



Business-friendly Solutions

**Report and Accounts 2020**

# ITC INFOTECH INDIA LTD

## Board of Directors

### Chairman & Non-Executive Director

Mr. S Puri (DIN:00280529)

### Vice Chairman & Non-Executive Director

Mr. S Sivakumar (DIN:00341392)

### Managing Director & Chief Executive Officer

Mr. S Singh (DIN:08345392)

### Non-Executive Directors

Mr. R Tandon (DIN:00042227)

Mr. B B Chatterjee (DIN:00045140)

Mr. P Chatterjee (DIN: 00042208)

Ms. S G Mukherjee (DIN: 08069509)

## Board Committees

### Audit Committee

Mr. R Tandon	Chairman
Mr. B B Chatterjee	Member
Mr. P Chatterjee	Member
Mr. S Singh	Invitee
Mr. R Batra	Invitee
Mr. S V Shah	Secretary

### Nomination and Remuneration Committee

Mr. S Sivakumar	Chairman
Mr. B B Chatterjee	Member
Mr. P Chatterjee	Member

### Corporate Social Responsibility Committee

Mr. S Sivakumar	Chairman
Mr. B B Chatterjee	Member
Mr. P Chatterjee	Member
Mr. S V Shah	Secretary

### Executive Management Committee

Mr. S Singh	Chairperson
Mr. R Batra	Member
Ms. S Burman	Member
Mr. S V Shah	Member & Secretary

### Chief Financial Officer

Mr. R Batra

### Company Secretary

Mr. S V Shah

### Statutory Auditors

Deloitte Haskins & Sells LLP,  
Chartered Accountants

### Registered Office

Virginia House  
37 Jawaharlal Nehru Road,  
Kolkata 700 071, West Bengal, India  
Telephone no.: 033 2288 9371  
**CIN : U65991WB1996PLC077341**  
**Website : [www.itcinfotech.com](http://www.itcinfotech.com)**  
**Email: [secretarial.i3l@itcinfotech.com](mailto:secretarial.i3l@itcinfotech.com)**



ITC Infotech's headquarters in Bengaluru is a lush green campus, dotted by 100 year old trees adding to the verdant vibrant environment.



Learning & Capability Building is a way of life at ITC Infotech, helping build technology leaders of tomorrow. This bell outside 'Epicenter' - the Learning Center at ITC Infotech signifies the Company's commitment to continuous development.

## REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020

Your Directors submit their Report for the financial year ended 31st March, 2020.

### FINANCIAL RESULTS

Your Company's consolidated and standalone financial results for the year under review are provided below:

Year Ended March 31,	Consolidated(*) ₹ (crores)		Standalone ₹ (crores)	
	2020	2019	2020	2019
Total Income	2268.63	2019.91	1560.77	1238.71
Total Expenses	1980.29	1864.51	1294.44	1116.39
Profit before Tax	288.34	155.40	266.33	122.32
Tax Expenses	78.87	51.50	71.64	45.86
Profit after Tax	209.47	103.90	194.69	76.46

(\*) including the financial results of ITC Infotech Limited (Infotech UK) and ITC Infotech (USA), Inc. (Infotech USA), wholly owned subsidiaries of your Company, and Indivate Inc., a wholly owned subsidiary of Infotech USA.

### DIVIDEND

Your Directors are pleased to recommend the interim dividend of ₹ 11.75 (2019: ₹ 8.25) per Equity Share of ₹ 10/- each on 8,52,00,000 Equity shares, aggregating ₹ 100,11,00,000/- (Rupees One Hundred Crores Eleven lakhs only), declared by the Board of Directors on 23rd March, 2020, as the final dividend for the financial year ended 31st March, 2020.

### BUSINESS REVIEW

The Indian IT Services and Business Process Management (BPM) industry grew by 7.7% in dollar terms in 2019-20, according to NASSCOM estimates.

The year 2019-20 saw a continuation of key trends from the prior year on technology buying patterns of Enterprise clients and consequently on how IT Service providers are adapting themselves. Globally, Enterprise clients across Industry verticals have increased the mainstreaming of digital technologies such as Data analytics, Artificial Intelligence and Cloud-based application platforms and infrastructure to deliver business impact along the dimensions of augmenting revenue streams, increasing operational agility and enhancing customer experience. In this regard, clients are increasingly preferring to work with technology providers who not only can provide expertise in these technologies but also bring sufficient understanding of their domains to deliver this business impact. Clients are also accelerating the use of Automation to optimize resources in technology areas that are involved in providing business as usual services such as application maintenance and support. In this regard, the IT Service providers are continuing to strengthen their capabilities in these digital technology areas of Automation, Data and analytics and Cloud through organic investments and through inorganic interventions such as M&A and partnerships with Independent Software Vendors (ISVs) and startups. Increasing on-site and near shore presence and investments in re-skilling employees in digital technologies have also been key areas of focus of IT Service providers.

In this context, your Company's focus on providing Business friendly solutions to customers in select industry verticals and technology areas has yielded strong revenue growth in 2019-20. Your Company's growth was fuelled by best-in-class double digit growth in the Rest of the World (RoW) geography which was well supplemented by good growth in the mature markets of USA and Europe. Growth in these markets was driven by strong deal wins seen in existing large accounts. Your Company saw good demand in areas such as GIC Services, Data and analytics, Application development and maintenance and Infrastructure services. During the year, your Company also forged new partnerships and strengthened existing partnerships with ISVs and startups in areas such as Automation, Data analytics and Loyalty.

During the year, your Company's consolidated Revenue from Operations was ₹ 2268.63 crores (previous year ₹ 2019.91 crores), representing a growth of 12%, with Profit Before Tax of ₹ 288.34 crores (previous year ₹ 155.40 crores). Net Profit stood at ₹ 209.47 crores (previous year ₹ 103.90 crores).

Your Company's superior service delivery and technology capabilities continue to earn global recognition. During the year, your Company was recognised in the 'Disruptors' category in Avasant's Intelligent Automation RadarView 2019 report amongst the Top 24 service providers globally and was also featured in Gartner's report on Robotic Process Automation Service Providers. In 2019-20, your Company was awarded "Best of The Global Outsourcing 100" service providers by International Association of Outsourcing Professionals (IAOP) and was also featured as a 'Leader' in their 'Global Outsourcing 100' report.

Recent developments because of the COVID-19 pandemic have resulted in significant macro-economic uncertainty for 2020-21. The lockdown and other restrictions imposed by governments across the globe to contain the spread of the virus has had significant impact on the operations of some of your Company's clients in sectors such as Travel and Hospitality. Your Company has taken and will continue to take all necessary and proactive steps to seamlessly deliver services to the Company's clients, while keeping the well-being of employees of the Company at the center of the business dynamics. In addition, your Company is focused on minimizing the impact of COVID-19 on the Company's performance in 2020-21, by focusing more on the segments of the business, across service lines and Industry verticals, that hold promise in the COVID-19 context.

### WHOLLY OWNED SUBSIDIARY COMPANIES

The statement in Form AOC-1 containing the salient features of the financial statements of Infotech UK and Infotech USA, wholly owned subsidiaries of your Company, and Indivate Inc., a wholly owned subsidiary of Infotech USA, for the financial year 2019-20 is attached to the Financial Statements of the Company.

The highlights of performance of the subsidiaries of your Company and their contribution to the overall performance of your Company during the year under review are set out below:

Company	Revenue		Net Profit	
	2019-20	2018-19	2019-20	2018-19
Infotech UK (in GBP million)	49.82	49.11	1.23	1.57
Infotech USA(#) (in US \$ million)	105.12	96.46	3.28	3.65
Indivate Inc. (in US \$ million)	0.50	0.52	0.03	0.03

# for the year under review, Infotech USA declared and paid a dividend of US\$ 11 per share (previous year: US\$ 10 per share) on 1,82,000 Common Shares-without par value aggregating US\$ 2.002 million (previous year: US\$ 1.82 million).

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Changes in Directors and Key Managerial Personnel during the year

Mr. Yogesh Chander Deveshwar, Chairman and Non-Executive Director of the Company, passed away on 11th May, 2019. Your Directors express their sincere condolences on the demise of Mr. Deveshwar and place on record their deep appreciation for his legendary stewardship of the Company.

The Board of Directors, pursuant to Article 157 of the Articles of Association of the Company, appointed Mr. Sanjiv Puri, Sr. Vice Chairman and Non-Executive Director, as the Chairman of your Company with effect from 17th May, 2019.

Ms. Sheela Gopalakrishna Mukherjee was appointed, with your approval, as Non-Executive Director of the Company, liable to retire by rotation, for a period of three years with effect from 16th September, 2019.

#### Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 (the Act) read with Articles 143-145 of the Articles of Association of the Company, Mr. Rajiv Tandon (DIN: 00042227) and Mr. Sanjiv Puri (DIN: 00280529) will retire by rotation at the ensuing Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

### BOARD COMMITTEES

Currently, there are three Board Committees – the Audit Committee, the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee. The Terms of Reference of the Board Committees

are determined by the Board from time to time. Meetings of the Board Committees are convened by the respective Committee Chairman. Matters requiring the Board's attention / approval, as emanating from the Board Committee meetings, are placed before the Board.

The composition of the Board Committees is provided below:

#### Audit Committee

The Audit Committee of your Company comprises Mr. R. Tandon (Chairman of the Committee), Mr. B. B. Chatterjee and Mr. P. Chatterjee. The Managing Director and the Chief Financial Officer are Invitees to the Committee. The Company Secretary serves as the Secretary to the Committee.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee of your Company comprises Mr. S. Sivakumar (Chairman of the Committee), Mr. B. B. Chatterjee and Mr. P. Chatterjee.

#### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of your Company comprises Mr. S. Sivakumar (Chairman of the Committee), Mr. B. B. Chatterjee and Mr. P. Chatterjee. The Managing Director and the Chief Financial Officer are Invitees to the Committee. The Company Secretary serves as the Secretary to the Committee.

#### BOARD / BOARD COMMITTEE MEETINGS

The number of Meetings of the Board/Board Committees held during the year under review:

	No. of meetings held
Board	6
Audit Committee	5
Nomination and Remuneration Committee	3
Corporate Social Responsibility Committee	1

#### ATTRIBUTES, QUALIFICATIONS AND APPOINTMENT OF DIRECTORS

As reported in previous years, the Nomination and Remuneration Committee adopted the attributes and qualifications as provided in Section 149(6) of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the extent applicable to Directors of the Company.

All the Non-Executive Directors of your Company are liable to retire by rotation, one-third of whom retire every year and are eligible for re-election. All the Non-Executive Directors are / were executives / directors of ITC Limited, the Holding Company, and fulfil the fit and proper criteria for appointment as Directors.

#### BOARD EVALUATION

The Board carried out for the year under review an evaluation of its own performance and that of the individual Directors and functioning of the Board Committees as required under the Act based on the criteria approved by the Nomination and Remuneration Committee. Reports on functioning of the Board Committees were placed before the Board by the respective Committee Chairman.

#### REMUNERATION POLICY

The Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other employees of your Company is available on Company's website and can be accessed at <https://www.itcinfotech.com/wp-content/uploads/2018/08/Remuneration-Policy-ITC-Infotech.pdf>.

The salient features of the Policy, which remained unchanged during the year, are as below:

Remuneration practices in the Company are designed so as to align each employee with ITC Infotech's superordinate goal of enhancing value creation and to enable a congruence between individual aspirations and the Company's vision. The remuneration practices will continue to be anchored on the principles of fairness, equity and consistency and will be free of discrimination.

The Company's Remuneration Policy, inter alia, provides:

1. To ensure that the Remuneration practices support and encourage meritocracy.

2. To ensure that Remuneration is market-led and takes into account the competitive context of the business.
3. To leverage Remuneration as an effective instrument to enhance performance and therefore to link remuneration to both individual and collective performance outcomes.
4. To design Remuneration practices such that they reinforce the Company's values and culture and creates an organisation that is an Employer of Choice.

#### RISK MANAGEMENT

Your Company's Risk Management Policy and Framework is designed to bring robustness to the risk management processes within the Company and to address risks intrinsic to operations, financials and compliances arising out of the overall strategy of the Company.

Management of risks vests with the executive management responsible for the day-to-day conduct of the affairs of your Company. The Internal Audit Department of ITC Limited, as the Internal Auditors of your Company, periodically carries out risk focused audits which lead to identification of areas where risk management processes need to be strengthened. Further, the Corporate Audit Department of your Company, comprising identified managers, verifies compliance with laid down policies and procedures, and helps plug control gaps in the formulation of control procedures for newer areas of operation; their reports are provided to the Internal Auditors to enable a holistic approach to audit.

Management provides an annual update to the Audit Committee on the effectiveness of the Company's risk management systems and policies. The Audit Committee evaluates the effectiveness of risk management systems and provides reassurance to the Board.

#### INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to the financial statements, commensurate with its size and scale of operations. The Internal Auditors evaluate the adequacy and efficacy of such internal financial controls. The Audit Committee provides guidance on internal controls, reviews internal audit findings and ensures that the internal audit recommendations are implemented.

During the year under review, no reportable material weakness in the design or operation of the internal financial controls in the Company was observed. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations. Therefore, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Annual Report on CSR activities of your Company as required under Section 134(3)(o) read with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, is provided in **Annexure 1** to this Report.

#### OTHER INFORMATION

##### I. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

Considering that your Company is in the business of providing information technology services and solutions, no comment is required on conservation of energy and technology absorption.

Your Company being a software solution provider requires minimal energy consumption and every endeavour has been made to ensure the optimal use of energy.

During the year under review, your Company has ensured effective recycling of waste paper translating to saving 28 trees, 34 KL of water, 588 units of energy, and 1.4 cubic meters in landfill space.

##### II. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of your Company during the year were ₹ 105,988/- lakhs (previous year - ₹ 82,346/- lakhs) while the outgoings were ₹ 19,168/- lakhs (previous year - ₹ 16,588/- lakhs).

##### III. PARTICULARS OF EMPLOYEES

The particulars of employees pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure 2** to this Report.

**IV. EXTRACT OF ANNUAL RETURN**

As per provisions of Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, the extract of the Annual Return in the Form MGT-9 is given in **Annexure 3**, forming part of this Report. The same is available on Company's website and can be accessed at <https://www.itcinfotech.com/docs/resources/Form-MGT-9.pdf>.

**V. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, your Company has not given any loans, guarantees or made any investment under Section 186 of the Act.

**VI. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

The details of material transaction(s) entered into by your Company with its related party(ies) are provided in **Annexure 4** (AOC-2) to this Report. For this purpose, a transaction with a related party is considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the revenue from operations of the Company, as per its latest audited financial statements or ₹ 5000 lakhs, whichever is lower.

**VII. COST RECORDS**

Your Company, being in the business of providing information technology services and solutions, is not required to maintain cost records, as specified by the Central Government under sub-section (1) of Section 148 of the Act.

**DIRECTORS' RESPONSIBILITY STATEMENT**

To the best of knowledge and belief and according to the information and explanations obtained, your Directors, in terms of Sections 134(3)(c) and 134(5) of the Act, confirm having:

- i. followed in the preparation of the Financial Statements for the financial year ended 31st March, 2020, the applicable accounting standards along with proper explanation relating to material departures, if any;
- ii. selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- iv. prepared the Financial Statements for the financial year ended 31st March, 2020, on a going concern basis, and
- v. devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

**AUDITORS****(a) Statutory Auditors**

Your Company's Auditors Messrs. Deloitte Haskins & Sells LLP, Firm Registration Number 117366W/W-100018 (DHS), Chartered Accountants, were appointed at the 21st Annual General Meeting held on 28th July, 2017, for a period of 5 (five) years to hold office until the conclusion of the 26th Annual General Meeting.

The Board, in terms of Section 142 of the Act and on the recommendation of the Audit Committee, has recommended for the approval of the Members the remuneration to DHS to conduct the audit of the Standalone Financial Statements and Consolidated Financial Statements for the financial year 2020-21.

Appropriate resolution seeking your approval in respect of the remuneration to DHS is included in the Notice convening the AGM.

**(b) Secretarial Auditor**

The existing Secretarial Auditors, Messrs. K. Dushyantha & Associates have undertaken audit for five financial years. In terms of the Company's policy on rotation of Secretarial Auditors, your Board appointed Ms. Medha Gokhale, CP No.-15494, Practising Company Secretary, to conduct the secretarial audit of your Company for the financial year ended 31st March, 2020. The report of Ms. Medha Gokhale, in terms of Section 204 of the Act is provided in **Annexure 5** to this Report.

**SECRETARIAL STANDARDS**

Your Company has complied with the requirements of the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

**DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Your Company does not tolerate any sexual harassment at the workplace. In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules thereunder, the Company has in place an Internal Complaints Committee for conducting inquiry into the complaints received on harassments at the workplace.

During the year under review, three complaints were received by the Internal Complaints Committee and all three have been investigated and dealt with.

**ACKNOWLEDGEMENTS**

Your Directors thank the customers and vendors for their continued support. Your Directors place on record their appreciation of the vital contribution made by employees at all levels and their unstinted support, hard work, solidarity and co-operation.

**On behalf of the Board**

**S. Sivakumar**  
Vice Chairman  
Hyderabad

**S. Singh**  
Managing Director  
Bengaluru

Date: 18th June, 2020

**ANNEXURE 1 TO THE REPORT OF THE BOARD OF DIRECTORS  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

**Annual Report on CSR Activities of the Company for the financial year ended 31st March, 2020**

[Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	ITC Infotech India Limited (ITC Infotech) being a wholly owned subsidiary of ITC Limited (ITC) will discharge its corporate social responsibility by aligning itself with the Corporate Social Responsibility (CSR) Policy of ITC.  The Company will: ✓ undertake CSR activities in areas or subjects specified in Schedule VII of the Companies Act, 2013 (Act); ✓ undertake CSR activities through a registered trust or a registered society or a company established under Section 8 of the Act by ITC; ✓ contribute to the Corpus of a registered trust or a registered society or a company established under Section 8 of the Act by ITC where (i) such trust / society / company is created exclusively for undertaking CSR activities or (ii) where the Corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act, and ✓ collaborate with ITC for undertaking CSR activities.  CSR Policy is also available on the Company's website at : <a href="https://www.itcinfotech.com/wp-content/uploads/2018/05/corporate-socialresponsibility-policy.pdf">https://www.itcinfotech.com/wp-content/uploads/2018/05/corporate-socialresponsibility-policy.pdf</a>
2.	Composition of the CSR Committee	Mr. S. Sivakumar (Chairman of the Committee) Mr. B. B. Chatterjee Mr. P. Chatterjee
3.	Average net profits of the Company for last three financial years	₹ 605,036,891/-
4.	Prescribed CSR Expenditure (two percent of the amount stated under 3 above)	₹ 12,100,738/-
5.	Details of CSR spent during the financial year (a) Total amount to be spent for the financial year (b) Amount unspent, if any (c) Manner in which the amount spent during the financial year is detailed below:	₹ 122 lakhs NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Contribution to the Corpus of ITC Education Trust, Kolkata	Advancement and Promotion of General Education [covered under Clause (ii) of Schedule VII to the Companies Act, 2013].	N.A	₹ 122 lakhs	₹ 122 lakhs	₹ 122 lakhs	Implementing Agency – ITC Education Trust, Kolkata

The CSR Committee of the Board has confirmed that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and Policy of the Company.

Date: 18th June, 2020

**S. Sivakumar**  
Chairman - CSR Committee  
Hyderabad

**S. Singh**  
Managing Director  
Bengaluru

**ANNEXURE 2 TO THE REPORT OF THE BOARD OF DIRECTORS  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Top ten employees in terms of remuneration drawn.								
Name	Age	Designation	Gross Remuneration ₹	Net Remuneration ₹	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
KUMAR VISHAL #	49	President - ROW	53277193	53277193	B.E.	27	13-Jan-03	PSI Data Systems Ltd. Sales & Marketing Manager
SREENIVASAN. V (retired during the year)	57	President - IT Services	19178067	12493467	M.TECH.	35	1-Oct-00	ITC Ltd., Head Software Development Centre
KSHETRAPAL ADITYA	43	Vice President - Business Development	18471060	11877684	M.B.A.	19	10-Nov-14	Cappgemini India Private Ltd. Senior Manager
SINGH SUDIP	47	Managing Director & Chief Executive Officer	18080524	9384973	M.B.A.	22	28-Jan-19	Infosys Ltd. Global Industry Head - Energy, Utilities, Resources & Services Segment
OCHANI ANUP #	43	General Manager - Business Development	17359438	17359438	B.E.	22	12-Nov-07	Aptiva Consulting Project Manager
BATRA RAKESH ###	56	Chief Financial Officer	15453218	7286767	B.COM(H), FCA	34	1-Sep-06	-
PARALIKAR SALIL RAJEEV #	43	General Manager - Business Development	14804995	9863285	B.TECH.	21	19-Nov-09	Wipro Project Manager
VENKATRAMAN SRINIVAS ##	40	General Manager - Business Development	14621556	8264115	B.E.	19	1-Oct-14	Suntec Business Solutions Sales Director
RAO KOVVURU VISHAL # (separated from the services of the Company)	40	General Manager - Business Development	13846441	9180661	M.B.A.	17	15-Dec-10	Invest Northern Ireland Director Business Development
AKHAURY UMANG #	38	Senior Manager - Business Development	12751922	7205793	M.B.A.	13	08-Nov-15	Tata Consultancy Services Business Development Manager
Other employees employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/-or more per annum								
Name	Age	Designation / Nature of Duties	Gross Remuneration ₹	Net Remuneration ₹	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
MALHOTRA HIMANSHU #	35	Senior Manager - Business Development	12464303	12464303	B.TECH.	12	14-Feb-08	-
SEN ARIJEET ##	37	General Manager - Business Development	12054616	7907505	M.B.A.	15	01-Nov-16	Larsen & Toubro Technology Services Ltd. Senior Business Development Manager
AKHTAR SHARIB #	42	Senior Manager - Business Development	11818684	11818684	M.B.A.	17	01-Mar-13	JP Morgan Chase Associate Program Manager
CHATTERJEE DEBASISH	50	Senior Vice President -Digital Experience	11464087	7421541	M.S	25	26-Sep-16	Value Labs Vice President - Digital Solutions
ALUVALA VEMENDER	33	Manager - Business Development	11444293	7631857	M.B.A.	10	04-Feb-16	Infinite Computer Solutions Assistant Manager
PATNI MUDIT ##	39	General Manager - Business Development	11144008	7625781	PGDM	16	01-Feb-19	Rockwell Automation Business Development Manager
AGARWAL VINEET #	42	Senior Manager - Business Development	11092781	11092781	M.B.A.	21	24-Oct-12	Infogain Senior Manager Business Development
KUMAR SANDEEP	49	Senior Vice President - IT Services	11071595	7070798	M.B.A.	24	26-Mar-12	Infosys, Industry Principal
KUMAR SINHA PANKAJ #	48	Senior Manager - Business Development	11030115	6406261	M.B.A.	20	11-Apr-13	Interlec Systems LLC Major Account Manager
RAJESH B.A.B #	52	General Manager - IT Services	10949758	7240501	B.Sc.	28	12-Jan-10	Bristlecone India Ltd. Manager - Delivery
VEDANTH SHARMA GAURAV #	36	Senior Account Manager	10595372	6949887	M.B.A.	13	02-May-12	HCL Manager
NATU PRASAD	52	Senior Vice President - IT Services	10503181	6784327	B.Sc.	30	06-Nov-02	MPHASIS BFL LTD Manager - Business Development



Other employees employed for a part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- or more per month

Name	Age	Designation	Gross Remuneration ₹	Net Remuneration ₹	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
TALWAR ANAND	61	Senior Vice President	10339686	6049657	M.B.A.	35	9-Apr-01	Reliance Telecom Ltd Vice President - HRM
S.G VENKATESH	50	Senior Vice President - IT Services	9641519	6401901	M.B.A.	27	26-Sep-16	Infosys Associate Project Manager
RANADE AJIT ##	45	Senior Manager - Business Development	6632816	3170173	M.E.	18	18-Apr-16	Capgemini Business Development Manager
N.K. KRISHNAN SANTOSH ##	45	Senior Manager - Key Accounts	5653346	5653346	M.B.A.	20	31-Jan-13	Core Dynamics General Manager - Sales
GHOSH DEEPANKAR	58	Senior Vice President - IT Services	4923022	3652614	B.TECH.	35	8-Jun-05	Geometric Software Head Engineering
PAUL DEBJYOTI	47	President - IT Services	3548173	2534109	PGDM	22	30-Dec-19	Microsoft Architect Manager
GHOSH TAPAS	58	Vice President - IT Services	3178032	2490124	M.TECH.	33	1-Jul-01	ITC Ltd., Head Corporate IT Purchase Committee
VAKKALAGADDA SRIDHAR ##	43	Senior Project Manager	2560373	1569320	M.C.A	16	2-Jan-20	Tata Consultancy Services Ltd., Program Manager
SHANKARAN SUNDARESH	50	President - IT Services	2475704	1850790	B.E.	29	6-Jan-20	Infosys Vice President
SRINATH SUDARSHAN	55	Vice President - IT Services	2250677	1783235	M.S.	29	7-Feb-17	ANTZ MCS Private Limited Director & Partner
CHAUDHARY ROHIT	35	Account Manager	1962759	1570257	PGDM	11	23-Jan-14	Infinite Computer Solutions Team Lead
RAJAGOPALAN SUSHMA	56	-	1703375	1313236	M.B.A.	35	1-Aug-14	LiquidHub Inc. Global Partner
SRIRAM. D	58	Delivery Manager	1103800	1032442	PGDBA	34	17-Jun-04	Lakshmi Machine Works Ltd Assistant Manager

Notes:

- # On secondment to a foreign branch; ## Employed / hired directly by a foreign branch; gross and net remuneration converted into Indian Rupees at the average of the month end inter-bank exchange rate.
- ### On deputation from ITC Ltd., the holding company (ITC); remuneration borne by the Company as per the terms of deputation of services.
- Remuneration includes salary, performance effectiveness pay, allowances, incentives, severance pay, joining bonus, other benefits/applicable perquisites except contribution to the approved Pension and Gratuity Funds under the defined benefit schemes and provisions for leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net Remuneration comprises cash income less (a) income tax, surcharge (as applicable) & education cess deducted at source and (b) managers own contribution to provident fund.
- Some of the employees listed above have been granted Stock Options by ITC in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to deputed employee(s) under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee(s) by grant of such Options / Units, and accordingly the said grants have not been considered as remuneration.
- All appointments are / were contractual in accordance with terms & conditions as per Company's rules.
- None of the above employees is a relative of any Director of the Company.

Date: 18th June, 2020

**S. Sivakumar**  
Vice Chairman  
Hyderabad

On behalf of the Board

**S. Singh**  
Managing Director  
Bengaluru

**ANNEXURE 3 TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

**FORM MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31st March, 2020**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	:	U65991WB1996PLC077341
ii) Registration Date	:	16th February, 1996
iii) Name of the Company	:	ITC Infotech India Limited
iv) Category / Sub-Category of the Company	:	Public Company / Limited by shares
v) Address of the Registered office and contact details	:	Virginia House 37 J. L. Nehru Road, Kolkata 700 071, West Bengal, India Phone: +91-33-2288 9900 E-mail: secretarial.i3l@itcinfotech.com
vi) Whether listed company Yes / No	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Computer programming, consultancy and related activities	620	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Sl. No.	NAME AND ADDRESS OF THE COMPANY / CORPORATION	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held in / by the Company	Applicable Section of the Companies Act, 2013
1.	ITC Limited Virginia House 37 J. L. Nehru Road, Kolkata – 700071	L16005WB1910PLC001985	Holding	100.00	2(46)
2.	ITC Infotech (USA), Inc. 12 Route, 17 North, Suite 303, Paramus, New Jersey 07652, United States of America	N.A	Subsidiary	100.00	2(87)(ii)
3.	ITC Infotech Limited Building 5, Caldecotte Lake Drive Caldecotte, Milton Keynes Buckinghamshire England, MK7 8LF	N.A	Subsidiary	100.00	2(87)(ii)
4.	Indivate Inc. 820, Bear Tavern Road, West Trenton, New Jersey 08628 United States of America	N.A	Subsidiary	100.00 <i>ITC Infotech (USA), Inc. holds the entire share capital</i>	2(87)(ii)(a)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	–	–	–	–	–	–	–	–	N.A
b) Central Govt	–	–	–	–	–	–	–	–	N.A
c) State Govt (s)	–	–	–	–	–	–	–	–	N.A
d) Bodies Corp.	–	8,52,00,000	8,52,00,000	100.00	–	8,52,00,000	8,52,00,000	100.00	Nil
e) Banks / FI	–	–	–	–	–	–	–	–	N.A
f) Any Other	–	–	–	–	–	–	–	–	N.A
Sub-total (A)(1):-	–	8,52,00,000	8,52,00,000	100.00	–	8,52,00,000	8,52,00,000	100.00	Nil
<b>(2) Foreign</b>									
a) NRIs – Individuals	–	–	–	–	–	–	–	–	N.A
b) Other – Individuals	–	–	–	–	–	–	–	–	N.A
c) Bodies Corp.	–	–	–	–	–	–	–	–	N.A
d) Banks / FI	–	–	–	–	–	–	–	–	N.A
e) Any Other	–	–	–	–	–	–	–	–	N.A
Sub-total (A)(2):-	–	–	–	–	–	–	–	–	N.A
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	–	8,52,00,000	8,52,00,000	100.00	–	8,52,00,000	8,52,00,000	100.00	Nil
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	–	–	–	–	–	–	–	–	N.A
b) Banks / FI	–	–	–	–	–	–	–	–	N.A
c) Central Govt	–	–	–	–	–	–	–	–	N.A
d) State Govt(s)	–	–	–	–	–	–	–	–	N.A
e) Venture Capital Funds	–	–	–	–	–	–	–	–	N.A
f) Insurance Companies	–	–	–	–	–	–	–	–	N.A
g) FIs	–	–	–	–	–	–	–	–	N.A
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	N.A
i) Others (specify)	–	–	–	–	–	–	–	–	N.A
Sub-total (B)(1):-	–	–	–	–	–	–	–	–	N.A
<b>2. Non-Institutions</b>	NOT APPLICABLE								

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) Bodies Corp									
i) Indian	-	-	-	-	-	-	-	-	N.A
ii) Overseas	-	-	-	-	-	-	-	-	N.A
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	N.A
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	N.A.
c) Others (specify)	-	-	-	-	-	-	-	-	N.A
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	N.A
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	<b>N.A</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	<b>N.A</b>
<b>Grand Total (A+B+C)</b>	-	<b>8,52,00,000</b>	<b>8,52,00,000</b>	-	-	<b>8,52,00,000</b>	<b>8,52,00,000</b>	<b>100.00</b>	<b>Nil</b>

## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ITC Limited	8,52,00,000	100.00	Nil	8,52,00,000	100.00	Nil	Nil

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No change during the year			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not applicable

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and Key Managerial Personnel hold any share in the Company in their individual capacity.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment – NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholtime Directors and/or Manager:

Amount in (₹ lakhs)

Sl. No.	Particulars of Remuneration	Sudip Singh Managing Director & CEO
1.	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	164.37
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	1.17
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	-
	- as % of profit	
	- others, specify	
5.	Others, please specify	-
	<b>Total (A)</b>	<b>165.54</b>
	Ceiling as per the Companies Act, 2013 (5% of the net profits of the Company computed in accordance with Section 198 of the said Act.)	1,349.60

**B. Remuneration to other Directors -**

Amount in (₹ lakhs)

Sl. No.	Particulars of Remuneration	Name of Director
1.	Independent Directors	NIL
2.	Non-Executive Directors	Partho Chatterjee
	• Fee for attending Board / Committee meetings	3.00
	• Commission	NIL
	• Others, please specify	NIL
	<b>Total (B)</b>	<b>3.00</b>
	<b>Total Managerial Remuneration (A+B)</b>	<b>168.54</b>
	Overall Ceiling as per the Companies Act, 2013 (11% of the net profits of the Company computed in accordance with Section 198 of the said Act)	<b>2,969.12</b>

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**

Amount in (₹ lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Rakesh Batra (Chief Financial Officer)**	Sanjay V Shah (Company Secretary)**	Total
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	128.47	75.77	204.24
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	21.39	13.05	34.44
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	- as % of profit			
	- others, specify			
5.	Others, please specify	-	-	-
	<b>Total</b>	<b>149.86</b>	<b>88.82</b>	<b>238.68</b>

\*\*1. On deputation from ITC Ltd., the holding company (ITC); remuneration borne by the Company as per the terms of deputation of services.

\*\*2. Have been granted Stock Options by ITC in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon them by grant of such Options / Units, and accordingly the said grants have not been considered as remuneration.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** Company / Directors / Other Officers in Default under the Companies Act, 2013 - None.

On behalf of the Board

Date: 18th June, 2020

**S. Sivakumar**  
Vice Chairman  
Hyderabad

**S. Singh**  
Managing Director  
Bengaluru

**ANNEXURE 4 TO THE REPORT OF THE BOARD OF DIRECTORS  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020  
FORM AOC-2**

*[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]*

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: **None**

2. Details of material contracts or arrangement or transactions at arm's length basis

a)	Name(s) of the related party and nature of relationship	<b>ITC Limited (Holding Company)</b>
b)	Nature of contracts / arrangements / transactions	Sale of IT Services
c)	Duration of the contracts / arrangements / transactions	Continuing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	- Provision of IT Services - Pricing based on arm's length margin - Monthly invoicing; payment upon receipt of invoice - Value of transactions during the year - ₹ 17,397 lakhs
e)	Date(s) of approval by the Board, if any	N.A
f)	Amount paid as advances, if any	Nil

a)	Name(s) of the related party and nature of relationship	<b>ITC Infotech Limited, UK (Subsidiary)</b>
b)	Nature of contracts / arrangements / transactions	Sale of IT Services
c)	Duration of the contracts / arrangements / transactions	Continuing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	- Subcontracting of execution and management of customer contracts - Pricing based on arm's length margin - Periodic invoicing; payment within 90 days - Value of transactions during the year - ₹ 19,002 lakhs

e)	Date(s) of approval by the Board, if any	N.A
f)	Amount paid as advances, if any	Nil

a)	Name(s) of the related party and nature of relationship	<b>ITC Infotech (USA), Inc. (Subsidiary)</b>
b)	Nature of contracts / arrangements / transactions	Sale of IT Services
c)	Duration of the contracts / arrangements / transactions	Continuing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>- Subcontracting of execution and management of customer contracts</li> <li>- Pricing based on arm's length margin</li> <li>- Periodic invoicing; payment within 90 days</li> <li>- Value of transactions during the year – ₹ 28,990 lakhs</li> </ul>
e)	Date(s) of approval by the Board, if any	N.A
f)	Amount paid as advances, if any	Nil

a)	Name(s) of the related party and nature of relationship	<b>Russell Credit Limited (Russell), Fellow Subsidiary</b>
b)	Nature of contracts / arrangements / transactions	Unsecured Inter-Corporate Loan of ₹ 10,000 lakhs from Russell
c)	Duration of the contracts / arrangements / transactions	Not exceeding three years commencing from the date of first disbursement of the loan
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	<ul style="list-style-type: none"> <li>- Simple Interest payable at 8.75% per annum</li> <li>- The Company may from time to time repay the loan in part or in full and may again borrow depending on business requirements provided that the total amount of loan outstanding at any point of time shall not exceed ₹ 10,000 lakhs</li> <li>- Loan received during the year - Nil</li> <li>- Loan repaid during the year - Nil</li> <li>- Interest paid during the year - Nil</li> </ul>
e)	Date(s) of approval by the Board, if any	4th February, 2019 21st October, 2019 (Audit Committee - Renewal)
f)	Amount paid as advances, if any	Nil

**On behalf of the Board**

**S. Sivakumar**  
Vice Chairman  
Hyderabad

**S. Singh**  
Managing Director  
Bengaluru

Date: 18th June, 2020

**ANNEXURE 5 TO THE REPORT OF THE BOARD OF DIRECTORS  
FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

**FORM MR-3**

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**M/s. ITC Infotech India Limited**  
Virginia House, 37, J L Nehru Road  
Kolkata - 700071, West Bengal, India

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **M/s. ITC Infotech India Limited** ('the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company and its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion and to the best of my understanding, the Company has, during the audit period covering the financial year ended **31st March, 2020**, complied with the statutory provisions listed hereunder and also that the Company has adequate Board-processes and compliance-mechanisms in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes, forms and returns filed and other relevant records maintained by the Company and made available to me for the financial year ended 31st March, 2020, according to the applicable provisions of:

- a. The Companies Act, 2013 and the Rules made thereunder,
- b. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment,
- c. Other laws applicable to the Company, namely:
  1. The Information Technology Act, 2000 and the rules made thereunder;
  2. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
  3. The Shops & Establishments Act, 1961.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

On the basis of the audit as referred above and to the best of my knowledge, understanding and belief, I am of the view that during the year under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Guidelines & Standards mentioned above.

**I FURTHER REPORT THAT:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Director and Non-Executive Directors. The changes in the composition of the Board of Directors of the Company that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- b. Adequate notices were given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in compliance with the provisions of the Companies Act, 2013, the Rules made thereunder and the Secretarial Standard as applicable and an appropriate system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Acts mentioned above, the Rules, Regulations and Guidelines framed under the said Acts against/ on the Company, its Directors and Officers.

I further report that based on the information provided by the Company and also on the review of the compliance certificates/ reports taken on record by the Board of Directors of the Company, in my opinion, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the Audit Period, the Company has not incurred any specific event or action that can have a major bearing on the Company's compliance responsibilities in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this Report.

Medha Gokhale  
 CP No.: 15494  
 ACS No.: 32735  
 UDIN: A032735B000353101  
 Date: 18th June, 2020  
 Place: Bengaluru

---

**Annexure A**

To,  
 The Members,  
**M/s. ITC Infotech India Limited**  
 Virginia House, 37, J L Nehru Road  
 Kolkata, West Bengal, India - 700071

My Secretarial Audit Report for the financial year ended 31st March, 2020, is to be read along with this letter.

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to compliances.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records so provided. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. Whenever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. The compliance of various provisions of applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
5. The compliance by the Company of applicable financial & tax laws and maintenance, correctness & appropriateness of financial records and books of accounts have not been reviewed in this audit.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Medha Gokhale  
 CP No.: 15494  
 ACS No.: 32735  
 UDIN: A032735B000353101  
 Date: 18th June, 2020  
 Place: Bengaluru

## INDEPENDENT AUDITOR'S REPORT

### To The Members of ITC Infotech India Limited

#### Report on the Audit of the Standalone Financial Statements

##### Opinion

We have audited the accompanying standalone financial statements of ITC Infotech India Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

##### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

##### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Board's Report along with Annexures but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that

give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

##### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding

independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2020.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Anand Subramanian

Partner

(Membership No. 110815)

Place: Bengaluru

Date: June 10, 2020

UDIN - 20110815AAAAZ5962

#### ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ITC Infotech India Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the "internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding

of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and



such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Anand Subramanian**  
Partner

Place: Bengaluru  
Date: June 10, 2020

(Membership No. 110815)  
UDIN - 20110815AAAAAZ5962

#### ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the fixed assets in a phased manner, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building. In respect of immovable property of building that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The Company is in the business of providing information technology and does not have any physical inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit during the year and did not have unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Wealth Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Detail of dues of Service Tax which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (Rs. in lakhs)
Finance Act, 1994	Service tax including interest and penalty	CESTAT	April 1, 2007 to June 30, 2011	117*
Finance Act, 1994	Service tax including penalty	Commissioner	July 1, 2011 to June 30, 2017	340#

\* Net of amount deposited under protest Rs.15.00 lakhs.

#Net of amount deposited under protest Rs. 16.78 lakhs.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act and Note 35 to the standalone financial statements.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Anand Subramanian**  
Partner

Place: Bengaluru  
Date: June 10, 2020

(Membership No. 110815)  
UDIN - 20110815AAAAAZ5962

## BALANCE SHEET AS AT 31ST MARCH, 2020

	Note No.	As at 31st March, 2020 (₹ in Lakhs)	As at 31st March, 2019 (₹ in Lakhs)
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	4,438	3,466
(b) Right-of-Use Assets	2	366	-
(c) Other Intangible Assets	2	562	482
(d) Financial Assets			
(i) Investments	3 (a)	8,704	8,704
(ii) Loans	4 (a)	3	12
(iii) Others	5 (a)	144	144
(e) Deferred Tax Assets (Net)	8	1,940	2,702
(f) Other Non-Current Assets	9 (a)	2,560	1,747
<b>Sub-Total</b>		<b>18,717</b>	<b>17,257</b>
<b>2 Current Assets</b>			
(a) Financial Assets			
(i) Investments	3 (b)	15,101	14,011
(ii) Trade Receivables	6	23,095	18,768
(iii) Cash and Cash Equivalents	7	1,219	363
(iv) Loans	4 (b)	3	-
(v) Others	5 (b)	14,017	7,497
(b) Other Current Assets	9 (b)	1,906	1,282
<b>Sub-Total</b>		<b>55,341</b>	<b>41,921</b>
<b>TOTAL</b>		<b>74,058</b>	<b>59,178</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity Share Capital	10	8,520	8,520
(b) Other Equity		45,012	37,097
<b>Sub-Total</b>		<b>53,532</b>	<b>45,617</b>
<b>2 Non-current Liabilities</b>			
(a) Financial Liabilities			
(i) Lease Liability		98	-
(ii) Others	11 (a)	550	22
(b) Provisions	12 (a)	1,745	1,635
<b>Sub-Total</b>		<b>2,393</b>	<b>1,657</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payable and Accrued expenses			
- Total outstanding dues of micro and small enterprises		244	108
- Total outstanding dues other than micro and small enterprises		5,457	2,783
(ii) Lease Liability		285	-
(iii) Others	11 (b)	9,284	6,745
(b) Other Current Liabilities	13	1,477	1,329
(c) Provisions	12 (b)	1,386	939
<b>Sub-Total</b>		<b>18,133</b>	<b>11,904</b>
<b>TOTAL</b>		<b>74,058</b>	<b>59,178</b>

The accompanying notes 1 to 36 are an integral part of the Financial Statements.

This is the Balance Sheet referred to in our Report of even date.

**For Deloitte Haskins & Sells LLP,**

Firm Registration Number : 117366 W/W- 100018

Chartered Accountants

**Anand Subramanian**

Partner

Membership Number : 110815

Place : Bengaluru

Date : 10 June, 2020

**On behalf of the Board**

**S. Singh**

Managing Director

Bengaluru

**R. Batra**

Chief Financial Officer

Bengaluru

**S. Sivakumar**

Vice Chairman

Hyderabad

**S. V. Shah**

Company Secretary

St. Louis, USA

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

	Note No.	For the year ended 31st March, 2020 (₹ in Lakhs)	For the year ended 31st March, 2019 (₹ in Lakhs)
I Revenue from Operations	14	152,987	121,268
II Other Income	15	3,090	2,603
III Total Income		156,077	123,871
IV Expenses			
Employee Benefits Expense	16	95,876	81,201
Finance Costs	17	39	-
Depreciation and Amortisation Expense	2	1,737	1,786
Other Expenses	18	31,792	28,652
Total Expenses		129,444	111,639
V Profit Before Tax (III-IV)		26,633	12,232
VI Tax Expenses	19 (a)		
Current Tax		6,312	5,393
Deferred Tax Charge/ (Credit)		852	(807)
		7,164	4,586
VII Profit for the Year (V-VI)		19,469	7,646
VIII Other Comprehensive Income			
(a) Items that will not be Reclassified Subsequently to Profit or Loss			
- Remeasurement of Net Defined Benefit Liability	24 (b)	(359)	359
- Less: Tax Relating to Items that will not be reclassified subsequently to Profit or Loss	19 (b)	(90)	125
(b) (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Tax relating to items that will be reclassified to Profit or Loss		-	-
Total Other Comprehensive Income		(269)	234
IX Total Comprehensive Income for the Year (VII+VIII)		19,200	7,880
X Earnings Per Share (in ₹) (Face value ₹ 10 each) (Basic and Diluted)	25	22.85	8.97

The accompanying notes 1 to 36 are an integral part of the Financial Statements.  
This is the Statement of Profit and Loss referred to in our Report of even date.

## For Deloitte Haskins &amp; Sells LLP,

Firm Registration Number : 117366 W/W- 100018  
Chartered Accountants

## Anand Subramanian

Partner  
Membership Number : 110815

Place : Bengaluru  
Date : 10 June, 2020

## On behalf of the Board

S. Singh  
Managing Director  
Bengaluru

R. Batra  
Chief Financial Officer  
Bengaluru

S. Sivakumar  
Vice Chairman  
Hyderabad

S. V. Shah  
Company Secretary  
St. Louis, USA

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

## A. Equity Share Capital (₹ in Lakhs)

Balance at 1st April, 2018	Changes in Equity Share Capital during the year	Balance at 31st March, 2019	Changes in Equity Share Capital during the year	Balance at 31st March, 2020
8,520	-	8,520	-	8,520

## B. Other Equity (₹ in Lakhs)

	Retained Earning	Capital Contribution for Share Based Payments	Total
Balance as at 1st April, 2018	25,361	10,148	35,509
- Profit for the Year	7,646	-	7,646
- Remeasurement of Net Defined Benefit Liability (Net of Tax)	234	-	234
Total Comprehensive Income	7,880	-	7,880
- Payment of Dividend @ ₹ 8.25/- per share on 85,200,000 Shares	(7,029)	-	(7,029)
- Dividend Distribution Tax	(1,178)	-	(1,178)
- Recognition of Share Based Payment (refer note 27)	-	1,915	1,915
- Options Lapsed during the Year	55	(55)	-
Balance as at 31st March, 2019	25,089	12,008	37,097
- Profit for the Year	19,469	-	19,469
- Remeasurement of Net Defined Benefit Liability (Net of Tax)	(269)	-	(269)
Total Comprehensive Income	19,200	-	19,200
- Payment of Dividend @ ₹ 11.75/- per share on 85,200,000 Shares	(10,011)	-	(10,011)
- Dividend Distribution Tax	(1,764)	-	(1,764)
- Recognition of Share Based Payment (refer note 27)	-	490	490
- Options Lapsed during the Year	528	(528)	-
Balance as at 31st March, 2020	33,041	11,971	45,012

**Retained Earnings:** This represents the cumulative profits of the Company and effects of re-measurement of defined benefit obligations. This can be utilised in accordance with the provisions of the Companies Act, 2013.

**Capital Contribution for Share Based Payments:** This reserve represents fair value of options issued to employees under ITC Employee Stock Option Scheme by the Holding Company.

The accompanying notes 1 to 36 are an integral part of the Financial Statements.  
This is the Statement of Changes in Equity referred to in our Report of even date.

## For Deloitte Haskins &amp; Sells LLP,

Firm Registration Number : 117366 W/W- 100018  
Chartered Accountants

## Anand Subramanian

Partner  
Membership Number : 110815

Place : Bengaluru  
Date : 10 June, 2020

## On behalf of the Board

S. Singh  
Managing Director  
Bengaluru

R. Batra  
Chief Financial Officer  
Bengaluru

S. Sivakumar  
Vice Chairman  
Hyderabad

S. V. Shah  
Company Secretary  
St. Louis, USA

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	For the year ended 31st March, 2020 (₹ in Lakhs)	For the year ended 31st March, 2019 (₹ in Lakhs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
PROFIT BEFORE TAX	26,633	12,232
ADJUSTMENTS FOR :		
Depreciation and Amortisation Expense	1,737	1,786
Dividend Income from Subsidiary Company	(1,420)	(1,256)
Net Gain on Sale of Investments	(927)	(621)
Property, Plant and Equipment - (Gain) / Loss on Sale / Discarded (net)	86	32
Unrealised (Gain) / Loss on Exchange (net)	(233)	317
Share based Payments to Employees	336	1,440
Provision for Doubtful Receivables and Advances	417	527
Finance Costs	39	-
Liabilities no Longer Required Written Back	(408)	(232)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>26,260</u>	<u>14,225</u>
ADJUSTMENTS FOR :		
Trade Receivables, Loans and Advances and Other Assets	(11,367)	1,761
Trade Payables, Other Liabilities and Provisions	6,404	4,200
CASH FROM OPERATIONS	<u>21,297</u>	<u>20,186</u>
Income Tax Paid (Net)	(7,047)	(3,726)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>14,250</u></u>	<u><u>16,460</u></u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Property, Plant and Equipment	(2,601)	(846)
Purchase of Current Investments	(207,301)	(165,600)
Sale / Redemption of Current Investments	207,138	155,814
Sale of Property, Plant and Equipment	14	3
Dividend Income from Subsidiary Company	1,420	1,256
<b>NET CASH (USED) IN INVESTING ACTIVITIES</b>	<u><u>(1,330)</u></u>	<u><u>(9,373)</u></u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interim Dividend on Equity Shares	(10,011)	(7,029)
Dividend Distribution Tax	(1,764)	(1,178)
Lease Payments	(312)	-
<b>NET CASH (USED) IN FINANCING ACTIVITIES</b>	<u><u>(12,087)</u></u>	<u><u>(8,207)</u></u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>834</u>	<u>(1,120)</u>
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<u>311</u>	<u>1,431</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<u><u>1,145</u></u>	<u><u>311</u></u>
<b>CASH AND CASH EQUIVALENTS COMPRISE :</b>		
Cash and Cash Equivalents as above	1,145	311
Unrealised Gain on Foreign Currency Cash and Cash Equivalents	74	52
Cash and Cash Equivalents (Note 7)	<u>1,219</u>	<u>363</u>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of Cash Flows".

The accompanying notes 1 to 36 are an integral part of the Financial Statements.

This is the Cash Flow Statement referred to in our Report of even date.

For Deloitte Haskins & Sells LLP,

Firm Registration Number : 117366 W/W- 100018

Chartered Accountants

**Anand Subramanian**  
Partner  
Membership Number : 110815

Place : Bengaluru  
Date : 10 June, 2020

On behalf of the Board

**S. Singh**  
Managing Director  
Bengaluru

**R. Batra**  
Chief Financial Officer  
Bengaluru

**S. Sivakumar**  
Vice Chairman  
Hyderabad

**S. V. Shah**  
Company Secretary  
St. Louis, USA

## NOTES TO THE FINANCIAL STATEMENTS

## NATURE OF OPERATIONS

ITC Infotech India Limited ("the Company") is a wholly owned subsidiary of ITC Limited ("the Holding Company") providing information technology services to enterprise clients. The Company is incorporated and domiciled in India and has its registered office at Kolkata, West Bengal, India.

## 1 SIGNIFICANT ACCOUNTING POLICIES

## a) Statement of Compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

## b) Basis of Preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair value, as explained in the accounting policies. The functional currency of the Company is the Indian rupee (₹). These financial statements are presented in ₹ (rounded off to Lakhs).

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 116 – Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in Ind AS 36 – Impairment of Assets.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

**Estimation of uncertainties relating to the global health pandemic from COVID-19 :**

The Company has considered the possible effects that may arise out of the still unfolding COVID-19 pandemic on the carrying amounts of trade receivables, unbilled revenues, investments, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts, market value of certain investments etc. The Company has also performed sensitivity analysis on the assumptions used, and based on current estimates, does not expect any significant impact on such carrying values. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

## c) Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of services rendered and their realisation in cash and cash equivalents.

## d) Property, Plant and Equipment – Tangible Assets

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at 1st April, 2015 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation/enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of property, plant and equipment are depreciated in a manner that amortises the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis.

The estimated useful lives of Property, Plant and Equipment are as follows:

Leasehold Properties - Building Improvement	Shorter of lease period or estimated useful lives
Plant and Equipment	15 Years
Furniture and Fixtures	10 Years
Motor Vehicles	8 Years
Office Equipment	5 Years
Computers, Servers and Networks	3 - 6 Years
Electrical Installations and Equipment	10 Years

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate. Cost of assets not ready for use before the year-end is treated as capital work-in-progress.

## e) Intangible Assets

Intangible assets represent software. Software is capitalised where it is expected to provide future enduring economic benefits. Capitalisation costs include license fees and costs of implementation/system integration services. The costs are capitalised in the year in which the relevant software is implemented for use and is amortised on the straight-line method over a period not exceeding 5 years.

Intangible assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

## f) Impairment of Assets

Impairment loss, if any, is provided to the extent that the carrying amount of assets exceed their recoverable amount.

Recoverable amount is higher of an asset's fair value less costs to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in previous years.

## g) Foreign Currency Transactions

The presentation currency of the Company is the Indian Rupee. Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains / losses arising on settlement as also on translation of foreign currency denominated monetary items are recognised in the Statement of Profit and Loss.

## h) Derivatives

The Company uses derivative financial instruments, such as forward exchange contracts to hedge its foreign currency risks. Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains/losses are recognised in Statement of Profit and Loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

i) **Financial instruments, Financial assets, Financial liabilities and Equity instruments****Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

**Financial Assets**

**Recognition:** Financial assets include investments, trade receivables, advances, security deposits and cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

**Classification:** Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.
- (b) fair value through other comprehensive income, where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss, where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, advances, security deposits, cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

**Impairment:** The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

In calculating expected credit loss, in view of the pandemic relating to COVID - 19, the Company has also considered credit reports and other related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the COVID - 19 scenario.

**Reclassification :** When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

**De-recognition:** Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

**Income Recognition on Financial Assets:** Dividend income is recognised in the Statement of Profit and Loss as other income only when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably.

**Financial Liabilities**

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet. Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

**Offsetting Financial Instruments**

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**Investment in Subsidiaries**

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

j) **Revenue from Sale of Products and Services**

Revenue is recognised at fair value of amounts received or receivable for products delivered and services rendered and is net of discounts, and excludes amounts collected on behalf of third parties, such as value added tax and Goods and Services Tax. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is recognised from services performed on a "time and material" basis, as and when the services are performed.

Revenue is recognised from services performed on "time bound fixed-price engagements" based on efforts expended using the percentage of completion method of accounting, if work completed can be reasonably estimated. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the period in which the change becomes known. Provisions for estimated losses on such engagements are made during the period in which a loss becomes probable and can be reasonably estimated.

Revenue is recognised from trading in software packages / licenses / hardware upon delivery to customer.

Amounts received or billed in advance of services performed are treated as unearned revenue (contract liability). Unbilled revenue (contract asset) represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

k) **Employee Benefits**

The Company makes contributions to both defined contribution schemes and defined benefit schemes such as defined benefit pension and gratuity plans which are mainly administered through duly constituted and approved Trusts.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately in Other Comprehensive Income in the period in which they occur.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. This benefit is unfunded.

**l) Employee Share Based Compensation**

Certain employees of the Company / the Holding Company on deputation are covered under the stock option plans / stock appreciation linked reward plan of the Holding Company. These Schemes are in the nature of equity settled / cash settled share-based compensation and are assessed, managed / administered by the Holding Company.

In case of equity settled awards, the fair value of awards at the grant date is amortised on a straight-line basis over the vesting period. In case of cash settled awards, the fair value of awards at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognised as an employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

**m) Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Company as a Lessee**

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities are also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

**Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

**Transition:**

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at an amount equal to the lease liability. In line

with the transition provision, comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted. On Transition, the adoption of the new standard resulted in recognition of 'Right-of-Use' assets of ₹ 653 Lakhs and a lease liability of ₹ 653 Lakhs. The Company has applied the practical expedient to not recognise the Right-of-Use assets and lease liabilities for leases with less than 12 months of lease term on the date of initial application. The weighted average incremental borrowing rate of 7.31% has been applied to lease liabilities recognised in the Balance Sheet at the date of initial application.

**n) Taxes on Income**

Taxes on income comprises current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, is disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. The net impact of the same is not material.

**o) Dividend Distribution**

Dividends paid (including income tax thereon, as applicable) are recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

**p) Operating Segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Management Committee (EMC). The Company is currently operating in a single segment i.e. Information Technology.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements.

**q) Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as a part of cost of that asset. All other borrowing costs are charged to the Statement of Profit and Loss.

**r) Provisions**

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is a best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

**s) Claims**

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

2 : PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS - FY 2019-20										
(₹ in Lakhs)										
DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1st April, 2019	Additions	Withdrawals / Adjustments	As at 31st March, 2020	As at 1st April, 2019	Charge for the Year	Withdrawals/ Adjustments	As at 31st March, 2020	As at 31st March, 2020	As at 1st April, 2019
(i) TANGIBLE ASSETS										
Leasehold Properties - Building Improvement	806	117	-	923	806	6	-	812	111	-
Plant and Equipment	392	46	-	438	99	53	-	152	286	293
Furniture and Fixtures	994	63	120	937	423	114	60	477	460	571
Motor Vehicles	9	-	-	9	6	1	-	7	2	3
Office Equipment	805	56	6	855	572	79	5	646	209	233
Computers, Servers and Networks	4,090	1,668	358	5,400	2,564	740	319	2,985	2,415	1,526
Electrical Installations and Equipment	1,415	324	-	1,739	575	209	-	784	955	840
<b>SUB TOTAL</b>	<b>8,511</b>	<b>2,274</b>	<b>484</b>	<b>10,301</b>	<b>5,045</b>	<b>1,202</b>	<b>384</b>	<b>5,863</b>	<b>4,438</b>	<b>3,466</b>
(ii) INTANGIBLE ASSETS										
Capitalised Software	2,626	327	-	2,953	2,144	247	-	2,391	562	482
<b>SUB TOTAL</b>	<b>2,626</b>	<b>327</b>	<b>-</b>	<b>2,953</b>	<b>2,144</b>	<b>247</b>	<b>-</b>	<b>2,391</b>	<b>562</b>	<b>482</b>
(iii) Right-of-Use Assets										
Right-of-Use Assets-Buildings [Refer Note 1(m)]	653	-	(3)	656	-	288	(2)	290	366	-
<b>SUB TOTAL</b>	<b>653</b>	<b>-</b>	<b>(3)</b>	<b>656</b>	<b>-</b>	<b>288</b>	<b>(2)</b>	<b>290</b>	<b>366</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>11,790</b>	<b>2,601</b>	<b>481</b>	<b>13,910</b>	<b>7,189</b>	<b>1,737</b>	<b>382</b>	<b>8,544</b>	<b>5,366</b>	<b>3,948</b>

Note : The aggregate depreciation and amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

2 : PROPERTY, PLANT AND EQUIPMENT AND OTHER INTANGIBLE ASSETS - 2018-19										
(₹ in Lakhs)										
DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 1st April, 2018	Additions	Withdrawals / Adjustments	As at 31st March, 2019	As at 1st April, 2018	Charge for the Year	Withdrawals/ Adjustments	As at 31st March, 2019	As at 31st March, 2019	As at 1st April, 2018
(i) TANGIBLE ASSETS										
Leasehold Properties - Building Improvement	824	-	18	806	620	204	18	806	-	204
Plant and Equipment	397	6	11	392	78	30	9	99	293	319
Furniture and Fixtures	985	10	1	994	314	109	-	423	571	671
Motor Vehicles	11	-	2	9	5	2	1	6	3	6
Office Equipment	763	75	33	805	477	122	27	572	233	286
Computers, Servers and Networks	3,702	595	207	4,090	2,083	664	183	2,564	1,526	1,619
Electrical Installations and Equipment	1,321	95	1	1,415	420	155	-	575	840	901
<b>SUB TOTAL</b>	<b>8,003</b>	<b>781</b>	<b>273</b>	<b>8,511</b>	<b>3,997</b>	<b>1,286</b>	<b>238</b>	<b>5,045</b>	<b>3,466</b>	<b>4,006</b>
(ii) INTANGIBLE ASSETS										
Capitalised Software	2,468	158	-	2,626	1,644	500	-	2,144	482	824
<b>SUB TOTAL</b>	<b>2,468</b>	<b>158</b>	<b>-</b>	<b>2,626</b>	<b>1,644</b>	<b>500</b>	<b>-</b>	<b>2,144</b>	<b>482</b>	<b>824</b>
<b>GRAND TOTAL</b>	<b>10,471</b>	<b>939</b>	<b>273</b>	<b>11,137</b>	<b>5,641</b>	<b>1,786</b>	<b>238</b>	<b>7,189</b>	<b>3,948</b>	<b>4,830</b>

Note : The aggregate depreciation and amortisation charge for the year has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

		(₹ in Lakhs)				(₹ in Lakhs)	
		As at 31st March, 2020	As at 31st March, 2019			As at 31st March, 2020	As at 31st March, 2019
<b>3. INVESTMENTS</b>				<b>4. LOANS</b>			
<b>3 (a) Non-Current</b>				<b>4 (a) Non-Current</b>			
In Subsidiaries				Loans to Employees			
Investments in Equity Instruments- (At Cost) Unquoted				- Unsecured, Considered Good	3	12	
ITC Infotech Limited (UK)	687	687		<b>Total</b>	<u>3</u>	<u>12</u>	
685,815 (2019 - 685,815) Equity Shares of GBP 1 each, fully paid				<b>4 (b) Current</b>			
ITC Infotech (USA), Inc.	8,017	8,017		Loans to Employees			
182,000 (2019 - 182,000) Ordinary Shares without par value, fully paid				- Unsecured, Considered Good	3	-	
<b>Total</b>	<u>8,704</u>	<u>8,704</u>		- Unsecured, Considered Doubtful	22	22	
<b>3 (b) Current</b>					<u>25</u>	<u>22</u>	
Investment in Mutual Funds - Unquoted				Less : Allowance for Doubtful Loans	(22)	(22)	
Nippon India Overnight Fund - 6,445,869 Units (2019 - Nil Units) of ₹ 100 Each	6,900	-		<b>Total</b>	<u>3</u>	<u>-</u>	
DSP Overnight Fund - 646,486 Units (2019 - Nil Units) of ₹ 1,000 Each	6,901	-		<b>5 OTHER FINANCIAL ASSETS</b>			
UTI Overnight Fund - 47,928 Units (2019 - Nil Units) of ₹ 1,000 Each	1,300	-		<b>5 (a) Non-Current</b>			
ICICI Prudential Liquid Fund - Nil Units (2019 - 1,786,373 Units) of ₹ 100 Each	-	4,920		Security Deposits (includes deposits for Company accommodations, offices etc.)	144	144	
Aditya Birla Sun Life Liquid Fund - Nil Units (2019 - 1,385,601 Units) of ₹ 100 Each	-	4,143		<b>Total</b>	<u>144</u>	<u>144</u>	
SBI Liquid Fund - Nil Units (2019 - 169,656 Units) of ₹ 1,000 Each	-	4,948					
<b>Total</b>	<u>15,101</u>	<u>14,011</u>					



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	(₹ in Lakhs)		(₹ in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2020	As at 31st March, 2019
<b>5 (b) Current</b>				
Unbilled Revenue - time and material basis *	13,685	6,982		
Security Deposits (includes deposits for Company accommodations, offices etc.)	78	90		
Foreign Currency Forward Contracts	129	235		
Advances (includes advance to employees)				
- Considered Good	125	190		
- Considered Doubtful	35	35		
	160	225		
Less : Allowance for Doubtful Advances	(35)	(35)		
<b>Total</b>	<b>14,017</b>	<b>7,497</b>		
* Right to consideration is unconditional upon passage of time				
<b>6 TRADE RECEIVABLES</b>				
Unsecured, Considered Good	23,095	18,768		
Unsecured, Considered Doubtful	702	723		
	23,797	19,491		
Less: Allowance for Doubtful Receivables	(702)	(723)		
<b>Total</b>	<b>23,095</b>	<b>18,768</b>		
<b>7 CASH AND CASH EQUIVALENTS *</b>				
Balances with Banks :				
Current Accounts	1,219	363		
<b>Total</b>	<b>1,219</b>	<b>363</b>		
* Cash and cash equivalents include cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.				
<b>8 DEFERRED TAX ASSETS (NET)</b>				
Deferred Tax Assets	1,940	2,719		
Less: Deferred Tax Liabilities	0	17		
<b>Deferred Tax Assets (Net)</b>	<b>1,940</b>	<b>2,702</b>		
<b>Movement in Deferred Tax</b>				
	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
<b>FY 2019-20</b>				
<b>Deferred Tax Assets :</b>				
On provision for employees' separation and retirement etc.	1,279	(676)	90	693
On provision for doubtful receivables and advances	279	(88)	-	191
On fiscal allowances on property, plant and equipment	897	(281)	-	616
Other timing differences	264	176	-	440
<b>Total Deferred Tax Assets</b>	<b>2,719</b>	<b>(869)</b>	<b>90</b>	<b>1,940</b>
<b>Deferred Tax Liabilities :</b>				
Other timing differences	17	(17)	-	0
<b>Total Deferred Tax Liabilities</b>	<b>17</b>	<b>(17)</b>	<b>-</b>	<b>0</b>
<b>Deferred Tax Assets (Net)</b>	<b>2,702</b>	<b>(852)</b>	<b>90</b>	<b>1,940</b>
	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
<b>FY 2018-19</b>				
<b>Deferred Tax Assets :</b>				
On provision for employees' separation and retirement etc.	894	510	(125)	1,279
On provision for doubtful receivables and advances	104	175	-	279
On fiscal allowances on property, plant and equipment	748	149	-	897
Other timing differences	274	(10)	-	264
<b>Total Deferred Tax Assets</b>	<b>2,020</b>	<b>824</b>	<b>(125)</b>	<b>2,719</b>
<b>Deferred Tax Liabilities :</b>				
Other timing differences	-	17	-	17
<b>Total Deferred Tax Liabilities</b>	<b>-</b>	<b>17</b>	<b>-</b>	<b>17</b>
<b>Deferred Tax Assets (Net)</b>	<b>2,020</b>	<b>807</b>	<b>(125)</b>	<b>2,702</b>
<b>9 OTHER ASSETS</b>				
<b>9 (a) Non-Current</b>				
Advances other than Capital Advances				
Advances with Statutory Authorities	84	66		
Other Advances (Unexpired Expenses)	141	82		
Advance Tax (Net of Provision for Income Tax)	2,335	1,599		
<b>Total</b>	<b>2,560</b>	<b>1,747</b>		
<b>9 (b) Current</b>				
Unbilled Revenue - percentage of completion *	926	614		
Advances other than Capital Advances				
Advances with Statutory Authorities	19	19		
Other Advances (includes prepaid expenses)	961	649		
<b>Total</b>	<b>1,906</b>	<b>1,282</b>		
*Contractual right to consideration is dependent on completion of contractual milestones.				
<b>10 EQUITY SHARE CAPITAL</b>				
<b>Authorised:</b>				
86,000,000 (2019 - 86,000,000) Equity Shares of ₹10 each	8,600	8,600		
<b>Issued and subscribed :</b>				
85,200,000 (2019 - 85,200,000)				
Equity Shares of ₹10 each, fully paid	8,520	8,520		
(All equity shares are held by ITC Limited, the Holding Company. The Equity Shares of the Company, having par value of ₹ 10 per share, rank pari passu in all respects including entitlement to dividend)				
<b>Total</b>	<b>8,520</b>	<b>8,520</b>		
<b>11 OTHER FINANCIAL LIABILITIES</b>				
<b>11 (a) Non- Current</b>				
Employee Payable	540	-		
ESAR Liability	10	22		
<b>Total</b>	<b>550</b>	<b>22</b>		
<b>11 (b) Current</b>				
Employee Payable	8,701	6,491		
Foreign Currency Forward Contracts	412	23		
Other Liabilities [includes payables for property, plant and equipment ₹ 152 Lakh (2019 - ₹ 153 Lakh)]	171	231		
<b>Total</b>	<b>9,284</b>	<b>6,745</b>		
<b>12 PROVISIONS</b>				
<b>12 (a) Non- Current</b>				
<b>Provision for Employee Benefits*</b>				
Retirement Benefits	451	512		
Compensated Absences	1,294	1,123		
<b>Total</b>	<b>1,745</b>	<b>1,635</b>		
<b>12 (b) Current</b>				
<b>Provision for Employee Benefits*</b>				
Retirement Benefits	935	498		
Compensated Absences	451	441		
<b>Total</b>	<b>1,386</b>	<b>939</b>		
*Includes provision for pension, gratuity and compensated absences. For details refer note 24.				
<b>13 OTHER CURRENT LIABILITIES</b>				
Statutory Dues	868	647		
Inter-company payable (Refer to Note 33)	186	471		
Unearned Revenue	423	139		
[Out of last year's amount of ₹ 139 Lakhs, revenue recognised in current year is ₹ 136 Lakhs]				
Advances from Customers	-	72		
<b>Total</b>	<b>1,477</b>	<b>1,329</b>		
			(₹ in Lakhs)	
	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>		
<b>14 REVENUE FROM OPERATIONS</b>				
<b>Sale of Services*</b>				
Exports	104,453	80,888		
Domestic	47,768	39,163		
<b>Resale of Software and Hardware (including Support Charges)</b>				
Exports	115	202		
Domestic	651	1,015		
<b>Total</b>	<b>152,987</b>	<b>121,268</b>		
* For disaggregated revenues from contracts with customers by geography, please refer Note 32 on Segment Reporting				

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(₹ in Lakhs)		
<b>15 OTHER INCOME</b>		
Dividend Income	1,420	1,256
Other Gains	1,229	1,007
Miscellaneous Income	441	340
<b>Total</b>	<b>3,090</b>	<b>2,603</b>
<b>Dividend income comprises dividend from:</b>		
Investment in Subsidiary Company	1,420	1,256
	<u>1,420</u>	<u>1,256</u>
<b>Other Gains</b>		
Net Foreign Exchange Gains	302	386
Net Gain on Investments [Includes unrealised gain/(loss): ₹ (38 Lakhs) (2019 - ₹ 34 Lakhs)]	927	621
	<u>1,229</u>	<u>1,007</u>
<b>16 EMPLOYEE BENEFITS EXPENSE</b>		
Salaries and Bonus	89,976	74,973
Contribution to Provident and Other Funds (Refer Note 24)	3,608	3,220
Share based Payments to Employees (Refer Note 27)	324	1,440
Staff Welfare Expenses	1,412	1,132
Reimbursement of Contractual Remuneration, net	556	436
<b>Total</b>	<b>95,876</b>	<b>81,201</b>
<b>17 FINANCE COSTS</b>		
Interest expense for lease liabilities	39	-
<b>Total</b>	<b>39</b>	<b>-</b>
<b>18 OTHER EXPENSES</b>		
Rent (Refer Note 23)	1,904	1,711
Rates and Taxes	88	51
Insurance	770	605
Travelling and Conveyance	9,744	8,653
Recruitment Expenses	997	609
Communication	557	537
Power and Fuel	867	810
Outsourcing Charges	7,163	6,657
Software and Related Expenses	2,860	2,013
Purchase of Hardware and Software for Resale (including Support Charges)	576	835
Business Development Expenses	452	702
Repairs and Maintenance		
- Buildings	359	162
- Machinery	250	261
- Others	119	86
Legal, Professional and Consultancy Expenses	1,648	1,573
Doubtful and Bad Receivables	417	461
Doubtful and Bad Loans and Advances	-	66
Property, Plant and Equipment Discarded, net	86	32
Auditors' Remuneration and Expenses (Refer Note 26)	40	31
Expenditure on Corporate Social Responsibility (Refer Note 20)	122	136
Training and Development	506	460
Bank Charges	79	92
Printing and Stationery	34	23
Miscellaneous Expenses	2,154	2,086
[Includes contributions under Section 182 of the Companies Act, 2013 aggregating ₹ 1500 Lakhs (2019: ₹ 1500 Lakhs)]		
<b>Total</b>	<b>31,792</b>	<b>28,652</b>
<b>19 TAX EXPENSES</b>		
<b>19 (a) Tax Expense Recognised in Statement of Profit and Loss</b>		
Current Tax	6,900	5,364
[including tax on foreign branches ₹ 130 Lakhs (2019 - ₹ 107 Lakhs)]		
Charge / (Credits) related to previous years	(588)	29
	<u>6,312</u>	<u>5,393</u>
Deferred Tax Charge / (Credit)	264	(807)
Charge / (Credits) related to previous years	588	-
	<u>852</u>	<u>(807)</u>
<b>Total</b>	<b>7,164</b>	<b>4,586</b>
<b>19 (b) Tax Expense Recognised in Other Comprehensive Income</b>		
<b>Deferred Tax Charge / (Credit)</b>		
Arising on Remeasurement of Net Defined Benefit Liability	(90)	125
<b>Total</b>	<b>(90)</b>	<b>125</b>
<b>19 (c) The reconciliation between the income tax expenses and amounts computed by applying the standard rate of income tax to profit before taxes is as follows:</b>		
Profit before tax	26,633	12,232
Income tax expense calculated at 25.168% (2019- 34.944%)	6,703	4,274
<b>Effects of:</b>		
- Effect of tax relating to uncertain tax positions	85	495
- Effect of different tax rate on certain items	(114)	(219)
- Other differences	(102)	7
- Change in Tax Rates	592	-
- Adjustments recognised in the current year in relation to the current tax of prior years	0	29
<b>Income Tax expenses recognised in Statement of Profit and Loss</b>	<b>7,164</b>	<b>4,586</b>

**20 Expenditure on Corporate Social Responsibility**

- a) Gross amount required to be spent by the Company during the year ₹ 122 Lakhs (2019 - ₹ 136 Lakhs).
- b) Amount spent during the year in cash for purpose other than construction / acquisition of an asset ₹ 122 Lakhs (2019 - ₹ 136 Lakhs).

**21 Commitments and Contingencies**

- a) There are contracts remaining to be executed on capital account and not provided ₹ 148 Lakhs (2019 - ₹ 119 Lakhs).
- b) Claims against the Company not acknowledged as debts ₹ 661 Lakhs (2019 - ₹ 1097 Lakhs). These comprise:
- Service tax claims disputed by the Company relating to issues of applicability aggregating ₹ 132 Lakhs (2019 - ₹ 129 Lakhs)
  - Income tax claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 529 Lakhs (2019 - ₹ 968 Lakhs)

It is not practicable for the Company to estimate the closure of these issues and the consequential timing of cash flow, if any, in respect of the above. An amount of ₹ 15 Lakhs (2019 - ₹ 15 Lakhs) has been deposited under protest and is included under Other Non-Current Assets (Refer Note 9(a)).

**22 Micro and Small Enterprises**

The following details relating to Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

	31st March, 2020	31st March, 2019
(₹ in Lakhs)		
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
Principal amount due	244	108
Interest amount due thereon	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

**23 Leases**

The amount of ROU Asset and Lease Liabilities recognised in the Balance Sheet are disclosed in Note 2 and on the face of the Balance Sheet respectively. The total cash outflow for leases for the year is ₹ 2,216 Lakhs (including payments in respect of short-term leases aggregating ₹ 1,904 Lakhs).

**24 Employee Benefits****Description of Plans****(a) Defined Contribution Plan**

The Company makes regular monthly contributions to Provident Fund administered by the Government of India which is in the nature of defined contribution scheme and such amounts are recognised as expense in the Statement of Profit and Loss.

Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and Other Funds" in Note 16 ₹ 2,090 Lakhs (2019 - ₹ 1,712 Lakhs).

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

## (b) Defined Benefit Plan

The Company also makes contribution to defined benefit pension and gratuity plans. The cost of providing benefits under the defined benefit obligation is calculated by an independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of rerevaluations are recognised immediately through Other Comprehensive Income in the period in which they occur. The gratuity plan is funded, end of service gratuity in UAE is unfunded and the pension plan is partly funded.

The employees of the Company are entitled to compensated leave for which the Company records the liability based on actuarial valuation computed under projected unit credit method. This benefit is unfunded.

## Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there

are general risks. Investment risks may arise from volatility in asset values and losses arising due to impairment of assets. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

The Trustees monitor funding and investments positions and have mandated a diversified investment strategy in line with the statutory requirements. The investment strategy with respect to asset mix ensures that investment volatility risk is appropriately managed. Robust risk mitigation systems ensure that investments do not pose significant risk of impairment.

The following table sets out the Defined Benefit Plans / Long-Term Compensated Absences as per Actuarial Valuation as on 31st March, 2020 and recognised in the financial statements in respect of Employee Benefit Schemes:

(₹ in Lakhs)

		For the year ended 31st March, 2020			For the year ended 31st March, 2019		
		Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
		Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
<b>I</b>	<b>Components of Employer Expense</b>						
-	Recognised in Profit or Loss						
1	Current Service Cost	211	788	672	190	672	403
2	Net Interest Cost	18	1	93	16	8	87
3	<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>229</b>	<b>789</b>	<b>765</b>	<b>206</b>	<b>680</b>	<b>490</b>
-	Re-measurements recognised in Other Comprehensive Income						
4	(Return) on plan assets (excluding amounts included in Net interest cost)	61	(7)	-	(14)	(6)	-
5	Effect of changes in demographic assumptions	-	(14)	(2)	(2)	(8)	1
6	Effect of changes in financial assumptions	510	165	60	(106)	1	-
7	Effect of experience adjustments	35	(311)	(138)	69	(216)	(78)
8	Total re-measurements included in OCI	606	(167)	(80)	(53)	(229)	(77)
9	<b>Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+8)</b>	<b>835</b>	<b>622</b>	<b>685</b>	<b>153</b>	<b>451</b>	<b>413</b>
The current service cost and net interest expense for the year pertaining to Pension and Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Compensated absences in "Salaries and Bonus". The rerevaluations of the net defined benefit liability are included in Other Comprehensive Income.							
<b>II</b>	<b>Actual Returns</b>	<b>183</b>	<b>242</b>	<b>-</b>	<b>266</b>	<b>211</b>	<b>-</b>
<b>III</b>	<b>Net (Asset)/Liability recognised in Balance Sheet</b>						
1	Present Value of Defined Benefit Obligation	4,213	3,785	1,579	3,817	3,389	1,428
2	Short-term obligation w.r.t Overseas branches	-	-	165	-	-	136
3	Fair Value of Plan Assets	(3,166)	(3,447)	-	(3,355)	(2,841)	-
4	Status [(Surplus)/Deficit]	1,047	338	1,744	462	548	1,564
5	Restrictions on Asset Recognised	-	-	-	-	-	-
6	<b>Net (Asset)/Liability recognised in Balance Sheet</b>	<b>As at 31st March, 2020</b>			<b>As at 31st March, 2019</b>		
		<b>Current</b>		<b>Non-Current</b>	<b>Current</b>		<b>Non-Current</b>
	- Pension	717		330	91		371
	- Gratuity	217		121	407		141
	- Compensated absences	451		1,294	441		1,123
<b>IV</b>	<b>Change in Defined Benefit Obligation (DBO)</b>						
1	Present Value of DBO at the beginning of the year	3,817	3,389	1,428	3,741	2,941	1,304
2	Current Service Cost	211	788	518	190	672	403
3	Interest Cost	263	237	93	268	213	87
4	Remeasurement gains / (losses):						
	Effect of changes in demographic assumptions	-	(14)	(2)	(2)	(8)	1
	Effect of changes in financial assumptions	510	165	60	(106)	1	-
	Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
	Effect of experience adjustments	35	(311)	(138)	69	(216)	(78)
5	Benefits Paid	(623)	(469)	(380)	(343)	(214)	(289)
6	<b>Present Value of DBO at the end of the year</b>	<b>4,213</b>	<b>3,785</b>	<b>1,579</b>	<b>3,817</b>	<b>3,389</b>	<b>1,428</b>
	<b>Best Estimate of Employers' Expected Contribution for the next year</b>	<b>As at 31st March, 2020</b>			<b>As at 31st March, 2019</b>		
	- Pension	111			305		
	- Gratuity	1,338			1,167		
	- Compensated Absences	518			403		

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		For the year ended 31st March, 2020			For the year ended 31st March, 2019		
		Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
		Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
<b>V</b>	<b>Change in Fair Value of Assets (for funded obligations)</b>						
1	Plan Assets at the beginning of the year	3,355	2,841	-	3,360	2,617	-
2	Expected Return on Plan Assets	245	236	-	252	205	-
3	Remeasurement Gains/(Losses) on plan assets	(61)	7	-	14	6	-
4	Actual Company Contributions	158	791	-	72	227	-
5	Benefits Paid	(531)	(428)	-	(343)	(214)	-
6	<b>Plan Assets at the end of the year</b>	<b>3,166</b>	<b>3,447</b>	<b>-</b>	<b>3,355</b>	<b>2,841</b>	<b>-</b>

<b>VI</b>	<b>Actuarial Assumptions</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
1	Discount Rate (%)	6.25%	7.50%
2	Expected Return on Plan Assets (%)	6.25%	7.50%
3	Long term rate of compensation increase	7.50%	7.00%

<b>VII</b>	<b>The net liability disclosed in Pension relates to funded and unfunded plans as follows:</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
1	Present Value of Funded Obligation	3,881	3,446
2	Fair Value of Plan Assets	3,166	3,355
3	Deficit of Funded Plan	715	91
4	Unfunded Plan	332	371
5	Net Deficit	1,047	462

<b>VIII</b>	<b>Major Category of Plan Assets as a % of the Total Plan Assets</b>	<b>As at 31st March, 2020</b>	<b>As at 31st March, 2019</b>
1	Government Securities/Special Deposit with RBI	26%	28%
2	High Quality Corporate Bonds	15%	16%
3	Insurer Managed Funds*	45%	44%
4	Mutual Funds	2%	3%
5	Cash and Cash Equivalents	9%	6%
6	Term Deposits	2%	3%

\* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

The fair value of Government Securities, Corporate Bonds, Mutual Funds are determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

**IX Basis used to determine the Expected Rate of Return on Plan Assets**

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(₹ in Lakhs)

		For the year ended 31st March, 2020			For the year ended 31st March, 2019		
		Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
		Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
<b>X</b>	<b>Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)</b>						
1	Present Value of Defined Benefit Obligation	4,213	3,785	1,579	3,817	3,389	1,428
2	Fair Value of Plan Assets	3,166	3,447	-	3,355	2,841	-
3	Status [Deficit]	1,047	338	1,579	462	548	1,428
4	Experience Adjustment of Plan Assets [Gain/ (Loss)]	(61)	7	-	14	6	-
5	Experience Adjustment of obligation [(Gain)/ Loss]	35	(311)	(138)	69	(216)	(78)

**XI Sensitivity Analysis**

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of sensitivity analysis from previous year.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

XII	Sl. No.	Particulars	DBO as at 31st March, 2020	DBO as at 31st March, 2019
	1	Discount Rate + 100 basis points	9,123	8,279
	2	Discount Rate - 100 basis points	10,074	9,019
	3	Long term Compensation Increase Rate + 1%	10,017	8,976
	4	Long term Compensation Increase Rate - 1%	9,166	8,312

		For the year ended 31st March, 2020 (₹ in Lakhs)	For the year ended 31st March, 2019 (₹ in Lakhs)
<b>25 Earnings per share</b>			
(a) Profit after Tax	₹ in Lakhs	19,469	7,646
(b) Weighted average number of Equity Shares	No.	85,200,000	85,200,000
(c) Earnings Per Share (Face value of ₹ 10 per share) (Basic and Diluted)	₹	22.85	8.97

		For the year ended 31st March, 2020 (₹ in Lakhs)	For the year ended 31st March, 2019 (₹ in Lakhs)
<b>26 Auditors' Remuneration and Expenses</b> (Net of input tax credit)			
Audit Fees		21	19
Tax Audit Fees		2	2
Fees for Auditors' Certifications and Reports		13	9
Reimbursement of Expenses		4	1
<b>Total</b>		<b>40</b>	<b>31</b>

27(i) The eligible employees of the Group, including employees deputed from ITC Limited (ITC), have been granted by ITC:

- (a) stock options under the ITC Employee Stock Option Schemes (ITC ESOS) in earlier years and  
(b) employee cash settled stock appreciation linked reward units (ESAR units) under the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR plan) during the year

in accordance with the terms and conditions of such schemes, details of which are as under:

**ITC ESOS:**

Each option entitles the holder thereof to apply for and be allotted ten Ordinary Shares of ITC of ₹ 1.00 each upon payment of exercise price. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting. These options have been granted at 'market price' within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

**ITC ESAR:**

Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of the said Plan. The ESAR units vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

- (ii) The cost of stock options granted under ITC ESOS / ESAR units granted under ITC ESAR Plan have been recognised as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of the aforesaid arrangement, the Company accounts for the cost of the fair value of options / ESAR units granted to the eligible employees on receipt of advice / on - charge by ITC respectively as employee benefits expense. The fair value of the options / ESAR units granted is determined, using the Black Scholes Option Pricing model, by ITC for all the Optionees covered under ITC ESOS / ITC ESAR Plan as a whole. The cost of ITC ESOS is considered as capital contribution by ITC Limited, net of reimbursements, if any. The liability recognised for payments towards ITC ESAR Plan is presented under other financial liability.

- (iii) The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars	As at 31st March, 2020 No. of Options	As at 31st March, 2019 No. of Options
Outstanding at the beginning of the year	2,019,998	2,444,561
Add: Granted during the year	-	-
Less: Lapsed during the year	(112,460)	(24,886)
Add / (Less): Movement due to transfer of employees within the group	(66,148)	-
Less: Exercised during the year	(243,370)	(399,677)
Outstanding at the end of the year	1,598,020	2,019,998
Options exercisable at the end of the year	1,476,097	1,615,852

Note: The weighted average exercise price of the options granted to all Optionees under the ITC ESOS is computed by ITC as a whole.

- (iv) In accordance with Ind AS 102, the Company has recognised an amount of ₹ 336 Lakhs (2019 - ₹ 1,418 Lakhs) towards ITC ESOS and ₹ (12) Lakhs (2019 - ₹ 22 Lakhs) towards ITC ESAR Plan (Refer Note 18). Such charge has been recognised as employee benefits expense.

Out of the above, ₹ 100 Lakhs (2019- ₹ 362 Lakhs) is attributable to key management personnel [Ms. S. Rajagopalan (up to 31st January 2019) - ₹ Nil (2019 - ₹ 109 Lakhs); Mr. R. Batra ₹ 37 Lakhs (2019 - ₹ 119 Lakhs); Mr. A. Talwar (up to 2nd October 2019) ₹ 23 Lakhs (2019 - ₹ 43 Lakhs); Mr. V. Sreenivasan (up to 10th October 2019) ₹ 28 Lakhs (2019 - ₹ 57 Lakhs) and Mr. S.V. Shah ₹ 12 Lakhs (2019 - ₹ 34 Lakhs)].

**28 Capital Management**

The Company's financial strategy aims to foster its strategic priorities and provide adequate capital to its businesses to grow and invest for generating sustained stakeholder value. The Company funds its operations mainly through internal accruals. The Company aims at maintaining a strong capital base so as to maintain adequate supply of funds towards future growth of its businesses as a going concern.

The capital structure of the Company comprises only of equity as detailed in the Statement of Changes in Equity. The Company does not have any long-term debt obligation.

The Company is not exposed to any externally imposed capital requirements.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

## 29 Categories of Financial Instruments

(₹ in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>Measured at amortised cost</b>				
Cash and Cash Equivalents	1,219	1,219	363	363
Trade Receivables	23,095	23,095	18,768	18,768
Loans	6	4	12	8
Other Financial Assets	14,032	13,988	7,406	7,406
	<b>38,352</b>	<b>38,307</b>	<b>26,549</b>	<b>26,545</b>
<b>Mandatorily measured at fair value through profit and loss (FVTPL)</b>				
Investments in Mutual Funds	15,101	15,101	14,011	14,011
Foreign Currency Forward Contracts	129	129	235	235
	<b>15,230</b>	<b>15,230</b>	<b>14,246</b>	<b>14,246</b>
<b>Total</b>	<b>53,582</b>	<b>53,537</b>	<b>40,795</b>	<b>40,791</b>
<b>Financial Liabilities</b>				
<b>Measured at amortised cost</b>				
Trade Payables	5,701	5,701	2,891	2,891
Lease Liability	383	383	-	-
Other Financial Liabilities	9,422	9,357	6,744	6,744
	<b>15,506</b>	<b>15,441</b>	<b>9,635</b>	<b>9,635</b>
<b>Measured at fair value through profit and loss (FVTPL)</b>				
Foreign Currency Forward Contracts	412	412	23	23
	<b>412</b>	<b>412</b>	<b>23</b>	<b>23</b>
<b>Total</b>	<b>15,918</b>	<b>15,853</b>	<b>9,658</b>	<b>9,658</b>

## 30 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system-based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management Framework rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

## a) Market Risk

The Company's various business operations expose it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such market risk may arise out of volatility in currency rates, interest rates and prices. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance.

The Company ensures optimisation of cash through fund planning, robust cash management practices and manages interest rate risk and foreign exchange risk.

## i) Foreign Currency Risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities, including net investments in foreign operations which are not in the Company's functional currency (₹). A significant portion of these transactions are in US Dollar (USD), Pound Sterling (GBP) and EURO.

The carrying amounts of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

(₹ in Lakhs)

As at 31st March, 2020	USD	GBP	EURO	Others	Total
Financial Assets	22,451	5,530	3,749	1,988	33,717
Financial Liabilities	785	3	405	1,132	2,325

As at 31st March, 2019	USD	GBP	EURO	Others	Total
Financial Assets	17,437	5,197	2,037	2,843	27,514
Financial Liabilities	353	24	151	271	799

The Company uses Forward Exchange Contracts to hedge its exposures in foreign currency related to underlying transactions and firm commitments. The Information on Derivative Instruments is as follows:

Forward exchange Contracts outstanding as at year end which are not designated under hedge accounting:

(in Lakhs)

Currency	Cross Currency	31st March, 2020		31st March, 2019	
		Buy	Sell	Buy	Sell
GBP	USD	-	29	-	32
EUR	USD	-	21	-	8
USD	INR	-	175	-	150
AUD	USD	-	3	-	-
ZAR	USD	-	-	-	130

## Hedges of Foreign Currency Risk and Derivative Financial Instruments

The Company follows established risk management policies, including the use of derivatives to hedge against the volatility associated with the aforesaid exchange rate risk. The Company uses forward exchange contracts to hedge its transactional currency exposures in foreign currency related to underlying transactions and firm commitments and measures them at fair value. The counter party in these derivative instruments are generally highly rated counter parties such as banks and the Company considers the risk of non-performance by such counterparty as not material. The Company has not designated hedges under Hedge Accounting. These derivative instruments are carried at fair value with changes being recognised in the Statement of Profit and Loss. Although, such derivative instruments are not designated in a hedge relationship, they act as an economic hedge and will offset the gain / loss in the underlying transactions when they occur.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

## Foreign Currency Sensitivity

The sensitivity analysis arises on account of outstanding foreign currency denominated assets and liabilities, including derivative contracts. The Company considers a sensitivity of 1% (2019 - 1%) in applicable foreign currency rates, holding all other variables constant. In the event the exchange rate fluctuates by +1%, the profit before tax for the year ended 31st March, 2020 and pre-tax total equity as at 31st March, 2020 will be higher by ₹ 314 Lakhs (2019 - ₹ 267 Lakhs). If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on profit before tax and pre-tax total equity.

## ii) Interest Rate Risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As majority of the financial assets and liabilities of the Company are non-interest bearing, the Company's net exposure to interest risk is negligible.

## iii) Price Risk

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31st March, 2020 is ₹ 15,101 Lakhs (2019 - ₹ 14,011 Lakhs). Accordingly, these do not pose any significant price risk.

## b) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. Considering the dynamic nature of the underlying businesses, the Company also maintains adequate committed credit lines.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(₹ in Lakhs)

As at 31st March, 2020 Contractual Cash flows*							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total
Trade Payables	5,701	5,701	-	-	-	-	5,701
Lease Liability	383	78	78	147	99	-	402
Other Financial Liabilities	9,834	1,372	7,912	0	544	6	9,834
<b>Total</b>	<b>15,918</b>	<b>7,151</b>	<b>7,990</b>	<b>147</b>	<b>643</b>	<b>6</b>	<b>15,937</b>
As at 31st March, 2019 Contractual Cash flows*							
	Carrying value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year up to 3 years	Beyond 3 years	Total
Trade Payables	2,891	2,891	-	-	-	-	2,891
Other Financial Liabilities	6,767	299	5,231	1,215	22	-	6,767
<b>Total</b>	<b>9,658</b>	<b>3,190</b>	<b>5,231</b>	<b>1,215</b>	<b>22</b>	<b>-</b>	<b>9,658</b>

\* The table has been drawn up based on the earliest date on which the Company would be required to pay.

## c) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. Apart from its operating activities, wherein the Company deals with a large number of customers, the Company is also exposed to credit risk from its investing activities.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables.

Credit is extended to Customers after evaluating them against key parameters such as financial position, credit ratings, market intelligence, past experience etc., as may be appropriate. Trade receivables are monitored regularly. Concentration of credit risk, with respect to trade receivables, is limited, due to the Company's customer base being large and internationally dispersed. Some of the Company's key Customers have been transacting for many years and the incidence of bad debts is negligible.

The Company recognises provision for expected credit loss on an individual customer basis, based on internal reviews, which are conducted regularly and considers all aspects with respect to debts.

The movement of the expected credit loss provision made by the Company with respect to trade receivables are as under:

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Opening Balance	723	248
Effects of foreign exchange fluctuation	-	14
Add: Expected credit loss provisions made during the year	417	461
Less: Utilisation for Impairment / De-recognition	(249)	-
Less: Expected credit loss provision written back during the year	(189)	-
<b>Closing Balance</b>	<b>702</b>	<b>723</b>

The age wise break-up of trade receivables, net of allowance is given below:

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
<b>Overdue Period</b>		
Less than 1 month	7,230	6,024
1 to 3 months	1,789	2,233
3 to 6 months	1,389	687
6 to 12 months	459	194
1 year to 2 years	55	66
2 years to 3 years	-	28
More than 3 years	(72)	-
<b>Balances not yet due</b>	<b>12,245</b>	<b>9,536</b>
<b>Total</b>	<b>23,095</b>	<b>18,768</b>

Investment in debt mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house. There are limits for any exposure to financial institutions.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

The carrying amount of financial assets, net of loss allowance recognised in accordance with Ind AS 109 and any amounts offset in accordance with Ind AS 32, that represents the Company's maximum exposure to credit risk as at 31st March, 2020 is ₹ 53,289 Lakhs (2019 - ₹ 41,046 Lakhs) represented by carrying amounts of Investments (except investments in subsidiaries), Trade Receivables, Unbilled Revenue, Loans, Other financial assets measured at amortised cost and Other financial assets measured at Fair Value.

## 31 Fair Value Measurement

## Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

**Level 1:** Quoted prices (unadjusted) in active market for identical assets or liabilities

**Level 2:** Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

The fair value of trade receivables, loans, other financial assets, other financial liabilities and payables is considered to be equal to the carrying amounts of these items due to their short – term nature. There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis

(₹ in Lakhs)

	Fair Value Hierarchy	Fair Value as at	
		31st March 2020	31st March 2019
<b>Financial Assets</b>			
<b>Mandatorily Measured at Fair Value Through Profit and Loss (FVTPL)</b>			
Investments in Mutual Funds	1	15,101	14,011
		15,101	14,011
<b>Derivatives measured at fair value</b>			
Foreign Currency Forward Contracts	2	129	235
		129	235
<b>Total</b>		<b>15,230</b>	<b>14,246</b>
<b>Financial Liabilities</b>			
<b>Derivatives measured at fair value</b>			
Foreign Currency Forward Contracts	2	412	23
		412	23
<b>Total</b>		<b>412</b>	<b>23</b>

## 32 Segment Reporting

The Company operates in a single business segment - information technology, basis which the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources. Geographical Information is given below:

(₹ in Lakhs)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Segment Revenue</b>		
India	48,419	40,178
North America	29,432	20,400
Europe	46,966	38,189
Middle East and Africa	23,651	19,441
Rest of the World	4,519	3,060
<b>Total</b>	<b>152,987</b>	<b>121,268</b>

(₹ in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
<b>Non-Current Assets*</b>		
India	7,863	5,647
Middle East and Africa	63	48
<b>Total</b>	<b>7,926</b>	<b>5,695</b>

\* Non- Current Assets have been considered on the basis of physical location.

## 33 RELATED PARTY DISCLOSURES

(i) **HOLDING COMPANY:**  
ITC Limited

(ii) **ENTERPRISES WHERE CONTROL EXISTS:**

**Wholly Owned Subsidiaries:**

ITC Infotech Limited (UK)

ITC Infotech (USA), Inc. and its wholly owned subsidiary Indivate Inc.

(iii) **OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS, etc.**

**Fellow Subsidiary Companies**

Surya Nepal Private Limited

Technico Agri Sciences Limited

North East Nutrients Private Limited

Fortune Park Hotels Limited

Russell Credit Limited

**Associates of the Holding Company**

International Travel House Limited

ATC Limited

**Employee Trusts**

ITC Management Staff Gratuity Fund

ITC Pension Fund



## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

## (iv) KEY MANAGEMENT PERSONNEL

## Non-Executive Directors

Late Mr. Y.C. Deveshwar - Chairman (up to 11th May, 2019)  
Mr. S. Puri - Chairman (w.e.f. 17th May, 2019)  
Mr. S. Sivakumar - Vice Chairman  
Mr. B. B. Chatterjee  
Mr. P. Chatterjee  
Ms. S. Mukherjee (w.e.f. 30th April, 2019)  
Mr. R. Tandon

## Others

Mr. S. Singh, Managing Director & CEO  
Mr. R. Batra, Chief Financial Officer  
Mr. S. V. Shah, Company Secretary  
Ms. S. Burman (w.e.f. 7th June, 2019)  
Mr. V. Sreenivasan (up to 10th October, 2019)  
Mr. A. Talwar (up to 2nd October, 2019)

## (v) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES

(₹ in Lakhs)

Sl. No.	Description	Holding Company		Wholly Owned Subsidiaries						Fellow Subsidiaries	
		2020	2019	2020			2019			2020	2019
				ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc.	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc.		
1	Sale of Goods / Services	17,397	16,452	19,002	28,990	-	13,234	20,099	-	395	404
2	Purchase of Goods / Services	77	97	-	-	-	-	-	-	-	-
3	Rent Paid	1,806	1,303	-	-	-	-	-	-	-	-
4	Reimbursement of Contractual Remuneration [includes remuneration to KMP ₹ 225 Lakhs (2019 ₹ 195 Lakhs)]	573	449	-	-	-	-	-	-	-	-
5	Recovery of Contractual Remuneration	17	13	-	-	-	-	-	-	-	-
6	Expenses Recovered	24	13	200	159	-	260	133	-	-	-
7	Expenses Reimbursed	857	760	118	-	-	138	-	-	-	-
8	Capital Contribution for Share Based Payments	490	1,915	-	-	-	-	-	-	-	-
9	Employee Share Based Payments	(12)	22	-	-	-	-	-	-	-	-
10	Reimbursement of Capital Contribution for Share Based Payments	-	-	94	61	-	218	274	-	-	-
11	Interim Dividend	10,011	7,029	-	-	-	-	-	-	-	-
12	Dividend Income	-	-	-	1,420	-	-	1,256	-	-	-

(₹ in Lakhs)

Sl. No.	Description	Associates of the Holding Company		Trusts		Key Management Personnel	
		2020	2019	2020	2019	2020	2019
1	Sale of Goods / Services	282	280	-	-	-	-
2	Purchase of Goods / Services	2,397	3,071	-	-	-	-
3	Remuneration to Key Management Personnel (KMP)						
	(i) Directors	-	-	-	-	466	191
	(ii) Others	-	-	-	-	521	150
4	Contribution to Employees' Benefit Plans	-	-	949	278	-	-

## (vi) DISCLOSURE OF OUTSTANDING BALANCES

(₹ in Lakhs)

Description	Holding Company		Wholly Owned Subsidiaries						Fellow Subsidiaries		Associates of the Holding Company	
	2020	2019	2020			2019			2020	2019	2020	2019
			ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc.	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc.				
<b>Balances as at 31st March,</b>												
i) Trade Receivables	189	55	5,119	2,861	-	4,139	-	-	233	184	35	-
ii) Trade Payables	364	4	186	-	-	57	471	-	-	-	38	152
iii) Others	10	22	-	-	-	-	-	-	-	-	-	-

## (vii) INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

(Generally in excess of 10% of the total transaction value of the same type)

(₹ in Lakhs)

Related Party Transactions	2020	2019	Related Party Transactions	2020*	2019
Purchase of Goods / Services			Remuneration to Key Management Personnel (KMP)		
International Travel House Limited	2,397	3,071	Ms. S. Rajagopalan (up to 31st January, 2019)	-	141
			Mr. S. Singh	466	50
Contribution to Employees' Benefit Plans			Mr. R. Batra	142	114
ITC Management Staff Gratuity Fund	791	206	Mr. S. V. Shah	83	81
ITC Pension Fund	158	72	Mr. V. Sreenivasan (up to 10th October, 2019)	191	73
			Mr. A. Talwar (up to 2nd October, 2019)	220	77
			Ms. S. Burman	110	-

\* This includes provision for incentives, as applicable, which will get finalised subsequently.

## NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(viii) INFORMATION REGARDING SIGNIFICANT BALANCES  
(Generally in excess of 10% of the total balance of the same type)

(₹ in Lakhs)

Related Party Balances	2020	2019
<b>Trade Payables</b>		
International Travel House Limited	38	152

## (ix) COMPENSATION OF KEY MANAGEMENT PERSONNEL\*

The remuneration of directors and other members of key management personnel during the year is as follows:

(₹ in Lakhs)

	2020	2019
Short-Term Employee Benefits	1,212	536
Others	3	3

\*Post employment benefits are actuarially determined on overall basis, hence not separately available and not included above. Further, value of employee share based payments is not included above, refer note 27 for details.

## (x) SIGNIFICANT TERMS AND CONDITIONS OF OUTSTANDING BALANCES

All outstanding balances are unsecured and are repayable in cash.

## 34 Subsequent Events

All events up to the date of the issue of financial statements have been considered.

## 35 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 10th June, 2020.

## 36 Comparatives

As required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

FORM AOC-1 (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014) STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES PART A: SUBSIDIARIES				
(₹ in Lakhs)				
1	Sl. No.	1	2	3
2	Name of the Subsidiary	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	Indivate Inc. (Note 2)
3	The date since when subsidiary was acquired	19th June, 2001	24th May, 2001	18th November, 2016
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable
5	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting currency - GBP Exchange rate GBP 1 = ₹ 93.50	Reporting currency - USD Exchange rate USD 1 = ₹ 75.67	Reporting currency - USD Exchange rate USD 1 = ₹ 75.67
6	Share Capital	641	13,772	76
7	Reserves and Surplus	5,465	3,946	(6)
8	Total Assets	14,853	28,042	230
9	Total Liabilities	14,853	28,042	230
10	Investments (excluding Investments in subsidiaries)	-	-	-
11	Turnover (Note 1)	46,877	79,548	380
12	Profit before Taxation	1,298	3,101	22
13	Provision for Taxation	148	618	-
14	Profit after Taxation	1,150	2,483	22
15	Proposed Dividend (Paid during the year)	-	1,515	-
16	Extent of Shareholding (%)	100%	100%	100%

Note 1: Turnover includes other income and other operating revenue

Note 2: ITC Infotech (USA), Inc. holds 100% shareholding of Indivate Inc.

## PART B: ASSOCIATES AND JOINT VENTURES – NOT APPLICABLE

## On behalf of the Board

**S. Singh**  
Managing Director  
Bengaluru

**S. Sivakumar**  
Vice Chairman  
Hyderabad

**R. Batra**  
Chief Financial Officer  
Bengaluru

**S. V. Shah**  
Company Secretary  
St. Louis, USA

Place : Bengaluru  
Date : 10 June, 2020