaging			416.78			351.42
Segment Total			3861.27			3237.34
Eliminations			(30.51)			(39.49)
Consolidated Total			3830.76			3197.85
Unallocated corporate expenses net of unallocated income			132.63			93.42
Profit before interest, etc., exceptional items and taxation			3698.13			3104.43
Interest etc. paid - Net			3.28			11.93
Interest on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc.			231.85			176.69
Profit before taxation and exceptional items			3926.70			3269.19
Provision for Taxation			1226.73			988.82
Profit after taxation before exceptional items			2699.97			2280.37
Exceptional items (net of tax) [See Schedule 19(i)]			—			(45.02)
Profit after Taxation			2699.97			2235.35
3. Other Information						(Rs. in Crores)
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG - Cigarettes	2962.26	943.62		2336.54	873.26	
FMCG - Others	1074.55	134.23		610.43	121.13	
FMCG - Total	4036.81	1077.85		2946.97	994.39	
Hotels	1625.55	159.30		1505.74	131.52	
Agri Business	1718.35	238.35		1299.22	239.57	
Paperboards, Paper and Packaging	2875.23	315.77		2239.11	331.04	
Segment Total	10255.94	1791.27		7991.04	1696.52	
Unallocated Corporate Assets/Liabilities	4967.87	2995.46		5316.16	2549.20	
Total	15223.81	4786.73		13307.20	4245.72	
	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation
FMCG - Cigarettes	550.47	105.35	2.11	206.90	103.41	3.46
FMCG - Others	192.52	20.11	(0.26)	79.26	13.16	0.48
FMCG - Total	742.99	125.46	1.85	286.16	116.57	3.94
Hotels	162.40	61.73	9.25	77.30	59.12	13.06
Agri Business	106.62	34.24	2.63	79.53	31.19	1.78
Paperboards, Paper and Packaging	470.14	121.82	5.31	133.74	113.84	2.97
Segment Total	1482.15	343.25	19.04	576.73	320.72	21.75

* Segment Liabilities of FMCG-Cigarettes is before considering provision of Rs. 535.95 Crores (2006 - Rs. 425.87 Crores) in respect of disputed State Taxes, the levy / collection of which has been stayed. These have been included under 'Unallocated Corporate Liabilities'.

SCHEDULES TO THE ACCOUNTS

20. SEGMENT REPORTING (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

	(Rs. in Crores)	
	2007	2006
1. Segment Revenue		
— Within India	17579.23	14811.45
— Outside India	1925.82	1412.98
Total Revenue	19505.05	16224.43
2. Segment Assets		
— Within India	10249.47	7984.80
— Outside India	6.47	6.24
Total Assets	10255.94	7991.04
3. Capital Expenditure		
— Within India	1482.15	576.73
— Outside India	—	—
Total Capital Expenditure	1482.15	576.73

NOTES

- (1) The Company's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Company is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & Packaging and Agri Business. The Company's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :
- | | |
|----------------------------------|---|
| FMCG : Cigarettes | — Cigarettes and Smoking Mixtures. |
| : Others | — Branded Garments, Greeting, Gifting & Stationery, Agarbattis, Matches and Packaged Foods (Staples, Confectionery, Biscuits, Snack Foods, Ready to Eat Foods). |
| Hotels | — Hoteliering. |
| Paperboards, Paper and Packaging | — Paperboards, Paper including Specialty Paper & Packaging. |
| Agri Business | — Agri commodities such as rice, soya, wheat, coffee and leaf tobacco. |
- (3) The geographical segments considered for disclosure are :
- Sales within India
 - Sales outside India
- (4) Segment results of the new business activities namely 'FMCG : Others' largely reflect business development and gestation costs.
- (5) The Company'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 expansion of the strategic e-Choupal initiatives.

SCHEDULES TO THE ACCOUNTS

21. RELATED PARTY DISCLOSURES

1. ENTERPRISES WHERE CONTROL EXISTS :

i) Subsidiaries :

- a) Srinivasa Resorts Limited
- b) Fortune Park Hotels Limited
- c) Bay Islands Hotels Limited
- d) Russell Credit Limited and its subsidiaries
 - Greenacre Holdings Limited
 - Wimco Limited and its subsidiaries (became subsidiaries with effect from 01.07.2005)
 - Wimco Boards Limited
 - Wimco Seedlings Limited and its subsidiaries
 - Pavan Poplar Limited
 - Prag Agro Farm Limited
- e) ITC Infotech India Limited and its subsidiaries
 - ITC Infotech Limited
 - ITC Infotech (USA), Inc.
- f) Wills Corporation Limited
- g) Gold Flake Corporation Limited
- h) Landbase India Limited
- i) BFIL Finance Limited and its subsidiary
 - MRR Trading & Investment Company Limited
- j) Surya Nepal Private Limited
- k) King Maker Marketing Inc. (became subsidiary with effect from 25.10.2006)

The above list does not include:

- a) ITC Global Holdings Pte. Limited, Singapore being under Judicial Management and its subsidiaries
 - Hup Hoon Traders Pte. Ltd., Singapore
 - AOZT "Hup Hoon", Moscow
 - Hup Hoon Impex Srl, Romania
 - Fortune Tobacco Co. Ltd., Cyprus
 - Fortune Tobacco Company, Inc., U.S.A., and
- b) BFIL Securities Limited (a subsidiary of BFIL Finance Ltd.) which is under voluntary winding up proceedings.

ii) Other entities under control of the Company:

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

2. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS, etc.

i) Associates & Joint Ventures:

Associates

- a) Gujarat Hotels Limited
- b) Megatop Financial Services and Leasing Limited
- c) Newdeal Finance and Investment Limited
- d) Peninsular Investments Limited
- e) Russell Investments Limited
- f) Asia Tobacco Company Limited
- g) Classic Infrastructure & Development Limited
- h) International Travel House Limited
 - being associates of the Company, and
- i) Tobacco Manufacturers (India) Limited, U.K.
 - of which the Company is an associate.

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) CLI3L e-Services Limited (became joint venture with effect from 23.03.2007)
- c) King Maker Marketing Inc. (upto 24.10.2006)

Joint Ventures of the Company's subsidiaries

- a) ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)
- b) CLI3L e-Services Limited (a joint venture of ITC Infotech India Limited upto 22.03.2007)

SCHEDULES TO THE ACCOUNTS

21. RELATED PARTY DISCLOSURES (Contd.)

ii) Key Management Personnel :

Y.C. Deveshwar	Executive Chairman
S.S.H. Rehman	Executive Director
A. Singh	Executive Director
K. Vaidyanath	Executive Director
J.P. Daly	Non-Executive Director
C.R. Green	Non-Executive Director
S.B. Mathur	Non-Executive Director
P.B. Ramanujam	Non-Executive Director
B. Sen	Non-Executive Director
Ram S. Tarneja	Non-Executive Director
T.S. Vijayan	Non-Executive Director (resigned w.e.f. 26.05.2006)
D.K. Mehrotra	Non-Executive Director (w.e.f. 26.05.2006)
S.H. Khan	Non-Executive Director (w.e.f. 30.10.2006)
B. Vijayaraghavan	Non-Executive Director
K.S. Vaidyanathan	Member - Corporate Management Committee
A. Nayak	Permanent Invitee - Corporate Management Committee
R. Srinivasan	Permanent Invitee - Corporate Management Committee
R.G. Jacob	Special Invitee - Corporate Management Committee

iii) Employees' Benefit Plans where there is significant influence :

- a) IATC Provident Fund
- b) IATC Staff X Provident Fund
- c) ITC Management Staff Gratuity Fund
- d) ITC Employees Gratuity Fund
- e) ITC Gratuity Fund 'C'
- f) ITC Pension Fund
- g) ILTD Seasonal Employees Pension Fund
- h) ITC Platinum Jubilee Pension Fund
- i) Tribeni Tissues Limited Provident Fund
- j) Tribeni Tissues Limited Gratuity Fund
- k) ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- l) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- m) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'B'
- n) ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- o) ITC Bhadrachalam Paperboards Limited Staff Provident Fund

SCHEDULES TO THE ACCOUNTS

21. RELATED PARTY DISCLOSURES (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON 31.03.2007 (Rs. in Crores)

	Enterprises where control exists				Associates & Joint Ventures		Key Management Personnel		Employee Trusts			
	Subsidiaries		Others		2007		2006		2007		2006	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
1. Sale of Goods / Services	102.92	61.84			30.50	34.77						
2. Purchase of Goods / Services	250.75	82.28			162.53	144.61						
3. Acquisition cost of Fixed Assets (including project consultancy fees, etc.)	0.01											
4. Sale of Fixed Assets / Scrap	0.08	0.12			0.13	0.14						
5. Acquisition of Investments -Purchase of CLIL e-Services Limited Shares from I3LLimited	51.00											
6. Interest Income								0.03				
7. Remuneration to Key Management Personnel — Directors [See Schedule 19 (xi)] — Others								10.27	7.09			
8. Rent Paid	2.57	1.00			0.10	0.01		3.34	2.26			
9. Reimbursement of Contractual Remuneration					2.02	1.69		0.03	0.01			
10. Remuneration of managers on deputation recovered		4.85	4.00	1.50								
11. Donations												
12. Contributions to Employees' Benefit Plans	18.50	7.10			2.59	1.41						31.34
13. Dividend income					263.09	205.18		0.67	0.18			
14. Dividend payments												
15. Expenses recovered	9.04	5.15	0.02	0.02	3.96	2.74						
16. Expenses reimbursed	5.29	6.10			2.53	2.60						
17. Loans Given	75.64	55.24										
18. Receipt towards Loan Repayment	64.11	54.64						0.13	0.11			
19. Advances Given	26.27				0.88	6.50						
20. Receipt towards refund of Advances	0.13				2.40	2.10						
21. Advances Received	17.97											
22. Payment towards refund of Advances	17.95											
23. Deposits received during the year												
24. Deposits refunded during the year												
25. Receipt towards refund of Deposits												
26. Balances as on 31st March,												
i) Debtors / Receivables	9.84	7.34			21.80	30.68						0.01
ii) Advances Given	85.36	58.60			6.84	8.06						
iii) Loans Given	188.86	177.33						1.00	1.13			
iv) Deposits with (including Deposits towards Property Options)	2.56	2.56			42.29	42.29						
v) Advances Taken	0.02											
vi) Deposits From					3.36	3.37						
vii) Creditors/Payables	7.38	43.22			6.48	6.70						8.76
viii) Investments in Non-Convertible Debentures	15.00	15.00										
27. Provision for subsidiary (made in earlier years) as on 31st March	50.00	50.00	0.04	0.03	0.79	0.36						
28. In addition, remuneration of managers on deputation, absorbed												

SCHEDULES TO THE ACCOUNTS

22. SIGNIFICANT ACCOUNTING POLICIES

IT IS CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies, which have been applied consistently, 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 as detailed below.

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. To adjust the original cost of imported Fixed Assets acquired through foreign currency loans at the end of each financial year by any change in liability arising out of expressing the outstanding foreign loan at the rate of exchange prevailing at the date of Balance Sheet.

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 and Intangible Assets 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.

Investments

To state Current Investments at lower of cost and fair value; and Long Term Investments, including in Joint Ventures and Associates, at cost. Where applicable, provision is made where there is a permanent fall in valuation of Long Term Investments.

Inventories

To state inventories including work-in-progress at cost or below. 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.

Sales

To state net sales after deducting taxes and duties from invoiced value of goods and services rendered.

Investment Income

To account for Income from Investments on an accrual basis, inclusive of related tax deducted at source.

Proposed Dividend

To provide for Dividends (including income tax thereon) in the books of account 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 scheme and such paid / payable

SCHEDULES TO THE ACCOUNTS

22. SIGNIFICANT ACCOUNTING POLICIES (Contd.)

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 scheme. To determine the liabilities towards such schemes and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard – 15 (revised 2005) on “Employee Benefits”. To determine actuarial gains or losses and to recognise such gains or losses immediately in Profit and Loss Account 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 equipment to the Profit and Loss Account.

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 Fixed Assets.

Taxes on Income

To provide Current tax as the amount of tax payable in respect of taxable income for the period.

To provide Deferred tax on timing differences between taxable income and accounting income subject to consideration of prudence.

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 Profit and Loss in the period in which they arise except in respect of imported Fixed Assets where exchange variance is adjusted in the carrying amount of the respective Fixed Asset.

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, except in respect of liabilities incurred for acquiring imported Fixed Assets, in which case such differences are adjusted in the carrying amount of the respective Fixed Asset.

To account for profit/loss arising on cancellation or renewal of forward exchange contracts and on maturity or cancellation of options as income/expense for the period, except in case of forward exchange contracts and options relating to liabilities incurred for acquiring imported Fixed Assets, in which case such profit/loss are adjusted in the carrying amount of the respective Fixed Asset.

To account for gains/losses on foreign exchange rate fluctuations relating to current assets and liabilities at the year end.

Claims

To disclose claims against the Company 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 the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

To practise an Integrated Accounting System which unifies both Financial Books and Costing Records. The books of account and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act on one hand, and meet the internal requirements of information and systems for Planning, Review and Internal Control on the other. To ensure that the Cost Accounts are designed to adopt Costing Systems appropriate to the business carried out by the Division with each Division incorporating into its Costing System, the basic tenets and principles of Standard Costing, Budgetary Control and Marginal Costing as appropriate.

On behalf of the Board

Y. C. DEVESHWAR *Chairman*
K. VAIDYANATH *Director*
B. B. CHATTERJEE *Secretary*

Kolkata,
25th May, 2007