

Itc Ltd. a full case study essay



**ASSIGN
BUSTER**

Limited (BSE: 500875) public conglomerate company headquartered in Kolkata, India. [1]Its turnover is \$6 billion and a market capitalization of over \$30 Billion. The company has its registered office in Kolkata. It started off as the Imperial Tobacco Company, and shares ancestry with Imperial Tobacco of the United Kingdom, but it is now fully independent, and was rechristened to Indian Tobacco Company in 1970 and then to I.

T. C. Limited in 1974 The company is currently headed by Yogesh Chander Deveshwar. It employs over 26, 000 people at more than 60 locations across India and is listed on Forbes 2000. ITC Limited completed 100 years on 24 August 2010.

ITC has a diversified presence in Cigarettes, Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business, Packaged Foods & Confectionery, Information Technology, Branded Apparel, Personal Care, Stationery, Safety Matches and other FMCG products. While ITC is an outstanding market leader in its traditional businesses of Cigarettes, Hotels, Paperboards, Packaging and Agri-Exports, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery. ITC's aspiration to be an exemplar in sustainability practices is manifest in its status as the only company in the world of its size and diversity to be 'carbon positive', 'water positive' and 'solid waste recycling positive.' In addition, ITC's businesses have created sustainable livelihoods for more than 5 million people, a majority of whom represent the poorest in rural India.

HISTORY: The company was founded as Wills, Watkins & Co. by Henry Overton Wills I and his partner Watkins, who opened a shop in Castle Street, Bristol in 1786. After the retirement of his partner in 1789, it became Wills & Co.. In 1826 his two sons, William Day Wills and Henry Overton Wills took over the company.

The company pioneered canteens for the workers, free medical care, sports facilities and paid holidays. In 1830, the company was renamed W. D. & H. O.

Wills. Their first brand was Bristol, made at the London factory from 1871 to 1974. Three Castles and Gold Flake followed in 1878 and Woodbine ten years later. In 1901 Sir William Henry Wills et al. formed the Imperial Tobacco Company from a merger of W.

D. & H. O. Wills with seven other British tobacco companies.

Imperial remains one of the world's largest tobacco companies.

Embassy was introduced in 1914 and relaunched in 1962 with coupons. The last member of the Wills family to serve the company was Christopher, the great great grandson of H. O.

Wills I. He retired as sales research manager in 1969. List of products ; brands In FMCG, ITC has a strong presence in: ? Cigarettes: W. D. ; H.

O. Wills, Gold Flake Kings, Gold Flake Premium, Navy Cut, Insignia, India Kings, Classic (Verve, Menthol, Menthol Rush, Regular, Mild ; Ultra Mild), 555, Benson ; Hedges, Silk

Cut, Scissors, Capstan, Berkeley, Bristol, Lucky Strike, Playersand Flake.

Foods: (Kitchens of

India; Ashirvaad; Minto; Sunfeast; Candyman; Bingo; Yippee, Sunfeast Pasta brands in Ready to Eat, Staples, Biscuits, Confectionery, Noodles and Snack Foods); ? Apparel: (Wills Lifestyle and John Players brands); ? Personal care: (Fiama di Wills; Vivel; Essenza di Wills; Superia; Vivel di Wills brands of products in perfumes, haircare and skincare)[2] ? Stationery: (Classmate and Paperkraft brands) ? Safety Matches and Agarbattis: [Ship (through ownership of WIMCO); iKno; Mangaldeep; Aim brands] Other businesses include: Hotels: ITC's hotels (under brands including ITC Hotel /Welcomhotel) have evolved into being India's second largest hotel chain with over 80 hotels throughout the country. ITC is also the exclusive franchisee in India of two brands owned by Sheraton International Inc.

– The Luxury Collection and Sheraton which ITC uses in association with its own brands in the luxury 5 star segment. Brands in the hospitality sector owned and operated by its subsidiaries include Fortune and Welcomheritage brands. ? Paperboard, Specialty Paper, Graphic and other Paper; Packaging and Printing for diverse international and Indian clientele. ? Infotech (through its fully owned subsidiary ITC Infotech India Limited which is a SEI CMM Level 5 company) Rural initiatives: ITC's Agri-Business is India's second largest exporter of agricultural products. ITC is one of the India's biggest foreign exchange earners (US \$ 2 billion in the last decade). The Company's ' e-Choupal' initiative is enabling Indian agriculture significantly enhance its competitiveness by empowering Indian farmers through the power of the Internet.

This transformational strategy, which has already become the subject matter of a case study at Harvard Business School, is expected to progressively

create for ITC a huge rural distribution infrastructure, significantly enhancing the Company's marketing reach. The company places computers with Internet access in rural farming villages; the e-Choupals serve as both a social gathering place for exchange of information (choupal means gathering place in Hindi) and an e-commerce hub. What began as an effort to re-engineer the procurement process for soy, tobacco, wheat, shrimp, and other cropping systems in rural India has also created a highly profitable distribution and product design channel for the company—an e-commerce platform that is also a low-cost fulfillment system focused on the needs of rural India. The e-Choupal system has also catalyzed rural transformation that is helping to alleviate rural isolation, create more transparency for farmers, and improve their productivity and incomes. Corporate philanthropy: ITC Echoupal creatively leverages information technology to set up a meta-market in favour of India's small and poor farmers, who would otherwise continue to operate and transact in 'un-evolved' markets.

As of July 2010, services through 6500 Echoupal across 10 states, reach more than 4 million farmers in about 40, 000 villages. Free access to Internet is also opening windows of rural India to the world at large. ITC choupal e-choupal is now being regarded as a reliable delivery mechanism for resource development initiatives. Its potential is being tested through pilot projects in healthcare, educational services, water management and cattle health management with the help of several service providers including non-governmental organizations. When Classmate notebooks were launched, it came up with the initiative of contributing 1 rupee towards the education of

poor children, from every single notebook it sold. Classmate, has launched a programme called Classmate Ideas for India challenge.

The programme would be a part of the company's centenary initiative.

3] The nation-wide programme would invite ideas of the youth, who have the potential to transform India. Classmate Ideas for India challenge plans to reach out to 25 lakh students across 30 cities, 500 schools and 200 colleges across the country. [4] Forbes ranking: ITC features on the Forbes Global 2000 rankings for 2007 at position 1256.

[5] ITC is the only Indian FMCG company that features on the Forbes Global 2000 rankings for 2009 at position 987. [6] ITC also featured on the Forbes World's Most reputable Companies List at position 95. [7] Global and other Honours: ITC is the first from India and among the first 10 companies in the world to publish its Sustainability Report in compliance (at the highest A+ level) with the G3 guidelines of the Netherlands-based Global Reporting Initiative (GRI), a UN-backed, multistakeholder international initiative to develop and disseminate globally applicable Sustainability Reporting Guidelines. ? ITC is the first Indian company and the second in the world to win the prestigious Development Gateway Award. It won the \$100,000 Award for the year 2005 for its trailblazing ITC e-Choupal initiative which has achieved the scale of a movement in rural India.

The Development Gateway Award recognizes ITC's e-Choupal as the most exemplary contribution in the field of Information and Communication Technologies (ICT) for development during the last 10 years. ITC e-Choupal won the Award for the importance of its contribution to development

priorities like poverty reduction, its scale and replicability, sustainability and transparency. ? ITC has won the inaugural ‘ World Business Award’, the worldwide business award recognising companies who have made significant efforts to create sustainable livelihood opportunities and enduring wealth in developing countries. The award has been instituted jointly by the United Nations Development Programme (UNDP), International Chamber of Commerce (ICC) and the HRH Prince of Wales International Business Leaders Forum (IBLF).

? ITC is the first Corporate to receive the Annual FICCI Outstanding Vision Corporate Triple Impact Award in 2007 for its invaluable contribution to the triple bottom line benchmarks of building economic, social and natural capital for the nation. ITC has won the Golden Peacock Awards for ‘ Corporate Social Responsibility (Asia)’ in 2007, the Award for ‘ CSR in Emerging Economies 2005’ and ‘ Excellence in Corporate Governance’ in the same year. These Awards have been instituted by the Institute of Directors, New Delhi, in association with the World Council for Corporate Governance and Centre for Corporate Governance. ? ITC Hotel Royal Gardenia, Bengaluru is the first Indian Hotel and world’s largest, to get the LEED Platinum rating – the highest green building certification globally. The Stockholm Challenge 2006 for the e-Choupal initiative. This award is for using Information Technology for the economic development of rural communities.

? United Nations Industrial Development Organisation (UNIDO) Award at the international conference on Sharing Innovative Agribusiness Solutions 2008 at Cairo for ITC’s exemplary initiatives in agri business through the e-Choupal. ? The Corporate Social Responsibility Crown Award for Water

Practices from UNESCO and Water Digest for its distinguished work carried out in the water sector in India. ITC also received the National Award for Excellence in Water Management 2007 in the ‘beyond the fence’ category from the CII Sohrabji Godrej Green Business Centre for its leadership role in implementing water and watershed management practices. ? The watershed programme also won the Asian CSR Award 2007 for Environmental Excellence given by the Asian Institute of Management.

The Award recognizes and honours Asian companies for outstanding, innovative and world-class projects. The Company also received the Ryutaro Hashimoto Incentive Prize 2007 for Environment ; Development from the Asia Pacific Forum. This Award aims at promoting information dissemination of good practices towards sustainable development in the Asia-Pacific region. ? The Readers’ Digest Pegasus Award for corporate social responsibility, recognizing outstanding work done by socially conscious companies. ? The Corporate Award for Social Responsibility 2008 from The Energy and Resources Institute (TERI) in recognition of its exemplary initiatives in implementing integrated watershed development programmes across 7 states in India.

The company also won the award in 2004 for its e-Choupal initiative. The Award provides impetus to sustainable development and encourages ongoing social responsibility processes within the corporate sector. ? The ‘Enterprise Business Transformation Award’ for Asia Pacific (Apac), instituted by Infosys Technologies and Wharton School of the University of Pennsylvania for its celebrated e-Choupal initiative. ? The Best Corporate Social Responsibility Practice Award 2008 jointly instituted by the Bombay

Stock Exchange, Times Foundation and the NASSCOM Foundation. ? The NASSCOM – CNBC IT User Award 2008 in the Retail & Logistics category.

The Company has been recognised for its pro-active and holistic approach to IT adoption and the seamless alignment of IT with business strategy. This is the fourth time that ITC has won Nasscom’s Best IT User Award since it was instituted in 2003. ? The Institute of Chartered Accountants of India Award for Excellence in Financial Reporting with its Annual Report and Accounts, adjudged as a commendable entry under the Category ‘ Manufacturing and Trading Enterprises’. ? The Business Today Award for the Best Managed Company in recognition of its outstanding initiatives in the consumer products segment. Ranked no.

63 in The Brand Trust Report published by Trust Research Advisory in 2011. ITC BUSINESS PORTFOLIO: ITC is involved in following businesses: ITC Ltd is one of India’s premier private sector companies with diversified presence in businesses such as Cigarettes, Hotels, Paperboards ; Specialty Papers, Packaging, Agri-Business, Packaged Foods ; Confectionery, Information Technology, Branded Apparel, Greeting Cards, Safety Matches and other FMCG products. Presently, ITC has a market capitalisation of nearly US \$ 15 billion and a turnover of over US \$ 4. 5 billion.

It employs over 21, 000 people at more than 60 locations across India. ITC has been rated among the World’s Best Big Companies, Asia’s ‘ Fab 50’ and the World’s Most Reputable Companies by Forbes magazine, among India’s Most Respected Companies by Business World and among India’s Most Valuable Companies by Business Today. Cigarettes: ITC is the market leader

in cigarettes in India and has a wide range of popular brands such as Insignia, India Kings, Classic, Gold Flake, Silk Cut, Navy Cut, Scissors, Capstan, Berkeley, Bristol and Flake in its portfolio. Packaging: ITC's Packaging ; Printing Business is the country's largest convertor of paperboard into packaging. It was set up in 1925 as a strategic backward integration for ITC's Cigarettes business.

It offers a variety of value-added packaging solutions for the food ; beverage, personal products, cigarette, liquor, cellular phone and IT packaging industries. Hotels: ITC entered the hotels business in 1975 with the acquisition of a hotel in Chennai which was rechristened Hotel Chola. Today ITC-Welcomgroup with over 70 hotels is one of the foremost hotel chains in India. Paperboards: In 1979, ITC entered the Paperboards business by promoting ITC Bhadrachalam Paperboards. ITC's Paperboards business has a manufacturing capacity of over 360, 000 tonnes per year and is a market leader in India across all carton-consuming segments.

Greeting, Gifting & Stationery: ITC's stationery brands " Paper Kraft" ; " Classmate" are widely distributed brands across India. The Paperkraft designer stationery range consists of notepads ; multi subject notebooks in hard, soft covers ; multiple binding formats including spirals, wiros etc. ITC's Greeting & Gifting products include Expressions range of greeting cards and gifting products. Safety Matches: ITC's brands of safety matches include iKno, Mangaldeep, VaxLit, Delite and Aim.

The Aim is the largest selling brand of Safety Matches in India. ITC also exports premium brands to markets such as Europe, Africa and the USA.

Aggarbattis: ITC has launched Mangaldeep brand of Aggarbattis with a wide range of fragrances like Rose, Jasmine, Bouquet, Sandalwood, Madhur, Durbar, Tarangini, Anushri, Ananth and Mogra. Mangaldeep is also being exported to USA, UAE, Bahrain, Nepal, Singapore, Malaysia, Oman and South Africa. Lifestyle Retailing: ITC entered the Lifestyle Retailing business with the Wills Sport range of international quality relaxed wear for men and women in 2000.

The Wills Lifestyle chain of exclusive stores later expanded its range to include Wills Classic formal wear (2002) and Wills Clublife evening wear (2003). In 2002, ITC entered into the popular segment with its men's wear brand, John Players. In 2005, ITC introduced Essenza Di Wills, an exclusive line of prestige fragrance products. Food: ITC made its entry into the branded & packaged Foods business in August 2001 with the launch of the "Kitchens of India" brand. In 2002 it expanded into Confectionery, Staples and Snack Foods segments.

ITC's brand in Food category include: Kitchens of India, Aashirvaad, Sunfeast, Mint-O, Candyman, and Bingo!. Agri Exports: ITC's International Business Division (IBD) is the country's second largest exporter of agri-products. ITC exports Feed Ingredients (Soyameal), Foodgrains (Rice, Wheat, Pulses), Coffee ; Spices, Edible Nuts, Marine Products, and Processed Fruits. - choupal: The e-Choupal model of ITC has been very effective in tackling the challenges posed by the unique features of Indian agriculture, characterised by fragmented farms, weak infrastructure and the involvement of numerous intermediaries, among others. ITC's e-Choupal won the Stockholm Challenge 2006 award is for using information technology for the economic

development of rural communities. Strategy of Organisation to manage diversity of Portfolio : Formal 3-tiered governance structure: Corporate Strategies ? Sustain multiple drivers of growth, matching internal capabilities with emerging market opportunities ? Pursue World class competitiveness in all businesses and across the entire value chain ? Best-in-class in terms of: • Internal Vitality • Market Standing • Profitability ? Strategy of Organisation and Governance processes geared to manage multiple businesses ? Blend core competencies and leverage ITC umbrella strengths to create new avenues of growth FMCG – Cigarettes ? Market leadership ? Powerful brands across segments ? Leadership in all segments – geographic & price ? Extensive FMCG distribution network ? Exciting long term growth potential Cigarettes: Growth potential Cigarettes account for less than 15% of tobacco consumed in India unlike world pattern of 85% due to prolonged punitive taxation • Cigarettes (15% of tobacco consumption) contribute nearly 85% of Revenue to the Exchequer from tobacco sector ? 48% of adult Indian males consume tobacco.

Only 10. 3% of adult Indian males smoke cigarettes as compared to 16% who smoke biris and 33% who use smokeless tobacco (Source: Global Adult Tobacco Survey India 2010) ? Biri : Cigarettes ratio = 10 : 1 ? Annual per capita adult cigarette consumption in India is appx. ne tenth world average : 85 ? Future growth depends on relative rates of growth of per capita income and moderation in taxes Per Capita Consumption of Tobacco in India (gms per year) [pic] Per Capita consumption in India ~ 10% of World average[pic] Cigarettes: Challenges ? Competitive context • Competition including international majors becoming more active • Domestic illegal volumes still

very strong. Along with smuggled contraband, has emerged as substantive segment ? Regulatory & Taxation • Pictorial Graphic warnings in place w. e. f.

June 09. VAT hikes in Maharashtra, Delhi, Rajasthan, Punjab, Haryana, Gujarat – threatening the concept of the ‘ Indian Common Market’ ? Cost table increasing with increase in leaf costs.... Hotels & Tourism ? Foreign arrivals into India: 5 million appx. Vs. 35 million in China • The two nations were on par 2 decades ago at 750, 000 arrivals ? Today, Beijing alone has as many hotel rooms as the whole of India ? India’s luxury rooms availability lower than even smaller East Asian countries ? Indian Hotel Industry: Current supply – appx.

110, 000 rooms of which 5 Star category accounts for appx. 30% ? India needs an additional 50, 000 rooms in the next 2/3 years to service projected tourist arrivals ? Present mismatch between supply and demand expected to persist over the short term ? As infrastructure for trade & commerce improves – growing potential for leisure tourism ? ITC’s Hotel Business: ITC-Welcomgroup : a leading hotel chain in India ? Established presence in key business locations Over 6000 rooms under 4 distinct brands [pic] ? ITC Royal Gardenia, a 292 room luxury hotel launched in October ’09 in Bangalore – Rated amongst the ‘ 50 Best New Hotels in the World’ by Conde Nast ? Capacity expansion underway at Chennai & Kolkata; plans for other locations also being progressed. ? Fastest growing hotel chain with highest operating efficiency (PBDIT/Net Income @ 40%) amongst the 3 leading chains ? Leverages unique service proposition and international alliance with Starwood Hotels & Resorts – ‘ Luxury Collection’ / ‘ Sheraton’ ? Manages 34

full service mid-market properties (2000 + rooms) under the Fortune Hotels brand – 21 more hotels in pipeline; room inventory- 4800 appx. – 100% subsidiary company : Fortune Park Hotels Ltd. Also operates 60 properties under the ‘ WelcomHeritage’ brand in 19 states – Maharaja Heritage Resorts Ltd.

50% JV with Marudhar Hotels (P) Ltd. Paperboards, Paper & Packaging ?

Indian paperboard market: Annual paperboard demand – appx. 2 million tonnes ? Fragmented capacity & obsolete technology ? Low per capita usage at around 7 kgs p. a. (world average – over 55 kgs p.

a.) ? Indian paperboard market growing at 7% p. a. ? Value Added Coated board – the fastest growing segment (15% p. a.

) in India driven by the growing sophistication of the consumer ?

ITC’s Paperboards Business: Market leader in growth segment – value added coated boards ? World-class contemporary technology ? Ozone bleached Pulp Mill fully operational – only one of its kind in Asia meeting world-class environmental standards ? Internationally competitive quality and cost ?

Social farm forestry in mill command area to improve access to cost effective fibre & to attain self-sufficiency ? Biotech research based high yielding

Clones – effectiveness tested in > 1, 00, 000 hectares ? Fully integrated operations with in-house pulping capacity at appx. . 80 lac MT ? Capacity

expansion projects installed – at optimum capacity utilization ? 120000 TPA

Pulp Mill – Machine stabilised ? 100000 TPA paper machine (to support

Education & Stationery business growth plans) Machine stabilized ?

Investment in 100, 000 TPA paperboards machine underway ? ITC’s

packaging SBU -India's largest converter of paperboard into high quality printed packaging ? Leading supplier to Indian FMCG and Consumer Electronic segments ? Provides superior packaging solutions to the cigarettes and new FMCG businesses Agri Businesses Leaf Tobacco – Agri Commodities ? Indian Leaf Tobacco industry: India – the third largest producer of tobacco ? However, India's share is only 7% in world tobacco trade ? Upgradation of tobacco consumption from other formats to cigarettes will enable: • growing domestic base & larger opportunities for value added exports ? ITC – India's largest buyer, processor, consumer & exporter of cigarette tobaccos • 6th largest leaf tobacco exporter in the world ? Pioneering cultivation of flavourful Flue-cured, superior Burley and Oriental tobaccos in India ? Export business – robust growth in export volumes with improvement in realization over the last 2 years ? ITC's Agri Commodity Business: Farm linkages in 14 states covering Soya, Wheat, Marine products, Coffee etc. Focus on value added agri commodities ? Unique CRM programme in commodity exports ? Leveraging IT for the transformational ' e-Choupal' initiative ? Rural India's largest Internet-based intervention ? Over 40000 villages linked through around 6500 e-Choupals servicing over 3. 5 million farmers ? Distinctive sourcing capability for ITC's Foods business e-choupal: Strategic Thrust Procurement: cost & quality optimisation • strategic sourcing support to the Foods business (support creation of verticals in wheat, soya, corn, potato etc.) • cost-effective sourcing for exports/domestic external business ? Rural Distribution • ' last mile connectivity': 100 partnering companies • diverse range of goods/services: FMCG, consumer durables, agri-inputs, paid extension services etc.

? Financial Services • insurance (focus: weather) • credit (focus: Kisan Credit Card scheme) ? Rural retail • 24 Choupal Saagars operational Future Growth & Value Capture New FMCG Initiatives Branded Packaged Foods: ?

Leverages: • Unique Agri sourcing skills • ITC Welcomgroup's specialist cuisine & bakery knowledge • FMCG distribution synergies • ITC R&D Centre, Bangalore • Staples – Aashirvaad Atta, Salt, Spices • Biscuits – Sunfeast • Salty Snacks – Potato chips, Bridge products : Bingo! • Confectionery – Candyman, mint-o • Noodles: Launched ' Sunfeast Yippee' Noodles in Sept '10 in Karnataka and Tamil Nadu markets • Ready to Eat – Kitchens of India (Ready to Eat, Conserves & Chutneys and Frozen Foods), Aashirvaad (Instant Mixes & Cooking Pastes), Sunfeast Pasta – Aashirvaad Atta: – Current market leader amongst national branded players; leverages the e-choupal network for cost-quality optimisation and region specific offerings • Sunfeast Biscuits: – Differentiated & innovative products; continues to build consumer franchise; distributed & outsourced supply chain being ramped up – Targeted cost management actions shore up margins • Number of innovative products in the pipeline leveraging the capabilities of the ITC R&D Centre Lifestyle Retailing: ? Leverages trade mark and services expertise of hotels ? Relaxed wear market growth > 20% p. ? Upmarket product range available in exclusive Wills Lifestyle stores (67) and multi-branded outlets/ large format retail stores across the country • Premium segment comprising the ' Classic' range of formal wear, ' Wills Sport' relaxed wear and ' Wills Clublife' evening wear • Designer association with leading Indian designers – ' Wills Signature' line • Strong distribution network in place for the mid-market brand ' John Players' • availability in 225 Exclusive Branded outlets, 200 multi branded outlets and departmental stores • Wills Lifestyle rated amongst the top

Luxury brands in the country (Global Luxury Survey conducted by TIME Magazine) ? Education & Stationery Products Business: ? Leverages print and paper know-how. Forward linkages with new paper capacity (already commissioned). ? An emerging (currently Rs 9000 cr stationery) market in India – growth driven by increasing cross-cultural exposure, govt.

spending on education • Mostly commoditized. Offers opportunity for branding ? Robust distribution network in place to scale up the Stationery business significantly • ‘ Classmate’ brand already the most widely distributed brand in India. Scholastic products launched • Branded Copier Paper ‘ Paperkraft’ footprint being enhanced. Enthusiastic customer response based on green credentials. ? Comprehensive portfolio approach with new variant/category launches Safety Matches: ? Current industry consumer spend estimated at Rs. 1250 crores p.

a. for 24 billion match boxes ? Fragmented supply base arising from policy of reservation for small scale industry ? Mass market moving from 0. 50 p price point to Re 1. 00.

ITC markets its brands with value added products across each price point • Support SMEs with complementary marketing strengths ? ‘ AIM’ – India’s largest selling Safety Matches brand ? Successful acquisition of WIMCO Ltd. by Russell Credit • Key brands: Homelites, Ship, Cheetah Fight etc. ? Incense sticks (Agarbattis) ? ? Current industry consumer spend estimated at over Rs. 900 crores p.

a. ? Fragmented supply base arising from policy of reservation for small scale industry ? ITC markets its brands with value added products across

each price point • ‘ Mangaldeep’ : second largest national brand in the country • Support cottage sector with complementary marketing strengths • Provides livelihood opportunities to more than 8000 under privileged women

Personal Care Products: ? Current market size estimated at over Rs. 29000 crores (growing at 12% p. a.) ? ITC presence established in Body Wash (Soaps, shower gels), Hair Care (Shampoos, conditioner).

Product portfolio enlarged with the launch of Fairness cream – Vivel Active Fair ? Portfolio approach straddling all consumer segments with 4 umbrella brands • Essenza Di Wills (Prestige) • Fiama Di Wills (Premium) • Vivel Di Wills and Vivel (Mid) • Superia (Popular) ? Products well received in the market, gaining customer acceptance ? Supported by investments in brands – celebrity endorsements ? Investments being made in Research & Development and strategic tax incentivised manufacturing sites

BALANCE SHEET OF PAST 5 YEARS | | | Particulars | Mar’10 | Mar’09 | Mar’08 | Mar’07 | Mar’06 | | Liabilities | 12 Months | 12 Months | 12 Months | 12 Months | 12 Months | | Share Capital | 381. 82 | 377. 44 | 376. 86 | 376. 22 | 375.

2 | | Reserves ; Surplus | 13, 628. 17 | 13, 302. 55 | 11, 624. 69 | 10, 003. 78 | 8, 626. 79 | | Net Worth | 14, 064.

38 | 13, 735. 08 | 12, 057. 67 | 10, 437. 08 | 9, 061.

48 | | Secured Loans | 0. 00 | 11. 63 | 5. 57 | 60.

78 | 25. 91 | | Unsecured Loans | 107. 71 | 165. 92 | 208.

86 | 140. 10 | 93. 2 | | TOTAL LIABILITIES | 14, 172. 09 | 13, 912.

63 | 12, 272. 10 | 10, 637. 96 | 9, 181. 21 | | Assets | | Gross Block | 11, 967.

86 | 10, 558. 65 | 8, 959. 70 | 7, 134. 31 | 6, 227. 17 | |(-) Acc. Depreciation |
3, 825.

46 | 3, 286. 74 | 2, 790. 87 | 2, 389. 54 | 2, 065.

44 | | Net Block | 8, 088. 01 | 7, 216. 82 | 6, 112. 71 | 4, 687.

9 | 4, 102. 56 | | Capital Work in Progress. | 1, 008. 99 | 1, 214. 06 | 1, 126.
82 | 1, 130.

20 | 399. 97 | | Investments. | 5, 726. 87 | 2, 837. 75 | 2, 934.

55 | 3, 067. 77 | 3, 517. 01 | | Inventories | 4, 549. 07 | 4, 599.

72 | 4, 050. 52 | 3, 354. 03 | 2, 636. 29 | | Sundry Debtors | 858. 80 | 668. 67
| 736.

93 | 636. 69 | 547. 96 | | Cash And Bank | 1, 126. 8 | 1, 032. 39 | 570.

25 | 900. 16 | 855. 82 | | Loans And Advances | 1, 929. 16 | 2, 150. 21 | 1,
949. 29 | 1, 390.

19 | 1, 188. 42 | | Total Current Assets | 8, 463. 31 | 8, 450. 99 | 7, 306. 99 |
6, 281. 07 | 5, 228.

49 | | Current Liabilities | 4, 619. 54 | 4, 121. 59 | 3, 619. 76 | 3, 113. 01 | 2,
736.

95 | | Provisions | 4, 549. 94 | 1, 740. 49 | 1, 645. 3 | 1, 472. 84 | 1, 389.

04 | | Total Current Liabilities | 9, 169. 48 | 5, 862. 08 | 5, 265. 09 | 4, 585. 85
| 4, 125.

99 | | NET CURRENT ASSETS |-706. 17 | 2, 588. 91 | 2, 041. 90 | 1, 695. 22 |
1, 102. 50 | | Misc.

Expenses | 0. 00 | 0. 00 | 0. 00 | 0.

00 | 0. 00 | | TOTAL ASSETS (A+B+C+D+E) | 14, 172. 09 | 13, 912. 63 | 12,
272.

10 | 10, 637. 6 | 9, 181. 21 | PROFIT AND LOSS ACCOUNT OF LAST 5 YEARS |
| | Mar'10 | Mar'09 | Mar'08 | Mar'07 | Mar'06 | | | 12 Months | 12 Months |
12 Months | 12 Months | 12 Months | | INCOME: | | Sales Turnover | 26, 399. 3
| 23, 247. 84 | 21, 467. 38 | 19, 519.

99 | 16, 236. 42 | | Excise Duty | 7, 832. 18 | 8, 262. 03 | 7, 435.

18 | 7, 206. 16 | 6, 438. 09 | | NET SALES | 18, 567. 45 | 14, 985. 81 | 14, 032.
20 | 12, 313.

83 | 9, 798. 33 | | Other Income | 0. 00 | 0. 00 | 0. 00 | 0.

00 | 0. 00 | | TOTAL INCOME | 19, 063. 2 | 15, 408. 61 | 14, 512.

02 | 12, 613. 97 | 10, 071. 55 | | EXPENDITURE: | | Manufacturing Expenses |
801. 13 | 797. 00 | 383.

42 | 318. 32 | 295. 25 | | Material Consumed | 7, 588. 23 | 6, 234.

66 | 6, 275. 33 | 5, 484. 52 | 4, 130. 04 | | Personal Expenses | 1, 014. 87 |
903. 37 | 745.

00 | 630. 15 | 541. 0 | | Selling Expenses | 1, 238. 24 | 1, 067.

83 | 1, 044. 40 | 803. 29 | 627. 00 | | Administrative Expenses | 1, 864.

54 | 1, 133. 48 | 1, 266. 57 | 1, 116. 23 | 853. 39 | | Expenses Capitalised |-
71. 88 |-72.

55 |-112. 75 |-42. 52 |-15. 78 | | Provisions Made | 0. 00 | 0.

00 | 0. 00 | 0. 00 | 0. 0 | | TOTAL EXPENDITURE | 12, 435. 13 | 10, 063.

79 | 9, 601. 97 | 8, 309. 99 | 6, 431. 30 | | Operating Profit | 6, 132. 32 | 4,
922.

02 | 4, 430. 23 | 4, 003. 84 | 3, 367. 03 | | EBITDA | 6, 628.

59 | 5, 344. 82 | 4, 910. 05 | 4, 303. 98 | 3, 640. 25 | | Depreciation | 608.

71 | 549. 41 | 438. 46 | 362. 92 | 332. 4 | | Other Write-offs | 0.

00 | 0. 00 | 0. 00 | 0. 00 | 0.

00 | | EBIT | 6, 019. 88 | 4, 795. 41 | 4, 471. 59 | 3, 941.

06 | 3, 307. 91 | | Interest | 90. 28 | 47. 65 | 24. 61 | 16. 04 | 21.

10 | | EBT | 5, 929. 60 | 4, 747. 76 | 4, 446. 98 | 3, 925.

02 | 3, 286. 1 | | Taxes | 1, 965. 43 | 1, 565. 13 | 1, 480. 97 | 1, 263.

07 | 1, 027. 57 | | Profit and Loss for the Year | 3, 964. 17 | 3, 182. 63 | 2, 966.

01 | 2, 661. 95 | 2, 259. 24 | | Non Recurring Items | 48. 78 | 3. 41 | 36.

68 |-23. 92 |-70. 02 | | Other Non Cash Adjustments | 48. 65 | 81. 52 | 117.

41 | 61. 94 | 46. 3 | | Other Adjustments |-0. 6 |-3.

97 | 0. 00 | 0. 00 | 0. 00 | | REPORTED PAT | 4, 061. 00 | 3, 263.

59 | 3, 120. 10 | 2, 699. 97 | 2, 235. 35 | | KEY ITEMS | | Preference Dividend | 0.

00 | 0. 00 | 0. 00 | 0. 00 | 0. 0 | | Equity Dividend | 3, 818. 18 | 1, 396.

53 | 1, 319. 01 | 1, 166. 29 | 995. 12 | | Equity Dividend (%) | 999.

99 | 370. 00 | 350. 00 | 310. 00 | 264. 99 | | Shares in Issue (Lakhs) | 38, 181.

77 | 37, 744. 00 | 37, 686. 10 | 37, 622. 23 | 37, 551.

79 | | EPS – Annualised (Rs) | 10. 64 | 8. 65 | 8. 28 | 7. 18 | 5.

5 | CASHFLOW STATEMENT FOR PAST 5 YEARS | Particulars | Mar'10 | Mar'09 | Mar'08 | Mar'07 | Mar'06 | | Profit Before Tax | 6, 015. 31 | 4, 825. 74 | 4, 571. 77 | 3, 926. 70 | 3, 269. 19 | | Net Cash Flows from Operating Activity | 4, 630.

65 | 3, 279. 03 | 2, 722. 96 | 2, 141. 19 | 1, 929.

68 | Net Cash Used in Investing Activity | -3, 531. 56 | -1, 260. 74 | -1, 736. 8 | -1, 082. 78 | -175.

31 | Net Cash Used in Financing Activity | -1, 009. 86 | -1, 556. 15 | -1, 316. 09 | -1, 014.

07 | -954. 21 | Net Inc/Dec in Cash and Cash Equivalent | 89. 23 | 462. 14 | -329. 91 | 44. 34 | 800.

16 | Cash and Cash Equivalent – Beginning of the Year | 993. 70 | 570. 25 | 900. 16 | 855. 82 | 55. 66 | Cash and Equivalent – End of the Year | 1, 082.

93 | 1, 032. 39 | 570. 5 | 900. 16 | 855. 82 | KEY FINANCIAL RATIOS

| Mar ' 10 | Mar ' 09 | Mar ' 08 | Mar ' 07 | Mar ' 06 | Per share ratios | | | |

| Adjusted EPS (Rs) | 10. 38 | 8. 3 | 7. 87 | 7. 08 | 6. 02 | Adjusted cash EPS

(Rs) | 11. 98 | 9. 89 | 9. 03 | 8. 04 | 6. 90 | Reported EPS (Rs) | 10. 64 | 8. 65

| 8. 28 | 7. 18 | 5. 95 | Reported cash EPS (Rs) | 12. 23 | 10. 10 | 9. 44 | 8. 14

| 6. 84 | Dividend per share | 10. 0 | 3. 70 | 3. 50 | 3. 10 | 2. 65 | Operating

profit per share (Rs) | 16. 06 | 13. 04 | 11. 76 | 10. 64 | 8. 97 | Book value

(excl rev res) per share (Rs) | 36. 69 | 36. 24 | 31. 85 | 27. 59 | 23. 97 | Book

value (incl rev res) per share (Rs.) | 36. 84 | 36. 39 | 32. 00 | 27. 74 | 24. 3 |

Net operating income per share (Rs) | 48. 63 | 39. 70 | 37. 23 | 32. 73 | 26.

09 | Free reserves per share (Rs) | 34. 73 | 34. 27 | 29. 88 | 25. 62 | 22. 00 |

| Profitability ratios | | | | | Operating margin (%) | 33. 02 | 32. 84 | 31. 57 |

32. 1 | 34. 36 | Gross profit margin (%) | 29. 74 | 29. 17 | 28. 44 | 29. 56 |

30. 97 | Net profit margin (%) | 21. 30 | 21. 18 | 21. 50 | 21. 40 | 22. 19 |

Adjusted cash margin (%) | 23. 98 | 24. 22 | 23. 45 | 23. 98 | 25. 73 |

Adjusted return on net worth (%) | 28. 29 | 23. 6 | 24. 71 | 25. 64 | 25. 09 |

Reported return on net worth (%) | 28. 98 | 23. 85 | 25. 99 | 26. 01 | 24. 83 | |

Return on long term funds (%) | 42. 64 | 34. 75 | 36. 88 | 37. 51 | 36. 36 | |

Leverage ratios | | | | | Long term debt / Equity | 0. 1 | 0. 01 | 0. 01 | 0. 01 |

0. 01 | | Total debt/equity | 0. 01 | 0. 01 | 0. 01 | 0. 01 | 0. 01 | | Owners fund

as % of total source | 99. 23 | 98. 71 | 98. 24 | 98. 10 | 98. 68 | | Fixed assets

turnover ratio | 1. 58 | 1. 44 | 1. 59 | 1. 75 | 1. 9 | | Liquidity ratios | | | | |

Current ratio | 0. 92 | 1. 44 | 1. 39 | 1. 37 | 1. 27 | | Current ratio (inc. st

loans) | 0. 92 | 1. 42 | 1. 36 | 1. 33 | 1. 25 | | Quick ratio | 0. 39 | 0. 60 | 0. 56 |

0. 8 | 0. 57 | | Inventory turnover ratio | 6. 04 | 5. 26 | 5. 51 | 6. 05 | 6. 43 | |

Payout ratios | | | | | Dividend payout ratio (net profit) | 109. 63 | 50. 06 |

49. 45 | 50. 53 | 50. 76 | | Dividend payout ratio (cash profit) | 95. 34 | 42. 84

| 43. 6 | 44. 54 | 44. 19 | | Earning retention ratio | -12. 31 | 48. 67 | 47. 98 |

48. 75 | 49. 78 | | Cash earnings retention ratio | 2. 64 | 56. 23 | 54. 68 | 54.

90 | 56. 22 | | Coverage ratios | | | | | Adjusted cash flow time total debt |

0. 02 | 0. 4 | 0. 06 | 0. 06 | 0. 04 | | Financial charges coverage ratio | 73. 42 |

112. 17 | 199. 51 | 268. 33 | 172. 52 | | Fin. charges cov. ratio (post tax) | 52.

72 | 81. 02 | 145. 60 | 191. 95 | 122. 69 | | Component ratios | | | | |

Material cost component (% earnings) | 38. 45 | 45. 0 | 44. 95 | 47. 16 | 43.

53 | | Selling cost Component | 6. 66 | 7. 12 | 7. 44 | 6. 52 | 6. 39 | | Exports

as percent of total sales | 12. 68 | 14. 85 | 15. 45 | 18. 54 | 18. 30 | | Import

comp. in raw mat. consumed | 12. 03 | 12. 98 | 12. 78 | 16. 92 | 16. 35 | |

Long term assets / total Assets | 0. 3 | 0. 56 | 0. 57 | 0. 58 | 0. 60 | | Bonus

component in equity capital (%) | 85. 85 | 86. 84 | 86. 98 | 87. 12 | 87. 29 |

YEARLY RESULTS. | | Mar'10 | Mar'09 | Mar'08 | Mar'07 | Mar'06 | | INCOME: |

| Net Sales Turnover | 18, 382. 4 | 15, 582. 73 | 13, 947. 53 | 12, 369. 30 | 9,

790. 53 | | Other Income | 374. 33 | 340. 31 | 610. 90 | 336. 49 | 286. 08 | |

Total Income | 18, 756. 57 | 15, 923. 04 | 14, 558. 43 | 12, 705. 79 | 10, 076.
 61 | | EXPENSES | | Stock Adjustments | 175. 4 |-123. 69 |-5. 69 |-259. 48 |-
 141. 67 | | Raw Material Consumed | 5, 797. 96 | 5, 315. 78 | 4, 639. 35 | 5,
 644. 34 | 4, 124. 90 | | Power and Fuel | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | |
 Employee Expenses | 1, 002. 77 | 890. 88 | 733. 32 | 630. 15 | 541. 40 | |
 Administration and Selling Expenses | 0. 0 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | |
 Research and Development Expenses | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | |
 Expenses Capitalised | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | | Other Expenses |
 5, 103. 22 | 4, 446. 60 | 4, 176. 61 | 2, 397. 88 | 1, 938. 2 | | Provisions Made
 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | | TOTAL EXPENSES | 12, 079. 19 | 10,
 529. 57 | 9, 543. 59 | 8, 412. 89 | 6, 463. 15 | | Operating Profit | 6, 303. 05 |
 5, 053. 16 | 4, 403. 94 | 3, 956. 41 | 3, 327. 38 | | EBITDA | 6, 677. 38 | 5,
 393. 47 | 5, 014. 84 | 4, 292. 0 | 3, 613. 46 | | Depreciation | 608. 71 | 549. 41
 | 438. 46 | 362. 92 | 332. 34 | | EBIT | 6, 068. 67 | 4, 844. 06 | 4, 576. 38 | 3,
 929. 98 | 3, 281. 12 | | Interest | 53. 36 | 18. 32 | 4. 61 | 3. 28 | 11. 93 | | EBT
 | 6, 015. 31 | 4, 825. 74 | 4, 571. 7 | 3, 926. 70 | 3, 269. 19 | | Taxes | 1, 954.
 31 | 1, 562. 15 | 1, 451. 67 | 1, 226. 73 | 988. 82 | | Profit and Loss for the
 Year | 4, 061. 00 | 3, 263. 59 | 3, 120. 10 | 2, 699. 97 | 2, 280. 37 | |
 Extraordinary Items | 0. 00 | 0. 00 | 0. 00 | 0. 00 | 0. 00 | | Prior Year
 Adjustment | 0. 00 | 0. 00 | 0. 0 | 0. 00 | 0. 00 | | Other Adjustments | 0. 00 |
 0. 00 | 0. 00 | 0. 00 | 0. 00 | | Reported PAT | 4, 061. 00 | 3, 263. 59 | 3, 120.
 10 | 2, 699. 97 | 2, 235. 35 | | KEY ITEMS | | Reserves Written Back | 0. 00 | 0.
 00 | 0. 00 | 0. 00 | 0. 00 | | Equity capital | 381. 2 | 377. 44 | 376. 86 | 376. 22
 | 375. 52 | | Reserves and Surplus | 13, 628. 17 | 13, 302. 55 | 11, 624. 69 |
 10, 003. 78 | 8, 626. 77 | | Equity Dividend Rate | 0. 00 | 0. 00 | 0. 00 | 0. 00 |
 0. 00 | | Agg. Non-Promoter Shares(lacks) | 38, 034. 76 | 37, 530. 88 | 37,

415.01		37,066.09		37,551.79			Agg. Non-Promoter Holding (%)		99.1		
99.44		99.28		98.52		100.00			Government Share		
0.00		0.00			Capital Adequacy Ratio		0.00		0.00		
0.00		0.00			Capital Adequacy Ratio		0.00		0.00		
EPS (Rs.)		10.64		8.65		8.28		7.18		5.95	
DIVIDENDS		Dividend Year									
Month		Dividend (%)			2010		May		1,000		
					2009		May		370		
					2008						
May		350			2007		May		310		
					2006		May		265		
					2005		May		310		
					2004						
		May		200			2003		May		
					2002		May		135		
					2001		Apr		100		
2000		May		75			1999		May		
					1998		May		45		
					1997		Jun		40		
CAPITAL STRUCTURE			Period		Instrument		Authorized Capital		Issued		
Capital		- P A I D U P -				From		To		(Rs. cr) (Rs. cr)	
						Shares (nos)		Face			
Value		Capital (Rs.								Cr)	
										2009	
										2010	
										Equity Share	
										500.0	
										381.8	
										3818176790	
										1.0	
										381.8	
										2008	
										2009	
										Equity Share	
										500.0	
										377.4	
										3774399560	
										1.0	
										377.	
										2007	
										2008	
										Equity Share	
										500.0	
										376.9	
										3768610050	
										1.0	
										376.9	
										2006	
										2007	
										Equity Share	
										500.0	
										376.2	
										3762222780	
										1.0	
										376.2	
										2005	
										2006	
										Equity Share	
										500.0	
										375.5	
										3755178860	
										1.0	
										375.5	
										2004	
										2005	
										Equity Share	
										300.0	
										248.2	
										248221329	
										10.0	
										248.2	
										2003	
										2004	
										Equity Share	
										300.0	
										247.	
										247678851	
										10.0	
										247.7	
										2002	
										2003	
										Equity Share	
										300.0	
										247.5	
										247511886	
										10.0	
										247.5	
										2001	
										2002	
										Equity Share	
										300.0	
										245.4	
										245414904	
										10.0	
										245.4	
										2000	
										2001	
										Equity Share	
										300.0	
										245.4	
										245414904	
										10.0	
										245.4	
										1995	
										2000	
										Equity Share	
										300.0	
										245.4	
										245414904	
										10.0	
										245.	
										1994	
										1995	
										Equity Share	
										300.0	
										242.8	
										242836754	
										10.0	
										242.8	
										1993	
										1994	
										Equity Share	
										125.0	
										121.2	
										121233027	
										10.0	
										121.2	
										1991	
										1993	
										Equity Share	
										125.0	
										116.7	
										116733027	
										10.0	
										116.7	
										1989	
										1991	
										Equity Share	
										72.0	
										66.3	
										66336220	
										10.0	
										66.3	
										1985	
										1989	
										Equity Share	
										35.0	
										33.	

33168110 | 10. 0 | 33. 2 | | | 1984 | 1985 | Equity Share | 35. 0 | 30. 2 |
 30226050 | 10. 0 | 30. 2 | | | 1980 | 1984 | Equity Share | 35. 0 | 27. 3 |
 27288000 | 10. 0 | 27. 3 | | | 1978 | 1980 | Equity Share | 25. 0 | 25. 0 |
 25000000 | 10. 0 | 25. 0 | | | 1970 | 1978 | Equity Share | 25. 0 | 19. 0 |
 18950000 | 10. 0 | 19. | | | 1955 | 1970 | Equity Share | 16. 0 | 15. 2 |
 15160000 | 10. 0 | 15. 2 | | SHAREHOLDING PATTERN | | | Holder's Name | No
 of Shares | % Share Holding | | | | Other Companies | 498135921 | 6. 44% | | |
 | | Foreign Ocb | 2413952310 | 31. 0% | | | | Financial Institutions |
 1643924912 | 21. 24% | | | | NBanks Mutual Funds | 1132943345 | 14. 64% |
 | | | | Foreign Institutions | 1086605534 | 14. 04% | | | | General Public |
 882968953 | 11. 41% | | | | Foreign NRI | 43097742 | 0. 6% | | | | Others |
 10514508 | 0. 14% | | | | Foreign Industries | 469631 | 0. 01% | | | |

COMPETITORS Top ITC Limited Competitors | Companies | Location | |
 Hindustan Unilever Limited | Mumbai, India | | Reliance Industries Limited |
 Mumbai, India | Tata Group of Companies | Mumbai, India | | | | | Industries
 Where ITC Limited Competes • Tobacco • Agriculture • Crop Production •
 Fresh Fruit & Vegetable Production • Grains & Oilseeds Production •

Computer Services ITC SWOT ITC is one of India's biggest and best-known private sector companies. In fact it is one of the World's most high profile consumer operations. This SWOT analysis is about ITC. Its businesses and brands are focused almost entirely on the Indian markets, and despite being most well-known for its tobacco brands such as Gold Flake, the business is now diversifying into new FMCG (Fast Moving Consumer Goods) brands in a number of market sectors – including cigarettes, hotels, paper, agriculture, packaged foods and confectionary, branded apparel, personal care, greetings cards, Information Technology, safety matches, incense sticks and

stationery. Examples of its successful new FMCG products include: •

Aashirvaad – India's most popular atta brand with over 50% market share. It

is also present in spices and instant mixes. • Mint-o – Mint-0 Fresh is the

largest cough lozenge brand in India. • Bingo! – a new introduction of finger

snacks. • Kitchens of India – pre-prepared foods designed by ITC's master

chefs. • Sunfeast – is ITC's biscuit brand (and the sub-brand is also used on

some pasta products). Strengths ITC leveraged its traditional businesses to

develop new brands for new segments. For example, ITC used its experience

of transporting and distributing tobacco products to remote and distant parts

of India to the advantage of its FMCG products. ITC master chefs from its

hotel chain are often asked to develop new food concepts for its FMCG

business. ITC is a diversified company trading in a number of business

sectors including cigarettes, hotels, paper, agriculture, packaged foods and

confectionary, branded apparel, personal care, greetings cards, Information

Technology, safety matches, incense sticks and stationery. Weaknesses The

company's original business was traded in tobacco. ITC stands for Imperial

Tobacco Company of India Limited. It is interesting that a business that is

now so involved in branding continues to use its original name, despite the

negative connection of tobacco with poor health and premature death. To

fund its cash guzzling FMCG start-up, the company is still dependant upon its

tobacco revenues. Cigarettes account for 47 per cent of the company's

turnover, and that in itself is responsible for 80% of its profits. So there is an

argument that ITC's move into FMCG (Fast Moving Consumer Goods) is being

subsidised by its tobacco operations. Its Gold Flake tobacco brand is the

largest FMCG brand in India – and this single brand alone hold 70% of the

tobacco market. Opportunities Core brands such as Aashirvaad, Mint-o,

Bingo! And Sun Feast (and others) can be developed using strategies of market development, product development and marketing penetration. ITC is moving into new and emerging sectors including Information Technology, supporting business solutions. e-Choupal is a community of practice that links rural Indian farmers using the Internet. This is an original and well thought of initiative that could be used in other sectors in many other parts of the world. It is also an ambitious project that has a goal of reaching 10 million farmers in 100, 000 villages. Take a look at eChoupal here [http://www. itcportal. com/agri_exports/e-choupal_new. htm](http://www.itcportal.com/agri_exports/e-choupal_new.htm) ITC leverages e-Choupal in a novel way. The company researched the tastes of consumers in the North, West and East of India of atta (a popular type of wheat flour), then used the network to source and create the raw materials from farmers and then blend them for consumers under purposeful brand names such as Aashirvaad Select in the Northern market, Aashirvaad MP Chakki in the Western market and Aashirvaad in the Eastern market. This concept is tremendously difficult for competitors to emulate. Chairman Yogi Deveshwar's strategic vision is to turn his Indian conglomerate into the country's premier FMCG business. Per capita consumption of personal care products in India is the lowest in the world offering an opportunity for ITC's soaps, shampoos and fragrances under their Wills brand. Threats The obvious threat is from competition, both domestic and international. The laws of economics dictate that if competitors see that there is a solid profit to be made in an emerging consumer society that ultimately new products and services will be made available. Western companies will see India as an exciting opportunity for themselves to find new market segments for their own offerings. ITC's opportunities are likely to be opportunities for other

companies as well. Therefore the dynamic of competition will alter in the medium-term. Then ITC will need to decide whether being a diversified conglomerate is the most competitive strategic formation for a secure future. TC was incorporated on August 24, 1910 under the name of 'Imperial Tobacco Company of India Limited'. Its beginnings were humble. A leased office on Radha Bazar Lane, Kolkata, was the centre of the Company's existence. The Company celebrated its 16th birthday on August 24, 1926, by purchasing the plot of land situated at 37, Chowringhee, (now renamed J. L. Nehru Road) Kolkata, for the sum of Rs 310, 000. Read more... Bibliography Wiki – ITC ITC's own official site VISION AND MISSION The ITC Vision: Sustain ITC's position as one of India's most valuable corporations through world class performance, creating growing value for the Indian economy and the Company's stakeholders. The ITC Mission: To enhance the wealth generating capability of the enterprise in a globalising environment, delivering superior and sustainable stakeholder value Awards & Accolades ITC constantly endeavours to benchmark its products, services and processes to global standards. The Company's pursuit of excellence has earned it national and international honours. Some of the significant recognitions received during the past few years were: FICCI Outstanding Vision Triple Impact Corporate Award 2007 for exemplary triple bottom line performance. The Development Gateway Award in 2005 for its trailblazing e-Choupal initiative. ITC is the first Indian company and the second in the world to win this award for the importance of its contribution to development priorities like poverty reduction, its scale and replicability, sustainability and transparency. Wills Lifestyle rated amongst the top 5 Luxury brands in the country in a Global Luxury Survey conducted by TIME Magazine. The inaugural 'World Business

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Award' in 2004, that recognises companies who have made significant efforts to create sustainable livelihood opportunities and enduring wealth in developing countries. Sustainability Leadership Award 2007 conferred on Chairman Y C Deveshwar by the Sustainability Forum, Zurich and SAM/SPG at the International Sustainability Leadership Symposium. The Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest for its distinguished work carried out in the water sector in India. The Corporate Award for Social Responsibility 2008 from The Energy and Resources Institute (TERI) in recognition of its exemplary initiatives in implementing integrated watershed development programmes across 7 states in India. The Company also won the award in 2004 for its e-Choupal initiative. NDTV Profit Business Leadership Award for being the Best Food Company of 2007. The Award has been instituted to recognise organizational excellence. The Stockholm Challenge 2006 for the e-Choupal initiative. This award is for using Information Technology for the economic development of rural communities. Research & Development ITC is committed to delivering world-class products and services. This requires a clear focus on continuously striving to create a higher value to customers by achieving excellence in all Company's operations. Business excellence calls for a passionate focus on technology, products, services, processes and an operating environment firmly anchored to an impregnable foundation of Quality. ITC firmly believes that quality is not a specifically assignable task. It needs to be firmly rooted and institutionalized in the culture and value system of the Company. ITC nurtures a culture of striving for continuous improvement in quality, be it in products, services, systems or performance. The Company is committed to the establishment of systems and processes

to promote organisational creativity and innovation. ITC's development of its Integrated Quality Management System (IQMS) is based on its strong foundation of implementing ISO 9001: 2000, ISO 14001, OHSAS 18001, SA 8000, HACCP (for Foods) and IQRS (performance rating and benchmarking of the quality management system). Likewise, ITC's strategic initiatives for developing its people have been based on participative management concepts like QC (Quality Control), TQM (Total Quality Management), KSS (Kaizen Suggestion Scheme), 5S, Six Sigma. All ITC manufacturing units have ISO quality certification. Almost all contract manufacturing units in the Foods Business and all large hotels have food safety and quality systems certified by accredited 'third party' in accordance with 'Hazard Analysis Critical Control Points' (HACCP) standards. Additionally, the quality of all FMCG products of the Company is regularly monitored through 'Product Quality Rating System' (PQRS). The Leaf Tobacco and Printing ; Packaging businesses have achieved world-class ratings in the 'International Quality Rating System' (IQRS) for business excellence in which key processes are rated against international benchmarks and certified by accredited 'third party' independent assurance providers. ITC's Research & Development Centres At ITC's Research ; Development Centres at Bengaluru, Hyderabad, Bhadrachalam and Rajahmundry, the Company has assembled a pool of world-class scientists focused on providing the requisite R; D support to its established and new businesses enabling the Company to consistently attain internationally benchmarked quality standards and constantly offer product innovations. ITC R; D Centre at Bengaluru provides systemised service to the entire range of ITC's businesses through Product Technology Cells, Common Service Modules, Advanced Research Initiatives and networking with national

and international R&D centres. Product Technology Cells (PTCs) are product-specific. Each PTC caters to the needs of the businesses through Market Intelligence, Product Testing & PQRS services, Prototyping services through advanced pilot plants, flavour and fragrance development services, periodic audit of factory quality systems and Product Knowledge and Training Workshops. PTCs assist businesses through sensory evaluations by highly trained and specialised panelists. Common service modules like Packaging and Advanced Analytical labs offer their services across all businesses. ITC R&D Centres are manned by highly qualified and trained scientists specialised in their fields. The labs and pilot plants have ultra modern, state-of-the-art testing and prototyping facilities. The laboratory at Bengaluru has obtained accreditation from NABL (National Accreditation Board for Testing & Calibration of Laboratories) for ISO 17025 for key testing protocols. The ITC R&D hub in Hyderabad focuses on agri-sciences. This R&D facility, the first of its kind for the Company, will work on multiple businesses built on a common set of core competencies. The initial set of core competency areas identified are: Plant Breeding and Genetics, Agronomy, Microbiology, Molecular Biology and Silviculture. The facility aims to create 'Centres of Excellence' in these areas. A second hub of ITC R&D located in Bengaluru focuses on Bio-sciences and houses scientists with substantial research experience in Cell Biology, Proteomics, Genomics, Biochemistry and Ingredient Sciences. ITC's R; D programme at Bhadrachalam is the core of the Company's fibre strategy for its Paperboards and Specialty Papers business. This state-of-the-art research centre is consistently striving to improve the productivity of several tree species, in order to give attractive land-use alternatives to traditional farmers and wasteland owners. So far, more than 100 high-yielding, fast-

growing and disease resistant ' Bhadrachalam' clones have been produced on a commercial scale, including 23 site-specific clones adapted to problematic soils. The productivity of these saplings is 6-9 times that of normal seedlings. ITC's comprehensive R; D facilities at Rajahmundry in Andhra Pradesh cover all aspects of tobacco crop cultivation. In collaboration with the Central Tobacco Research Institute and the Tobacco Board, ITC pioneered FCV tobacco cultivation in India and introduced the Burley and HDBRG varieties. ITC's continued focus on crop development has resulted in new varieties of seeds and hybrids in Andhra Pradesh and Karnataka, which have significantly improved farm yields and helped fulfill the demands of a dynamic global market. The Company's R; D team collaborates with other centres of excellence, and leverages expertise from several leading institutes including the University of Agricultural Science, Bengaluru; Indian Institute of Science, Bengaluru; CSIOR, Australia and CSIR, South Africa.

Catering to the need of ITC's Lifestyle Business is a contemporary master Design Facility at Gurgaon. It offers R&D facilities that have enabled the Company to offer internationally benchmarked fashion collection every season.

Group Companies: | Subsidiaries | | ITC Infotech | Surya Nepal Private Limited | | Landbase | King Maker Marketing Inc. , USA | | Technico PtyLimited, Australia | Russell Credit Limited | | Wimco Limited | Srinivasa Resorts Limited | | Fortune Park Hotels Limited | Bay Islands Hotels Limited | | Gold Flake Corporation Limited | | | | | Joint Ventures | | Maharaja Heritage Resorts Ltd. ITC Filtrona | | | | Associate Companies | | Gujarat Hotels Limited | International Travel House | | | | | Latest Key Developments ITC Limited Denies Report Company In Talks To Buy RDB Industries Ltd. -DJ

Thursday, 12 Aug 2010 Dow Jones reported that ITC Limited has denied a

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Press Trust Of India report that the Company is in talks to acquire the cigarette business of RDB Industries Ltd. The PTI report had cited unnamed sources as saying the deal would be worth between INR3 billion and INR3. 50 billion. ITC Limited Is In Talks To Buy RDB Industries Ltd. -DJ Thursday, 12 Aug 2010 Dow Jones reported that according to Press Trust of India, ITC Limited is in talks to acquire the cigarette business of RDB Industries Ltd. ITC is in talks with RDB for buying the recently de-merged cigarette division. The deal would be worth between INR3 billion and INR3. 50 billion. ITC Limited Announces Issue And Allotment Of Bonus Shares Friday, 6 Aug 2010 ITC Limited announced the Company has issued and allotted 382, 67, 01, 530 ordinary shares of INR1 each, as Bonus shares to those members of the Company entitled thereto as on August 04, 2010, being the Record Date fixed for the purpose. Accordingly, with effect from August 06, 2010, the Issued, Subscribed and Paid-up share capital of the Company stands increased to INR765, 34, 03, 060 divided into 765, 34, 03, 060 ordinary shares of the face value of INR1 each. ITC Limited Announces Bonus Issue Friday, 23 Jul 2010 ITC Limited announced that the members at the Annual General Meeting (AGM) of the Company held on July 23, 2010, inter alia, approved issue of Bonus Shares in the proportion of one Bonus Share of INR1 each for every existing one fully paid up ordinary share of INR1 each. Record Date for the purpose of issue of Bonus Shares has been fixed as August 04, 2010. ITC Limited Recommends Bonus IssueFriday, 18 Jun 2010 ITC Limited announced that it Board of Directors has recommended the issue of bonus shares in the proportion of one bonus share of INR1 each for every existing one fully paid-up ordinary share of INR1each. ITC Limited Recommends Dividends Friday, 21 May 2010 ITC Limited announced that the Board of

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Directors of the Company at its meeting held on May 21, 2010, has recommended a special Centenary dividend of INR5. 50 per ordinary share of INR1 each and a dividend of INR4. 50 per ordinary share for the financial year ended March 31, 2010. The dividend, if declared, will be paid on or after July 26, 2010 to those members entitled thereto. ITC Limited Gets Holding Of EIH From Subsidiary-Times of India Tuesday, 6 Apr 2010 The Times of India reported that ITC Limited's subsidiary Russell Credit has transferred the 14.98% stake it held in hospitality major EIH to ITC Limited in an off-market deal. ITC Limited Plans To Open 25 Fortune Brand Hotels In India In Next 12 To 18 Months-DJ Wednesday, 24 Mar 2010 Dow Jones reported that ITC Limited plans to open 25 hotels across India in the next twelve to eighteen months under its flagship Fortune brand. ITC Limited Weighing Options On EIH Limited Stake-Reuters Thursday, 26 Nov 2009 Reuters reported that, according to newspapers, ITC Limited is open to raising its holding in EIH Limited, citing its Chairman. ITC, which owns nearly 15% of EIH, is exploring options including making a counter offer after local media reported last month investor Analjit Singh, who holds 4.32% in EIH, planned to buy another 17%. The Company was exploring several options including raising its stake to 25%, just 1% shy of the level that will give it the power to veto board resolutions. For this, ITC will have to make an open offer for acquiring an additional 20%, the newspaper said. The founding family of EIH is in talks to sell a part of its stake to Singh. The Oberoi family owns about 43% of EIH. ITC Limited's ITC Infotech Introduces New Solution For Media And Entertainment Industry Thursday, 6 Aug 2009 ITC Infotech, a fully owned subsidiary of ITC Limited announced that it has introduced a solution for the Media and Entertainment Industry, aimed at enhancing the value proposition

of companies operating in this space. Metatag+(c) is ITC Infotech's solution and platform independent framework for metadata collaboration across the enterprise. Metatag+ provides a suite of tools to create, organize, search metadata and associate them with related assets in an organization. ITC Infotech also complements this solution with a diagnostic consulting approach around Information Architecture Modeling to enhance findability of assets and related metadata.

ITC Limited Plans To Set Up New Paper Plant-
Reuters Friday, 24 Jul 2009 Reuters reported that ITC Limited is in talks with three state governments to set up a paper plant with a capacity of about half a million tonnes at an estimated cost of INR40-INR50 billion. The Company said it was in talks with the governments of Gujarat, Andhra Pradesh and Madhya Pradesh for land for the project.

ITC Limited Recommends Dividend
Friday, 22 May 2009 ITC Limited announced that it has recommended a dividend of INR 3.70 per ordinary share of INR 1 each for the financial year ended March 31, 2009.

ITC Infotech Acquires Pyxis Solutions, LLC
Tuesday, 19 Aug 2008 ITC Limited announced that the Company have been advised by ITC Infotech India Ltd (I3L, a wholly owned subsidiary of the Company), vide their letter dated August 18, 2008, that ITC Infotech (USA), Inc. I2A, a wholly owned subsidiary of I3L) have acquired the entire Membership Interest of Pyxis Solutions, LLC, a New York limited liability Company, on August 11, 2008. The Board of Directors of I2A at its meeting held on August 18, 2008 have taken on record that consequent to the aforesaid acquisition Pyxis became a wholly owned subsidiary of I2A. Accordingly, Pyxis also became a wholly owned subsidiary of the Company.

ITC Limited Announces Allotment Of Shares Under ESOS
Monday, 18 Aug 2008 ITC Limited announced that it has issued and allotted 3,86,660

ordinary shares of INR1 each, upon exercise of 38, 666 options by optionees under the Company's Employee Stock Option Scheme (ESOS). ITC Limited's ITC Infotech To Announce US Tech Company Buy-DJ Thursday, 14 Aug 2008Dow Jones reported that ITC Infotech, a unit of ITC Limited announces the acquisition of a U. S. -based information technology company. Terms of the transaction were not disclosed. ITC Limited Plans To Buy U. S. IT Firm- Reuters Wednesday, 30 Jul 2008 Reuters reported that ITC Limited plans to acquire a U. S. -based information technology firm. Terms of the transaction were not disclosed. ITC Limited Recommends Dividend Friday, 23 May 2008 ITC Limited announced that Board of Directors of the Company has recommended a dividend of INR 3. 50 per ordinary share of INR 1 each for the financial year ended March 31, 2008. ITC Limited Eyes Parle Confectionery Business-Reuters Wednesday, 14 Nov 2007Reuters reported that ITC Limited has approached Parle Products to buy out its confectionery business. The details were not disclosed. ITC Limited's Russell Credit Ltd Announces Acquisition Of Technico Pty Ltd Friday, 17 Aug 2007 ITC Limited announced that upon acquisition of the entire share capital of Technico Pty Ltd, Australia, by Russell Credit Ltd, a wholly owned subsidiary of the Company, on August 17, 2007, Technico Pty Ltd, Australia and Technico Pty Ltd's subsidiaries including Technico ISC Pty Ltd, Technico Asia Holdings Pty Ltd, Chambal Agritech Ltd, Technico Group America Inc, Technico Technologies Inc and Technico Horticultural (Kunming) Co. Ltd. ave become wholly owned subsidiaries of Russell Credit Ltd and therefore wholly owned subsidiaries of the Company. The terms of the transaction were not disclosed. ITC Limited Board Declares Dividend Tuesday, 14 Aug 2007 ITC Limited announced that it has declared a dividend at the rate of INR3. 10 per

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ordinary share on fully paid ordinary share of INR1 each. ITC Limited Recommends Dividend Friday, 25 May 2007 ITC Limited announced that it has recommended a dividend of INR3. 10 per Ordinary Share of INR1 each for the financial year ended March 31, 2007. ITC Limited To Bid For UK's Patak Brand-Reuters Thursday, 15 Mar 2007 Reuters reported that ITC Ltd. s foods unit is likely to bid for Britain's Patak's, valued at about 200 million pounds (\$387 million). Patak's, a 50-year-old family-owned company, makes a range of ready-to-eat Indian foods, cooking sauces, snacks, spices and pickles, and also supplies to shops and restaurants worldwide. ITC Limited Signs MOU with State Government Of Rajasthan Monday, 12 Mar 2007 ITC Limited announced that it has signed an Memorandum of Understanding (MoU) with the State Government of Rajasthan for an integrated watershed development project in Bhilwara district. The project has been sanctioned under the Integrated Wasteland Development Project of the Government of India. The MoU was signed between the Company and the Government of Rajasthan at a function presided over by Rural Developmen