



REPORT
AND
ACCOUNTS
2012

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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 globalising environment, delivering superior and sustainable stakeholder value

ITC'S FOODS BUSINESS: CREATING CONSUMER DELIGHT

ITC's Branded Packaged Foods business is one of the fastest growing foods businesses in India, driven by the market standing and consumer franchise of its seven popular brands - Aashirvaad, Sunfeast, Bingo!, Kitchens of India, mint-o, Candyman and Yippee! Over the past 5 years, the business has grown at an impressive rate faster than that of the industry.

ITC's Foods brands delight millions of households with a

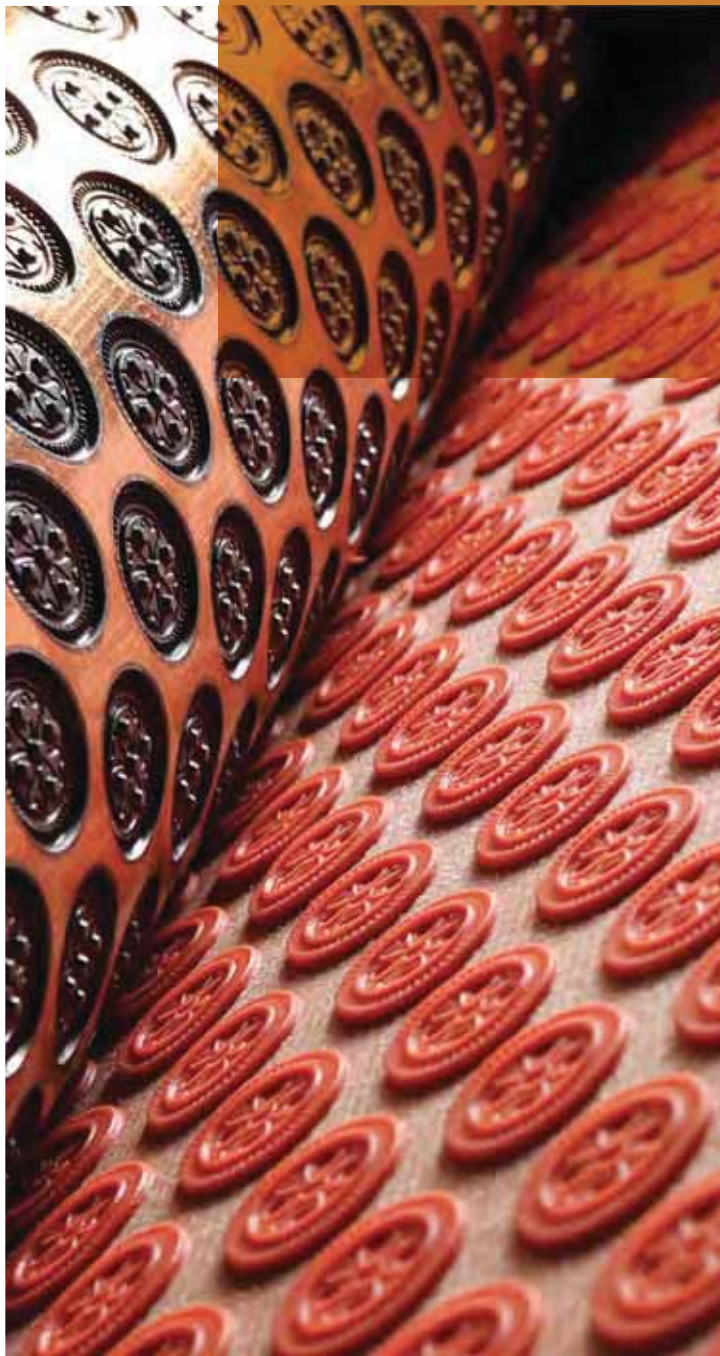
wide range of differentiated, value-added products developed by leveraging ITC's in-house R&D capabilities, relevant consumer insights, a deep understanding of the Indian palate gained from its Hotels business, its agri-sourcing & packaging strengths, exciting, innovative communication and an unmatched distribution network.

Given India's rapid economic growth and rising disposable

incomes, ITC's Branded Packaged Foods business is well-positioned to ride this boom to secure robust, long-term growth. The business continues to invest in every aspect of manufacturing, distribution and marketing to ensure that it can leverage emerging opportunities and fulfill its aspiration of being the most trusted provider of Branded Packaged Foods in the country.



CRAFTING BEST-IN-CLASS PRODUCTS



ITC's investments in state-of-the-art technology give it a competitive edge in terms of scale, world-class quality, product innovation and meeting exacting standards of food safety and hygiene. Going beyond process control, ITC ensures that quality standards are scrupulously adhered to while choosing ingredients that go into the preparation of its food products.

Automatic processes, bulk material handling systems and specific hazard mitigating equipment in production lines are some leading practices introduced by ITC's Foods business.

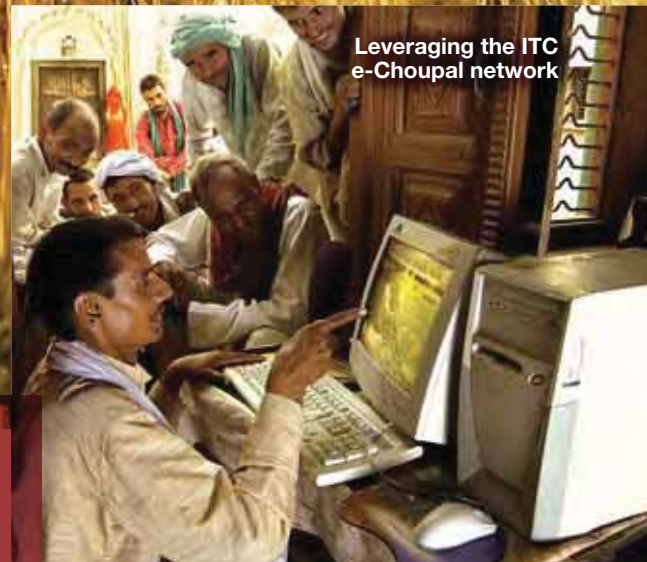
ITC's uncompromising commitment to the health and safety of its consumers ensures adherence to the highest levels of quality, safety and hygiene standards in manufacturing processes and in the supply chain. All ITC-owned manufacturing units are Hazard Analysis and Critical Control Point (HACCP) certified. The quality performance of all manufacturing units is monitored continuously online.



LEVERAGING INTERNAL COMPETENCIES



Sourcing high quality
identity-preserved agri commodity



Leveraging the ITC
e-Choupal network



Culinary insights
from ITC's
Master Chefs

ITC's Foods business has successfully blended multiple internal competencies to provide an unbeatable quality advantage to the consumer.

ITC's sourcing skills residing in its Agri business, especially the path-breaking e-Choupal initiative, impart a significant competitive advantage in procuring raw material - be it for Aashirvaad atta produced from handpicked whole wheat, quality-assured Aashirvaad spices or superior chipstock potatoes for Bingo! snack foods.

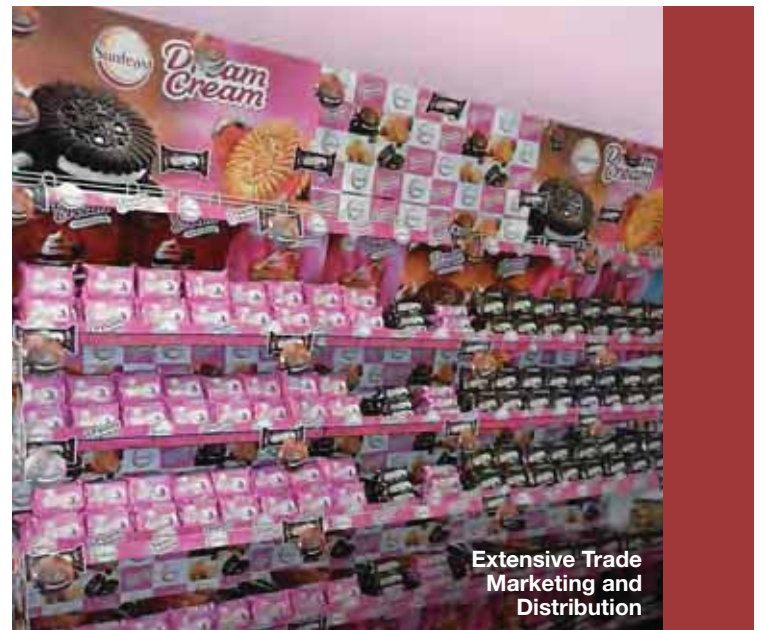
The Master Chefs of ITC Hotels bring their culinary insights, recipes and creative advice to help fashion innovative products across categories. The expertise of the Master Chefs provided ITC's Foods business the opportunity to create ready-to-eat gourmet cuisines under the 'Kitchens of India' range.

ITC's position as the first choice supplier of high-end value-added packaging enables the Foods business to gain a superior look-and-feel for both its carton box and flexible packaging.

ITC recognises the importance of winning at the first moment of truth - the point where the consumer shops for the product. Leveraging ITC's distribution strength built over 100 years, ITC's food products are now available in more than 3.2 million outlets across India. ITC's superior service to the trade ensures freshness and visibility of ITC products at all times. In view of the growing importance of modern retail in the country, ITC has forged joint business plans with most leading organised retailers in the country so that the consumer always finds ITC products in the right place at the right price.



Providing world-class
packaging solutions



Extensive Trade
Marketing and
Distribution

CREATING WORLD-CLASS BRANDS



ITC 100 Inspiring Years

India's No.1 Atta

AASHIRVAAD

India's No.1* Atta.
0% Maida. 100% Atta.

*All India (Hemant) Market Share based on Volume Basis Aashirvaad May 2012

The Foods business' marketing philosophy is based on the key principles of creating innovative products which are extremely relevant to addressing various consumer needs and providing a superior overall experience. These principles have helped the business create world-class brands which will continue to be its engines of growth and profitability.

Aashirvaad - Creating a brand in a commodity market

Through the expertise of ITC's Agri-Business, the best quality wheat is sourced and carefully

blended to create gold standard Aashirvaad atta, making it India's No.1 packaged atta brand. In keeping with the trends of the continuously evolving Indian market, the Aashirvaad brand has been extended to two new variants – Aashirvaad with multigrains caters to the need of the health conscious consumers and Aashirvaad Select made fully from the finest Sharbati grains addresses the need of consumers who seek only the best.

Aashirvaad also spans the product categories of Ready to Eat, Instant Mixes, Salt and Spices.



Sunfeast - Delighting the Indian palate

Sunfeast straddles all segments of the market led by Dark Fantasy at the premium end. High quality married with exciting innovations has helped drive this category. Dark Fantasy Choco Fills has wowed the Indian consumer with its innovative centre-filled format and high-quality packaging.

In addition, the launch of the Dream Cream range of biscuits in two exciting and innovative dual cream formats further reinforces ITC's commitment to continuously delight the consumer.



Bingo!: Irresistible tastes & combinations in snacking

In less than five years of gaining an all-India presence, the Bingo! range of snacks in four formats and over 15 flavours, has been a resounding success with Indian consumers. Today Bingo! stands for some of the

tastiest products in potato chips and finger snacks. Innovative first-to-market formats like Mad Angles and Tangles have gained significant traction with consumers.



Yippee! and Pasta Treat: Winning Hearts

Launched in September, 2010, Yippee! has won the hearts of Indian families who love the innovative round block, long, slurpy and non-sticky noodles available in two Masala flavours, making the brand immensely popular in a short period of time. ITC has also pioneered the introduction of Instant Pasta in the country with six delicious flavours.