

GUIDE TO SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

SUBSIDIARIES OF ITC LIMITED

ITC HOTELS LIMITED (ITCHL)

Shareholding

72.06% held by ITC Limited.

Nature of Business

Ownership and management of hotels in the luxury and mid-price segment. ITCHL operates owned and licensed hotels and provides hotel management and consultancy services to the hotels owned by ITC Limited and other Hotel companies. Hotels owned by ITCHL are "ITC Hotel Windsor Sheraton & Towers" at Bangalore and "WelcomHotel Rajputana Palace Sheraton" at Jaipur. Currently ITCHL has 3065 rooms under management / ownership / license.

Hotels managed by ITCHL

ITC Hotel Maurya Sheraton & Towers at New Delhi, ITC Hotel Grand Maratha Sheraton & Towers at Mumbai, ITC Hotel Sonar Bangla Sheraton & Towers at Kolkata, ITC Hotel Kakatiya Sheraton & Towers at Hyderabad, Marriott WelcomHotel at New Delhi, ITC Hotel Park Sheraton & Towers at Chennai, WelcomHotel Rama International at Aurangabad and WelcomHotel Grand Bay at Visakhapatnam.

Hotels licensed by ITCHL

Chola Sheraton at Chennai, WelcomHotel Mughal Sheraton at Agra, Umed Bhawan Palace at Kota, WelcomHotel Vadodara at Vadodara and Fortune Resort Bay Island at Port Blair.

Subsidiaries of ITCHL

- Bay Islands Hotels Limited - 100% held by ITCHL
- Owns the "Fortune Resort Bay Island" at Port Blair.
- Fortune Park Hotels Limited - 99.99% held by ITCHL.
- Srinivasa Resorts Limited - 68% held by ITCHL.
- Owns the "ITC Hotel Kakatiya Sheraton" at Hyderabad.

Fortune Park Hotels Limited is in the business of managing hotels in the mid-price segment. It currently manages thirteen properties namely Fortune Hotel Landmark at Ahmedabad, Fortune Hotel Calicut at Calicut, Fortune Resorts Darjeeling at Darjeeling, Fortune Hotel The South Park at Thiruvananthapuram, Fortune Hotel Centre Point at Jamshedpur, Fortune Hotel Sullivan Court at Ooty, Fortune Hotel Galaxy at Vapi, Fortune Resort Bay Island at Port Blair, Fortune Kences Hotel at Tirupati, Fortune Landmark at Indore, Fortune Umed at Jodhpur, Fortune Katriya Hotel at Hyderabad and Fortune Pandiyam Hotel at Madurai.

Joint Venture of ITCHL

Maharaja Heritage Resorts Limited, a joint venture with Marudhar Hotels Private Limited. The ownership interest held by ITCHL is 50%.

Nature of Business

The joint venture company currently manages 31 properties under the "WelcomHeritage" brand. The major properties are located at Jodhpur, Bandhavgarh, Bambara, Khimsar, Pushkar, Chittorgarh, Kota, Mount Abu, Manali, Shimla, Mussoorie, Almora, Nainital etc.

RUSSELL CREDIT LIMITED (RUSSELL)

Shareholding

100% held by ITC Limited.

Nature of Business

Investment Company. Its activities are primarily confined to making long term investments in areas of strategic thrust for ITC, namely FMCG & Tobacco, Hotels & Tourism, Paper, Paperboards & Packaging and Agri Business.

Subsidiary

Russell has a wholly owned subsidiary, Greenacre Holdings Limited, which is engaged in infrastructure maintenance of 'ITC Centre' and 'Virginia House' buildings located at 37 J. L. Nehru Road, Kolkata.

GOLD FLAKE CORPORATION LIMITED & WILLS CORPORATION LIMITED

Shareholding

100% held by ITC Limited.

The main object of these Companies is tobacco trading.

Joint Venture of GOLD FLAKE CORPORATION LIMITED

ITC Filtrona Limited is a joint venture with Cigarette Components Limited, UK. The ownership interest held by Gold Flake Corporation Limited is 50%.

Nature of Business

The joint venture is in the business of manufacturing and selling cigarette filter rods.

LANDBASE INDIA LIMITED

Shareholding

70% held by ITC Limited. Effective 26th May, 2004 the balance 30% shareholding was acquired from the other shareholders whereupon Landbase India Limited became a wholly owned subsidiary.

Nature of Business

The Company is primarily engaged in real estate development and management of golf resorts.

The Company owns the Classic Golf Resort, a 27-hole international signature golf course, designed by Jack Nicklaus.

BFIL FINANCE LIMITED (BFIL)

Shareholding

100% held by ITC Limited.

The Company became a subsidiary of ITC Limited consequent to the merger of the erstwhile ITC Bhadrachalam Paperboards Limited. It was originally promoted as a financial services company. It is currently engaged only in recovery of its dues.

Subsidiary

BFIL owns 100% of the shareholding of MRR Trading & Investment Company Limited, which owns the tenancy rights to a prime office space in Mumbai.

ITC INFOTECH INDIA LIMITED (I3L)

Shareholding

100% held by ITC Limited.

The Company is in the business of providing information technology services and solutions.

Subsidiaries of I3L

I3L owns 100% of the shareholding of :

ITC Infotech Limited, UK

ITC Infotech (USA), Inc.

These subsidiaries provide on-site information technology services and provide business development services for I3L.

Joint Venture of I3L

CLI3L e-Services Limited, a joint venture with ClientLogic Operating Corporation, USA was incorporated on 29th January, 2003 at Bangalore, India and commenced commercial operations on 1st June, 2003. The ownership interest held by I3L is 50% minus one share .

Nature of Business

The joint venture company is engaged in providing India based call / contact centre services.

JOINT VENTURE OF ITC LIMITED KING MAKER MARKETING INC.,USA

King Maker Marketing Inc.,USA is a joint venture where ITC Limited has an ownership interest of 50%.

Nature of Business

The joint venture Company is engaged in the trading of cigarettes and 'roll-your-own' smoking mixtures in USA.

MAJOR ASSOCIATES OF THE GROUP ANSAL HOTELS LIMITED

ITC Hotels Limited (ITCHL) holds 48% equity in Ansal Hotels Limited.

Nature of Business

Ansal Hotels Limited owns the Marriott WelcomHotel at Saket, New Delhi which is managed by ITCHL under an Operating Services Agreement.

GUJARAT HOTELS LIMITED

ITC Limited holds 45.78% in Gujarat Hotels Limited.

Nature of Business

The Company owns the "WelcomHotel Vadodara" at Vadodara which is managed by ITCHL under an Operating License Agreement.

INTERNATIONAL TRAVEL HOUSE LIMITED

3.60% is held by ITC Limited and 45.36% is held by Russell Credit Limited, a wholly owned subsidiary of ITC Limited.

Nature of Business

The company is primarily in the business of air ticketing, car rentals, inbound tourism, overseas and domestic holiday packages, conferences, events and exhibition management.

Note : The full list of the Group's Associates appears on page 120.

Principles of Consolidation

The Group's interests in its subsidiaries, associates and joint ventures are reflected in the Consolidated Financial Statements ("CFS") in accordance with the relevant Accounting Standards ("AS") issued by the Institute of Chartered Accountants of India.

Subsidiaries (AS 21)

Line by line consolidation of Profit & Loss Account and Balance Sheet is done by aggregating like items of assets, liabilities, income and expenses.

The excess / deficit of the cost to ITC Limited of its investments in its subsidiaries over its share of net worth (residual interest in the assets of the subsidiaries after deducting all its liabilities) of the subsidiaries at the date of investment in the subsidiaries are treated as goodwill / capital reserve in the CFS. The goodwill is disclosed as an asset and capital reserve as a reserve in the consolidated balance sheet.

Minority interest in the net income (profit after taxation) for the reporting period is identified and adjusted against the group income to arrive at the net income of the Group; likewise the minority interest in the net assets of the consolidated subsidiaries is identified and presented separately on the liabilities side in the consolidated balance sheet.

Inter-Company transactions within the group (both P&L and Balance Sheet items) are eliminated for arriving at the group CFS.

CFS is prepared applying uniform accounting policies of ITC Limited to the group companies.

Associates (AS 23)

On acquisition of an associate, the goodwill / capital reserve arising from such acquisition is included in the carrying amount of the investment and also disclosed separately.

Only share of net profits / losses of associates is considered in consolidated profit and loss statement.

The carrying amount of the investment in associates is adjusted by the share of net profits / losses in the consolidated balance sheet.

Joint Ventures (AS 27)

In CFS, the interest in joint ventures is reported using proportionate consolidation method.

A separate line item is added in CFS for proportionate share of assets, liabilities, income and expenses .