

**An Organization Study on
ITC LIMITED
(18MBAOS307)**

BY

KARTHIK J P

USN: 1CR19MBA36

Submitted to

VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI



**In partial fulfillment of the requirement for the award of the degree of
MASTER OF BUSINESS ADMINISTRATION**

Under Guidance of

Mr. KATHARI SANTOSH

Assistant Professor

Department of Management Studies

CMR Institute of Technology

Bangalore



**Department of Management Studies and Research Centre,
CMR Institute of Technology,
#132, AECS Layout, IT Park Road, Bangalore - 560037
2019-2021**




103585


No. 132, AECS Layout
I.T. Park Road
Bengaluru 560037
T: +91 80 2852 4466/77
F: +91 80 2852 4630
E: info@cmrit.ac.in
www.cmrit.ac.in

CERTIFICATE BY THE INSTITUTION

This is to certify that **Mr. KARTHIK J P** bearing **USN 1CR19MBA36** is a bonafide student of Master of Business Administration of our Institution during 2019-21 batch. The organization study report on **ITC LIMITED** is prepared by him under the guidance of **Mr. Santosh Kathari**, Assistant Professor, in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, affiliated to Visvesvaraya Technological University, Belagavi Karnataka.


Signature of the
Guide


Signature of the
HOD
Head of the Department
Department of MBA
CM:IT-PG Studies
Bangalore-560 037


Signature of the
Principal
Principal
CMR Institute of Technology
Bangalore - 560037

Viva-voce Examination:

Internal Examiner:  30/09/2020
[Signature & Date]

 Asst. Professor, CMR Institute of
[Name, Designation & Affiliation] Technology.

External Examiner:  30/9/2020
[Signature & Date]

 Asst. Prof. CMR Institute of Technology
[Name, Designation & Affiliation]

DECLARATION

I, **Mr. Karthik J P** bearing **USN: 1CR19MBA36**, hereby declare that the Organization Study conducted at **ITC LIMITED** is record of independent work carried out by me under the guidance of **Prof. Kathari Santosh** faculty of M.B.A Department of CMR Institute of Technology, Bengaluru.

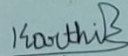
I also declare that this organisation study report is towards the partial of the university regulation for the award of degree of **Master of Business Administration** by **Visvesvaraya Technological University, Belagavi**.

I have undergone an organization study for a period of four weeks. I further declare that this organisation study report is based on the original study undertaken by me and not been submitted for the award of any degree/diploma from any other University /Institution.

Disclaimer

The enclosed document is the outcome of a student academic assignment, and does not represent the opinions/views of the University or the institution or the department or any other individuals referenced or acknowledged within the document. The data and information studied and presented in this report have been accessed in good faith from secondary sources/web sources/public domain, including the organisation's website, solely & exclusively for academic purposes, without any consent/permission, express or implied, from the organisation concerned. The author makes no representation of any kind regarding the accuracy, adequacy, validity, reliability, availability or completeness of any data/information herein contained.

Place: Bengaluru
Date: 30-09-2020


Signature of the Student
USN: 1CR19MBA36

ACKNOWLEDGEMENT

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I would like to express my sincere thanks to **Dr. Sanjay Jain**, Principal of CMR Institute of Technology, Bengaluru for his valuable support and guidance throughout the course of organization study.

I am grateful to **Prof. Sandeep Kumar M**, HOD of the Department of MBA, CMR Institute of Technology, Bengaluru for his constant motivation and inspiration.

I thank my Internal Guide, **Mr. Santosh Kathari**, Assistant Professor of the Department of MBA, CMR Institute of Technology, Bengaluru for his constant guidance and support throughout the organization study.

Mr. KARTHIK J P
USN: 1CR19MBA36

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EXECUTIVE SUMMARY:

Stationery Industry which is basically my concern industry around which my project has to be revolved is really a very complex industry. The project titled “Understanding the strategy & requirements for ITC Stationery Supplies, for penetrating ITC offers into Institutions” was basically a research-based project. The main motive behind doing this project is to

- know the industry,
- have an overview of how ITC Products could penetrate the various Institutions,
- know the working of distributors and TSIs (Territory Sales In charge) in ITC Products.

My project was totally based on secondary data. The project started with a visit to various websites in order to gain information about the stationery they use. This was done thoroughly in order to understand about scope of ITC products to generate leads in those Institutions, before this I was given a thorough overview of different products of ITC Products.

My next step was to visit Stationery retail stores and gather information about stocks and problems faced by stores. My basic objective was to find out if the supply chain could be made better. In this survey I had to visit stationery shops with the ITC products TSIs (Territory Sales In charge).

My findings through this project were that there is a huge market and there is can be scope of improvement. Institutions have the capacity to give good business to the ITC Products and more sales could be achieved if the services given by the TSIs are improved.

CHAPTER-1

INTRODUCTION

ITC LIMITED



Native name	ITC Limited
<u>Type</u>	Public company
Industry	Diversified Presence
Predecessor	None
Founded	24 August 1910
Headquarters	Kolkata, India
Area served	Indian Subcontinents
Key People	Sanjiv Puri (chairman&MD)
Products	Cigrates, Foods, Personal care prod

INTRODUCTION

“We don’t want satisfied customers...We want delighted customers.” It is the new marketing mantra today. The same applies to stationery industry as well. Stationery Industry is a very heterogeneous group of business usually associated with the Schools, Colleges, and Office and plays a very crucial role in working of any organization across the globe. It includes Paper stationery which comprises of a vast collection of products like exercise books, note books, stitch, glued & tape pads, refill pads, flap over pads, subject books, plastic cover books etc. The huge greeting card market, autograph books, party invites etc., is also a part of this segment.

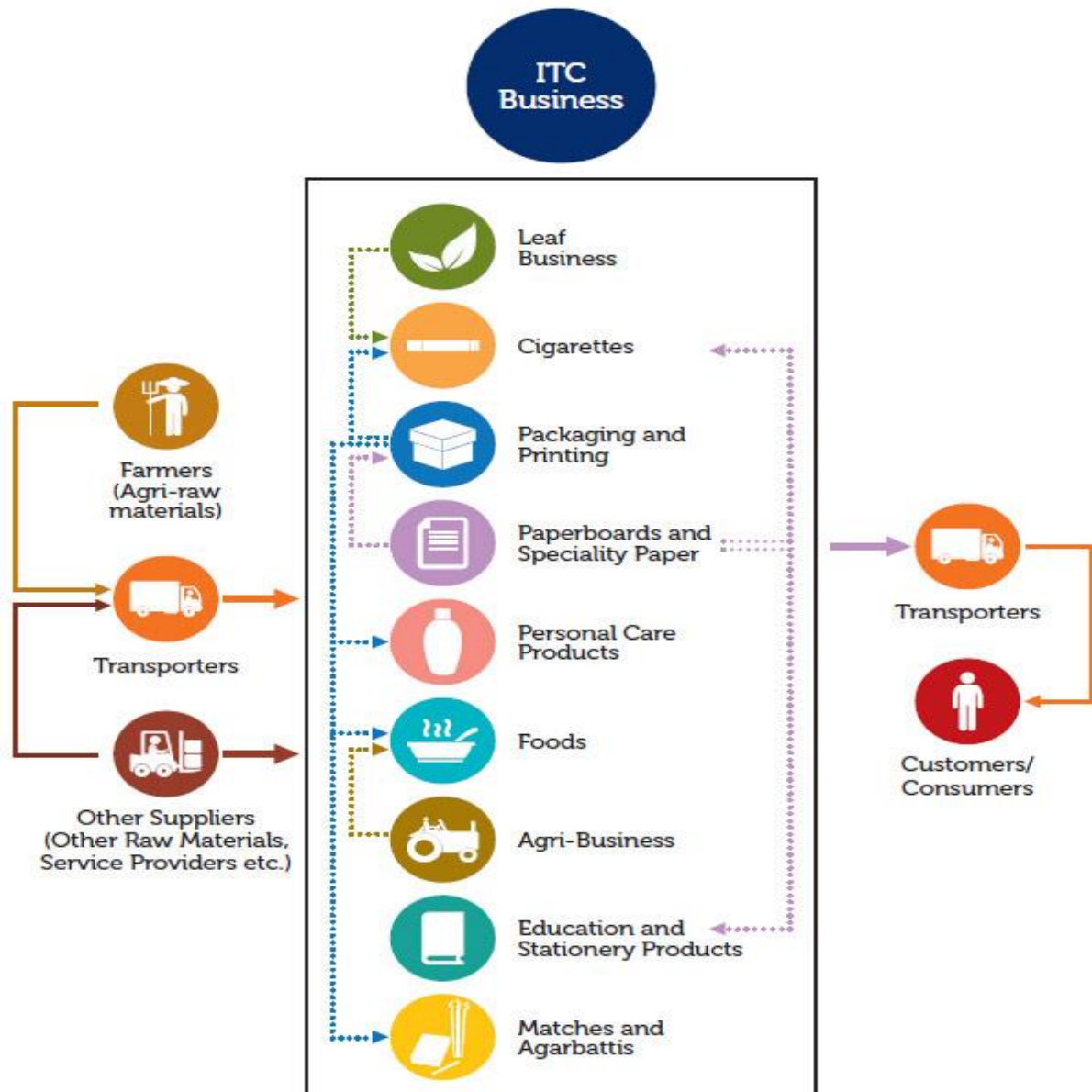
Paper and paper related products are tremendously gaining demand in the market. Out of which paper stationery market over the years has gained immense popularity in the school and office segment throughout the world. Revolution for these products has come to birth from the past few year’s majorly in developing nations and it's having immense value in terms of export and import. It is expected that Stationery industry has a flourishing future in its coming years in India and over a period is estimated to grow at 10 to 15% p.a. To achieve this objective, one can actually see that how acceptance of Internet technology has opened plethora of opportunities of sourcing the desired supplier in any part of the world. The manufacturers of various countries including India, China, Indonesia etc have started building new product strategies, which helps in reducing their overall cost without compromising on quality thus producing a good quality product at competitive price.

Falling under the category of Small and Medium Enterprises (SMEs) in majorly most of the countries, this sector has lot to offer in terms of employment, tax revenues, it can be an important source of new innovative products, extensive local knowledge of resources, and can be a major service provider to the larger organizations. However, this sector like other sectors have certain bottlenecks which hinder the growth of this sector like Burdensome regulatory frameworks, Lack of tax incentives and subsidies, Absence of investor-friendly environment, Lack of access to finance, Lack of capacity- building programs and inadequate provision of vocational training etc.

CHAPTER – 2

ORGANIZATION PROFILE

ORGANISATIONAL PROFILE



ITC Limited or ITC is an Indian public conglomerate company headquartered in Kolkata, West Bengal, India. Its diversified business includes four segments: Fast Moving Consumer Goods (FMCG), Hotels, Paperboards, Paper & Packaging and Agri Business. ITC's annual turnover stood at \$7 billion and market capitalization of over \$33 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 India 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 FMCG (Fast Moving Consumer Goods), Hotels, Paperboards & Specialty Papers, Packaging, Agri-Business and Information Technology. While ITC is an outstanding market leader in its traditional businesses of Hotels, Paperboards, Packaging, Agri-Exports and Cigarettes, it is rapidly gaining market share even in its nascent businesses of Packaged Foods & Confectionery, Branded Apparel, Personal Care and Stationery.

ITC is one of India's foremost private sector companies and a diversified conglomerate with interests in Consumer Goods, Hotels, Paperboards and Packaging, Agri Business and Information Technology. With a market capitalisation of around US\$ 35 billion and a turnover of nearly US\$ 7 billion, ITC has been rated among the World's Best Big Companies, Asia's 'Fab 50' and among India's Most Valuable Companies by Business Today. It has been ranked as the world's 6th largest 'sustainable value creator' among consumer goods companies globally, according to a report by the Boston Consulting Group (BCG).

These achievements are an extension of ITC's continuing story of transformation, from a single product company to a diversified conglomerate with multiple drivers of growth. ITC is today the leading FMCG marketer in India, the second largest Hotel chain, the leader by a distinct margin in the Paperboard and Packaging industry, and the foremost Agri business player in the country. ITC's wholly owned subsidiary, ITC Infotech India Limited is one of India's fast-growing IT companies in the mid-tier segment.

ITC's exemplary performance along the Triple Bottom Line is powered by its overarching vision, its robust corporate strategies and its relentless pursuit to create enduring and sustainable value chains. This is fundamentally inspired by a larger national purpose to build societal capital.

Indeed, ITC's achievements in the environmental and social dimensions have been remarkable. ITC has been Carbon Positive for 7 consecutive years, sequestering twice its emissions; Water Positive for 10 years, having created freshwater potential that is more than twice its consumption; and has remained Solid Waste Recycling Positive for over 5 years now. These achievements remain unparalleled globally, with ITC being the only enterprise in the world of its dimensions to have accomplished and sustained these environmental distinctions.

For its transformational rural initiatives in social and farm forestry, ITC was conferred the World Business and Development Award 2012 at the historic Rio+20 United Nations Summit.

ITC's businesses help in generating over 5 million livelihoods across value chains that touch the lives of many who live at the margin in rural India. ITC's inclusive business models have transformed lives in such meaningful ways for the weakest sections of our society.

BACKGROUND:

ITC was formed on August 24, 1910 under the name Imperial Tobacco Company of India Limited. Later the name of the Company was changed from Imperial Tobacco Company of India Limited to India Tobacco Company Limited in 1970 and then to I.T.C. Limited in 1974. ITC contains a wide range of businesses - Cigarettes & Tobacco, Hotels, Information Technology, Packaging, Paperboards & Specialty Papers, Agri-business, Foods, Lifestyle Retailing, Education & Stationery and Personal Care. Finally, the company changed its name to 'ITC Limited' on September 2001.

The earlier decades of the Company's existence were mainly depending on growth and consolidation of the Cigarettes and Leaf Tobacco businesses, In the Seventies it started to transform into a corporate. In 1975 the Company launched its Hotels business with the acquisition of a hotel in Chennai which was rechristened 'ITC-Welcomgroup Hotel Chola'. The objective of ITC's entry into the hotels business was rooted in the concept of creating value for the nation. In 1979, ITC entered the Paperboard business by promoting ITC Bhadrachalam Paperboards Limited, which today has become the market leader in India.

In 1985, ITC set up Surya Tobacco Co. in Nepal as an Indo-Nepal and British joint venture. Since inception, its shares have been held by ITC, British American Tobacco and various independent shareholders in Nepal. In August 2002, Surya Tobacco became a subsidiary of ITC Limited and its name was changed to Surya Nepal Private Limited (Surya Nepal). Also, in 1990, leveraging its agri- sourcing competency, ITC set up the Agri Business Division for export of agri-commodities. The Division is today one of India's largest exporters. ITC's unique and now widely acknowledged e- Choupal initiative began in 2000 with soya farmers in Madhya Pradesh. Now it extends to 10 states covering over 4 million farmers. ITC's first rural mall, christened 'Choupal Saagar' was inaugurated in August 2004 at Sehore. On the rural retail front, 24 'Choupal Saagars' are now operational in the 3 states of Madhya Pradesh, Maharashtra and Uttar Pradesh.

In 2000, ITC forayed into the Greeting, Gifting and Stationery products business with the launch of Expressions range of greeting cards. A line of premium range of notebooks under brand “Paperkraft” was launched in 2002. To augment its offering and to reach a wider student population, the popular range of notebooks was launched under brand “Classmate” in 2003. “Classmate” over the years has grown to become India’s largest notebook brand and has also increased its portfolio to occupy a greater share of the school bag. Years 2007- 2009 saw the launch of Children Books, Slam Books, Geometry Boxes, Pens and Pencils under the “Classmate” brand. In 2008, ITC repositioned the business as the Education and Stationery Products Business and launched India's first environment

friendly premium business paper under the “Paperkraft” Brand. “Paperkraft” offers a diverse portfolio in the premium executive stationery and office consumables segment. Paperkraft entered new categories in the office consumable segment with the launch of Textliners, Permanent Ink Markers and White Board Markers in 2009.

ITC also 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 2000, ITC spun off its information technology business into a wholly owned subsidiary, ITC Infotech India Limited, to more aggressively pursue emerging opportunities in this area. Today ITC Infotech is one of India’s fastest growing global IT and IT-enabled services companies and has established itself as a key player in offshore outsourcing, providing outsourced IT solutions and services to leading global customers across key focus verticals - Manufacturing, BFSI (Banking, Financial Services & Insurance), CPG&R (Consumer Packaged Goods & Retail), THT (Travel, Hospitality and Transportation) and Media & Entertainment.

ITC's foray into the Foods business is an outstanding example of successfully blending multiple internal competencies to create a new driver of business growth. It began in August 2001 with the introduction of 'Kitchens of India' ready-to-eat Indian gourmet dishes. In 2002, ITC entered the confectionery and staples segments with the launch of the brands mint-o and Candyman confectionery and Aashirvaad atta (wheat flour). 2003 witnessed the introduction of Sunfeast as the Company entered the biscuits segment. ITC's entered the fast-growing branded snacks category with Bingo! in 2007. In just over a decade, the Foods business has grown to a

significant size with over 200 differentiated products under six distinctive brands, with an enviable distribution reach, a rapidly growing market share and a solid market standing.

In 2002, ITC's philosophy of contributing to enhancing the competitiveness of the entire value chain found yet another expression in the Safety Matches initiative. ITC now markets popular safety matches brands like iKno, Mangaldeep, Aim, Aim Mega and Aim Metro. ITC's foray into the marketing of Agarbattis (incense sticks) in 2003 marked the manifestation of its partnership with the cottage sector. ITC's popular agarbattis brands include Spriha and Mangaldeep across a range of fragrances like Rose, Jasmine, Bouquet, Sandalwood, Madhur, Sambrani and Nagchampa.

ITC introduced Essenza Di Wills, an exclusive range of fine fragrances and bath & body care products for men and women in July 2005. Continuing with its tradition of bringing world class products to Indian consumers the Company launched 'Fiana Di Wills', a premium range of Shampoos, Shower Gels and Soaps in September, October and December 2007 respectively. The Company also launched the 'Superia' range of Soaps and Shampoos in the mass-market segment at select markets in October 2007 and Vivel De Wills & Vivel range of soaps in February and Vivel range of shampoos in June 2008.

NATURE OF BUSINESS

ITC is one of India's foremost private sector companies and a diversified conglomerate with businesses spanning Fast Moving Consumer Goods, Hotels, Paperboards and Packaging, Agri Business and Information Technology. The Company is acknowledged as one of India's most valuable business corporations with a market capitalization of nearly US \$ 35 billion (as on 30.06.2020) and a gross sales value of US \$ 10.74 billion (as on 31.03.2020). ITC was ranked as India's most admired company, according to a survey conducted by Fortune India, in association with Hay Group.



Multiple Drivers of Growth

ITC is the country's leading FMCG marketer, the clear market leader in the Indian Paperboard and Packaging industry, a globally acknowledged pioneer in farmer empowerment through its wide-reaching Agri Business, a pre-eminent hotel chain in India that is a trailblazer in 'Responsible Luxury'. ITC's wholly-owned subsidiary, ITC Infotech, is a specialized global digital solutions provider.

Over the last decade, ITC's new Consumer Goods Businesses have established a vibrant portfolio of 25 world-class Indian brands that create and retain value in India. ITC's world-class FMCG brands including Aashirvaad, Sunfeast, Yippee! Bingo! B Natural, ITC Master Chef, Fabelle, Sunbean, Fiama, Engage, Vivel, Savlon, Classmate, Paperkraft, Mangaldeep, Aim and others have garnered encouraging consumer franchise within a short span of time. While several of these brands are market leaders in their segments, others are making appreciable progress.

Leveraging Institutional Strengths

The competitiveness of ITC's diverse businesses rest on the strong foundations of institutional strengths derived from its deep consumer insights, cutting-edge Research & Development, differentiated product development capacity, brand-building capability, world-class manufacturing infrastructure, extensive rural linkages, efficient trade marketing and distribution network and dedicated human resources. ITC's ability to leverage internal synergies residing across its diverse businesses lends a unique source of competitive advantage to its products and services.

'Nation First: Sab Saath Badhein'

ITC's 'Nation First: Sab Saath Badhein' philosophy underlines its core belief in building a globally competitive and profitable Indian enterprise that makes an exemplary contribution to creating larger societal value. As a company deeply rooted in Indian soil, ITC is inspired by the opportunity to serve larger national priorities. A global exemplar in Sustainability, ITC is the only enterprise in the world of comparable dimensions to be carbon-positive, water-positive and solid waste recycling positive for over a decade now. ITC has created over 6 million sustainable livelihoods. Nearly 41% of the total energy consumed in ITC is from renewable sources. ITC's premium luxury hotels have the unique distinction of being LEED Platinum certified.

ITC's Well-being Out of Waste programme (WOW) that comprehensively addresses the problem of solid waste management, of which plastic waste is a significant component, provides an end-to-end sustainable and scalable solution that has reached out to over 1 crore citizens in the country.

Together with farmers and local communities, ITC has implemented largescale interventions in climate-smart and sustainable agriculture that make a meaningful contribution to the Hon'ble Prime Minister's vision of doubling farmer incomes. Towards this, ITC has launched an integrated programme titled 'Baareh Mahine Hariyali' (maximising farm utilisation over 12 months of the year) to give a new dimension to the complex task of multiplying farmer incomes. ITC is collaborating with NITI Aayog to progressively build capacity of 2 million farmers in 27 Aspirational Districts to help enhance rural incomes.

ITC is investing in India's future by building world-class consumer goods factories and iconic hospitality assets that will contribute to the country's competitive capacity. These investment projects underpin the Company's support to the Government's "Make in India" vision.

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.

MISSION:

To enhance the wealth generating capability of the enterprise in a globalizing environment, delivering superior and sustainable stakeholder value.

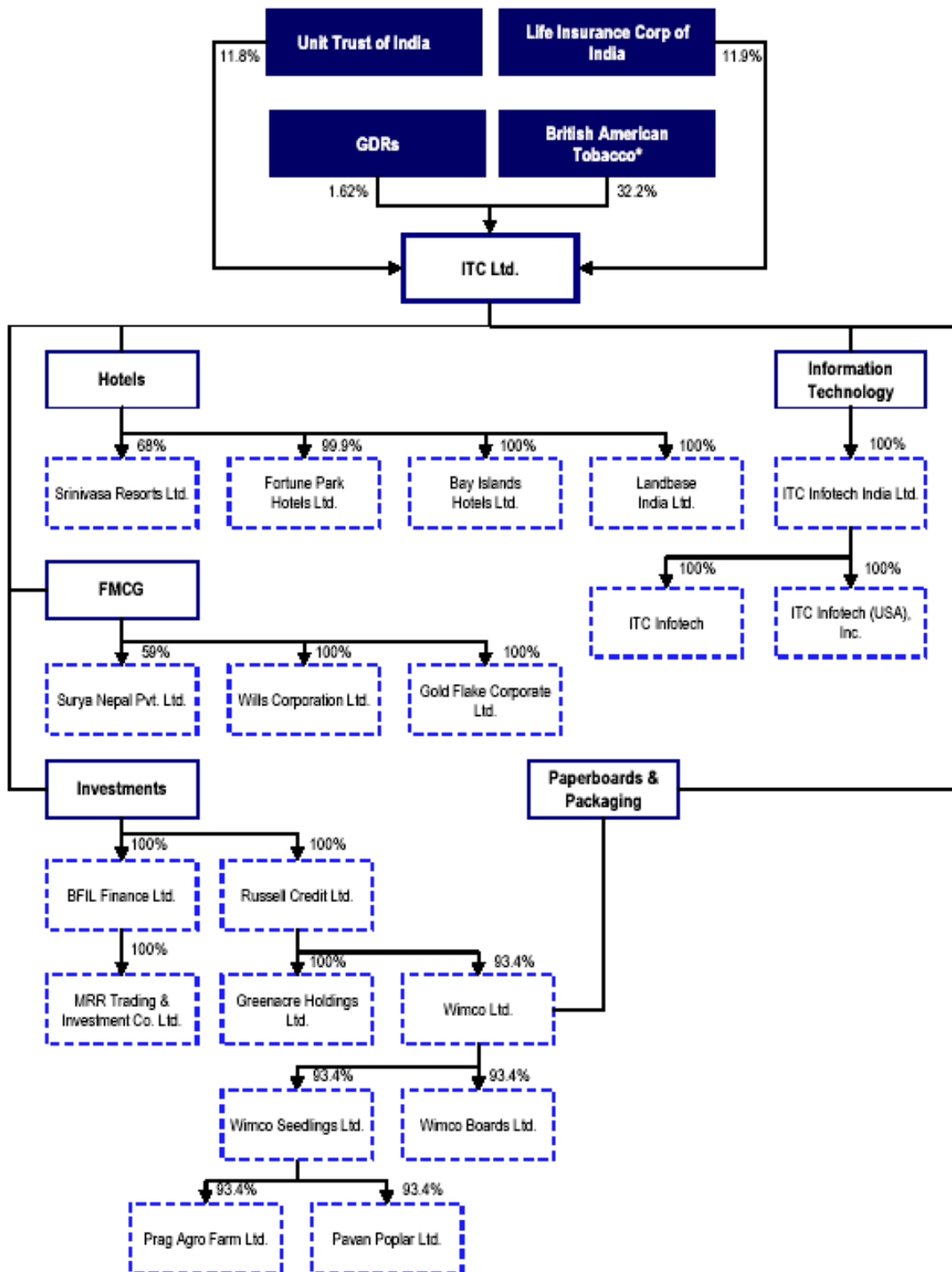
Quality Policy:

We, the staff of ITC Labs is totally committed to comply with the requirements of ISO 17025:2005 and ISO 9001:2008 standards as an instrument of continual improvement in their services related to Chemical, Biological and Mechanical testing leading to meet the needs and expectations of customer. The followings are the key policy statements:

- The laboratory management is committed to good professional practice and to the quality of testing in servicing its customers.
- The laboratory is committed to provide prompt and reliable service.
- The purpose of quality management system is to provide accurate analytical services.
- All the laboratory personnel familiarize themselves with the quality documentation and implement the policies and procedures pertaining to their roles and responsibilities.
- Laboratory management is committed to comply with ISO/IEC 17025:2005, all applicable regulatory & statutory requirements and will continually improve the effectiveness of its management system.
- To this end the Company has established and maintains a quality system which meets the Australian/New Zealand and International Standards ISO 9001: 2008 “Quality Management Systems – Requirements”.
- The responsibility for quality lies with every employee and relies on their own commitment that all products are totally operational, functional and comply with the design and customer's specification.
- All levels of employment are encouraged to be pro-active in their approach and continually review the Quality System and suggest changes in manufacturing or inspection techniques to improve efficiency, productivity and reliability of supply of quality products both to our customers and from our suppliers.

- It is the management's clear intent that this policy and its objectives are properly adhered to, that resources are provided to an adequate level and the Quality System is continually reviewed for improvements to enable ITC Products to maintain its competitive position without prejudicing its reputation for supplying service and equipment of the highest standard.

Workflow model:



Product/Service Profile:

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,Citric Twist,
 - Mild & Ultra Mild,
 - 555,
 - Benson & Hedges,
 - Silk Cut,
 - Scissors,
 - Capstan,
 - Berkeley,
 - Bristol,
 - Lucky Strike,
 - Players and
 - Flake.
- Foods:
 - Aashirvaad,
 - 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 ;
- Personal care:
 - Fiama di Wills;
 - Vivel;
 - Essenza di Wills;
 - Superia;
 - Vivel di Wills brands of products in perfumes, hair care and skincare
- Stationery:
 - Classmate and
 - PaperKraft brands
- Safety Matches and Agarbattis:
 - iKno;
 - Mangaldeep;
 - Aim brands

Other businesses include:

- Hotels: ITC's hotels (under brands including WelcomHotel) have evolved into being India's second largest hotel chain with over 80 hotels throughout the country. ITC is also the exclusive franchise 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 Welcome Heritage 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)

OWNERSHIP PATTERN:

Details of Board of Directors and Company Secretary:

CHAIRMAN

Y C Deveshwar

EXECUTIVEDIRECTORS

Nakul Anand

P V Dhobale

K N Grant

NON-EXECUTIVEDIRECTORS

A Baijal S

S Banerjee

AV Girija Kumar

H Khan

S B Mathur

D K Mehrotra

H G Powell

P B Ramanujam

Anthony Ruys

Basudeb Sen

K Vaidyanath

B Vijayaraghavan

ACHIEVEMENTS/AWARDS RECEIVED BY ITC LIMITED:

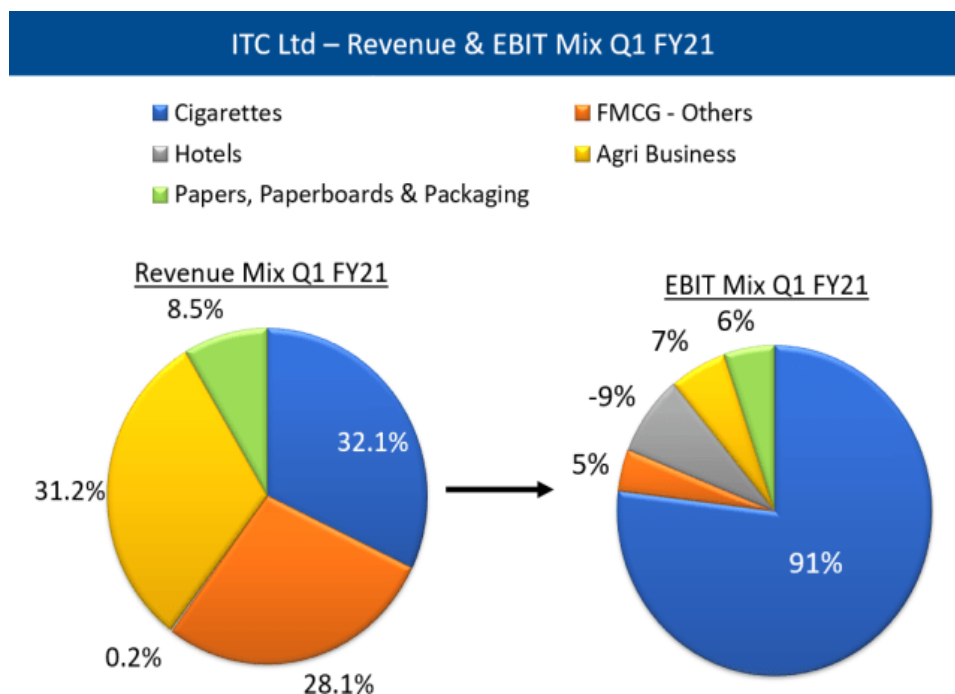


- ITC won the prestigious Porter Prize 2017 for 'Excellence in Corporate Governance and Integration' and for its exemplary contribution in 'Creating Shared Value'.

- ITC Limited was the only Corporate to receive the India Today Safaigiri Award 2016 in the 'Corporate Trailblazer' category.
- ITC Limited won two 'ASSOCHAM Waste Management Excellence Awards 2017' in the 'Best Corporate Initiative in Swachh Bharat Abhiyan' and 'Best Outreach Strategy in Waste Management' categories.
- ITC Grand Bharat, Gurugram, was ranked No. 1 Resort in Asia by the Conde Nast Traveler USA Readers' Choice Awards 2016, for the second consecutive year.
- ITC Limited won the Intel AIM Corporate Responsibility Award, 2016, accorded by the Asian Institute of Management-RVR CSR Center and the Asia Inc Forum.
- ITC was adjudged the 'Best in Supply Chain Sustainability' at the Asian Corporate Sustainability Summit 2016.
- ITC's Packaging and Printing Division was declared the 'Green Printing Company of the Year 2016' by Print Week India.
- ITC's Paperboards & Specialty Papers Business was adjudged the 'Winner' under the 'Process Innovation Leadership' category in the Manufacturing sector at Frost & Sullivan's Project Evaluation and Recognition Programmed (PERP).
- ITC won the FICCI Water Awards 2016 in the 'Community Initiatives by Industry' category. Also won FICCI CSR Award 2016 for Environment Sustainability and Health, Water & Sanitation programmers.
- ITC won the prestigious 12th Business world FICCI CSR Award in the Large Enterprise category. The Award recognizes the most socially responsible Indian corporates in CSR.
- ITC won the FICCI Outstanding Vision Corporate Triple Impact Award, presented by the then Prime Minister, Dr. Manmohan Singh (2008).
- ITC was ranked 2nd among top Indian companies in the first-of-its-kind Standard & Poor Environmental, Social and Corporate Governance ratings (2008).
- ITC was the 1st Indian Company and 2nd in the world to win the Development Gateway Award for its trail-blazing e-Croupal initiative (2005).
- ITC was presented the World Business and Development Award at the historic Rio+20 UN Summit for its Social and Farm Forestry initiative.
- ITC was presented the AIM Asian CSR Award by the Asian Forum on Corporate Social Responsibility (AFCSR), in recognition of its contribution to the creation of sustainable livelihoods and fostering economic growth in rural communities in India.
- ITC won the prestigious 12th Business world FICCI CSR Award in the Large Enterprise category. The Award recognizes the most socially responsible Indian corporates in CSR.
- ITC won the FICCI Outstanding Vision Corporate Triple Impact Award, presented by the then Prime Minister, Dr. Manmohan Singh (2008).
- ITC won the FICCI Award for Outstanding Achievement in Rural and Community Development, presented by the then Finance Minister, Shri Pranab Mukherjee (2010).
- ITC won the National Award for Excellence in Corporate Governance from the Institute of Company Secretaries of India (2007).

- ITC was ranked the world's 6th largest sustainable value creator among consumer goods companies, according to a Report by Boston Consulting Group (2010).
- ITC won the top UNIDO Award at the International Conference on Sharing Innovative Agri Business Solutions at Cairo (2008).
- ITC was conferred the Corporate Social Responsibility Crown Award for Water Practices from UNESCO and Water Digest (2008).
- ITC won the Asian CSR Award for Environmental Excellence, given by the Asian Institute of Management (2007).
- ITC was the 1st Indian Company and 2nd in the world to win the Development Gateway Award for its trail-blazing e-Choupal initiative (2005).
- ITC won the inaugural World Business Award by UNDP for its e-Choupal initiative (2004).
- All of ITC's super premium luxury hotels are accorded LEED® Platinum certification, making ITC Hotels the 'Greenest Luxury Hotel Chain in the World' (2011).
- ITC's Paperboards and Specialty Papers Units at Bhadrachalam, Bollaram, Kovai and Tribeni became FSC Chain of Custody certified (2011).
- ITC's Unit in Bhadrachalam was awarded the Forest Stewardship Council Forest Management (FSC-FM) certification by the SmartWood Programme of the Rainforest Alliance (2011).

FUTURE GROWTH PROSPECTS OF ITC LIMITED:



CORE BUSINESS FOR FUTURE

Your Board believes that as a first step, Company's portfolio should comprise four sectors, namely, tobacco, travel and tourism, packaging and paper. This portfolio will be subject to periodic review against the objective of international competitiveness.

In this context, your Board recognizes that international alliances can provide your Company with access to the latest developments in know-how, technology and best practice.

Foreign exchange earnings will remain an area of focus, not only because it is a national priority, but also because it will enable your Company's businesses to test their competitiveness and prepare for the growing sophistication of the Indian market.

Your Company also plans to realize full value from the real estate investments, taking advantage of the skills developed while growing the hotel business.

Further, your Company's most valuable assets are its trademarks. These may not be separately valued in your Company's accounts, but remain the basis of future income streams. For many of your Company's customers, their only connection with your Company is through these trademarks.

Research has shown that these trademarks carry considerable goodwill which can be more effectively exploited by entry into new lines of business. It is with the exploration of this new opportunity in mind that we have placed the Special Resolution for your sanction today.

In respect of your Company's other businesses it is the intention to induct world-class partners and thus reposition them for growth. This will also provide your Company the option to redeem its investments in these ventures in a responsible manner. In the first instance, this programmed will cover ITC AgroTech, ITC Classic Finance and the Tribeni Tissues Division. ITC Global is already under judicial Management in Singapore, at the instance of the creditors of that company.

ECONOMIC POTENTIAL OF THE TOBBACO SECTOR:

It is not widely known that the tobacco industry makes an invaluable contribution to the national economy.

- Over 26 million people are dependant for their livelihood on the tobacco industry. This includes a million small and marginal tobacco farmers, 5 million farm labour and 1.5 million retailers, not to mention a vast ancillary sector in goods and services.
- The sector contributes over 10% of the excise collected by the Central Government, and about 4% of its tax revenue, even though it comprises a mere 0.3% of arable land.
- Further, the sector contributes nearly 4% of the value of India's agri-exports. What is even more remarkable is that the economic potential of this sector is largely unrealised.
- Cigarette tobaccos constitute just a third of the total tobacco crop in India, and cigarettes represent less than 20% of tobacco consumption in India. Yet this minority segment contributes 90% of Government revenues and exports from this sector.
- Any conversion from traditional tobacco products to cigarettes will modernise and upgrade tobacco consumption in the country, sharply improve Government revenues and export prospects for Indian tobaccos. The modernisation of this sector will multiply Government revenues and contribute to strengthening the social infrastructure, which suffers from lack of funds.
- It is worth highlighting that China generates Government revenues seven times that of India from its tobacco sector. This has been made possible by moderation in excise duties which are half that obtaining in India.

Your Company is the market leader in the cigarette segment of the tobacco industry, and its brands occupy a leadership position in all categories. In recognition of a growing demand for international brands, your Company has entered into a licensing agreement within BAT for manufacturing and marketing two of its international trademarks in India. The agreement is awaiting Government approval. This initiative will also help to curb the growth of smuggled foreign cigarettes, which results in an estimated foreign exchange loss of Rs. 300 crores and an estimated excise loss of Rs. 200 crores. It is hoped that, over time, the entire value chain for international brands will shift to India, with a multiplier impact to be shared among Indian farmers, Indian suppliers, Indian labour, together with additional revenues for the Government, and in the process creating a largest surplus for you, shareholders.

TRAVEL AND TOURISM SECTOR

When the country is targeting a GDP growth rate in excess of 7% per annum, the infrastructure to support this growth must also keep pace. By infrastructure, I refer not only to power, roads, ports and telecommunications but also to the tourism infrastructure that supports business and

leisure travel. The economic potential and the associated opportunity presented by this sector can be gauged by the following:

- Travel and tourism are already the largest industry in the world, that earns over US\$ 3700 billion in revenues and continues to grow rapidly.
- This sector provides the highest potential for generating employment per unit of investment and has a very large multiplier impact on the economy.
- Moreover, this sector generates US\$ 3 billion in foreign exchange earnings for India, at a time when tourist arrivals in India are a fraction of their potential.
- If India's share of world tourism grows from the current 0.3% to 1%, it will call for investments upwards of Rs. 20,000 crores in the accommodation sector alone, indicative of the size of the opportunity in this sector.

The market standing of the Welcomgroup chain, managed by ITC Hotels Ltd. provides a very promising opportunity for growth. Your Company has focused the Welcomgroup chain to the up-market business and leisure segments, and is already the revenue leader in most locations where it operates. The association with Sheraton nurtured over the last 20 years has assisted in inducting state-of-the-art know-how and best practice in hoteliering, apart from providing a cost-effective access to their marketing and distribution network worldwide. This accumulated strength laces your Company in a unique position to exploit the growth opportunities in this sector.

Foreign exchange earnings constitute as much as 60% of the Welcomgroup chain's turnover and is therefore an important contributor to the national effort on foreign exchange earnings. Your Company's subsidiary, ITC Hotels, has charted out growth plans in the Heritage segment for up-market tourists, as well as in the mid-priced business and leisure travel segments. To fully exploit the growth opportunities presented by this sector, future investments are planned both directly by your Company, as well as through ITC Hotels.

PACKAGING AND PAPERBOARD SECTOR

Your Company's Packaging & Printing Division is India's leading supplier to the cigarette and liquor industries, with a small nucleus focused on high value-added food products.

This sector is expected to grow rapidly, in line with the growing sophistication of the Indian market, presenting an attractive opportunity. your Company plans to develop its packaging operations into a leadership position in the Asia-Pacific region.

Your Company promoted ITC Bhadrachalam Paperboards Limited nearly 20 years ago. This Company has grown to acquire a strong presence in the paper board segment of the paper industry. The long-term growth prospects of the paper industry are significant given the low per capita consumption in India of a mere 4 kgs per annum compared to the world average of 55 kgs per annum. The growing sophistication of the consumer goods industry is expected to create an attractive market for international quality paperboard used for printed packaging.

Your Company has supported the modernization programmed of ITC Bhadrachalam's mill which involves an outlay of Rs. 620 crores. A state-of-the-art paperboard machine is being installed together with captive power generating capacity. On successful completion of the project, it is expected that the mill will rank among the foremost mills in the world in its category and will be internationally competitive both in quality and cost.

In order to improve access to cost effective fibrous raw material, ITC Bhadrachalam is engaged in an extensive social and farm forestry programmed in the command areas of the mill.

The world paper industry is currently going through a severe recession. Coupled with this, the dramatic reduction in import duties to 20% has intensified price competition in the Indian market. Although this will inevitably prolong the gestation of the new investment in the medium term, the long-term prospects of ITC Bhadrachalam look attractive. The merits of an international alliance for this sector are being examined.

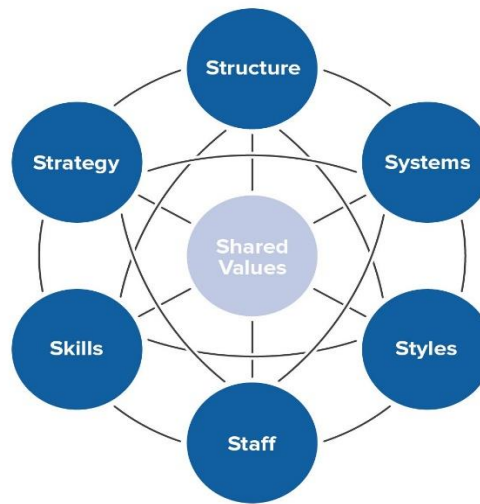
CHAPTER – 3

MCKINSEY’S 7’S MODEL AND

PORTER’S FIVE FORCES

ANALYSIS

MCKINSEY'S 7'S MODEL:



1.STRATEGY:

- Enhance the competitive power of portfolio through synergies derived by blending the diverse skills and capabilities residing in ITC`s various businesses

2.STRUCTURE:

- The basic organization of the company, its departments, reporting lines, areas of expertise, and responsibility (and how they inter-relate)
- Organizational Structure

3. SYSTEMS:

- Management information systems, through to the systems at the point of contact with the customer (retail systems, call center systems, online systems, etc.
- System is the formal and informal procedures, and including the innovation systems, compensation systems, management information systems and capital allocation system, that govern everyday activity.

4.STYLE:

- Management style of ITC is top to down as per the organizational structure.
- Participative style of management has resulted in the development of committed and motivated work force, which is ready to meet the challenges of the future.

5.STAFF:

- The Human Resources and EHS functions Training and Awareness
- The company leadership ‘walking the talk’

6.SKILL:

- Skill is what the company does best; the distinctive capabilities and competencies that reside in the organization.
- 1. Accounting skill
- 2. Technical skill
- 3. Marketing skill

7.SHARED VALUES:

- Ultimately, they guide employees towards ‘valued behavior’
- “We do what is right, do it well and win, we will strive for excellence in whatever we do

Porter’s Five Forces Analysis:



The threat of the entry of new competitors:

- The amount of capital investment required to enter in certain house hold consumer products needs more, so the threat of new entries may result fairly low.
- Access to distribution channel is tough
- Capital requirements is very high
- Entry in the industry requires substantial capital and resource investment. This force also loses the strength if product differentiation is high and customers place high importance to the unique experience.
- The threat will be low if psychological switching cost for consumers is high and existing brands have established a loyal customer base.
- New entrants will be discouraged if access to the distribution channels is restricted.
- Hence the threat of new entrant appears to be low.

The threat of substitute products or services:

- The switching cost of using the substitute product is high (due to high psychological costs or higher economic costs)
- Customers cannot derive the same utility (in terms of quality and performance) from substitute product as they derive from the ITC Limited India First's product.
- Multiple brands with narrow product differentiation
- Companies compete on price which increase product substitution
- Hence the threat of substitute products is low

The bargaining power of suppliers:

- Suppliers have concentrated into a specific region, and their concentration is higher than their buyers.
- This force is particularly strong when the cost to switch from one supplier to other is high for buyers (for example, due to contractual relationships).
- When suppliers are few and demand for their offered product is high, it strengthens the suppliers' position against ITC Limited India First
- Suppliers' forward integration weakens the ITC Limited India First's position as they also become the competitors in that area.
- If ITC Limited India First is not well educated, does not have adequate market knowledge and lacks the price sensitivity, it automatically strengthens the suppliers' position against the organization.

- Overall, the bargaining power of suppliers is low.

The bargaining power of customers(buyers):

- A more concentrated customer base increases their bargaining power against ITC Limited India First
- Buyer power will also be high if there are few in number whereas a number of sellers (business organizations) are too many.
- Low switching costs (economic and psychological) also increase the buyers' bargaining power.
- In case of corporate customers, their ability to do backward integration strengthen their position in the market. Backward integration shows the buyers' ability to produce the products themselves instead of purchasing them from ITC Limited India First
- Consumers' price sensitivity, high market knowledge and purchasing standardized products in large volumes also increase the buyers' bargaining power.
- However, looking at the present situation, the power of buyers is low.

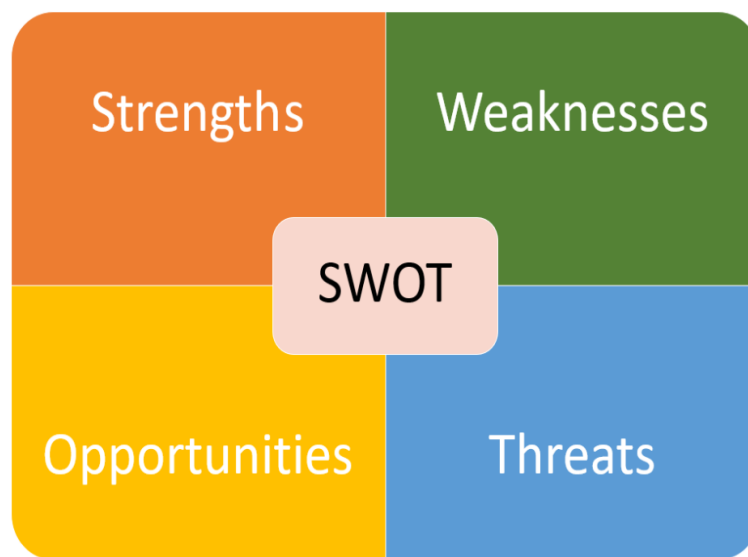
The intensity of competitive rivalry within the Industry:

- There are only a limited number of players in the market
- The industry is growing at a fast rate
- There is a clear market leader
- The products are highly differentiated, and each market player targets different sub-segments
- The economic/psychological switching costs for consumers are high.
- The exit barriers are low, which means firms can easily leave the industry without incurring huge losses.
- So overall the intensity of competitive rivalry is high.

CHAPTER – 4

SWOT ANALYSIS

SWOT ANALYSIS:



Strength:

- Strong Financial Performance
- Products Portfolio
- Distribution Network
- Environmentally Friendly
- Research & Development
- Brand Equity

Weakness:

- Dependency on the tobacco business
- Not present in many important sectors
- Local Company
- Unrelated diversification
- Hotel industry market share
- Strongly dependent on tobacco industry

Opportunities:

- Leveraging its brand equity

- Encourage distributed generation through
- Right size at the right time
- Synergies across businesses and leveraging domain expertise for growth in other sectors
- Rural market
- Constant increasing in demand.
- Availability of existing vast distribution network.
- The unique reach and distribution network of E-croupal
- Mergers and acquisitions

Threat:

- Intensifying Competition in FMCG businesses
- Pressure groups and Government Policy
- Increasing awareness on health
- FDI in retail sector will allow intentional brands
- High taxes on cigarettes

CHAPTER – 5

ANALYSIS OF FINANCIAL

STATEMENTS

Financial Statement Analysis:



Consolidated Balance Sheet as at 31st March, 2019

	Note	As at 31st March, 2019 (₹ in Crores)		As at 31st March, 2018 (₹ in Crores)	
ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	3A	18625.74		15863.68	
(b) Capital work-in-progress	3B	4126.18		5499.60	
(c) Goodwill on consolidation		202.53		202.53	
(d) Other Intangible assets	3C	545.92		457.75	
(e) Intangible assets under development	3D	10.24		8.73	
		23510.61		22032.29	
(f) Financial Assets					
(i) Investments	4				
(a) Investment in Associates		157.26		159.79	
(b) Investment in Joint Ventures		121.86		117.14	
(c) Others		11416.87		11206.86	
		11695.99		11483.79	
(ii) Loans	5	8.34		9.69	
(iii) Others	6	2385.17	14089.50	1747.38	13240.86
(g) Deferred tax assets (Net)	7	59.37		47.98	
(h) Income Tax Assets (Net)	21A	28.53		61.56	
(i) Other non-current assets	8	2363.13	40051.14	2512.55	37895.24
Current assets					
(a) Inventories	9	7859.56		7495.09	
(b) Biological assets other than bearer plants	10	84.41		89.44	
(c) Financial Assets					
(i) Investments	11	13347.50		10569.07	
(ii) Trade receivables	12	4035.28		2682.29	
(iii) Cash and cash equivalents	13	317.81		153.07	
(iv) Other Bank Balances	14	3834.22		2746.53	
(v) Loans	5	6.75		5.84	
(vi) Others	6	1499.68	23041.24	1352.84	17509.64
(d) Other current assets	8	762.06	31747.27	1299.45	26393.62
TOTAL ASSETS			71798.41		64288.86
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	15	1225.86		1220.43	
(b) Other Equity		57915.01		51289.68	
Attributable to owners of the parent		59140.87		52510.11	
Non-controlling interests		343.47	59484.34	334.47	52844.58
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	16	8.15		11.50	
(ii) Other financial liabilities	17	73.41	81.56	67.79	79.29
(b) Provisions	18	161.95		149.63	
(c) Deferred tax liabilities (Net)	7	2052.06		1923.02	
(d) Other non-current liabilities	19	6.51	2302.08	42.19	2194.13
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	1.86		17.35	
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises		55.41		30.31	
Total outstanding dues of creditors other than micro enterprises and small enterprises		3454.17	3509.58	3465.87	3496.18
(iii) Other financial liabilities	17	1187.16		993.87	
(b) Other current liabilities	19	4838.32		4610.39	
(c) Provisions	18	51.38		63.80	
(d) Current Tax Liabilities (Net)	21B	423.69	10011.99	68.56	9250.15
TOTAL EQUITY AND LIABILITIES			71798.41		64288.86

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner
Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI
Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary



Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

	Note	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
I Revenue From Operations*	22A, 22B	49862.11	47688.55
II Other Income	23	2173.79	1831.86
III Total Income (I+II)		52035.90	49520.41
IV EXPENSES			
Cost of materials consumed		13403.01	11943.75
Purchases of Stock-in-Trade		4220.51	2883.97
Changes in inventories of finished goods, Stock-in-Trade, work-in-progress and intermediates		(203.19)	1027.76
Excise duty		1509.43	4239.61
Employee benefits expense	24	4177.88	3760.90
Finance costs	25	45.42	89.91
Depreciation and amortization expense		1396.61	1236.28
Other expenses	26	8348.11	7349.60
Total expenses (IV)		32897.78	32531.78
V Share of profit/(loss) of Associates and Joint Ventures		11.70	7.58
VI Profit before exceptional items and tax (III-IV+V)		19149.82	16996.21
VII Exceptional Items		-	412.90
VIII Profit before tax (VI+VII)		19149.82	17409.11
IX Tax expense:			
Current Tax	27	6191.62	5893.19
Deferred Tax	27	122.30	23.24
X Profit for the year (VIII-IX)		12835.90	11492.68
Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss:			
- Remeasurements of the defined benefit plans	28(vii)	10.92	86.17
- Equity instruments through other comprehensive income		397.71	360.84
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		(21.05)	10.29
- Share of OCI in Associates and Joint Ventures		(4.54)	(7.45)
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	3.04	(33.40)
B (i) Items that will be reclassified to profit or loss:			
- Exchange differences in translating the financial statements of foreign operations		(60.23)	(6.08)
- Effective portion of gains/(losses) on designated portion of hedging instruments in a cash flow hedge		0.85	(18.69)
(ii) Income tax relating to items that will be reclassified to profit or loss	27	(0.30)	6.42
XI Other Comprehensive Income [A (i+ii)+B (i+ii)]		326.40	398.10
XII Total Comprehensive Income for the year (X+XI)		13162.30	11890.78
Profit for the year			
Attributable to:			
Owners of the parent		12592.33	11271.20
Non-controlling interests		243.57	221.48
Total Comprehensive Income for the year			
Attributable to:			
Owners of the parent		12919.28	11669.47
Non-controlling interests		243.02	221.31
XIII Earnings per equity share (Face Value ₹ 1.00 each):	28(i)		
(1) Basic (in ₹)		10.30	9.26
(2) Diluted (in ₹)		10.24	9.20

* Consequent to the introduction of Goods and Services Tax (GST) with effect from 1st July, 2017, Central Excise [other than National Calamity Contingent Duty (NCCD) on cigarettes], Value Added Tax (VAT) etc. have been replaced by GST. In accordance with Indian Accounting Standards and Schedule III of the Companies Act, 2013, GST, GST Compensation Cess, VAT, etc. are excluded and NCCD is not excluded from Gross Revenue from sale of products and services for applicable periods. In view of the aforesaid restructuring of indirect taxes, Gross Revenue from sale of products and services and Excise duty for the year ended 31st March, 2019 are not comparable with the previous year. Following additional information is being provided to facilitate such comparison:

Gross Sales Value (net of rebates and discounts) (A)	79854.69	70852.18
Taxes other than Excise duty/NCCD (B) @	30506.26	23489.67
Gross Revenue from sale of products and services [C = (A-B)]	49348.43	47362.51
Other Operating Revenues (D)	513.68	326.04
Revenue From Operations [E = (C+D)]	49862.11	47688.55

@ Taxes include GST, GST Compensation Cess, Service Tax, VAT, Luxury Tax etc., as applicable for the reported periods.

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary



Consolidated Cash Flow Statement for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
A. Cash Flow from Operating Activities		
PROFIT BEFORE TAX	19149.82	17409.11
ADJUSTMENTS FOR:		
Depreciation and amortization expense	1396.61	1236.28
Share based payments to employees	258.23	393.41
Finance costs	45.42	89.91
Interest Income	(1312.79)	(964.74)
Dividend Income	(8.38)	(8.48)
Loss on sale of property, plant and equipment - Net	105.05	8.81
Net gain recognised on disposal of subsidiary	(9.40)	(9.61)
Doubtful and bad debts	32.56	30.82
Doubtful and bad advances, loans and deposits	6.01	4.03
Share of (profit)/loss of associates and joint ventures	(11.70)	(7.58)
Net (gain)/loss arising on investments mandatorily measured at Fair Value through profit or loss	(777.35)	(757.56)
Foreign currency translations and transactions - Net	6.85	3.41
Impairment of investment in joint venture	–	4.82
	23.52	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18880.93	17432.63
ADJUSTMENTS FOR:		
Trade receivables, loans, advances and other assets	(754.55)	(963.73)
Inventories and biological assets other than bearer plants	(359.44)	601.62
Trade payables, other liabilities and provisions	619.93	494.06
	2098.49	1736.38
CASH GENERATED FROM OPERATIONS	18386.87	19169.01
Income tax paid	(5803.46)	(5999.61)
NET CASH FROM OPERATING ACTIVITIES	12583.41	13169.40
B. Cash Flow from Investing Activities		
Purchase of property, plant and equipment, Intangibles etc.	(3169.12)	(2878.20)
Sale of property, plant and equipment	27.82	79.72
Purchase of current investments	(90732.22)	(93616.27)
Sale/redemption of current investments	92154.09	95017.00
Purchase of non-current investments	(3454.56)	(4713.31)
Redemption proceeds of long-term investments	300.29	–
Proceeds on disposal of subsidiary	17.75	17.53
Dividend from associates and joint ventures	4.97	4.30
Dividend from others	8.38	8.48
Interest received	1183.95	735.91
Investment in bank deposits (original maturity more than 3 months)	(5053.76)	(4173.57)
Redemption/maturity of bank deposits (original maturity more than 3 months)	3477.97	3041.61
Investment in deposit with housing finance companies	(849.17)	(1136.88)
Redemption/maturity of deposit with housing finance companies	537.49	500.00
Loans given	(9.60)	(7.52)
Loans realised from associates	–	1.40
Loans realised	10.04	5.91
NET CASH USED IN INVESTING ACTIVITIES	(5545.68)	(7113.89)



Consolidated Cash Flow Statement for the year ended 31st March, 2019

	For the year ended 31st March, 2019 (₹ in Crores)	For the year ended 31st March, 2018 (₹ in Crores)
C. Cash Flow from Financing Activities		
Proceeds from issue of share capital	969.13	912.79
(Repayment) of/proceeds from current borrowings	(10.56)	10.56
Repayment of non-current borrowings	(7.07)	(8.21)
Interest paid	(98.06)	(48.62)
Net increase in statutory restricted accounts balances	10.75	0.77
Dividend paid	(6519.23)	(5951.59)
Income tax on dividend paid	(1213.60)	(1136.83)
NET CASH USED IN FINANCING ACTIVITIES	(6868.64)	(6221.13)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	169.09	(165.62)
OPENING CASH AND CASH EQUIVALENTS	173.79	339.41
CLOSING CASH AND CASH EQUIVALENTS	342.88	173.79
<i>Notes:</i>		
1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows".		
2. CASH AND CASH EQUIVALENTS:		
Cash and cash equivalents as above	342.88	173.79
Unrealised gain/(loss) on foreign currency cash and cash equivalents	(26.93)	(27.51)
Cash credit facilities (Note 20)	1.86	6.79
Cash and cash equivalents (Note 13)	<u>317.81</u>	<u>153.07</u>

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner

Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary

Consolidated Statement of changes in equity for the year ended 31st March, 2019



A. Equity Share Capital

(₹ in Crores)

	Balance at the beginning of the reporting year	Changes in equity share capital during the year	Balance at the end of the reporting year
For the year ended 31st March, 2018	1214.74	5.69	1220.43
For the year ended 31st March, 2019	1220.43	5.43	1225.86

B. Other Equity

(₹ in Crores)

	Reserves and Surplus											Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Reserve on Consolidation	Special Reserve under Section 45-4C of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidy Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations			
Balance as at 31st March, 2017	5.46	6403.41	72.67	114.92	102.86	0.23	1599.71	0.22	363.05	17672.57	18200.30	585.59	(10.73)	87.93	45198.19	294.74	45492.93
Profit for the year	-	-	-	-	-	-	-	-	-	-	11271.20	-	-	-	11271.20	221.48	11492.68
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	55.95	353.94	(5.54)	(6.08)	398.27	(0.17)	398.10
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	11327.15	353.94	(5.54)	(6.08)	11669.47	221.31	11890.78
Issue of equity shares under ITC Employee Stock Option Scheme	-	907.10	-	-	-	-	-	-	-	-	-	-	-	-	907.10	-	907.10
Dividend																	
- Ordinary Dividend (2016-17 - ₹ 4.75 per share)	-	-	-	-	-	-	-	-	-	-	(5770.01)	-	-	-	(5770.01)	(181.58)	(5951.59)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	-	(1136.83)	-	-	-	(1136.83)	-	(1136.83)
Transfer from retained earnings	-	-	-	12.76	7.82	-	-	-	-	-	(20.58)	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	-	398.76	-	-	-	-	-	-	-	398.76	-	398.76
Transfer from share option reserve on exercise and lapse	-	105.07	-	-	-	-	(124.50)	-	-	-	19.43	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	23.00	-	-	23.00	-	23.00
Balance as at 31st March, 2018	5.46	7415.58	72.67	127.68	110.68	0.23	1873.97	0.22	363.05	17672.57	22619.46	939.53	6.73	81.85	51289.68	334.47	51624.15
Profit for the year	-	-	-	-	-	-	-	-	-	-	12592.33	-	-	-	12592.33	243.57	12835.90
Other Comprehensive Income (net of tax)	-	-	-	-	-	-	-	-	-	-	6.84	393.48	(13.14)	(60.23)	326.95	(0.55)	326.40
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	12599.17	393.48	(13.14)	(60.23)	12919.28	243.02	13162.30

Consolidated Statement of changes in equity for the year ended 31st March, 2019

B. Other Equity (Contd.)

(₹ in Crores)

	Reserves and Surplus											Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total
	Capital Reserve	Securities Premium	Capital Reserve on Consolidation	Special Reserve under Section 45-IC of the RBI Act, 1934	Employees Housing Reserve under Nepal labour laws	Subsidy Reserve	Share Options Outstanding Account	Capital Redemption Reserve	Contingency Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Exchange differences on translating the financial statements of foreign operations			
Issue of equity shares under ITC Employee Stock Option Scheme	-	963.70	-	-	-	-	-	-	-	-	-	-	-	-	963.70	-	963.70
Dividend																	
- Ordinary Dividend (2017-18 - ₹ 5.15 per share)	-	-	-	-	-	-	-	-	-	-	(6285.21)	-	-	-	(6285.21)	(234.02)	(6519.23)
Income tax on Dividend paid	-	-	-	-	-	-	-	-	-	-	(1213.60)	-	-	-	(1213.60)	-	(1213.60)
Transfer from retained earnings	-	-	-	7.57	-	-	-	-	-	-	(7.57)	-	-	-	-	-	-
Recognition of share based payment	-	-	-	-	-	243.05	-	-	-	-	-	-	-	-	243.05	-	243.05
Transfer from share option reserve on exercise and lapse	-	114.65	-	-	-	(119.08)	-	-	-	-	4.43	-	-	-	-	-	-
Transferred to initial carrying amount of hedged items (net of tax)	-	-	-	-	-	-	-	-	-	-	-	(1.89)	-	(1.89)	-	(1.89)	
Balance as at 31st March, 2019	5.46	8493.93	72.67	135.25	110.68	0.23	1997.94	0.22	363.05	17672.57	27716.68	1333.01	(8.30)	21.62	57915.01	343.47	58258.48

The Board of Directors of the Company recommended a dividend of ₹ 5.75 per share (for the year ended 31st March, 2018 - ordinary dividend ₹ 5.15 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The total equity dividend to be paid is ₹ 7048.71 Crores (for the year ended 31st March, 2018 - ordinary dividend ₹ 6285.21 Crores). Income tax on proposed dividend being ₹ 1448.88 Crores (for the year ended 31st March, 2018 - ₹ 1291.94 Crores).

Capital Reserve and Capital Reserve on Consolidation: This Reserve represents the difference between value of the net assets transferred to the Group in the course of business combinations and the consideration paid for such combinations.

Securities Premium: This Reserve represents the premium on issue of shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

Special Reserve under Section 45-IC of the RBI Act, 1934: This Reserve represents profits transferred before declaration of dividend by companies of the Group which are registered as NBFCs with the Reserve Bank of India (RBI).

Employees Housing Reserve under Nepal labour laws: This Reserve represents the amounts set aside for providing employees' housing as per the provisions of the Nepal Labour Act, 2048. The said Act has since been repealed with effect from 4th September, 2017, consequent to the introduction of the new Labour Act, 2074, which does not require creation of similar Reserve.

Subsidy Reserve: This Reserve represents subsidies received from government authorities for capital investment and amounts taken over by the Group consequent to business combinations.

Share Options Outstanding Account: This Reserve relates to stock options granted by the Company to employees under ITC Employee Stock Option Schemes. This Reserve is transferred to Securities Premium or Retained Earnings on exercise or cancellation of vested options.

Capital Redemption Reserve: This Reserve has been transferred to the Group in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

Contingency Reserve: This Reserve has been created out of Retained Earnings, as a matter of prudence, to take care of any unforeseen adverse developments in pending legal disputes.

General Reserve: This Reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilized in accordance with the provisions of the Companies Act, 2013.

Retained Earnings: This Reserve represents the cumulative profits of the Group and effects of remeasurement of defined benefit obligations. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

Equity Instruments through Other Comprehensive Income: This Reserve represents the cumulative gains (net of losses) arising on revaluation of Equity Instruments measured at Fair Value through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings when those instruments are disposed of.

Effective portion of Cash Flow Hedges: This Reserve represents the cumulative effective portion of changes in Fair Value of derivatives that are designated as Cash Flow Hedges. It will be reclassified to profit or loss or included in the carrying amount of the non-financial asset in accordance with the Group's accounting policy.

Exchange differences on translating the financial statements of foreign operations: This Reserve contains (a) accumulated balance of foreign exchange differences from translation of the financial statements of the Group's foreign operations arising at the time of consolidation of such entities and (b) accumulated foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation. Such foreign exchange differences are recognised in Other Comprehensive Income. Exchange differences previously accumulated in this Reserve are reclassified to profit or loss on disposal of the foreign operation.

The accompanying notes 1 to 31 are an integral part of the Financial Statements.

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

P. R. RAMESH
Partner
Gurugram, 13th May, 2019

On behalf of the Board

S. PURI
R. TANDON
R. K. SINGHI

Chairman & Managing Director
Director & Chief Financial Officer
Company Secretary



CHAPTER – 6

LEARNING EXPERIENCE

LEARNING EXPERIENCE:

I have taken ITC ltd for my organizational study even though it was a secondary data it was great experience learning more in-depth about the company and acquired quite knowledge about the company.

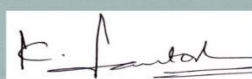
- Learned about the ITC limited operations in different sectors.
- Learned about their innovation in products.
- Their involvement in other fields.
- Learned about the awards and rewards received by the company.
- Their future growth in FMCG and another sector.
- Their marketing strategies in promoting their companies' products.
- Learned about their strength and weakness in the industry

Bibliography

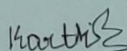
- www.google.com
- www.scribd.com
- <http://www.itcportal.com>
- http://en.wikipedia.org/wiki/Classmate_Stationery

WEEKLY PROGRESS REPORT

Student Name	Mr.Karthik J P
USN	ICR19MBA36
Title of the Study	An Organisation Study on ITC LIMITED
Organization	ITC LIMITED
WEEK-1	
Duration (Start date - End date)	6.8.2020 - 12.8.2020
Chapter s covered	Chapter 1 and Chapter 2
Descriptions of activities performed during the week	Introduction to organization, Industry profile and company profile
WEEK-2	
Duration (Start date - End date)	13.8.2020 - 18.8.2020
Chapter s covered	Chapter 3
Descriptions of activities performed during the week	McKensy's 7S framework, Porter's Five Force Model.
WEEK-3	
Duration (Start date - End date)	19.8.2020 - 26.8.2020
Chapter s covered	Chapter 4 and Chapter 5
Descriptions of activities performed during the week	SWOT Analysis and analysis of financial statements
WEEK-4	
Duration (Start date - End date)	27.8.2020 - 30.8.2020
Chapter s covered	Chapter 6
Descriptions of activities performed during the week	Learning experience and Bibliography



Signature of the Guide



Signature of the Student

