



Consolidated Financial Statements

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Consolidated Balance Sheet as at 31st March, 2010

	Schedule	31st March, 2010 (Rs. in Crores)		31st March, 2009 (Rs. in Crores)	
I. Sources of Funds					
1. Shareholders' Funds					
a) Capital	1	381.82		377.44	
b) Reserves and Surplus	2	14076.49	14458.31	13650.72	14028.16
2. Minority Interests			126.38		129.96
3. Loan Funds					
a) Secured Loans	3	0.95		18.86	
b) Unsecured Loans	4	109.82	110.77	167.81	186.67
4. Deferred Tax - Net			780.57		860.60
Total			15476.03		15205.39
II. Application of Funds					
1. Fixed Assets					
a) Gross Block	6	12992.74		11550.60	
b) Less : Depreciation		4212.79		3661.85	
c) Net Block		8779.95		7888.75	
d) Capital Work-in-Progress		1023.58		1243.12	
		9803.53		9131.87	
e) Less : Provision for assets given on lease		5.93	9797.60	6.12	9125.75
2. Investments			5000.48		2507.07
3. Current Assets, Loans and Advances					
a) Inventories	8	5092.02		4794.33	
b) Sundry Debtors	9	1010.03		803.58	
c) Cash and Bank Balances	10	1348.58		1316.93	
d) Other Current Assets	11	305.74		232.65	
e) Loans and Advances	12	1245.26		1363.28	
		9001.63		8510.77	
Less :					
4. Current Liabilities and Provisions					
a) Liabilities	13	3737.14		3234.68	
b) Provisions	14	4586.75		1703.84	
		8323.89		4938.52	
Net Current Assets			677.74		3572.25
5. Miscellaneous Expenditure					
(To the extent not written off or adjusted)					
[See Schedule 19(viii)]					
Total			15476.03		15205.39
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The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants
P. R. RAMESH
Partner
Kolkata, 21st May, 2010

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, 2010

Schedule	For the year ended 31st March, 2010 (Rs. in Crores)	For the year ended 31st March, 2009 (Rs. in Crores)
IA. Gross Income	28242.33	24875.59
IB. Net Income		
Gross Sales [Includes share of Joint Ventures Rs. 9.62 Crores (2009 - Rs. 42.75 Crores)]	27623.44	24363.71
Less : Excise Duties and Taxes on Sales of Services [Includes share of Joint Ventures Rs. 5.37 Crores (2009 - Rs. 7.12 Crores)]	8487.57	7807.57
Net Sales	19135.87	16556.14
Other Income 15	618.89	511.88
	19754.76	17068.02
II. Expenditure		
Raw Materials etc. 16	6971.95	5905.68
Manufacturing, Selling etc. Expenses 17	5893.20	5596.72
Depreciation [Includes share of Joint Ventures Rs. 1.23 Crores (2009 - Rs. 2.19 Crores)]	643.90	580.86
	13509.05	12083.26
III. Profit		
Profit before Taxation	6245.71	4984.76
Provision for Taxation 18	2034.93	1625.38
Profit after Taxation before Share of Results of Associates and Minority Interests	4210.78	3359.38
Share of Net Profit/(Loss) of Associates	6.24	6.14
Profit after Taxation before Minority Interests	4217.02	3365.52
Less : Minority Interests	48.84	40.93
Net Profit	4168.18	3324.59
Profit brought forward [Includes adjustment of Rs. 4.33 Crores (2009 - Rs. Nil) consequent to recognition of Deferred Tax Asset]	805.94	652.56
Available for appropriation	4974.12	3977.15
IV. Appropriations		
General Reserve	406.89	1511.01
Special Reserve under Section 45-IC of RBI Act, 1934	8.39	5.33
Employees' Housing Reserve	5.34	6.54
Foreign Exchange Translation Reserve	6.70	10.22
Proposed Dividend		
– Ordinary Dividend	1718.18	1396.53
– Special Centenary Dividend	2100.00	–
Income Tax on Dividend Proposed/Paid	635.10	248.68
Earlier year's provision for Income Tax on Propose Dividend no longer required	(0.60)	(3.97)
Share of Revenue Reserves of Joint Ventures carried forward	17.02	21.43
Profit carried forward	77.10	781.38
	4974.12	3977.15
Earnings Per Share (Face Value Re. 1.00 each) 19(v)		
Basic	Rs. 11.01	Rs. 8.82
Diluted	Rs. 10.90	Rs. 8.81

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

In terms of our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants

P. R. RAMESH
Partner

Kolkata, 21st May, 2010

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, 2010

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

	For the year ended 31st March, 2010 (Rs. in Crores)	For the year ended 31st March, 2009 (Rs. in Crores)
A. Cash Flow from Operating Activities		
Net Profit Before Tax	6245.71	4984.76
ADJUSTMENTS FOR :		
Depreciation	643.90	580.86
Interest etc. – Net [Excluding Rs. 0.32 Crore (2009 - Rs. 0.31 Crore) (credit) in respect of financial enterprises consolidated]	(78.62)	(43.25)
Income from Long Term Investments	(18.68)	(17.81)
Income from Current Investments	(139.32)	(153.80)
Fixed Assets – Loss on Sale – Net	36.14	22.52
Profit on Sale of Long Term Investments / Joint Venture	(61.86)	(29.21)
Profit on Sale of Current Investments – Net	(11.60)	(25.03)
Doubtful and Bad Debts	15.02	8.67
Doubtful and Bad Advances, Loans and Deposits	3.24	1.10
Excess of Carrying Cost over Fair Value of Current Investments – Net	9.95	–
Excess of Cost of Current Investments over Fair Value, reversed (net)	–	(7.71)
Unrealised Gain on Exchange – Net	(2.29)	(4.81)
Amortisation of Miscellaneous Expenditure	0.11	0.10
Liability no longer required written back	(39.15)	(81.82)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	6602.55	5234.57
ADJUSTMENTS FOR :		
Trade and Other Receivables	(325.03)	(111.52)
Inventories	(297.69)	(526.06)
Trade Payables	534.45	410.91
	(88.27)	(226.67)
CASH GENERATED FROM OPERATIONS	6514.28	5007.90
Income Tax Paid	(2071.24)	(1509.45)
NET CASH FROM OPERATING ACTIVITIES	4443.04	3498.45
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(1253.40)	(1760.87)
Sale of Fixed Assets	7.10	8.98
Purchase of Business [See Note 3 below]	–	(38.84)
Purchase of Current Investments	(58538.20)	(43617.35)
Sale/Redemption of Current Investments	56101.82	43800.06
Purchase of Long Term Investments	(71.01)	(52.44)
Sale of Long Term Investments	26.90	8.61
Income from Current Investments Received	137.44	153.51
Income from Long Term Investments Received	18.68	17.81
Dividend Received from Associates	1.61	1.60
Interest Received	154.17	72.81
Refund of Deposits towards Property Options	–	49.00
Loans Given	(0.17)	–
Loans Realised	2.24	7.96
Purchase of Interest in a Subsidiary	–	(65.57)
Proceeds from Liquidation of Associate	–	0.32
Sale of Interest in Joint Venture	66.47	31.32
NET CASH USED IN INVESTING ACTIVITIES	(3346.35)	(1383.09)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	720.73	44.75
Proceeds from Long Term Borrowings	2.21	1.10
Repayments of Long Term Borrowings	(10.06)	(9.06)
Net decrease in Cash/Export Credit Facilities and other Short Term Loans	(68.05)	(30.29)
Interest Paid	(34.26)	(21.59)
Net increase in Statutory Restricted Accounts balances	5.94	4.19
Dividends Paid	(1448.69)	(1342.93)
Income Tax on Dividends Paid	(237.95)	(231.23)
NET CASH USED IN FINANCING ACTIVITIES	(1070.13)	(1585.06)
NET INCREASE IN CASH AND CASH EQUIVALENTS	26.56	530.30
OPENING CASH AND CASH EQUIVALENTS	1278.44	741.55
CASH AND CASH EQUIVALENTS ON ACQUISITION OF SUBSIDIARY [See Note 4 below]	–	6.59
CLOSING CASH AND CASH EQUIVALENTS	1305.00	1278.44
Notes :		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard – 3 Cash Flow Statements.		
2. CASH AND CASH EQUIVALENTS : Cash and Cash Equivalents as above	1305.00	1278.44
Balances in Statutory Restricted Accounts	43.35	37.41
Unrealised Gain on Foreign Currency Cash and Cash Equivalents	0.23	1.08
Cash and Bank Balances (Schedule 10)	1348.58	1316.93
3. 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. Cash paid [including Rs. Nil (2009 - Rs. 38.84 Crores) during the year as per scheme of repayment]	–	38.84
Balance Payable	–	38.84
4. Cash & Cash Equivalents include Rs. Nil (2009 – Rs. 6.59 Crores of Pyxis Solutions, LLC) acquired consequent to it becoming a subsidiary of ITC Limited and is included in the closing Cash and Cash Equivalents.	–	–

In terms of our report of even date
For DELOITTE HASKINS & SELLS
Chartered Accountants
P. R. RAMESH
Partner

Kolkata, 21st May, 2010

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, 2010 (Rs. in Crores)	As at 31st March, 2009 (Rs. in Crores)
1. Capital		
Authorised		
5,00,00,00,000 Ordinary Shares of Re. 1.00 each (2009 - 5,00,00,00,000 Ordinary Shares of Re. 1.00 each)	500.00	500.00
Issued & Subscribed		
3,81,81,76,790 Ordinary Shares of Re. 1.00 each, fully paid (2009 - 3,77,43,99,560 Ordinary Shares of Re. 1.00 each, fully paid)	381.82	377.44

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) 10,74,422 (2009 – 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.

b) 13,77,495 (2009 – 13,77,495) Options in 2005-06 (including 4,75,638 Bonus Options allocated on unvested Options), of which 13,60,568 vested Options have been exercised.

c) 51,64,746 (2009 – 52,31,345) Options in 2006-07, of which 29,06,596 vested Options have been exercised.

d) 47,82,423 (2009 – 48,80,337) Options in 2007-08, of which 5,51,282 vested Options have been exercised.

e) 53,22,009 (2009 – 54,96,032) Options in 2008-09, of which 1,12,642 vested Options have been exercised.

f) 42,94,210 Options in 2009-10, 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, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
2. Reserves and Surplus				
Capital Reserve on Consolidation				
At commencement of the year	127.93		127.89	
Add: Consequent to change in Group's Interest	0.09	128.02	0.04	127.93
General Reserve				
At commencement of the year	11657.55		10151.54	
Less: Transfer to Capital Redemption Reserve	–		5.00	
Add: From Profit and Loss Account	406.89	12064.44	1511.01	11657.55
Securities Premium				
At commencement of the year	548.29		504.12	
Add: On Issue of Shares	716.35	1264.64	44.17	548.29
Capital Reserve		5.76		5.76
Capital Redemption Reserve				
At commencement of the year	5.22		0.22	
Add: Transfer from General Reserve	–	5.22	5.00	5.22
Special Reserve under Section 45-IC of the RBI Act, 1934				
At commencement of the year	50.43		45.10	
Add: From Profit and Loss Account	8.39	58.82	5.33	50.43
Employees' Housing Reserve				
At commencement of the year	6.54		–	
Add: From Profit and Loss Account	5.34	11.88	6.54	6.54
Subsidy Reserve		0.23		0.23
Revaluation Reserve				
At commencement of the year	60.00		61.13	
Less: To Profit and Loss Account				
– Depreciation	0.78		1.10	
– Disposal of Fixed Assets	–	59.22	0.03	60.00
Contingency Reserve		363.05		363.05
Foreign Exchange Translation Reserve		20.21		18.90
Profit and Loss Account				
From Profit and Loss Account	77.10		781.38	
Add: Adjustment consequent to recognition of Deferred Tax Asset	–	77.10	4.33	785.71
Total		14058.59		13629.61
Share of Joint Ventures - Schedule 19 (i) (b)				
Revenue Reserves [includes General Reserve Rs. 1.39 Crores (2009 - Rs. 1.46 Crores)]		17.90		21.11
Grand Total		14076.49		13650.72

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)	As at 31st March, 2009 (Rs. in Crores)
3. Secured Loans		
Loans from Banks		
Cash Credit Facilities *	–	18.04
Term Loans *	0.95	0.81
Total	0.95	18.85
Share of Joint Ventures - Schedule 19 (i) (b)	–	0.01
Grand Total	0.95	18.86
* Secured by hypothecation of certain fixed assets and current assets, both present and future.		
4. Unsecured Loans		
Short Term Loans		
From Banks – Export Credit Facilities	–	50.00
Other Loans		
From Banks	16.01	25.18
(Due within one year Rs. 9.78 Crores, 2009 – Rs. 9.54 Crores)		
From Financial Institution	1.19	1.11
(Due within one year Rs. 0.04 Crore, 2009 – Rs. Nil)		
From Others		
Sales tax deferment loan (interest free)	91.71	90.75
(Due within one year Rs. 0.80 Crore, 2009 – Rs. 0.52 Crore)		
Others	0.91	0.77
Grand Total	109.82	167.81
5. Deferred Tax - Net		
Deferred Tax Liabilities		
On fiscal allowances on fixed assets	932.88	870.46
On excise duty on closing stock	196.64	294.89
Other timing differences	1.85	0.53
	1131.37	1165.88
Deferred Tax Assets		
On fiscal allowances on fixed assets	0.38	1.16
On employees' separation and retirement etc.	38.72	24.74
On provision for doubtful debts/advances	12.86	8.78
On State and Central taxes etc.	285.33	258.16
On unabsorbed tax losses and depreciation *	5.59	11.77
Other timing differences	8.11	1.29
	350.99	305.90
Total	780.38	859.98
Share of Joint Ventures - Schedule 19 (i) (b)	0.19	0.62
Grand Total	780.57	860.60

* 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, 2010 (Rs. in Crores)	Net Book Value as at 31st March, 2010 (Rs. in Crores)
Goodwill on Consolidation	197.06	5.00	1.16	200.90	–	–	0.76	200.14
Trademarks & Goodwill	11.18	0.04	–	11.22	0.62	–	9.93	1.29
Know-how, Business and Commercial Rights	72.00	–	–	72.00	6.42	–	52.97	19.03
Land Freehold	907.42	58.41	4.86	960.97	–	–	1.68	959.29
Buildings Freehold	1947.41	436.43	11.25	2372.59	45.76	2.29	397.63	1974.96
Leasehold Properties	158.98	54.95	0.22	213.71	2.39	–	20.71	193.00
Licensed Properties - Building Improvement	49.88	3.10	0.21	52.77	7.10	0.47	23.58	29.19
Railway Sidings etc.	1.17	–	–	1.17	0.02	–	0.80	0.37
Plant & Machinery *	7109.49	818.84	57.25	7871.08	464.41	39.24	3054.17	4816.91
Capitalised Software	163.07	56.64	0.44	219.27	25.30	2.51	109.72	109.55
Computers, Servers and Other I.T. Equipments	401.24	38.90	30.09	410.05	48.88	25.03	261.11	148.94
Furniture & Fittings	421.56	98.02	6.87	512.71	35.73	2.68	249.08	263.63
Motor Vehicles etc.	72.94	11.35	7.82	76.47	6.82	3.73	22.07	54.40
	11513.40	1581.68	120.17	12974.91	643.45	75.95	4204.21	8770.70
Capital Work-in-Progress	1243.09	1304.95	1524.59	1023.45	–	–	–	1023.45
Total (a)	12756.49	2886.63	1644.76	13998.36	643.45	75.95	4204.21	9794.15
Share of Joint Ventures - Schedule 19 (i) (b)								
Fixed Assets	37.20	1.62	20.99	17.83	1.23	17.81	8.58	9.25
Capital Work-in-Progress	0.03	1.54	1.44	0.13	–	–	–	0.13
Total (b)	37.23	3.16	22.43	17.96	1.23	17.81	8.58	9.38
Total (a) + (b)	12793.72	2889.79	1667.19	14016.32	644.68	93.76	4212.79	9803.53
Provision for assets given on lease								5.93
Grand Total								9797.60
Previous Year	10976.02	3544.28	1726.58	12793.72	581.96	68.47	3661.85	9131.87
Provision for assets given on lease								6.12
Grand Total								9125.75

@ 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 (2009 - Rs. 17.29 Crores) in respect of land at Bengaluru. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 21 years time from the date of agreement (b) Rs. 8.92 Crores (2009 - Rs. 8.92 Crores) in respect of land at Mysore. Final purchase price is to be determined by the Karnataka Industrial Areas Development Board, on settlement of which and on execution of a Sale Deed, title will pass to the Company in 6 years time from the date of agreement.

Land Freehold includes certain lands at Munger which stood vested with the State of Bihar under the Bihar Land Reforms Act, 1950 for which compensation has not yet been determined.

Litigation seeking cancellation of lease of Wakf land in Bengaluru 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. 670.07 Crores (2009 - Rs. 561.75 Crores), aggregate cost of building on leasehold land situated at various locations.

"Trademarks & Goodwill" includes purchased Trademark amounting to Rs. 6.33 Crores (2009 - Rs. 6.29 Crores) which are being amortised over 10 years.

Out of the total amount of "Know-how, Business and Commercial Rights" aggregating Rs. 60.36 Crores (2009 - Rs. 60.36 Crores) :-

– Rs. 47.34 Crores (2009 - Rs. 47.34 Crores) acquired in earlier years are being amortised over 10 years.

– Rs. 4.97 Crores (2009 - Rs. 4.97 Crores) acquired in earlier years are being amortised over 4 years.

– Rs. 8.05 Crores (2009 - Rs. 8.05 Crores) acquired in earlier years are being amortised over 5 years.

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

Capital expenditure commitments, including share of Joint Ventures Rs. Nil (2009 - Rs. 0.94 Crore), are Rs. 1027.82 Crores (2009 - Rs. 773.04 Crores).

Depreciation for the year includes Rs. 0.78 Crore (2009 - Rs. 1.10 Crores) transferred from Revaluation Reserve in respect of revalued assets.

* Plant and Machinery includes Rs. 29.17 Crores (2009 - Rs. 32.75 Crores) being assets given on lease and these are depreciated over the primary period of the lease. In respect of assets aggregating Rs. 19.63 Crores (2009 - Rs. 20.18 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, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments				
Long Term				
A. TRADE INVESTMENTS				
In Associates				
International Travel House Limited				
39,14,233 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 11.89 Crores)	21.87		21.87	
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2010	28.36	50.23	24.21	46.08
Gujarat Hotels Limited				
17,33,907 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (including goodwill of Rs. 1.16 Crores)	1.94		1.94	
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2010	5.45	7.39	4.81	6.75
ATC Limited				
55,650 Equity Shares of Rs. 100.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.16 Crore)		0.83		0.83
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2010		0.58	1.41	0.79
1,39,125 Equity Shares of Rs. 100.00 each, partly paid				
Cost of acquisition (including goodwill of Rs. 0.30 Crore)		1.88		1.04
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2010		0.20	2.08	0.37
				1.41
In Other Companies				
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
Bihar Hotels Limited				
8,00,000 Equity Shares of Rs. 2.00 each, fully paid		0.04		0.04
VST Industries Limited				
21,75,748 (2009 - 22,02,417) Equity Shares of Rs. 10.00 each, fully paid (26,669 Equity Shares sold during the year)	36.15		36.58	
Agro Tech Foods Limited				
33,93,064 (2009 - 40,85,800) Equity Shares of Rs. 10.00 each, fully paid (6,92,736 Equity Shares sold during the year)	44.61		53.73	
Hotel Leelaventure Limited				
3,20,23,542 (2009 - 1,41,42,900) Equity Shares of Rs. 2.00 each, fully paid (1,81,13,124 shares acquired and 2,32,482 shares sold during the year)	100.82		31.18	
EIH Limited				
5,88,64,763 Equity Shares of Rs. 2.00 each, fully paid	215.70		215.70	
Ballarpur Industries Limited				
Nil (2009 - 23,00,229) Equity Shares of Rs. 10.00 each, fully paid (23,00,229 Equity Shares sold during the year)	-		5.58	
B. SUBSIDIARY COMPANIES				
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	454.90	30.30	395.60	29.84

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Brought forward	454.90	30.30	395.60	29.84
C. DEPOSIT WITH OR FOR DEPOSIT WITH VARIOUS AUTHORITIES				
Government Securities (cost Rs.78,000.00)		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 Savings Certificates pledged at Mandi Samiti	
Cost - Rs. 28,000.00 (2009 - Rs. 23,000.00)	
D. OTHER INVESTMENTS				
In Associates				
Russell Investments Limited				
42,75,435 Equity Shares of Rs. 10.00 each, fully paid				
Cost of acquisition (net of capital reserve of Rs. 0.30 Crore)		4.27		4.27
Add / (Less) : Group Share of Profits / (Losses) upto 31.03.2010		3.90	8.17	3.76
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 31.03.2010		0.41	10.81	0.37
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 31.03.2010		0.06	6.99	0.04
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 31.03.2010		0.04	4.44	0.02
In Other Companies				
Hill Properties Limited				
3 Class 'A' 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)	
Andhra Pradesh Gas Power Corporation Limited				
8,04,000 Equity Shares of Rs. 10.00 each, fully paid		2.32		2.32
Cuffe Parade Sealord Co-operative Housing Society Limited				
10 Shares of Rs. 50.00 each, fully paid (cost Rs. 500.00)	
Tulsiani Chambers Premises Co-operative Society Limited				
5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
Atur Park Co-operative Housing Society Limited				
5 Shares of Rs. 50.00 each, fully paid (cost Rs. 250.00)	
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
Coffee Futures Exchange India Limited				
1 Equity Share of Rs. 10,000.00 each, fully paid (cost Rs. 10,000.00)	
Woodlands Hospital & Medical Research Centre Limited				
1/2 % Registered Debentures, fully paid (cost Rs. 15,200.00)	
5 % Registered Debentures, fully paid		0.01		0.01
Carried over	454.90	109.29	395.60	108.61

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)			
	Quoted	Not Quoted	Quoted	Not Quoted		
7. Investments (Contd.)						
OTHER INVESTMENTS (Contd.)		Brought forward	454.90	109.29	395.60	108.61
Tourism Finance Corporation of India Limited 25,000 Equity Shares of Rs. 10.00 each, fully paid	0.05				0.05	
Government Securities						
5% Bikash Rinpatra, 2071				5.27		5.27
6.5 % Bikash Rinpatra, 2075				1.60		1.60
Mirage Advertising and Marketing Limited 12,488 Equity Shares of Rs.10.00 each, 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)			
Prime Golf Ranking Private Limited 150 Equity Shares of Re. 1.00 each, fully paid (cost Rs. 150.00)			
Gilt Facilities India Private Limited 545 Redeemable Preference Shares (0.5%) of Rs. 1,00,000.00 each, fully paid *				5.45		5.45
Total Long Term Investments	454.95	121.62	395.65	120.94		
Current						
OTHER INVESTMENTS						
Unit Trust of India 6.60% US-64 Tax Free Bonds Nil (2009 - 1,69,17,554) Bonds of Rs. 100.00 each, fully paid (1,69,17,554 Bonds sold during the year)				–		168.13
Indian Railway Finance Corporation Limited 10,000 (2009 - Nil) 6.30% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid (10,000 Bonds purchased during the year)				100.00		–
IIFCL 6.85% 2014 Tax Free Bonds (22/01/2014) 31,510 (2009 - 17,000) 6.85% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid (14,510 Bonds acquired during the year)				316.13		169.76
6.85% 2014 Tax Free Bonds (20/03/2014) 3,000 6.85% Tax Free Bonds of Rs. 1,00,000.00 each, fully paid				30.00		30.00
ICICI Bank Limited 310 (2009 - 350) Non-Cumulative, Non-Participating, Non-Voting Preference Shares of Rs. 1,00,00,000.00 each, fully paid (40 Preference Shares were sold during the year)				107.95		133.48
National Housing Bank 2018 (24/12/2018) 1,03,785 (2009 - Nil) Zero Coupon Bonds of Rs. 10,000.00 each, fully paid (1,03,785 Bonds acquired during the year)				51.41		–
NABARD NABARD Bhavishya Nirman Bond 2017 (01/08/2017) 4,100 (2009 - Nil) Zero Coupon Bonds 2017 of Rs. 20,000.00 each, fully paid (4,100 Bonds acquired during the year)				4.50		–
NABARD Bhavishya Nirman Bond 2019 (01/01/2019) 1,41,270 (2009 - Nil) Zero Coupon Bonds 2019 of Rs. 20,000.00 each, fully paid (1,41,270 Bonds acquired during the year)				139.44		–
AIG Fixed Maturity Plan 1 Series 1 Institutional Growth Nil (2009 - 20,000) Units of Rs. 1,000.00 each (20,000 Units sold during the year)				–		2.00
		Carried over		749.43		503.37

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)	Brought forward		749.43	503.37
AIG India Treasury Fund Super Institutional Daily Dividend Nil (2009 - 5,42,38,414) Units of Rs. 10.00 each (30,77,25,777 Units purchased and 36,19,64,191 Units sold during the year)			–	54.30
AIG Short Term Fund - Institutional Weekly Dividend 40,667 (2009 - Nil) Units of Rs. 1,000.00 each (40,667 Units purchased during the year)			4.07	–
Birla Sun Life Savings Fund Instl - Growth 2,95,80,832 (2009 - Nil) Units of Rs. 10.00 each (2,95,80,832 Units purchased during the year)			50.01	–
Birla Sun Life Short Term Opportunities Fund - Instl - Weekly Dividend 14,77,08,515 (2009 - Nil) Units of Rs. 10.00 each (14,77,08,515 Units purchased during the year)			147.74	–
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend Nil (2009 - 11,51,16,780) Units of Rs. 10.00 each (9,94,96,219 Units purchased and 21,46,12,999 Units sold during the year)			–	118.35
BSL Interval Income Fund - Instl - Quarterly - Series 1 - Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00	–
BSL Interval Income Fund - Instl - Quarterly - Series 2 - Dividend Payout 5,00,04,027 (2009 - Nil) Units of Rs. 10.00 each (5,00,04,027 Units purchased during the year)			50.00	–
Canara Robeco FMP - Series 5-13 months (Plan A) Dividend Payout 2,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,00,00,000 Units purchased during the year)			20.00	–
Canara Robeco Interval Series 2 - Quarterly Plan 2 - Inst Dividend Fund 5,80,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,80,00,000 Units purchased during the year)			58.00	–
Canara Robeco Treasury Advantage Fund - Daily Dividend Reinvest 1,74,96,859 (2009 - Nil) Units of Rs. 10.00 each (1,74,96,859 Units purchased during the year)			17.12	–
Canara Robeco Treasury Advantage Super Instl Daily Div Reinv Fund 18,38,09,866 (2009 - Nil) Units of Rs. 10.00 each (40,89,75,511 Units purchased and 22,51,65,645 Units sold during the year)			228.05	–
Canara Robeco Liquid Fund - Institutional - Growth Nil (2009 - 2,39,78,529) Units of Rs. 10.00 each (2,39,78,529 Units sold during the year)			–	30.00
DSP Black Rock FMP 13M Series 3 - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
DSP Black Rock FMP - 13M - Series 2 - Dividend 4,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (4,50,00,000 Units purchased during the year)			45.00	–
DSP Black Rock FMP - 12M Series 2 - Institutional Growth Nil (2009 - 3,00,00,000) Units of Rs. 10.00 each (3,00,00,000 Units sold during the year)			–	30.00
	Carried over		1444.42	736.02

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)	Brought forward		1444.42	736.02
DSP Black Rock Fixed Maturity Plan - 12M - Series 3 - Regular Growth Nil (2009 - 50,000) Units of Rs. 10.00 each (50,000 Units sold during the year)			–	0.05
DWS Fixed Term Fund - Series - 41 - Institutional Growth Nil (2009 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			–	10.00
DWS Fixed Term Fund - Series - 52 - Institutional Dividend Nil (2009 - 1,30,00,000) Units of Rs. 10.00 each (1,30,00,000 Units sold during the year)			–	13.00
DWS Fixed Term Fund Series 67 - Dividend Plan - Payout 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
DWS Treasury Fund Investment Institutional Plan - Growth 2,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,00,00,000 Units purchased during the year)			20.00	–
DWS Ultra Short Term Fund - Institutional Daily Dividend - Reinvest 7,81,26,226 (2009 - Nil) Units of Rs. 10.00 each (68,01,93,623 Units purchased and 60,20,67,397 Units sold during the year)			78.27	–
DWS Ultra Short Term Fund - Institutional Growth 4,77,20,852 (2009 - Nil) Units of Rs. 10.00 each (4,77,20,852 Units purchased during the year)			50.00	–
Fidelity Fixed Maturity Plan - Series 1 - Plan B - Retail Growth Nil (2009 - 2,50,000) Units of Rs. 10.00 each (2,50,000 Units sold during the year)			–	0.25
Fidelity Ultra Short Term Debt Fund Super Institutional - Daily Dividend 10,20,44,061 (2009 - Nil) Units of Rs. 10.00 each (1,84,31,34,480 Units purchased and 1,74,10,90,419 Units sold during the year)			102.07	–
Fortis FTP Ser 13 Plan A Inst. Growth Nil (2009 - 2,00,00,000) Units of Rs. 10.00 each (2,00,00,000 Units sold during the year)			–	20.00
Fortis Money Plus - Institutional Plan - Daily Dividend Nil (2009 - 14,02,21,224) Units of Rs. 10.00 each (5,67,21,060 Units purchased and 19,69,42,284 Units sold during the year)			–	140.26
Fortis Money Plus Institutional Growth 7,79,69,070 (2009 - 2,50,72,558) Units of Rs. 10.00 each (5,28,96,512 Units purchased during the year)			105.00	33.00
Fortis Money Plus Regular Plan - Daily Dividend 3,85,798 (2009 - 3,70,225) Units of Rs. 10.00 each (15,573 Units purchased during the year)			0.39	0.37
HDFC Cash Management Fund - Savings Plan Daily Dividend Nil (2009 - 61,51,482) Units of Rs. 10.00 each (61,51,482 Units sold during the year)			–	6.54
HDFC FMP 181D October 2008 (VIII)(1) - Wholesale Plan Dividend Nil (2009 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)			–	10.00
HDFC High Interest Fund - Short Term Plan - Dividend Nil (2009 - 4,23,49,465) Units of Rs. 10.00 each (7,57,01,850 Units purchased and 11,80,51,315 Units sold during the year)			–	44.91
	Carried over		1825.15	1014.40

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)	
	Quoted	Not Quoted	Quoted	Not Quoted
7. Investments (Contd.)				
Current				
OTHER INVESTMENTS (Contd.)	Brought forward		1825.15	1014.40
HDFC Short Term Plan - Dividend Nil (2009 - 3,87,44,777) Units of Rs. 10.00 each (17,81,50,583 Units purchased and 21,68,95,360 Units sold during the year)			–	40.07
ICICI Prudential Banking & PSU Debt Fund Daily Dividend 9,51,09,358 (2009 - Nil) Units of Rs. 10.00 each (9,51,09,358 Units purchased during the year)			95.28	–
ICICI Prudential Institutional Short Term Plan - DR - Fortnightly Nil (2009 - 2,35,12,625) Units of Rs. 10.00 each (12,12,92,028 Units purchased and 14,48,04,653 Units sold during the year)			–	28.16
ICICI Prudential Flexible Income Plan Premium - Growth 30,18,545 (2009 - Nil) Units of Rs. 100.00 each (30,18,545 Units purchased during the year)			50.00	–
ICICI Prudential FMP Series 51 - 1 Year Plan B - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
ICICI Prudential FMP Series 51 - 13 Months Plan C - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
ICICI Prudential FMP Series 51 - 14 Months Plan D - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00	–
ICICI Prudential FMP Series 49 - 1 Year Plan B Institutional Growth 3,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (3,00,00,000 Units purchased during the year)			30.00	–
ICICI Prudential Liquid Super Institutional Plan - Div - Daily Nil (2009 - 4,99,99,821) Units of Rs.100.00 each (2009 - Rs.10.00 each) (1,35,46,17,076 Units purchased and 1,40,46,16,897 Units sold during the year)			–	50.00
ICICI Prudential FMP Series 41 - Fourteen Months Plan Institutional Cumulative Nil (2009 - 1,50,00,000) Units of Rs. 10.00 each (1,50,00,000 Units sold during the year)			–	15.00
ICICI Prudential FMP Series 41 - Fifteen Months Plan Institutional Growth Nil (2009 - 20,00,000) Units of Rs. 10.00 each (20,00,000 Units sold during the year)			–	2.00
ICICI Prudential Liquid Plan Institutional Plus - Daily Dividend Option Nil (2009 - 33,808) Units of Rs. 10.00 each (33,808 Units sold during the year)			–	0.04
IDFC Cash Fund - Super Inst Plan C - Daily Dividend Nil (2009 - 24,99,754) Units of Rs. 10.00 each (1,29,37,74,835 Units purchased and 1,29,62,74,589 Units sold during the year)			–	2.50
IDFC - FMP - Thirteen Months Series 1 - Plan B - Growth 2,50,00,000 (2009 - 2,50,00,000) Units of Rs. 10.00 each			25.00	25.00
IDFC Fixed Maturity Plan - Yearly - Series 24 - Plan B - Growth Nil (2009 - 2,00,00,000) Units of Rs. 10.00 each (2,00,00,000 Units sold during the year)			–	20.00
	Carried over		55.00	2045.43
				1197.17

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)		
	Quoted	Not Quoted	Quoted	Not Quoted	
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		55.00	2045.43	1197.17
IDFC Money Manager Fund - Investment Plan - Inst Plan B - Daily Div 14,84,84,394 (2009 - 3,33,22,532) Units of Rs. 10.00 each (35,17,78,630 Units purchased and 23,66,16,768 Units sold during the year)				148.71	33.38
IDFC Money Manager Fund - Investment Plan - Inst Plan B - Growth 6,30,49,022 (2009 - Nil) Units of Rs. 10.00 each (6,30,49,022 Units purchased during the year)			89.00		—
IDFC Money Manager Fund - Treasury Plan - Inst Plan B - Growth 2,31,51,036 (2009 - Nil) Units of Rs. 10.00 each (2,31,51,036 Units purchased during the year)			33.00		—
JM Money Manager Fund Super Plus Plan - Daily Dividend 24,79,26,101 (2009 - Nil) Units of Rs. 10.00 each (1,88,97,06,136 Units purchased and 1,64,17,80,035 Units sold during the year)			248.06		—
JP Morgan India Treasury Fund - Super Inst. Daily Div Plan - Reinvest Nil (2009 - 2,61,39,824) Units of Rs. 10.00 each (72,11,48,337 Units purchased and 74,72,88,161 Units sold during the year)			—		26.16
JP Morgan India Treasury Fund - Super Inst. Growth Plan 8,57,67,854 (2009 - 2,89,53,464) Units of Rs. 10.00 each (5,68,14,390 Units purchased during the year)			100.00		33.00
JP Morgan India Liquid Plus Fund - Retail - Daily Dividend - Plan Reinvested 3,17,180 (2009 - 3,05,154) Units of Rs. 10.00 each (12,026 Units purchased during the year)			0.32		0.31
Kotak Flexi Debt Scheme - Institutional - Daily Dividend Nil (2009 - 94,56,469) Units of Rs. 10.00 each (12,616 Units purchased and 94,69,085 Units sold during the year)			—		9.50
Kotak Floater Long Term - Daily Dividend Reinvest 1,20,25,893 (2009 - Nil) Units of Rs. 10.00 each (1,20,25,893 Units purchased during the year)			12.12		—
Kotak Floater Long Term - Growth 10,45,70,180 (2009 - Nil) Units of Rs. 10.00 each (10,45,70,180 Units purchased during the year)			150.00		—
Kotak FMP 12M Series 7 - Institutional - Growth Nil (2009 - 10,00,000) Units of Rs. 10.00 each (10,00,000 Units sold during the year)			—		1.00
Kotak FMP 13M Series 5 - Growth 1,00,00,000 (2009 - 1,00,00,000) Units of Rs. 10.00 each	10.00				10.00
Kotak FMP 370 Days Series 1 - Growth 3,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (3,00,00,000 Units purchased during the year)	30.00				—
Kotak FMP 370 Days Series 3 Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
Kotak Quarterly Interval Plan Series 2 - Dividend Nil (2009 - 2,50,00,000) Units of Rs. 10.00 each (2,50,00,000 Units sold during the year)			—		25.00
	Carried over		95.00	2876.64	1335.52

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)		
	Quoted	Not Quoted	Quoted	Not Quoted	
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		95.00	2876.64	1335.52
Kotak Quarterly Interval Plan Series 6 - Dividend 9,84,25,864 (2009 - Nil) Units of Rs. 10.00 each (9,84,25,864 Units purchased during the year)			98.43		—
LICMF Income Plus Fund - Daily Dividend Plan 3,92,85,987 (2009 - 5,00,67,287) Units of Rs. 10.00 each (41,50,35,447 Units purchased and 42,58,16,747 Units sold during the year)			42.98		50.07
LICMF Income Plus Fund - Growth Plan 12,39,89,966 (2009 - Nil) Units of Rs. 10.00 each (12,39,89,966 Units purchased during the year)			150.02		—
LICMF Interval Fund Quarterly Plan Series 2 - Quarterly Dividend Plan 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00		—
LICMF Liquid Plan - Dividend Re-investment Plan 1,47,06,548 (2009 - Nil) Units of Rs. 10.00 each (1,47,06,548 Units purchased during the year)			16.15		—
L&T Fixed Maturity Plan Series -12 - Plan 15 M - March 10 - I Dividend (Payout) 1,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,50,00,000 Units purchased during the year)			15.00		—
L&T Fixed Maturity Plan Series 12 - Plan 91 D March 10 - I - Dividend (Payout) 1,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,50,00,000 Units purchased during the year)			15.00		—
L&T Fixed Maturity Plan Series 12 - Plan 91 D - March 10 - II - Dividend (Payout) 1,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,50,00,000 Units purchased during the year)			15.00		—
L&T Freedom Income STP Inst - Daily Dividend Re-investment Plan (Formerly DBS Chola Freedom Income STP Institutional Daily Dividend Re-investment Plan) Nil (2009 - 98,48,498) Units of Rs. 10.00 each (70,24,66,853 Units purchased and 71,23,15,351 Units sold during the year)			—		10.00
Principal Pnb Fixed Maturity Plan 385 Days - Series XI Mar 09 - Institutional Growth Plan 1,00,00,000 (2009 - 1,00,00,000) Units of Rs. 10.00 each			10.00		10.00
Reliance Fixed Horizon Fund - XII - Series 3 Super Institutional Plan - Growth 2,50,00,000 (2009 - 2,50,00,000) Units of Rs. 10.00 each			25.00		25.00
Reliance Fixed Horizon Fund - XIII - Series 1 - Growth Plan 4,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (4,00,00,000 Units purchased during the year)			40.00		—
Reliance Fixed Horizon Fund - XIII - Series 2 - Growth Plan 3,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (3,00,00,000 Units purchased during the year)			30.00		—
Reliance Fixed Horizon Fund - XIII - Series 6 - Growth Plan 1,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,50,00,000 Units purchased during the year)			15.00		—
	Carried over		215.00	3254.22	1430.59

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)		
	Quoted	Not Quoted	Quoted	Not Quoted	
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		215.00	3254.22	1430.59
Reliance Quarterly Interval Fund - Series III - Institutional Dividend Plan 4,99,84,005 (2009 - Nil) Units of Rs. 10.00 each (4,99,84,005 Units purchased during the year)			50.00		—
Reliance Money Manager Fund - Institutional Option - Daily Dividend Plan 1,09,887 (2009 - Nil) Units of Rs. 1,000.00 each (45,18,939 Units purchased and 44,09,052 Units sold during the year)			11.00		—
Reliance Money Manager Fund - Institutional Option - Growth Plan 6,30,271 (2009 - Nil) Units of Rs. 1,000.00 each (6,30,271 Units purchased during the year)			77.00		—
Reliance Monthly Interval Fund Series II Institutional Dividend Plan 2,49,90,753 (2009 - Nil) Units of Rs. 10.00 each (2,49,90,753 Units purchased during the year)			25.00		—
Reliance Quarterly Interval Fund Series II Institutional Dividend Plan 2,47,76,435 (2009 - Nil) Units of Rs. 10.00 each (2,47,76,435 Units purchased during the year)			24.78		—
Reliance Short Term Fund - Retail Plan - Dividend Plan Nil (2009 - 5,64,06,746) Units of Rs. 10.00 each (15,77,30,367 Units purchased and 21,41,37,113 Units sold during the year)			—		60.01
Religare Active Income Fund - Institutional - Monthly Dividend 3,01,13,110 (2009 - Nil) Units of Rs. 10.00 each (3,01,13,110 Units purchased during the year)			30.12		—
Religare Fixed Maturity Plan - Series - II Plan B (15 Months) - Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
Religare Fixed Maturity Plan - Series - II Plan C (15 Months) - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)			25.00		—
Religare Fixed Maturity Plan - Series - II Plan F (13 Months) - Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
Religare Fixed Maturity Plan - Series - II Plan A (13 Months) - Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
Religare FMP - 14 Months - Series II Institutional Growth Nil (2009 - 1,50,00,000) Units of Rs. 10.00 each (1,50,00,000 Units sold during the year)			—		15.00
Religare Liquid Fund - Super Institutional - Daily Dividend Nil (2009 - 2,49,91,253) Units of Rs. 10.00 each (1,18,26,79,213 Units purchased and 1,20,76,70,466 Units sold during the year)			—		25.00
Religare Short Term Plan - Institutional Daily Dividend Nil (2009 - 5,98,12,176) Units of Rs. 10.00 each (2,48,703 Units purchased and 6,00,60,879 Units sold during the year)			—		60.08
Religare Ultra Short Term Fund - Institutional Growth 4,08,17,993 (2009 - Nil) Units of Rs. 10.00 each (4,08,17,993 Units purchased during the year)			50.00		—
	Carried over		215.00	3697.12	1590.68

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)		
	Quoted	Not Quoted	Quoted	Not Quoted	
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		215.00	3697.12	1590.68
Religare Yearly FMP Series I - Plan A (375 Days) - Institutional Growth 1,00,00,000 (2009 - 1,00,00,000) Units of Rs. 10.00 each	10.00				10.00
SBI Debt Fund Series - 180 Days - 9 - Dividend 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)		25.00			—
SBI Magnum Insta Cash Fund - Daily Dividend Option Nil (2009 - 3,58,26,498) Units of Rs. 10.00 each (94,79,02,906 Units purchased and 98,37,29,404 Units sold during the year)		—			60.01
SBI Premier Liquid Fund - Super Institutional - Daily Dividend Nil (2009 - 7,05,51,276) Units of Rs. 10.00 each (61,13,27,101 Units purchased and 68,18,78,377 Units sold during the year)		—			70.78
SBI Debt Fund Series - 15 Months - 5 - Dividend 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)		50.00			—
SBNPP FTP 367 Days Series 8 Super Inst- Gr 1,00,00,000 (2009 - 1,00,00,000) Units of Rs. 10.00 each	10.00				10.00
SBNPP FTP 367 Days Series P - Growth 2,00,01,600 (2009 - Nil) Units of Rs. 10.00 each (2,00,01,600 Units purchased during the year)	20.00				—
TATA Fixed Income Portfolio Fund Scheme C3 Inst Monthly 1,50,55,298 (2009 - Nil) Units of Rs. 10.00 each (1,50,55,298 Units purchased during the year)		15.05			—
TATA Fixed Income Portfolio Fund Scheme B3 Reg Quarterly 2,45,00,676 (2009 - Nil) Units of Rs. 10.00 each (2,45,00,676 Units purchased during the year)		25.00			—
TATA Fixed Investment Plan - 1 Scheme A - Institutional Plan - Growth Nil (2009 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		—			10.00
TATA Fixed Maturity Plan Series 25 Scheme A Super High Invest Plan - Growth 2,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (2,50,00,000 Units purchased during the year)	25.00				—
TATA Floating Rate Short Term Inst. Plan - Daily Dividend Nil (2009 - 1,50,12,416) Units of Rs. 10.00 each (32,260 Units purchased and 1,50,44,676 Units sold during the year)		—			15.04
TATA Fixed Maturity Plan Series 26 Scheme A - Quarterly Div 1,50,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,50,00,000 Units purchased during the year)		15.00			—
Templeton Fixed Horizon Fund - Series IX - Plan D - Growth Nil (2009 - 1,00,00,000) Units of Rs. 10.00 each (1,00,00,000 Units sold during the year)		—			10.00
UTI Fixed Income Interval Fund - Monthly Interval Plan Series - I - Institutional Dividend Plan - Payout 4,99,91,002 (2009 - Nil) Units of Rs. 10.00 each (4,99,91,002 Units purchased during the year)		50.00			—
	Carried over	280.00	3877.17		1776.51

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)		As at 31st March, 2009 (Rs. in Crores)		
	Quoted	Not Quoted	Quoted	Not Quoted	
7. Investments (Contd.)					
Current					
OTHER INVESTMENTS (Contd.)	Brought forward		280.00	3877.17	1776.51
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V - Institutional Dividend Plan - Payout 10,00,01,765 (2009 - Nil) Units of Rs. 10.00 each (10,00,01,765 Units purchased during the year)			100.00		—
UTI Fixed Income Interval Fund - Monthly Interval Plan - II - Institutional Dividend Plan - Re-investment 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan VI - Institutional Dividend Plan - Payout 1,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (1,00,00,000 Units purchased during the year)			10.00		—
UTI Fixed Income Interval Fund - Quarterly Plan Series - III - Institutional Dividend Plan - Re-investment 5,00,00,000 (2009 - Nil) Units of Rs. 10.00 each (5,00,00,000 Units purchased during the year)			50.00		—
UTI - Floating Rate Fund - Short Term Plan - Daily Dividend Plan - Re-investment Nil (2009 - 1,40,965) Units of Rs. 1,000.00 each (7,92,156 Units purchased and 9,33,121 Units sold during the year)			—		14.25
UTI - Floating Rate Fund -Short Term Plan (Growth Option) 2,31,197 Units of Rs. 1,000.00 each			33.00		33.00
UTI - Floating Rate Fund - Short Term Plan - Institutional Growth Option 2,48,309 (2009 - Nil) Units of Rs. 1,000.00 each (2,48,309 Units purchased during the year)			25.00		—
UTI FMP Yearly Series (YFMP 03/09) Institutional Growth Plan 1,00,00,000 (2009 - 1,00,00,000) Units of Rs. 10.00 each	10.00				10.00
UTI Liquid Cash Plan Institutional - Daily Income Option - Re-investment Nil (2009 - 7,26,159) Units of Rs. 1,000.00 each (1,67,98,029 Units purchased and 1,75,24,188 Units sold during the year)			—		74.03
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re-investment Nil (2009 - 10,01,056) Units of Rs. 1,000.00 each (1,19,21,192 Units purchased and 1,29,22,248 Units sold during the year)			—		100.13
UTI Treasury Advantage Fund - Institutional Plan (Growth Option) 1,42,092 (2009 - Nil) Units of Rs. 1,000.00 each (1,42,092 Units purchased during the year)			17.00		—
Total Current Investments (At lower of carrying cost and fair value)	290.00	4162.17			2007.92
Total of Quoted and Unquoted Investments		5028.74			2524.51
Less : Provision for Long Term Investments *		32.23			32.23
TOTAL OF INVESTMENTS		4996.51			2492.28
Share of Joint Ventures - Schedule 19 (i) (b)		3.97			14.79
Grand Total		5000.48			2507.07

Total Market Value of Quoted Investments: 2010 - Rs. 1436.77 Crores (2009 - Rs. 657.60 Crores); Total Value of Unquoted Investments: 2010 - Rs. 4287.76 Crores (2009 - Rs. 2143.65 Crores). Total Value of Quoted Investments: 2010 - Rs. 744.95 Crores (2009 - Rs. 395.65 Crores)

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)	As at 31st March, 2009 (Rs. in Crores)
8. Inventories		
(At lower of cost and net realisable value)		
Stocks and Shares	372.30	12.38
Stores and Spare Parts	189.68	191.40
Raw Materials including Packing Materials	3102.37	2695.49
Intermediates - Tissue Paper and Paper Board	47.57	49.50
Stock in Process	81.79	77.75
Finished Goods	1286.27	1756.06
Total	5079.98	4782.58
Share of Joint Ventures - Schedule 19 (i) (b)	12.04	11.75
Grand Total	5092.02	4794.33

9. Sundry Debtors		
Over 6 months old		
Good and Secured	4.41	2.84
Good and Unsecured	46.60	60.07
Doubtful and Unsecured	58.28	47.00
Other Debts		
Good and Secured	11.80	10.90
Good and Unsecured	960.84	738.11
Doubtful and Unsecured	0.25	1.06
	1082.18	859.98
Less : Provision for Doubtful Debts	58.53	48.06
	1023.65	811.92
Less : Deposits from normal Trade Debtors - Contra	16.21	13.74
Total	1007.44	798.18
Share of Joint Ventures - Schedule 19 (i) (b)	2.59	5.40
Grand Total	1010.03	803.58

10. Cash and Bank Balances		
With Scheduled Banks		
On Current Accounts etc.	214.18	169.04
On Deposit Accounts	1082.03	1028.79
With Other Banks	38.86	102.88
Cheques on hand	9.40	11.34
Cash on hand	3.04	3.67
Total	1347.51	1315.72
Share of Joint Ventures - Schedule 19 (i) (b)	1.07	1.21
Grand Total	1348.58	1316.93

Rs. 0.05 Crore (2009 - Rs. 0.05 Crore) on deposit in Karachi - Blocked Account considered doubtful, fully provided.

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)	As at 31st March, 2009 (Rs. in Crores)
11. Other Current Assets		
Good and Unsecured		
Deposits with Government, Public Bodies and Others @	296.55	217.70
Interest accrued on Loans, Advances etc.	1.53	2.07
Interest accrued on Investments	6.02	11.44
Fixed Assets held for sale (at lower of cost and estimated realisable value)	1.55	1.32
Doubtful and Unsecured		
Deposits with Government, Public Bodies and Others	3.65	3.43
	309.30	235.96
Less : Provision for Doubtful Deposits	3.65	3.43
Total	305.65	232.53
Share of Joint Ventures - Schedule 19 (i) (b)	0.09	0.12
Grand Total	305.74	232.65

@ Includes Deposits with Director - Rs. 0.08 Crore (2009 - Rs. 0.08 Crore).
(The maximum indebtedness during the year was Rs. 0.08 Crore; 2009 - Rs. 0.08 Crore).

12. Loans and Advances		
Good and Secured		
Loans to Others	1.86	2.12
Advances to Others	61.56	75.97
Good and Unsecured		
Loans to Others *	45.88	47.86
Advances recoverable in cash or in kind or for value to be received **	481.00	515.06
Advances with Government and Public Bodies	385.23	412.32
Current Taxation (net of provisions)	263.30	301.42
Fringe Benefit Tax (net of provisions)	3.59	4.07
Doubtful and Unsecured		
Loans	3.80	3.63
Advances recoverable in cash or in kind or for value to be received	11.74	13.45
Advances with Government and Public Bodies	0.20	0.06
	1258.16	1375.96
Less : Provision for Doubtful Loans and Advances	15.74	17.14
Total	1242.42	1358.82
Share of Joint Ventures - Schedule 19 (i) (b) **	2.84	4.46
Grand Total	1245.26	1363.28

* Includes Loans to Directors and to Company Secretary - Rs. 0.39 Crore (2009 - Rs. 0.46 Crore).
(The maximum indebtedness during the year was Rs. 0.46 Crore; 2009 - Rs. 0.87 Crore).

** Includes Capital Advances of Rs. 265.50 Crores (2009 - Rs. 335.78 Crores).

Schedules to the Consolidated Accounts

	As at 31st March, 2010 (Rs. in Crores)	As at 31st March, 2009 (Rs. in Crores)
13. Liabilities		
Acceptances	11.16	8.46
Sundry Creditors		
Total outstanding dues of micro enterprises and small enterprises	3.95	0.39
Total outstanding dues of creditors other than micro enterprises and small enterprises	3624.43	3131.55
Sundry Deposits	60.81	55.84
Unclaimed Dividend	43.35	37.41
Interest Accrued but not due on Loans & Deposits	0.12	0.63
	3743.82	3234.28
Less : Deposits from normal Trade Debtors - Contra	16.21	13.74
Total	3727.61	3220.54
Share of Joint Ventures - Schedule 19 (i) (b)	9.53	14.14
Grand Total	3737.14	3234.68

14. Provisions		
Provision for Taxation (net of advance payment)	20.60	16.01
Provision for Retirement Benefits	93.83	53.70
Provision for Other Long Term Employee Benefits	19.72	-
Proposed Dividend	3818.18	1396.53
Income Tax on Proposed Dividend	634.15	237.34
Total	4586.48	1703.58
Share of Joint Ventures - Schedule 19 (i) (b)	0.27	0.26
Grand Total	4586.75	1703.84

Schedules to the Consolidated Accounts

	For the year ended 31st March, 2010 (Rs. in Crores)		For the year ended 31st March, 2009 (Rs. in Crores)	
15. Other Income				
Profit on Sale of Stock in Trade - Net *		10.27		—
Miscellaneous Income		155.95		133.15
Doubtful Debts, Claims and Advances - previous years		0.29		0.01
Gain on Exchange - Net		49.13		0.71
Income / Dividend from Long Term Investments – Trade	14.45		15.19	
– Others	4.23	18.68	2.62	17.81
Income from Current Investments – Others		139.14		152.42
Interest on Loans and Deposits etc.		132.44		62.48
Profit on Sale of Current Investments – Net		11.60		25.03
Profit on Sale of Long Term Investments		11.23		2.73
Profit on Disposal of Joint Venture		50.63		26.48
Liability no longer required Written Back		39.15		81.82
Excess of Cost of Current Investments over Fair Value, reversed (net)		—		7.71
Total		618.51		510.35
Share of Joint Ventures - Schedule 19 (i) (b)		0.38		1.53
Grand Total		618.89		511.88
* Profit / (Loss) on Sale of Stock in Trade (Stocks, Shares and Land) - Net				
Sales		1944.55		—
Less : Purchases		2294.20		—
		(349.65)		—
Increase / (Decrease) in Closing Stock in Trade		359.92		—
Profit / (Loss) on Stock in Trade		10.27		—
16. Raw Materials etc.				
(a) Raw Materials including Packing Materials Consumed				
Opening Stock		2695.49		2803.66
Purchases		6452.39		4987.99
		9147.88		7791.65
Less : Closing Stock		3102.37	6045.51	2695.49
				5096.16
(b) Purchase of Finished Goods for Resale				825.98
(c) (Increase) / Decrease in Finished Goods, Intermediates, Stock in Process				
Finished Goods				
Opening Stock	1756.06		1102.52	
Closing Stock	1286.27	469.79	1756.06	(653.54)
Intermediates				
Opening Stock	49.50		50.65	
Closing Stock	47.57	1.93	49.50	1.15
Stock in Process				
Opening Stock	77.75		63.45	
Closing Stock	81.79	(4.04)	77.75	(14.30)
		467.68		(666.69)
		7339.17		5470.09
Less : Waste / Raw Material Sales		141.11		105.31
		7198.06		5364.78
Excise Duties on Increase / (Decrease) of Finished Goods		(272.91)		505.79
Total		6925.15		5870.57
Share of Joint Ventures - Schedule 19 (i) (b)		46.80		35.11
Grand Total		6971.95		5905.68

Schedules to the Consolidated Accounts

	For the year ended 31st March, 2010 (Rs. in Crores)		For the year ended 31st March, 2009 (Rs. in Crores)	
17. Manufacturing, Selling etc. Expenses				
Employee Cost				
Salaries / Wages and Bonus	1208.92		1124.08	
Contribution to Provident and Other Funds	147.88		94.25	
Workmen and Staff Welfare Expenses	111.09		108.43	
	1467.89		1326.76	
Less : Recoveries	3.87	1464.02	3.99	1322.77
Power and Fuel		410.37		415.67
Consumption of Stores and Spare Parts		205.68		198.76
Contract Processing Charges		316.41		315.84
Rent		182.18		167.96
Rates and Taxes		250.48		213.70
Insurance		37.25		37.88
Repairs				
– Buildings		47.05		42.55
– Machinery		105.90		94.30
– Others		43.20		58.73
Maintenance and Upkeep		76.86		62.54
Outward Freight and Handling Charges		625.71		640.80
Warehousing Charges		31.34		42.89
Advertising / Sales Promotion		544.89		532.37
Market Research		51.21		43.92
Design and Product Development		30.84		66.01
Hotel Reservation / Marketing Expenses		25.60		30.07
Retail Accessories		160.45		104.82
Brokerage and Discount - Sales		9.02		7.57
Commission to Selling Agents		24.51		25.43
Doubtful and Bad Debts		14.95		8.67
Doubtful and Bad Advances, Loans and Deposits		3.24		1.10
Bank and Credit Card Charges		18.25		20.53
Information Technology Services		78.26		82.02
Travelling and Conveyance		178.75		196.83
Training and Development		18.98		20.35
Legal Expenses		21.36		22.63
Consultancy / Professional Fees		71.56		63.61
Postage, Telephone etc.		29.62		34.31
Printing and Stationery		14.03		10.18
Loss on Exchange - Net		–		37.12
Excess of Carrying Cost over Fair Value of Current Investments - Net		9.95		–
Interest Expenses				
– Fixed Period Loan	22.01		9.47	
– Others	51.53		19.57	
Less : Interest Received on Trading Debts, Deposits with Government Bodies etc.	20.16	53.38	10.35	18.69
Loss on Sale of Stock in Trade - Net *		–		0.40
Loss on Sale of Fixed Assets - Net		35.95		22.42
Loss on Sale of Stores - Net		6.96		1.09
Miscellaneous Expenses		764.51		674.95
		5962.72		5639.48
Deduct : Transfers to Fixed Assets		75.31		72.55
Total		5887.41		5566.93
Share of Joint Ventures - Schedule 19 (i) (b)		5.79		29.79
Grand Total		5893.20		5596.72
* Profit / (Loss) on Sale 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, 2010 (Rs. in Crores)	For the year ended 31st March, 2009 (Rs. in Crores)
18. Provision for Taxation		
Income Tax for the year :		
Current Tax	2140.46	1290.76
Deferred Tax	(96.84)	306.29
Fringe Benefit Tax	–	28.63
	2043.62	1625.68
Less : Adjustments related to previous years - Net		
Current Tax	25.01	17.16
Deferred Tax	(14.65)	(15.00)
Fringe Benefit Tax	0.38	1.22
	10.74	3.38
Total	2032.88	1622.30
Share of Joint Ventures - Schedule 19 (i) (b)	2.05	3.08
Grand Total	2034.93	1625.38

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" as notified by Companies (Accounting Standards) Rules, 2006.

(a) The subsidiaries (which alongwith ITC Limited, the parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
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

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
Technico Pty Limited (a 100% subsidiary of Russell Credit Limited)	Australia	100	100
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 (a 100% subsidiary of Technico Pty Limited)	India	100	100
Technico Asia Holdings Pty Limited (a 100% subsidiary of Technico Pty Limited)	Australia	100	100
Technico Horticultural (Kunming) Co. Limited (a 100% subsidiary of Technico Asia Holdings Pty Limited)	China	100	100
ITC Infotech India Limited	India	100	100
ITC Infotech Limited (a 100% subsidiary of ITC Infotech India Limited)	UK	100	100
ITC Infotech (USA), Inc. (a 100% subsidiary of ITC Infotech India Limited)	USA	100	100
Pyxis Solutions, LLC (a 100% subsidiary of ITC Infotech (USA), Inc.)	USA	100	100*
Wills Corporation Limited	India	100	100
Gold Flake Corporation Limited	India	100	100
King Maker Marketing, Inc.	USA	100	100

* 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 Company 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, 2010	Percentage of ownership interest as at 31st March, 2009
Maharaja Heritage Resorts Limited	India	50	50
Sitel Operating Corporation India Limited	India	–	34
ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)	India	50	50

The Group's interests in jointly controlled operations :

Technico Technologies Inc., Canada has entered into a farming arrangement with Shamrock Seed Potato Farm Limited for production and sale of Early Generation seed potatoes. The participating share of Technico Technologies Inc., Canada is 33% (2009 – 27%).

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

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

(c) Investments in Associates :

The Group's associates are :

Name	Country of Incorporation	Percentage of ownership interest as at 31st March, 2010	Percentage of ownership interest as at 31st March, 2009
Gujarat Hotels Limited	India	45.78	45.78
International Travel House Limited	India	48.96	48.96
Russell Investments Limited	India	25.43	25.43
Divya Management Limited	India	33.33	33.33
Antrang Finance Limited	India	33.33	33.33
ATC Limited	India	47.05	47.05
Classic Infrastructure and Development Limited	India	42.35	42.35

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

These investments have been accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets. During the year the group has received dividend aggregating Rs. 1.61 Crores (2009 – Rs. 1.60 Crores) in respect of the investments in associates.

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

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

(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.

Defined Benefit Plans / Long Term Compensated Absences – As per Actuarial Valuations as on March 31, 2010 and recognised in the financial statements in respect of Employee Benefit Schemes :

		For the year ended 31st March, 2010 (Rs. in Crores)			For the year ended 31st March, 2009 (Rs. in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
		Funded		Unfunded	Funded		Unfunded
I	Components of Employer Expense						
1	Current Service Cost	31.61	14.95	6.40	27.05	10.75	4.65
2	Interest Cost	25.29	10.89	3.85	23.62	10.75	3.39
3	Expected Return on Plan Assets	(27.95)	(13.96)	–	(26.31)	(12.89)	–
4	Curtailment Cost/(Credit)	–	–	–	–	–	–
5	Settlement Cost/(Credit)	–	–	–	–	–	–
6	Past Service Cost	–	–	–	–	–	–
7	Actuarial Losses/(Gains)	40.97	6.96	6.22	8.34	0.29	4.80
8	Total expense recognised in the Statement of Profit & Loss Account	69.92	18.84	16.47	32.70	8.90	12.84
The Pension and Gratuity Expenses have been recognised in "Contribution to Provident and Other Funds" and Leave Encashment in "Salaries/Wages and Bonus" under Schedule 17.							
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
II	Actual Returns	34.45	15.29	–	29.67	17.77	–
III	Net Asset / (Liability) recognised in Balance Sheet						
1	Present Value of Defined Benefit Obligation	442.61	180.39	63.71	385.36	162.26	53.70
2	Fair Value of Plan Assets	412.49	203.78	–	386.04	189.82	–
3	Status [Surplus/(Deficit)]	(30.12)	23.39	(63.71)	0.68	27.56	(53.70)
4	Unrecognised Past Service Cost	–	–	–	–	–	–
5	Net Asset/(Liability) recognised in Balance Sheet	(30.12)	23.39	(63.71)	0.68	27.56	(53.70)
IV	Change in Defined Benefit Obligations (DBO)						
1	Present Value of DBO at the Beginning of Period	385.36	162.26	53.70	351.82	150.60	46.94
2	Current Service Cost	31.61	14.95	6.40	27.05	10.75	4.65
3	Interest Cost	25.29	10.89	3.85	23.62	10.75	3.39
4	Curtailment Cost/(Credit)	–	–	–	–	–	–
5	Settlement Cost/(Credit)	–	–	–	–	–	–
6	Plan Amendments	–	–	–	–	–	–
7	Acquisitions	–	–	–	–	–	–
8	Actuarial (Gains)/Losses	48.47	8.29	6.22	11.70	5.17	4.80
9	Benefits Paid	(48.12)	(16.00)	(6.46)	(28.83)	(15.01)	(6.08)
10	Present Value of DBO at the End of Period	442.61	180.39	63.71	385.36	162.26	53.70

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

		For the year ended 31st March, 2010 (Rs. in Crores)			For the year ended 31st March, 2009 (Rs. in Crores)								
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment						
V	Change in Fair Value of Assets												
1	Plan Assets at the Beginning of Period	386.04	189.82	–	365.50	172.27	–						
2	Acquisition Adjustment	–	–	–	–	–	–						
3	Expected Return on Plan Assets	27.95	13.96	–	26.31	12.89	–						
4	Actuarial Gains/(Losses)	7.50	1.33	–	3.36	4.88	–						
5	Actual Company Contributions	39.12	14.67	–	19.70	14.79	–						
6	Benefits Paid	(48.12)	(16.00)	–	(28.83)	(15.01)	–						
7	Plan Assets at the End of Period	412.49	203.78	–	386.04	189.82	–						
VI	Actuarial Assumptions												
1	Discount Rate (%)	7.00	7.00 - 7.50	7.00 - 7.50	7.00	7.00	7.00						
2	Expected Return on Plan Assets (%)	7.00	7.00 - 9.00	–	7.00	7.00 - 9.00	–						
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.													
VII	Major Category of Plan Assets as a % of the Total Plan Assets	As at 31st March, 2010			As at 31st March, 2009								
1	Government Securities/Special Deposit with RBI	26%			32%								
2	High Quality Corporate Bonds	26%			26%								
3	Insurance Companies*	43%			39%								
4	Mutual Funds	3%			1%								
5	Cash and Cash Equivalents	2%			2%								
* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.													
VIII	Basis used to determine the Expected Rate of Return on Plan Assets	The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.											
		For the year ended 31st March, 2010 (Rs. in Crores)			For the year ended 31st March, 2009 (Rs. in Crores)			For the year ended 31st March, 2008 (Rs. in Crores)			For the year ended 31st March, 2007 (Rs. in Crores)		
		Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment	Pension	Gratuity	Leave Encashment
IX	Net Asset/(Liability) recognised in Balance Sheet (including experience adjustment impact)												
1	Present Value of Defined Benefit Obligation	442.61	180.39	63.71	385.36	162.26	53.70	351.82	150.60	46.94	320.53	139.61	38.46
2	Fair Value of Plan Assets	412.49	203.78	–	386.04	189.82	–	365.50	172.27	–	311.77	154.88	–
3	Status [Surplus/(Deficit)]	(30.12)	23.39	(63.71)	0.68	27.56	(53.70)	13.68	21.67	(46.94)	(8.76)	15.27	(38.46)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	7.50	1.28	–	1.60	3.93	–	2.94	(0.75)	–	–	–	–
5	Experience Adjustment of Obligation [(Gain)/Loss]	(13.79)	1.82	3.57	(16.25)	(0.05)	3.40	(19.17)	0.05	2.94	–	–	–

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and Other Funds" in Schedule 17.

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

- (ii) (a) Claims against the Group not acknowledged as debts Rs. 315.14 Crores (2009 - Rs. 313.67 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. 199.10 Crores (2009 - Rs. 211.24 Crores).
 - Local Authority Taxes / Cess / Royalty on property, utilities, etc. claims disputed by the Group relating to issues of applicability and determination aggregating Rs. 36.97 Crores (2009 - Rs. 41.91 Crores).
 - Third party claims arising from disputes relating to contracts aggregating Rs. 33.07 Crores (2009 - Rs. 18.16 Crores).
 - Other matters Rs. 46.00 Crores (2009 - Rs. 42.36 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) (i) A demand letter dated 12th July, 2005 for excise matter for Rs. 23.23 Crores [Nepalese Rupee (NRs.) 37.17 Crores] for the period 1998-99 to 2002-03 was issued to SNPL by the Inland Revenue Office, Simra, Nepal. In reply to the said demand, an administrative review petition was filed with the Director General of Inland Revenue. However, the Director General without dealing with the issues raised by SNPL, summarily dismissed the petition by an order dated 17th January, 2006. 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 of Rs. 23.23 Crores (NRs. 37.17 Crores). 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 challenged the demand in the Supreme Court, which has pronounced the verdict on 1st April, 2010 in favour of SNPL. Copy of the judgement is awaited.
- (ii) A demand letter dated 22nd February, 2008 was issued to SNPL by the Inland Revenue Office, Simra, Nepal. The demand of Rs. 9.34 Crores (NRs. 14.95 Crores) by way of Excise Duty, relate to the years 2003-04 to 2005-06. SNPL 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.
- (iii) A demand letter dated 30th November, 2008 was issued to SNPL by the Inland Revenue Office, Simra, Nepal. The demand of Rs. 8.03 Crores (NRs. 12.85 Crores) by way of Excise Duty, relate to the year 2006-07. SNPL 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.
- (b) (i) A demand letter dated 7th August, 2006 in respect of Value Added Tax for Rs. 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 Rs. 3.58 Crores (NRs. 5.72 Crores) was issued to SNPL by the Large Taxpayers' Office, Lalitpur for the period 2002-03. The basis of the demand is on 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 and directed issue of Show Cause Notices to the respondents and the hearing on the matter is pending.
- (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 Rs. 0.71 Crore (NRs. 1.13 Crores), the basis of demand for Rs. 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.

Schedules to the Consolidated Accounts

19. Notes to the Accounts (Contd.)

- (iv) A demand letter dated 10th July, 2009 was issued to SNPL by the Large Taxpayers' Office, Lalitpur for the period 2004-05 to 2006-07. The total demand is for Rs. 6.69 Crores (NRs. 10.70 Crores) and the basis of demand is on same lines as the Excise Demand. SNPL has filed a writ petition in the Supreme Court of Nepal on 7th August, 2009 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 9th August, 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 13th October, 2006 in respect of Income Tax for Rs. 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 Rs. 10.05 Crores (NRs. 16.08 Crores) is on the same lines as the Excise Demand. SNPL has filed a writ petition on 7th November, 2006 before the Supreme Court of Nepal seeking that the said demand order be quashed. The Supreme Court pronounced the verdict on 1st April, 2010 in favour of SNPL. Copy of the judgement is awaited.
- (ii) A demand letter dated 12th August, 2007 in respect of Income Tax for Rs. 12.26 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 in respect of Income Tax was issued to SNPL by the Large Taxpayers' Office, Lalitpur. Of a total demand of Rs. 1.41 Crores (NRs. 2.25 Crores), the basis of demand for Rs. 1.19 Crores (NRs. 1.91 Crores) is on the 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.
- (iv) A demand letter dated 16th October, 2009 for the financial year 2004-05 was issued to SNPL by the Large Taxpayers' Office, Lalitpur. Out of a total demand of Rs. 1.41 Crores (NRs. 2.26 Crores), the basis of the demand for Rs. 1.35 Crores (NRs. 2.16 Crores) is on the same lines as the Excise Demand. SNPL has filed an administrative review petition before the Director General, Inland Revenue Department on 18th December, 2009. The matter is pending.

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

- (d) A Show Cause Notice dated 5th February, 2009 on the same lines as the Excise Demand seeking reasons as to why a demand of Rs. 9.63 Crores (NRs. 15.41 Crores) by way of Excise Duty and Rs. 4.32 Crores (NRs. 6.92 Crores) by way of Value Added Tax, totalling upto Rs. 13.96 Crores (NRs. 22.33 Crores) should not be raised on SNPL for the period 2007-08, was issued by the Inland Revenue Office, Simra, Nepal. SNPL had submitted its reply on 22nd February, 2009.

Thereafter, a Show Cause Notice dated 19th January, 2010 was issued by the Inland Revenue Office seeking reasons as to why a demand of Rs. 12.28 Crores (NRs. 19.65 Crores) by way of Excise Duty should not be raised on SNPL for the period 2007-08. SNPL has filed a writ petition in the Supreme Court of Nepal on 4th February, 2010 seeking a stay order on the Department from raising a demand on this matter in view of the favourable decision of the Supreme Court in the similar matter for the years 1993-94 and 1994-95, as given below :

In the matter related to theoretical production, for the years 1993-94 and 1994-95, Revenue Authorities had raised a demand for Rs. 8.50 Crores (NRs. 13.60 Crores), which was quashed by a Division Bench of the Supreme Court on 8th April, 1998. Government filed a review petition on 8th October, 1998. The Full Bench of the Supreme Court on 29th October, 2009 decided the matter in favour of SNPL. Our counsel appearing in the matter has opined that this verdict will add substantial strength to SNPL's case in all other matters relating to the issue of theoretical production.

On 7th March, 2010, the Supreme Court granted a stay of the demand. Final disposal is pending.

The management is of the view that SNPL has a 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. Nil (2009 - Rs. 4.24 Crores)
- Others Rs. 1.15 Crores (2009 - Rs. 0.28 Crore)

(c) Uncalled liability on shares partly paid Rs. 0.77 Crore (2009 - 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 (the Company) 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 (RCL), a petition was filed by an individual in the High Court at Calcutta seeking an injunction against the Company's Counter Offer to the shareholders of VST Industries Limited made in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997, as a competitive bid, pursuant to a Public Offer made by an Acquirer which closed on 13th June, 2001. The Hon'ble High Court while refusing to grant such an injunction, instructed that the acquisition of shares pursuant to the Counter Offer by RCL and the other Acquirer, would be subject to the final Order of the Hon'ble High Court, which is awaited.

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

(v) Earnings per share

Earnings per share has been computed as under :

- | | | |
|--|----------------|----------------|
| (a) Net Profit (Rs. Crores) | 4168.18 | 3324.59 |
| (b) Weighted average number of Ordinary Shares outstanding | 3,78,51,42,803 | 3,77,02,64,256 |
| (c) Effect of potential Ordinary Shares on Employee Stock Options outstanding | 4,01,28,629 | 52,89,015 |
| (d) Weighted average number of Ordinary Shares in computing diluted earnings per share [(b) + (c)] | 3,82,52,71,432 | 3,77,55,53,271 |
| (e) Earnings per share on profit after taxation
(Face Value Re. 1.00 per share) | | |
| – Basic [(a) / (b)] | Rs. 11.01 | Rs. 8.82 |
| – Diluted [(a) / (d)] | Rs. 10.90 | Rs. 8.81 |

	2010	2009
(a) Net Profit (Rs. Crores)	4168.18	3324.59
(b) Weighted average number of Ordinary Shares outstanding	3,78,51,42,803	3,77,02,64,256
(c) Effect of potential Ordinary Shares on Employee Stock Options outstanding	4,01,28,629	52,89,015
(d) Weighted average number of Ordinary Shares in computing diluted earnings per share [(b) + (c)]	3,82,52,71,432	3,77,55,53,271
(e) Earnings per share on profit after taxation (Face Value Re. 1.00 per share)		
– Basic [(a) / (b)]	Rs. 11.01	Rs. 8.82
– Diluted [(a) / (d)]	Rs. 10.90	Rs. 8.81

(vi) Research and Development expenses for the year amount to Rs. 77.35 Crores (2009 - Rs. 64.39 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. 0.21 Crore (2009 - Rs. 0.32 Crore) has been treated as Deferred Revenue Expenditure and disclosed under Miscellaneous Expenditure (to the extent not written off or adjusted) after amortising an amount of Rs. 0.11 Crore (2009 - Rs. 0.10 Crore).

Schedules to the Consolidated Accounts

20. Segment Reporting

PRIMARY SEGMENT INFORMATION (BUSINESS SEGMENTS)

(Rs. in Crores)

	2010			2009		
	External Sales	Inter Segment Sales	Total	External Sales	Inter Segment Sales	Total
1. Segment Revenue						
FMCG – Cigarettes	18111.83	–	18111.83	15754.68	–	15754.68
FMCG – Others	3657.37	3.89	3661.26	3031.25	4.22	3035.47
FMCG – Total	21769.20	3.89	21773.09	18785.93	4.22	18790.15
Hotels	971.38	6.57	977.95	1086.64	6.03	1092.67
Agri Business	2304.27	1557.87	3862.14	2239.55	1606.43	3845.98
Paperboards, Paper and Packaging	1993.51	1240.10	3233.61	1667.75	1154.21	2821.96
Others	585.08	129.34	714.42	583.84	120.21	704.05
Segment Total	27623.44	2937.77	30561.21	24363.71	2891.10	27254.81
Eliminations			(2937.77)			(2891.10)
Consolidated Total			27623.44			24363.71
2. Segment Results						
FMCG – Cigarettes			5106.71			4328.19
FMCG – Others			(380.34)			(489.60)
FMCG – Total			4726.37			3838.59
Hotels			231.38			334.62
Agri Business			436.36			256.18
Paperboards, Paper and Packaging			684.26			508.63
Others			98.96			40.97
Segment Total			6177.33			4978.99
Eliminations			(31.07)			(102.12)
Consolidated Total			6146.26			4876.87
Unallocated corporate expenses net of unallocated income			210.95			167.84
Profit before interest, etc. and taxation			5935.31			4709.03
Interest paid – Net			53.59			18.93
Interest earned on loans and deposits, income from current and long term investments, profit and loss on sale of investments etc.			363.99			294.66
Profit before taxation			6245.71			4984.76
Provision for Taxation			2034.93			1625.38
Profit after taxation before Share of Results of Associates			4210.78			3359.38
Share of Net Profit / (Loss) of Associates			6.24			6.14
Profit after taxation before Minority Interests			4217.02			3365.52
3. Other Information						
	Segment Assets	Segment Liabilities*		Segment Assets	Segment Liabilities*	
FMCG – Cigarettes	4595.52	1455.85		4465.67	1327.64	
FMCG – Others	2300.78	459.09		2585.75	359.47	
FMCG – Total	6896.30	1914.94		7051.42	1687.11	
Hotels	2758.86	222.99		2463.92	199.97	
Agri Business	1906.69	280.08		1277.62	224.33	
Paperboards, Paper and Packaging	4045.05	345.07		4176.32	411.86	
Others	1116.89	181.18		738.81	99.14	
Segment Total	16723.79	2944.26		15708.09	2622.41	
Unallocated Corporate Assets / Liabilities	7427.12	6621.96		4741.72	3669.28	
Total	24150.91	9566.22		20449.81	6291.69	
	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation	Capital Expenditure	Depreciation	Non Cash expenditure other than depreciation
FMCG – Cigarettes	455.71	177.49	5.24	432.59	164.36	5.76
FMCG – Others	169.53	87.16	17.27	210.51	70.79	3.51
FMCG – Total	625.24	264.65	22.51	643.10	235.15	9.27
Hotels	421.36	81.49	5.78	374.36	71.16	4.30
Agri Business	11.58	34.02	2.67	36.81	38.94	0.26
Paperboards, Paper and Packaging	208.08	216.72	23.75	578.78	192.31	14.82
Others	41.98	18.29	7.55	97.85	20.88	4.85
Segment Total	1308.24	615.17	62.26	1730.90	558.44	33.50

* Segment Liabilities of FMCG – Cigarettes is before considering Rs. 628.64 Crores (2009 – Rs. 542.86 Crores) in respect of disputed Entry Taxes, the recovery of which has been stayed or where States' Special Leave Petitions are pending before the Supreme Court. 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)

	2010	2009
1. Segment Revenue		
– Within India	24156.33	21486.65
– Outside India	3467.11	2877.06
Total Revenue	27623.44	24363.71
2. Segment Assets		
– Within India	16138.90	15077.57
– Outside India	584.89	630.52
Total Assets	16723.79	15708.09
3. Capital Expenditure		
– Within India	1280.94	1693.72
– Outside India	27.30	37.18
Total Capital Expenditure	1308.24	1730.90

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 :

<p>FMCG : Cigarettes</p> <p style="margin-left: 20px;">: Others</p> <p>Hotels</p> <p>Paperboards, Paper & Packaging</p> <p>Agri Business</p> <p>Others</p>	<p>– Cigarettes & Smoking Mixtures.</p> <p>– 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.</p> <p>– Hoteliering.</p> <p>– Paperboards, Paper including Specialty Paper and Packaging including flexibles.</p> <p>– Agri commodities such as rice, soya, coffee and leaf tobacco.</p> <p>– Information Technology services, Investments, Golf Resorts, etc.</p>
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- (3) The Group companies and joint ventures have been included in segment classification as follows :

<p>FMCG : Cigarettes</p> <p style="margin-left: 20px;">: Others</p> <p>Hotels</p> <p>Others</p>	<p>– Surya Nepal Private Limited and King Maker Marketing, Inc.</p> <p>– Surya Nepal Private Limited and Wimco Limited.</p> <p>– Srinivasa Resorts Limited, Fortune Park Hotels Limited and Bay Islands Hotels Limited and a joint venture Maharaja Heritage Resorts Limited.</p> <p>– ITC Infotech India Limited and its subsidiaries ITC Infotech Limited, ITC Infotech (USA), Inc. and Pyxis Solutions LLC, Russell Credit Limited and its subsidiaries Greenacre Holdings Limited, Wimco Limited, Pavan Poplar Limited, Prag Agro Farm Limited, Technico Pty Limited, Technico ISC Pty Limited, Technico Technologies Inc. and its jointly controlled operation with Shamrock Seed Potato Farm Limited, Technico Agri Sciences Limited, Technico Asia Holdings Pty Limited, Technico Horticultural (Kunming) Co. Limited, BFIL Finance Limited and its subsidiary MRR Trading & Investment Company Limited, Landbase India Limited, Wills Corporation Limited, Gold Flake Corporation Limited and its joint venture ITC Filtrona Limited and a joint venture Sitel Operating Corporation India Limited (till 31.05.2009).</p>
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- (4) The geographical segments considered for disclosure are :

<p>– Sales within India</p> <p>– Sales outside India</p>
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- (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 :

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

The following have not been considered :

- a) 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
- b) BFIL Securities Limited (a subsidiary of BFIL Finance Limited) which is under voluntary winding up proceedings.

2. OTHER RELATED PARTIES WITH WHOM THE GROUP HAD TRANSACTIONS :

i) Associates & Joint Ventures :

Associates

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

Joint Ventures

- a) Maharaja Heritage Resorts Limited
- b) Sitel Operating Corporation India Limited (till 31.05.2009)
- c) ITC Filtrona Limited (a joint venture of Gold Flake Corporation Limited)

ii) a) Key Management Personnel :

Y. C. Deveshwar	Executive Chairman
A. Singh	Executive Director
K. Vaidyanath	Executive Director
K. N. Grant	Executive Director (w.e.f. 20.03.2010)
A. Baijal	Non-Executive Director (upto 26.08.2009 and w.e.f. 22.01.2010)
R. K. Kaul	Non-Executive Director (upto 19.03.2010)
S. Banerjee	Non-Executive Director (w.e.f. 04.02.2010)
S. H. Khan	Non-Executive Director
A. V. Girija Kumar	Non-Executive Director (w.e.f. 19.03.2010)
S. B. Mathur	Non-Executive Director
D. K. Mehrotra	Non-Executive Director

Key Management Personnel (Contd.) :

H. G. Powell	Non-Executive Director
P. B. Ramanujam	Non-Executive Director
A. Ruys	Non-Executive Director
B. Sen	Non-Executive Director
B. Vijayaraghavan	Non-Executive Director

Invitees - Corporate Management Committee

P. Chatterjee ^
R. G. Jacob ^

Members - Corporate Management Committee

N. Anand
A. Nayak
R. Srinivasan
R. Tandon *
T. V. Ramaswamy *
S. Sivakumar *
K. S. Suresh *
B. B. Chatterjee *

^ For part of the year, till the date of their superannuation.

* For part of the year, from the date of joining the Corporate Management Committee.

b) Relatives of Key Management Personnel :

Mrs. B. Deveshwar (wife of Mr. Y. C. Deveshwar)
Mrs. T. Anand (wife of Mr. N. Anand)
Mrs. E. Jacob (wife of Mr. R. G. Jacob)
Mrs. S. Chatterjee (wife of Mr. B. B. Chatterjee)

iii) Employee Trusts where there is significant influence :

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

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 31.03.2010

(Rs. in Crores)

RELATED PARTY TRANSACTIONS SUMMARY	Enterprises where control exists		Associates		Joint Ventures		Key Management Personnel		Relatives of Key Management Personnel		Employee Trusts		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	1. Sale of Goods / Services	0.03		1.05	1.07	7.25	13.12							8.33
2. Purchase of Goods / Services			65.30	81.05	119.65	114.00							184.95	195.05
3. Acquisition cost of Fixed Assets	0.05	30.75		0.02		0.55							0.05	31.32
4. Sale of Fixed Assets / Scraps			0.05	0.10									0.05	0.10
5. Investments in Associate			0.84										0.84	
6. Interest Income							0.16	0.18					0.16	0.18
7. Remuneration to Key Management Personnel							13.94	16.80					13.94	16.80
- Directors														
- Others							6.50	3.50					6.50	3.50
8. Rent Paid							0.25	0.25	0.72	0.58			0.97	0.83
9. Reimbursement of Contractual Remuneration			0.15	0.13									0.15	0.13
10. Remuneration of Managers on Deputation Recovered			0.61	0.48	0.94	1.20							1.55	1.68
11. Donations	1.99	2.90											1.99	2.90
12. Contributions to Employees' Benefit Plans											82.23	55.73	82.23	55.73
13. Dividend Income			1.61	1.60	2.02	13.83							3.63	15.43
14. Dividend Payments			367.33	347.47			0.95	0.91					368.28	348.38
15. Expenses Recovered	0.04	0.05	1.16	1.99	0.59	2.67							1.79	4.71
16. Expenses Reimbursed	0.02	0.05	0.42	1.05	0.05	0.25							0.49	1.35
17. Receipt towards Loans Repayment							0.25	0.41					0.25	0.41
18. Advances Given during the year			0.10	2.66									0.10	2.66
19. Adjustment / Receipt towards Refund of Advances			2.98	3.28									2.98	3.28
20. Deposits Received during the year					0.23								0.23	
21. Deposits Refunded during the year						1.48								1.48
22. Deposits Given during the year														0.05
23. Receipt towards Refund of Deposits							0.01		0.32				0.33	
24. Balances as on 31st March														
i) Debtors / Receivables	0.03	0.01	0.32	0.50	4.02	2.06							4.37	2.57
ii) Advances Given			2.10	4.98							24.51	28.47	26.61	33.45
iii) Loans Given							0.65	0.67					0.65	0.67
iv) Deposits Given			0.10	0.10			0.08	0.12	0.29	0.47			0.47	0.69
v) Deposits Taken			0.63	0.63		1.54							0.63	2.17
vi) Creditors / Payables			7.16	5.42	1.27	1.76					30.05		38.48	7.18
25. In addition, Remuneration of Managers on Deputation, absorbed	0.27	0.12	0.36	0.35									0.63	0.47

Schedules to the Consolidated Accounts

21. Related Party Disclosures (contd.)

4. INFORMATION REGARDING SIGNIFICANT TRANSACTIONS / BALANCES

RELATED PARTY TRANSACTIONS SUMMARY		2010	2009	RELATED PARTY TRANSACTIONS SUMMARY		2010	2009	RELATED PARTY TRANSACTIONS SUMMARY		2010	2009
1. Sale of Goods / Services	International Travel House Limited	1.03	1.02	11. Donations	ITC Sangeet Research Academy	–	1.30	20. Deposits Received during the Year	Sitel Operating Corporation India Limited	0.23	–
	ITC Filtrona Limited	5.63	4.98		ITC Rural Development Trust	1.99	1.60	21. Deposits Refunded during the Year	Sitel Operating Corporation India Limited	–	1.48
	Sitel Operating Corporation India Limited	0.57	7.22	12. Contributions to Employees' Benefit Plans	IATC Provident Fund	19.88	19.82	22. Deposits Given during the Year	Mr. Y. C. Deveshwar	–	0.05
	Maharaja Heritage Resorts Limited	1.05	0.92		ITC Management Staff Gratuity Fund	6.81	6.65	23. Receipt towards Refund of Deposits	Mrs. E. Jacob	0.12	–
2. Purchase of Goods / Services	International Travel House Limited	53.16	60.52		ITC Pension Fund	35.52	16.14		Mrs. T. Anand	0.20	–
	ITC Filtrona Limited	119.46	113.83	13. Dividend Income	Gujarat Hotels Limited	0.44	0.43	24. Balances as on 31st March			
3. Acquisition Cost of Fixed Assets	ITC Education Trust	–	30.75		ITC Filtrona Limited	2.02	1.80	i) Debtors / Receivables	International Travel House Limited	0.32	0.49
	ITC Sangeet Research Academy	0.05	–		International Travel House Limited	1.17	1.17		Maharaja Heritage Resorts Limited	3.66	1.68
4. Sale of Fixed Assets / Scraps	ATC Limited	0.05	0.10	14. Dividend Payments	Sitel Operating Corporation India Limited	–	12.03	ii) Advances Given	ATC Limited	2.10	4.50
5. Investments in Associate	ATC Limited	0.84	–		Tobacco Manufacturers (India) Limited, UK	367.33	347.47		Employee Trust - Gratuity Funds	24.51	27.72
6. Interest Income	Mr. S. S. H. Rehman	–	0.15	15. Expenses Recovered	International Travel House Limited	0.89	0.69	iii) Loans Given	Mr. Y. C. Deveshwar	0.10	0.11
	Mr. A. Singh	0.04	...		Maharaja Heritage Resorts Limited	0.36	0.41		Mr. K. Vaidyanath	0.12	0.13
	Mr. A. Nayak	0.06	0.01	16. Expenses Reimbursed	Gujarat Hotels Limited	0.01	0.36		Mr. N. Anand	0.21	0.22
	Mr. R. Srinivasan	0.02	...		Maharaja Heritage Resorts Limited	0.05	0.24		Mr. B. B. Chatterjee	0.16	–
7. Remuneration to Key Management Personnel- Directors	Mr. Y. C. Deveshwar	7.59	7.59		ATC Limited	0.36	0.69		Mr. A. Nayak	–	0.08
	Mr. K. Vaidyanath	2.54	2.54	17. Receipt towards Loans Repayment	Mr. A. Singh	0.04	...		Mr. R. Srinivasan	–	0.08
	Mr. A. Singh	2.92	2.93		Mr. R. Srinivasan	0.08	...	iv) Deposits Given	Classic Infrastructure & Development Limited	0.10	0.10
	Mr. S. S. H. Rehman	–	2.95		Mr. A. Nayak	0.08	...		Sitel Operating Corporation India Limited	–	1.54
8. Rent Paid	Mr. Y. C. Deveshwar	0.22	0.21	18. Advances Given during the Year	International Travel House Limited	0.10	1.50	v) Deposits Taken	International Travel House Limited	0.63	0.63
	Mrs. B. Deveshwar	0.54	0.54		ATC Limited	–	1.16		Creditors / Payables	0.78	1.18
	Mrs. T. Anand	0.10	0.04	19. Adjustment / Receipt towards Refund of Advances	International Travel House Limited	–	2.40		ATC Limited	6.09	3.79
9. Reimbursement of Contractual Remuneration	International Travel House Limited	0.15	0.13		ATC Limited	0.58	0.88		ITC Filtrona Limited	1.27	1.76
10. Remuneration of Managers on Deputation Recovered	International Travel House Limited	0.61	0.48		International Travel House Limited	2.40	2.40	25. In addition, Remuneration of Managers on Deputation, Absorbed	Employee Trust - Pension Funds	30.05	–
	ITC Filtrona Limited	–	0.21		International Travel House Limited	0.58	0.26		Classic Infrastructure & Development Limited	0.36	0.35
	Maharaja Heritage Resorts Limited	0.94	0.73		ATC Limited	–	0.26		ITC Sangeet Research Academy	0.27	0.12
	Sitel Operating Corporation India Limited	–	0.26								

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, if any.

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

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 Intangible Assets 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.

Impairment of Assets

To provide for impairment loss, if any, to the extent, the carrying amount of assets exceed their recoverable amount. Recoverable amount is higher of an asset's net selling price

and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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 to recognise a decline, other than temporary in valuation of Long Term Investments.

To account for investments in associates using the equity method.

Interests in Joint Ventures

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

Goodwill on Consolidation

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

Inventories

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

Sales

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

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.

Schedules to the Consolidated Accounts

22. Significant Accounting Policies (Contd.)

Employee Benefits

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

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

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

Foreign Currency Translation

To account for transactions in foreign currency at the exchange rate prevailing on the date of transactions. Gains / Losses arising out of fluctuations in the exchange rates are recognised in the 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 incomes / 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” revenues and expenses which relate to the enterprise as a whole and are not attributable to segments.

Financial and Management Information Systems

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

On behalf of the Board

Kolkata
21st May, 2010

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

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

1. We have audited the attached Consolidated Balance Sheet of ITC Limited and its subsidiaries (the Group) as at 31st March, 2010, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed thereto. The Consolidated Financial Statements are the responsibility of ITC Limited's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect the Group's share of total assets of Rs. 1259.66 crores as at 31st March, 2010, and the Group's share of total revenues of Rs. 1551.89 crores for the year ended on that date, and net cash outflows amounting to Rs. 66.26 crores for the year ended on that date and associates whose financial statements reflect the Group's share of profit upto 31st March, 2010 of Rs. 39.00 crores and the Group's share of profit of Rs. 6.24 crores for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by ITC's Management in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, Accounting Standard 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interests in Joint Ventures as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of the reports of other auditors on separate financial statements and on the other financial information of the components, in our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of ITC Limited Group as at 31st March, 2010;
 - (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 Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 302009E)

P. R. Ramesh
Partner

Kolkata
21st May, 2010

(Membership No. 70928)