

Management Project



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COMPANY PROFILE

Company's Philosophy

ITC believes that its core values of trusteeship, customer focus, respect for people, excellence, innovation, and national orientation have been the guiding principles behind the Company's phenomenal growth, helping it to become one of India's most admired and valued enterprises.

Mission

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

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

Goals

ITC's core values are aimed at developing a customer focused , high performance organization which creates values for its stakeholders .

ITC HISTORIC TIMELINE



1910

ITC was established and founded as a Private Ltd company under imperial Tabacco Co. of India Ltd on 24th August

1953

Acquirement of the manufacturing business of tobacco manufactures (India) Ltd. and renaming to India Tobacco Company



1970

The name of the Company was changed from the imperial Tabacco Co of India Ltd to India Tabacco Co. Ltd. in May

2008

Launched eco-Friendly "Paper kraft Premium Business Paper"



2017-2022

ITC contributes to achieving Swachh Bharat through initiative .With Gross sales values reaching beyond 90K cr.

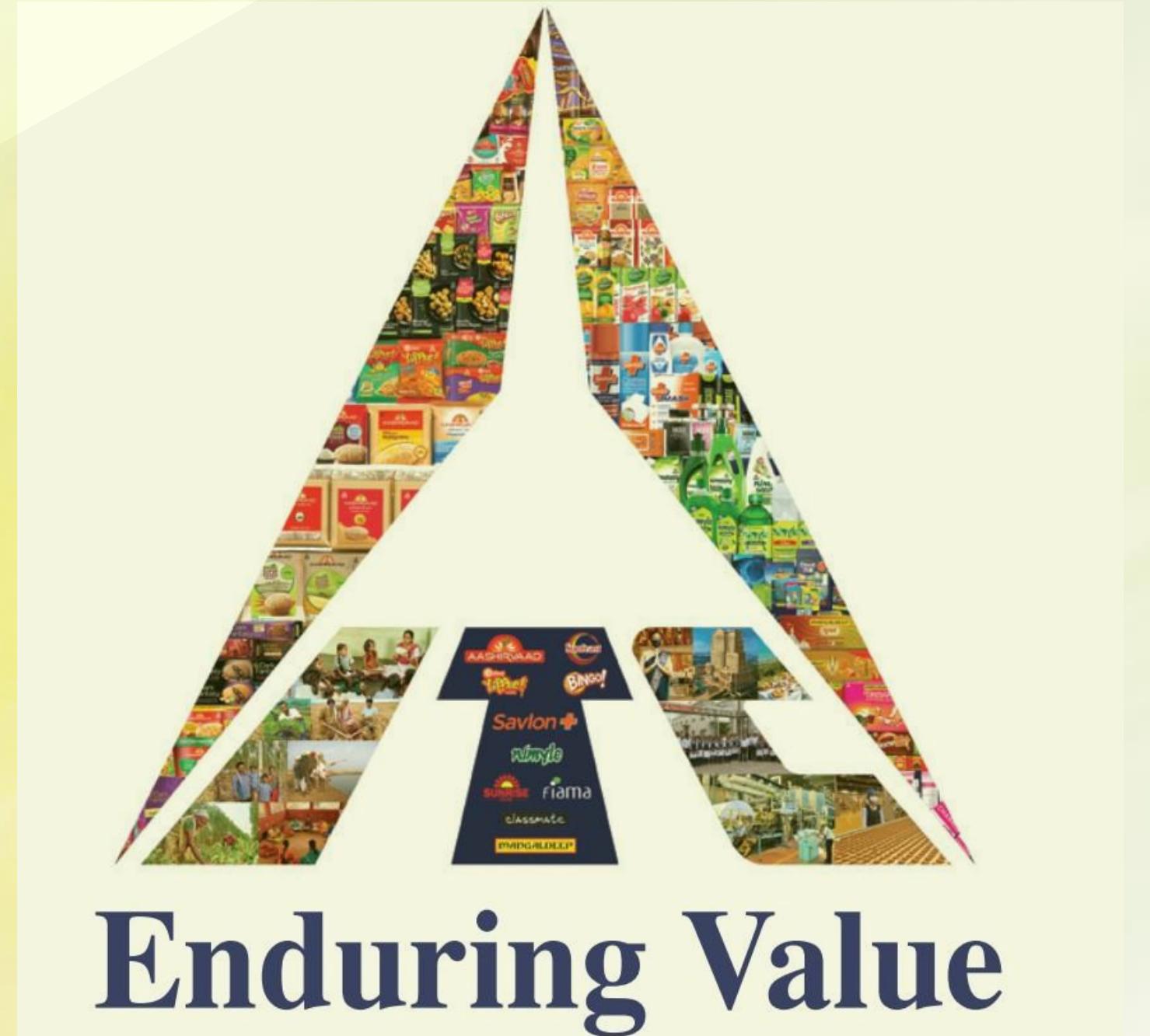


ITC LIMITED

ITC Limited has sustained its position as one of the fastest-growing FMCG businesses in the country, leveraging a robust portfolio of brands, a slew of first-to-market offers, a range of distinctive, customized products, innovation, premiumization, along with an efficient supply chain, and expanding the distribution network.

BUSINESSES:-

- **Fast Moving Consumer Goods (FMCG)**
- **Hotels**
- **Paperboards &**
- **Specialty Papers**
- **Packaging**
- **Agri-Business**
- **Information Technology**
- **Group Companies**



ITC'S WINNING BUSINESSES



FMCG Businesses

- India's Leading FMCG marketer
- 25+ Mother Brands in Foods, Personal Care Products, Education & Stationery Products, Agarbattis & Matches
- Annual consumer spending of over ₹24,000 crores
- Exporting to over 60 countries
- ITC e-Store: 45+ categories, over 700 products



Agri Business

- Powering NextGen Agriculture through value addition, digital adoption, and climate-smart agriculture
- Extensive engagement with farmers for over 100 years
- ITCMAARS*- bringing the power of digital technologies to farmers
- ITC e-Choupal has empowered 4 million farmers
- Sourcing over 4 mn tonnes of agri produce from 22 states



Paperboards & Packaging Businesses

- One of India's largest, greenest, and most technologically advanced
- The clear leader in the Value-added Paperboards segment
- Leading provider of superior value-added packaging solutions
- Anchoring local forestry value chains, empowering farmers, enhancing green cover
- Extensive use of Industry 4.0 technologies

ITC'S WINNING BUSINESSES



ITC Hotels

- A trailblazer in 'Responsible Luxury' & Sustainability
- One of India's pre-eminent hospitality chains
- 113 hotel properties in over 70 locations
- Iconic Cuisine Brands
- All luxury collection hotels are LEED® Platinum certified
- ITC Hotels and Welcomhotels have achieved the global 2030 Carbon emissions targets well ahead of time



ITC Infotech

- Wholly owned subsidiary of ITC Limited.
- Leading global technology services and solutions provider with a presence in 29 countries. Partner of choice for customers in their Digital Transformation and Software as a Service (SaaS) adoption journey
- One of the industry's largest organizations of Product Lifecycle Management services expertise

ANALYSIS OF ORGANIZATION STRUCTURE



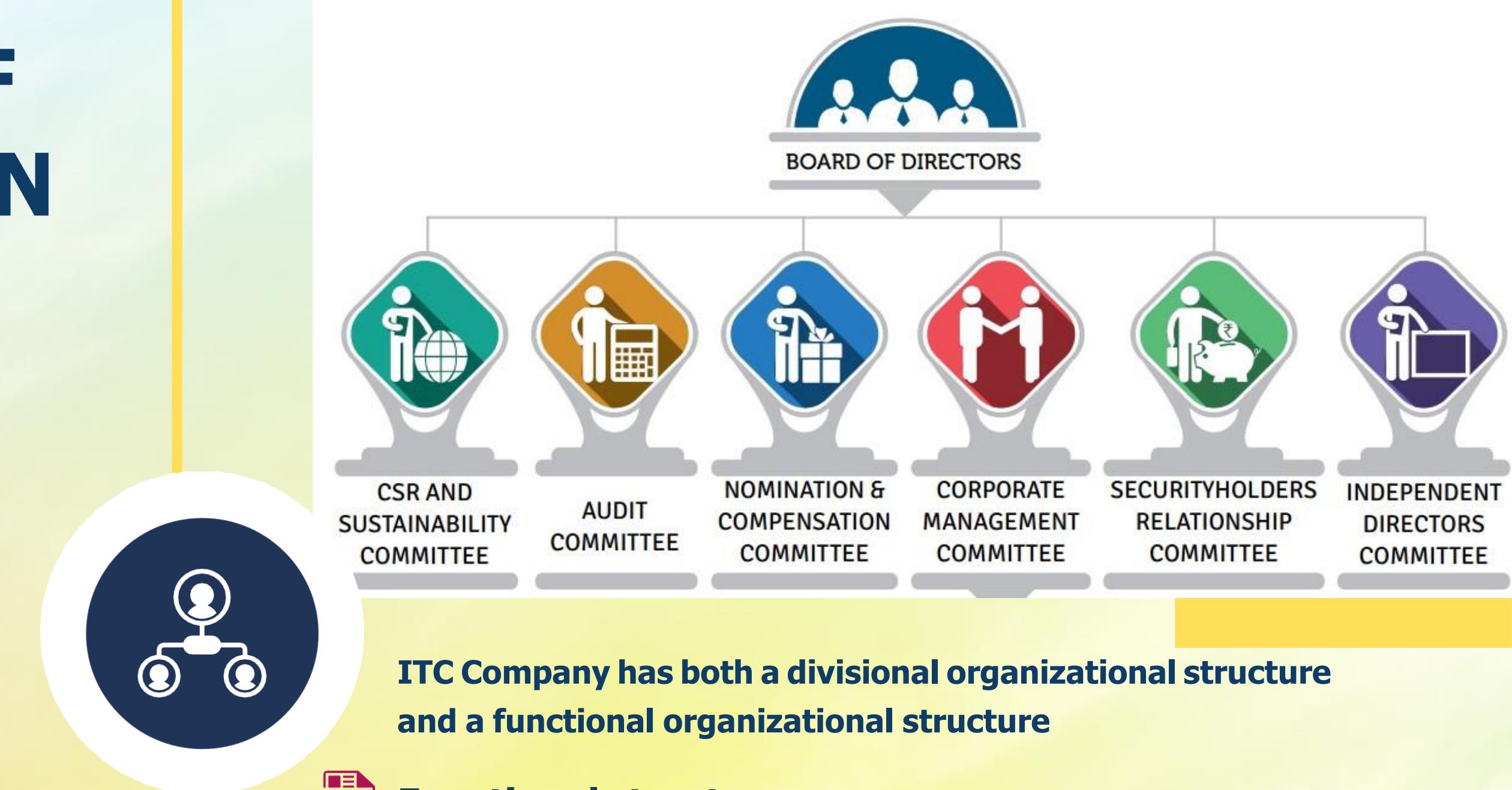
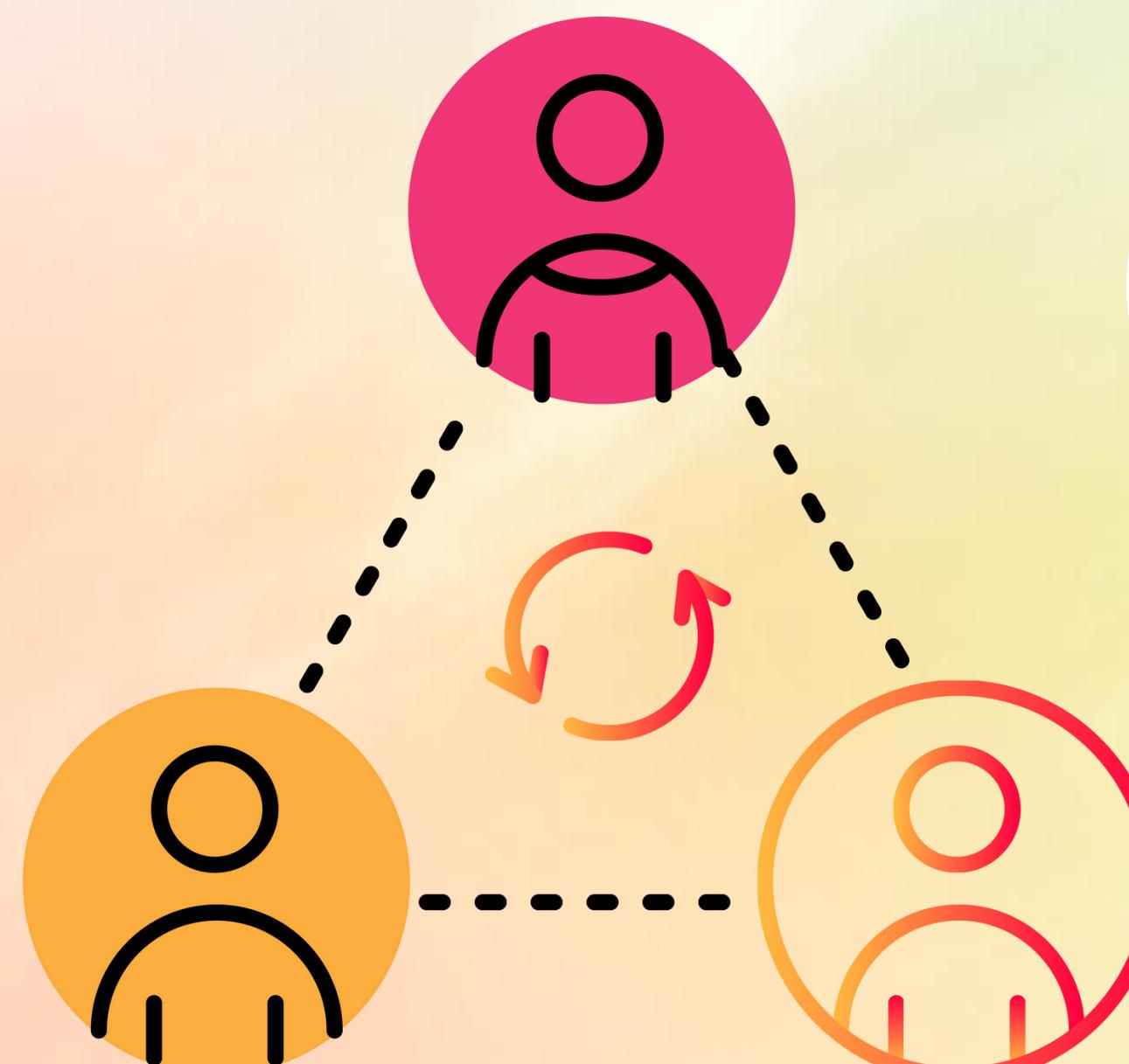
ITC Company has both a divisional organizational structure and a functional organizational structure



Divisional Structure

A divisional organizational structure gives a larger business enterprise the ability to segregate large sections of the company's business into semi-autonomous groups. These groups are mostly self-managed and focused on a narrow aspect of the company's products or services. As with any organizational structure, divisions have both strengths and weaknesses. This organization is divided on basis of products like FMCG products i.e cigarettes, life style, food, etc, the hotels sector, paper boards and packaging sector, IT sector, and agri-business.

ANALYSIS OF ORGANIZATION STRUCTURE



ITC Company has both a divisional organizational structure and a functional organizational structure



Functional structure

A functional structure is one of the most common organizational structures. Under this structure, the organization groups employees according to a specialized or similar set of roles or tasks. While functional structures operate well in stable environments where business strategies are less inclined to changes or dynamism the level of bureaucracy makes it difficult for organizations to respond to changes in the market quickly. This organization is on basis of functions like marketing, finance, sales, production, IT Department, etc.



TYPES OF JOBS IN ITC

In ITC roles can range from

- operations, maintenance, engineering, project management, and logistics. The role can involve heading a small department having 100-150 employees or managing a project involving substantial capital expenditure or managing the supply chain and logistics.



JOB DESCRIPTION



Managing Directors

The managing Director supervises and stirs all company's operations, people, and ventures in order to maintain and grow the business.



Executive Director

An executive director is a full-time director of the company's board and reports directly to the chairperson.



Independent Director

The role includes improving corporate credibility and governance standards by working as a watchdog and help in managing risk



Key consultants

Consultants help their clients achieve their business goals by providing expert advice in their field of proficiency

Board of Directors

Chairman & Managing Director

Sanjiv Puri

Executive Directors

Nakul Anand

Sumant Bhargavan

Rajiv Tandon

Non-Executive Directors

Shilabhadra Banerjee

Hemant Bhargava

Navneet Doda

Arun Duggal

Mukesh Gupta

Shyamal Mukherjee

Anand Nayak

Sunil Panray

Nirupama Rao

Ajit Kumar Seth

Meera Shankar

David Robert Simpson

Board Committees

Audit Committee

A Duggal	Chairman
S Banerjee	Member
H Bhargava	Member
S Mukherjee	Member
R Tandon	Invitee
S Dutta	Invitee
M Ganesan (Head of Internal Audit)	Invitee
Representative of the Statutory Auditors	Invitee
R K Singh	Secretary

CSR and Sustainability Committee

S Puri	Chairman
N Doda	Member
M Gupta	Member
S Panray	Member
N Rao	Member
A K Seth	Member
M Shankar	Member
D R Simpson	Member
R K Singh	Secretary

Nomination & Compensation Committee

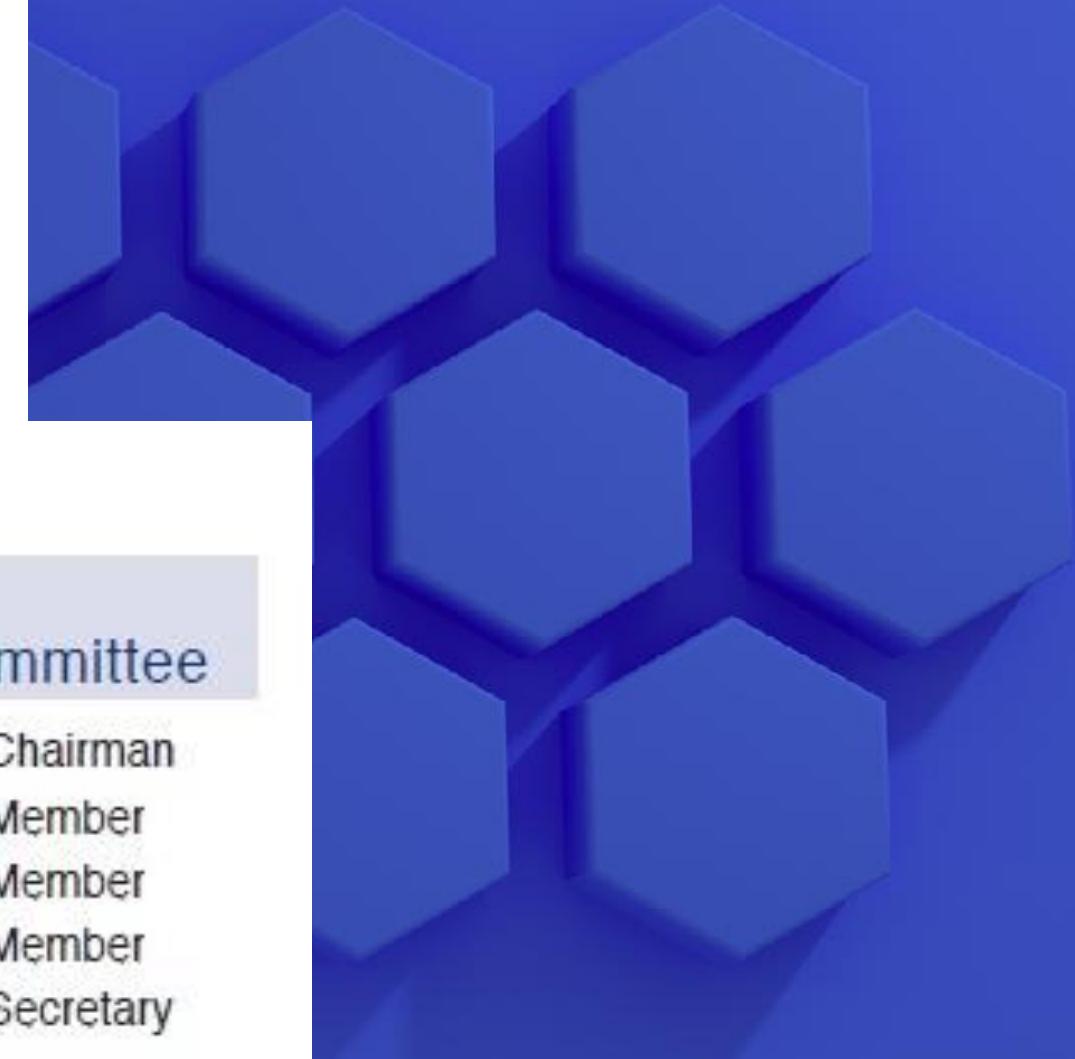
S Banerjee	Chairman
A Nayak	Member
S Puri	Member
M Shankar	Member
R K Singh	Secretary

Securityholders Relationship Committee

A Nayak	Chairman
N Doda	Member
B Sumant	Member
R Tandon	Member
R K Singh	Secretary

Independent Directors Committee

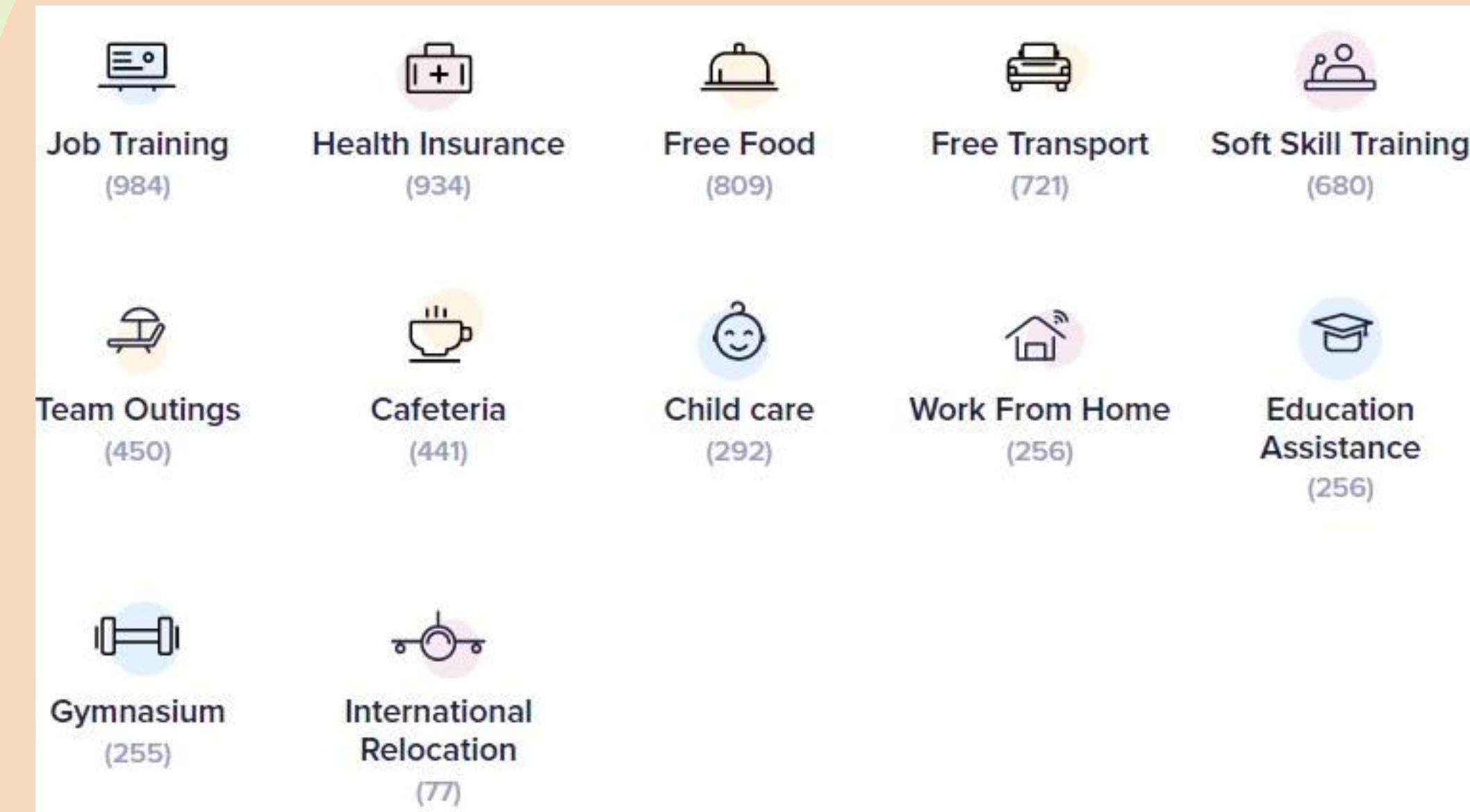
S Banerjee	Member
H Bhargava	Member
A Duggal	Member
S Mukherjee	Member
A Nayak	Member
N Rao	Member
A K Seth	Member
M Shankar	Member



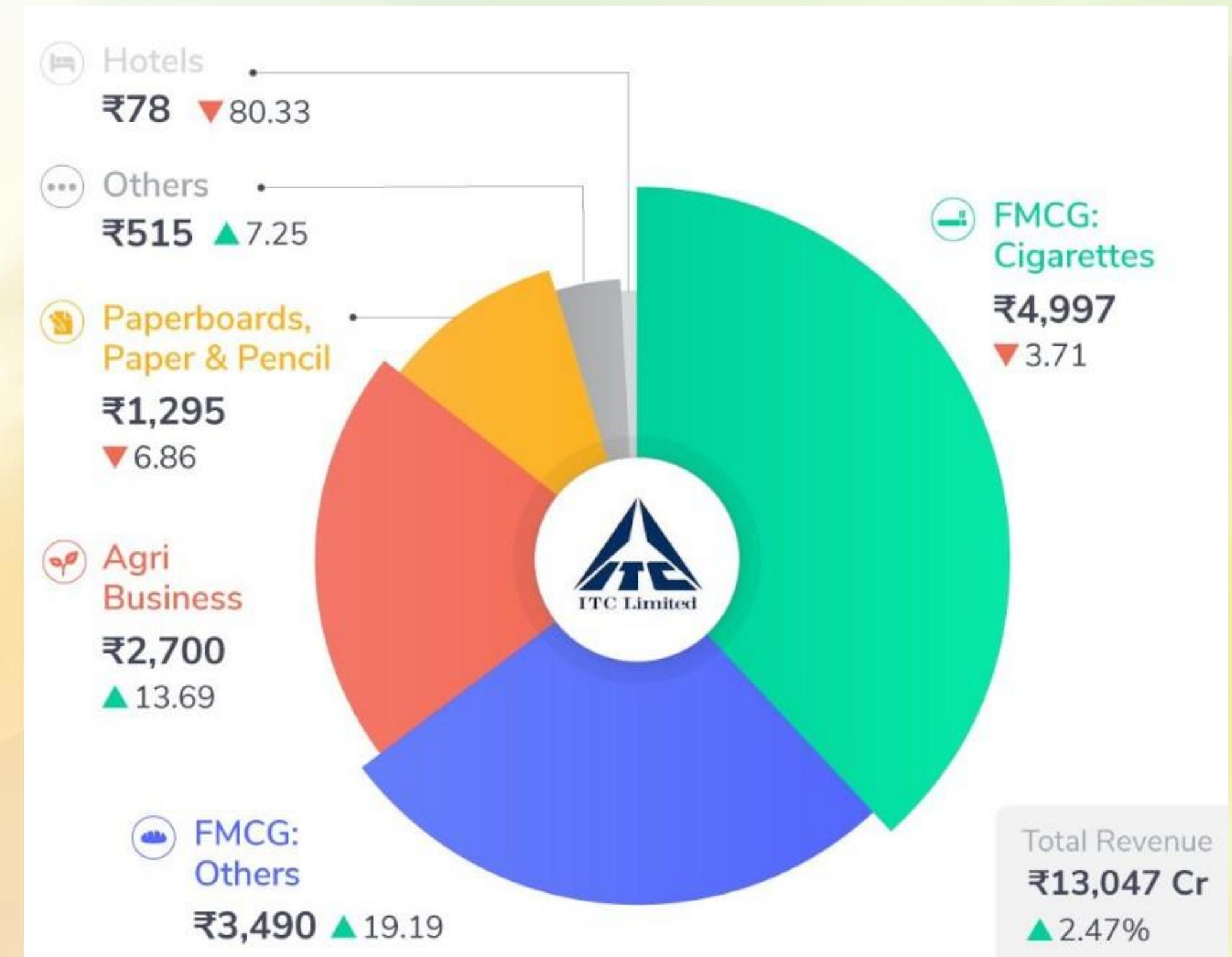


PERKS AND INCENTIVES

- ITC Limited offers excellent employee benefits that include medical insurance for employees and their families; a provident fund with employer contribution; gratuity; leave encashment facility; transportation allowance for employees working in metros; concessional loans for housing & education purposes.
- Additionally, the company also has an Employee Stock Option Scheme (ESOP) which allows its employees to purchase shares of the company at a discounted price.01:40 PM



ITC REVENUE BREAKUP



PESTEL Analysis



PESTEL Analysis

The scan of the macro-environment in which the firm operates can be expressed in terms of Political, Economic, Social, or Technological factors. The acronym PEST is used to describe a framework for the analysis of these macro-environmental factors.



POLITICAL FACTORS

may include Government Regulations, Legal issues, Freedom of Press, Regulation-de regulation trends, Likely political change, various Rules of Laws, etc.

ECONOMIC FACTORS

may include Economic growth, Inflation Rate, Interest Rate, Globalization, Labour supply, Labour Costs, likely Economic change, etc.

SOCIAL FACTORS

may include Population growth rate, age distribution, emphasis on safety, health, education, social mobility, employment patterns, lifestyle choices, etc.

TECHNOLOGICAL FACTORS

may include impact of emerging technologies, R&D activities, impact of Internet, reduced Communication costs, likely Technological changes etc

PESTEL Analysis

01

POLITICAL FACTORS

The political arena has a huge influence on the regulation of businesses and the spending power of consumers and other businesses.

Some recent Political Factors ITC had to face in some previous years are mentioned below:

- **The huge burden of VAT** – an increase in prices may affect sales.
- **Excise duty raised by union budget by 5 %**
- **Ban on communication.**
- **Luxury tax in 10 states** – making it difficult for ITC to maintain the consistency level in prices for different places.
- **Smuggling** - regarding Tobacco products.
- **100% FDI allowed** - as it will allow several Foreign Brands to enter the Indian Markets, and thus, may affect the share of ITC in the Indian Markets.

02

ECONOMIC FACTORS

Marketers need to consider the state of a trading economy in the short and long terms. This is especially true when planning for international marketing.

Some Economic Factors ITC had to face in some previous years are mentioned below:

- **Bidee : cigarette ratio = 10:1** – which means they are the producers of a very less level of tobacco products as compared to overall consumed.
- **The profit margin is high** – and thus, it will yield a higher level of returns over comparatively lesser inputs
- **India's top producer of cigarettes.** – and it can be concluded that since ITC is the leading producer of tobacco products in India, they earn a higher proportion of their income by selling these tobacco products.

03

SOCIAL FACTORS

The social influences on business vary from country to country. It is very important that such factors are considered. Envisioning a larger societal purpose has always been a hallmark of ITC.

Some Social Factors ITC had to face in some previous years are mentioned below:

- **Becoming a status symbol** – for many, intake of tobacco is a status symbol. They feel that the usage of Cigars and high-branded Cigarettes gives increases their status in the society.
- **Companions mounted by W.H.O**
- **Changing attitudes towards tobacco** – Many people are becoming aware of the ill effects of the intake of Tobacco. This may lead to the industry suffering some amount of loss in the years to come.
- **Restrictions by the government** – Several restrictions on tobacco and its advertising have made the promotion of tobacco brands almost impossible, thus leading to a decline in their sales.

04

TECHNOLOGICAL FACTORS

Technology is vital for competitive advantage and is a major driver of globalization.

IT creates new business processes or restructures the current business process to enhance customer service availability, efficient manufacturing/supply chain operations etc. Some Technological Factors affecting ITC in some previous years are listed below:

- **State-of-the-art factories**
- **Cheap labour supply** – It has often been noticed that labour is very cheap and in abundance in India.
- **Development of IQMS i.e. Innovative Quality Products and Systems.** The basic principle of ITC is to produce quality products and thus, systems are set up in order to obtain them.
- **Hardware investment** – High amount of investment is done in hardware such as large Storehouses, high shelves, etc.
- **Software investment** – such as GPS monitoring circuits, long-distance clients' landing enquiries, GIS circuit optimization, online methods of electronic clearing, etc.

SWOT ANALYSIS



Strength

- The cigarette market is 22,000 cr and ITC has the lion's share in it
- Strong brand recognition and product portfolio
- Distribution network
- Management

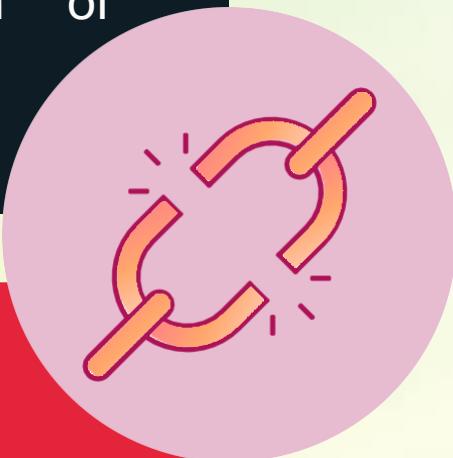


Opportunity

- Consumption of personal care products
- Rural Market
- E-Choupal
- Filter cigarettes segment of less than 60mm size

Weakness

- Dependence on tobacco revenues
- Negative Connection of Tabacco



Threat

- Competition both Domestic & International
- Increasing Tax on cigarettes
- Excise duty on unfiltered cigarettes less than 60mm in length was increased 387% last year
- Hike was 142% for those between 61mm and 70mm long
- Regulatory restriction on cigarettes
- Ban on Smoking



CSR OF ITC LIMITED

"The only company in the world to be Carbon positive, water positive & solid waste recycling positive

ENVIRONMENTAL INITIATIVES

- *Carbon Positive - 7 years in a row (sequestering/storing twice the amount of CO₂ that the company emits)*
- *Water Positive - 10 years in a row (creating/storing water 2 times through rainwater harvesting than ITC's nef consumption)*
- *Solid Waste recycling Positive - from last 5 years*

SOCIAL INITIATIVES

- *Generates livelihood for 5 million people.*
- *ITC's e - Choupal benefits over 4 million farmers*
- *ITC's Farm and forestry Initiative have greened over 125000 hectares of barren land creating 56 million person days of employment.*
- *ITC's Watershed Development program brings water to over 90000 hectares of land which are dry and water-stressed areas.*
- *Imparting education to farmers, women, children, and to other un - educated backward classes*

CSR INITIATIVE OF ITC

Social and Farm Forestry Initiative

- Over 9.5 lakh acres greened
- Carbon sequestration, top soil retention, water recharge
- Supporting about 173 million person-days of employment for rural households, including poor tribal and marginal farmers
- Agro-forestry covers over 1.78 lakh acres



Water Stewardship Mission

- Watershed development in over 1.3 million acres in 16 States
- Over 25,000 water harvesting structures built; net water storage of over 45 million CuM
- Benefitted nearly 3.9 lakh farmers
- 7.6 million person-days of employment supported
- Demand side management interventions cover about 7.3 lakh acres in 11 States



BALANCED SHEET

	Note	As at 31st March, 2022 (₹ in Crores)		As at 31st March, 2021 (₹ in Crores)	
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	13	1232.33		1230.88	
(b) Other Equity		60167.24	61399.57	57773.74	59004.62
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	14	4.54		5.28	
(ii) Lease Liabilities	15	259.79		272.36	
(iii) Other financial liabilities	16	96.50	360.83	239.35	516.99
(b) Provisions	17		186.87		157.07
(c) Deferred tax liabilities (Net)	18		1667.14	2214.84	1727.73
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	14	0.74		0.35	
(ii) Trade payables					
Total outstanding dues of micro enterprises and small enterprises			100.96		59.34
Total outstanding dues of creditors other than micro enterprises and small enterprises			4122.44		4059.97
(iii) Lease Liabilities	15	46.09		51.36	
(iv) Other financial liabilities	16	1503.59	5773.82	1247.82	5418.84
(b) Other current liabilities	19		5097.28		4369.00
(c) Provisions	17		55.60		169.05
(d) Current Tax Liabilities (Net)	20		551.39	11478.09	217.06
TOTAL EQUITY AND LIABILITIES			75092.50		71580.36

New Products



WrapWell from ITC: an eco-friendly paper for diverse packaging needs

100% food-grade paper made from virgin fibers, with a special coating to prevent oil and grease from leaking through



Cyber XL Pac: India's original Folding Box Board

Meet the Cyber XL Pac paperboard from the house of ITC's Paperboards and Specialty Papers Business



Introducing Storii by ITC Hotels

Storii by ITC Hotels is a chain of premium boutique properties, curated to offer distinctive experiences

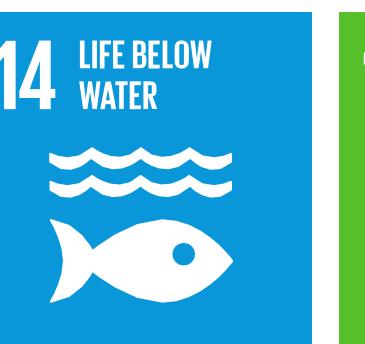
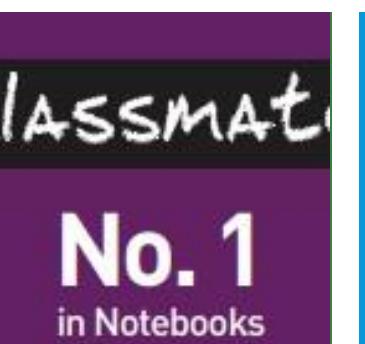
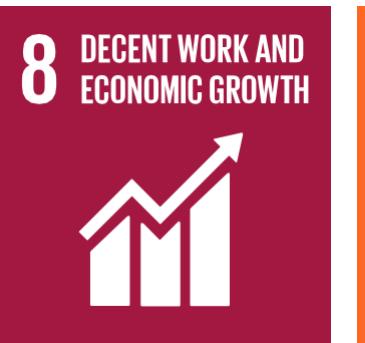
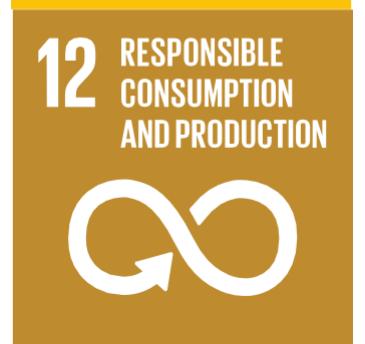


Promotional Strategy of ITC

The promotion strategy of ITC has something unique keeping in mind its brand proposition and its target audience.

- It promotes its product on various social media platforms also through print, television, and radio.
- The brand presence is well-diversified due to their extended product portfolio, they also have different brand ambassadors for different brands.
- It has implemented an aggressive marketing strategy and has taken advantage of any promotional medium available to sell its products.
- Several ad campaigns have been launched, which are seen on popular TV channels, broadcasted on the radio, and shown by hoardings. It has also roped in prominent personalities such as Kareena Kapoor and Shahrukh Khan for better visibility.

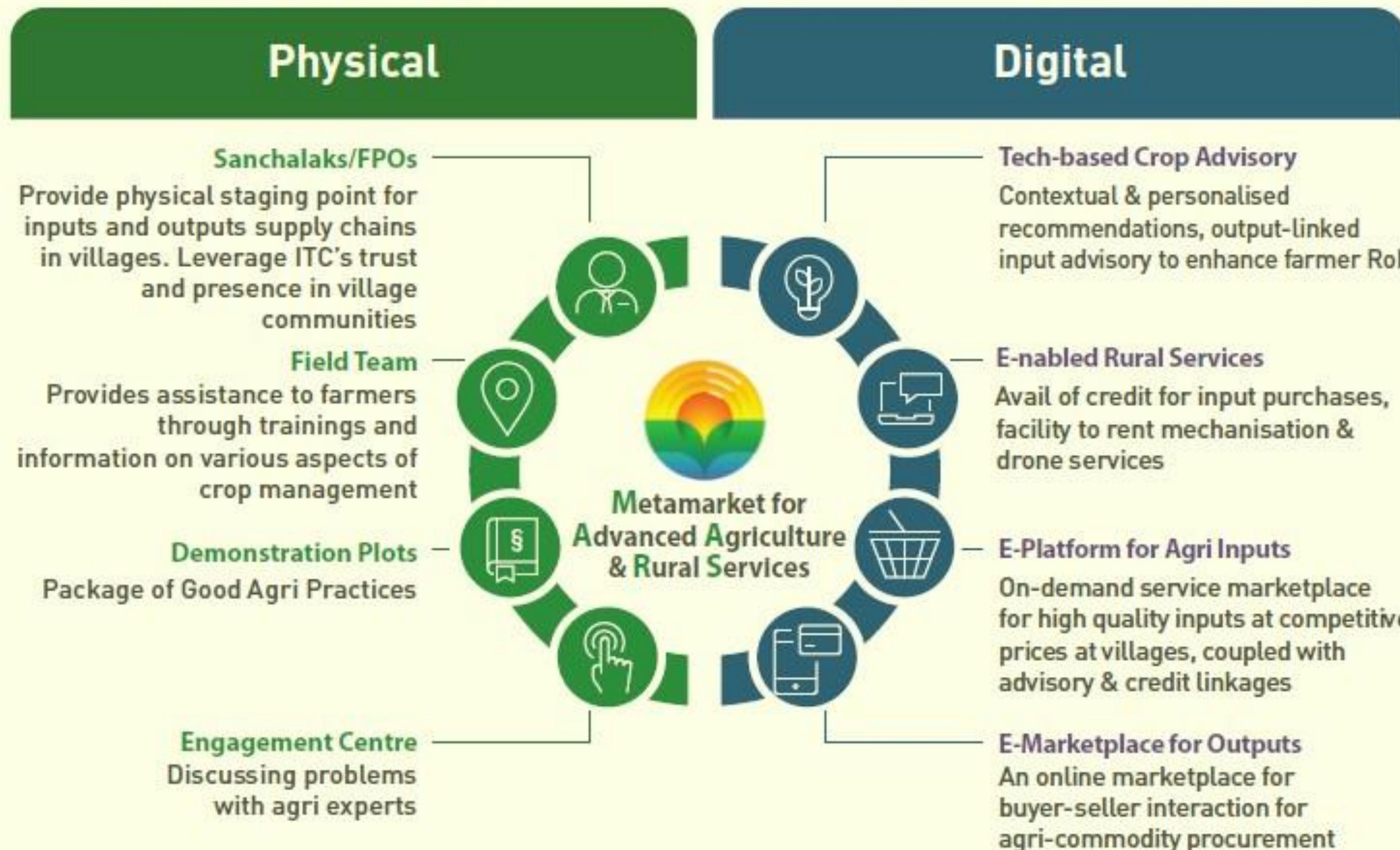
Recent Products



THE GLOBAL GOALS

Digital Empowering Farmers

ITCMAARS, a robust 'phygital' ecosystem, brings the power of cutting-edge digital technologies to India's small farmers through seamless customised solutions. The AI-powered technology platform provides personalised, hyperlocal solutions for the farmers, while the physical layer enables last-leg delivery of products and services.



IT initiatives of ITC

Some of the key IT initiatives taken to promote cashless transactions include:

- Awareness mobilization through 6 lakh SMSes sent to customers, informing them of the cashless transaction facilities and encouraging digital transactions;**
- Extensive campaign on digital payments undertaken through leaflets and in-store promotion in the form of banners and standees.**
- Digital payment modes of Paytm and BHIM have been made available in order to offer a wider choice to consumers.**
- Offer of 1% discount to customers on purchase of ITC products through cashless mode at the ITC Choupal Saagars.**
- Awareness camp conducted for over 1,000 farmers at Sehore in association with Krishi Vigyan Kendra on ease of using card-swiping machines.**



Thank You !

