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## FDI in a Developing Country: Case of British American Tobacco

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The present case is intended to be used as the basis for class discussion to help raise relevant questions to think and to contextualize management issues rather than to illustrate either effective or ineffective practices. It is neither to glorify nor to criticize an individual or organization.

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Amar KJR Nayak

The British American Tobacco Company (BAT) owes its origin to James Buchanan Duke ('Buck Duke') who was in charge of a granulated tobacco factory in the USA in 1881. Buck Duke was the first to invest in cigarette machine in a big way when the other tobacco manufacturers were not interested in new technology. With this introduction of new technology, the sales of cigarettes increased to 837 million pieces per year by 1889. At this time, Buck Duke's Educe Sons & Company produced 38 per cent of annual production in the US. Buck Duke also engineered the amalgamation of the other four companies with his company to form American Tobacco Company (ATC) with a capital stock of 25 million dollars. In due course, ATC under the leadership of Buck Duke absorbed nearly 200 small companies.

By the 1890s the British market had 13 main family businesses dealing in tobacco. Buck Duke offered £800,000 to Ogdens of Liverpool, a major cigarette manufacturer in Britain. With this move ATC had started a tobacco war in Britain. Taking into account this threat from ATC, W.D & H.O Wills gathered the other players in Britain to form the Imperial Tobacco Company (of Great Britain & Ireland) with Sir William Henry Wills as chairman. There next ensued a severe price war between BAT and Imperial Tobacco Company in Britain, which Imperial Tobacco Company soon moved the ATC's domestic market.

In September 1902 the two companies agreed to stop this self-damaging exercise, by agreeing to pull out from each other's domestic market. To trade in their products outside their home territory they formed British American Tobacco (BAT), with ATC owning 67 per cent stock of the company. BAT was registered in the United Kingdom and Buck Duke became its first chairman (Basu 1988). Jellicoe and Page of BAT came to India in 1906 with two major cigarette brands, W.D. & H.O. Wills and Scissors.

## **Local Manufacturing**

From trading BAT quickly graduated to manufacturing of cigarettes, setting up a cigarette factory in Monghyr, Bihar in 1907 through Peninsular Tobacco. In another five years it invested in local leaf processing and leaf growing. Subsequently, it steadily invested in several related areas of the cigarette business like printing and packaging, duplex board, tissue paper,

aluminium foil, cigarette-rolling machine, fibreboard container and filter rods. By 1970 BAT had invested in all the complementary businesses of cigarette business in India.

In post-independence India ITC, BAT's subsidiary and the associate company, has been investing consistently in its main and complementary businesses. The annual Gross Block as reported in the company balance sheet has been taken as investment in main business. Investments in subsidiary companies and other related businesses have been taken as investments in complementary businesses. Investments in government securities and other trade investments have been considered to be investment in others. During 1955-2004, while the company has invested steadily in its main business through out 1955-2004, it has gradually invested in its complementary businesses from time to time with a greater emphasis during 1960s-1970s. Investments in other areas have highly fluctuated. For detail data of actual investments and the financial indicators (see Exhibit 1).

The various companies that BAT has held at different points of time viz., 1910s, 1953, 1975 and 2004 are shown in Exhibit 3,4,5,6. Upon the formation of BAT through the joint venture of American Tobacco Company and Imperial Tobacco Company, the individual businesses of these companies in India came under a single company, BAT. By 1910, BAT had manufacturing (Peninsular Tobacco), selling (Imperial Tobacco) and Leaf purchase functions under it. By 1953, Printers (India), Raleigh, Exchange Investment and Tobacco (India) were wholly owned by BAT. By 1975, cigarette factories, printing, brand management, selling and distribution, hotels and exports were under I.T.C Ltd., and the tobacco leaf business was under ILTD. By 2004, the company was again reorganized. All the businesses including cigarette, tobacco leaves, hotels, exports and retailing were under ITC Ltd. BAT had 26.73 % equity in ITC Ltd., through Tobacco Manufacturer, a wholly owned unit of BAT. Rothmans had 1.39% equity and Myddleton Investments had 4.36 % equity in ITC Ltd.

In the 1910s, BAT held Peninsular Tobacco, which manufactured cigarettes in India. Dominion Tobacco, Imperial Tobacco and Arcadian Tobacco were sales outlets. Indian Leaf Tobacco was responsible for distribution and trade of tobacco leaf (see Exhibit 2). By 1953, BAT had reorganized its business holdings and added to its assets shares of its competitors like Vazir Sultan and All India Tobacco. Carreras, another British cigarette company, held 3.8 per cent of BAT's subsidiary, Imperial Tobacco in India (see Exhibit 3). By 1975, BAT held all its business interests through ITC Ltd and ILTD (see Exhibit 4). Finally, by 2004, BAT brought all its businesses in India under a single entity, Tobacco (Manufacturer) India (see Exhibit 5).

BAT also invested in the value chain of its business by developing and promoting subsidiary, associate and joint venture partners (see Exhibit 6). As many as about twenty wholly to partly owned subsidiaries, ten associate firms and four joint ventures were part of the company. The network spread into industries like cigarettes, tobacco, hotel, information technology, finances and services and social development sector.

## **Local Management**

Most of ITC's serving executives consider that ITC has been an Indian company. Anand Nayak, Vice President-HR said "ITC is an Indian company. We have been responsible for its growth and success." BAT gradually reduced the number of expatriates in its Indian operation. It was expensive to get British managers especially after the Second World War. Increase in Indian staffing in management also served to satisfy the Indian government. Indian managers in ITC subsequently lobbied for the cigarette and tobacco business in India.

Abdul Rub Sardar Hussain was the first to be inducted as covenanted Indian Assistant on 1, September 1934. By 1947, there were 121 Indian managers comprising 44 per cent of the management. Indian managers were treated on equal terms with the expatriates by the middle of the 1960s. The expatriates received only the additional amount on overseas allowance. In 1964 the company instituted pension for every worker. There were only seven expatriates in the company by 1972. The last Englishman, Tonny Drayton, left in September 1979. As of today, there are two British personnel, C.R. Green and J.B. Stevens as BAT's representatives on the Board of ITC Ltd.

Further in the direction of indianization the company changed its name from Imperial Tobacco Co. of India Ltd to India Tobacco Limited in 1970, to I.T.C. Limited in 1974, and ITC Ltd in 2001. Given the nature of its business and the worldwide opposition to tobacco, the company has successfully managed to create a system by which the local managers and stakeholders guard the business in the Indian context.

## **Sourcing & Marketing**

The business of leaf tobacco was in India much before BAT arrived on the scene, but much of the production and selling was local. Only a few people used granulated tobacco. British and American companies like Imperial Tobacco, Dominion, Arcadian, and Peninsular Tobacco only traded some of their brands in India.

BAT worked on creating its supply systems for procuring leaf tobacco, building awareness of granulated tobacco among the masses and developing the distribution systems. For procurement of raw materials it set up tobacco re-drying machines in Shahpur and Khajauli in 1908 and another in Dal Singsuai in 1912. A new business unit, Indian Leaf Tobacco, was set up in 1912 to purchase, distribute and trade tobacco leaf. This subsidiary became Indian Leaf Tobacco Division (ILTD) and subsequently part of ITC Limited. This unit has been BAT's supply arm of leaf tobacco. ILTD invested a great deal to develop good variety of leaf tobacco in India.

Initially BAT sold its brands through Dominion Tobacco, registered in London. On 24 August 1910 it set up its selling unit in India, Imperial Tobacco Co. of India Ltd.. To promote the market Imperial Tobacco gave away free samples in the range of 50,000–100,000 cigarettes per district salesman per month. Lucky dips and cigarette shies were organized in regular stalls, weekly haats and occasional melas to popularize cigarette smoking. After cigarette advertising was banned, the company has been continuing its promotional campaigns by sponsoring several art, music and sport activities.

The company has also steadily invested in sales and distribution activities. Its products are now available in more than a million outlets in India. From selling through others' retail outlets it has moved to setting up its own lifestyle retail outlets and stores. Sales branches, production centres, cigarette factories, and other business units are located across the country (see Exhibit 7). For cigarette business alone there have been as many as six factories, two printing and packing units and eight sales branches. For tobacco, there have been five production centres, thirteen marketing offices and a research centre. It has developed several brands in cigarettes, tobacco and other businesses. The company has acquired or developed a large number of brands over the years (see Exhibit 8).

## **Managing Investments**

BAT began to invest in with sales and manufacturing and very soon invested in leaf procurement and leaf growing within India. Subsequently, it internalized printing, packaging, and production of items like paper, aluminium foil, duplex and fibre boards and filter rods. Criticality of the market function determined the timing of investment by the company. Through this process, it could achieve better efficiency and control of its business operation with smaller quantum of investment from time to time. By 1963, the company has invested in all the complete

value chain of its cigarette and tobacco business in India (see Exhibit 9). The shaded portions in the chart show the time of investment in respective product or business function.

As a multinational enterprise BAT has uniquely preferred local interest to its global interest. From its main interest in tobacco, it has allowed the Indian subsidiary/associate ITC to diversify into areas like hotels, marine products, exports, agri-business, and retailing (see Exhibit 9). As the company had full control on the value chain of tobacco and cigarette business, it started to invest in other green field areas. While it may appear that ITC Ltd. has de-emphasized the tobacco business in the recent years, tobacco and cigarette continue to be the core of its business with about 80% to its total revenue.

## **Adjustment to Host Country's Goals**

Independent India's concern has been on generating employment, substituting imports by local production, increase foreign exchange reserve through increasing exports, and adding private investment in some of the core industries and sectors like handloom, handicraft, paper, vegetable oils, vanaspati, cement, fertilizers, heavy chemicals machine tools, research for development of new processes, and investment in backward areas. The Five Year Plan documents beginning 1951 reflect these developmental goals (see Exhibit 10). Many foreign companies decided to wind up operations in India when the government imposed certain conditions like local production, investment in core sectors and export earnings in the 1960s and the 1970s. BAT swam against this current and invested heavily in India, ingeniously integrating its objectives with India's national objectives.

Growing and processing tobacco leaf generated direct employment among thousands of farmers and traders in the rural sector. ITC set up Triveni Handloom Limited as a subsidiary unit in 1977, with the head office at Kanpur. The production centre at Saharanpur had 35 looms, which was increased to 300 within a year. ITC also put up two showrooms at Badohi and Varanasi. The sales turnover increased from 0.27 million INR to 1.8 million INR. Almost 1800 local people were self-employed in this process, earning the company additional goodwill of the government and the local people.

BAT also invested in areas for import substitution and in core sectors like paper, paperboard, and hotels. Haksar (1993), reflecting on his 34 years of experience in ITC, indicates that BAT/ITC had a clear plan to align its business with the goals of the country. Exhibit 11 presents a glimpse of this strategy and how the company developed its corporate strategy to link

it the development goals of India. It developed a list of activities that was linked to the national economic policies and then identified the industries' products where it would focus upon.

## **Imports & Exports**

BAT began early on to locally substitute its imports. By 1945 it was able to reduce its import component by 20 per cent, by 1949 by 70 per cent, and by 1957 by 95 per cent. It invested in local manufacturing from 1907 and went in for local sourcing of tobacco leaf as early as 1912. It substituted the imports of cigarette paper in the 1950s by investing in manufacturing paper. Subsequently, it invested in duplex board and aluminium foil. By 1963 BAT invested in filter rods. BAT internalized other market functions downstream of the value chain like the production of machinery for packing cigarette by 1960.

ITC started off with marine exports in 1971. It earned 7.3 million INR of foreign exchange by 1973 and qualified to be recognized as an Export House. In the ensuing years, however, the business incurred losses. Ajit N. Haksar, former Chairman, ITC said "The company lacked expertise in sea fishing and could not monitor the fish catch by its trawlers. These were therefore sold off at huge losses." By 1980 the company's annual export earning was about 335 million INR and in the next ten years increased by about five times. In the 1990s the value of exports rose to about 10 billion INR (see Exhibit 12). The hotel business, targeted at the foreign tourists in India, was successful in earning foreign exchange. ITC chose to invest in the high-end segment of hotels, building its own hotels or tying with existing establishments. Exhibit 13 lists hotels in the Welcomgroup chain of ITC hotels. The company internalized valuable real estate properties around the country at cheap prices by entering into the hotel business.

In 1990 ITC set up the International Business Division (IBD) to cater for the export of agricultural commodities. IBD has focused on exports of vegetable oils, grains, pulses, soyameal, rapeseed meal, rice, wheat products, sesame seeds, castor oil, coffee, spices, black pepper, frozen and cooked shrimps, and prawns. IBD contributes nearly 60 per cent of ITC group's foreign exchange earnings.

## **Investments in Other Industries:**

The government had been urging private business to invest in paper and paperboard manufacture. In 1944 BAT tied up with Bengal Paper to develop manufacture of cartridge paper. In 1946 it promoted Tribeni Tissue to manufacture cigarette paper. Samir Ghosh, former Chairman ITC said "In 1981, when ITC wanted to enter the cement business, the Industrial

Development Bank of India (IDBI) suggested investing in a loss-making paper company, Ashok Paper, with units in Assam and Bihar”. ITC invested Rs. 95 million in Ashok Paper, 25 per cent of the paper mill’s equity. However, ITC’s cement and paper projects did not take off due to delays in the Government machinery. In 1979 ITC promoted Bhadrachalam Paperboards Limited, which soon became the market leader both in quality and volume of paperboard business. In 1990 ITC Limited acquired Tribeni Tissue Limited, which was managed by the Tribeni Tissue Division. In November 2002 Bhadrachalam Paperboards Limited division was merged with the Tribeni Tissue Division to form the Paperboards and Specialty Papers Division. In 2004, ITC acquired the paperboard manufacturing facility of BILT Industrial Packaging Co. Limited (BIPCO), Kovai, near Coimbatore, Tamil Nadu. In this project the company benefited from governmental incentives for investing in a backward area.

While some of the investments in hotels, exports, agri-business, were in line with the host country priorities, these businesses were also carefully chosen so that the company leverage its existing resources and local tax incentives to develop these businesses. It clearly shows the business ingenuity of the company.

## **Investments in Social Sector**

BAT has encouraged and supported art, culture, sports, weaving, farming, and other social development from the early years. BAT business ventures in tobacco leaf, paper, paperboard, handloom and marine-based products touch the lives of many people and are compatible with socio-economic development. BAT/ITC has also been involved in several other social and community-based development projects.

Willing support on investing in several priority sectors of the government was a conscious decision of the company to align itself to the needs of the country. Ajit N. Haksar said, “The top company management tried to integrate its business objectives with the objectives of the government but had to convince BAT, the present company of ITC, about the need for such company strategy”. Its support to a variety of social causes has helped the company to earn the goodwill of the government. By creating jobs in the rural areas and among farmers it has created a strong lobby for itself with the government. By sponsoring sports and music and other social functions, it is able to campaign for its cigarette brands very well. Investments in such social activities have given it a good business mileage indeed.

ITC's recent effort to align its business goals with social goals has been the innovation of e-Choupal.<sup>1</sup> Each e-Choupal costs about US\$3000–6000 to set up and about US\$100 to maintain. One e-Choupal can serve up to 600 farmers from nearly 10 villages within a radius of 5 km. Today, e-Choupal service has reached to over 1 million farmers in nearly 11,000 villages. Under the e-Choupal business model, the company provides computers and Internet access in rural areas. The system enables farmers to get closing prices on local mandis,<sup>2</sup> track global price trends and also get to know new farming techniques. The company also offers to buy the crop directly from the farmers at the previous day's closing price on local mandi through its processing centres. The supply is weighed electronically and prompt payment made for the crop and the cost of transport.

The e-Choupal movement has benefited the farmers in terms of more accurate weighing, quick processing and prompt payment, and access to a wide range of information, including market price knowledge and market trends. The company has also benefited immensely from this business model. It is able to simplify its procurement of agricultural produce that it ultimately exports through its International Business Division. ITC is able to control the quality of the produce by educating and training farmers on good agricultural practices. The company also uses e-Choupal as its distribution network to sell agricultural inputs like seeds and fertilizer and other consumer goods to farmers. BAT/ITC's miscellaneous contributions in the social sector are listed in Exhibit 14.

## **BAT's Ownership**

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<sup>1</sup> Choupal in Hindi means a place where the villagers gather for discussion and recreation.

<sup>2</sup> A mandi is a Government mandated market place where farmers sell their crops.

By 1907 BAT had already invested in manufacturing and selling of cigarette and local trading of leaf tobacco through its various subsidiaries in India. Subsequently, it invested in various downstream and upstream cigarette and tobacco businesses in India. BAT created several companies for its various business functions. The pattern of shareholding and investments during 1905 to 2002 presented in Exhibit 3,4,5,6 shows how BAT controlled several businesses in India. BAT held Peninsular Tobacco in manufacturing activity, Dominion Tobacco, Imperial Tobacco and Arcadian Tobacco in selling and Indian Leaf Tobacco in tobacco leaf business. Later it added Printers (India), Exchange Tobacco and Vazir Sultan to its list of companies.

Until 1953, BAT wholly owned these companies through various organizational arrangements. By 1975, it reorganized all these and subsidiary units under the control of ITC. ILTD remained a separate entity of BAT until 2001, when it was finally merged with ITC. BAT reduced its shareholding to 60 per cent in its subsidiary ITC by 1975 but maintained 100 per cent equity until it was merged with ITC in 2001.

BAT had been heavily investing in cigarette and cigarette-related businesses until around 1975. Although cigarette constitutes still about 80 per cent of its revenue, in the last three decades ITC has entered into other sunrise industries like hotel, exports, marine and agro-based products.

Diluting foreign equity with Indian equity has been the most difficult experience of foreign firms in India. BAT was quick to adapt to the proposal of the Indian Government in 1953. While other large foreign companies like Unilever resisted the dilution of equity, the managers of BAT were in favour of dilution. “T Thomas, the then Chairman of HLL wanted to meet Ajit N. Haksar, then Chairman of ITC to discuss the issue and make a joint representation to the Government of India. The meeting, however, did not take place because Haksar strongly differed with him on the issue. Company sources revealed this during interviews”. BAT agreed to the proposal of the management to dilute because of its experience in other countries. Samir Ghosh, reasoned “Because of BAT’s experience of political pressure for national control in several of the 55 countries where it operated, BAT was quick to adopt the guideline of the Indian Government to dilute its equity in India by including the local equity”.

Until 1919 BAT was in total control of its businesses in India. In 1921 Thomas Bears and Sons, Bears, and Exchange Tobacco held nearly 25 per cent of its equity in various businesses. However all these companies were wholly owned by BAT. By 1953 BAT controlled

all its businesses in India through its subsidiaries Raleigh Investment, Tobacco Manufacturers (India) and Printers India.

The dilution of BAT's equity with Indian equity commenced from 1954, going down to 75 per cent in 1969, 60 per cent in 1974, and 40 per cent in 1976. Currently BAT holds only about 32 per cent of the equity in its Indian operation (see Exhibit 15 for trends in ownership pattern). This trend of localization of local equity is different from the traditional ownership seeking foreign multinational enterprises. While most foreign firms sought to increase their ownership in the host economy, BAT let local participation to rise in its equity. This is contradictory to the general practice of MNEs. Companies like General Motors, Ford Motors, and IBM divested from India when they were directed by the host country to include local equity in their respective businesses.

In recent years, there has been some tussle on the issue of ownership of BAT in ITC. In 1994 J. N. Sapru, former chairman of ITC, said "ITC does not need BAT". In 1995 there were several allegations and counter allegations between K. L. Chugh, the then chairman of ITC and BAT. This public drama on ownership issue followed a spate of raids by officials of the Enforcement Directorate (ED)<sup>3</sup> on grounds of ITC violating the Foreign Exchange Regulation Act, 1973. The enquiries by the ED led to the arrest of several top executives of ITC, including Chugh. By June 1997, BAT and ITC resolved their differences as BAT licensed ITC to manufacture and sell some of its prestigious global brands, including 555, State Express and Benson and Hedges.

This public drama adversely affected ITC's subsidiary ITC Classic Finance. ITC Classic, the flagship financial services company with 49 per cent equity from ITC Ltd was formed in 1986. With the stock market crash in 1992, ITC Classic made huge losses and also lost its customer base because of the legal tangle of ITC with the government. In 1998 ITC Ltd got rid of ITC Classic by amalgamating it with ICICI, a financial institution in India. These incidents in the relationship between ITC and BAT were aberrations in almost a hundred-year history of BAT in India.

### **Sales, PBDIT, and PAT**

BAT has consistently performed well in India during its operations in India. Sales have grown steadily over the years. Available sales data of 1955-2004 shows a consistent growth

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<sup>3</sup> Enforcement Directorate is an enforcement body appointed by the central government for the purposes of foreign exchange regulation.

during the period. Profit before depreciation interest and tax (PBDIT) and profit after tax (PAT) figures of 1955-2004 also show increasing trends (see Exhibit 1). PBDIT indicates the company's operational efficiency and can be used to compare BAT with companies from other industries. PAT indicates the company's profit generating ability and can be used to compare BAT with other companies in the cigarette industry. The company has been a dominant player in the cigarette business although and has actually made competition irrelevant in this business. In all its businesses including hotel, food, tobacco and cigarette, the company has maintained a high market share of over 60% though out the nineties, the period that has seen much of competition in India (see Exhibit 16).

## **Market Share**

A pioneer in the cigarette business in India, BAT has continued to be a strong market player in the Indian tobacco industry. Despite the increased competition since the Industrial Licensing Policy, 1991, ITC has increased its market share in cigarettes from 63 per cent in 1990 to over 80 per cent in 2003-4. ITC's various businesses, viz., cigarette, tobacco, hotels, packaged food business, account for over 55 per cent of the market share in terms of sales turnover throughout the last fourteen years. ITC's market share is way ahead of the rest of its competitors (see Exhibit 16).

## **Questions for Discussion:**

1. How did the business context change for BAT in India?
2. How has the FDI strategy of BAT been different from the general trend in FDI?
3. Does it make sense for an MNE to engage in the development effort of a host country/ government?
4. On what basis did BAT managers decide to give away their majority ownership in ITC?
5. How were the FDI decisions of BAT/ITC managers driven by?
6. What has been the key to success of BAT/ITC in India?
7. How would FDI strategy differ in different host country?
8. Were the decisions of BAT well planned out?

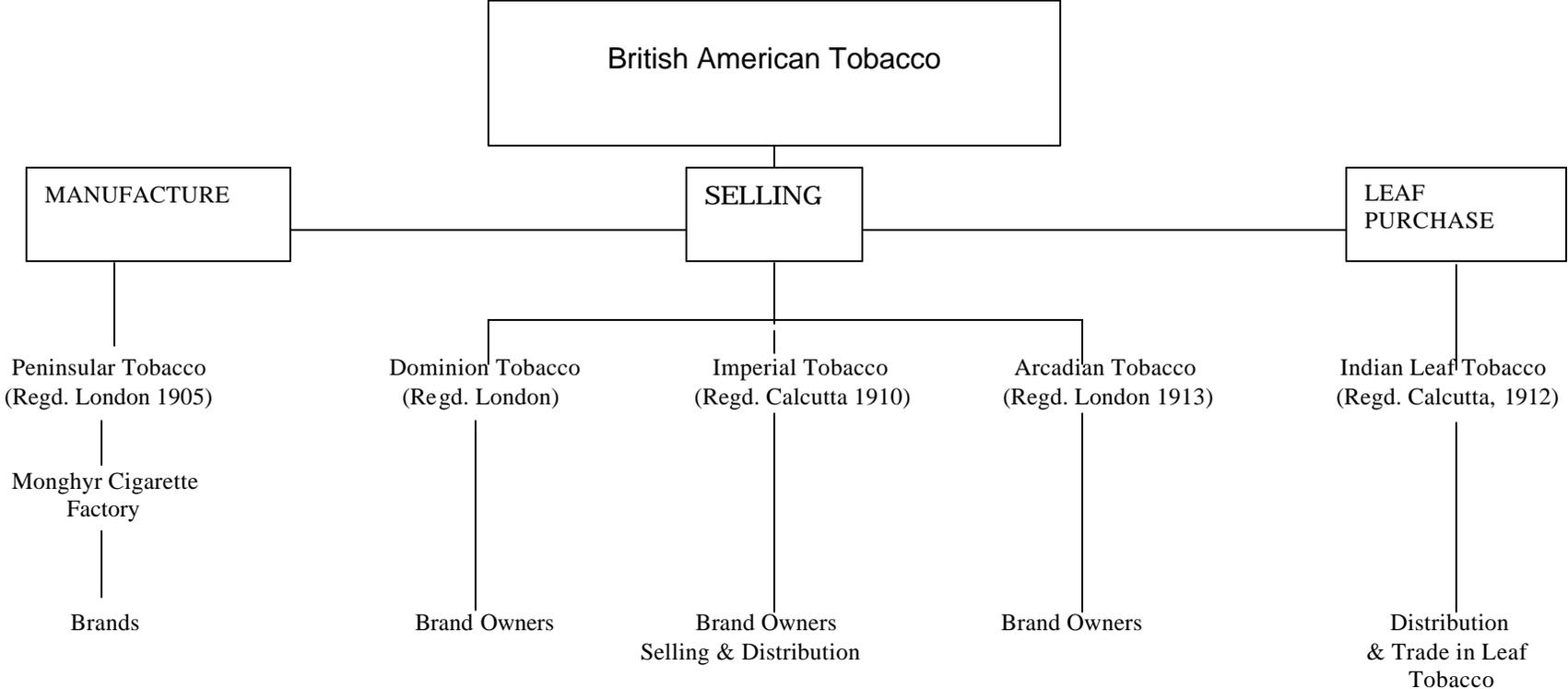
**Exhibit 1. BAT/ITC Investments and Performance indicators: 1955 – 2004 (in million INR)**

<b>Year</b>	<b>Main Business</b>	<b>Complementary</b>	<b>Others</b>	<b>Sales</b>	<b>PBDIT</b>	<b>PAT</b>
1955	35.5	0.41	2.97	284.4	37.36	16.89
1956	109.3	0.06	9.49	303.64	36.82	18.67
1957	113.1	0.06	11.22	321.16	34.4	13.79
1958	83	1.36	7.34	326.12	31.45	13.2
1959	83.9	1.33	3.24	34.204	28.93	11.5
1960	86	0.37	7.25	368.81	29.84	14.16
1961	127	0.34	12.18	428	35.9	18.8
1962	129.5	0.32	4.25	463.3	32.3	14.6
1963	87.7	0.29	4.31	504.1	44.6	18
1964	91.4	0.27	0.63	558.1	28.9	9.9
1965	149.1	0.24	2.7	598	43.2	16.2
1966	156.7	0.22	1.08	696.3	48.7	20.6
1967	166.7	0.19	1.23	822	40.9	20.6
1968	180.7	0.73	1.13	1078.8	66.3	26.6
1969	202.2	0.71	1.19	1262.6	80.4	35.9
1970	219.8	2.98	0.68	1451	91.2	32.3
1971	n.a.	n.a.	n.a.	1677.8	89.4	35.7
1972	n.a.	n.a.	n.a.	2000.7	96.9	40.3
1973	n.a.	n.a.	n.a.	2171.9	91.9	23.3
1974	257.4	1.08	0.79	2744.2	119.5	39.2
1975	310.1	1.11	0.99	3251.1	66.3	26.6
1976	363.1	1.126	1.526	3611.6	80.4	35.9
1977	445.3	1.061	1.518	3668.8	91.2	32.3
1978	533.3	28.086	1.517	3846.7	89.4	35.7
1979	575.1	39.005	1.607	4228.7	96.9	40.3
1980	598.8	38.97	2.336	4588	91.9	23.3
1981	656.9	42.17	3.263	4366.1	119.5	39.2
1982	759.1	42.3	4.4	5886.2	298.9	77.7
1983	1891.5	74.7	162.5	7659.3	426.7	244.7
1984	1930.2	56.6	466.7	6981.8	312	145.8
1985	1980.8	57.8	482.1	8119.8	333.3	151.4
1986	2289.3	88.9	482.5	9423.9	365.3	431.2
1987	2362.2	94.21	378	10651.6	493.1	439.4
1988	2524.3	101.21	12.5	12004.4	518.6	247.9
1989	2638	101.3	0.4	10676.4	530	292
1990	2988	131.3	371	18273	989.3	526.2
1991	3509.9	366.51	371.3	23163.8	1322	775.2
1992	4535.8	472.2	371.7	30170.8	2216.6	2216.6
1993	5622.8	840	280	38096.7	2828.8	1553.1
1994	7119	1995.1	565.8	42801.5	3763.6	2063.2
1995	8297.9	2536.6	779.2	47093	4395.1	2616.4
1996	9436.4	2660.9	779.1	51878.6	5838.7	2610.8
1997	12741.5	3260.6	275.2	59906	7697.7	3469
1998	14386.3	3895.8	273.1	69237.5	9583.5	5262
1999	17183.1	9845.7	1019.6	77009.6	11944.1	6234.2
2000	21454.9	10113.6	26.7	80693.7	14600.3	7924.4
2001	26680.8	10310.8	26.3	88271.1	18361.5	10062.6
2002	40818.5	8308.4	62.6	99824.6	20456.4	11897.2
2003	44156.1	7071.8	6738.1	111944.7	23233.7	13713.5
2004	50546.8	9178.2	19257.9	120399.2	25854.7	15928.5

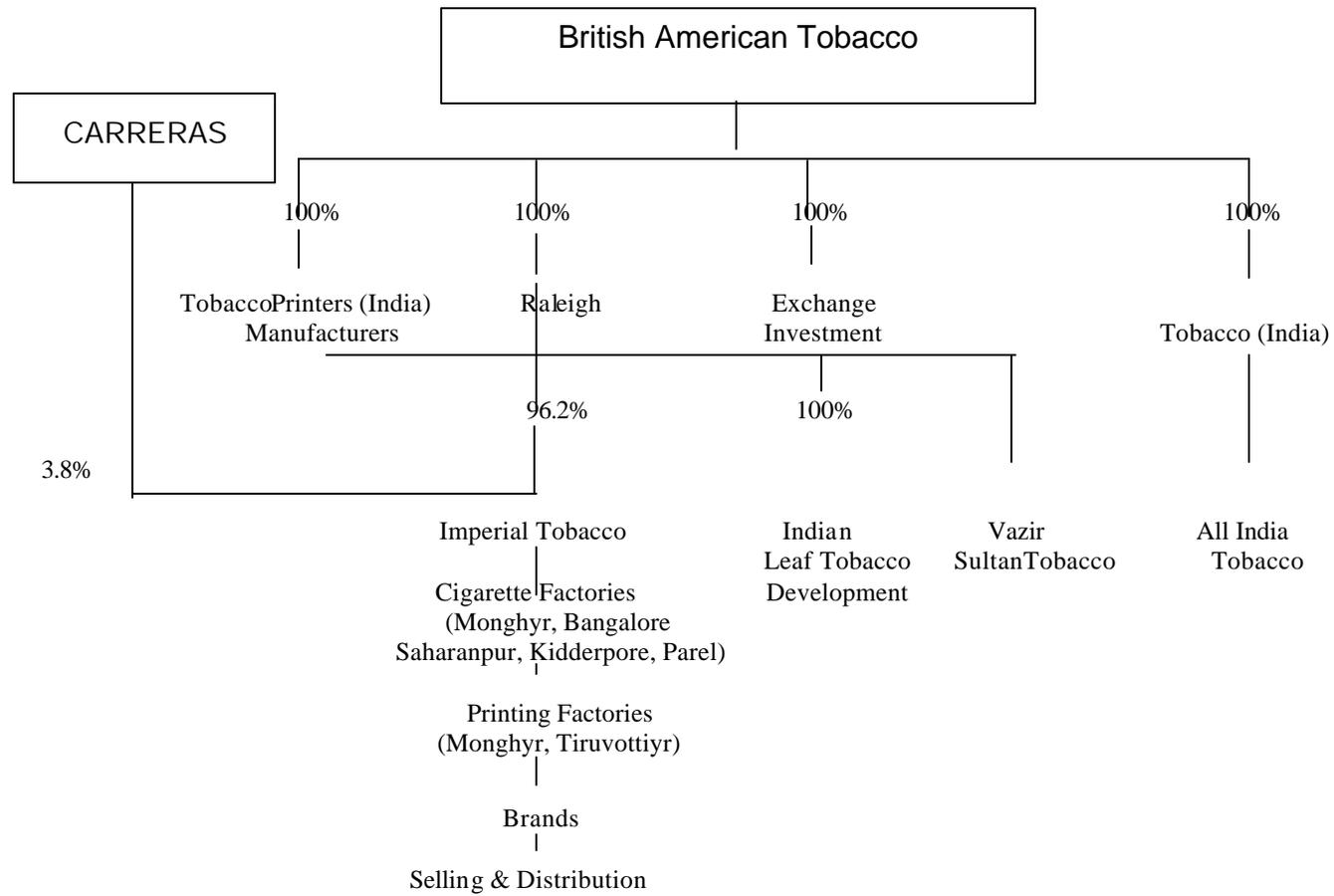
Source: ITC Ltd., Annual Reports, 1955–2004

n.a.: not available

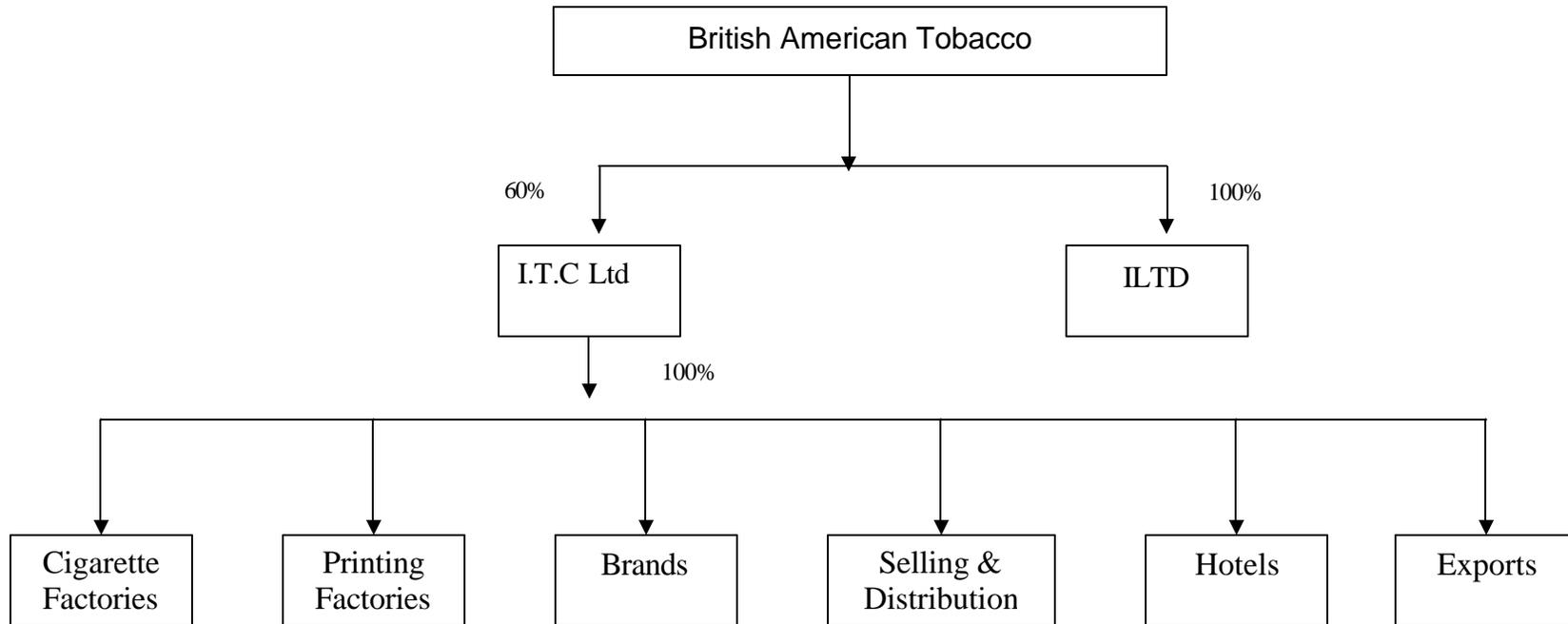
**Exhibit 2. BAT Investment and Shareholding Pattern, 1910s**



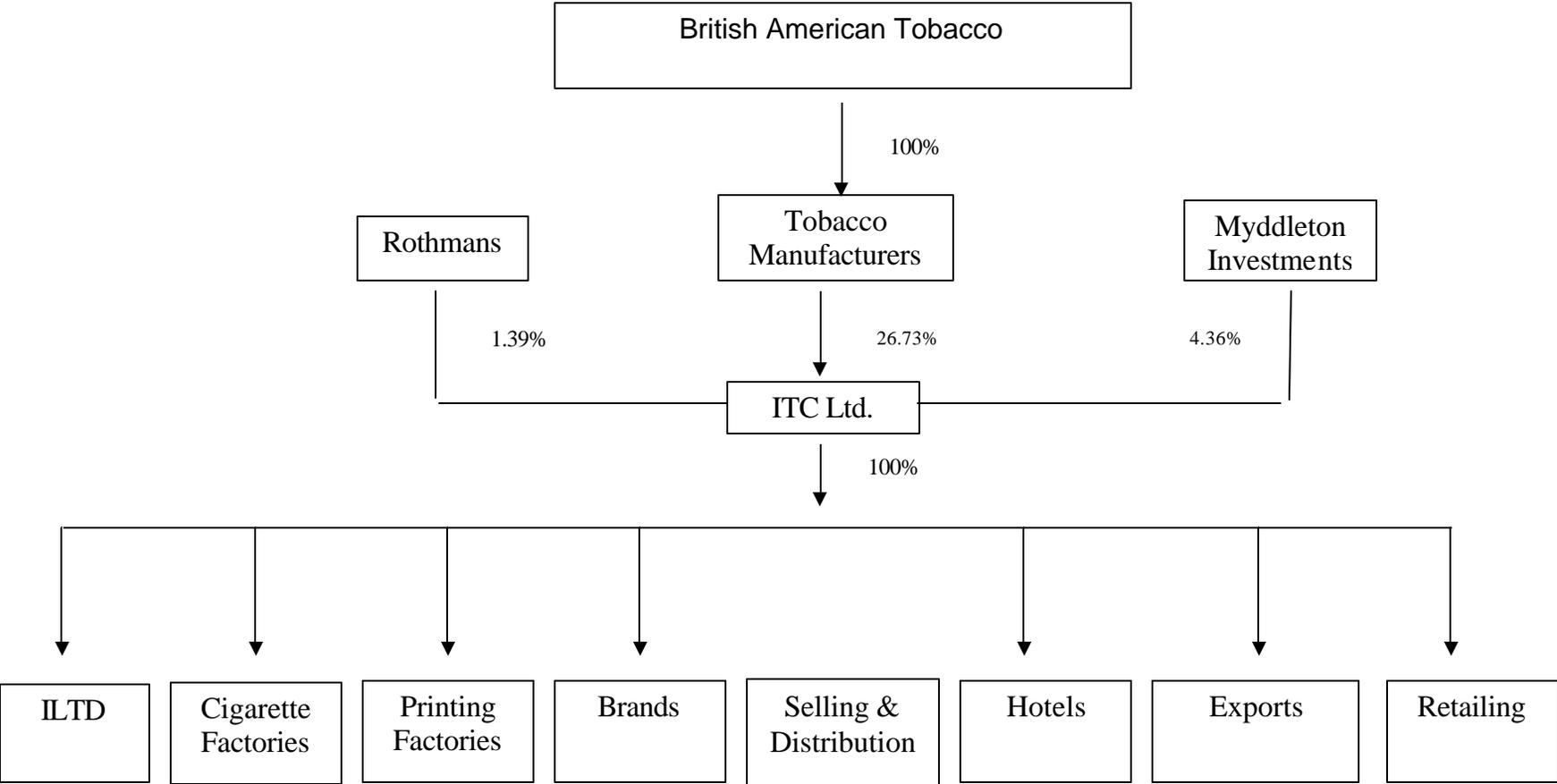
**Exhibit 3. BAT Investment and Shareholding Pattern, 1953**



**Exhibit 4. BAT Shareholding and Investment Pattern, 1975**



**Exhibit 5. BAT Investment and Shareholding Pattern, 2004**



## **Exhibit 6. Extent of BAT/ITC Investment in Complementary Businesses**

### **Wholly-Partly Owned Subsidiaries:**

1. ITC Hotels Limited
2. Srinivasa Resorts Limited
3. Fortune Park Hotels Limited
4. Bay Islands Hotels Limited
5. ITC Infotech India Limited
6. ITC Infotech Limited, UK
7. ITC Infotech (USA), Inc
8. Russel Credit Limited
9. Greenacre Holdings Limited
10. Wills Corporation Limited
11. Gold Flake Corporation Limited
12. Landbase India Limited
13. BFIL Finance Limited
14. MRR Trading & investment Company Limited
15. Surya Nepal Private Limited, Nepal
16. ITC Global Holding Pvt. Limited
17. BFIL Securities Limited
18. ITC Sangeet Research Academy
19. ITC Education Trust
20. ITC Rural Development Trust

### **Associates:**

1. Ansal Hotels Limited
2. Gujarat Hotels Limited
3. Megatop Financial Services and Leasing Limited
4. Newdeal Finance and Investment Limited
5. Peninsular Investments Limited
6. Russell Investments Limited
7. Asia Tobacco Company Limited
8. Classic Tobacco Company Limited
9. International Travel House Limited
10. Tobacco Manufacturers (India) Limited, UK

### **Joint Venture:**

1. King Maker Marketing Inc., USA
2. ITC Filtrona Limited
3. Maharaja Heritage Resorts Limited
4. CL13 e-services Limited

Source: ITC Ltd., Annual Reports, 1955–2004

### Exhibit 7. Branch Location of Different ITC Businesses

Business Function	Locations
<b>Cigarette</b>	
Sales Branches	Jullundur, Delhi, Kanpur, Patna, Jalpaiguri, Gauhati, Ahmedabad, Jabalpur,
Cigarette Factories	Saharanpur, Monghyr, Kidderpore, Parel, Bangalore, Bangalore(N),
Printing & Packaging	Monghyr, Tiruyottiyur
<b>Tobacco</b>	
Production	Kidderpore, Parel, Saharanpur, Monghyr, Bangalore
Marketing	Calcutta, Bombay, Delhi, Madras, Patna, Gauhati, Ahmedabad, Jabalpur,
District Offices-Marketing	Bombay(W), Calcutta(E), Delhi(N), Kanpur(C ) , Madras (S)
Research	Bangalore
<b>Tobacco Leaf</b>	
Main Offices	Calcutta, Guntur, Mysore
L. P. Plants	Anaparti, Chirala
Research	Hunsur, Rajahmundry
Leaf Buying & Handling	Andhra, Gujarat, Karnataka
<b>Life Style Retail Outlet &amp; Stores</b>	
Retail Outlet	New Delhi
Stores	<i>Club Stores:</i> New Delhi, Kolkata, Gurgaon, Bangalore, Coimbatore,
Design & Technology	Haryana

Source: ITC Ltd., Annual Reports, 1955–2004

## Exhibit 8. BAT/ITC Manufactured Brands

Year	Brand Name
<b>Smoking Tobacco</b>	
As on 1965	Capstan Navy Cut Medium Flake, Capstan Navy Cut Fine Cut, Wills Flake, Ogden's Coolie Cut Plug, Bears' Virginia Bird's Eye, Wills Black Prince
As on 1969	Wills Capstan Navy Cut Medium, Wills Capstan Navy cut Medium Fine cut, Ogden's Coolie Cut Plug, Wills Navy Cut, Wills Navy Cut, Wills Navy Cut Fine Cut, Bears' Virginia Bird's Eye, Wills Black Prince
As on 1975	Capstan Navy Cut Medium, Capstan Navy Cut Medium Fine Cut, Wills navy Cut, Wills Navy Cut Fine Cut.
<b>Cigarettes</b>	
As on 1965	India Plain, India Plain Filter Tipped, Player's No.3, The Three Castles, Player's Gold Leaf Filter Tipped, Player's Medium, Wills Gold Flake, Capstan Medium, Wills Navy Cut Plain, Wills Navy Cut Filter Tipped, Berkeley, Scissors, Woodbine, Simla Filter Tipped, Savoy Filter Tipped, Embassy, Player's Navy Blue, Lex, Vanraj Tipped, Imperial Gold Flake, Honeydew, Mitchell's Sovereign Gold Flake, Akbar Shah, Bears' Specials, Elephant, Passing show plain, Passing show plain tipped, Star, King Stork, Red Lamp, Bat, Motor, Pedro, Red Bird Plain, Red Bird Tipped, Telegraph, Tiger, Battle Ax, Golden Tree
Addition by 1969	India Kings Filter Tipped, Player's Gold Leaf Filter Tipped, Wills Gold Leaf Filter Tipped, Player's Navy Cut Medium, Wills Capstan Medium, Wills Filter Kings, Wills Filter Tipped, Wills Navy Cut, Wills Capstan magnum, Wills Bristol Filter, Windsor Filter Tipped, Wills Berkeley, Wills Scissors, Wills 99, Wills Embassy, Bears' Honeydew, Bears' Elephant, Passing Show Tipped, Passing Show, Wills Star, Red Bird Tipped, Red Bird.
Addition by 1975	Three Castles Filter Kings, Wills Flake Filter Kings, Wills Flake Filter Tipped, Wills Bristol Filter Tipped, Wills Virginia Filter Tipped, Chinar Filter Tipped, Plaza Filter Tipped, Wild Woodbine, Hunter Filter Tipped, Plaza Special, Star, Red Lamp, Sovereign Gold Flake, Pedro, Passing Show Plain, Metro, Guinea Gold
Addition by 2000	Three Castles Mild Filter Kings, Gold Crest Filter Tipped, Chinar Filter Kings, Scissors Standard, Flight, India Kings, Classic, Insignia, Berkeley, Checkers, Hi Val

Source: ITC Ltd., Annual Reports, 1955–2004



## Exhibit 10. Extracts from India's Five-Year Plans, 1951–90<sup>4</sup>

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### First Plan (1951–55)

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1. Fuller utilization of existing capacity in producer goods industries like jute and plywood and consumer goods industries like cotton textiles, sugar, soap, vanaspati, paints and varnishes
2. Expansion of capacity in capital and producer goods industries like iron and steel, aluminium cement, fertilizers, heavy chemicals, machine tools, etc
3. Completion of industrial units on which a part of the capital expenditure has already been incurred, and establishment of new plants, which would lend strength to the industrial structure by rectifying as far as resources permit the existing lacunae and drawbacks, e.g., manufacture of sulphur from gypsum, chemical pulp for rayon, etc
4. Research into Development of New processes
5. Investment in Backward Areas
6. Export Promotion

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### Second Plan (1956–61)

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1. Increased production of iron and steel and of heavy chemicals, including nitrogenous fertilizers, and development of the heavy engineering and machine building industries
2. Expansion of capacity in respect of other developmental commodities and producer goods such as aluminium, cement, chemical pulp, dyestuffs and phosphatic fertilizers, and of essential drugs
3. Village Industries: Handicraft, Coir Industry & Sericulture
4. Stepping up Indian content of automobiles to 80 per cent
5. Disposal of industries
6. Modernization of Rural Industries
7. Modernization and re-equipment of important national industries which have already come into existence, such as jute and cotton textiles and sugar
8. Fuller utilization of existing installed capacity in industries where there are wide gaps between capacity and production
9. Expansion of capacity for consumer goods keeping in view the requirements of common production programmes and the production targets for the decentralized sector of industry
10. Export Promotion

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### Third Plan (1961–66)

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1. Completion of projects envisaged under the Second Five Year Plan which are under implementation or were deferred during 1957-58 owing to foreign exchange difficulties
  2. Expansion and diversification of capacity of the heavy engineering and machine building industries, castings and forgings, alloy tool and special steels, iron and steel and ferroalloys and step-up of output of fertilizers & petroleum products
  3. Increased production of major basic raw materials and producer goods like aluminum, mineral oils, dissolving pulp, basic organic and inorganic chemicals and intermediates inclusive of products of petrochemical origin
  4. Khadi & Village Industries: Handloom, Handicrafts, Sericulture & Coir
  5. Increased production from domestic industries of commodities required to meet essential needs like essential drugs, paper, cloth, sugar, vegetable oils and housing materials and
  6. Export Promotion
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<sup>4</sup>Underlines in the table are my emphasis indicating areas where the company invested in.

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Fourth Plan (1969–74)

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1. Completing investment in relation to which commitments have already been made
2. Increasing existing capacities to levels required for present or future developments, in particular, providing more adequate internal supplies of essentials in increasing demand or needed by import substitution or for export promotion
3. Taking advantage of internal developments or availabilities to build new industries or new bases for industries
4. Village Industries; and
5. Export Promotion

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Fifth Plan (1974-79)

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1. 20 Point Economic Programme  
In addition to the other key focus areas of the country, some polices relevant to the three cases studies
2. Paper & Newsprint, Cement, Vegetable Oil & Vanaspati
3. Khadi & Village Industries: coir, handicraft, handloom &
4. Research & Education
5. Export Promotion

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Sixth Plan (1980-85)

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- In addition to the other key focus areas of the country, some polices relevant to the three cases studies
1. Paper & Newsprint, Cement, Vegetable oil & Vanaspati
  2. Development of backward regions
  3. Development of ancillaries: appropriate technology, research, development & training
  4. Khadi & Village Industries: handloom, handicraft & coir; &
  5. Export Promotion

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Seventh Plan (1986-90)

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- In addition to the other key focus areas of the country, some polices relevant to the three cases studies
1. To maximize the utilization of wage goods and consumer articles of mass consumption at reasonable prices and of acceptable quality
  2. To maximize the utilization of existing facilities through restructuring, improved productivity and up-gradation of technology
  3. Paper & Newsprint
  4. Development of backward regions
  5. Chemicals and up-gradation of process technology
  6. Khadi & Village Industries: handloom, handicraft & coir
  7. Export Promotion

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Source: Five Year Plans, Planning Commission, GOI,  
<<http://planningcommission.nic.in/plans/planrel/fiveyr/welcome.html>>

### Exhibit 11. ITC Ltd., Mission, Scope and Contents of Activities and Accomplishment, 1969–82

NATIONAL ECONOMIC POLICIES	ACTIVITIES	INDUSTRIES' PRODUCTS
<p>1. <i>Employment-Livelihood</i></p> <ul style="list-style-type: none"> <li>▪ Educated – uneducated</li> <li>▪ Urban – Rural</li> <li>▪ Direct – Indirect</li> </ul> <p>2. <i>Investment &amp; Development</i></p> <ul style="list-style-type: none"> <li>▪ Core</li> <li>▪ Priority Areas</li> <li>▪ Overcome Shortages</li> <li>▪ Backward Area Development</li> </ul> <p>3. <i>External Resources-Conservation</i></p> <ul style="list-style-type: none"> <li>▪ Earning Foreign Exchange</li> <li>▪ Bilateral Trade</li> <li>▪ Self Reliance</li> <li>▪ Self Sufficiency</li> </ul> <p>4. <i>Economic Activity – Competition</i></p> <ul style="list-style-type: none"> <li>▪ Promoting Small-Medium Scale</li> <li>▪ Promoting Ancillaries</li> <li>▪ Promoting Self-employment</li> <li>▪ Employment</li> </ul> <p>5. <i>Natural Resource Utilization</i></p> <ul style="list-style-type: none"> <li>▪ Rural</li> <li>▪ Sea –2000 Mile Coastline</li> </ul> <p>6. <i>Public – Consumer Service</i></p> <p>7. <i>Domestic Resources – Exchequer</i></p> <ul style="list-style-type: none"> <li>▪ Direct Tax Revenue</li> <li>▪ Indirect Tax Revenue</li> </ul>	<p>1. <i>ITC Ltd – Division</i></p> <ul style="list-style-type: none"> <li>▪ ITC-HO-HQ as Investor – Central Services</li> <li>▪ ITC –India Tobacco Division</li> <li>▪ ILTD – Indian Leaf Tobacco Div. PPD-Packaging Printing</li> <li>▪ Real Estate &amp; ITC Centre</li> <li>▪ Information Services – Electronic Data Processing – Computers</li> <li>▪ Marketing &amp; Exports &amp; Imports</li> <li>▪ GLT</li> <li>▪ Machine Construction</li> <li>▪ Technical Training Centre</li> <li>▪ R &amp; D – Integrated Research Centre-Bangalore</li> <li>▪ Rajamundry Agronomic Research Auto Analysis–Experimental Farms</li> <li>▪ Hissar-Agronomic – Experimental Farms</li> <li>▪ Welcome Group Hotels</li> <li>▪ Garments (Entrepreneurial Dev.)</li> <li>▪ Mehfil (Pan Masala – Dry Pan etc.)</li> </ul> <p>2. <i>Wholly-Partly Owned Subsidiaries</i></p> <ul style="list-style-type: none"> <li>▪ Delhi &amp; Orient Tobacco Ltd</li> <li>▪ All India Tobacco Ltd.</li> <li>▪ Finance Investments Ltd.</li> <li>▪ Sage Investments Ltd.</li> <li>▪ Summit Investments Ltd.</li> <li>▪ ITC US Ltd.</li> <li>▪ HIMEC Ltd – Mktg-Import-Investment-Export-Consultancy</li> <li>▪ CS-Calcutta Cold Storages</li> </ul> <p>3. <i>Companies Promoted</i></p> <ul style="list-style-type: none"> <li>▪ Bhadrachalam Paper Boards Ltd.</li> <li>▪ Tribeni Handlooms Ltd.</li> <li>▪ Tufftools Ltd (Later sold)</li> <li>▪ CPA Consultants share registrars</li> <li>▪ Travel House Ltd.</li> <li>▪ Coronet Hotels &amp; Supplies Ltd (not activated)</li> </ul> <p>4. <i>Companies -Acquired-Invested In</i></p> <ul style="list-style-type: none"> <li>▪ Roll Print</li> <li>▪ India Cements (2)</li> <li>▪ Ashoka paper (4)</li> <li>▪ Coates of India (Inks)</li> <li>▪ Alfit Corp. (sold out later to partners)</li> <li>▪ Surya-Tobacco-Negotiated-1980</li> </ul> <p>5. <i>Ancillaries</i></p> <ul style="list-style-type: none"> <li>▪ 144 Units</li> <li>▪ Shopping Arcades</li> </ul>	<p>1. <i>Tobacco</i></p> <ul style="list-style-type: none"> <li>▪ Cigarettes</li> <li>▪ Leaf</li> <li>▪ Exports</li> <li>▪ Machinery</li> </ul> <p>2. <i>Packaging</i></p> <ul style="list-style-type: none"> <li>▪ Printing</li> <li>▪ Flexibles</li> <li>▪ Systems</li> <li>▪ Inks (Invest)</li> </ul> <p>3. <i>Paper</i></p> <ul style="list-style-type: none"> <li>▪ Board</li> <li>▪ Papers</li> <li>▪ Pulp (Ashoka)</li> </ul> <p>4. <i>Tourism</i></p> <ul style="list-style-type: none"> <li>▪ Hotels</li> <li>▪ Travel Trade</li> <li>▪ Specialty</li> <li>▪ Restaurants</li> <li>▪ Overseas Hotels</li> </ul> <p>5. <i>Marine PS</i></p> <ul style="list-style-type: none"> <li>▪ Fish Exports</li> <li>▪ Prawn Exports</li> </ul> <p>6. <i>Real Estate</i></p> <ul style="list-style-type: none"> <li>▪ ITC Centre</li> <li>▪ Housing</li> </ul> <p>7. <i>Construction Materials</i></p> <ul style="list-style-type: none"> <li>▪ Cement</li> </ul> <p>8. <i>Services</i></p> <ul style="list-style-type: none"> <li>▪ Information (Export)</li> <li>▪ Share Registrars</li> <li>▪ Marketing</li> <li>▪ T &amp; D</li> <li>▪ R &amp; D</li> <li>▪ Cold Storage</li> </ul> <p>9. <i>Entrepreneurial</i></p> <ul style="list-style-type: none"> <li>▪ Carpets-Exports</li> <li>▪ Garments-Export</li> <li>▪ Tools Export</li> </ul> <p>10. <i>Marketing</i></p> <ul style="list-style-type: none"> <li>▪ Tea</li> <li>▪ Tobacco</li> </ul> <p>11. <i>Agro-based</i></p> <p>12. <i>Soya-Beans</i></p> <p>13. <i>Development</i></p>

Source: Haksar (1993)

**Exhibit 12. Foreign Exchange Earnings: 1980-2004**  
**(In million INR)**

Year	Foreign Exchange earnings
1980	334.7
1981	355.7
1982	532
1983	726
1984	352.6
1985	355.2
1986	407.1
1987	531.6
1988	524.1
1989	561.3
1990	1459.7
1991	2482.6
1992	4620.5
1993	5935.3
1994	7912.6
1995	7867.7
1996	6192.4
1997	6347.3
1998	7590.8
1999	6495.5
2000	6877
2001	6971.3
2002	9475.7
2003	12940
2004	10775.1

Source: Annual Reports, ITC Limited

### Exhibit 13. ITC Hotels Division – The Welcomgroup Chain

Hotel	Location	Owners	Via
Chola	Madras (1975)	ITC-HD	ITC-Direct
Mughal	Agra	ITC-HD	ITC-Direct
Maurya Sheraton	New Delhi	ITC-HD	ITC-Direct
Wind	Bangalore	ITC-HD	ITC-Direct
Bay Island	Port Blair	ITC – acquired	ITC Distributor
Rama International	Aurangabad	ITD Distributor	ITC Chairman
		Acquired from Gaylord Group	
Banjara	Hyderabad	ITC Distributor	ITC Chairman & Surinder Gadhoke of HD (IDBI Request)
Umaid Bhawan Palace	Jodhpur	Maharaja Jodhpur	ITC Chairman
Usha Kiran Palace	Gwalior	Maharaja Gwalior presently on 15-year lease	ITC Chairman
Searock	Bombay	Luthrias	Dammi Sabharwal of HD Finalised by ITC Chairman
Mansingh	Jaipur	H.Hundhra taken over by Agarwals	ITC Chairman Ex IDBI Request S.Gadhoke Arranged Agarwals take over ITC Chairman
Royal Castle	Khimsar		S. Gadhoke & R Sarin of HD
Mumtaz	Agra	Agrawals	ITC Chairman
Cidade De Goa	Goa-Panjim		Chairman HD R.Lakshman & ITC Chairman
Highlands	Kargil Ladakh Bhutan	Independent Party	Chairman HD R.Lakshman & ITC Chairman
Maurya Patna	Patna	Sinha Family	Chairman HD R.Lakshman & ITC Chairman
Hotel Druk	Phuntsholing Bhutan	Independent party	Chairman HD R. Lakshman
The Dolphin	Waikkal Sri Lanka	Sri Lankan	Chairman HD R. Lakshman
Gurkha Houseboats	Srinagar	Wangnoo Family	Anil Channa of HD
Nilambag Palace	Bhavanagar	Maharaja Bhavnagar	GM Searock
Vadodra	Baroda	Jt.Venture Gujarat IDFC	A Bhatia of HD & writer as First Mfg. Director of Jt. Venture
Manjura	Mangalore	Independent Party	Ravi Rao of HD
Adyar Park	Madras	Independent Party	Ravi Suri of HD
Asia	Jammu Tawi	Independent party	
Siddharth	Delhi	Garg Group	
Kathmandu	Kathmandu Nepal	Rana Family	Chairman HD R. Lakshman & Chairman ITC

Source: Centre for Monitoring Indian Economy

#### Exhibit 14. Miscellaneous BAT/ITC Investments in the Social Sector

- ? Contribution towards the promotion of the Army Scriptures Readers Association
- ? Contribution to Girl Guides
- ? Rehabilitation assistance to cyclone victims, 1977
- ? Assistance in forming the Indian Tobacco Curers' and Growers Association (1971-72) when the prices of tobacco fell; lobbying with the government to buy the excess tobacco produced through the State Trading Corporation.
- ? Investing in Tribeni Handloom Limited to revive the traditional craft of carpet weaving (1971-72). This helped improve the quality of life of nearly 1800 people with increased income.
- ? Distribution of condoms (of the brand name Nirodh) in a huge territory covering Madhya Pradesh, Karnataka, Andhra Pradesh, Tamil Nadu, Kerala, Pondicherry and part of Maharashtra. Using its extensive distribution network, ITC was able to increase the sale of Nirodh from 6 million in the 1960s to 57 million in the 1980s.
- ? Provision of Annual Grant of Rs.1000.00 to the Imperial Council of Agricultural Research in Delhi for two postgraduate studentships in tobacco and its cultivation
- ? Donation to the Delhi School of Economics
- ? Development of nearly 16,000 hectares under social and farm forestry, 1998
- ? Donation of books and uniform to nearly 7500 children
- ? Micro-credit policies benefiting about 9000 women
- ? Environmental initiatives for preserving the environment and rainwater harvesting for self-sufficiency, 2002-3. ITC-Welcomgroup has created a teaching module that enables school teachers to effectively communicate environmental concerns and implemented in 366 schools across Karnataka, Delhi, Rajasthan, and Chandigarh. ITC constructed two collecting ponds with a storage capacity of 8700 kilolitres at the new Bangalore factory to meet the needs of air handling unit, cooling towers, machine and gum wash, canteen utilities and toilets.
- ? Wide-ranging sponsorship in sports. In the 1940s BAT promoted cricket by donating 60,000 INR. Subsequently, it sponsored sports like kite flying, khokho, kabadi, archery, wrestling, tonga, cricket, hockey, football, five-a-side soccer, tennis, polo, and golf; sponsored several major tournaments like Wills Trophy Limited Overs Cricket, Willis Trophy Cricket, and Wills Trophy Golf; active role in publications on different sports (Wills Book of Excellence: Olympics, Wills Book on Tennis, Wills Book on Football, and Wills Book on One-Day-Cricket); sponsoring the Wills Award for Excellence in Sports Journalism.
- ? Sponsorship of classical music: sponsored the Annual Sangeet Sammelan in Delhi, 1971; helped set up the Sangeet Research Academy in Aldeen, Calcutta, 1977
- ? Participated in the Festival of India in the United States, 1985
- ? Started ITC WelcomArt, a forum to promote the cause of art and artists, showcasing the works of both well known and unknown but talented artists, 2002-3

**Exhibit 15. ITC Equity Holding, 1953 – 2004**

Year	Foreign	Institutional	Indian Public	FII	GDR	NRI
Until 1953	100%	--	--	--	--	--
1954-64	94%	--	6%	--	--	--
1964-69	94%	1%	5%	--	--	--
1969-74	75%	10%	15%	--	--	--
1974-76	60%	18%	22%	--	--	--
1976-84	40%	30%	30%	--	--	--
1984-85	38%	32%	30%	--	--	--
1985-86	31%	32%	36%	--	--	--
2002-03	32.5%	38.38%	14.9%	9.62%	3.09%	0.7%

Source: ITC Ltd., Annual Reports, 1955-2004

**Exhibit 16. Annual Sales of ITC and its Competitors, 1991–2003**

(in million INR)

Year	Asian Hotels Ltd.*	Bharat Hotels Ltd.*	Hotel Leela Co. Ltd.*	Indian Hotels Co. Ltd.*	E I H Ltd.*	G T C Industries Ltd.*	R D B Industries Ltd.*	Ruchi Soya Inds. Ltd.**	Sun Paper Mill Ltd.**	Godfrey Phillips India Ltd.***	V S T Industries Ltd.***	I T C Ltd.***	Total Market	ITC's Share
Dec-91	310.9	255.4	213.3	1562.8	901.6	2525.7		353.5		5325.2	4298.6	22864.9	38611.9	59.22
Dec-92	330.5	348.4	329.9	2032.2	1267.5	2480.1		987		7005.9	5421.1	29721.7	49924.3	59.53
Dec-93	411.6	416	512.4	2381.4	1616.1	2667.3		1245.4		6943.2	6063.3	37441.1	59697.8	62.72
Dec-94	570.1	467.4	726	2937.2	2098.7	2952.4	15.9	2391.9		6712.3	5708.4	42138.2	66718.5	63.16
Dec-95	893.2	631.6	835.1	3725	2745.3	4001.1	275.9	3385.5	394	7523.4	6396.3	45603.6	76410	59.68
Dec-96	1350.2	814.9	1246.1	5243	3988.3	6394.9		6962.8	507.6	7843	6104.7	51351.6	91807.1	55.93
Dec-97	1660.4	937.6	1309	5768.2	4447.2		204.4	9616.3		8772.3	5682.4	58687.7	97085.5	60.45
Dec-98	1500.6	910.5	1143	5956.5	4372.7	5108.2	179.6	13071.1		10146	6473.7	68509.3	117371	58.37
Dec-99	1355.6	671	1216.8	6032.8	4422.3	3797.6	149.5	17251.3	458.2	10471.7	7054	75992.4	128873	58.97
Dec-00	1158.8	665.3	1220.3	6186.8	4229.4	4148.7	192	19212.3	467.1	10826.3	7463.8	79719.4	135490	58.84
Dec-01	1166.3	660.3	1225.1	7067.7	4795.1	4627	197	25949.9	561.4	9925	7563.7	86997.5	150736	57.72
Dec-02	926.6	557.5	866.4	6001.5	3759.9	3626.6	231.8	28404.5		9447.4	6807.8	98491.6	159122	61.9
Dec-03	1066.6	745.9	1344.2	5852.4	3840.9	3342.6	166	34092.3		10802.2	6683.6	110284.1	178221	61.88

Source: Centre for Monitoring Indian Economy

\* refers to hotel business

\*\* refers to packaged food business

\*\*\* refers to cigarette and tobacco business