



## Consolidated Financial Statements

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# Consolidated Balance Sheet as at 31st March, 2009

	Schedule	31st March, 2009 (Rs. in Crores)		31st March, 2008 (Rs. in Crores)	
<b>I. Sources of Funds</b>					
<b>1. Shareholders' Funds</b>					
a) Capital	1	377.44		376.86	
b) Reserves & Surplus	2	13650.72	<b>14028.16</b>	11910.94	<b>12287.80</b>
<b>2. Minority Interests</b>					
<b>3. Loan Funds</b>					
a) Secured Loans	3	18.86		15.00	
b) Unsecured Loans	4	167.81	<b>186.67</b>	209.92	<b>224.92</b>
<b>4. Deferred Tax - Net</b>					
<b>Total</b>			<b>15205.39</b>		<b>13169.50</b>
<b>II. Application of Funds</b>					
<b>1. Fixed Assets</b>					
a) Gross Block	6	11550.60		9819.51	
b) Less: Depreciation		3661.85		3148.36	
c) Net Block		7888.75		6671.15	
d) Capital Work-in-Progress		1243.12		1156.51	
e) Less: Provision for assets given on lease		6.12	<b>9125.75</b>	8.37	<b>7819.29</b>
<b>2. Investments</b>					
<b>3. Current Assets, Loans and Advances</b>					
a) Inventories	8	4794.33		4268.27	
b) Sundry Debtors	9	803.58		879.42	
c) Cash and Bank Balances	10	1318.31		776.82	
d) Other Current Assets	11	232.65		157.71	
e) Loans and Advances	12	1363.28		1251.74	
<b>Less :</b>					
<b>4. Current Liabilities and Provisions</b>					
a) Liabilities	13	3214.72		2970.80	
b) Provisions	14	1725.18		1621.26	
<b>Net Current Assets</b>					
<b>5. Miscellaneous Expenditure</b>					
(To the extent not written off or adjusted)					
[See Schedule 19(viii)]					
<b>Total</b>			<b>15205.39</b>		<b>13169.50</b>
<b>Notes to the Accounts</b>	19				
<b>Segment Reporting</b>	20				
<b>Related Party Disclosures</b>	21				
<b>Significant Accounting Policies</b>	22				

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, 22nd May, 2009

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, 2009

Schedule	For the year ended 31st March, 2009 (Rs. in Crores)	For the year ended 31st March, 2008 (Rs. in Crores)
<b>IA. Gross Income</b>	<b>24875.73</b>	<b>22894.73</b>
<b>IB. Net Income</b>		
Gross Sales [Includes share of Joint Ventures Rs. 42.75 Crores (2008 : Rs. 60.15 Crores)]	24363.71	22308.54
Less : Excise Duties and Taxes on Sales of Products and Services [Includes share of Joint Ventures Rs. 7.12 Crores (2008 : Rs. 6.53 Crores)]	8031.38	7649.44
Net Sales	16332.33	14659.10
Other Income 15	512.02	586.19
	<b>16844.35</b>	<b>15245.29</b>
<b>II. Other Expenditure</b>		
Raw Materials etc. 16	6394.59	5942.96
Manufacturing, Selling etc. Expenses 17	4884.14	4154.28
Depreciation [Includes share of Joint Ventures Rs. 2.19 Crores (2008 : Rs. 4.71 Crores)]	580.86	472.87
	<b>11859.59</b>	<b>10570.11</b>
<b>III. Profit</b>		
Profit before Taxation	4984.76	4675.18
Provision for Taxation 18	1625.38	1497.01
Profit after Taxation before Share of Results of Associates and Minority Interests	3359.38	3178.17
Share of Net Profit/(Loss) of Associates	6.14	7.86
Profit after Taxation before Minority Interests	3365.52	3186.03
Less : Minority Interests	40.93	28.27
Net Profit	<b>3324.59</b>	<b>3157.76</b>
Profit brought forward	652.56	560.32
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
Available for appropriation	<b>652.56</b>	<b>600.73</b>
<b>IV. Appropriations</b>		
General Reserve	1511.01	1531.57
Special Reserve under Section 45-IC of RBI Act, 1934	5.33	17.14
Foreign Exchange Translation Reserve	10.22	-
Proposed Dividend	1396.53	1319.01
Income Tax on Dividend Proposed/Paid		
- Current year	248.68	237.81
- Earlier year's provision no longer required	(3.97)	-
Share of Revenue Reserves of Joint Ventures carried forward	21.43	27.29
Profit carried forward	787.92	625.67
	<b>3977.15</b>	<b>3758.49</b>
Earnings Per Share (Face Value Re. 1.00 each) 19(v)		
On Net Profit		
Basic	Rs. 8.82	Rs. 8.39
Diluted	Rs. 8.81	Rs. 8.35
<b>Notes to the Accounts</b> 19		
<b>Segment Reporting</b> 20		
<b>Related Party Disclosures</b> 21		
<b>Significant Accounting Policies</b> 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, 22nd May, 2009

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, 2009

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

	For the year ended 31st March, 2009 (Rs. in Crores)	For the year ended 31st March, 2008 (Rs. in Crores)
<b>A. Net Profit Before Tax</b>	<b>4984.76</b>	<b>4675.18</b>
ADJUSTMENTS FOR :		
Depreciation	580.86	472.87
Interest etc. – Net [Excluding Rs. 0.31 Crore (2008 - Rs. Nil) (net) (credit) in respect of financial enterprises consolidated]	(32.90)	(113.81)
Income from Long Term Investments	(17.81)	(27.03)
Income from Current Investments [Excluding Rs. Nil (2008 - Rs. 11.06 Crores) in respect of financial enterprises consolidated]	(153.80)	(146.55)
Fixed Assets – Loss on Sale/Write off – Net	22.52	17.82
Profit on Sale of Long Term Investments – Net	(29.21)	–
Profit on Sale of Current Investments – Net	(25.03)	(15.08)
Excess of Fair Value over Carrying Cost of Current Investments	(7.71)	(23.35)
Unrealised (Gain)/Loss on Exchange – Net	(5.22)	2.41
Amortisation of Miscellaneous Expenditure	0.10	0.11
Liability no longer required written back	(81.82)	(93.78)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>5234.74</b>	<b>4748.79</b>
ADJUSTMENTS FOR :		
Trade and Other Receivables	(86.53)	(204.49)
Inventories	(526.06)	(333.60)
Trade Payables	408.60	264.00
<b>CASH GENERATED FROM OPERATIONS</b>	<b>5030.75</b>	<b>4474.70</b>
Income Tax Paid	(1497.25)	(1468.01)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3533.50</b>	<b>3006.69</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(1760.87)	(2326.30)
Sale of Fixed Assets	8.98	7.89
Purchase of Business [See Note 1 below]	(38.84)	(38.83)
Purchase of Current Investments	(43617.35)	(28002.85)
Sale/Redemption of Current Investments	43800.06	28152.17
Share of Profit of Associates in Long Term Investment	4.54	6.33
Purchase of Long Term Investments	(56.98)	(13.54)
Sale of Long Term Investments	8.61	–
Income from Current Investments Received	153.51	146.72
Income from Long Term Investments Received	17.81	25.54
Dividend Received from Associates	1.60	1.53
Interest Received	50.26	111.24
Refund of Deposits towards Property Options	49.00	91.19
Loans (Given)/Realised – Net	7.96	(15.37)
Purchase of Minority Interest in a Subsidiary	–	(10.22)
Purchase of Interest in a Subsidiary	(65.57)	(103.64)
Proceeds from Liquidation of Associate	0.32	–
Sale of Interest in Joint Venture	31.32	–
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(1405.64)</b>	<b>(1968.14)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	44.75	44.63
Repayments of Long Term Borrowings	(12.18)	(1.83)
Net increase/(decrease) in Cash/Export Credit Facilities and other Short Term Loans	(26.07)	9.77
Interest etc. Paid	(29.49)	(19.08)
Dividends Paid	(1338.74)	(1169.77)
Income Tax on Dividends Paid	(231.23)	(212.94)
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b>(1592.96)</b>	<b>(1349.22)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>534.90</b>	<b>(310.67)</b>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>776.82</b>	<b>1086.50</b>
<b>CASH AND CASH EQUIVALENTS ON ACQUISITION OF SUBSIDIARY [See Note 2 below]</b>	<b>6.59</b>	<b>0.97</b>
<b>CASH AND CASH EQUIVALENTS ON AMALGAMATION OF ASSOCIATES [See Note 3 below]</b>	<b>–</b>	<b>0.02</b>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>1318.31</b>	<b>776.82</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash and Bank Balances	1317.23	776.15
Unrealised Gain on Foreign Currency Cash and Cash Equivalents	1.08	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.	38.84	77.67
Cash paid [including Rs. 38.84 Crores (2008 - Rs. 38.83 Crores) during the year as per scheme of repayment]	38.84	38.83
Balance Payable	–	38.84
2. Cash & Cash Equivalents include Rs. 6.59 Crores of Pyxis Solutions, LLC (2008 - 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.		
3. Cash & Cash Equivalents include Rs. Nil (2008 - 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, 22nd May, 2009

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, 2009 (Rs. in Crores)	As at 31st March, 2008 (Rs. in Crores)
<b>1. Capital</b>		
Authorised		
5,00,00,00,000 Ordinary Shares of Re. 1.00 each (2008 - 5,00,00,00,000 Ordinary Shares of Re. 1.00 each)	500.00	500.00
Issued & Subscribed		
3,77,43,99,560 Ordinary Shares of Re. 1.00 each, fully paid (2008 - 3,76,86,10,050 Ordinary Shares of Re. 1.00 each, fully paid)	377.44	376.86

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 Schemes the Company has granted (net of Options lapsed\*) :

a) 10,78,605 (2008 – 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.

b) 10,88,158 (2008 – 10,88,158) Options in 2004-05 (including 2,85,987 Bonus Options allocated on unvested Options), of which 10,74,422 vested Options have been exercised.

c) 13,77,495 (2008 – 13,80,055) Options in 2005-06 (including 4,75,638 Bonus Options allocated on unvested Options), of which 5,28,069 vested Options have been exercised.

d) 52,31,345 (2008 – 54,01,893) Options in 2006-07, of which 16,543 vested Options have been exercised.

e) 48,81,072 (2008 – 50,77,768) Options in 2007-08, of which 8,753 vested Options have been exercised.

f) 54,97,232 Options in 2008-09, of which no Option has been exercised.

**Note:**

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

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

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
<b>2. Reserves And Surplus</b>				
Capital Reserve on Consolidation				
At commencement of the year	127.89		125.87	
Add: Consequent to change in Group's Interest	0.04	127.93	2.02	127.89
General Reserve				
At commencement of the year	10151.54		8592.84	
Less: Transfer to Capital Redemption Reserve	5.00		–	
Add: Adjustments on restructuring of Wimco Limited *	–		31.75	
Less: Adjustments pursuant to amalgamation of Associates **	–		4.62	
Add: From Profit and Loss Account	1511.01	11657.55	1531.57	10151.54
Share Premium				
At commencement of the year	504.12		460.13	
Add: On Issue of Share Capital	44.17	548.29	43.99	504.12
Capital Reserve				
At commencement of the year	5.76		5.79	
Less: Adjustments on restructuring of Wimco Limited *	–	5.76	0.03	5.76
Capital Redemption Reserve				
At commencement of the year	0.22		0.22	
Add: Transfer from General Reserve	5.00	5.22	–	0.22
Special Reserve under Section 45-IC of the RBI Act, 1934				
At commencement of the year	45.10		26.21	
Add: Adjustments pursuant to amalgamation of Associates **	–		1.75	
Add: From Profit and Loss Account	5.33	50.43	17.14	45.10
Subsidy Reserve		0.23		0.23
Revaluation Reserve				
At commencement of the year	61.13		134.74	
Less: Adjustments on restructuring of Wimco Limited *	–		72.56	
Less: To Profit and Loss Account				
– Depreciation	1.10		0.81	
– Disposal of Fixed Assets	0.03	60.00	0.24	61.13
Contingency Reserve		363.05		363.05
Foreign Currency Translation Reserve		18.90		(1.06)
Profit and Loss Account				
From Profit and Loss Account	787.92		625.67	
Add: Adjustment consequent to recognition of Deferred Tax Asset	4.33	792.25	–	625.67
<b>Total</b>		<b>13629.61</b>		<b>11883.65</b>
Share of Joint Ventures - Schedule 19 (i) (b)				
Revenue Reserves [includes General Reserve Rs.1.46 Crores (2008 - Rs. 0.40 Crore) and adjustment towards change in Group's interest Rs. 0.72 Crore (2008 - Rs. Nil)]		21.11		27.29
<b>Grand Total</b>		<b>13650.72</b>		<b>11910.94</b>

\* 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, 2009 (Rs. in Crores)	As at 31st March, 2008 (Rs. in Crores)
<b>3. Secured Loans</b>		
Loans and Advances from Banks		
Cash Credit Facilities *	18.04	11.98
Term Loans *	0.81	3.00
Other Loans *	–	0.01
<b>Total</b>	<b>18.85</b>	<b>14.99</b>
Share of Joint Ventures - Schedule 19 (i) (b)	0.01	0.01
<b>Grand Total</b>	<b>18.86</b>	<b>15.00</b>
* Secured by charge over certain fixed assets and current assets of the Company, both present and future.		
<b>4. Unsecured Loans</b>		
Short Term Loans		
From Banks – Export Credit Facilities	50.00	86.34
Other Loans		
From Banks	27.06	31.84
(Due within one year Rs. 9.54 Crores, 2008 – Rs. 5.57 Crores)		
From other than Banks		
Sales tax deferment loan (interest free)		
(Due within one year Rs. 0.52 Crore, 2008 – Rs. 0.24 Crore)	90.75	90.68
Financial Institution (interest free)		
(Due within one year Rs. Nil, 2008 – Rs. 0.04 Crore)	–	1.06
<b>Grand Total</b>	<b>167.81</b>	<b>209.92</b>
<b>5. Deferred Tax - Net</b>		
Deferred Tax Liabilities		
On fiscal allowances on fixed assets	876.03	714.43
On fiscal relief realised on pre-deposit of excise duty	294.89	126.48
	<b>1170.92</b>	<b>840.91</b>
Deferred Tax Assets		
On employees' separation and retirement etc.	24.74	21.67
On provision for doubtful debts/advances	8.78	6.28
On State and Central taxes etc.	258.16	261.61
On unabsorbed tax losses and depreciation *	17.97	7.49
Other timing differences	1.29	0.82
	<b>310.94</b>	<b>297.87</b>
Deferred Tax - Net	<b>859.98</b>	<b>543.04</b>
Share of Joint Ventures - Schedule 19 (i) (b)	0.62	0.53
<b>Grand Total</b>	<b>860.60</b>	<b>543.57</b>

\* 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, 2009 (Rs. in Crores)	Net Book Value as at 31st March, 2009 (Rs. in Crores)
Goodwill on Consolidation	136.55	60.51	–	197.06	–	–	0.76	196.30
Trademarks & Goodwill	11.17	0.02	0.01	11.18	5.53	0.01	9.27	1.91
Know-how, Business and Commercial Rights	72.55	–	0.55	72.00	7.58	0.55	44.52	27.48
Land Freehold *	835.01	74.23	1.82	907.42	–	–	1.68	905.74
Buildings Freehold *	1682.93	267.42	2.94	1947.41	39.33	1.72	354.16	1593.25
Leasehold Properties	137.84	21.14	–	158.98	1.37	–	17.97	141.01
Licensed Properties - Building Improvement	39.89	11.02	1.03	49.88	6.75	0.19	16.95	32.93
Railway Sidings etc.	1.17	–	–	1.17	0.05	–	0.78	0.39
Plant & Machinery **	5907.85	1267.68	66.04	7109.49	411.00	44.62	2631.42	4478.07
Capitalised Software	135.42	28.82	1.17	163.07	24.27	1.07	86.92	76.15
Computers, Servers and Other I.T. Equipments	368.19	45.95	12.90	401.24	45.36	11.17	237.26	163.98
Furniture & Fixtures	391.57	37.02	7.03	421.56	32.34	4.58	216.02	205.54
Motor Vehicles etc.	63.91	15.91	6.88	72.94	6.19	3.04	18.98	53.96
	<b>9784.05</b>	<b>1829.72</b>	<b>100.37</b>	<b>11513.40</b>	<b>579.77</b>	<b>66.95</b>	<b>3636.69</b>	<b>7876.71</b>
Capital Work-in-Progress	1156.45	1707.08	1620.44	1243.09	–	–	–	1243.09
<b>Total (a)</b>	<b>10940.50</b>	<b>3536.80</b>	<b>1720.81</b>	<b>12756.49</b>	<b>579.77</b>	<b>66.95</b>	<b>3636.69</b>	<b>9119.80</b>
Share of Joint Ventures - Schedule 19 (i) (b)								
Fixed Assets	35.46	3.92	2.18	37.20	2.19	1.52	25.16	12.04
Capital Work-in-Progress	0.06	3.56	3.59	0.03	–	–	–	0.03
<b>Total (b)</b>	<b>35.52</b>	<b>7.48</b>	<b>5.77</b>	<b>37.23</b>	<b>2.19</b>	<b>1.52</b>	<b>25.16</b>	<b>12.07</b>
<b>Total (a) + (b)</b>	<b>10976.02</b>	<b>3544.28</b>	<b>1726.58</b>	<b>12793.72</b>	<b>581.96</b>	<b>68.47</b>	<b>3661.85</b>	<b>9131.87</b>
Provision for assets given on lease								6.12
<b>Grand Total</b>								<b>9125.75</b>
Previous Year	8729.52	3970.00	1723.50	10976.02	473.68	43.27	3148.36	7827.66
Provision for assets given on lease								8.37
<b>Grand Total</b>								<b>7819.29</b>

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

Land Freehold includes the provisional purchase price of (a) Rs. 17.29 Crores (2008 - Rs. 17.29 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. 8.92 Crores (2008 - 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 which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

Litigation seeking cancellation of lease of Wakf land in Bangalore pertaining to ITC Windsor is pending before various forums including the Hon'ble High Court of Karnataka. In the opinion of the management based upon legal advice, the Company's title to the property is tenable.

Buildings Freehold include Rs. 561.75 Crores (2008 - Rs. 532.50 Crores), aggregate cost of building on leasehold land situated at various locations.

"Trademarks & Goodwill" includes purchased Trademarks amounting to Rs. 6.29 Crores (2008 - Rs. 6.28 Crores) which are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating Rs. 72.00 Crores (2008 - Rs. 72.55 Crores) :-

– Rs. 47.34 Crores (2008 - Rs. 47.34 Crores) acquired in earlier years are being amortised over 10 years.

– Rs. 4.97 Crores (2008 - Rs. 4.97 Crores) acquired in earlier years are being amortised over 4 years.

– Rs. 8.05 Crores (2008 - Rs. 8.05 Crores) acquired in earlier years are being amortised over 5 years.

– Rs. 11.64 Crores (2008 - Rs. 12.19 Crores) acquired in earlier years 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. 1.23 Crores (2008 - Rs. 0.60 Crore), are Rs. 773.33 Crores (2008 - Rs. 917.07 Crores).

Depreciation for the year includes Rs. 1.10 Crores (2008 - Rs. 0.81 Crore) transferred from Revaluation Reserve in respect of revalued assets.

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

\*\* Plant and Machinery includes Rs. 32.75 Crores (2008 - Rs. 32.86 Crores) being assets given on lease and these are depreciated over the primary period of the lease. In respect of assets aggregating Rs. 20.18 Crores (2008 - Rs. 25.91 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, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments</b>				
<b>Long Term</b>				
<b>A. TRADE INVESTMENTS</b>				
<b>In Associates</b>				
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)				
Add / (Less) : Group Share of Profits / (Losses)				
upto 31.03.2009				
	21.87		21.87	
	24.21	46.08	21.58	43.45
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)				
Add / (Less) : Group Share of Profits / (Losses)				
upto 31.03.2009				
	1.94		1.94	
	4.81	6.75	4.22	6.16
ATC Limited (formerly Asia Tobacco Company Limited)				
55,650 Equity Shares of Rs. 100.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.16 Crore)				
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2009				
		0.83	0.83	
		0.79	0.15	0.98
1,39,125 Equity Shares of Rs. 100.00 each, partly paid				
Cost of acquisition (including goodwill of Rs. 0.30 Crore)				
Add / (Less) : Group Share of Profits / (Losses)				
upto 31.03.2009				
		1.04	1.04	
		0.37	(0.03)	1.01
<b>In Other Companies</b>				
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 Societies 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				
		0.04	0.04	
VST Industries Limited				
22,02,417 Equity Shares of Rs. 10.00 each, fully paid				
	36.58		36.58	
<b>B. SUBSIDIARY COMPANIES</b>				
ITC Global Holdings Pte. Limited (in liquidation)				
89,99,645 Ordinary Shares of US \$1.00 each, fully paid*				
		25.58	25.58	
Carried over				
	89.41	32.20	86.19	31.16

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
Brought forward	89.41	32.20	86.19	31.16
<b>C. DEPOSIT WITH OR FOR DEPOSIT WITH VARIOUS AUTHORITIES</b>				
Government Securities (2009 - cost Rs. 78,000.00; 2008 - cost Rs. 83,000.00)		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 Saving Certificate pledged at mandi samiti (2009 - cost Rs. 23,000.00; 2008 - cost Rs. 16,000.00)		...		...
<b>D. OTHER INVESTMENTS</b>				
<b>In Associates</b>				
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 31.03.2009		3.76	8.03	3.62
Minota Aquatech Limited (liquidated)				
Nil (2008 - 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
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2009		-	-	(0.15)
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 31.03.2009		0.37	10.77	0.31
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		6.93
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2009		0.04	6.97	(0.01)
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		4.40
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2009		0.02	4.42	(0.01)
<b>In Other Companies</b>				
EIH Limited				
5,87,70,820 (2008 - 5,77,92,442) Equity Shares of Rs. 2.00 each, fully paid (9,78,378 shares acquired during the year)		215.70		200.64
Ballarpur Industries Limited				
23,00,229 Equity Shares of Rs. 2.00 each, fully paid		5.58		5.58
Hotel Leela Venture Limited				
1,41,42,900 Equity Shares of Rs. 10.00 each, fully paid (1,41,42,900 shares acquired during the year)		31.18		-
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)			...	...
Carried over	395.60	108.60	346.14	107.28

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
OTHER INVESTMENTS (Contd.) Brought forward	395.60	108.60	346.14	107.28
Woodlands Hospital & Medical Research Centre Limited 1/2% Registered Debentures, fully paid (cost Rs. 15,200.00)		...		...
5% Registered Debentures, 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
Prime Golf Ranking Private Limited 150 Equity Shares of Re. 1.00 each, fully paid (cost Rs. 150.00)		...		...
Government Securities 5% Bikash Rinpatra, 2071		5.27		5.27
6.5% Bikash Rinpatra, 2075		1.60		1.60
<b>Total Long Term Investments</b>	<b>395.65</b>	<b>120.94</b>	<b>346.19</b>	<b>119.62</b>
<b>Current</b>				
<b>OTHER INVESTMENTS</b>				
Unit Trust of India 6.75% US-64 Tax Free Bonds Nil (2008 - 1,23,09,770) Bonds of Rs. 100.00 each, fully paid (5,100 Bonds acquired and 1,23,14,870 Bonds sold during the year)		–		123.10
6.60% US-64 Tax Free Bonds 1,69,17,554 (2008 -14,29,578) Bonds of Rs. 100.00 each, fully paid (1,54,87,979 Bonds acquired and 3 Bonds sold during the year)		168.13		14.18
National Bank for Agricultural and Rural Development Nil (2008 - 80,000) 5% Tax Free Bonds of Rs. 10,000.00 each, fully paid (80,000 Bonds sold during the year)		–		79.66
Indian Railway Finance Corporation Limited Nil (2008 - 500) 4.77% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid (500 Bonds sold during the year)		–		49.11
Nuclear Power Corporation of India Limited Nil (2008 - 220) 4.75% Tax Free Bonds of Rs. 10,00,000.00 each, fully paid (220 Bonds sold during the year)		–		21.69
Power Finance Corporation Limited Nil (2008 - 2,000) 10.40% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid (2,000 Bonds sold during the year)		–		20.31
Carried over		168.13		308.05

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		168.13	308.05
<b>IIFCL</b>				
6.85% 2014 Tax Free Bonds (22/01/2014) 17,000 (2008 - Nil) Bonds of Rs. 1,00,000.00 each, fully paid (17,000 Bonds acquired during the year)			169.76	–
6.85% 2014 Tax Free Bonds Series II (06/03/2014) 3,000 (2008 - Nil) Bonds of Rs. 1,00,000.00 each, fully paid (3,000 Bonds acquired during the year)			30.00	–
<b>ICICI Bank Limited</b>				
350 Non-Cumulative, Non-Participating, Non-Voting Preference Shares of Rs. 1,00,00,000.00 each, fully paid			133.48	131.29
<b>AIG Fixed Maturity Plan 1 Series 1 Institutional Growth</b>				
20,000 (2008 - Nil) Units of Rs. 1,000.00 each (20,000 Units purchased during the year)			2.00	–
<b>AIG India Liquid Fund - Institutional Daily Dividend</b>				
Nil (2008 - 30,701) Units of Rs. 1,000.00 each (30,701 Units sold during the year)			–	3.07
<b>AIG India Treasury Fund - Super Institutional Plan - Daily Dividend Reinvestment</b>				
5,42,38,414 (2008 - Nil) Units of Rs. 10.00 each (60,30,14,498 Units purchased and 54,87,76,084 Units sold during the year)			54.30	–
<b>Birla Cash Plus - Institutional Premium - Growth</b>				
Nil (2008 - 91,80,966) Units of Rs. 10.00 each (91,80,966 Units sold during the year)			–	10.00
<b>Birla FTP - Institutional - Series Y - Growth</b>				
Nil (2008 - 1,50,00,000) Units of Rs. 10.00 each (1,50,00,000 Units sold during the year)			–	15.00
<b>Birla FTP - Institutional - Series AA - Growth</b>				
Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			–	25.00
<b>Birla FTP - Institutional - Series AC - Growth</b>				
Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			–	10.00
<b>Birla FTP - Retail - Series W - Growth</b>				
Nil (2008 - 2,33,200) Units of Rs. 10.00 each (2,33,200 Units sold during the year)			–	0.23
<b>Birla Income Plus - Quarterly Dividend - Reinvestment</b>				
Nil (2008 - 12,34,75,977) Units of Rs. 10.00 each (21,67,77,688 Units purchased and 34,02,53,665 Units sold during the year)			–	130.64
<b>Birla Sun Life Income Fund - Quarterly Dividend - Reinvestment</b>				
Nil (2008 - 62,94,566) Units of Rs. 10.00 each (62,94,566 Units sold during the year)			–	6.69
<b>Birla Sun Life Short Term Fund - Fortnightly Dividend - Reinvestment</b>				
Nil (2008 - 8,45,34,890) Units of Rs. 10.00 each (1,13,241 Units purchased and 8,46,48,131 Units sold during the year)			–	84.98
	Carried over		557.67	724.95

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		557.67	724.95
BSL Dynamic Bond Fund Retail Plan Monthly Dividend Reinvestment 11,51,16,780 (2008 - Nil) Units of Rs. 10.00 each (11,51,16,780 Units purchased during the year)			118.35	–
BSL Quarterly Interval - Series 4 - Dividend Payout Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			–	25.00
Canara Robeco Interval Monthly Institutional Dividend Fund Nil (2008 - 1,49,82,620) Units of Rs. 10.00 each (1,49,82,620 Units sold during the year)			–	15.00
Canara Robeco Liquid Fund - Institutional - Growth 2,39,78,529 (2008 - 2,39,78,529) Units of Rs. 10.00 each			30.00	30.00
DBS Chola Freedom Income STP Institutional Daily Dividend Reinvestment Plan 98,48,498 (2008 - Nil) Units of Rs. 10.00 each (98,48,498 Units purchased during the year)			10.00	–
DBS Chola Interval Income Fund - Quarterly Plan C - Institutional Dividend Nil (2008 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)			–	2.00
DBS Chola Short Term Floating Rate Fund - Daily Dividend Reinvestment Plan Nil (2008 - 99,85,999) Units of Rs. 10.00 each (25,08,87,297 Units purchased and 26,08,73,296 Units sold during the year)			–	10.00
DSP Black Rock - Fixed Maturity Plan - 3M - Series 3 - Institutional Dividend (Formerly DSP Merrill Lynch - Fixed Maturity Plan 3M Series 3 - Institutional Dividend) Nil (2008 - 1,00,44,725) Units of Rs. 10.00 each (1,55,969 Units purchased and 1,02,00,694 Units sold during the year)			–	10.04
DSP Black Rock Fixed Maturity Plan - 3M - Series 6 - Institutional Dividend (Formerly DSP Merrill Lynch Fixed Maturity Plan 3M Series 6 - Institutional Dividend) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (2,02,701 Units purchased and 1,02,02,701 Units sold during the year)			–	10.00
DSP Black Rock Fixed Maturity Plan - 12M - Series 2 - Institutional Growth 3,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (3,00,00,000 Units purchased during the year)			30.00	–
DSP Black Rock Fixed Maturity Plan - 12M - Series 3 - Regular Growth 50,000 (2008 - Nil) Units of Rs. 10.00 each (50,000 Units purchased during the year)			0.05	–
	Carried over		746.07	826.99

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		746.07	826.99
DWS Fixed Term Fund - Series - 35 - Dividend Plan Nil (2008 - 2,00,00,000) Units of Rs. 10.00 each (2,00,00,000 Units sold during the year)			–	20.00
DWS Fixed Term Fund - Series - 41 - Institutional Growth 1,00,00,000 (2008 - 1,00,00,000) Units of Rs. 10.00 each			10.00	10.00
DWS Fixed Term Fund - Series - 52 - Institutional Dividend 1,30,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,30,00,000 Units purchased during the year)			13.00	–
DWS Short Maturity Fund - Weekly Dividend Option Nil (2008 - 4,36,56,442) Units of Rs. 10.00 each (8,25,616 Units purchased and 4,44,82,058 Units sold during the year)			–	44.50
Fidelity Fixed Maturity Plan - Series 1 - Plan B - Retail Growth 2,50,000 (2008 - Nil) Units of Rs. 10.00 each (2,50,000 Units purchased during the year)			0.25	–
Fortis FTP S8 Yearly Plan D - Institutional Growth (Formerly ABN AMRO FTP S8 Yearly Plan D - Institutional Growth) Nil (2008 - 2,00,00,000) Units of Rs. 10.00 each (2,00,00,000 Units sold during the year)			–	20.00
Fortis FTP Series 13 Plan A - Institutional Growth 2,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (2,00,00,000 Units purchased during the year)			20.00	–
Fortis Interval Fund - Quarterly Plan H Interval Dividend - Reinvestment (Formerly ABN AMRO Interval Fund - Quarterly Plan H Interval Dividend - Reinvestment) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			–	10.00
Fortis Interval Fund - Quarterly Plan I Monthly Dividend (Formerly ABN AMRO Interval Fund - Quarterly Plan I Monthly Dividend) Nil (2008 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)			–	2.00
Fortis Money Plus Fund - Institutional Plan - Daily Dividend 14,02,21,224 (2008 - Nil) Units of Rs. 10.00 each (29,69,18,648 Units purchased and 15,66,97,424 Units sold during the year)			140.26	–
Fortis Money Plus Fund - Institutional Plan - Growth 2,50,72,558 (2008 - Nil) Units of Rs. 10.00 each (2,50,72,558 Units purchased during the year)			33.00	–
Fortis Money Plus Regular Plan - Daily Dividend 3,70,225 (2008 - Nil) Units of Rs. 10.00 each (3,70,225 Units purchased during the year)			0.37	–
	Carried over		962.95	933.49

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		962.95	933.49
HDFC Cash Management Fund - Savings Plan Daily Dividend 61,51,482 (2008 - Nil) Units of Rs. 10.00 each (61,51,482 Units purchased during the year)		6.54		–
HDFC FMP 367D August 2007 - Wholesale Plan - Growth Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)		–		25.00
HDFC FMP 90D January 2008 (VI) - Wholesale Plan Dividend Payout Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		–		10.00
HDFC FMP 181D October 2008 (VIII)(1) - Wholesale Plan Dividend Pay 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)		10.00		–
HDFC High Interest Fund - Short Term Plan - Dividend 4,23,49,465 (2008 - Nil) Units of Rs. 10.00 each (4,75,27,008 Units purchased and 51,77,543 Units sold during the year)		44.91		–
HDFC Income Fund - Dividend Reinvestment Nil (2008 - 1,14,45,230) Units of Rs. 10.00 each (4,32,72,747 Units purchased and 5,47,17,977 Units sold during the year)		–		11.77
HDFC Short Term Plan - Fortnightly - Dividend Reinvestment Nil (2008 - 3,89,76,077) Units of Rs. 10.00 each (86,511 Units purchased and 3,90,62,588 Units sold during the year)		–		40.24
HDFC Short Term Plan - Dividend Reinvestment 3,87,44,777 (2008 - Nil) Units of Rs. 10.00 each (3,87,44,777 Units purchased during the year)		40.07		–
HSBC Fixed Term Series 47 - Institutional Dividend Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (5,62,972 Units purchased and 2,55,62,972 Units sold during the year)		–		25.00
HSBC Interval Fund - Plan 2 - Institutional Dividend Nil (2008 - 1,00,28,237) Units of Rs. 10.00 each (1,78,740 Units purchased and 1,02,06,977 Units sold during the year)		–		10.03
HSBC Interval Fund - Plan 2 - Institutional Growth Nil (2008 - 19,55,149) Units of Rs. 10.00 each (19,55,149 Units sold during the year)		–		2.00
ICICI Prudential FMP Series 39 - Six Months Plan A - Retail Dividend Pay Dividend Nil (2008 - 5,00,00,000) Units of Rs. 10.00 each (5,00,00,000 Units sold during the year)		–		50.00
ICICI Prudential FMP Series 41 - Fourteen Months Plan Institutional Cumulative 1,50,00,000 (2008 - 1,50,00,000) Units of Rs. 10.00 each		15.00		15.00
	Carried over	1079.47		1122.53



## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1079.47	1122.53
ICICI Prudential FMP Series 41 - Fifteen Months Plan Institutional Growth	20,00,000 (2008 - 20,00,000) Units of Rs. 10.00 each		2.00	2.00
ICICI Prudential FMP Series 42 - Three Months Plan C - Retail Dividend Pay Dividend	Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)		–	25.00
ICICI Prudential - Flexible Income Plan - Dividend - Daily - Reinvestment Dividend	Nil (2008 - 4,14,57,485) Units of Rs. 10.00 each (75,88,70,106 Units purchased and 80,03,27,591 Units sold during the year)		–	43.84
ICICI Prudential Institutional Income Plan - Dividend Quarterly - Reinvestment Dividend	Nil (2008 - 3,00,46,190) Units of Rs. 10.00 each (22,27,35,093 Units purchased and 25,27,81,283 Units sold during the year)		–	31.72
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend	4,99,99,821 (2008 - 51,14,015) Units of Rs. 10.00 each (2,96,37,04,503 Units purchased and 2,91,88,18,697 Units sold during the year)		50.00	5.11
ICICI Prudential Institutional Short Term Plan DR - Fortnightly - Reinvestment Dividend	2,35,12,625 (2008 - 4,11,54,141) Units of Rs. 10.00 each (10,46,64,212 Units purchased and 12,23,05,728 Units sold during the year)		28.16	45.72
ICICI Prudential Institutional Short Term Dividend Reinvestment - Fortnightly	Nil (2008 - 7,02,500) Units of Rs. 10.00 each (7,770 Units purchased and 7,10,270 Units sold during the year)		–	0.78
ICICI Prudential Liquid Plan Institutional Plus - Daily Dividend Option	33,808 (2008 - Nil) Units of Rs. 10.00 each (28,32,592 Units purchased and 27,98,784 Units sold during the year)		0.04	–
IDFC Cash Fund - Super Institutional Plan C - Daily Dividend	24,99,754 (2008 - Nil) Units of Rs. 10.00 each (83,35,28,567 Units purchased and 83,10,28,813 Units sold during the year)		2.50	–
IDFC Fixed Maturity Plan - 13 Months - Series 1 - Plan B - Growth	2,50,00,000 (2008 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)		25.00	–
	Carried over		1187.17	1276.70

## Schedules to the Consolidated Accounts

		As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
		Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>					
<b>Current</b>					
OTHER INVESTMENTS (Contd.)	Brought forward		1187.17		1276.70
IDFC Fixed Maturity Plan - Yearly - Series 24 - Plan B - Growth 2,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (2,00,00,000 Units purchased during the year)			20.00		—
IDFC FMP - Quarterly Series 25 - Dividend (Formerly Standard Chartered FMP - Quarterly Series 25 - Dividend) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			—		10.00
IDFC FMP - Quarterly Series 26 - Dividend (Formerly Standard Chartered FMP - Quarterly Series 26 - Dividend) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			—		10.00
IDFC FMP - Quarterly Series 27 - Dividend (Formerly Standard Chartered FMP - Quarterly Series 27 - Dividend) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			—		10.00
IDFC FMP - Quarterly Series 28 - Dividend (Formerly Standard Chartered FMP - Quarterly Series 28 - Dividend) Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			—		25.00
IDFC Money Manager Fund - Investment Plan B - Institutional Daily Dividend 3,33,22,532 (2008 - Nil) Units of Rs. 10.00 each (3,91,63,770 Units purchased and 58,41,238 Units sold during the year)			33.38		—
IDFC SSIF - Investment Plan - Quarterly Dividend (Formerly GSSIF - Investment Plan - Quarterly Dividend) Nil (2008 - 44,34,828) Units of Rs. 10.00 each (44,34,828 Units sold during the year)			—		4.65
ING Fixed Maturity Fund - XXXI - Institutional Growth Nil (2008 - 1,50,00,000) Units of Rs. 10.00 each (1,50,00,000 Units sold during the year)			—		15.00
ING Fixed Maturity Fund - XXXII - Institutional Growth Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			—		25.00
JM Interval Fund - Quarterly Plan 1 - Institutional Dividend Plan Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			—		25.00
JP Morgan India Liquid Plus Fund - Retail - Daily Dividend - Plan Reinvested 3,05,154 (2008 - Nil) Units of Rs. 10.00 each (3,05,154 Units purchased during the year)			0.31		—
	Carried over		1240.86		1401.35

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1240.86	1401.35
JP Morgan India Treasury Fund - Super Institutional Plan - Daily Dividend Reinvestment 2,61,39,824 (2008 - Nil) Units of Rs. 10.00 each (60,29,09,021 Units purchased and 57,67,69,197 Units sold during the year)		26.16		—
JP Morgan India Treasury Fund - Super Institutional Plan - Growth 2,89,53,464 (2008 - Nil) Units of Rs. 10.00 each (2,89,53,464 Units purchased during the year)		33.00		—
Kotak Bond (Short Term) - Monthly Dividend Nil (2008 - 5,10,06,283) Units of Rs. 10.00 each (68,673 Units purchased and 5,10,74,956 Units sold during the year)		—		51.32
Kotak Flexi Debt Scheme - Institutional - Daily Dividend 94,56,469 (2008 - Nil) Units of Rs. 10.00 each (94,56,469 Units purchased during the year)		9.50		—
Kotak FMP 3M Series 27 - Dividend Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		—		10.00
Kotak FMP 3M Series 28 - Dividend Nil (2008 - 95,00,000) Units of Rs. 10.00 each (95,00,000 Units sold during the year)		—		9.50
Kotak FMP 12M Series 4 - Institutional - Growth Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		—		10.00
Kotak FMP 12M Series 7 - Institutional - Growth 10,00,000 (2008 - Nil) Units of Rs. 10.00 each (10,00,000 Units purchased during the year)		1.00		—
Kotak FMP 13M Series 5 - Institutional - Growth 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)		10.00		—
Kotak FMP 14M Series 2 - Institutional - Growth Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)		—		25.00
Kotak Quarterly Interval Plan - Series 2 - Dividend Payout 2,50,00,000 (2008 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)		25.00		—
Kotak Quarterly Interval Plan - Series 5 - Dividend Payout Nil (2008 -20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)		—		2.00
LIC Income Plus Fund Daily Dividend Reinvestment 5,00,67,287 (2008 - Nil) Units of Rs. 10.00 each (5,00,67,287 Units purchased during the year)		50.07		—
LIC MF Liquid Fund - Growth Plan Nil (2008 - 3,13,93,239) Units of Rs. 10.00 each (3,13,93,239 Units sold during the year)		—		40.00
Principal Cash Management Liquid Option Institutional Dividend Nil (2008 - 32,423) Units of Rs. 10.00 each (3,63,238 Units purchased and 3,95,661 Units sold during the year)		—		0.03
	Carried over		1395.59	1549.20

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1395.59	1549.20
Principal Cash Management Fund Liquid Option - IP - Dividend Reinvestment Daily Nil (2008 - 30,021) Units of Rs. 10.00 each (10,00,161 Units purchased and 10,30,182 Units sold during the year)			–	0.03
Principal Income Fund - Institutional Plan Dividend Reinvestment - Quarterly Nil (2008 - 2,84,09,835) Units of Rs. 10.00 each (3,36,59,359 Units purchased and 6,20,69,194 Units sold during the year)			–	32.57
Principal FMP Series V (FMP - 39) 385 Days Plan Institutional Growth Plan - Aug 07 Nil (2008 - 2,00,00,000) Units of Rs. 10.00 each (2,00,00,000 Units sold during the year)			–	20.00
Principal PNB Fixed Maturity Plan (FMP - 43) 91 Days - Series XIII Nil (2008 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units purchased and 40,00,000 Units sold during the year)			–	2.00
Principal PNB FMP 385 Days - Series XI - Mar 09 - Institutional Growth Plan 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)			10.00	–
Reliance Fixed Horizon Fund XII - Series 3 - Super Institutional Growth 2,50,00,000 (2008 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
Reliance Short Term Fund - Monthly Dividend Reinvestment 5,64,06,746 (2008 - Nil) Units of Rs. 10.00 each (5,64,06,746 Units purchased during the year)			60.01	–
Religare Fixed Maturity Plan - 3 months - Series XXV - Dividend (Formerly Lotus Fixed Maturity Plan - 3 months - Series XXV - Dividend) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,97,173 Units purchased and 1,01,97,173 Units sold during the year)			–	10.00
Religare Fixed Maturity Plan - 3 months - Series XXVI - Dividend (Formerly Lotus Fixed Maturity Plan - 3 months - Series XXVI - Dividend) Nil (2008 - 20,13,840) Units of Rs. 10.00 each (20,13,840 Units sold during the year)			–	2.01
Religare Fixed Maturity Plan -14 Months - Series II - Institutional Growth (Formerly Lotus Fixed Maturity Plan -14 Months - Series II - Institutional Growth) 1,50,00,000 (2008 - 1,50,00,000) Units of Rs. 10.00 each			15.00	15.00
Religare Fixed Maturity Plan - 375 Days - Series V - Institutional Growth (Formerly Lotus Fixed Maturity Plan - 375 Days - Series V - Institutional Growth) Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			–	10.00
	Carried over		1505.60	1640.81

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1505.60	1640.81
Religare Liquid Fund - Super Institutional - Daily Dividend 2,49,91,253 (2008 - Nil) Units of Rs. 10.00 each (74,87,78,983 Units purchased and 72,37,87,730 Units sold during the year)			25.00	–
Religare Short Term Plan - Institutional Weekly Dividend (Formerly Lotus Short Term Plan - Institutional Weekly Dividend) Nil (2008 - 4,87,33,919) Units of Rs. 10.00 each (54,932 Units purchased and 4,87,88,851 Units sold during the year)			–	49.34
Religare Short Term Plan - Institutional Plan - Daily Dividend Reinvestment 5,98,12,176 (2008 - Nil) Units of Rs. 10.00 each (5,98,12,176 Units purchased during the year)			60.08	–
Religare Yearly FMP Series I - Plan A (375 Days) - Institutional Growth 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)			10.00	–
SBI Debt Fund Series 90 Days - Dividend Nil (2008 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)			–	2.00
SBI Magnum Insta Cash Fund - Dividend Option 3,58,26,498 (2008 - Nil) Units of Rs. 10.00 each (54,87,75,329 Units purchased and 51,29,48,831 Units sold during the year)			60.01	–
SBI Premier Liquid Fund - Super Institutional - Daily Dividend 7,05,51,276 (2008 - Nil) Units of Rs. 10.00 each (87,61,89,246 Units purchased and 80,56,37,970 Units sold during the year)			70.78	–
Sundaram BNP Paribas Bond Saver - Institutional - Dividend - Quarterly Nil (2008 - 45,24,494) Units of Rs. 10.00 each (1,47,96,124 Units purchased and 1,93,20,618 Units sold during the year)			–	4.67
Sundaram BNP Paribas Fixed Term Plan - 367 Days - Series Plan 1 - Institutional - Growth Nil (2008 - 1,10,00,000) Units of Rs. 10.00 each (1,10,00,000 Units sold during the year)			–	11.00
Sundaram BNP Paribas Interval Fund - Quarterly Plan Nil (2008 - 49,98,650) Units of Rs. 10.00 each (49,98,650 Units sold during the year)			–	5.00
Sundaram BNP Paribas Interval Fund - Quarterly Plan B - Institutional Dividend Nil (2008 - 1,79,95,141) Units of Rs. 10.00 each (19,99,520 Units purchased and 1,99,94,661 Units sold during the year)			–	18.00
	Carried over		1731.47	1730.82

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1731.47	1730.82
Sundaram BNP Paribas Fixed Term Plan - 367 Days - Series 8 - Super Institutional Plan - Growth 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)		10.00		–
TATA Fixed Horizon Fund Series 13 - Scheme B - IG - Growth Nil (2008 - 1,50,00,000) Units of Rs. 10.00 each (1,50,00,000 Units sold during the year )		–		15.00
TATA Fixed Horizon Fund Series 14 - Scheme A - IM - Monthly Dividend Nil (2008 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)		–		2.00
TATA Fixed Investment Plan - 1 Scheme A - Institutional Plan - Growth 1,00,00,000 (2008 - 1,00,00,000) Units of Rs. 10.00 each		10.00		10.00
TATA Floating Rate Short Term Institutional Plan - Daily Dividend 1,50,12,416 (2008 - 4,03,15,485) Units of Rs. 10.00 each (1,18,01,47,900 Units purchased and 1,20,54,50,969 Units sold during the year)		15.04		40.35
Templeton Fixed Horizon Fund - Series IX - Plan D - Growth 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)		10.00		–
Templeton India Income Fund - Dividend Reinvestment Nil (2008 - 1,10,07,552) Units of Rs. 10.00 each (1,10,07,552 Units sold during the year)		–		11.54
Templeton India Short Term Income Plan Institutional - Weekly Dividend Reinvestment Nil (2008 - 17,22,550) Units of Rs. 1,000.00 each (25,897 Units purchased and 17,48,447 Units sold during the year)		–		173.15
UTI Bond Fund - Dividend Plan - Reinvestment Nil (2008 - 2,81,41,758) Units of Rs. 10.00 each (8,90,47,519 Units purchased and 11,71,89,277 Units sold during the year)		–		30.88
UTI Fixed Income Interval Fund - Quarterly Interval Plan Series I - Institutional Dividend Plan Payout Nil (2008 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)		–		25.00
UTI Fixed Maturity Plan - QFMP (0208/I) - Institutional Dividend - Payout Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		–		10.00
UTI Fixed Maturity Plan - QFMP (0208/II) - Institutional Dividend Plan - Payout Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		–		10.00
UTI Fixed Maturity Plan - Quarterly Series - QFMP (0308/I) - Institutional Dividend Plan - Payout Nil (2008 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		–		10.00
	Carried over	1776.51		2068.74

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)		As at 31st March, 2008 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
<b>7. Investments (Contd.)</b>				
<b>Current</b>				
OTHER INVESTMENTS (Contd.)	Brought forward		1776.51	2068.74
UTI Floating Rate Fund - Short Term Daily Dividend Reinvestment 1,40,965 (2008 - Nil) Units of Rs. 1,000.00 each (4,66,929 Units purchased and 3,25,964 Units sold during the year)		14.25		–
UTI - Floating Rate Fund - Short Term Plan (Dividend Option) - Reinvestment Nil (2008 - 63,882) Units of Rs. 1,000.00 each (1,914 Units purchased and 65,796 Units sold during the year)		–		6.49
UTI Floating Rate Fund - Short Term Plan - Growth 2,31,197 (2008 - Nil) Units of Rs. 1,000.00 each (2,31,197 Units purchased during the year)		33.00		–
UTI FMP Yearly Series (YFMP 0309) Institutional Growth Plan 1,00,00,000 (2008 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)		10.00		–
UTI Liquid Cash Plan Institutional - Daily Income Option 7,26,159 (2008 - Nil) Units of Rs. 1,000.00 each (82,44,584 Units purchased and 75,18,425 Units sold during the year)		74.03		–
UTI Short Term Income Fund Institutional - Income Option - Reinvestment Nil (2008 - 7,49,83,107) Units of Rs. 10.00 each (2,09,348 Units purchased and 7,51,92,455 Units sold during the year)		–		76.26
UTI Treasury Advantage Fund - Institutional - Daily Dividend 10,01,056 (2008 - Nil) Units of Rs. 10.00 each (67,56,147 Units purchased and 57,55,091 Units sold during the year)		100.13		–
<b>Total Current Investments</b>		<b>2007.92</b>		<b>2151.49</b>
<b>Total of Quoted and Unquoted Investments</b>		<b>2524.51</b>		<b>2617.30</b>
Less : Provision for Long Term Investments *		32.23		32.23
<b>TOTAL OF INVESTMENTS</b>		<b>2492.28</b>		<b>2585.07</b>
Share of Joint Ventures - Schedule 19 (i) (b)		14.79		22.82
<b>Grand Total</b>		<b>2507.07</b>		<b>2607.89</b>

Total Market Value of Quoted Investments: 2009 - Rs. 657.60 Crores (2008 - Rs. 984.30 Crores); Total Value of Unquoted Investments: 2009 - Rs. 2143.65 Crores (2008 - Rs. 2293.93 Crores). Total Value of Quoted Investments: 2009 - Rs. 395.65 Crores (2008 - Rs. 346.19 Crores)



## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)	As at 31st March, 2008 (Rs. in Crores)
<b>8. Inventories</b>		
(At lower of cost and net realisable value)		
Stocks and Shares	12.38	77.20
Stores and Spare Parts	191.40	165.52
Raw Materials	2682.84	2787.80
Intermediates - Tissue Paper and Paper Board	49.50	50.65
Stock in Process	77.75	63.45
Finished Goods	1768.71	1118.38
<b>Total</b>	<b>4782.58</b>	<b>4263.00</b>
Share of Joint Ventures - Schedule 19 (i) (b)	11.75	5.27
<b>Grand Total</b>	<b>4794.33</b>	<b>4268.27</b>

<b>9. Sundry Debtors</b>		
Over 6 months old		
Good and Secured *	2.84	62.13
Good and Unsecured *	63.39	57.21
Doubtful and Unsecured	47.00	42.14
Other Debts		
Good and Secured	11.66	7.87
Good and Unsecured	734.03	755.79
Doubtful and Unsecured	1.06	0.27
	<b>859.98</b>	<b>925.41</b>
Less : Provision for Doubtful Debts	48.06	42.41
	<b>811.92</b>	<b>883.00</b>
Less : Deposits from normal Trade Debtors - Contra	13.74	13.54
<b>Total</b>	<b>798.18</b>	<b>869.46</b>
Share of Joint Ventures - Schedule 19 (i) (b)	5.40	9.96
<b>Grand Total</b>	<b>803.58</b>	<b>879.42</b>

\* 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. Nil (2008 - Rs. 49.55 Crores).

<b>10. Cash and Bank Balances</b>		
With Scheduled Banks		
On Current Accounts, etc.	170.42	145.65
On Deposit Accounts	1028.79	521.16
With Other Banks	102.88	82.60
Cash and Cheques on hand	15.01	26.29
<b>Total</b>	<b>1317.10</b>	<b>775.70</b>
Share of Joint Ventures - Schedule 19 (i) (b)	1.21	1.12
<b>Grand Total</b>	<b>1318.31</b>	<b>776.82</b>

Rs. 0.05 Crore (2008 - Rs. 0.05 Crore) on deposit in Karachi - Blocked Account considered doubtful, fully provided.

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)	As at 31st March, 2008 (Rs. in Crores)
<b>11. Other Current Assets</b>		
Good and Unsecured		
Deposits with Government, Public Bodies and Others *	217.70	143.76
Interest accrued on Loans, Advances, etc.	2.07	1.73
Interest accrued on Investments	11.44	11.76
Fixed Assets held for sale (at lower of cost and estimated realisable value)	1.32	–
Doubtful and Unsecured		
Deposits with Government, Public Bodies and Others	2.05	1.49
	<b>234.58</b>	<b>158.74</b>
Less : Provision for Doubtful Deposits	2.05	1.49
<b>Total</b>	<b>232.53</b>	<b>157.25</b>
Share of Joint Ventures - Schedule 19 (i) (b)	0.12	0.46
<b>Grand Total</b>	<b>232.65</b>	<b>157.71</b>

\* Includes Deposits with Director - Rs. 0.08 Crore (2008 - Rs. 0.04 Crore).  
(The maximum indebtedness during the year was Rs. 0.08 Crore; 2008 - Rs. 0.04 Crore).

<b>12. Loans and Advances</b>		
Good and Secured		
Loans to Others	2.12	2.34
Advances to Others	75.97	6.95
Good and Unsecured		
Loans to Others *	47.86	55.55
Advances recoverable in cash or in kind or for value to be received **	515.06	664.60
Advances with Government and Public Bodies **	412.32	419.25
Advance payment of Income - Tax including Fringe Benefit Tax (net of provision)	305.49	98.15
Doubtful and Unsecured		
Loans	3.63	3.63
Advances recoverable in cash or in kind or for value to be received **	13.45	10.63
Advances with Government and Public Bodies	0.06	0.06
	<b>1375.96</b>	<b>1261.16</b>
Less : Provision for Doubtful Loans and Advances	17.14	14.32
<b>Total</b>	<b>1358.82</b>	<b>1246.84</b>
Share of Joint Ventures - Schedule 19 (i) (b)	4.46	4.90
<b>Grand Total</b>	<b>1363.28</b>	<b>1251.74</b>

\* Includes Loans to Directors and to Company Secretary - Rs. 0.46 Crore (2008 - Rs. 0.87 Crore).  
(The maximum indebtedness during the year was Rs. 0.87 Crore; 2008 - Rs. 1.01 Crores).

\*\* Includes Capital Advances of Rs. 208.27 Crores (2008 - Rs. 345.21 Crores).

## Schedules to the Consolidated Accounts

	As at 31st March, 2009 (Rs. in Crores)	As at 31st March, 2008 (Rs. in Crores)
<b>13. Liabilities</b>		
Acceptances	8.46	6.53
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises	0.39	2.37
Total outstanding dues of creditors other than micro enterprises and small enterprises *	3111.59	2874.80
Sundry Deposits	55.84	56.10
Unclaimed Dividend	37.41	33.22
Interest Accrued but not due on Loans and Deposits	0.63	0.84
	<b>3214.32</b>	<b>2973.86</b>
Less : Deposits from normal Trade Debtors - Contra	13.74	13.54
<b>Total</b>	<b>3200.58</b>	<b>2960.32</b>
Share of Joint Ventures - Schedule 19 (i) (b)	14.14	10.48
<b>Grand Total</b>	<b>3214.72</b>	<b>2970.80</b>

\* Includes amounts payable on acquisition of the Paperboards Business (Kovai unit) Rs. Nil (2008 - Rs. 38.84 Crores).

<b>14. Provisions</b>		
Taxation including Fringe Benefit Tax (net of advance payment)	16.01	13.65
Provision for Retirement Benefits	75.04	64.15
Proposed Dividend	1396.53	1319.01
Income Tax on Proposed Dividend	237.34	224.17
<b>Total</b>	<b>1724.92</b>	<b>1620.98</b>
Share of Joint Ventures - Schedule 19 (i) (b)	0.26	0.28
<b>Grand Total</b>	<b>1725.18</b>	<b>1621.26</b>

## Schedules to the Consolidated Accounts

	For the year ended 31st March, 2009 (Rs. in Crores)		For the year ended 31st March, 2008 (Rs. in Crores)	
<b>15. Other Income</b>				
Profit on Sale, etc. of Stock in Trade - Net *		–		0.36
Miscellaneous Income		133.15		128.59
Doubtful Debts, Claims and Advances - previous years		0.01		0.03
Gain on Exchange (Net)		0.71		19.50
Income / Dividend from Long Term Investments – Trade	15.19		12.76	
– Others	2.62	17.81	14.27	27.03
Income from Current Investments – Others		152.42		156.64
Interest on Loans and Deposits, etc.		62.48		120.24
Profit on Sale of Fixed Assets		0.14		0.15
Profit on Sale of Current Investments – Net		25.03		15.18
Profit on Sale of Long Term Investments		29.21		–
Liability no longer required Written Back		81.82		93.78
Excess of Fair Value of Current Investments over Carrying Cost		7.71		23.35
<b>Total</b>		<b>510.49</b>		<b>584.85</b>
Share of Joint Ventures - Schedule 19 (i) (b)		1.53		1.34
<b>Grand Total</b>		<b>512.02</b>		<b>586.19</b>
* Profit / (Loss) on Sale, etc. of Stock in Trade (Stocks, Shares and Land) - Net Sales		–		1482.23
Less : Purchases		–		1091.39
		–		<b>390.84</b>
Increase / (Decrease) in Closing Stock in Trade		–		(390.48)
Profit / (Loss) on Stock in Trade		–		<b>0.36</b>

<b>16. Raw Materials, etc.</b>				
(a) Raw Materials Consumed				
Opening Stock		2787.80		2146.06
Purchases		5122.98		5254.72
		7910.78		7400.78
Less : Closing Stock		2682.84	5227.94	2787.80
(b) Purchases and Contract Manufacturing Charges			1385.08	1424.16
(c) Increase / (Decrease) in Finished Goods, Intermediates, Stock in Process				
Opening Stock*		1232.48		1198.96
Closing Stock		1895.96	(663.48)	1232.48
<b>Total</b>		<b>5949.54</b>		<b>6003.62</b>
Less : Waste Material Sales		105.31		112.32
		<b>5844.23</b>		<b>5891.30</b>
Excise Duties, etc. on Increase / (Decrease) of Finished Goods		515.25		21.07
		<b>6359.48</b>		<b>5912.37</b>
Share of Joint Ventures - Schedule 19 (i) (b)		35.11		30.59
<b>Grand Total</b>		<b>6394.59</b>		<b>5942.96</b>

\* Includes Rs. Nil (2008 - Rs. 20.62 Crores) of Technico Pty Limited and its subsidiaries which became subsidiaries with effect from 17.08.2007.

## Schedules to the Consolidated Accounts

	For the year ended 31st March, 2009 (Rs. in Crores)		For the year ended 31st March, 2008 (Rs. in Crores)	
<b>17. Manufacturing, Selling, etc. Expenses</b>				
Salaries / Wages and Bonus	1124.08		902.79	
Contribution to Provident and Other Funds	94.25		70.08	
Workmen and Staff Welfare Expenses	108.43		94.83	
	1326.76		1067.70	
Less : Recoveries	3.99	1322.77	0.76	1066.94
Consumption of Stores and Spare Parts		198.76		184.09
Power and Fuel		415.67		331.61
Rent		167.96		126.95
Rates and Taxes		47.57		54.54
Insurance		37.88		40.44
Repairs				
– Buildings		42.55		38.05
– Machinery		94.30		80.24
– Others		58.73		44.81
Outward Freight and Handling Charges		477.19		561.59
Advertising / Sales Promotion		532.37		404.19
Market Research		43.92		37.94
Design and Product Development		66.01		26.48
Hotel Reservation / Marketing Expenses		30.07		31.41
Brokerage and Discount - Sales		7.57		4.75
Commission to Selling Agents		25.43		25.92
Doubtful and Bad Debts		8.67		7.32
Doubtful and Bad Advances, Deposits, etc.		1.10		0.70
Bank and Credit Card Charges		20.53		22.07
Information Technology Services		82.02		87.24
Travelling and Conveyance		196.83		183.09
Training and Development		20.35		16.27
Legal Expenses		22.63		26.81
Consultancy / Professional Fees		63.61		49.74
Postage, Telephone, etc.		34.31		32.33
Printing and Stationery		10.18		9.42
Loss on Exchange - Net		37.12		0.12
Loss on Sale of Current Investments - Net		–		0.10
Loss on Sale, etc. of Stock in Trade - Net*		0.40		–
Interest, etc. Paid				
– Term Loans, etc.	9.47		7.05	
– Others	19.57		12.12	
Less : Interest Received on Trading Debts, Deposits with Government Bodies, etc.	10.35	18.69	12.89	6.28
Fixed Assets and Stores Discarded - Net		23.65		19.81
Miscellaneous Expenses		818.06		704.40
		4926.90		4225.65
Deduct : Transfers to Fixed Assets, etc. Accounts		72.55		112.75
<b>Total</b>		<b>4854.35</b>		<b>4112.90</b>
Share of Joint Ventures - Schedule 19 (i) (b)		29.79		41.38
<b>Grand Total</b>		<b>4884.14</b>		<b>4154.28</b>
* Profit / (Loss) on Sale, etc. of Stock in Trade (Stocks, Shares and Land) - Net Sales		611.99		–
Less : Purchases		547.57		–
		64.42		–
Increase / (Decrease) in Closing Stock in Trade		(64.82)		–
Profit / (Loss) on Stock in Trade		(0.40)		–

## Schedules to the Consolidated Accounts

	For the year ended 31st March, 2009 (Rs. in Crores)	For the year ended 31st March, 2008 (Rs. in Crores)
<b>18. Provision for Taxation</b>		
Current Tax (Including Fringe Benefit Tax)	1319.39	1442.01
Deferred Tax	306.29	83.58
	<b>1625.68</b>	<b>1525.59</b>
Less : Adjustments related to previous years - Net		
Current Tax	18.38	20.35
Deferred Tax	(15.00)	10.32
	<b>3.38</b>	<b>30.67</b>
<b>Total</b>	<b>1622.30</b>	<b>1494.92</b>
Share of Joint Ventures - Schedule 19 (i) (b)	3.08	2.09
<b>Grand Total</b>	<b>1625.38</b>	<b>1497.01</b>

### 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".

(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, 2009	Percentage of ownership interest as at 31st March, 2008
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	96.82
Prag Agro Farm Limited (a 100% subsidiary of Wimco Limited)	India	96.82	96.82
Pavan Poplar Limited (a 100% subsidiary of Wimco Limited)	India	96.82	96.82
Technico Pty Limited (a 100% subsidiary of Russell Credit Limited)	Australia	100	100

## Schedules to the Consolidated Accounts

### 19. Notes to the Accounts (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st March, 2008
Technico ISC Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Technologies Inc. (a 100% subsidiary of Technico Pty Limited)	Canada	100	100
Technico Agri Sciences Limited (Formerly Chambal Agritech Limited) (a 100% subsidiary of Technico Pty Limited)	India	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Pyxis Solutions, LLC (a 100% subsidiary of ITC Infotech (USA), Inc.)	USA	100*	–
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing, Inc.	USA	100	100

\* Subsidiary of ITC Infotech (USA), Inc. with effect from 11.08.2008.

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) 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 Limited), which is under voluntary winding up proceedings.

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.



## Schedules to the Consolidated Accounts

### 19. Notes to the Accounts (Contd.)

(b) Interests in Joint Ventures :

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

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st March, 2008
Maharaja Heritage Resorts Limited	India	50	50
Sitel Operating Corporation India Limited (formerly CLI3L e-Services Limited)	India	34	50% minus 1 share
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

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

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

(c) Investments in Associates :

The Group's associates are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2009	Percentage of ownership interest as at 31st March, 2008
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited (formerly Asia Tobacco Company Limited)	India	47.05	47.05
Classic Infrastructure and Development Limited	India	42.35	42.35
Minota Aquatech Limited (liquidated)	India	—	40.00

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. 1.60 Crores (2008 – Rs. 1.53 Crores) in respect of the investments in associates.

## Schedules to the Consolidated Accounts

### 19. Notes to the Accounts (Contd.)

- (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. 317.24 Crores (2008 – Rs. 351.13 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. 211.24 Crores (2008 – Rs. 206.25 Crores).
  - Local Authority Taxes / Cess / Royalty on property, utilities, etc. claims disputed by the Group relating to issues of applicability and determination aggregating Rs. 41.91 Crores (2008 – Rs. 55.99 Crores).
  - Third party claims arising from disputes relating to contracts aggregating Rs. 18.16 Crores (2008 – Rs. 41.26 Crores).
  - Other matters Rs. 45.93 Crores (2008 – Rs. 47.63 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 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 directed issue of Show Cause Notices to the respondents on 16th October, 2006 and the hearing on the matter is pending.
- (b) (i) A demand letter dated 22nd February, 2008 was issued to SNPL by the Inland Revenue Office, Simra, Nepal. The demand of INR 9.34 Crores (NRs. 14.95 Crores) by way of Excise Duty, relate 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 orders issued such that the 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, and the hearing on the matter is pending.
- (ii) A demand letter dated 30th November, 2008 issued to SNPL by the Inland Revenue Office, Simra, Nepal. The demand of INR 8.03 Crores (NRs. 12.85 Crores) by way of Excise Duty, relate to the year 2006-07. The Company had filed a writ petition in the Supreme Court of Nepal on 31st December, 2008 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 6th January, 2009 and directed issue of Show Cause Notices to the respondents, and the hearing on the matter is pending.
- (c) (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 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 demanded not be collected. The Supreme Court admitted the petition on 12th September, 2007 and directed issue of Show Cause Notices to the respondents and hearing on the matter is pending.

## Schedules to the Consolidated Accounts

### 19. Notes to the Accounts (Contd.)

- (iii) A demand letter dated 5th August, 2008 was issued to SNPL by the Large Taxpayers' Office, Lalitpur for the period 2003-04 in respect of Value Added Tax. Of the total demand of INR 0.71 Crore (NRs. 1.13 Crores) the basis of demand for INR 0.67 Crore (NRs. 1.07 Crores) is on same lines as the Excise Demand. SNPL has filed a writ petition in the Supreme Court of Nepal on 1st September, 2008 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 5th September, 2008 and directed issue of Show Cause Notices to the respondents and the hearing on the matter is pending.
- (d) (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 Show Cause Notices to the respondents on 9th November, 2006. Hearing on the matter is pending.
- (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. Hearing on the matter is pending.
- (iii) A demand letter dated 15th September, 2008 for the period 2003-04 was issued to SNPL by the Large Taxpayers' Office, Lalitpur. Of a total demand of INR 1.41 Crores (NRs 2.25 Crores) the basis of demand for INR 1.19 Crores (NRs. 1.91 Crores) is on same lines as the Excise Demand. SNPL has filed a writ petition in the Supreme Court of Nepal on 7th December, 2008 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 8th December, 2008. Hearing on the matter is pending.

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

- (e) A Show Cause Notice dated 10th February, 2008 on same lines as the Excise Demand seeking reasons as to why a demand of INR 6.42 Crores (NRs. 10.28 Crores) by way of Excise Duty and INR 2.51 Crores (NRs. 4.01 Crores) by way of Value Added Tax, totalling up to INR 8.93 Crores (NRs. 14.29 Crores) should not be raised on SNPL for the period 2006-07, was issued by the Inland Revenue Office, Simra, Bara. The Company had submitted its reply on 29th February, 2008. Demand for excise duty has been received but no further communication has been received on the matter relating to VAT as on date.

A Show Cause Notice dated 5th February, 2009 on the same lines as the Excise Demand seeking reasons as to why a demand of INR 9.63 Crores (NRs. 15.41 Crores) by way of Excise Duty and INR 4.32 Crores (NRs. 6.92 Crores) by way of Value Added Tax, totalling up to INR 13.95 Crores (NRs. 22.33 Crores) should not be raised on SNPL for the period 2007-08, was issued by the Inland Revenue Office, Simra, Bara. The Company had submitted its reply on 22nd February, 2009. No further communication has been received on the matter as on date.

For the years 1993-94 and 1994-95, revenue authorities raised a demand for INR 8.49 Crores (NRs. 13.59 Crores) on same lines as the Excise Demand which was quashed by a division bench of the Supreme Court of Nepal on 8th April, 1998. Government filed a review petition on 8th October, 1998 which was admitted by a full bench on 22nd July, 2007. Hearing on the matter concluded on 30th April, 2009. The orders have been reserved.

The management is of the view that the company has strong case on merits and has been advised by eminent counsel that the Show Cause Notices and Review Petition are not sustainable.

## Schedules to the Consolidated Accounts

### 19. Notes to the Accounts (Contd.)

(b) Guarantees and Counter Guarantees outstanding :

- Excise Rs. 4.24 Crores (2008 – Rs. 4.24 Crores)
- Others Rs. 1.01 Crores (2008 – Rs. 5.54 Crores)

(c) Uncalled liability on shares partly paid Rs. 1.04 Crores (2008 – Rs. 1.04 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.

(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)]

	2009	2008
(a) Net Profit (Rs. Crores)	3324.59	3157.76
(b) Weighted average number of Ordinary Shares outstanding	3,77,02,64,256	3,76,41,67,486
(c) Effect of potential Ordinary Shares on Employee Stock Options outstanding	52,89,015	1,86,32,015
(d) Weighted average number of Ordinary Shares in computing diluted earnings per share [(b) + (c)]	3,77,55,53,271	3,78,27,99,501
(e) Earnings per share on profit after taxation (Face Value Re.1.00 per share)		
– Basic [(a) / (b)]	Rs. 8.82	Rs. 8.39
– Diluted [(a) / (d)]	Rs. 8.81	Rs. 8.35

(vi) Research and Development expenses for the year amount to Rs. 64.39 Crores (2008 – Rs. 48.55 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. 0.32 Crore (2008 - Rs. 0.42 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. 0.10 Crore (2008 – Rs. 0.11 Crore).

# Schedules to the Consolidated Accounts

## 20. Segment Reporting

### PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(Rs. in Crores)

	2009			2008		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
<b>1. Segment Revenue</b>						
FMCG – Cigarettes	15754.68	–	15754.68	14326.39	–	14326.39
FMCG – Others	3031.25	4.22	3035.47	2523.69	2.91	2526.60
<b>FMCG – Total</b>	<b>18785.93</b>	<b>4.22</b>	<b>18790.15</b>	<b>16850.08</b>	<b>2.91</b>	<b>16852.99</b>
Hotels	1086.64	6.03	1092.67	1166.89	7.57	1174.46
Agri Business	2239.55	1606.43	3845.98	2469.96	1398.48	3868.44
Paperboards, Paper and Packaging	1667.75	1154.21	2821.96	1365.90	998.43	2364.33
Others	583.84	120.21	704.05	455.71	84.38	540.09
<b>Segment Total</b>	<b>24363.71</b>	<b>2891.10</b>	<b>27254.81</b>	<b>22308.54</b>	<b>2491.77</b>	<b>24800.31</b>
Eliminations			(2891.10)			(2491.77)
<b>Consolidated Total</b>			<b>24363.71</b>			<b>22308.54</b>
<b>2. Segment Results</b>						
FMCG – Cigarettes			4328.19			3720.87
FMCG – Others			(489.60)			(258.96)
<b>FMCG – Total</b>			<b>3838.59</b>			<b>3461.91</b>
Hotels			334.62			436.11
Agri Business			256.18			129.19
Paperboards, Paper and Packaging			508.63			453.14
Others			61.01			69.97
<b>Segment Total</b>			<b>4999.03</b>			<b>4550.32</b>
Eliminations			(102.12)			(35.84)
<b>Consolidated Total</b>			<b>4896.91</b>			<b>4514.48</b>
Unallocated corporate expenses net of unallocated income			189.27			137.76
<b>Profit before interest, etc. and taxation</b>			<b>4707.64</b>			<b>4376.72</b>
Interest etc. paid – Net, not allocable to segments			18.93			6.49
Interest on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc., not allocable to segments			296.05			304.95
<b>Profit before taxation</b>			<b>4984.76</b>			<b>4675.18</b>
Provision for Taxation			1625.38			1497.01
<b>Profit after taxation before Share of Results of Associates</b>			<b>3359.38</b>			<b>3178.17</b>
Share of Net Profit / (Loss) of Associates			6.14			7.86
<b>Profit after taxation before Minority Interests</b>			<b>3365.52</b>			<b>3186.03</b>
<b>3. Other Information</b>						
	<b>Segment Assets</b>	<b>Segment Liabilities*</b>		<b>Segment Assets</b>	<b>Segment Liabilities*</b>	
FMCG – Cigarettes	4574.02	1295.07		3492.11	1010.82	
FMCG – Others	2571.27	359.47		2327.75	348.38	
<b>FMCG – Total</b>	<b>7145.29</b>	<b>1654.54</b>		<b>5819.86</b>	<b>1359.20</b>	
Hotels	2463.92	199.97		2133.42	193.50	
Agri Business	1277.26	224.33		1771.13	277.03	
Paperboards, Paper and Packaging	4176.32	411.86		3645.56	423.82	
Others	738.81	99.14		715.33	153.09	
<b>Segment Total</b>	<b>15801.60</b>	<b>2589.84</b>		<b>14085.30</b>	<b>2406.64</b>	
Unallocated Corporate Assets / Liabilities	4654.77	3708.41		3973.71	3251.78	
<b>Total</b>	<b>20456.37</b>	<b>6298.25</b>		<b>18059.01</b>	<b>5658.42</b>	
	<b>Capital Expenditure</b>	<b>Depreciation</b>	<b>Non Cash expenditure other than depreciation</b>	<b>Capital Expenditure</b>	<b>Depreciation</b>	<b>Non Cash expenditure other than depreciation</b>
FMCG – Cigarettes	525.94	164.36	5.76	461.68	139.47	5.44
FMCG – Others	196.56	70.79	3.51	317.59	46.89	0.53
<b>FMCG – Total</b>	<b>722.50</b>	<b>235.15</b>	<b>9.27</b>	<b>779.27</b>	<b>186.36</b>	<b>5.97</b>
Hotels	374.36	71.16	4.30	321.52	67.64	9.67
Agri Business	36.81	38.94	0.26	114.29	38.49	4.75
Paperboards, Paper and Packaging	578.78	192.31	14.82	886.32	135.69	2.26
Others	97.85	20.88	4.85	53.27	20.71	2.14
<b>Segment Total</b>	<b>1810.30</b>	<b>558.44</b>	<b>33.50</b>	<b>2154.67</b>	<b>448.89</b>	<b>24.79</b>

\* Segment Liabilities of FMCG – Cigarettes is before considering provision of Rs. 575.43 Crores (2008 – Rs. 598.42 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)

	2009	2008
<b>1. Segment Revenue</b>		
– Within India	21486.65	19765.37
– Outside India	2877.06	2543.17
<b>Total Revenue</b>	<b>24363.71</b>	<b>22308.54</b>
<b>2. Segment Assets</b>		
– Within India	15171.08	13632.85
– Outside India	630.52	452.45
<b>Total Assets</b>	<b>15801.60</b>	<b>14085.30</b>
<b>3. Capital Expenditure</b>		
– Within India	1773.12	2136.82
– Outside India	37.18	17.85
<b>Total Capital Expenditure</b>	<b>1810.30</b>	<b>2154.67</b>

#### NOTES :

- (1) ITC Group's corporate strategy aims at creating multiple drivers of growth anchored on its core competencies. The Group is currently focused on four business groups : FMCG, Hotels, Paperboards, Paper & 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 products, 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, Bay Islands Hotels Limited and a joint venture Maharaja Heritage Resorts Limited.
Others	– ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Pyxis Solutions LLC, Russell Credit Limited and its subsidiaries Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited, Technico Pty Limited, Technico ISC Pty Limited, Technico Technologies Inc., Technico Agri Sciences Limited (formerly Chambal Agritech Limited), Technico Asia Holdings Pty Limited and Technico Horticultural (Kunming) Co. Limited, 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 Sitel Operating Corporation India Limited (formerly CLI3L e-Services Limited).
- (4) The geographical segments considered for disclosure are :
  - Sales within India
  - Sales outside India
- (5) Segment results of 'FMCG : Others' are after considering significant business development, brand building and gestation costs of Branded Packaged Foods and Personal Care Products businesses.
- (6) The Group's Agri Business markets agri commodities in the export and domestic markets; supplies agri raw materials to the Branded Packaged Foods Business and sources leaf tobacco for the Cigarettes Business. The segment results for the year are after absorbing costs relating to the strategic e-Choupal initiative.



# 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 (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 Limited) which is under voluntary winding up proceedings.

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

#### i) Associates & Joint Ventures :

##### Associates

- Gujarat Hotels Limited
- Russell Investments Limited
- ATC Limited (formerly Asia Tobacco Company Limited)
- Classic Infrastructure & Development Limited
- International Travel House Limited
- Divya Management Limited
- Antrang Finance Limited
  - being associates of the Company, and
- Tobacco Manufacturers (India) Limited, UK of which the Company is an associate.

##### Joint Ventures

- Maharaja Heritage Resorts Limited
- Sitel Operating Corporation India Limited (formerly CLI3L e-Services Limited)
- ITC Filtrona Limited

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

Y. C. Deveshwar	Executive Chairman
A. Singh	Executive Director
K. Vaidyanath	Executive Director
S. S. H. Rehman	Executive Director (retired w.e.f. 20.03.2009)
A. Baijal	Non-Executive Director
R. K. Kaul	Non-Executive Director
S. H. Khan	Non-Executive Director
S. B. Mathur	Non-Executive Director
D. K. Mehrotra	Non-Executive Director
H. G. Powell	Non-Executive Director (w.e.f. 07.05.2008)

#### Key Management Personnel (Contd.) :

P. B. Ramanujam	Non-Executive Director
A. Ruys	Non-Executive Director (w.e.f. 20.01.2009)
B. Sen	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director
J. P. Daly	Non-Executive Director (retired w.e.f. 07.01.2009)
Ram S. Tarneja	Non-Executive Director (retired w.e.f. 26.08.2008)
A. Nayak	Permanent Invitee - Corporate Management Committee
R. Srinivasan	Permanent Invitee - Corporate Management Committee
K. N. Grant	Permanent Invitee - Corporate Management Committee (w.e.f. 13.11.2008)
N. Anand	Permanent Invitee - Corporate Management Committee (w.e.f. 13.11.2008)
P. Chatterjee	Permanent Invitee - Corporate Management Committee (w.e.f. 13.11.2008)
R. G. Jacob	Special Invitee - Corporate Management Committee

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

- Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
- Mrs. T. Anand (wife of Mr. N. Anand)

#### 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 AS ON 31.03.2009

(Rs. in Crores)

	Enterprises where control exists		Associates & Joint Ventures		Key Management Personnel		Employee Trusts		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
1. Sale of Goods / Services			14.19	14.90					14.19	14.90
2. Purchase of Goods / Services			195.05	156.82					195.05	156.82
3. Acquisition cost of Fixed Assets	30.75		0.57						31.32	
4. Sale of Fixed Assets			0.10	0.03					0.10	0.03
5. Acquisition of Investments				7.67						7.67
6. Interest Income				...		0.18	0.02		0.18	0.02
7. Remuneration to Key Management Personnel										
- Directors					16.80	16.49			16.80	16.49
- Others					3.50	3.04			3.50	3.04
8. Rent Paid					0.83*	0.55*			0.83	0.55
9. Reimbursement of Contractual Remuneration				0.13	0.15				0.13	0.15
10. Remuneration of Managers on Deputation Recovered				1.68	2.10				1.68	2.10
11. Donations	2.90	2.16							2.90	2.16
12. Contributions to Employees Benefit Plans							49.74	66.44	49.74	66.44
13. Dividend Income			15.44	3.32					15.44	3.32
14. Dividend Payments			347.47	307.76	0.91	0.86			348.38	308.62
15. Expenses Recovered	0.05	0.08	4.66	6.64					4.71	6.72
16. Expenses Reimbursed	0.05	0.07	1.30	2.46					1.35	2.53
17. Loans Given				0.28						0.28
18. Receipt towards Loan Repayment				0.28	0.41	0.14			0.41	0.42
19. Advances Given			2.66	1.55					2.66	1.55
20. Receipt towards Refund of Advances			3.28	2.79					3.28	2.79
21. Deposits Received during the year				0.03						0.03
22. Deposits Refunded during the year				0.31					1.48	0.31
23. Deposits Given during the year			1.48			0.05	0.27*		0.05	0.27
24. Receipt towards Refund of Deposits				42.29						42.29
25. <b>Balances as on 31st March</b>										
i) Debtors / Receivables			2.56	14.55					2.57	14.55
ii) Advances Given	0.01		4.98	5.60			29.12	33.40	34.10	39.00
iii) Loans Given					0.67	0.86			0.67	0.86
iv) Deposits With			0.10	0.10	0.59*	0.31*			0.69	0.41
v) Deposits From			2.17	3.65					2.17	3.65
vi) Creditors / Payables			7.18	5.78					7.18	5.78
26. In addition, Remuneration of Managers on Deputation - Absorbed	0.12	0.08	0.35	0.74					0.47	0.82

\* Includes transactions Rs. 0.58 Crore (2008 : Rs. 0.52 Crore); Balance Rs. 0.47 Crore (2008 : Rs. 0.27 Crore) with relatives of 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 lower of cost and net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its location and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and, where necessary, provision is made for such inventories.

#### 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

## Schedules to the Consolidated Accounts

### 22. Significant Accounting Policies (Contd.)

constituted and approved independent trusts with the exception of Provident Fund and Family Pension contributions in respect of Unionised Staff which are statutorily deposited with the Government.

To administer through duly constituted and approved independent trusts, various Gratuity and Pension Funds which are in the nature of defined benefit / contribution schemes. To determine the liabilities towards such schemes, as applicable, and towards employee leave encashment by an independent actuarial valuation as per the requirements of Accounting Standard – 15 (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

	Y. C. DEVESHWAR	<i>Chairman</i>
	K. VAIDYANATH	<i>Director</i>
	B. B. CHATTERJEE	<i>Secretary</i>
Kolkata		
22nd May, 2009		



## 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, 2009, 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. 1936.07 Crores as at 31st March, 2009 and the Group's share of total revenues of Rs. 1428.69 Crores for the year ended on that date, and net cash inflows amounting to Rs. 79.72 Crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit upto 31st March, 2009 of Rs. 34.37 Crores and the Group's share of profit of Rs. 6.14 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 Standard 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, 2009;
- (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  
22nd May, 2009

Membership No. 30802