



Consolidated Financial Statements

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Consolidated Balance Sheet as at 31st March, 2008

	Schedule	31st March, 2008 (Rs. in Crores)	31st March, 2007 (Rs. in Crores)
I. Sources of Funds			
1. Shareholders' Funds			
a) Capital	1	376.86	376.22
b) Reserves & Surplus	2	11910.94 12287.80	10270.36 10646.58
2. Minority Interests		113.21	107.58
3. Loan Funds			
a) Secured Loans	3	15.00	60.80
b) Unsecured Loans	4	209.92 224.92	140.10 200.90
4. Deferred Tax - Net	5	543.57	471.27
Total		13169.50	11426.33
II. Application of Funds			
1. Fixed Assets	6		
a) Gross Block		9819.51	7795.17
b) Less : Depreciation		3148.36	2686.55
c) Net Block		6671.15	5108.62
d) Capital Work-in-Progress		1156.51	876.09
		7827.66	5984.71
e) Less : Provision for assets given on lease		8.37 7819.29	8.71 5976.00
2. Investments	7	2607.89	2505.89
3. Current Assets, Loans and Advances			
a) Inventories	8	4268.27	3934.67
b) Sundry Debtors	9	879.42	733.04
c) Cash and Bank Balances	10	776.82	1086.50
d) Other Current Assets	11	157.71	193.82
e) Loans and Advances	12	1251.74	986.52
		7333.96	6934.55
Less :			
4. Current Liabilities and Provisions			
a) Liabilities	13	2970.80	2548.65
b) Provisions	14	1621.26	1441.99
		4592.06	3990.64
Net Current Assets		2741.90	2943.91
5. Miscellaneous Expenditure		0.42	0.53
(To the extent not written off or adjusted) [See Schedule 19(viii)]			
Total		13169.50	11426.33
Notes to the Accounts	19		
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The Schedules referred to above form an integral part of the Balance Sheet.

Per our Report attached
For A. F. FERGUSON & CO.
Chartered Accountants
M. S. DHARMADHIKARI
Partner
Kolkata, 23rd May, 2008

On behalf of the Board
Y. C. DEVESHWAR *Chairman*
K. VAIDYANATH *Director*
B. B. CHATTERJEE *Secretary*

Consolidated Profit and Loss Account for the year ended 31st March, 2008

Schedule	For the year ended 31st March, 2008 (Rs. in Crores)	For the year ended 31st March, 2007 (Rs. in Crores)
IA. Gross Income	22894.73	20364.52
IB. Net Income		
Gross Sales [Includes share of Joint Ventures Rs. 60.15 Crores (2007 : Rs. 101.22 Crores)]	22308.54	20003.76
Less : Excise Duties and Taxes on Sales of Products and Services [Includes share of Joint Ventures Rs. 6.53 Crores (2007 : Rs. 20.00 Crores)]	7649.44	7335.04
Net Sales	14659.10	12668.72
Other Income 15	586.19	360.76
	15245.29	13029.48
II. Other Expenditure		
Raw Materials etc. 16	5942.96	5086.45
Manufacturing, Selling etc. Expenses 17	4154.28	3500.19
Depreciation [Includes share of Joint Ventures Rs. 4.71 Crores (2007 : Rs. 4.96 Crores)]	472.87	393.78
	10570.11	8980.42
III. Profit		
Profit before Taxation	4675.18	4049.06
Provision for Taxation 18	1497.01	1274.72
Profit after Taxation before Share of Results of Associates and Minority Interests	3178.17	2774.34
Share of Net Profit/(Loss) of Associates	7.86	6.63
Profit after Taxation before Minority Interests	3186.03	2780.97
Minority Interests	28.27	25.71
Net Profit	3157.76	2755.26
Preacquisition Profit/(Loss)	–	1.14
Transfer to Capital Reserve on consolidation	–	(0.01)
Minority Interest of Preacquisition (Profit)/Loss	–	(1.13)
Profit brought forward (net of Rs. 0.04 Crore for opening Employee Benefit liability)	560.32	446.45
Add : Adjustments on restructuring of Wimco Limited with effect from 01.04.2007	38.68	–
Add : Adjustments on amalgamation of Megatop Financial Services and Leasing Limited, Newdeal Finance and Investment Limited and Peninsular Investments Limited with Russell Credit Limited with effect from 01.04.2007	1.73 600.73	– 446.45
Available for appropriation	3758.49	3201.71
IV. Appropriations		
General Reserve	1531.57	1267.48
Special Reserve under section 45-IC of RBI Act, 1934	17.14	5.88
Proposed Dividend	1319.01	1166.29
Income Tax on Dividend Proposed/Paid	237.81	201.74
Share of Revenue Reserve of Joint Ventures carried forward	27.29	17.30
Profit carried forward	625.67	543.02
	3758.49	3201.71
Earnings Per Share (Face Value Re. 1.00 each) 19(v)		
On Net Profit		
Basic	Rs. 8.39	Rs. 7.33
Diluted	Rs. 8.35	Rs. 7.31
Notes to the Accounts 19		
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Significant Accounting Policies 22		

The Schedules referred to above form an integral part of the Profit and Loss Account.

Per our Report attached to the Balance Sheet
For A. F. FERGUSON & CO.
Chartered Accountants

M. S. DHARMADHIKARI
Partner

Kolkata, 23rd May, 2008

On behalf of the Board

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

Consolidated Cash Flow Statement for the year ended 31st March, 2008

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

	For the year ended 31st March, 2008 (Rs. in Crores)	For the year ended 31st March, 2007 (Rs. in Crores)
A. Net Profit Before Tax	4675.18	4049.06
ADJUSTMENTS FOR :		
Depreciation	472.87	393.78
Interest etc. – Net [Excluding Rs. Nil (2007 - Rs. 12.28 Crores) (net) (credit) in respect of financial enterprises consolidated]	(113.81)	(20.35)
Income from Long Term Investments	(27.03)	(3.06)
Income from Current Investments [Excluding Rs. 11.06 Crores (2007 – Rs. 14.71 Crores) in respect of financial enterprises consolidated]	(146.55)	(186.14)
Fixed Assets – Loss on Sale/Write off – Net	17.82	19.70
Profit on Sale of Current Investments – Net	(15.08)	(6.90)
Excess of Fair Value over Cost of Investments	(23.35)	–
Excess of Cost over Fair Value of Investments	–	20.60
Unrealised (Gain)/Loss on Exchange – Net	2.41	(3.54)
Amortisation of Miscellaneous Expenditure	0.11	0.10
Liability no longer required written back	(93.78)	(27.46)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	4748.79	4235.79
ADJUSTMENTS FOR :		
Trade and Other Receivables	(204.49)	(236.52)
Inventories	(333.60)	(819.24)
Trade Payables	264.00	379.18
CASH GENERATED FROM OPERATIONS	4474.70	3559.21
Income Tax Paid	(1468.01)	(1311.60)
NET CASH FROM OPERATING ACTIVITIES	3006.69	2247.61
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(2326.30)	(1785.11)
Sale of Fixed Assets	7.89	3.91
Purchase of Business [See Note 1 below]	(38.83)	(38.83)
Purchase of Current Investments	(28002.85)	(28966.23)
Sale/Redemption of Current Investments	28152.17	29446.21
Share of Profit of Associates in Long Term Investment	6.33	5.39
Purchase of Long Term Investments	(13.54)	(1.60)
Sale of Long Term Investments	–	0.01
Income from Current Investments Received	146.72	185.51
Income from Long Term Investments Received	25.54	3.06
Dividend Received from Associates	1.53	1.24
Interest Received	111.24	25.12
Refund of Deposits towards Property Options	91.19	47.50
Loans Given – Net	(15.37)	(7.95)
Purchase of Minority Interest in a Subsidiary	(10.22)	(2.38)
Purchase of Interest in a Subsidiary	(103.64)	–
NET CASH USED IN INVESTING ACTIVITIES	(1968.14)	(1084.15)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	44.63	42.39
Proceeds / (Repayments) from Long Term Borrowings	(1.83)	29.16
Net increase in Cash / Export Credit Facilities and other Short Term Loans	9.77	25.06
Interest etc. Paid	(19.08)	(9.73)
Dividends Paid	(1169.77)	(996.97)
Income Tax on Dividend Paid	(212.94)	(144.81)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(1349.22)	(1054.90)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(310.67)	108.56
OPENING CASH AND CASH EQUIVALENTS	1086.50	977.77
CASH AND CASH EQUIVALENTS ON CONVERSION OF JOINT VENTURE TO SUBSIDIARY [See Note 2 below]	–	0.17
CASH AND CASH EQUIVALENTS ON ACQUISITION OF SUBSIDIARY [See Note 3 below]	0.97	–
CASH AND CASH EQUIVALENTS ON AMALGAMATION OF ASSOCIATES [See Note 4 below]	0.02	–
CLOSING CASH AND CASH EQUIVALENTS	776.82	1086.50
CASH AND CASH EQUIVALENTS COMPRISE :		
Cash and Bank Balances	776.15	1086.50
Effect of Exchange rate change - Gain	0.67	–
Notes :		
1. Purchase consideration of Rs. 232.99 Crores (net of liability of Rs. 15.03 Crores towards sales tax deferment loans assumed) on acquisition of business in 2004, payable to M/s BILT Industrial Packaging Company Limited.	77.67	232.99
Cash paid [including Rs. 38.83 Crores (2007 - Rs. 38.83 Crores) during the year as per scheme of repayment]	38.83	155.32
Balance Payable	38.84	77.67
2. Cash & Cash Equivalents include Rs. 0.17 Crore of King Maker Marketing Inc. USA, acquired consequent to it becoming a subsidiary of ITC Limited and is included in the closing Cash and Cash Equivalents.		
3. Cash & Cash Equivalents include Rs. 0.97 Crore of Technico Pty Limited, Australia, acquired consequent to it becoming a subsidiary of ITC Limited during the year and is included in the closing Cash and Cash Equivalents.		
4. Cash & Cash Equivalents include Rs. 0.02 Crore of Associates - Megatop Financial Services and Leasing Limited, Newdeal Finance and Investment Limited and Peninsular Investments Limited consequent to their amalgamation with Russell Credit Limited.		

Per our Report attached to the Balance Sheet
For A. F. FERGUSON & CO.
Chartered Accountants
M. S. DHARMADHIKARI
Partner
Kolkata, 23rd May, 2008

On behalf of the Board

Y. C. DEVESHWAR
K. VAIDYANATH
B. B. CHATTERJEE

Chairman
Director
Secretary

Schedules to the Consolidated Accounts

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

	As at 31st March, 2008 (Rs. in Crores)	As at 31st March, 2007 (Rs. in Crores)
1. Capital		
Authorised		
5,00,00,00,000 Ordinary Shares of Re. 1.00 each (2007 - 5,00,00,00,000 Ordinary Shares of Re.1.00 each)	500.00	500.00
Issued & Subscribed		
3,76,86,10,050 Ordinary Shares of Re.1.00 each, fully paid (2007 - 3,76,22,22,780 Ordinary Shares of Re.1.00 each, fully paid)	376.86	376.22
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 Employee Stock Option Scheme the Company has granted (net of Options lapsed*) :		
a) 5,54,180 (2007 – 5,63,891) Options in 2002-03, of which 5,54,180 vested Options have been exercised.		
b) 10,91,728 (2007 – 10,91,728) Options in 2003-04 (including 1,83,501 Bonus Options allocated on unvested Options), of which 10,78,605 vested Options have been exercised.		
c) 10,88,158 (2007 – 10,90,259) Options in 2004-05 (including 2,85,987 Bonus Options allocated on unvested Options), of which 7,26,251 vested Options have been exercised.		
d) 13,80,055 (2007 – 13,99,818) Options in 2005-06 (including 4,75,638 Bonus Options allocated on unvested Options), of which 3,06,478 vested Options have been exercised.		
e) 54,00,643 (2007 – 57,59,125) Options in 2006-07, of which 16,107 vested Options have been exercised.		
f) 50,79,243 Options in 2007-08, of which no Options have been exercised.		

Note:

Each Option entitles the holder thereof to apply for and be allotted Ten 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 Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
2. Reserves And Surplus				
Capital Reserve on Consolidation				
At commencement of the year	125.87		128.18	
Add/(Less) : On increase in Group's Interest	2.02	127.89	(2.31)	125.87
General Reserve				
At commencement of the year	8592.84		7328.49	
Less: Adjustment consequent to recomputation as of 01.04.2006 of liability for defined benefit plans in accordance with the provisions of AS-15 (Revised) : Employee Benefits (Net of deferred tax)	—		3.13	
Add: Adjustments on restructuring of Wimco Limited *	31.75		—	
Less: Adjustments pursuant to amalgamation of Associates **	4.62		—	
Add: From Profit and Loss Account	1531.57	10151.54	1267.48	8592.84
Share Premium				
At commencement of the year	460.13		418.44	
Add: On Issue of Share Capital	43.99	504.12	41.69	460.13
Capital Reserve				
At commencement of the year	5.79		5.91	
Less: Adjustments on restructuring of Wimco Limited *	0.03	5.76	0.12	5.79
Capital Redemption Reserve		0.22		0.22
Special Reserve under Section 45-IC of the RBI Act, 1934				
At commencement of the year	26.21		20.33	
Add: Adjustments pursuant to amalgamation of Associates **	1.75		—	
Add: From Profit and Loss Account	17.14	45.10	5.88	26.21
Subsidy Reserve		0.23		0.23
Revaluation Reserve				
At commencement of the year	134.74		135.24	
Less: Adjustments on restructuring of Wimco Limited *	72.56		—	
Less: To Profit and Loss Account				
— Depreciation	0.81		1.57	
— Disposal of Fixed Assets	0.24		(0.56)	
Add: On Acquisition	—	61.13	0.51	134.74
Contingency Reserve		363.05		363.05
Foreign Currency Translation Reserve		(1.06)		0.96
Profit and Loss Account		625.67		543.02
Total		11883.65		10253.06
Share of Joint Ventures - Schedule 19 (i) (b)				
Revenue Reserves		27.29		17.30
Grand Total		11910.94		10270.36

* Adjustments on amalgamation of Wimco Seedlings Limited and Wimco Boards Limited with Wimco Limited with effect from 01.04.2007

** Adjustments on amalgamation of Megatop Financial Services and Leasing Limited, Newdeal Finance and Investment Limited, and Peninsular Investments Limited with Russell Credit Limited with effect from 01.04.2007

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)	As at 31st March, 2007 (Rs. in Crores)
3. Secured Loans		
Loans and Advances from Banks		
Cash/Export Credit Facilities *	11.98	60.78
Term Loans *	3.00	—
Other Loans *	0.01	—
Total	14.99	60.78
Share of Joint Ventures - Schedule 19 (i) (b)	0.01	0.02
Grand Total	15.00	60.80
* Secured by charge over certain fixed assets and current assets of the Company, both present and future.		
4. Unsecured Loans		
Short Term Loans		
From Banks – Temporary overdraft in cash credit account	—	15.84
– Others	86.34	—
Other Loans		
From Banks	31.84	30.45
(Due within one year Rs. 5.57 Crores, 2007 – Rs. 1.42 Crores)		
From other than Banks		
Sales tax deferment loan (interest free)		
(Due within one year Rs. 0.24 Crore, 2007 – Rs. 0.28 Crore)	90.68	93.81
Financial Institution (interest free)		
(Due within one year Rs. 0.04 Crore)	1.06	—
Grand Total	209.92	140.10
5. Deferred Tax - Net		
Deferred Tax Liabilities		
On fiscal allowances on fixed assets	714.43	622.38
On fiscal relief realised on pre-deposit of excise duty	126.48	115.93
	840.91	738.31
Deferred Tax Assets		
On employees' separation and retirement etc.	21.67	22.47
On provision for doubtful debts/advances	6.28	6.00
On State and Central taxes etc.	261.61	229.11
On unabsorbed tax losses and depreciation *	7.49	9.83
Other timing differences	0.82	0.11
	297.87	267.52
Deferred Tax - Net	543.04	470.79
Share of Joint Ventures - Schedule 19 (i) (b)	0.53	0.48
Grand Total	543.57	471.27

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

Schedules to the Consolidated 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, 2008 (Rs. in Crores)	Net Book Value as at 31st March, 2008 (Rs. in Crores)
Goodwill on Consolidation	48.59	87.96	—	136.55	—	—	0.76	135.79
Trademarks & Goodwill	11.09	0.08	—	11.17	0.61	—	3.75	7.42
Know-how, Business and Commercial Rights	71.09	1.46	—	72.55	7.59	—	37.49	35.06
Land Freehold *	602.21	233.02	0.22	835.01	—	—	1.68	833.33
Buildings Freehold *	1418.37	271.01	6.45	1682.93	31.82	2.59	316.55	1366.38
Leasehold Properties	107.00	31.36	0.52	137.84	1.45	0.47	16.60	121.24
Licensed Properties - Building Improvement	24.16	15.75	0.02	39.89	4.26	0.02	10.39	29.50
Railway Sidings etc.	1.17	—	—	1.17	0.05	—	0.73	0.44
Plant & Machinery **	4702.18	1237.87	32.20	5907.85	320.03	20.63	2265.04	3642.81
Capitalised Software	91.61	43.84	0.03	135.42	22.20	0.03	63.72	71.70
Computers, Servers and Other I.T. Equipments	335.78	39.35	6.94	368.19	44.25	6.39	203.07	165.12
Furniture & Fixtures	346.65	54.38	9.46	391.57	31.26	7.91	188.26	203.31
Motor Vehicles etc.	57.72	14.68	8.49	63.91	5.45	4.18	15.83	48.08
	7817.62	2030.76	64.33	9784.05	468.97	42.22	3123.87	6660.18
Capital Work-in-Progress	876.03	1936.59	1656.17	1156.45	—	—	—	1156.45
Total (a)	8693.65	3967.35	1720.50	10940.50	468.97	42.22	3123.87	7816.63
Share of Joint Ventures - Schedule 19 (i) (b)								
Fixed Assets	35.81	1.56	1.91	35.46	4.71	1.05	24.49	10.97
Capital Work-in-Progress	0.06	1.09	1.09	0.06	—	—	—	0.06
Total (b)	35.87	2.65	3.00	35.52	4.71	1.05	24.49	11.03
Total (a) + (b)	8729.52	3970.00	1723.50	10976.02	473.68	43.27	3148.36	7827.66
Provision for assets given on lease								8.37
Grand Total								7819.29
Previous Year	7109.53	2449.93	888.20	8671.26	395.35	48.23	2686.55	5984.71
Provision for assets given on lease								8.71
Grand Total								5976.00

The opening Gross Block and Accumulated Depreciation includes Rs. 58.26 Crores and Rs. 29.95 Crores respectively on account of acquisition of Technico Pty Limited, Australia and its six subsidiaries. The preacquisition depreciation is Rs. 0.22 Crore. Additions and Accumulated Depreciation includes Rs. 1.45 Crores on account of amalgamation of Newdeal Finance and Investment Limited, Peninsular Investments Limited and Megatop Financial Services and Leasing Limited with Russell Credit Limited.

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

Land Freehold includes the provisional purchase price of (a) 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 (b) Rs. 7.60 Crores in respect of land at Mysore. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 6 years time from the date of agreement.

Land Freehold includes certain lands at Munger 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 third party in September 1980 for cancellation of lease in respect of Wakf land in Bangalore pertaining to ITC Windsor has been dismissed. Consequently the resolution passed by the Wakf Board on 3rd, 4th and 5th June 1981, cancelling the lease got revived. The resolution has been challenged before the Wakf Tribunal and the matter is sub judice. Disposition has been stayed by the Hon'ble High Court of Karnataka in separate proceedings which is also applicable to the proceedings before Wakf Tribunal. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.

Buildings Freehold include Rs. 328.39 Crores (2007 - Rs. 162.98 Crores), aggregate cost of building on leasehold land situated at various locations.

Trademarks purchased Rs. 6.28 Crores (2007 - Rs. 5.99 Crores) under "Trademarks & Goodwill" are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating Rs. 72.55 Crores (2007 - Rs. 60.36 Crores) :-

— Rs. 47.34 Crores (2007 - Rs. 47.34 Crores) acquired in earlier years are being amortised over 10 years.

— Rs. 4.97 Crores (2007 - Rs. 4.97 Crores) acquired in earlier years are being amortised over 4 years.

— Rs. 8.05 Crores (2007 - Rs. 8.05 Crores) acquired in earlier years are being amortised over 5 years.

— Rs. 12.19 Crores (2007 - Rs. Nil) acquired in earlier years by Technico Pty Limited, Australia has been fully amortised.

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

Capital expenditure commitments, including share of Joint Ventures Rs. 0.60 Crore (2007 - Rs. 0.04 Crore), are Rs. 917.07 Crores (2007 - Rs. 814.88 Crores).

Depreciation for the year includes Rs. 0.81 Crore (2007 - Rs. 1.57 Crores) transferred from Revaluation Reserve in respect of revalued assets.

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

** Plant and Machinery includes Rs. 32.86 Crores (2007 - Rs. 29.71 Crores) being assets given on lease and these are depreciated over the primary period of the lease. In respect of assets aggregating Rs. 25.91 Crores (2007 - Rs. 26.25 Crores), the primary lease period has expired and balances reflected on this account have been fully realised or provided for.

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores) Quoted Not Quoted		As at 31st March, 2007 (Rs. in Crores) Quoted Not Quoted	
7. Investments				
Long Term				
A. TRADE INVESTMENTS				
In Associates				
International Travel House Limited				
39,14,233 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 11.89 Crores)	21.87		21.87	
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008	21.58	43.45	17.79	39.66
Gujarat Hotels Limited				
17,33,907 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 1.16 Crores)	1.94		1.94	
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008	4.22	6.16	3.61	5.55
Asia Tobacco Company Limited				
55,650 Equity Shares of Rs. 100.00 each, fully paid				
Cost of acquisition (including capital reserve of Rs. 0.16 Crore)		0.83		0.83
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		0.15	0.98	0.51
1,39,125 Equity Shares of Rs. 100.00 each, partly paid				1.34
Cost of acquisition (including goodwill of Rs. 0.30 Crore)		1.04		1.04
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		(0.03)	1.01	0.20
				1.24
In Other Companies				
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 20.04.1989 *		1.19		1.19
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 Society Limited				
5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
Bihar Hotels Limited				
8,00,000 Equity Shares of Rs. 2.00 each, fully paid [(2007 - 40,000 Equity Shares of Rs. 10.00 each, fully paid) Consequent to sub-division and issue of Bonus Shares during the year]		0.04		0.04
Maker Towers Co-operative Housing Society Limited				
5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
VST Industries Limited				
22,02,417 Equity Shares of Rs. 10.00 each, fully paid	36.58		36.58	
B. SUBSIDIARY COMPANIES				
ITC Global Holdings Pte. Limited (under liquidation)				
89,99,645 Ordinary Shares of US \$1.00 each, fully paid *		25.58		25.58
Carried over	86.19	31.16	81.79	31.75

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Brought forward	86.19	31.16	81.79	31.75
C. DEPOSIT WITH OR FOR DEPOSIT WITH VARIOUS AUTHORITIES				
Government Securities (2007 - cost Rs. 94,500.00)		0.01		0.01
Government Securities - National Savings Certificates		...		-
National Savings Certificates fully paid (Deposited with Government Authorities)		...		-
Kisan Vikas Patra fully paid (Deposited with Government Authorities)		...		-
National Savings Certificate pledged at mandi samiti Cost Rs. 16,000 (2007 - Rs. 4,000)	
D. OTHER INVESTMENTS				
In Associates				
Russell Investments Limited				
42,75,435 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.30 Crore)		4.27		4.27
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		<u>3.62</u> 7.89		<u>2.50</u> 6.77
Peninsular Investments Limited (amalgamated with Russell Credit Limited w.e.f. 01.04.2007)				
Nil (2007 - 40,64,875) Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.25 Crore)		-		4.07
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2007		<u>-</u> -		<u>(0.07)</u> 4.00
Minota Aquatech Limited (under liquidation)				
14,80,000 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.97 Crore)		0.15		0.15
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		<u>(0.15)</u> -		<u>(0.15)</u> -
Newdeal Finance and Investment Limited (amalgamated with Russell Credit Limited w.e.f. 01.04.2007)				
Nil (2007 - 28,81,200) Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.16 Crore)		-		2.88
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2007		<u>-</u> -		<u>0.43</u> 3.31
Megatop Financial Services and Leasing Limited (amalgamated with Russell Credit Limited w.e.f. 01.04.2007)				
Nil (2007 - 31,16,400) Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 0.20 Crore)		-		3.12
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2007		<u>-</u> -		<u>0.56</u> 3.68
Classic Infrastructure and Development Limited				
54,00,000 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 7.78 Crores)		10.40		10.40
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		<u>0.31</u> 10.71		<u>(1.11)</u> 9.29
Divya Management Limited				
41,82,915 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 1.09 Crores)		6.93		-
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		<u>(0.01)</u> 6.92		<u>-</u> -
Antrang Finance Limited				
43,24,634 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 0.10 Crore)		4.40		-
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2008		<u>(0.01)</u> 4.39		<u>-</u> -
In Other Companies				
EIH Limited				
5,77,92,442 Equity Shares of Rs. 2.00 each, fully paid		200.64		-
Carried over	286.83	61.08	81.79	58.81

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
OTHER INVESTMENTS (Contd.) Brought forward	286.83	61.08	81.79	58.81
Ballarpur Industries Limited 23,00,229 Equity Shares of Rs. 2.00 each, fully paid	5.58		—	
Lotus Court Private Limited 2 Class 'G' Shares of Rs. 48,000.00 each, fully paid		2.34		2.34
Adyar Property Holding Co. Limited 311 Equity Shares of Rs. 100.00 each, partly paid		43.86		43.86
Agrotech Foods Limited 40,85,800 Equity Shares of Rs. 10.00 each, fully paid	53.73		53.73	
Coffee Futures Exchange India Limited 1 Equity Share of Rs. 10,000.00 each, fully paid (cost Rs. 10,000.00)	
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 Debenture, fully paid		0.01		0.01
Bilaspur Cane Development Corporation Limited 100 Equity Shares of Rs. 10.00 each, fully paid (cost Rs. 1,000.00)	
Tourism Finance Corporation of India Limited 25,000 Equity Shares of Rs. 10.00 each, fully paid	0.05		0.05	
Mirage Advertising and Marketing Limited 12,488 Equity Shares of Rs. 10.00 each, fully paid *		0.01		0.01
Gilt Facilities India Private Limited 545 Redeemable Preference Shares (0.5%) of Rs. 1,00,000.00 each, fully paid*		5.45		5.45
Government Securities 5% Bikash Rinpatra, 2071 6.5% Bikash Rinpatra, 2075		5.27 1.60		5.27 1.60
Total Long Term Investments	346.19	119.62	135.57	117.35
Current				
OTHER INVESTMENTS				
Unit Trust of India 6.75% US-64 Tax Free Bonds 1,23,09,770 (2007 -1,23,44,658) Bonds of Rs.100.00 each, fully paid (35,073 Bonds acquired and 69,961 Bonds sold during the year)		123.10		120.00
6.60% US-64 Tax Free Bonds 14,29,578 (2007-17,19,000) Bonds of Rs.100.00 each, fully paid (5,07,503 Bonds acquired and 7,96,925 sold during the year)		14.18		16.03
National Bank for Agricultural and Rural Development Nil (2007- 50,000) 5.10% Tax Free Bonds of Rs. 10,000.00 each, fully paid (50,000 Bonds sold during the year) 80,000 5% Tax Free Bonds of Rs. 10,000.00 each, fully paid		— 79.66		49.13 78.29
Carried over		216.94		263.45

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		216.94		263.45
National Housing Bank					
Nil (2007 - 2,500) 5.25% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid					
(2,500 Bonds sold during the year)			—		24.38
Indian Railway Finance Corporation Limited					
Nil (2007 - 250) 5.20% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid					
(250 Bonds sold during the year)			—		24.58
500 4.77% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid					
(200 Bonds acquired and sold during the year)			49.11		48.39
Nuclear Power Corporation of India Limited					
220 4.75% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid			21.69		21.27
Power Finance Corporation Limited					
2,000 10.40% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid			20.31		23.10
ICICI Bank Limited					
350 Non-Cumulative, Non-Participating, Non-Voting Preference Shares of Rs. 1,00,00,000.00 each, fully paid			131.29		107.14
ABN AMRO FTP Series 2 - Thirteen Month Plan Dividend					
Nil (2007 - 5,26,837) Units of Rs.10.00 each					
(Nil Units purchased and 5,26,837 Units sold during the year)			—		0.53
ABN AMRO FTP Series 3 - Yearly Plan Dividend Payout					
Nil (2007 - 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
ABN AMRO FTP Series 4 - Quarterly Plan - C - Monthly Dividend					
Nil (2007 - 20,00,000) Units of Rs.10.00 each					
(Nil Units purchased and 20,00,000 Units sold during the year)			—		2.00
ABN AMRO FTP Series 4 - Quarterly Plan - C - Dividend Reinvestment on Maturity					
Nil (2007 - 2,52,53,942) Units of Rs.10.00 each					
(2,11,390 Units purchased and 2,54,65,332 Units sold during the year)			—		25.26
ABN AMRO FTP Series 4 - Quarterly Plan - E - Dividend on Maturity					
Nil (2007 - 2,51,01,734) Units of Rs.10.00 each					
(4,47,456 Units purchased and 2,55,49,190 Units sold during the year)			—		25.10
ABN AMRO FTP S8 Yearly Plan - D - Institutional Growth					
2,00,00,000 (2007 - Nil) Units of Rs.10.00 each					
(2,00,00,000 Units purchased and Nil Units sold during the year)			20.00		—
ABN AMRO Interval Fund - Quarterly Plan H Interval Dividend Reinvestment					
1,00,00,000 (2007 - Nil) Units of Rs.10.00 each					
(1,00,00,000 Units purchased and Nil Units sold during the year)			10.00		—
ABN AMRO Interval Fund - Quarterly Plan I Monthly Dividend					
20,00,000 (2007 - Nil) Units of Rs.10.00 each					
(20,00,000 Units purchased and Nil Units sold during the year)			2.00		—
AIG India Liquid Fund Institutional Daily Dividend					
30,701 (2007 - Nil) Units of Rs.1,000.00 each					
(30,701 Units purchased and Nil Units sold during the year)			3.07		—
	Carried over		474.41		590.20

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		474.41		590.20
Birla Cash Plus - Institutional Premium Plan - Daily Dividend - Reinvestment					
Nil (2007 - 7,28,72,688) Units of Rs.10.00 each (1,02,08,48,515 Units purchased and 1,09,37,21,203 Units sold during the year)			—		73.01
Birla Cash Plus - Institutional Premium - Growth					
91,80,966 Units of Rs.10.00 each			10.00		10.00
Birla FTP INSTL - Series Y - Growth					
1,50,00,000 (2007 - Nil) Units of Rs.10.00 each (1,50,00,000 Units purchased and Nil Units sold during the year)			15.00		—
Birla FTP INSTL - Series AA - Growth					
2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00		—
Birla FTP INSTL - Series AC - Growth					
1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)			10.00		—
Birla FTP - Quarterly - Series 5 - Dividend Payout					
Nil (2007 - 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					
Nil (2007 - 20,00,000) Units of Rs.10.00 each (Nil Units purchased and 20,00,000 Units sold during the year)			—		2.00
Birla FTP - Quarterly - Series 7 - Dividend Payout					
Nil (2007 - 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 7					
Nil (2007 - 20,00,000) Units of Rs.10.00 each (Nil Units purchased and 20,00,000 Units sold during the year)			—		2.00
Birla FTP - Quarterly - Series 9 - Dividend Payout					
Nil (2007 - 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 10					
Nil (2007 - 5,00,000) Units of Rs.10.00 each (Nil Units purchased and 5,00,000 Units sold during the year)			—		0.50
Birla FTP - Quarterly - Series 10 - Dividend Payout					
Nil (2007 - 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 - Series H - Growth					
Nil (2007 - 1,50,00,000) Units of Rs.10.00 each (Nil Units purchased and 1,50,00,000 Units sold during the year)			—		15.00
Birla FTP - Retail - Series W - Growth					
2,33,200 (2007 - Nil) Units of Rs.10.00 each (2,33,200 Units purchased and Nil Units sold during the year)			0.23		—
Birla Income Plus - Quarterly Dividend - Reinvestment					
12,34,75,977 (2007 - Nil) Units of Rs.10.00 each (12,34,75,977 Units purchased and Nil Units sold during the year)			130.64		—
	Carried over		665.28		792.71

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.) Brought forward		665.28		792.71
Birla Sun Life Income Fund - Quarterly Dividend Reinvestment 62,94,566 (2007 - Nil) Units of Rs.10.00 each (62,94,566 Units purchased and Nil Units sold during the year)		6.69		—
Birla Sun Life Short Term Fund - Fortnightly Dividend - Reinvestment 8,45,34,890 (2007 - Nil) Units of Rs.10.00 each (13,36,82,746 Units purchased and 4,91,47,856 Units sold during the year)		84.98		—
BSL Quarterly Interval - Series 4 - Dividend Payout 2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Canara Robeco Interval Monthly Institutional Dividend Fund 1,49,82,620 (2007 - Nil) Units of Rs.10.00 each (1,49,82,620 Units purchased and Nil Units sold during the year)		15.00		—
Canara Robeco Liquid Fund - Institutional - Growth 2,39,78,529 Units of Rs.10.00 each		30.00		30.00
Chola Liquid Institutional Plus - Cumulative Option Nil (2007 - 1,43,11,999) Units of Rs.10.00 each (Nil Units purchased and 1,43,11,999 Units sold during the year)		—		20.00
DBS Chola Interval Income Fund - Quarterly Plan C - Institutional Dividend 20,00,000 (2007 - Nil) Units of Rs.10.00 each (20,00,000 Units purchased and Nil Units sold during the year)		2.00		—
DBS Chola Fixed Maturity Plan III - Series 6 Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
DBS Chola Fixed Maturity Plan - Series 6 (Quarterly Plan - 3) Dividend Nil (2007 - 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
DBS Chola Short Term Floating Rate Fund - Daily Dividend Reinvestment Plan 99,85,999 (2007 - Nil) Units of Rs.10.00 each (87,68,91,107 Units purchased and 86,69,05,108 Units sold during the year)		10.00		—
DSP Merrill Lynch - Fixed Maturity Plan 3M - Series 3 - Institutional Dividend 1,00,44,725 (2007 - Nil) Units of Rs.10.00 each (1,00,44,725 Units purchased and Nil Units sold during the year)		10.04		—
DSP Merrill Lynch - Fixed Maturity Plan 3M - Series 6 - Institutional Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
DSP Merrill Lynch - Fixed Term Plan Series 1L - Dividend Institutional Reinvestment Dividend Nil (2007 - 2,51,500) Units of Rs.1,000.00 each (3,937 Units purchased and 2,55,437 Units sold during the year)		—		25.15
DWS Fixed Term Fund - Series 14 - Dividend Plan Payout Nil (2007 - 5,00,00,000) Units of Rs.10.00 each (Nil Units purchased and 5,00,00,000 Units sold during the year)		—		50.00
Carried over		858.99		943.86

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		858.99		943.86
DWS Fixed Term Fund - Series 16 - Institutional Plan - Dividend Payout	Nil (2007 - 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
DWS Fixed Term Fund - Series 23 - Dividend Option Payout	Nil (2007 - 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
DWS Fixed Term Fund - Series 35 - Dividend Plan	2,00,00,000 (2007 - Nil) Units of Rs.10.00 each (2,00,00,000 Units purchased and Nil Units sold during the year)		20.00		—
DWS Fixed Term Fund Series 41- Institutional Growth	1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
DWS Short Maturity Fund - Weekly Dividend Option	4,36,56,442 (2007 - Nil) Units of Rs.10.00 each (15,82,24,369 Units purchased and 11,45,67,927 Units sold during the year)		44.50		—
GSSIF - Investment Plan - Quarterly Dividend	44,34,828 (2007 - Nil) Units of Rs.10.00 each (44,34,828 Units purchased and Nil Units sold during the year)		4.65		—
G37 Grindlays Fixed Maturity - 6th Plan - Growth	Nil (2007 - 2,50,000) Units of Rs.10.00 each (Nil Units purchased and 2,50,000 Units sold during the year)		—		0.25
Grindlays Fixed Maturity - 16th Plan A - Dividend	Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
G184 Standard Chartered FMP - Quarterly Series 7 - Growth	Nil (2007 - 2,00,000) Units of Rs.10.00 each (Nil Units purchased and 2,00,000 Units sold during the year)		—		0.20
G197 Standard Chartered FMP - Quarterly Series 6 - Dividend	Nil (2007 - 50,00,000) Units of Rs.10.00 each (Nil Units purchased and 50,00,000 Units sold during the year)		—		5.00
HDFC FMP 90D January 2007(3) - Wholesale Plan Dividend Payout	Nil (2007 - 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
HDFC FMP 367D August 2007 - Wholesale Plan - Growth	2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
HDFC FMP 90D January 2008(VI) - Wholesale Plan Dividend Payout	1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
HDFC Income Fund - Dividend Reinvestment	1,14,45,230 (2007 - Nil) Units of Rs.10.00 each (1,14,45,230 Units purchased and Nil Units sold during the year)		11.77		—
HDFC Short Term Plan - Fortnightly - Dividend Reinvestment	3,89,76,077 (2007 - Nil) Units of Rs.10.00 each (4,88,60,307 Units purchased and 98,84,230 Units sold during the year)		40.24		—
	Carried over		1025.15		1025.31

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)	Brought forward		1025.15	1025.31
HSBC Fixed Term Series 1 - Growth Nil (2007 - 1,00,00,000) Units of Rs.10.00 each (Nil Units purchased and 1,00,00,000 Units sold during the year)	—		—	10.00
HSBC Fixed Term Series 13 - Institutional - Growth Nil (2007 - 1,50,00,000) Units of Rs.10.00 each (Nil Units purchased and 1,50,00,000 Units sold during the year)	—		—	15.00
HSBC Fixed Term Series 14 - Dividend Reinvestment Nil (2007 - 2,58,15,392) Units of Rs.10.00 each (4,48,942 Units purchased and 2,62,64,334 Units sold during the year)	—		—	25.82
HSBC Fixed Term Series 15 - Institutional - Dividend Reinvestment Nil (2007 - 2,55,45,605) Units of Rs.10.00 each (10,28,909 Units purchased and 2,65,74,514 Units sold during the year)	—		—	25.55
HSBC Fixed Term Series 47 - Institutional Dividend 2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)	25.00		—	—
HSBC Interval Fund - Plan 2 - Institutional Dividend 1,00,28,237 (2007 - Nil) Units of Rs.10.00 each (1,00,28,237 Units purchased and Nil Units sold during the year)	10.03		—	—
HSBC Interval Fund - Plan 2 - Institutional Growth 19,55,149 (2007 - Nil) Units of Rs.10.00 each (19,55,149 Units purchased and Nil Units sold during the year)	2.00		—	—
ICICI Prudential FMP Series 39 - Six Months Plan A - Retail Dividend Pay Dividend 5,00,00,000 (2007 - Nil) Units of Rs.10.00 each (5,00,00,000 Units purchased and Nil Units sold during the year)	50.00		—	—
ICICI Prudential FMP Series 41 - Fourteen Months Plan Institutional Cumulative 1,50,00,000 (2007 - Nil) Units of Rs.10.00 each (1,50,00,000 Units purchased and Nil Units sold during the year)	15.00		—	—
ICICI Prudential FMP Series 41 - Fifteen Months Plan Institutional Growth 20,00,000 (2007 - Nil) Units of Rs.10.00 each (20,00,000 Units purchased and Nil Units sold during the year)	2.00		—	—
ICICI Prudential FMP Series 42 - Three Months Plan C Retail Dividend Pay Dividend 2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)	25.00		—	—
ICICI Prudential - Flexible Income Plan - Dividend - Daily - Reinvestment Dividend 4,14,57,485 (2007 - Nil) Units of Rs.10.00 each (44,25,11,884 Units purchased and 40,10,54,399 Units sold during the year)	43.84		—	—
ICICI Prudential Institutional Income Plan - Dividend Quarterly - Reinvestment Dividend 3,00,46,190 (2007 - Nil) Units of Rs.10.00 each (3,00,46,190 Units purchased and Nil Units sold during the year)	31.72		—	—
Carried over	1229.74		1101.68	—

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		1229.74		1101.68
ICICI Prudential Institutional Liquid Plan - Super Institutional - Daily Dividend					
51,14,015 (2007 - Nil) Units of Rs.10.00 each (51,14,015 Units purchased and Nil Units sold during the year)			5.11		—
ICICI Prudential Institutional Short Term Plan DR - Fortnightly - Reinvestment Dividend					
4,11,54,141 (2007 - Nil) Units of Rs.10.00 each (8,74,51,756 Units purchased and 4,62,97,615 Units sold during the year)			45.72		—
ICICI Prudential Institutional Short Term Dividend Reinvestment - Fortnightly					
7,02,500 (2007 - Nil) Units of Rs.10.00 each (1,42,30,151 Units purchased and 1,35,27,651 Units sold during the year)			0.78		—
ING Vysya Fixed Maturity Fund - XXXI - Institutional Growth					
1,50,00,000 (2007 - Nil) Units of Rs.10.00 each (1,50,00,000 Units purchased and Nil Units sold during the year)			15.00		—
ING Vysya Fixed Maturity Fund - XXXII - Institutional Growth					
2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00		—
ING Vysya Fixed Maturity Fund Series XV - Dividend Payout					
Nil (2007 - 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
JM Fixed Maturity Fund Series IV - Quarterly Plan 1 - Dividend Reinvestment					
Nil (2007 - 2,53,73,213) Units of Rs.10.00 each (93,800 Units purchased and 2,54,67,013 Units sold during the year)			—		25.37
JM Fixed Maturity Fund Series IV - Quarterly Plan 4 F3 - Dividend Reinvestment					
Nil (2007 - 2,51,91,423) Units of Rs.10.00 each (3,36,845 Units purchased and 2,55,28,268 Units sold during the year)			—		25.19
JM Interval Fund - Quarterly Plan 1 - Institutional Dividend Plan					
2,49,81,763 (2007 - Nil) Units of Rs.10.00 each (2,49,81,763 Units purchased and Nil Units sold during the year)			25.00		—
Kotak Bond (Short Term) - Monthly Dividend					
5,10,06,283 (2007 - Nil) Units of Rs.10.00 each (8,97,57,808 Units purchased and 3,87,51,525 Units sold during the year)			51.32		—
Kotak FMP 3M Series 8 - Dividend					
Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)			—		1.00
Kotak FMP 3M Series 8 - Dividend Reinvestment					
Nil (2007 - 2,53,44,328) Units of Rs.10.00 each (1,18,203 Units purchased and 2,54,62,531 Units sold during the year)			—		25.33
Kotak FMP 3M Series 10 - Quarterly					
Nil (2007 - 10,09,745) Units of Rs.10.00 each (Nil Units purchased and 10,09,745 Units sold during the year)			—		1.01
Carried over			1397.67		1204.58

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.) Brought forward		1397.67		1204.58
Kotak FMP 3M Series 10 - Dividend Reinvestment Nil (2007 - 2,52,43,621) Units of Rs.10.00 each (Nil Units purchased and 2,52,43,621 Units sold during the year)		—		25.24
Kotak FMP 3M Series 11 Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
Kotak FMP 3M Series 11 - Dividend Nil (2007 - 2,51,51,409) Units of Rs.10.00 each (3,89,318 Units purchased and 2,55,40,727 Units sold during the year)		—		25.15
Kotak FMP 3M Quarterly Series 12 Nil (2007 - 5,00,000) Units of Rs.10.00 each (Nil Units purchased and 5,00,000 Units sold during the year)		—		0.50
Kotak FMP 3M Series 12 - Dividend Nil (2007 - 2,50,00,000) Units of Rs.10.00 each (5,61,086 Units purchased and 2,55,61,086 Units sold during the year)		—		25.00
Kotak FMP 3M Series 14 - Dividend Nil (2007 - 2,50,00,000) Units of Rs.10.00 each (5,82,233 Units purchased and 2,55,82,233 Units sold during the year)		—		25.00
Kotak FMP 3M Series 27 - Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Kotak FMP 3M Series 28 - Dividend 95,00,000 (2007 - Nil) Units of Rs.10.00 each (95,00,000 Units purchased and Nil Units sold during the year)		9.50		—
Kotak FMP 12M Series 4 - Institutional - Growth 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Kotak FMP 14M Series 2 - Institutional - Growth 2,50,00,000 Units of Rs.10.00 each		25.00		25.00
Kotak FMP Series XIV - Growth Nil (2007 - 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
Kotak Quarterly Interval Plan - Series 5 - Dividend 20,00,000 (2007 - Nil) Units of Rs.10.00 each (20,00,000 Units purchased and Nil Units sold during the year)		2.00		—
LIC MF Liquid Fund - Growth Plan 3,13,93,239 (2007 - 2,41,75,107) Units of Rs.10.00 each (72,18,132 Units purchased and Nil Units sold during the year)		40.00		30.00
Lotus India FMP - 3 Months - Series XXV - Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Lotus India FMP - 3 Months - Series XXVI - Dividend 20,13,840 (2007 - Nil) Units of Rs.10.00 each (20,13,840 Units purchased and Nil Units sold during the year)		2.01		—
Lotus India FMP - 14 Months - Series II - Institutional Growth 1,50,00,000 (2007 - Nil) Units of Rs.10.00 each (1,50,00,000 Units purchased and Nil Units sold during the year)		15.00		—
Carried over		1521.18		1386.47

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		1521.18		1386.47
Lotus India Fixed Maturity Plan - 375 Days - Series V - Institutional Growth					
1,00,00,000 (2007 - Nil) Units of Rs.10.00 each					
(1,00,00,000 Units purchased and Nil Units sold during the year)			10.00		—
Lotus India Short Term Plan - Institutional Weekly Dividend					
4,87,33,919 (2007 - Nil) Units of Rs.10.00 each					
(4,87,33,919 Units purchased and Nil Units sold during the year)			49.34		—
Principal Cash Management Liquid Option Institutional Dividend					
32,423 (2007 - Nil) Units of Rs.10.00 each					
(10,33,200 Units purchased and 10,00,777 Units sold during the year)			0.03		—
Principal Cash Management Fund Liquid Option - IP - Dividend					
Reinvestment Daily					
30,021 (2007 - Nil) Units of Rs.10.00 each					
(22,11,715 Units purchased and 21,81,694 Units sold during the year)			0.03		—
Principal Income Fund - Institutional Plan Dividend Reinvestment -					
Quarterly					
2,84,09,835 (2007 - Nil) Units of Rs.10.00 each					
(5,06,39,476 Units purchased and 2,22,29,641 Units sold during the year)			32.57		—
Principal PNB Fixed Maturity Plan 91 Days - Series VII					
Nil (2007 - 10,00,000) Units of Rs.10.00 each					
(Nil Units purchased and 10,00,000 Units sold during the year)			—		1.00
Principal PNB Fixed Maturity Plan 91 Days - Series VIII					
Nil (2007 - 10,00,000) Units of Rs.10.00 each					
(Nil Units purchased and 10,00,000 Units sold during the year)			—		1.00
Principal PNB Fixed Maturity Plan (FMP - 34) 91 Days - Series VII - Feb 07					
Dividend Payout					
Nil (2007 - 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
Principal PNB Fixed Maturity Plan (FMP - 35) 91 Days - Series VIII - Feb 07					
Dividend Payout					
Nil (2007 - 5,00,00,000) Units of Rs.10.00 each					
(Nil Units purchased and 5,00,00,000 Units sold during the year)			—		50.00
Principal PNB Fixed Maturity Plan (FMP - 43) 91 Days - Series XIII					
20,00,000 (2007 - Nil) Units of Rs.10.00 each					
(20,00,000 Units purchased and Nil Units sold during the year)			2.00		—
Principal PNB Fixed Maturity Plan 385 Days - Series III					
Nil (2007 - 5,00,000) Units of Rs.10.00 each					
(Nil Units purchased and 5,00,000 Units sold during the year)			—		0.50
Principal FMP Series V (FMP - 39) 385 Days Plan Institutional					
Growth Plan - Aug 07					
2,00,00,000 (2007 - Nil) Units of Rs.10.00 each					
(2,00,00,000 Units purchased and Nil Units sold during the year)			20.00		—
Principal Floating Institutional Dividend Reinvestment Daily					
Nil (2007 - 11,20,738) Units of Rs.10.00 each					
(Nil Units purchased and 11,20,738 Units sold during the year)			—		1.12
Principal Floating Rate Fund SMP					
Nil (2007 - 30,90,332) Units of Rs.10.00 each					
(52,05,190 Units purchased and 82,95,522 Units sold during the year)			—		3.09
	Carried over		1635.15		1468.18

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		1635.15		1468.18
Principal Floating Rate Fund SMP Institutional Option Daily Dividend Nil (2007 - 17,93,560) Units of Rs.10.00 each (26,74,577 Units purchased and 44,68,137 Units sold during the year)			—		1.79
Prudential ICICI FMP Series 34 - One Year Plan - A - Institutional - Dividend Reinvestment Nil (2007 - 2,54,84,777) Units of Rs.10.00 each (11,80,931 Units purchased and 2,66,65,708 Units sold during the year)			—		25.49
Prudential ICICI FMP Series 35 - Three Months Plan - A - Retail - Dividend Reinvestment Nil (2007 - 5,06,80,000) Units of Rs.10.00 each (2,65,563 Units purchased and 5,09,45,563 Units sold during the year)			—		50.68
Prudential ICICI FMP - 91 Days - Series 35 Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)			—		1.00
Prudential ICICI FMP Series 35 - Three Months Plan C - Retail Dividend Nil (2007 - 5,00,00,000) Units of Rs.10.00 each (Nil Units purchased and 5,00,00,000 Units sold during the year)			—		50.00
Prudential ICICI FMP Series 37 - Quarterly Plan B - Retail Dividend Nil (2007 - 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
Prudential ICICI Hybrid FMP 13 Months Plan - Institutional - Dividend - Reinvestment - Quarterly Nil (2007 - 2,58,44,026) Units of Rs.10.00 each (4,73,979 Units purchased and 2,63,18,005 Units sold during the year)			—		25.84
Reliance Fixed Horizon Fund I - Quarterly Plan - Series IV - Dividend Reinvestment Nil (2007 - 5,00,00,000) Units of Rs.10.00 each (Nil Units purchased and 5,00,00,000 Units sold during the year)			—		50.00
Reliance Fixed Horizon Fund II - Quarterly Plan - Series II - Institutional Dividend Reinvestment Nil (2007 - 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
Reliance Fixed Horizon Fund II - Quarterly Plan - Series IV - Institutional Dividend Nil (2007 - 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
Reliance Fixed Horizon Fund II - Quarterly Plan - Series V - Institutional Dividend Nil (2007 - 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
SBI Debt Fund Series 15 Months (July 06) - Dividend Payout Nil (2007 - 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
SBI Debt Fund Series 90 Days - Dividend 20,00,000 (2007 - Nil) Units of Rs.10.00 each (20,00,000 Units purchased and Nil Units sold during the year)			2.00		—
	Carried over		1637.15		1797.98

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.) Brought forward		1637.15		1797.98
Standard Chartered FMP - Quarterly Series 3 - Dividend Reinvestment Nil (2007 - 2,63,69,000) Units of Rs.10.00 each (Nil Units purchased and 2,63,69,000 Units sold during the year)		—		26.37
Standard Chartered FMP - Quarterly Series 4 Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
Standard Chartered FMP - Quarterly Series 4 - Dividend Reinvestment Nil (2007 - 2,52,76,000) Units of Rs.10.00 each (Nil Units purchased and 2,52,76,000 Units sold during the year)		—		25.28
Standard Chartered FMP - Quarterly Series 6 Nil (2007 - 1,60,00,000) Units of Rs.10.00 each (Nil Units purchased and 1,60,00,000 Units sold during the year)		—		16.00
Standard Chartered FMP - Quarterly Series 7 - Dividend Reinvestment Nil (2007 - 2,51,44,500) Units of Rs.10.00 each (3,96,277 Units purchased and 2,55,40,777 Units sold during the year)		—		25.14
Standard Chartered FMP - Quarterly Series 25 - Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Standard Chartered FMP - Quarterly Series 26 - Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Standard Chartered FMP - Quarterly Series 27 - Dividend 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
Standard Chartered FMP - Quarterly Series 28 - Dividend 2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)		25.00		—
Standard Chartered Liquidity Manager - Daily Dividend Nil (2007 - 2,50,07,456) Units of Rs.10.00 each (8,110 Units purchased and 2,50,15,566 Units sold during the year)		—		25.00
Sundaram BNP Paribas Fixed Term Plan - 367 Days Series Plan 1- Institutional - Growth 1,10,00,000 (2007 - Nil) Units of Rs.10.00 each (1,10,00,000 Units purchased and Nil Units sold during the year)		11.00		—
Sundaram BNP Paribas Fixed Term Plan Series XXV (90 Days) Dividend Reinvestment Plan Nil (2007 - 2,51,66,452) Units of Rs.10.00 each (3,97,328 Units purchased and 2,55,63,780 Units sold during the year)		—		25.17
Sundaram BNP Paribas Bond Saver - Institutional - Dividend - Quarterly 45,24,494 (2007 - Nil) Units of Rs.10.00 each (45,24,494 Units purchased and Nil Units sold during the year)		4.67		—
Sundaram BNP Paribas Interval Fund - Quarterly Plan 49,98,650 (2007 - Nil) Units of Rs.10.00 each (49,98,650 Units purchased and Nil Units sold during the year)		5.00		—
Carried over		1712.82		1941.94

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.) Brought forward		1712.82		1941.94
Sundaram BNP Paribas Interval Fund - Quarterly Plan B - Institutional Dividend 1,79,95,141 (2007 - Nil) Units of Rs.10.00 each (1,79,95,141 Units purchased and Nil Units sold during the year)		18.00		—
TATA Fixed Horizon Fund - Series 2B Option (18 Months) - Growth Nil (2007 - 1,00,00,000) Units of Rs.10.00 each (Nil Units purchased and 1,00,00,000 Units sold during the year)		—		10.00
TATA Fixed Horizon Fund - Series 6 - Scheme A - Dividend Reinvestment Nil (2007 - 2,59,60,703) Units of Rs.10.00 each (4,57,842 Units purchased and 2,64,18,545 Units sold during the year)		—		25.96
TATA Fixed Horizon Fund - Series 6 - Scheme H Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
TATA Fixed Horizon Fund - Series 6 - Scheme H - Dividend Reinvestment Nil (2007 - 2,55,26,019) Units of Rs.10.00 each (2,99,979 Units purchased and 2,58,25,998 Units sold during the year)		—		25.53
TATA Fixed Horizon Fund - Series 8 - Scheme E Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
TATA Fixed Horizon Fund - Series 8 - Scheme E - Periodic Dividend - Institutional Reinvestment Nil (2007 - 2,53,52,317) Units of Rs.10.00 each (1,11,268 Units purchased and 2,54,63,585 Units sold during the year)		—		25.35
TATA Fixed Horizon Fund - Series 9 - Scheme D Nil (2007 - 10,00,000) Units of Rs.10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.00
TATA Fixed Horizon Fund - Series 9 - Scheme D - Dividend Reinvestment Nil (2007 - 2,51,61,153) Units of Rs.10.00 each (3,59,531 Units purchased and 2,55,20,684 Units sold during the year)		—		25.16
TATA Fixed Horizon Fund - Series 9 - Scheme E - Periodic Dividend - Institutional Plan Nil (2007 - 2,51,08,436) Units of Rs.10.00 each (4,61,606 Units purchased and 2,55,70,042 Units sold during the year)		—		25.11
TATA Fixed Horizon Fund Series 13 - Scheme B - IG - Growth 1,50,00,000 (2007 - Nil) Units of Rs.10.00 each (1,50,00,000 Units purchased and Nil Units sold during the year)		15.00		—
TATA Fixed Horizon Fund Series 14 - Scheme A - IM - Monthly Dividend 20,00,000 (2007 - Nil) Units of Rs.10.00 each (20,00,000 Units purchased and Nil Units sold during the year)		2.00		—
TATA Fixed Investment Plan - 1 Scheme A - Institutional Plan - Growth 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
TATA Floating Rate Short Term Institutional Plan - Daily Dividend 4,03,15,485 (2007 - Nil) Units of Rs.10.00 each (57,92,90,706 Units purchased and 53,89,75,221 Units sold during the year)		40.35		—
Carried over		1798.17		2082.05

Schedules to the Consolidated Accounts

		As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		1798.17		2082.05
Templeton INDIA INCOME Fund - Dividend Reinvestment 1,10,07,552 (2007 - Nil) Units of Rs.10.00 each (1,10,07,552 Units purchased and Nil Units sold during the year)			11.54		—
Templeton India SHORT TERM INCOME PLAN Institutional - Weekly Dividend Reinvestment 17,22,550 (2007 - Nil) Units of Rs.1,000.00 each (27,02,987 Units purchased and 9,80,437 Units sold during the year)			173.15		—
UTI - Bond Fund - Dividend Plan - Reinvestment 2,81,41,758 (2007 - Nil) Units of Rs.10.00 each (2,81,41,758 Units purchased and Nil Units sold during the year)			30.88		—
UTI Fixed Income Interval Fund - Quarterly Interval Plan Series I - Institutional Dividend Plan Payout 2,50,00,000 (2007 - Nil) Units of Rs.10.00 each (2,50,00,000 Units purchased and Nil Units sold during the year)			25.00		—
UTI - Floating Rate Fund - Short Term Plan (Dividend Option) - Reinvestment 63,882 (2007 - 61,306) Units of Rs.1,000.00 each (2,576 Units purchased and Nil Units sold during the year)			6.49		6.23
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/I - Dividend - Reinvestment Nil (2007 - 2,53,51,805) Units of Rs.10.00 each (1,17,189 Units purchased and 2,54,68,994 Units sold during the year)			—		25.35
UTI Fixed Maturity Plan Quarterly Series QFMP/0107/II - Dividend - Reinvestment Nil (2007 - 2,53,25,057) Units of Rs.10.00 each (1,50,100 Units purchased and 2,54,75,157 Units sold during the year)			—		25.33
UTI Fixed Maturity Plan Quarterly Series QFMP/0207/I - Dividend Reinvestment Nil (2007 - 5,05,03,512) Units of Rs.10.00 each (4,62,385 Units purchased and 5,09,65,897 Units sold during the year)			—		50.50
UTI Fixed Maturity Plan Quarterly Series QFMP/0207/II - Dividend Reinvestment Nil (2007 - 2,51,49,665) Units of Rs.10.00 each (3,94,489 Units purchased and 2,55,44,154 Units sold during the year)			—		25.15
UTI Fixed Maturity Plan Quarterly Series QFMP/0307/I - Dividend Reinvestment Plan Nil (2007 - 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
UTI Fixed Maturity Plan Quarterly Series QFMP/0307/II - Dividend Reinvestment Nil (2007 - 2,50,00,000) Units of Rs.10.00 each (5,75,983 Units purchased and 2,55,75,983 Units sold during the year)			—		25.00
UTI Fixed Maturity Plan Quarterly Series QFMP/1206/II - Dividend Reinvestment Nil (2007 - 1,52,62,659) Units of Rs.10.00 each (Nil Units purchased and 1,52,62,659 Units sold during the year)			—		15.26
UTI Fixed Maturity Plan - QFMP/0208/I - Institutional Dividend - Payout 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)			10.00		—
	Carried over		2055.23		2279.87

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)		As at 31st March, 2007 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.) Brought forward		2055.23		2279.87
UTI Fixed Maturity Plan - QFMP/0208/II - Institutional Dividend Plan - Payout 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
UTI Fixed Maturity Plan Quarterly Series - QFMP/0308/I - Institutional Dividend Plan - Payout 1,00,00,000 (2007 - Nil) Units of Rs.10.00 each (1,00,00,000 Units purchased and Nil Units sold during the year)		10.00		—
UTI Short Term Income Fund Institutional - Income Option - Reinvestment 7,49,83,107 (2007 - Nil) Units of Rs.10.00 each (7,49,83,107 Units purchased and Nil Units sold during the year)		76.26		—
UTI Balanced Fund - Income - Payout Nil (2007 - 10,00,000) Units of Rs. 10.00 each (Nil Units purchased and 10,00,000 Units sold during the year)		—		1.04
Total Current Investments		2151.49		2280.91
Total of Quoted and Unquoted Investments		2617.30		2533.83
Less: Provision for Long Term Investments *		32.23		32.23
TOTAL OF INVESTMENTS		2585.07		2501.60
Share of Joint Ventures - Schedule 19 (i) (b)		22.82		4.29
Grand Total		2607.89		2505.89

Total Market Value of Quoted Investments : 2008 - Rs. 984.30 Crores (2007 - Rs. 172.22 Crores); Total Value of Unquoted Investments : 2008 - Rs. 2293.93 Crores (2007 - Rs. 2402.55 Crores). Total Value of Quoted Investments : 2008 - Rs. 346.19 Crores (2007 - Rs. 135.57 Crores).

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)	As at 31st March, 2007 (Rs. in Crores)
8. Inventories		
Stocks and Shares	77.20	467.68
Stores and Spare Parts	165.52	133.91
Raw Materials	2787.80	2146.06
Intermediates - Tissue paper and Paperboard	50.65	52.48
Stock in Process	63.45	48.79
Finished Goods	1118.38	1077.07
Total	4263.00	3925.99
Share of Joint Ventures - Schedule 19 (i) (b)	5.27	8.68
Grand Total	4268.27	3934.67

9. Sundry Debtors		
Over 6 months old		
Good and Secured *	62.13	101.39
Good and Unsecured *	57.21	47.41
Doubtful and Unsecured	42.14	39.98
Other Debts		
Good and Secured	7.87	8.16
Good and Unsecured	755.79	578.21
Doubtful and Unsecured	0.27	—
	925.41	775.15
Less : Provision for Doubtful Debts	42.41	39.98
	883.00	735.17
Less : Deposits from normal Trade Debtors - Contra	13.54	13.33
Total	869.46	721.84
Share of Joint Ventures - Schedule 19 (i) (b)	9.96	11.20
Grand Total	879.42	733.04

* 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. 49.55 Crores (2007 - Rs. 103.35 Crores).

10. Cash and Bank Balances		
With Scheduled Banks		
On Current Accounts etc.	145.65	97.05
On Deposit Accounts	521.16	883.25
With Other Banks	82.60	63.78
Cash and Cheques on hand	26.29	35.21
Total	775.70	1079.29
Share of Joint Ventures - Schedule 19 (i) (b)	1.12	7.21
Grand Total	776.82	1086.50

Rs. 0.05 Crore (2007 - Rs. 0.05 Crore) on deposit in Karachi - Blocked Account considered doubtful, fully provided.

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)	As at 31st March, 2007 (Rs. in Crores)
11. Other Current Assets		
Good and Unsecured		
Deposit towards Property Options	—	42.19
Deposits with Government, Public Bodies and Others	143.76	138.55
Interest accrued on Loans, Advances etc.	1.73	1.56
Interest accrued on Investments	11.76	11.10
Dividend Receivable	—	0.17
Doubtful and Unsecured		
Deposits with Government, Public Bodies and Others	1.49	1.49
	158.74	195.06
Less : Provision for Doubtful Deposits	1.49	1.49
Total	157.25	193.57
Share of Joint Ventures - Schedule 19 (i) (b)	0.46	0.25
Grand Total	157.71	193.82

12. Loans and Advances		
Good and Secured		
Loans to Others	2.34	—
Advances to Others	6.95	9.97
Good and Unsecured		
Loans to Others *	55.55	42.52
Advances recoverable in cash or in kind or for value to be received **	664.60	409.02
Advances with Government and Public Bodies	419.25	492.00
Advance payment of Income Tax including Fringe Benefit Tax (net of provision)	98.15	30.37
Doubtful and Unsecured		
Loans	3.63	3.63
Advances recoverable in cash or in kind or for value to be received **	10.63	11.14
Advances with Government and Public Bodies	0.06	0.06
	1261.16	998.71
Less : Provision for Doubtful Loans and Advances	14.32	14.83
Total	1246.84	983.88
Share of Joint Ventures - Schedule 19 (i) (b)	4.90	2.64
Grand Total	1251.74	986.52

* Includes Loans and Advances to Directors and to Company Secretary - Rs. 0.87 Crore (2007 - Rs. 1.01 Crores).
The maximum indebtedness during the year was Rs. 1.01 Crores (2007- Rs. 1.14 Crores).

** Includes Capital Advances of Rs. 417.16 Crores (2007 - Rs. 265.31 Crores).

Schedules to the Consolidated Accounts

	As at 31st March, 2008 (Rs. in Crores)	As at 31st March, 2007 (Rs. in Crores)
13. Liabilities		
Acceptances	6.53	8.71
Sundry Creditors		
Total outstanding dues of micro and small enterprises	2.37	0.18
Total outstanding dues of creditors other than micro and small enterprises *	2874.80	2452.56
Sundry Deposits	56.10	59.28
Unclaimed Dividend	33.22	25.66
Interest Accrued but not due on Loans	0.84	0.55
	2973.86	2546.94
Less : Deposits from normal Trade Debtors - Contra	13.54	13.33
Total	2960.32	2533.61
Share of Joint Ventures - Schedule 19 (i) (b)	10.48	15.04
Grand Total	2970.80	2548.65

* Includes amounts payable on acquisition of the Paperboards business (Kovai unit) Rs. 38.84 Crores (2007 - Rs. 77.67 Crores).

14. Provisions		
Taxation including Fringe Benefit Tax (net of advance payment)	13.65	10.95
Provision for Retirement Benefits	64.15	66.18
Proposed Dividend	1319.01	1166.29
Income Tax on Proposed Dividend	224.17	198.21
Total	1620.98	1441.63
Share of Joint Ventures - Schedule 19 (i) (b)	0.28	0.36
Grand Total	1621.26	1441.99

	For the year ended 31st March, 2008 (Rs. in Crores)	For the year ended 31st March, 2007 (Rs. in Crores)
15. Other Income		
Profit on Sale, etc. of Stock in Trade - Net *	0.36	0.43
Miscellaneous Income	128.59	75.57
Doubtful Debts, Claims and Advances - previous years	0.03	0.35
Gain on Exchange (Net)	19.50	8.91
Income from Long Term Investments – Trade	12.76	0.01
– Others	14.27	3.05
Income from Current Investments – Others	156.64	200.50
Interest on Loans and Deposits, etc.	120.24	36.46
Profit on Sale of Fixed Assets	0.15	0.03
Profit on Sale of Current Investments – Net	15.18	6.90
Liability no longer required Written Back	93.78	27.46
Excess of Fair Value of Current Investments over cost	23.35	–
Total	584.85	359.67
Share of Joint Ventures - Schedule 19 (i) (b)	1.34	1.09
Grand Total	586.19	360.76
* Profit/(Loss) on Sale, etc. of Stock in Trade (Stocks, Shares and Land) - Net Sales	1482.23	2422.13
Less : Purchases	1091.39	2499.30
	390.84	(77.17)
Increase/(Decrease) in closing Stock in Trade	(390.48)	77.60
Profit/(Loss) on Stock in Trade	0.36	0.43

Schedules to the Consolidated Accounts

	For the year ended 31st March, 2008 (Rs. in Crores)		For the year ended 31st March, 2007 (Rs. in Crores)	
16. Raw Materials etc.				
(a) RAW MATERIALS CONSUMED				
Opening Stock	2146.06		1704.10	
Purchases	5254.72		4342.93	
	7400.78		6047.03	
Less : Closing Stock	2787.80	4612.98	2146.06	3900.97
(b) PURCHASES AND CONTRACT MANUFACTURING CHARGES				
Cigarettes	21.27		25.51	
Agri Products				
– Soya Extraction	20.71		50.26	
– Soya Oil	15.20		19.55	
– Rice	109.17		473.02	
– Soya Seed	454.71		277.58	
– Coffee	124.68		121.68	
– Others	149.69		297.76	
Packaged Food Products	164.77		113.23	
Other Goods	314.30		138.43	
Packing Materials	49.66	1424.16	46.68	1563.70
(c) INCREASE / (DECREASE) IN FINISHED GOODS, INTERMEDIATES, STOCK IN PROCESS				
Opening Stock				
Cigarettes	486.28		391.12	
Smoking Tobacco	0.67		0.68	
Printed Materials	6.96		7.21	
Agri Products				
– Soya Extraction	40.55		38.75	
– Soya Oil	11.22		9.92	
– Rice	43.20		31.54	
– Coffee	35.02		17.57	
– Others	146.10		102.77	
Paperboards and Paper	47.91		46.71	
Packaged Food Products	53.24		36.11	
Other Goods *	200.31		123.39	
Packing Materials	26.23		19.30	
Intermediates - Tissue paper and Paperboards	52.48		49.78	
Stock in Process	48.79		38.23	
	1198.96		913.08	
Closing Stock				
Cigarettes	504.72		486.28	
Smoking Tobacco	0.86		0.67	
Printed Materials	6.18		6.96	
Agri Products				
– Soya Extraction	19.98		40.55	
– Soya Oil	4.90		11.22	
– Rice	13.35		43.20	
– Coffee	28.53		35.02	
– Others	51.82		146.10	
Paperboards and Paper	77.07		47.91	
Packaged Food Products	128.51		53.24	
Other Goods	267.05		179.69	
Packing Materials	15.41		26.23	
Intermediates - Tissue paper and Paperboard	50.65		52.48	
Stock in Process	63.45		48.79	
	1232.48	(33.52)	1178.34	(265.26)
Total		6003.62		5199.41
Less : Waste Material Sales		112.32		205.55
		5891.30		4993.86
Excise Duties etc. on Increase/(Decrease) of Finished Goods		21.07		73.04
		5912.37		5066.90
Share of Joint Ventures - Schedule 19 (i) (b)		30.59		19.55
Grand Total		5942.96		5086.45

* Includes Rs. 20.62 Crores of Technico Pty Limited and its subsidiaries which became subsidiaries with effect from 17th August, 2007.

Schedules to the Consolidated Accounts

	For the year ended 31st March, 2008 (Rs. in Crores)		For the year ended 31st March, 2007 (Rs. in Crores)	
17. Manufacturing, Selling etc. Expenses				
Salaries/Wages and Bonus	902.79		709.68	
Contribution to Provident and Other Funds	70.08		74.83	
Workmen and Staff Welfare Expenses	94.83		78.73	
Recovery towards contractual remuneration	(0.76)	1066.94	(4.36)	858.88
Consumption of Stores and Spare Parts		184.09		164.30
Power and Fuel		331.61		272.58
Rent		126.95		103.59
Rates and Taxes		54.54		45.44
Insurance		40.44		51.35
Repairs				
– Buildings		38.05		37.25
– Machinery		80.24		70.98
– Others		30.14		25.95
Outward Freight and Handling Charges		561.59		467.58
Advertising/ Sales Promotion - Net		454.48		311.39
Market Research		36.28		29.25
Doubtful and Bad Debts		7.32		2.89
Doubtful and Bad Advances, Deposits etc.		0.70		1.34
Information Technology Services		82.30		63.26
Travelling and Conveyance		183.09		168.84
Training		14.60		14.37
Legal Expenses		24.44		23.83
Postage, Telephone etc.		32.33		32.70
Brokerage and Discount - Sales		4.75		6.37
Brokerage and Discount - Others		1.23		0.62
Commission to Selling Agents		25.92		22.45
Loss on Sale of Current Investments - Net		0.10		–
Excess of Cost over Fair Value of Current Investments		–		20.60
Bank Charges		7.81		7.75
Loss on Exchange - Net		0.12		0.19
Interest etc. Paid				
– Debentures, Term Loans and Fixed Deposits		7.05		2.08
– Others		12.12		7.51
Less : Interest Received on Trading Debts, Deposits with Government Bodies etc.		12.89	6.28	5.49
Miscellaneous Expenses		809.50		660.40
Fixed Assets and Stores Discarded		19.81		21.37
		4225.65		3489.62
Deduct : Transfers to Fixed Assets etc. Accounts		112.75		42.52
Total		4112.90		3447.10
Share of Joint Ventures - Schedule 19 (i) (b)		41.38		53.09
Grand Total		4154.28		3500.19

Schedules to the Consolidated Accounts

	For the year ended 31st March, 2008 (Rs. in Crores)	For the year ended 31st March, 2007 (Rs. in Crores)
18. Provision for Taxation		
Current Tax (Including Fringe Benefit Tax)	1442.01	1276.02
Deferred Tax	83.58	31.93
	1525.59	1307.95
Less: Adjustments related to previous years - Net		
Current Tax	20.35	152.38
Deferred Tax	10.32	(116.07)
	30.67	36.31
Total	1494.92	1271.64
Share of Joint Ventures - Schedule 19 (i) (b)	2.09	3.08
Grand Total	1497.01	1274.72

19. Notes to the Accounts

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS 21) - "Consolidated Financial Statements", Accounting Standard 23 (AS 23) - "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard 27 (AS 27) - "Financial Reporting of Interests in Joint Ventures", notified by the Companies (Accounting Standard) Rules, 2006.
- (a) The subsidiaries (which alongwith ITC Limited, the parent, constitute the Group) considered in the preparation of these consolidated financial statements are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2008	Percentage of ownership interest as at 31st March, 2007
Srinivasa Resorts Limited	India	68	68
Fortune Park Hotels Limited	India	100	100
Bay Islands Hotels Limited	India	100	100
Surya Nepal Private Limited	Nepal	59	59
Landbase India Limited	India	100	100
BFIL Finance Limited	India	100	100
MRR Trading & Investment Company Limited (a 100% subsidiary of BFIL Finance Limited)	India	100	100
Russell Credit Limited	India	100	100
Greenacre Holdings Limited (a 100% subsidiary of Russell Credit Limited)	India	100	100
Wimco Limited (a 96.82% subsidiary of Russell Credit Limited)	India	96.82	94.25
Wimco Boards Limited (a 100% subsidiary of Wimco Limited)	India	—*	94.25

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2008	Percentage of ownership interest as at 31st March, 2007
Wimco Seedlings Limited (a 100% subsidiary of Wimco Limited)	India	—*	94.25
Prag Agro Farm Limited (a 100% subsidiary of Wimco Limited)	India	96.82**	94.25 (Subsidiary of Wimco Seedlings Limited)
Pavan Poplar Limited (a 100% subsidiary of Wimco Limited)	India	96.82**	94.25 (Subsidiary of Wimco Seedlings Limited)
Technico Pty Limited (a 100% subsidiary of Russell Credit Limited)	Australia	100***	—
Technico ISC Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100***	—
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100***	—
Chambal Agritech Limited (a 100% subsidiary of Technico Pty Limited)	India	100***	—
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100***	—
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100***	—
Technico Group America Inc. (a 100% subsidiary of Technico Pty Limited) (Dissolved on 15.03.2008)	USA	—***	—
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing Inc.	USA	100	50.98

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

* Amalgamated with Wimco Limited effective 01.04.2007 (Appointed Date).

** Prag Agro Farm Limited and Pavan Poplar Limited, erstwhile subsidiaries of Wimco Seedlings Limited, have become wholly owned subsidiaries of Wimco Limited with effect from 01.04.2007 (Appointed Date), being the date of amalgamation which became effective on 22.02.2008, consequent to amalgamation of Wimco Seedlings Limited with Wimco Limited.

*** Subsidiaries of Russell Credit Limited with effect from 17.08.2007.

The subsidiaries not considered in the preparation of these Consolidated Financial Statements are :

ITC Global Holdings Pte. Limited, Singapore (a wholly owned subsidiary of ITC Limited) being under liquidation and its subsidiaries—

Hup Hoon Traders Pte. Limited, Singapore

AOZT “Hup Hoon”, Moscow

Hup Hoon Impex Srl, Romania

Fortune Tobacco Company Limited, Cyprus

Fortune Tobacco Company, Inc., USA, and

BFIL Securities Limited (a wholly owned subsidiary of BFIL Finance Limited) which is under voluntary winding up.

The financial statements of all subsidiaries, considered in the consolidated accounts, are drawn upto 31st March other than for Surya Nepal Private Limited where it is upto 13th March and Technico Horticultural (Kunming) Co. Limited where it is upto 31st December.

(b) Interests in Joint Ventures :

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2008	Percentage of ownership interest as at 31st March, 2007
Maharaja Heritage Resorts Limited	India	50	50
CLI3L e-Services Limited (a joint venture of ITC Limited)	India	50% minus 1 share	50% minus 1 share (with effect from 23.03.2007)*
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

* A joint venture of ITC Infotech India Limited upto 22.03.2007.

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

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

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

(c) Investments in Associates :

The Group's associates are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2008	Percentage of ownership interest as at 31st March, 2007
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33*	—
Antrang Finance Limited	India	33.33*	—
Megatop Financial Services and Leasing Limited	India	—**	24.50
Newdeal Finance and Investment Limited	India	—**	24.50
Peninsular Investments Limited	India	—**	25.57
Asia Tobacco Company Limited	India	47.05	47.05
Classic Infrastructure and Development Limited	India	42.35	42.35
Minota Aquatech Limited (under liquidation)	India	40	40

* Associates of Russell Credit Limited with effect from 23.11.2007 and 21.01.2008 respectively.

** Amalgamated with Russell Credit Limited with effect from 01.04.2007.

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

These investments have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets. During the year the group has received dividend aggregating Rs. 1.53 Crores (2007 – Rs. 1.24 Crores) in respect of the investments in associates.

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

(e) The Group has adopted Accounting Standard 15 (AS 15) (revised 2005) on 'Employee Benefits'. These consolidated financial statements include the obligations as per requirement of this standard except for those subsidiaries which are incorporated outside India who have determined the valuation/provision for employee benefits as per requirements of their respective countries. In the opinion of the management, the impact of this deviation is not considered material.

(ii) (a) Claims against the Group not acknowledged as debts Rs. 379.77 Crores (2007 – Rs. 185.49 Crores). These comprise :

- Excise Duty, Sales Taxes and other Indirect Taxes claims disputed by the Group relating to issues of applicability and classification aggregating Rs. 235.05 Crores (2007 – Rs. 58.48 Crores)
- Local Authority Taxes/Cess/Royalty on property, utilities, etc. claims disputed by the Group relating to issues of applicability and determination aggregating Rs. 55.83 Crores (2007 – Rs. 51.99 Crores)
- Third party claims arising from disputes relating to contracts aggregating Rs. 41.26 Crores (2007 – Rs. 49.00 Crores)
- In respect of Surya Nepal Private Limited (SNPL) as regards matters relating to demands raised by Revenue Authorities on theoretical production of cigarettes, SNPL has been receiving Show Cause Notices (SCNs) and demands from Excise, Income Tax and VAT authorities to recover taxes for different years, details of which are stated below :

(a) a demand letter dated 12th July, 2005 for excise matter for INR 23.23 Crores (NRs. 37.17 Crores) for the period 1998-99 to 2002-03 was issued to SNPL by the Inland Revenue Office, Simra, Nepal. Contesting the demand SNPL filed

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

a petition dated 14th August, 2005 for administrative review with the Director General, Inland Revenue Department. The Director General vide his Order dated 17th January, 2006 rejected the said petition. SNPL thereafter filed an appeal to the Revenue Tribunal, which refused to entertain the appeal in the absence of a pre-deposit of the entire sum. Immediately thereafter, SNPL filed a petition to the Tribunal praying that its appeal may be heard by accepting a bank guarantee for the said amount. This petition was dismissed by the Tribunal on 11th August, 2006. SNPL has challenged the demand in the Supreme Court of Nepal which has admitted the petition on 21st September, 2006 and issued notices to the respondents on 16th October, 2006. The next date of hearing on the matter is on 3rd July, 2008.

- (b) (i) A demand letter dated 7th August, 2006 in respect of Value Added Tax for INR 4.72 Crores (NRs. 7.55 Crores) was issued to SNPL by the Large Taxpayers' Office, Kathmandu for the period 2001-02. The basis of the demand is on the same lines as the Excise Demand. An administrative review petition on the Value Added Tax matter has been filed before the Director General on 1st September, 2006. The Director General's order on the matter is awaited.
- (ii) A demand letter dated 8th August, 2007 in respect of Value Added Tax for INR 3.58 Crores (NRs. 5.72 Crores) was issued to SNPL by the Large Taxpayers' Office, Lalitpur for the period 2002-03. The Company has filed a writ petition in the Supreme Court of Nepal on 11th September, 2007 requesting that the said demand order be quashed and orders issued such that the tax demand not be collected. The Supreme Court of Nepal admitted the petition on 12th September, 2007 and directed issue of Show Cause Notices to the respondents. The date of appearance at the court on the matter is 11th June, 2008. A date of hearing will be fixed subsequently.
- (c) (i) A demand letter dated 13th October, 2006 in respect of Income Tax for INR 10.54 Crores (NRs. 16.86 Crores) was issued to SNPL by the Large Taxpayers' Office, Kathmandu for the period 2001-02. Of the total demand, the basis of a demand for INR 10.05 Crores (NRs. 16.08 Crores) is on the same lines as the Excise Demand. SNPL has filed a petition on 7th November, 2006 before the Supreme Court of Nepal requesting it to direct the authorities not to proceed on the matter as it is pending before the same court in respect of the excise matter. The Supreme Court has admitted the matter and issued notices to the respondents on 9th November, 2006. The date of hearing on the matter is 3rd July, 2008.
- (ii) A demand letter dated 12th August, 2007 in respect of Income Tax for INR 12.25 Crores (NRs. 19.61 Crores) was issued to SNPL by the Large Taxpayers' Office, Lalitpur for the period 2002-03. The basis of the demand is on the same lines as the Excise Demand. SNPL has filed a writ petition in the Supreme Court of Nepal on 11th September, 2007 requesting that the said demand order be quashed and orders issued such that the tax demanded not be collected. The Supreme Court admitted the petition on 12th September, 2007. The next date of appearance on the matter is 11th June, 2008.

The company considers that all the above demands have no legal or factual basis. This position is re-inforced by opinion received from eminent counsel. Accordingly, the company is of the view that there is no liability that is likely to arise.

- (d) A demand letter dated 22nd February, 2008 in respect of Excise Duty on similar lines issued by the Inland Revenue Office, Simra was received on 29th February, 2008. The total demand of INR 9.34 Crores (NRs. 14.95 Crores) related to the years 2003-04 to 2005-06. The company had filed a writ petition in the Supreme Court of Nepal on 1st April, 2008 requesting that the said demand order be quashed and tax demanded not be collected. The Supreme Court admitted the petition on 2nd April, 2008 and directed issue of Show Cause Notices to the respondents. The next date of appearance at the Supreme Court is 2nd June, 2008.

For the years 1993-94 and 1994-95, revenue authorities raised a demand for INR 8.49 Crores (NRs. 13.59 Crores) on theoretical production which was quashed by a division bench of the Supreme Court of Nepal (2 Judges) on 8th April, 1998. Government filed a review petition on 8th October, 1998 which was finally admitted by a full bench (3 Judges) on 22nd July, 2007. The matter is slated for a hearing on 12th June, 2008.

- Other matters Rs. 47.63 Crores (2007 – Rs. 26.02 Crores).

(b) Guarantees and Counter Guarantees outstanding

- Excise Rs. 5.77 Crores (2007 – Rs. 24.76 Crores)
- Others Rs. 9.67 Crores (2007 – Rs. 10.19 Crores)

(c) Uncalled liability on shares partly paid Rs. 3.13 Crores (2007 – Rs. 3.13 Crores).

- (iii) The status on excise matters which is treated as an annexure to these accounts are as outlined in this year's Report of the Directors of ITC Limited under the Excise section. In the opinion of the Directors, the Company does not accept any further liability.

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

(iv) In respect of Russell Credit Limited, a petition was filed by an individual in the High Court at Calcutta seeking an injunction against the Company's Counter Offer to the shareholders of VST Industries Limited made in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, as a competitive bid, pursuant to a Public offer made by an Acquirer which closed on 13th June, 2001. The Hon'ble High Court at Calcutta while refusing to grant such an injunction, instructed that the acquisition of shares pursuant to the Counter Offer by the company and the other Acquirer, would be subject to the final Order of the Hon'ble High Court, which is awaited.

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

(v) Earnings per share

Earnings per share has been computed as under :

(a) Net Profit (Rs. Crores)

(b) Weighted average number of Ordinary Shares outstanding

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

(d) Weighted average number of Ordinary Shares in computing diluted

earnings per share [(b) + (c)]

(e) Earnings per share on Profit after taxation

(Face Value Re.1.00 per share)

– Basic [(a)/(b)]

– Diluted [(a)/(d)]

	2008	2007
	3157.76	2755.26
	3,76,41,67,486	3,75,76,36,907
	1,86,32,015	1,09,49,829
	3,78,27,99,501	3,76,85,86,736
	Rs. 8.39	Rs. 7.33
	Rs. 8.35	Rs. 7.31

(vi) Research and Development expenses for the year amount to Rs. 46.73 Crores (2007 – Rs. 35.43 Crores).

(vii) The Group's significant leasing arrangements are in respect of operating leases for premises (residential, office, stores, godowns etc.). These leasing arrangements which are not non-cancellable range between 11 months and 9 years generally, or longer, and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent under Schedule 17.

(viii) Landbase India Limited has incurred an expenditure of Rs. 1.05 Crores on erection of 11 KVA Feeder Line from Tauru Sub Station to Classic Golf Resort. Considering the nature of expenditure as being enduring in nature, the same is being amortised over a period of 10 years. Accordingly, an amount of Rs. 0.42 Crore (2007 - Rs. 0.53 Crore) has been treated as Deferred Revenue Expenditure and disclosed under Miscellaneous Expenditure (to the extent not written off or adjusted) after amortising an amount of Rs. 0.11 Crore (2007 – Rs. 0.10 Crore).

(ix) Consequent to the announcement issued by the Institute of Chartered Accountants of India in March, 2008 on Accounting for Derivatives, the Group has marked to market the outstanding derivative contracts as at 31st March, 2008 and, accordingly, unrealised gains of Rs. 9.05 Crores (net of taxes) have been ignored. As a result, profit after tax for the year and reserves of the Group are lower by Rs. 9.05 Crores.

Schedules to the Consolidated Accounts

20. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(Rs. in Crores)

	External Sales	Inter Segment Sales	2008 Total	External Sales	Inter Segment Sales	2007 Total
1. Segment Revenue						
FMCG – Cigarettes	14326.39	–	14326.39	13207.01	–	13207.01
FMCG – Others	2523.69	2.91	2526.60	1695.42	3.11	1698.53
FMCG – Total	16850.08	2.91	16852.99	14902.43	3.11	14905.54
Hotels	1166.89	7.57	1174.46	1053.10	7.79	1060.89
Agri Business	2469.96	1398.48	3868.44	2501.91	999.36	3501.27
Paperboards, Paper and Packaging	1365.90	998.43	2364.33	1227.40	872.65	2100.05
Others	455.71	84.38	540.09	318.92	90.73	409.65
Segment Total	22308.54	2491.77	24800.31	20003.76	1973.64	21977.40
Eliminations			(2491.77)			(1973.64)
Consolidated Total			22308.54			20003.76
2. Segment Results						
FMCG – Cigarettes			3720.87			3241.67
FMCG – Others			(258.96)			(196.00)
FMCG – Total			3461.91			3045.67
Hotels			436.11			386.03
Agri Business			129.19			123.55
Paperboards, Paper and Packaging			453.14			416.78
Others			69.97			51.53
Segment Total			4550.32			4023.56
Eliminations			(35.84)			(30.51)
Consolidated Total			4514.48			3993.05
Unallocated corporate expenses net of unallocated income			137.76			169.88
Profit before interest, etc., and taxation			4376.72			3823.17
Interest etc. paid – Net, not allocable to segments			6.49			4.29
Interest on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc., not allocable to segments			304.95			230.18
Profit before taxation			4675.18			4049.06
Provision for Taxation			1497.01			1274.72
Profit after taxation before Share of Results of Associates			3178.17			2774.34
Share of Net Profit / (Loss) of Associates			7.86			6.63
Profit after taxation before Minority Interests			3186.03			2780.97
3. Other Information						
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG – Cigarettes	3407.84	998.69		3106.26	1017.79	
FMCG – Others	2327.75	348.38		1203.58	135.76	
FMCG – Total	5735.59	1347.07		4309.84	1153.55	
Hotels	2133.42	193.50		1708.02	168.47	
Agri Business	1771.13	277.03		1718.35	238.33	
Paperboards, Paper and Packaging	3645.56	423.82		2832.87	315.65	
Others	715.33	153.09		876.38	101.11	
Segment Total	14001.03	2394.51		11445.46	1977.11	
Unallocated Corporate Assets / Liabilities	4057.98	3263.91		4238.50	2953.22	
Total	18059.01	5658.42		15683.96	4930.33	
	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation
FMCG – Cigarettes	461.68	139.47	5.44	558.64	112.17	3.48
FMCG – Others	317.59	46.89	0.53	201.27	22.03	–
FMCG – Total	779.27	186.36	5.97	759.91	134.20	3.48
Hotels	321.52	67.64	9.67	173.00	64.81	9.69
Agri Business	114.29	38.49	4.75	106.62	34.24	2.63
Paperboards, Paper and Packaging	886.32	135.69	2.26	470.14	121.82	5.31
Others	53.27	20.71	2.14	19.13	19.04	1.67
Segment Total	2154.67	448.89	24.79	1528.80	374.11	22.78

* Segment Liabilities of FMCG – Cigarettes is before considering provision of Rs. 598.42 Crores (2007 – Rs. 535.95 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 Consolidated Accounts

20. Segment Reporting (Contd.)

SECONDARY SEGMENT INFORMATION (GEOGRAPHICAL SEGMENTS)

(Rs. in Crores)

	2008	2007
1. Segment Revenue		
– Within India	19765.37	17448.23
– Outside India	2543.17	2555.53
Total Revenue	22308.54	20003.76
2. Segment Assets		
– Within India	13632.85	11167.53
– Outside India	368.18	277.93
Total Assets	14001.03	11445.46
3. Capital Expenditure		
– Within India	2136.82	1520.33
– Outside India	17.85	8.47
Total Capital Expenditure	2154.67	1528.80

NOTES

- (1) ITC Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & Packaging and Agri Business. The Group's organisational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them.
- (2) The business groups comprise the following :

FMCG : Cigarettes	– Cigarettes & Smoking Mixtures.
: Others	– Branded Packaged Foods (Staples, Biscuits, Confectionery, Snack Foods and Ready to Eat Foods), Garments, Educational and other Stationery, Matches, Agarbattis and Personal Care products.
Hotels	– Hoteliering.
Paperboards, Paper & Packaging	– Paperboards, Paper including Specialty Paper and Packaging including flexibles.
Agri Business	– Agri commodities such as rice, soya, coffee and leaf tobacco.
Others	– Information Technology services, Investments, Golf Resorts etc.
- (3) The Group companies and joint ventures have been included in segment classification as follows :

FMCG : Cigarettes	– Surya Nepal Private Limited and King Maker Marketing Inc.
: Others	– Surya Nepal Private Limited and Wimco Limited.
Hotels	– Srinivasa Resorts Limited, Fortune Park Hotels Limited and Bay Islands Hotels Limited and a joint venture Maharaja Heritage Resorts Limited.
Others	– ITC Infotech India Limited and its subsidiaries ITC Infotech Limited and ITC Infotech (USA) Inc., Russell Credit Limited and its subsidiaries Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farms Limited, Technico Pty Limited, Technico ISC Pty Limited, Technico Technologies Inc., Chambal Agritech Limited, Technico Asia Holdings Pty Limited, Technico Horticultural (Kunming) Company Limited, Technico Group America Inc. (dissolved on 15.03.2008), BFIL Finance Limited and its subsidiary MRR Trading & Investment Company Limited, Wills Corporation Limited, Gold Flake Corporation Limited and its joint venture ITC Filtrona Limited, Landbase India Limited and a joint venture CLI3L e-Services Limited.
- (4) The geographical segments considered for disclosure are :

– Sales within India
– Sales outside India
- (5) Segment results of the new business activities namely 'FMCG : Others' largely reflect business development and gestation costs.
- (6) The Group's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods Business and sources leaf tobacco for the Cigarettes Business. The segment results for the year are after absorbing costs relating to the strategic e-Choupal initiative.

Schedules to the Consolidated Accounts

21. Related Party Disclosures

1. ENTERPRISES WHERE CONTROL EXISTS :

Entities, other than subsidiaries, under the control of the group :

- ITC Sangeet Research Academy
- ITC Education Trust
- ITC Rural Development Trust

The following have not been considered :

- ITC Global Holdings Pte. Limited, Singapore being under Liquidation and its subsidiaries
 - Hup Hoon Traders Pte. Limited, Singapore
 - AOZT "Hup Hoon", Moscow
 - Hup Hoon Impex SRL, Romania
 - Fortune Tobacco Co. Limited, Cyprus
 - Fortune Tobacco Company Inc., USA, and
- BFIL Securities Limited (a subsidiary of BFIL Finance Ltd.) which is under voluntary winding up proceedings.
- Technico Group America Inc. (since dissolved as on 15.03.2008)

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

i) Associates & Joint Ventures :

Associates

- Gujarat Hotels Limited
- Megatop Financial Services and Leasing Limited (amalgamated with Russell Credit Limited with effect from 01.04.2007)
- Newdeal Finance and Investment Limited (amalgamated with Russell Credit Limited with effect from 01.04.2007)
- Russell Investments Limited
- Asia Tobacco Company Limited
- Classic Infrastructure & Development Limited
- International Travel House Limited
- Divya Management Limited (became an associate with effect from 23.11.2007)
- Antrang Finance Limited (became an associate with effect from 21.01.2008)
- Tobacco Manufacturers (India) Limited, UK of which the Company is an associate.

Joint Ventures

- Maharaja Heritage Resorts Limited
- CLIL e-Services Limited
- ITC Filtrona Limited

ii) a) Key Management Personnel :

Y.C. Deveshwar	Executive Chairman
S.S.H. Rehman	Executive Director
A. Singh	Executive Director
K. Vaidyanath	Executive Director

Key Management Personnel (Contd.) :

J.P. Daly	Non-Executive Director
C.R. Green	Non-Executive Director (ceased to be a director w.e.f. close of business on 31.03.2008)
S.B. Mathur	Non-Executive Director
P.B. Ramanujam	Non-Executive Director
B. Sen	Non-Executive Director
Ram S. Tarneja	Non-Executive Director
D.K. Mehrotra	Non-Executive Director
S.H. Khan	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director
A. Baijal	Non-Executive Director (w.e.f. 27.07.2007)
R.K. Kaul	Non-Executive Director (w.e.f. 07.08.2007)
K.S. Vaidyanathan	Member - Corporate Management Committee (retired w.e.f. 04.06.2007)
A. Nayak	Permanent Invitee - Corporate Management Committee
R. Srinivasan	Permanent Invitee - Corporate Management Committee
R.G. Jacob	Special Invitee - Corporate Management Committee

b) Relative of Key Management Personnel :

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

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

- IATC Provident Fund
- IATC Staff X Provident Fund
- ITC Management Staff Gratuity Fund
- ITC Employees Gratuity Fund
- ITC Gratuity Fund 'C'
- ITC Pension Fund
- ILTD Seasonal Employees Pension Fund
- ITC Platinum Jubilee Pension Fund
- Tribeni Tissues Limited Provident Fund
- Tribeni Tissues Limited Gratuity Fund
- ITC Bhadrachalam Paperboards Limited Management Staff Pension Fund
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'A'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'B'
- ITC Bhadrachalam Paperboards Limited Gratuity Fund 'C'
- ITC Bhadrachalam Paperboards Limited Staff Provident Fund

Schedules to the Consolidated Accounts

21. Related Party Disclosures (Contd.)

3. DISCLOSURE OF TRANSACTIONS BETWEEN THE GROUP AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES

(Rs. in Crores)

	Enterprises where control exists		Associates & Joint Ventures		Key Management Personnel		Employee Trusts		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
1. Sale of Goods/Services			14.90	32.94					14.90	32.94
2. Purchase of Goods/Services			156.82	170.19					156.82	170.19
3. Sale of Fixed Assets			0.03	0.13					0.03	0.13
4. Acquisition of Investments			7.67						7.67	
5. Interest Income			...	11.23	0.02	0.03			0.02	11.26
6. Remuneration to Key Management Personnel										
– Directors					16.49	10.27			16.49	10.27
– Others					3.04	3.34			3.04	3.34
7. Rent Paid					0.55*	0.03			0.55	0.03
8. Reimbursement of Contractual Remuneration			0.15	0.10					0.15	0.10
9. Remuneration of managers on deputation recovered			2.10	2.02					2.10	2.02
10. Donations	2.16	4.00							2.16	4.00
11. Contributions to Employees' Benefit Plans							66.44	58.40	66.44	58.40
12. Dividend income			3.32	16.54					3.32	16.54
13. Dividend payments			307.76	263.09	0.86	0.67			308.62	263.76
14. Expenses recovered	0.08	0.02	6.64	4.59					6.72	4.61
15. Expenses reimbursed	0.07		2.46	2.53					2.53	2.53
16. Loans Given			0.28	208.12					0.28	208.12
17. Receipt towards Loan Repayment			0.28	208.12	0.14	0.13			0.42	208.25
18. Advances Given			1.55	0.88					1.55	0.88
19. Receipt towards refund of Advances			2.79	2.40					2.79	2.40
20. Deposits given during the year					0.27*				0.27	
21. Deposits received during the year			0.03						0.03	
22. Deposits refunded during the year			0.31	0.01					0.31	0.01
23. Receipt towards refund of Deposits			42.29						42.29	
24. Balances as on 31st March										
i) Debtors/Receivables			14.55	22.04					14.55	22.04
ii) Advances Given			5.60	6.84			33.40	14.68	39.00	21.52
iii) Loans Given					0.86	1.00			0.86	1.00
iv) Deposits with (including Deposits towards Property Options)				42.29	0.27*				0.27	42.29
v) Deposits From			3.65	3.93					3.65	3.93
vi) Creditors/Payables			5.78	8.24				8.76	5.78	17.00
25. In addition, remuneration of managers on deputation, absorbed	0.08	0.04	0.74	0.79					0.82	0.83

* Includes transactions Rs. 0.52 Crore (2007 : Rs. Nil); Balance Rs. 0.27 Crore (2007 : Rs. Nil) with relative of a Key Management Personnel.

Schedules to the Consolidated Accounts

22. Significant Accounting Policies

IT IS GROUP CORPORATE POLICY

Convention

To prepare financial statements in accordance with applicable Accounting Standards in India. A summary of important accounting policies is set out below.

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 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.

All upgradation/enhancements are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

Depreciation

To calculate depreciation on Fixed Assets and Trademarks in a manner that amortises the cost of the assets after commissioning, over their estimated useful lives or 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.

Capitalised software costs are amortised 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, other than in associates, at cost. Where applicable, provision is made where there is a permanent fall in valuation of Long Term Investments.

To account for investments in associates using the equity method.

Interests in Joint Ventures

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

Goodwill on Consolidation

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

Inventories

To state inventories including work-in-progress at 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 of the parent as proposed by the Directors, pending approval at the Annual General Meeting.

To account for dividends (including income tax thereon) of associates, joint ventures and subsidiaries when paid.

Employee Benefits

To make regular monthly contributions to various Provident Funds which are in the nature of defined contribution scheme and such paid/ payable amounts are charged against revenue. To administer such Funds through duly constituted and approved independent trusts with the

Schedules to the Consolidated Accounts

22. Significant Accounting Policies (Contd.)

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.

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 Account in the period in which they arise.

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

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

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

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

To recognise the net mark to market loss in the Profit and Loss Account on the outstanding portfolio of options as at the Balance Sheet date, and to ignore the net gain, if any.

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

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

Claims

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

Segment Reporting

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

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

To include under “Unallocated Corporate Expenses” revenue and expenses which relate to 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 an entity with another Group entity 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

Kolkata,	Y.C. DEVESHWAR	<i>Chairman</i>
23rd May, 2008	K. VAIDYANATH	<i>Director</i>
	B.B. CHATTERJEE	<i>Secretary</i>

Report of the Auditors to the Board of Directors of ITC Limited

We have audited the attached consolidated balance sheet of ITC Limited and its subsidiaries (the Group) as at 31st March, 2008, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on that date, annexed thereto. These consolidated financial statements are the responsibility of ITC Limited's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect the Group's share of total assets of Rs. 1688.35 Crores as at 31st March, 2008 and the Group's share of total revenues of Rs. 1159.20 Crores for the year ended on that date, and net cash inflows amounting to Rs. 26.07 Crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit upto 31st March, 2008 of Rs. 29.68 Crores and the Group's share of profit of Rs. 7.86 Crores for the year ended on that date as considered in the consolidated

financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by ITC's management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standards 27, Financial Reporting of Interests in Joint Ventures notified by the Companies (Accounting Standards) Rules, 2006.

Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated balance sheet, of the state of affairs of ITC Limited Group as at 31st March, 2008;
- (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date, and
- (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For A. F. Ferguson & Co.
Chartered Accountants

M. S. DHARMADHIKARI

Partner

Kolkata,
May 23, 2008

Membership No. 30802