ITC INFOTECH

Business-friendly Solutions

ITC Infotech India Limited

REPORT AND ACCOUNTS 2022

ITC Infotech India Limited

Board of Directors	
Chairman & Non-Executive Director	**Non-Executive Directors**
Mr. S Puri (DIN: 00280529)	Mr. R Tandon (DIN: 00042227)
Vice Chairman & Non-Executive Director	Mr. B B Chatterjee (DIN: 00045140)
Mr. S Sivakumar (DIN: 00341392)	Ms. P Balaji (DIN: 08900013)
Managing Director & Chief Executive Officer	
Mr. S Singh (DIN: 08345392)	

Board Committees					
Audit Committee		Nomination and Remuneration Committee		Corporate Social Responsibility Committee	
Mr. R Tandon	Chairman	Mr. S Sivakumar	Chairman	Mr. S Sivakumar	Chairman
Ms. P Balaji	Member	Mr. B B Chatterjee	Member	Ms. P Balaji	Member
Mr. B B Chatterjee	Member	Mr. R Tandon	Member	Mr. B B Chatterjee	Member
Mr. S Singh	Invitee	Mr. S V Shah	Secretary	Mr. S Singh	Invitee
Mr. R Batra	Invitee			Mr. R Batra	Invitee
Mr. S V Shah	Secretary			Mr. S V Shah	Secretary

Executive Management Committee

Mr. S Singh	Chairperson
Mr. R Batra	Member
Mr. K Ray	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 J. L. Nehru Road,
Kolkata - 700 071, West Bengal, India
Telephone no.: 033 2288 9371
CIN : U65991WB1996PLC077341
Website : www.itcinfotech.com
Email : secretarial.i3l@itcinfotech.com

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

Your Directors submit their Report for the financial year ended 31st March, 2022.

FINANCIAL RESULTS

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

	Consolidated(*) (₹ in crores)		Standalone (₹ in crores)	
Year Ended 31st March	**2022**	**2021**	**2022**	**2021**
Total Income	**2884.30**	2469.29	**2316.36**	1883.91
Total Expenses	**2164.66**	1865.16	**1627.06**	1291.44
Profit before Tax	**719.64**	604.13	**689.30**	592.47
Tax Expenses	**178.60**	152.83	**171.49**	144.68
Profit after Tax	**541.04**	451.30	**517.81**	447.79

(*) 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., wholly owned subsidiary of Infotech USA.

DIVIDEND

During the year, the Board of Directors of the Company declared, on Equity Share of ₹ 10/- each, the first interim dividend of ₹ 20.50 per share, the second interim dividend of ₹ 14.75 per share and the third interim dividend of ₹ 17.75 per share on 8,52,00,000 Equity Shares, totalling ₹ 53 per share (previous year: ₹ 32.50 per share) and aggregating ₹ 451,56,00,000/- (Rupees Four Hundred Fifty-One crores and Fifty-Six lakhs only). The Board has recommended that the above interim dividends be confirmed as the final dividend for the financial year ended 31st March, 2022.

BUSINESS REVIEW

2021-22 has been a year of transition for the Technology Sector. After demonstrating immense resilience through the COVID-19 pandemic, it is now witnessing a resurgence, notwithstanding the heightened war for talent as a backdrop. Industry body NASSCOM estimates that the annual revenues of the Indian Technology Market has grown 15.5% in FY 2021-22, which is more than twice the pre-pandemic revenue growth in FY 2018-19. Digital and Capability-led opportunities and new models of technology consumption in a 'Everything as a Service' model are expected to continue being the key drivers of growth.

As organizations across the world adapted to new ways of working with a distributed workforce, hybrid operating models are fast becoming the norm. Hiring and training the right talent with a focus on up-skilling and re-skilling played a pivotal role in ensuring that IT Service providers kept pace with the growing demand for talent and evolving client priorities. The focus on employee well-being and personalized engagement continued to be crucial interventions for the distributed workforce.

In this context, your Company remains focused on its strategic pillars of Customer Centricity, Employee Centricity and Operational Excellence. Your Company continued to make dedicated investments to strengthen its capability-driven and industry-focused growth and launched an industry-defining 'ITC Infotech Work From Anywhere' (IWFA) productivity framework to provide its employees the flexibility to work from anywhere with a sustained focus on client priorities and security. Your Company prioritized investments to hire and train the right talent and in building a robust learning & development platform in order to meet its growing demand for high-skilled talent. Your Company also continued to forge new alliances and strengthened existing relationships with Independent Software Vendors (ISVs) to further strengthen its capabilities in focused areas such as Digital Workplace Solutions, Digital Manufacturing and Data analytics. These partnerships are aligned to your Company's vision of taking a leadership role in supporting the Digital Transformation and Software as a Service (SaaS) adoption journey of its clients.

During the year, your Company's consolidated Revenue from Operations was ₹ 2855.10 crores (previous year: ₹ 2453.86 crores), representing a growth of 16.35%, with Profit Before Tax of ₹ 719.64 crores (previous year: ₹ 604.13 crores). Net Profit stood at ₹ 541.04 crores (previous year: ₹ 451.30 crores).

Your Company's business-friendly solutions and new-age capabilities continued to break new ground and gain global recognition across analyst firms. Your Company's Digital Manufacturing capabilities was profiled in an exclusive Briefing Note by ISG titled 'ITC Infotech: Business-friendly Approach Strategically Placing Manufacturers, a Step Ahead of Competitors'. Your Company's Automation capabilities was positioned in the Leadership Zone in the Zinnov Zones Hyper Intelligent Automation Services 2021 for (1) RPA (Small & Medium Service Providers) (2) IT Automation (3) CPG-Retail. During the year, your Company's Digital Workplace capabilities rose to the position of 'Disruptor' in Avasant's Digital Workplace Services 2021 RadarView™.

Your Company remains committed to its vision of providing differentiated, business-friendly offerings to help its clients transform and succeed. Across all aspects of business, Digital Transformation through Software as a Service (SaaS) adoption will continue to accelerate. Your Company will continue to make investments to take a leadership position in enabling its clients succeed in this journey.

On 20th April, 2022, the Company entered into an agreement with PTC Inc., a global technology company headquartered in Boston, USA, to acquire a part of PTC's PLM implementation services business and create a new service line focused on the adoption of PTC's industry-leading Windchill® PLM software as a service (SaaS). The overall consideration payable by the Company under the agreement is estimated at USD 115 million over a period of 5 years. Of this, a sum not exceeding USD 35 million is payable upfront upon closing of the transaction which, subject to fulfilment of certain conditions, is expected within 3 months of the date of the agreement.

WHOLLY OWNED SUBSIDIARY COMPANIES

The statement in Form No. 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., wholly owned subsidiary of Infotech USA, for the financial year 2021-22 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	
	2021-22	**2020-21**	**2021-22**	**2020-21**
Infotech UK (in GBP million)	**40.02**	48.80	**0.79**	0.90
Infotech USA (in USD million)	**133.34**	107.93	**2.52**	2.57
Indivate Inc. (in USD million)	**0.42**	0.43	**0.01**	0.02

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Changes in Directors during the year

(Late) Mr. Partho Chatterjee (DIN: 00042208), upon completion of his term of appointment, ceased to be a Director of the Company with effect from 28th July, 2021. Your Board of Directors place on record its appreciation for the contribution made by him during his tenure as Director.

Ms. Priti Balaji was appointed, with your approval, as a Non-Executive Director of the Company, liable to retire by rotation, for a period of three years with effect from 11th August, 2021.

During the year, there were no changes in Key Managerial Personnel of the Company.

Retirement by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 (the Act) read with Articles 143 & 144 of the Articles of Association of the Company, Messrs. B. B. Chatterjee and R. Tandon will retire by rotation at the 26th Annual General Meeting (AGM) of the Company.

Mr. Chatterjee and Mr. Tandon have informed that they would not like to offer themselves for re-election at the 26th AGM. The Board has recommended that the vacancies that will be so caused be not filled up.

BOARD AND BOARD COMMITTEES

The three Board Committees of the Company and their present composition are as follows:

Audit Committee

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

During the year under review, Ms. P. Balaji was appointed as a Member of the Committee with effect from 16th July, 2021 and Mr. P. Chatterjee ceased to be Member of the Committee with effect from 28th July, 2021.

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. R. Tandon. The Company Secretary serves as the Secretary to the Committee.

During the year under review, Mr. R. Tandon was appointed as a Member of the Committee with effect from 16th July, 2021 and Mr. P. Chatterjee ceased to be Member of the Committee with effect from 28th July, 2021.

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 Ms. P. Balaji. The Managing Director and the Chief Financial Officer are Permanent Invitees to the Committee. The Company Secretary serves as the Secretary to the Committee.

During the year under review, Ms. P. Balaji was appointed as a Member of the Committee with effect from 16th July, 2021 and Mr. P. Chatterjee ceased to be Member of the Committee with effect from 28th July, 2021.

Number of Board Meetings

Seven meetings of the Board were held during the year ended 31st March, 2022.

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 the 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. They 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/compliance.

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 System - Policy & 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 in a rapidly changing technology landscape and a dynamic business environment.

The management of risks is embedded in the corporate strategies of your Company that help in developing a world class business in the field of Information Technology Services which match the organizational capability with market opportunities.

Your Company has adopted the ISO 31000:2018 Risk Management Principles and Guidelines. Accordingly, the Risk Management Policy & Framework has been assessed independently and aligned with the aforesaid global Standard on Risk Management.

While the Corporate Governance Policy details the roles and responsibilities and authority at various levels, Corporate policies and standard operating procedures set out the philosophy and processes under which management needs to conduct its operations within a control driven and risk managed environment.

Under this backdrop, 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 (CSR Rules), 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 is made to ensure the optimal use of energy. With the adoption of IWFA mode of operation, the operating footprint of office spaces were optimized which resulted in an annual reduction of about 42 lakh units of electricity and 14,000 KL of water. Such reductions account for about 60% of the full-scale operation of the office spaces.

II. FOREIGN EXCHANGE EARNINGS AND OUTGO

The foreign exchange earnings of your Company during the year were ₹ 168,293 lakhs (previous year: ₹ 132,942 lakhs) while the outgoings were ₹ 19,179 lakhs (previous year: ₹ 16,045 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. ANNUAL RETURN

As per provisions of Section 92(3) and Section 134(3)(a) of the Act as amended from time to time, the Annual Return in Form no. MGT-7 is available on the Company's website and can be accessed at https://www.itcinfotech.com/compliance.

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

All contracts or arrangements entered into by the Company with its related parties during the financial year were in the ordinary course of business and on arm's length basis. The details of material transaction(s) entered into by your Company with its related parties are provided in **Annexure 3** (Form No. 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 ₹ 5,000 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 annual accounts for the financial year ended 31st March, 2022, 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 annual accounts for the financial year ended 31st March, 2022, on a going concern basis, and

v. devised proper systems to ensure compliance with the provisions of 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

The Company's Auditors, Messrs. Deloitte Haskins & Sells LLP, Chartered Accountants, Firm Registration Number 117366W/W-100018 (DHS), will be completing their tenure of appointment of 5 years at the conclusion of the 26th AGM and, being eligible, offer themselves for re-appointment.

Your Board, on recommendation of the Audit Committee, has recommended for the approval of the Members re-appointment of DHS as Statutory Auditors of the Company for a further period of 5 years to hold office from the conclusion of the 26th AGM until the conclusion of the 31st AGM.

Further, 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 remuneration to DHS to conduct the audit of the Standalone Financial Statements for the financial year 2022-23.

Eligibility and Consent letters from DHS have been received to the effect that their appointment as Statutory Auditors of the Company, if appointed at the ensuing Annual General Meeting, would be according to the terms and conditions prescribed under Section 139 of the Act and rules thereunder.

Appropriate resolution seeking your approval in respect of appointment of DHS and their remuneration is included in the Notice convening the 26th AGM of the Company.

(b) Secretarial Auditor

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, 2022. The report of Ms. Gokhale, in terms of Section 204(1) of the Act, is provided in **Annexure 4** 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 made 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, the Internal Complaints Committee did not receive any complaint.

ACKNOWLEDGEMENTS

Your Directors thank the clients, partners and vendors for their continued support. Your Directors place on record their appreciation of the vital contribution made by every employee and for their unstinted support, hard work, solidarity, co-operation and stellar performance, as we continuously adapted to the volatile and evolving circumstances driven by the COVID-19 pandemic, during the year under review.

On behalf of the Board

	S. Sivakumar	**S. Singh**
	Vice Chairman	Managing Director
Date: 3rd May, 2022	Hyderabad	Bengaluru

ANNEXURE 1 TO THE REPORT OF THE BOARD OF DIRECTORS

Annual Report on CSR Activities of the Company for the Financial Year ended 31st March, 2022

1. **Brief outline:**

ITC Infotech India Limited, being a wholly owned subsidiary of ITC Limited ('ITC'), will discharge its responsibility by aligning itself with the CSR Policy of ITC and by undertaking CSR activities in areas or subjects which are independent of the normal conduct of the Company's business and are aligned to the activities listed in Schedule VII read with Section 135 of the Act and the CSR Rules.

Salient features of the Company's CSR Policy:

The Company -

✓ Will undertake CSR activities (a) directly, or (b) through a registered public trust or a registered society or a company under Section 8 of the Act, established by ITC or otherwise, having track record of at least three years in undertaking CSR activities, or (c) through other implementing agencies.

✓ May collaborate with ITC or other companies for undertaking CSR activities in such a manner that the respective companies are in a position to report separately on the CSR activities being undertaken.

✓ Will endeavour to spend in every financial year, two percent of its average net profits during the three immediately preceding financial years (or such other limit as may be prescribed under the Act), on CSR activities in pursuance of the Policy.

2. **Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. S. Sivakumar (Chairman of the Committee)	Vice Chairman and Non-Executive Director	4	4
2	Mr. B. B. Chatterjee	Non-Executive Director	4	4
3	Mr. P. Chatterjee, (ceased to be Member w.e.f. 28th July, 2021)	Non-Executive Director	4	2
4	Ms. P. Balaji (appointed as Member w.e.f. 16th July, 2021)	Non-Executive Director	4	2

3. Provide the web-link where composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company – https://www.itcinfotech.com/compliance.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
Nil			

6. Average net profits of the Company as per Section 135(5) – ₹ 314,58,97,303/-

7. (a) Two percent of average net profit of the Company as per Section 135(5) – ₹ 6,29,17,946/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Nil

(c) Amount required to be set off for the financial year, if any - Nil

(d) Total CSR obligation for the financial year (7a+7b-7c) - ₹ 6,29,17,946/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 6,36,39,000/-	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Read India Plus Programme of Pratham Education Foundation	Promoting education under Clause (ii)	Local Area & Others	Uttarakhand, Uttar Pradesh, Himachal Pradesh, Maharashtra, Telangana, Andhra Pradesh, Tamil Nadu, Karnataka	Haridwar, Saharanpur, Baddi, Pune, Bhadrachalam, Anaparthy, Chirala, Coimbatore, Chennai, Pudukkottai, Mysore, Bangalore, Malur	234.79 lakhs	No	ITC Rural Development Trust	CSR00002776
2	Vocational Skill Training Programme of Pratham Education Foundation	Enhancing vocational skills under Clause (ii)	Local Area & Others	Andhra Pradesh, Telangana, Rajasthan, Chhattisgarh, Madhya Pradesh, Punjab, Uttar Pradesh, Odisha, Maharashtra, Tamil Nadu, Karnataka	Guntur, Prakasam, East Godavari, Pune, Bhadradri, Kothagudem, Medak, Jhalawar, Sukma, Sehore, Vidisha, Damoh, Kapurthala, Lucknow, Kaushambi, Malkangiri, Mallur, Gorakhpur	274.49 lakhs	No	ITC Rural Development Trust	CSR00002776
3	Integrated Watershed Management Programme	Soil and moisture conservation under Clause (iv)	Other area	Rajasthan	Jhalawar	127.11 lakhs	No	ITC Rural Development Trust	CSR00002776

(d) Amount spent in Administrative Overheads – Not Applicable

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – ₹ 6,36,39,000/-

(g) Excess amount for set off, if any – Not Applicable

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per Section 135(5)	N.A.
(ii)	Total amount spent for the Financial Year	N.A.
(iii)	Excess amount spent for the financial year [(ii)-(i)]	N.A.
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	N.A.
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	N.A.

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
N.A.							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
N.A.								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset wise details)**

(a) Date of creation or acquisition of the capital asset(s).	Nil
(b) Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Nil
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Nil

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5) – Not applicable

S. Sivakumar
Chairman - CSR Committee
Hyderabad

S. Singh
Managing Director
Bengaluru

Date: 3rd May, 2022

ANNEXURE 2 TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

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 / Deputation	Previous Employment / Position held
1	2	3	4	5	6	7	8	9
SINGH SUDIP	49	Managing Director & Chief Executive Officer	7,78,69,923	4,38,84,745	M.B.A.	24	28-Jan-19	Infosys Ltd. Global Industry Head - Energy, Utilities, Resources & Services Segment
KUMAR VISHAL #	51	President - ROW	3,05,77,339	3,05,77,339	B.E.	29	13-Jan-03	PSI Data Systems Ltd. Sales & Marketing Manager
BATRA RAKESH ###	58	Chief Financial Officer	2,05,14,325	92,18,836	B. COM(H), FCA	36	01-Sep-06	–
PATNI MUDIT ##	41	General Manager - Business Development	2,03,77,099	1,06,92,850	PGDM	18	01-Feb-19	Rockwell Automation Business Development Manager
RAMAKICHENIN JULIEN ##	34	Client Engagement Partner	1,87,78,103	87,46,612	B.E.	12	01-Jul-21	Accor Vice President Distribution and Integration Systems
SEN ARIJEET ##	39	Vice President	1,80,19,025	95,39,332	M.B.A.	17	01-Nov-16	L&T Technology Services Ltd. Senior Business Development Manager
PAUL DEBJYOTI	49	President - IT Services	1,75,80,226	1,13,36,749	PGDM	24	30-Dec-19	Microsoft Architect Manager
RAJESH B.A.B #	54	General Manager - IT Services	1,49,96,717	82,65,580	B.Sc.	30	12-Jan-10	Bristlecone India Ltd. Manager - Delivery
AKHAURY UMANG #	40	General Manager - Business Development	1,47,16,047	92,21,171	M.B.A.	15	08-Nov-15	Tata Consultancy Services Business Development Manager
BURMAN SUCHISMITA (separated from the services of the Company)	46	Chief Human Resources Officer	1,43,79,215	94,46,564	M.P.M	22	07-Jun-19	Deloitte Consulting Vice President

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 / Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
VAKKALAGADDA SRIDHAR ##	45	Senior Project Manager	1,33,29,155	62,53,280	M.C.A	18	02-Jan-20	Tata Consultancy Services Ltd. Program Manager
OCHANI ANUP #	45	Vice President - Business Development	1,31,29,727	1,31,29,727	B.E.	24	12-Nov-07	Aptiva Consulting Project Manager
KUMAR SANDEEP	51	Senior Vice President & Head Global Consulting	1,28,91,325	84,21,702	B.E., PGDM	26	26-Mar-12	Infosys Limited Industry Principal
SHARMA MANISH ## (separated from the services of the Company)	35	Senior Manager - Business Development	1,23,07,341	66,53,549	M.B.A.	14	08-Oct-19	Tata Consultancy Services Ltd. Manager - Business Development
SHANKARAN SUNDARESH	52	President - Manufacturing & CPG	1,21,78,588	79,71,059	B.E.	30	06-Jan-20	Infosys Limited Vice President
BALAKRISHNAN BRIJESH	46	President - CIO Services	1,20,34,577	78,38,829	PGDM	24	20-May-21	CSS Corp Pvt. Ltd., Senior Vice President & Delivery Head
EMMANUEL JAISMON	47	Senior Vice President - Business Excellence	1,18,70,552	79,25,342	B.TECH.	22	31-Jul-19	UST Global Senior Director
RAJASEKHAR V V	57	Senior Vice President	1,14,84,491	75,19,158	M.B.A.	33	01-Jun-89	Blue Star Ltd., Sales Engineer
PARALIKAR SALIL RAJEEV #	45	General Manager - Business Development	1,13,74,318	73,56,278	B.TECH.	23	19-Nov-09	Wipro Project Manager
SINGH MUKESH KUMAR #	42	Senior Project Manager	1,12,14,823	60,33,852	B.Sc	16	05-Jan-17	IDS Next Software Solutions Product Manager
KUMAR UDAY BH #	32	Lead Consultant	1,09,95,096	59,88,820	B.E.	11	31-May-17	SM Netserv Technologies Pvt. Ltd., Technical Lead
JOSHI PRAVEEN KUMAR MC #	43	Lead Consultant	1,09,16,050	50,69,838	M.C.A	18	27-Mar-19	Destinations of the World DMCC, Business Analyst
DAS ANANTA #	41	General Manager - Supply Chain	1,08,44,797	49,27,700	PGDIM	16	12-Apr-10	Infosys Limited Test Analyst
SIDDHARTH SEKHAR #	33	Lead Consultant	1,07,62,763	47,46,799	B.Sc	12	03-Dec-12	Ness Technologies QA Engineer
SHAH SANJAY V ###	61	Senior Vice President & Company Secretary	1,05,27,109	51,61,378	B.Com, ACA, ACS	38	13-Dec-00	-

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 / Nature of Duties	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment / Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
RAY KAUSHIK	51	Chief Human Resources Officer	28,72,655	21,65,031	M.B.A.	25	09-Feb-22	Dr. Reddy's Laboratories Vice President - HR
KSHETRAPAL ADITYA (separated from the services of the Company)	45	Vice President - Business Development	92,59,295	63,53,254	M.B.A.	21	10-Nov-14	Capgemini India Private Ltd. Senior Manager
KAKKAR ASHU	51	Chief Information Officer	73,82,057	51,16,147	M.B.A.	27	08-Sep-21	HCL Technologies Vice President - Global Information Technology
CHAWLA GAURAV	49	Vice President - Business Development	32,62,285	23,25,821	M.B.A.	22	31-Dec-21	IBM India, General Manager

Notes :-

1. # 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.
2. ### On deputation from ITC Ltd., the Holding Company (ITC); remuneration borne by the Company as per the terms of deputation of services.
3. Remuneration includes salary, performance bonus, allowances, incentives, severance pay, joining bonus, contribution to Provident Fund & approved Pension Fund and other benefits / applicable perquisites, except the contribution to approved Gratuity Fund 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.
4. 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.
5. Some of the employees listed above have been granted Stock Options by ITC under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021]. Since these Stock Options are not tradeable, no perquisite or benefit is immediately conferred upon the employee by grant of such Options and accordingly, the said grants have not been considered as remuneration.
6. All appointments are / were contractual in accordance with terms & conditions as per Company's rules.
7. None of the above employees is a relative of any Director of the Company.

On behalf of the Board

S. Sivakumar
Vice Chairman
Hyderabad

S. Singh
Managing Director
Bengaluru

Date: 3rd May, 2022

ANNEXURE 3 TO THE REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

FORM NO. 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 fourth proviso thereto.

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

a)	Name(s) of the related party and nature of relationship	ITC Limited (Holding Company)
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 - Payment upon receipt of invoice - Value of transactions during the year - ₹ 17,686 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	ITC Infotech Limited (Subsidiary)
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 - Payment upon receipt of invoice - Value of transactions during the year - ₹ 21,849 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	ITC Infotech (USA), Inc. (Subsidiary)
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 - Payment upon receipt of invoice - Value of transactions during the year - ₹ 61,582 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	Russell Credit Limited (Russell), Fellow Subsidiary
b)	Nature of contracts / arrangements / transactions	Unsecured Inter-Corporate Loan of ₹ 10,000 lakhs from Russell
c)	Duration of the contracts / arrangements / transactions	One year
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	- Simple Interest payable at 7.75% per annum - 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 - Loan received during the year- Nil - Loan repaid during the year- Nil - Interest paid during the year- Nil
e)	Date(s) of approval by the Board, if any	4th February, 2019 11th January, 2022 (Audit Committee)
f)	Amount paid as advances, if any	Nil

On behalf of the Board

S. Sivakumar
Vice Chairman
Hyderabad

S. Singh
Managing Director
Bengaluru

Date: 3rd May, 2022

ANNEXURE 4 TO THE REPORT OF THE BOARD OF DIRECTORS

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[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
ITC Infotech India Limited
Virginia House, 37, J. L. Nehru Road
Kolkata, West Bengal, India - 700071

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **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, 2022**, 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, 2022, 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 1 and 2 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
FCS No.: 11505
UDIN: F011505D000258191

Date: 3rd May, 2022
Place: Bengaluru

Annexure A

To,

The Members,

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, 2022, 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 and 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
FCS No.: 11505
UDIN: F011505D000258191

Date: 3rd May, 2022
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, 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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, 2022, its profit, total comprehensive income, the changes in equity and its cash flows 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 (the "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 (the "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 comprises the information included in the Board's Report including Annexures to the Board's Report but does not include the special purpose consolidated financial statements, standalone financial statements and our auditor's reports 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, changes in equity and cash flows 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 statements 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.

The Board of Directors is 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 Statement of Changes in Equity and the Cash Flow Statement 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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, 2022 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at March 31, 2022.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in the Statement of Changes in Equity of the standalone financial statements, the interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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)
UDIN : 22110815AIIZGK2503

Place: Bengaluru
Date: May 03, 2022

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, 2022 in conjunction with our audit of the standalone 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, 2022, 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
(Membership No. 110815)
UDIN : 22110815AIIZGK2503

Place: Bengaluru
Date: May 03, 2022

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)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, we state that:

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of verification of Property, Plant and Equipment and right-of-use assets so to cover all the Property, Plant and Equipment and right-of-use 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, certain Property, plant and equipment and right-of-use were due for verification during the year and 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 (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee). Hence reporting under clause (i)(c) of the Order is not applicable.

(d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of Rs.500 lakhs, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

(iii) (a) The Company has not provided any loans or advances in the nature of loans to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) The terms and conditions of the grant of loans, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

The Company has not made any investments in, provided any guarantee or security, to companies, firms, Limited Liability Partnerships or any other parties during the year.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 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 (₹ in lakhs)
Finance Act, 1994	Service tax including interest and penalty	CESTAT	April 1, 2007 to June 30, 2011	122.62*
Finance Act, 1994	Service tax including interest and penalty	Commissioner	July 1, 2011 to June 30, 2017	541.29#

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

Net of amount deposited under protest Rs.16.78 lakhs.

(viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(ix) (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any loans (funds) from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any borrowings (loans) during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

(xi) (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and upto the date of this report).

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv)(a) In our opinion the Company has an adequate internal audit system (comprising the internal and corporate audit departments) commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Anand Subramanian
Partner
(Membership No. 110815)
UDIN : 22110815AIIZGK2503

Place: Bengaluru
Date: May 03, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

	Note No.	As at 31st March, 2022 (₹ in Lakhs)	As at 31st March, 2021 (₹ in Lakhs)
I ASSETS			
1 Non-current Assets			
a) Property, Plant and Equipment	2	3,604	3,458
b) Capital-work-in-progress	2	87	–
c) Other Intangible Assets	2	409	504
d) Right-of-Use Assets	2	357	85
e) Financial Assets			
(i) Investments	3 (a)	8,704	8,704
(ii) Others	5 (a)	139	–
f) Deferred Tax Assets (Net)	9	3,470	2,684
g) Income Tax Assets (Net)	10	2,436	1,813
h) Other Non-Current Assets	11 (a)	241	283
Sub-Total		**19,447**	17,531
2 Current Assets			
a) Financial Assets			
i) Investments	3 (b)	6,904	26,767
ii) Trade Receivables	6	27,696	17,897
iii) Cash and Cash Equivalents	7	976	852
iv) Other Bank Balances	8	20,000	10,000
v) Loans	4	0	3
vi) Others	5 (b)	26,906	16,523
b) Other Current Assets	11 (b)	3,992	4,044
Sub-Total		**86,474**	76,086
TOTAL		**1,05,921**	93,617
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share Capital	12	8,520	8,520
b) Other Equity		69,180	62,574
Sub-Total		**77,700**	71,094
2 Non-current Liabilities			
a) Financial Liabilities			
i) Lease Liabilities	25	29	–
ii) Other Financial Liabilities	13 (b)	1,134	1,340
b) Provisions	14 (a)	1,891	1,411
Sub-Total		**3,054**	2,751
3 Current Liabilities			
a) Financial Liabilities			
i) Lease Liabilities	25	334	98
ii) Trade Payables			
– Total outstanding dues of micro and small enterprises	13 (a)	37	112
– Total outstanding dues other than micro and small enterprises	13 (a)	6,596	5,865
iii) Other Financial Liabilities	13 (c)	13,017	10,167
b) Other Current Liabilities	15	4,203	2,486
c) Provisions	14 (b)	980	1,044
Sub-Total		**25,167**	19,772
TOTAL		**1,05,921**	93,617

The accompanying notes 1 to 38 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 : 03 May, 2022

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
Bengaluru

Date : 03 May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

		Note No.	For the year ended 31st March, 2022 (₹ in Lakhs)	For the year ended 31st March, 2021 (₹ in Lakhs)
I	**Revenue from Operations**	16	2,28,857	1,83,498
II	**Other Income**	17	2,779	4,893
III	**Total Income**		**2,31,636**	1,88,391
IV	**Expenses**			
	Employee Benefits Expense	18	1,27,221	1,02,870
	Finance Costs	19	142	19
	Depreciation and Amortisation Expense	2	2,279	2,583
	Other Expenses	20	33,064	23,672
	Total Expenses		**1,62,706**	1,29,144
V	**Profit Before Tax (III-IV)**		**68,930**	59,247
VI	**Tax Expenses**	21 (a)		
	Current Tax		17,923	15,425
	Deferred Tax Credit		(774)	(957)
			17,149	14,468
VII	**Profit for the Year (V-VI)**		**51,781**	44,779
VIII	**Other Comprehensive Income**			
	(a) Items that will not be Reclassified Subsequently to Profit or Loss			
	(i) Remeasurement of Net Defined Benefit Liability		(48)	846
	(ii) Less: Tax Relating to Items that will not be reclassified subsequently to Profit or Loss	21 (b)	(12)	213
	(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		**(36)**	633
IX	**Total Comprehensive Income for the Year (VII+VIII)**		**51,745**	45,412
X	**Earnings Per Share (in `) (Face value ` 10 each) (Basic and Diluted)**	27	60.78	52.56

The accompanying notes 1 to 38 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 & Sells LLP,
Firm Registration Number : 117366 W/W- 100018
Chartered Accountants
Anand Subramanian
Partner
Membership Number : 110815

Place : Bengaluru
Date : 03 May, 2022

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
Bengaluru

Date : 03 May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. Equity Share Capital (₹ in Lakhs)

Balance at 1st April, 2020	Changes in Equity Share Capital during the year	Balance at 31st March, 2021	Changes in Equity Share Capital during the year	Balance at 31st March, 2022
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, 2021	**51,581**	**10,993**	**62,574**
- Profit for the Year	51,781	–	51,781
- Remeasurement of Net Defined Benefit Liability (Net of Tax)	(36)	–	(36)
Total Comprehensive Income	**51,745**	–	**51,745**
- Payment of Interim Dividend* : @ ₹ 20.50/- per share on 8,52,00,000 Shares: ₹ 17,466 Lakhs @ ₹ 14.75/- per share on 8,52,00,000 Shares: ₹ 12,567 Lakhs @ ₹ 17.75/- per share on 8,52,00,000 Shares: ₹ 15,123 Lakhs	(45,156)	–	(45,156)
- Recognition of Share Based Payment (Refer Note 29)	–	17	17
- Options Lapsed during the Year	2,214	(2,214)	–
Balance as at 31st March, 2022	**60,384**	**8,796**	**69,180**
Balance as at 1st April, 2020	33,041	11,971	45,012
- Profit for the Year	44,779	–	44,779
- Remeasurement of Net Defined Benefit Liability (Net of Tax)	633	–	633
Total Comprehensive Income	**45,412**	–	**45,412**
- Payment of Interim Dividend * : @ ₹ 17.75/- per share on 8,52,00,000 Shares: ₹ 15,123 Lakhs @ ₹ 14.75/- per share on 8,52,00,000 Shares: ₹ 12,567 Lakhs	(27,690)	–	(27,690)
- Recognition of Share Based Payment (Refer Note 29)	–	(160)	(160)
- Options Lapsed during the Year	818	(818)	–
Balance as at 31st March, 2021	**51,581**	10,993	62,574

* Payment of interim dividend in compliance with Companies Act, 2013
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 38 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 & Sells LLP,
Firm Registration Number : 117366 W/W- 100018
Chartered Accountants
Anand Subramanian
Partner
Membership Number : 110815

Place : Bengaluru
Date : 03 May, 2022

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
Bengaluru

Date : 03 May, 2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

	For the year ended 31st March, 2022 (₹ in Lakhs)		For the year ended 31st March, 2021 (₹ in Lakhs)	
A CASH FLOW FROM OPERATING ACTIVITIES :				
PROFIT BEFORE TAX		68,930		59,247
ADJUSTMENTS FOR :				
Depreciation and Amortisation Expense	2,279		2,583	
Dividend Income from Subsidiary Company	–		(2,739)	
Net Gain on Sale of Investments	(818)		(970)	
Property, Plant and Equipment - Loss on Sale / Discarded [net]	3		21	
Unrealised (Gain) / Loss on Exchange [net]	(328)		221	
Share based Payments to Employees [charge/(credit)]	17		(112)	
Provision for Doubtful Receivables and Advances [charge]	345		689	
Interest Income	(714)		(167)	
Finance Costs on Lease Liabilities	16		19	
Liabilities no Longer Required Written Back	(72)	728	–	(455)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		69,658		58,792
ADJUSTMENTS FOR :				
Trade Receivables, Loans and Advances and Other Assets	(19,942)		(174)	
Trade Payables, Other Liabilities and Provisions	3,819	(16,123)	3,182	3,008
CASH FROM OPERATIONS		53,535		61,800
Income Tax Paid (Net)		(18,543)		(14,902)
NET CASH FROM OPERATING ACTIVITIES		**34,992**		46,898
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property, Plant and Equipment	(2,042)		(1,257)	
Purchase of Current Investments	(4,03,880)		(3,55,186)	
Investment in Bank Deposits (original maturity more than 3 months)	(20,000)		(10,000)	
Maturity of Bank Deposits (original maturity more than 3 months)	10,000		–	
Sale / Redemption of Current Investments	4,24,561		3,44,490	
Sale of Property, Plant and Equipment	40		22	
Interest Received on maturity of Bank Deposits	417		–	
Dividend Income from Subsidiary Company	–		2,739	
NET CASH FROM / USED IN INVESTING ACTIVITIES		**9,096**		(19,192)
C CASH FLOW FROM FINANCING ACTIVITIES :				
Interim Dividend on Equity Shares (Net of TDS)	(40,640)		(25,613)	
Tax Deducted at Source on Dividend	(3,003)		(2,077)	
Lease Payments	(328)		(308)	
NET CASH (USED) IN FINANCING ACTIVITIES		**(43,971)**		(27,998)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**117**		(292)
OPENING CASH AND CASH EQUIVALENTS		**853**		1,145
CLOSING CASH AND CASH EQUIVALENTS		**970**		853
CASH AND CASH EQUIVALENTS COMPRISE :				
Cash and Cash Equivalents as above	970		853	
Unrealised Gain / (Loss) on Foreign Currency Cash and Cash Equivalents	6		(1)	
Cash and Cash Equivalents (Note 7)		976		852

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 38 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 : 03 May, 2022

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
Bengaluru

Date : 03 May, 2022

NOTES TO THE FINANCIAL STATEMENTS

Note No.

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 (COVID-19) : The Company has considered the possible effects that may arise out of the 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.

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 of 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.

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, as Miscellaneous Income, under Other income, in case of net gain or as part of Property Plant and Equipment Discarded, net under Other Expenses, in case of net 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 represents purchased 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' 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

Derivative financial instruments, such as forward exchange contracts, are used to hedge foreign currency risks from an economic perspective, however these instruments are not considered as hedging instrument under IndAS 109. 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.

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 credit loss 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 : Interest income is recognised in the Statement of Profit and Loss using the effective interest method. 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

The Company is engaged in providing information technology services to enterprise clients. The Company derives its revenues primarily from Information Technology (IT) services.

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services ("transaction price").

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on expected cost plus margin.

Revenue excludes amounts collected on behalf of third parties, such as sales tax, value added tax and goods and services tax.

Revenue is recognised from services performed on a "time and material" basis, as and when the services are performed. Revenue from Fixed price support services is recognised on a straight-line basis when services are performed through a series of repetitive acts over a specified period.

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 from sales of third-party vendor software / hardware is recognised upon delivery to customer.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Amounts received or billed in advance of services performed are presented as unearned revenue (contract liabilities). Unbilled revenue represents amounts recognised based on services performed in advance of billing in accordance with contract terms.

The incremental costs of obtaining a contract are recognized as an asset and amortized to revenues in accordance with Ind AS 115 Revenue from contracts with customers. Capitalised costs are monitored regularly for impairment. Impairment losses are recorded

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalised costs.

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.

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.

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.

o) Dividend Distribution

Dividends paid 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.

t) New Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, inter alia, as below:

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

Note 2 : PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS - FY 2021-22

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 31st Mar, 2021	Additions	Withdrawals / Adjustments	As at 31st March, 2022	As at 31st Mar, 2021	Charge for the Year	Withdrawals / Adjustments	As at 31st March, 2022	As at 31st March, 2022	As at 31st Mar, 2021
i) TANGIBLE ASSETS										
Leasehold Properties - Building Improvement	804	–	–	804	715	89	–	804	0	89
Plant and Equipment	439	–	3	436	350	40	3	387	49	89
Furniture and Fixtures	945	1	1	945	793	61	1	853	92	152
Motor Vehicles	9	–	–	9	8	–	–	8	1	1
Office Equipment	870	2	17	855	703	51	14	740	115	167
Computers, Servers and Networks	5,923	1,939	368	7,494	3,426	1,209	329	4,306	3,188	2,497
Electrical Installations and Equipment	1,747	-	2	1,745	1,284	303	1	1,586	159	463
SUB TOTAL	**10,737**	**1,942**	**391**	**12,288**	**7,279**	**1,753**	**348**	**8,684**	**3,604**	**3,458**
ii) CAPITAL-WORK-IN-PROGRESS (CWIP)										
Capital-work-in-progress (Refer Note 2A below)	–	87	–	87	–	–	–	–	87	–
iii) OTHER INTANGIBLE ASSETS										
Capitalised Software	3,168	126	1,199	2,095	2,664	221	1,199	1,686	409	504
GRAND TOTAL	**13,905**	**2,155**	**1,590**	**14,470**	**9,943**	**1,974**	**1,547**	**10,370**	**4,100**	**3,962**
Right-of-Use Assets										
Right-of-Use Assets - Buildings [Refer Note 1 (m)]	596	577	596	577	511	305	596	220	357	85
TOTAL	**596**	**577**	**596**	**577**	**511**	**305**	**596**	**220**	**357**	**85**

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.

Ageing of CWIP:

(₹ in Lakhs)

As at 31st March, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in Progress	87	–	–	–	87
Projects temporarily suspended	–	–	–		–

Note: As on the date of Balance Sheet, there are no capital work in progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

Note 2 : PROPERTY, PLANT AND EQUIPMENT, OTHER INTANGIBLE ASSETS AND RIGHT-OF-USE ASSETS - FY 2020-21

(₹ in Lakhs)

DESCRIPTION	GROSS BLOCK				DEPRECIATION AND AMORTISATION				NET BLOCK	
	As at 31st Mar, 2020	Additions	Withdrawals / Adjustments	As at 31st March, 2021	As at 31st Mar, 2020	Charge for the Year	Withdrawals / Adjustments	As at 31st March, 2021	As at 31st March, 2021	As at 31st Mar, 2020
(i) TANGIBLE ASSETS										
Leasehold Properties - Building Improvement	923	-	119	804	812	22	119	715	89	111
Plant and Equipment	438	1	0	439	152	198	0	350	89	286
Furniture and Fixtures	937	8	-	945	477	316	-	793	152	460
Motor Vehicles	9	-	-	9	7	1	-	8	1	2
Office Equipment	855	22	7	870	646	63	6	703	167	209
Computers, Servers and Networks	5,400	1,052	529	5,923	2,985	928	487	3,426	2,497	2,415
Electrical Installations and Equipment	1,739	8	0	1,747	784	500	0	1,284	463	955
SUB TOTAL	**10,301**	**1,091**	**655**	**10,737**	**5,863**	**2,028**	**612**	**7,279**	**3,458**	**4,438**
ii) OTHER INTANGIBLE ASSETS										
Capitalised Software	2,953	215	-	3,168	2,391	273	-	2,664	504	562
GRAND TOTAL	**13,254**	**1,306**	**655**	**13,905**	**8,254**	**2,301**	**612**	**9,943**	**3,962**	**5,000**
Right-of-Use Assets										
Right-of-Use Assets - Buildings [Refer Note 1 (m)]	656	-	60	596	290	282	61	511	85	366
TOTAL	**656**	**-**	**60**	**596**	**290**	**282**	**61**	**511**	**85**	**366**

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.

3. INVESTMENTS

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
3 (a) Non-Current		
In Subsidiaries		
Investments in Equity Instruments- (At Cost) Unquoted		
ITC Infotech Limited (UK) 685,815 (2021 - 685,815) Equity Shares of GBP 1 each, fully paid	687	687
ITC Infotech (USA), Inc. 182,000 (2021 - 182,000) Ordinary Shares without par value, fully paid	8,017	8,017
Total	**8,704**	8,704

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
3 (b) Current (at fair value through profit or loss)		
Investment in Mutual Funds - Unquoted		
Axis Liquid Fund - 293,791 units (2021 - Nil Units) of ₹ 1,000 Each	6,904	–
SBI Liquid Fund -Nil units (2021 - 371,803 Units) of ₹ 1,000 Each	–	11,909
Kotak Liquid Plan - Nil units (2021 - 287,577 Units) of ₹ 1,000 Each	–	11,908
UTI Liquid Cash Plan - Nil units (2021 - 87,975 Units) of ₹ 1,000 Each	–	2,950
Total	6,904	26,767

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
4 LOANS		
4 (a) Current		
Loans to Employees		
– Unsecured, Considered Good	0	3
– Unsecured, Considered Doubtful	2	–
Less : Allowance for Doubtful Loans	(2)	–
Total	0	3
5 OTHER FINANCIAL ASSETS		
5 (a) Non-Current		
Unsecured Considered Good, Unless otherwise Stated		
Security Deposits (includes deposits for Company accommodations, offices etc.)	139	–
Total	139	–

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
5 (b) Current		
Unbilled Revenue - time and material basis *	26,160	16,026
Security Deposits (includes deposits for Company accommodations, offices etc.)	60	218
Foreign Currency Forward Contracts	140	60
Interest Accrued on Deposits	451	154
Advances (includes advance to employees)	95	65
Total	26,906	16,523

* Right to consideration is unconditional, upon passage of time.

	As at 31st March, 2022	As at 31st March, 2021
6 TRADE RECEIVABLES		
Unsecured, Considered Good	28,205	18,408
Credit Impaired	674	733
	28,879	19,141
Less: Expected Credit Loss Allowance	(1,183)	(1,244)
Total	27,696	17,897

(₹ in Lakhs)

Trade Receivables as at 31st March, 2022	Particulars Outstanding for following periods						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	15,990	12,035	319	(22)	(46)	(71)	28,205
Undisputed Trade Receivables - credit impaired	-	-	79	433	139	23	674
Gross	**15,990**	**12,035**	**398**	**411**	**93**	**(48)**	**28,879**
Less : Expected Credit Loss Allowance							1,183
Net							**27,696**

(₹ in Lakhs)

Trade Receivables as at 31st March, 2021	Particulars Outstanding for following periods						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	14,712	3,516	355	(37)	(58)	(80)	18,408
Undisputed Trade Receivables - credit impaired	-	24	342	327	8	32	733
Gross	**14,712**	**3,540**	**697**	**290**	**(50)**	**(48)**	**19,141**
Less : Expected Credit Loss Allowance							1,244
Net							**17,897**

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
7 CASH AND CASH EQUIVALENTS *		
Balances with Banks :		
Current Accounts	976	852
Total	976	852

* Cash and cash equivalents include cheques, drafts on hand, cash at bank and deposits with banks with original maturity of 3 months or less.

	As at 31st March, 2022	As at 31st March, 2021
8 OTHER BANK BALANCES		
In Deposit Accounts*	20,000	10,000
Total	20,000	10,000

* Represents deposits with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

	As at 31st March, 2022	As at 31st March, 2021
9 DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets	3,471	2,689
Less: Deferred Tax Liabilities	1	5
Deferred Tax Assets (Net)	3,470	2,684

Movement in Deferred Tax

	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
FY 2021-22				
Deferred Tax Assets :				
On provision for employees' separation and retirement etc.	999	662	12	1,673
On provision for doubtful receivables and advances	313	(1)	–	312
On fiscal allowances on property, plant and equipment	742	(3)	–	739
Other timing differences	635	112	–	747
Total Deferred Tax Assets	2,689	770	12	3,471
Deferred Tax Liabilities :				
Other timing differences	5	(4)	0	1
Total Deferred Tax Liabilities	5	(4)	–	1
Deferred Tax Assets (Net)	2,684	774	12	3,470

(₹ in Lakhs)

	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
FY 2020-21				
Deferred Tax Assets :				
On provision for employees' separation and retirement etc.	693	519	(213)	999
On provision for doubtful receivables and advances	191	122	–	313
On fiscal allowances on property, plant and equipment	616	126	–	742
Other timing differences	440	195	–	635
Total Deferred Tax Assets	1,940	962	(213)	2,689
Deferred Tax Liabilities :				
Other timing differences	–	5	–	5
Total Deferred Tax Liabilities	–	5	–	5
Deferred Tax Assets (Net)	1,940	957	(213)	2,684

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
10 INCOME TAX ASSETS (NET)		
Advance Tax (Net of Provision for Income Tax)	2,436	1,813
Total	2,436	1,813
11 OTHER ASSETS		
11(a)Non-Current		
Advances other than Capital Advances		
Advances with Statutory Authorities	58	84
Other Advances (Unexpired Expenses)	183	199
Total	241	283
11(b)Current		
Unbilled Revenue - percentage of completion *	1,773	2,175
Advances other than Capital Advances		
Other Advances (includes Unexpired Expenses)	1,769	1,483
Advance to related parties (Refer Note 34)	450	386
Total	3,992	4,044

*Contractual right to consideration is dependent on completion of contractual milestones. During the year ended March 31, 2022 and 2021, INR 2154 lakhs and INR 902 lakhs, respectively, of Unbilled Revenue - percentage of completion pertaining to fixed price development contracts have been reclassified to Trade Receivables on completion of milestones.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

		As at 31st March, 2022	As at 31st March, 2021
12	**EQUITY SHARE CAPITAL**		
	Authorised:		
	8,60,00,000 (2021 - 8,60,00,000) Equity Shares of ₹10 each	**8,600**	8,600
	Issued and subscribed :		
	8,52,00,000 (2021 - 8,52,00,000) 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. No new equity shares have been issued during the year.)		
	Total	**8,520**	8,520

Shared held by Promoters

Particulars		As at 31 March 2022			As at 31 March 2021		
	Promoter Name	No. of shares as at end of the year	% of Total Shares	% change during the year	No. of shares as at end of the year	% of Total Shares	% change during the year
Equity shares of ₹ 10 each, fully paid	ITC Limited	8,52,00,000	100%	–	8,52,00,000	100%	–

13 FINANCIAL LIABILITIES (Refer to Note 25 for Lease Liabilities)

13 (a) Trade Payables

Ageing schedule (₹ in Lakhs)

Trade Payable as at 31st March, 2022	Particulars Outstanding for following periods							
	Not Due	Accrued	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	37	-	-	-	-	-	-	37
Others	886	4,440	1,270	-	-	-	-	6,596
Total	**923**	**4,440**	**1,270**	-	-	-	-	**6,633**

Trade Payable as at 31st March, 2021	Particulars Outstanding for following periods							
	Not Due	Accrued	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	112	-	-	-		-	-	112
Others	716	4,080	875	37	74	22	61	5,865
Total	**828**	**4,080**	**875**	**37**	**74**	**22**	**61**	**5,977**

Relationship with struck off Companies (₹ in Lakhs)

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st Mar'22	Relationship with the struck off company, if any, to be disclosed
Thought Works Consulting Private Limited*	Payables	1	Vendor

*Transaction during the year is ₹ 1 lakh

Name of the struck off company	Nature of transactions with struck off company	Balance outstanding as at 31st Mar'21	Relationship with the struck off company, if any, to be disclosed
Future Makers Global Private Limited	Payables	**	Vendor

*** Less than ₹ 1 lakh. Balance as at 1st April 2020, subsequently written-back in FY 2022.

(₹ in Lakhs)

		As at 31st March, 2022	As at 31st March, 2021
13 (b)	**Non- Current**		
	Employee Payable	**1,075**	1,302
	ESAR Liability (Refer to Note 34)	**59**	38
	Total	**1,134**	1,340
13 (c)	**Current**		
	Employee Payable	**12,621**	9,910
	Foreign Currency Forward Contracts	**53**	50
	ESAR Liability (Refer to Note 34)	**22**	5
	Other Liabilities [includes payables for property, plant and equipment ₹ 314 Lakh (2021 - ₹ 201 Lakh)]	**321**	202
	Total	**13,017**	10,167
14	**PROVISIONS**		
14(a)	**Non- Current**		
	Provision for Employee Benefits*		
	Retirement Benefits	**544**	414
	Compensated Absences	**1,347**	997
	Total	**1,891**	1,411

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

	As at 31st March, 2022	(₹ in Lakhs) As at 31st March, 2021
14 (b) Current		
Provision for Employee Benefits*		
Retirement Benefits	292	39
Compensated Absences	688	1,005
Total	980	1,044

*Includes provision for pension, gratuity and compensated absences. For details refer to note 26.

15 OTHER CURRENT LIABILITIES		
Statutory Dues	4,094	2,098
Inter-company payable (Refer to Note 34)	13	214
Unearned Revenue	96	174
[Out of last year's amount of ₹ 174 Lakhs (423 Lakhs in FY 2020), revenue recognised in current year is ₹ 172 Lakhs (420 Lakhs in FY 2021)]		
Total	4,203	2,486

	For the year ended 31st March, 2022 (₹ in Lakhs)	For the year ended 31st March, 2021 (₹ in Lakhs)
16 REVENUE FROM OPERATIONS		
Sale of Services*		
Exports	1,68,189	1,30,076
Domestic	59,908	52,824
Resale of Software and Hardware (including Support Charges)*		
Exports	104	128
Domestic	584	470
Total Sales#	2,28,785	1,83,498
OTHER OPERATING REVENUES	72	–
Total	2,28,857	1,83,498

* For disaggregated revenues from contracts with customers by geography, please refer Note 33 on Segment Reporting

\# The percentage of revenue from fixed-price contracts for the years ended March 31, 2022 and March 31, 2021 is approximately 42% and 39%, respectively.

17 OTHER INCOME		
Interest Income	1,069	167
Dividend Income	–	2,739
Other Gains	1,598	1,902
Miscellaneous Income	112	85
Total	2,779	4,893
Interest income comprises Interest from:		
Deposits	714	167
Others (from statutory authorities)	355	–
	1,069	167
Dividend income comprises dividend from:		
Investment in Subsidiary Companies	–	2,739
Other Gains		
Net Foreign Exchange Gains	780	932
Net Gain on Investments [includes unrealised gain: ₹ 3 Lakhs (FY 21: ₹ 19 Lakhs)]	818	970
	1,598	1,902
18 EMPLOYEE BENEFITS EXPENSE		
Salaries and Bonus	1,20,535	96,529
Contribution to Provident and Other Funds (Refer Note 26)	4,366	4,563
Share based Payments to Employees (Refer Note 29)	55	(78)
Staff Welfare Expenses	1,348	1,058
Reimbursement of Contractual Remuneration, net	917	798
Total	1,27,221	1,02,870
19 FINANCE COSTS		
Interest Expense		
On Lease Liabilities, Statutory Dues etc.	142	19
Total	142	19

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

		For the year ended 31st March, 2022 (₹ in Lakhs)	For the year ended 31st March, 2021 (₹ in Lakhs)
20	**OTHER EXPENSES**		
	Rent (Refer Note 25)	**1,941**	2,074
	Rates and Taxes	**421**	51
	Insurance	**1,043**	769
	Travelling and Conveyance	**3,708**	3,395
	Recruitment Expenses	**1,253**	685
	Communication	**708**	758
	Power and Fuel	**355**	531
	Outsourcing Charges	**11,572**	7,311
	Software and Related Expenses	**3,559**	3,245
	Purchase of Hardware and Software for Resale (including Support Charges)	**489**	461
	Business Development Expenses	**1,242**	581
	Repairs and Maintenance		
	– Buildings	**75**	115
	– Machinery	**117**	186
	– Others	**48**	66
	Legal, Professional and Consultancy Expenses	**4,309**	1,382
	Doubtful and Bad Receivables	**343**	689
	Doubtful and Bad Loans and Advances	**2**	–
	Property, Plant and Equipment Discarded, net	**3**	21
	Auditor's Remuneration and Expenses (Refer Note 28)	**41**	38
	Expenditure on Corporate Social Responsibility (Refer Note 22)	**636**	281
	Training and Development	**443**	452
	Bank Charges	**86**	85
	Printing and Stationery	**16**	8
	Miscellaneous Expenses	**654**	488
	Total	**33,064**	23,672
21	**TAX EXPENSES**		
21(a)	**Tax Expense Recognised in Statement of Profit and Loss**		
	Current Tax [including tax on foreign branches ₹ 105 Lakhs (2021 - ₹ 201 Lakhs)]	**18,085**	15,125
	(Credits) / Charge related to previous years	**(162)**	300
		17,923	15,425
	Deferred Tax (Credit)	**(554)**	(657)
	(Credits) related to previous years	**(220)**	(300)
		(774)	(957)
	Total	**17,149**	14,468
21(b)	**Tax Expense Recognised in Other Comprehensive Income**		
	Deferred Tax (Credit) / Charge		
	Arising on Remeasurement of Net Defined Benefit Liability	**(12)**	213
	Total	**(12)**	213
21(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:**		
	Profit before tax	**68,930**	59,247
	Income tax expense calculated at 25.168% (2021- 25.168%)	**17,348**	14,911
	Effects of:		
	- Other differences	**183**	(443)
	- Adjustments recognised in the current year in relation to the current tax of prior years	**(382)**	–
	Income Tax expenses recognised in Statement of Profit and Loss	**17,149**	14,468

22 Expenditure on Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act.

a) Gross amount required to be spent by the Company during the year ₹ 636 Lakhs (2021 - ₹ 281 Lakhs).

b) Amount spent during the year in cash for purpose other than construction / acquisition of an asset ₹ 636 Lakhs (2021 - ₹ 281 Lakhs).

c) Nature of CSR activities in the year are promoting education, enhancing vocational skills and soil and moisture conservation through the ITC Rural Development Trust.

23 Commitments and Contingencies

a) There are contracts remaining to be executed on capital account and not provided ₹ 4900 Lakhs (2021 - ₹ 106 Lakhs).

b) Claims against the Company not acknowledged as debts ₹ 3,865 Lakhs (2021 - ₹ 1,059 Lakhs). These comprise:

i) Income tax claims disputed by the Company relating to issues of applicability and determination aggregating ₹ 3,155 Lakhs (2021 - ₹ 402 Lakhs)

ii) Service tax claims disputed by the Company relating to issues of applicability aggregating ₹ 696 Lakhs (2021 - ₹ 657 Lakhs)

iii) Other matters aggregating 14 Lakhs (2021- Nil)

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 ₹ 32 Lakhs (2021 - ₹ 32 Lakhs) has been deposited under protest and is included under Other Non-Current Assets. (Refer Note 11(a)).

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

24 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.

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
(a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year.		
Principal amount due	37	112
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.1	–	–
(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.	–	–

25 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 ₹ 2,269 Lakhs (2021 - ₹ 2,382 Lakhs) [including payments in respect of short-term leases aggregating ₹ 1,941 Lakhs (2021 - ₹ 2,074 Lakhs)]. All leases entered into by the company have a lease term of less than three years. [Also Refer to Note 32 (b) for Contractual maturities of lease liabilities].

Movement of Lease Liabilities during the year (₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Opening Lease Liabilities	98	383
New Lease recognised	577	–
Remeasurements and Withdrawals	–	–
Interest expense on Lease Liability	16	19
Payments of Lease Liability made	(328)	(308)
Foreign Currency Translation Reserve Adjustment	–	4
Closing balance of Lease Liability	363	98

26 Employee Benefits

Description of Plans

(a) Defined Contribution Plan

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

Such amounts have been recognised under Contribution to Provident and Other Funds in Note 18 ₹ 3288 Lakhs (2021 - ₹ 2997 Lakhs).

(b) Defined Benefit Plan

The Company also makes contribution to defined benefit plans which comprises pension (including superannuation) 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 remeasurements are recognised immediately through Other Comprehensive Income in the period in which they occur. The gratuity plan is funded, end of service gratuity in United Arab Emirates (UAE) is unfunded, the pension plan is funded and the superannuation plan is unfunded. 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, 2022 and recognised in the financial statements in respect of Employee Benefit Schemes:

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

			For the year ended 31st March, 2022			For the year ended 31st March, 2021		
			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
			Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
I	**Components of Employer Expense**							
	–	**Recognised in Profit or Loss**						
	1	Current Service Cost	83	473	426	109	907	777
	2	Net Interest Cost	(2)	5	89	27	(14)	88
	3	**Total expense recognised in the Statement of Profit and Loss**	81	478	515	136	893	865
	-	**Re-measurements recognised in Other Comprehensive Income**						
	4	(Return) on plan assets (excluding amounts included in Net interest cost)	(8)	(46)	-	(225)	(52)	-
	5	Effect of changes in demographic assumptions	2	27	(3)	-	(14)	-
	6	Effect of changes in financial assumptions	(82)	(2)	(27)	-	-	-
	7	Effect of experience adjustments	(215)	78	324	(194)	(257)	(104)
	8	Total re-measurements included in OCI	(303)	57	294	(419)	(323)	(104)
	9	**Total defined benefit cost recognised in Profit and Loss and Other Comprehensive Income (3+8)**	(222)	535	809	(283)	570	761

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 remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
II	**Actual Returns**		230	283	-	447	290	-
III	**Net (Asset)/Liability recognised in Balance Sheet**							
	1	Present Value of Defined Benefit Obligation	3,188	4,322	1,796	3,914	4,246	1,755
	2	Obligation w.r.t Overseas branches	-	-	239	-	-	247
	3	Fair Value of Plan Assets	(3,425)	(3,700)	-	(3,925)	(4,167)	-
	4	Status [(Surplus)/Deficit]	(237)	622	2,035	(11)	79	2,002
	5	Restrictions on Asset Recognised	-	-	-	-	-	-

			As at 31st March, 2022		As at 31st March , 2021	
	6	**Net (Asset)/Liability recognised in Balance Sheet**	Current	Non-Current	Current	Non-Current
		- Pension*	(448)	211	(273)	262
		- Gratuity	289	333	(73)	152
		- Compensated absences	688	1,347	1,005	997

* This includes ₹ 450 Lakhs (FY 21: ₹ 275 lakhs) of Pension which is represented under note no 11(b) as Advances to related parties and ₹ 2 Lakhs (FY 21: ₹ 2 lakhs) of Superannuation which is represented under note no 14(b) as Retirement Benefits.

			For the year ended 31st March, 2021			For the year ended 31st March, 2020		
			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
			Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
IV	**Change in Defined Benefit Obligation (DBO)**							
	1	Present Value of DBO at the beginning of the year	3,914	4,246	1,755	4,213	3,785	1,579
	2	Current Service Cost	83	473	312	109	907	521
	3	Interest Cost	221	242	89	250	224	88
	4	Remeasurement gains / (losses):						
		Effect of changes in demographic assumptions	2	27	(3)	-	(14)	-
		Effect of changes in financial assumptions	(82)	(2)	(27)	-	-	-
		Changes in asset ceiling (excluding interest income)	-	-	-	-	-	-
		Effect of experience adjustments	(215)	78	324	(194)	(257)	(104)
	5	Benefits Paid	(735)	(742)	(654)	(464)	(399)	(329)
	6	**Present Value of DBO at the end of the year**	3,188	4,322	1,796	3,914	4,246	1,755

			As at 31st March, 2022	As at 31st March, 2021
		Best Estimate of Employers' Expected Contribution for the next year		
		- Pension	107	574
		- Gratuity	634	1,483

			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
V	**Change in Fair Value of Assets (for funded obligations)**							
	1	Plan Assets at the beginning of the year	3,925	4,167	-	3,166	3,447	-
	2	Expected Return on Plan Assets	222	237	-	222	238	-
	3	Remeasurement Gains/(Losses) on plan assets	8	46	-	225	52	-
	4	Actual Company Contributions	5	(8)	-	776	829	-
	5	Benefits Paid	(735)	(742)	-	(464)	(399)	-
	6	**Plan Assets at the end of the year**	3,425	3,700	-	3,925	4,167	-

			As at 31st March, 2022	As at 31st March, 20201
VI	**Actuarial Assumptions**			
	1	Discount Rate (%)	6.75%	6.25%
	2	Expected Return on Plan Assets (%)	6.75%	6.25%
	3	Long term rate of compensation increase	7.50%	7.50%

			As at 31st March, 2022	As at 31st March, 2021
VII	**The net liability disclosed in Pension relates to funded and unfunded plans as follows:**			
	1	Present Value of Funded Obligation	2,975	3,650
	2	Fair Value of Plan Assets	3,425	3,925
	3	Deficit of Funded Plan	(450)	(275)
	4	Unfunded Plan	213	264
	5	Net Deficit	(237)	(11)

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

VIII	Major Category of Plan Assets as a % of the Total Plan Assets		As at 31st March, 2022	As at 31st March, 2021
	1	Government Securities/Special Deposit with RBI	17%	23%
	2	High Quality Corporate Bonds	10%	11%
	3	Insurer Managed Funds*	63%	54%
	4	Mutual Funds	5%	4%
	5	Cash and Cash Equivalents	5%	6%
	6	Term Deposits	–	2%

* 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, 2022			For the year ended 31st March, 2021		
			Pension	Gratuity	Compensated absences	Pension	Gratuity	Compensated absences
			Partly Funded	Partly Funded	Unfunded	Partly Funded	Partly Funded	Unfunded
X	Net Asset / (Liability) recognised in Balance Sheet (including experience adjustment impact)							
	1	Present Value of Defined Benefit Obligation	3,188	4,322	1,796	3,914	4,246	1,755
	2	Fair Value of Plan Assets	3,425	3,700	-	3,925	4,167	-
	3	Status [(Surplus) / Deficit]	(237)	622	1,796	(11)	79	1,755
	4	Experience Adjustment of Plan Assets [Gain/ (Loss)]	(8)	(46)	-	(225)	(52)	-
	5	Experience Adjustment of obligation [(Gain)/ Loss]	(215)	78	324	(194)	(257)	(104)

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.

XII	Sl. No.	Particulars	DBO as at 31st March, 2022	DBO as at 31st March, 2021
	1	Discount Rate + 100 basis points	8,944	9,507
	2	Discount Rate - 100 basis points	9,701	10,356
	3	Long term Compensation Increase Rate + 1%	9,693	10,297
	4	Long term Compensation Increase Rate – 1%	8,944	9,554

			31st March, 2022 (₹ in Lakhs)	31st March, 2021 (₹ in Lakhs)
27	**Earnings per share**			
(a)	Profit after Tax	₹ in Lakhs	51,781	44,779
(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)	₹	60.78	52.56

		For the year ended 31st March, 2022 (₹ in Lakhs)	For the year ended 31st March, 2021 (₹ in Lakhs)
28	**Auditor's Remuneration and Expenses**		
	(Net of input tax credit)		
	Audit Fees	23	21
	Tax Audit Fees	2	2
	Fees for Auditor's Certifications and Reports	15	13
	Reimbursement of Expenses	1	2
	Total	41	38

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

29 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) 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) 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 and Sweat Equity) Regulations, 2021

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, 2022 No. of Options	As at 31st March, 2021 No. of Options
Outstanding at the beginning of the year	12,71,342	15,98,020
Add: Granted during the year	8,950	4,300
Less: Lapsed during the year	(3,61,043)	(2,48,550)
Add / (Less): Movement due to transfer of employees within the group	38,168	-
Less: Exercised during the year	(41,395)	(82,428)
Outstanding at the end of the year	9,16,022	12,71,342
Options exercisable at the end of the year	9,04,062	12,67,042

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 ₹ 17 Lakhs (2021: (-) ₹ 112 Lakhs) towards ITC ESOS and ₹ 38 Lakhs [2021: ₹ 34 Lakhs] towards ITC ESAR Plan (Refer Note 18). Such charge has been recognised as employee benefits expense.

Out of the above,₹ 41 Lakhs (2021: ₹ 38 Lakhs) is attributable to key management personnel [Mr. R. Batra ₹ 37 Lakhs (2021: ₹ 32 Lakhs); and Mr. S.V. Shah ₹ 4 Lakhs (2021: ₹ 6 Lakhs)].

30 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.

31 Categories of Financial Instruments (₹ in Lakhs)

	As at 31st March, 2022		As at 31st March, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Measured at amortised cost				
Cash and Cash Equivalents	976	976	852	852
Other Bank Balances	20,000	20,000	10,000	10,000
Trade Receivables	27,696	27,696	17,897	17,897
Loans	0	0	3	3
Other Financial Assets	26,905	26,905	16,463	16,463
	75,577	75,577	45,215	45,215
Mandatorily measured at fair value through profit and loss (FVTPL)				
Investments in Mutual Funds	6,904	6,904	26,767	26,767
Foreign Currency Forward Contracts	140	140	60	60
	7,044	7,044	26,827	26,827
Total	82,621	82,621	72,042	72,042
Financial Liabilities				
Measured at amortised cost				
Trade Payables	6,633	6,633	5,977	5,977
Lease Liability	363	363	98	98
Other Financial Liabilities	14,098	13,897	11,457	11,192
	21,094	20,893	17,532	17,267
Measured at fair value through profit and loss (FVTPL)				
Foreign Currency Forward Contracts	53	53	50	50
	53	53	50	50
Total	21,147	20,946	17,582	17,317

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

32 **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, 2022	USD	GBP	EURO	Others	Total
Financial Assets	29,329	6,199	9,380	2,177	47,085
Financial Liabilities	993	30	419	1,015	2,457

As at 31st March, 2021	USD	GBP	EURO	Others	Total
Financial Assets	20,080	6,930	3,352	1,913	32,275
Financial Liabilities	682	2	400	770	1,854

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, 2022		31st March, 2021	
		Buy	Sell	Buy	Sell
GBP	USD	–	44	–	24
EUR	USD	–	44	–	13
USD	INR	–	334	–	223
AUD	USD	–	–	–	5
ZAR	USD	–	35	–	–

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.

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% (2021 - 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, 2022 and pre-tax total equity as at 31st March, 2022 will be higher by ₹ 446 Lakhs (2021 - ₹ 304 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. The Company's investments in fixed deposits are held with highly rated banks and have a short tenure and are not subject to interest rate volatility. As majority of the other 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 fixed deposits and debt mutual funds. Aggregate value of investments in debt mutual funds, which are measured at fair value through profit or loss, as at 31st March, 2022 is ₹ 6,904 Lakhs (2021 - ₹ 26,767 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 :

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(₹ in Lakhs)

	As at 31st March, 2022 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	**6,633**	**6,633**	**-**	**-**	**-**	**-**	**6,633**
Lease Liability	**363**	**86**	**86**	**171**	**29**	**-**	**372**
Other Financial Liabilities	**14,151**	**2,026**	**10,969**	**22**	**1,130**	**4**	**14,151**
Total	**21,147**	**8,745**	**11,055**	**193**	**1,159**	**4**	**21,156**
	As at 31st March, 2021 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	5,977	5,977	-	-	-	-	5,977
Lease Liability	98	73	26	-	-	-	99
Other Financial Liabilities	11,507	1,305	8,857	5	1,331	9	11,507
Total	17,582	7,355	8,883	5	1,331	9	17,583

** 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, 2022	As at 31st March, 2021
Opening Balance	**1,244**	702
Effects of foreign exchange fluctuation	**(56)**	27
Add: Expected credit loss provisions made during the year	**391**	689
Less: Utilisation for Impairment / De-recognition	**(396)**	(174)
Closing Balance	**1,183**	1,244

The age wise break-up of receivables, refer to note 6.

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. Deployment in fixed deposits are with highly rated banks and are held at amortised cost. Thus, counter party risk attached to such assets is considered to be insignificant.

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, 2022 is ₹ 83,418 Lakhs (2021 - ₹ 73,366 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.

d **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 included 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.

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

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 2022	31st March 2021
Financial Assets			
Mandatorily Measured at Fair Value Through Profit and Loss (FVTPL)			
Investments in Mutual Funds	1	6,904	26,767
		6,904	26,767
Derivatives measured at fair value			
Foreign Currency Forward Contracts	2	140	60
		140	60
Total		7,044	26,827
Financial Liabilities			
Measured at amortized cost			
Other Financial Liabilities*	3	934	1,074
		934	1,074
Derivatives measured at fair value			
Foreign Currency Forward Contracts	2	53	50
		53	50
Total		987	1,124

** Represents Fair value of Non-current Financial Instruments*

33 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, 2022	For the year ended 31st March, 2021
Segment Revenue		
India	60,492	53,295
North America	61,585	41,860
Europe	72,021	59,916
Middle East and Africa	27,798	22,653
Rest of the World	6,889	5,774
Total	2,28,785	183,498

Revenues of INR 23,442 Lakhs are derived from a single external customer / group in the year ended March 31, 2022. No single external customer / group individually accounted for more than 10% of the revenues in the year ended March 31, 2021.

(₹ in Lakhs)

	As at 31st March, 2022	As at 31st March, 2021
Non-Current Assets*		
India	7,237	6,104
Europe	4	–
Middle East and Africa	31	38
Total	7,272	6,142

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

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

34 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

Subsidiaries of Ultimate Parent Company of Tobacco Manufacturers (India) Limited (TMI) of which the Holding Company is an Associate

Employee Trusts

ITC Management Staff Gratuity Fund

ITC Pension Fund

(iv) KEY MANAGEMENT PERSONNEL

Non-Executive Directors

Mr. S. Puri - Chairman

Mr. S. Sivakumar - Vice Chairman

Mr. B. B. Chatterjee

Mr. P. Chatterjee (up to 27th July, 2021)

Mr. R. Tandon

Ms. P. Balaji

Others (Members of Executive Management Committee)

Mr. S. Singh, Managing Director & CEO

Mr. R. Batra, Chief Financial Officer

Mr. S. V. Shah, Company Secretary

Ms. S. Burman (up to 25th February, 2022)

Mr. Kaushik Ray (w.e.f. 9th March, 2022)

(v) DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES (₹ in Lakhs)

Sl. No.	Description	Holding Company		Wholly Owned Subsidiaries				Fellow Subsidiaries	
		2022	2021	2022		2021		2022	2021
				ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.		
1	Sale of Goods / Services	17,686	16,717	21,849	61,582	24,124	41,740	254	401
2	Purchase of Goods / Services	80	36	-	-	-	-	-	-
3	Rent Paid	2,097	2,097	-	-	-	-	-	-
4	Reimbursement of Contractual Remuneration [includes remuneration to KMP ₹ 275 Lakhs (2021 ₹ 262 Lakhs)]	917	799	-	-	-	-	-	-
5	Recovery of Contractual Remuneration	-	2	-	-	-	-	-	-
6	Expenses Recovered	4	35	21	34	46	31	-	-
7	Expenses Reimbursed	366	454	44	-	29	-	-	-
8	Capital Contribution for Share Based Payments	17	(160)	-	-	-	-	-	-
9	Employee Share Based Payments	38	34	-	-	-	-	-	-
10	Reimbursement of Capital Contribution for Share Based Payments	-	-	-	-	10	(59)	-	-
11	Interim Dividend	45,156	27,690	-	-	-	-	-	-
12	Dividend Income	-	-	-	-	826	1,913	-	-

(₹ in Lakhs)

Sl. No.	Description	Associates of the Holding Company		Subsidiaries of Ultimate Parent Company of TMI of which the Holding Company is an Associate		Employee Trusts		Key Management Personnel	
		2022	2021	2022	2021	2022	2021	2022	2021
1	Sale of Goods / Services	209	256	23,442	16,851	-	-	-	-
2	Purchase of Goods / Services	685	1,248	-	-	-	-	-	-
3	Remuneration to Key Management Personnel (KMP)								
	(i) Directors	-	-	-	-	-	-	643	473
	(ii) Others	-	-	-	-	-	-	128	153
4	Contribution to Employees' Benefit Plans	-	-	-	-	-	1,557	-	-

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

(vi) DISCLOSURE OF OUTSTANDING BALANCES

(₹ in Lakhs)

Description	Holding Company		Wholly Owned Subsidiaries				Fellow Subsidiaries	
			2022		2021			
	2022	2021	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	ITC Infotech Limited (UK)	ITC Infotech (USA), Inc.	2022	2021
Balances as at 31st March,								
i) Trade Receivables	90	115	3,409	7,424	2,502	1,334	149	203
ii) Trade Payables	141	84	13	–	214	–	–	–
iii) Other Payables	81	43	–	–	–	–	–	–

(₹ in Lakhs)

Description	Associates of the Holding Company		Subsidiaries of Ultimate Parent Company of TMI of which the Holding Company is an Associate		Employee Trusts	
	2022	2021	2022	2021	2022	2021
Balances as at 31st March,						
i) Trade Receivables	17	–	4,877	5,973	–	–
ii) Trade Payables	9	59	–	–	–	–
iii) Advances Given	–	–	–	–	450	386
iv) Other Payables	–	–	–		285	–

(vii) INFORMATION REGARDING SIGNIFICANT TRANSACTIONS

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

(₹ in Lakhs)

Related Party Transactions	2022	2021	Related Party Transactions	2022*	2021*
Purchase of Goods / Services			**Remuneration to Key Management Personnel (KMP)**		
International Travel House Limited	685	1,248	Mr. S. Singh	643	473
			Mr. R. Batra	182	166
Contribution to Employees' Benefit Plans			Mr. S. Shah	93	96
ITC Management Staff Gratuity Fund	–	781	Mr. S. Burman	100	153
ITC Pension Fund	–	776	Mr. K. Ray	28	–

** Includes provision for incentives, as applicable, which will get finalised subsequently.*

(viii) INFORMATION REGARDING SIGNIFICANT BALANCES

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

(₹ in Lakhs)

Related Party Balances	2022	2021
Trade Payables		
International Travel House Limited	9	59
Advances Given		
ITC Management Staff Gratuity Fund	–	111
ITC Pension Fund	450	275
Other Payables		
ITC Management Staff Gratuity Fund	285	–

(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)

	2022	2021
Short-Term Employee Benefits	1,047	888
Others	2	4

**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 29 for details..*

(x) SIGNIFICANT TERMS AND CONDITIONS OF OUTSTANDING BALANCES

All outstanding balances are unsecured and are repayable in cash.

35 Ratios

Particulars	Numerator	Denominator	31st March 2022	31st March 2021
Current Ratio	Current Assets	Current Liabilities	3.4	3.8
Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.0	0.0
Debt Service Coverage Ratio	Earnings available for Debt Service [1]	Debt Service [2]	165.0	153.9
Return on Equity	Net Profits after Taxes	Average Shareholder's Equity	69.6%	71.9%
Trade Receivables turnover ratio	Revenue	Average Trade Receivable	10.0	9.0
Trade Payables turnover ratio [3]	Adjusted Other Expenses [4]	Average Trade Payables	5.2	3.9
Net capital turnover ratio	Revenue	Working Capital	3.7	3.3
Net profit ratio	Net Profit	Revenue	22.6%	24.4%
Return on capital employed (ROCE)	Earning before Interest and Taxes	Average Capital Employed	92.6%	94.7%
Return on Investment(ROI)	Income generated from Investments	Average Investments [5]	4.9%	4.6%

NOTES TO THE FINANCIAL STATEMENTS (Contd.)

1 Earnings available for Debt Service: Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

2 Debt service represents Lease Payments.

3 The change in the trade payables turnover ratio by more than 25% is primarily due to increase in scale of operations.

4 Adjusted other expenses refers to other expenses net of non-cash expenses.

5 Investments represent Investment in Debt Mutual Funds.

36 Subsequent Events

On 20th April 2022, the Company entered into an agreement with PTC Inc., a global technology company headquartered in Boston, USA, to acquire a part of PTC's PLM implementation services business and create a new service line focused on the adoption of PTC's industry-leading Windchill PLM software as a service (SaaS). The overall consideration payable by the Company under the agreement is estimated at US$ 115 Million over a period of 5 years. Of this, a sum not exceeding US$ 35 Million is payable upfront upon closing of the transaction which, subject to fulfilment of certain conditions, is expected within 3 months of the date of the agreement.

37 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 3rd May, 2022.

38 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 PROVISO TO SUB–SECTION (3) OF SECTION 129 OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE 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 = ₹ 99.4550	Reporting currency - USD Exchange rate USD 1 = ₹ 75.7925	Reporting currency - USD Exchange rate USD 1 = ₹ 75.7925
6	Share Capital	682	13,794	76
7	Reserves and Surplus	6,640	5,875	21
8	Total Assets	13,417	34,124	158
9	Total Liabilities	13,417	34,124	158
10	Investments (excluding Investments in subsidiaries)	-	-	-
11	Turnover (Note 1)	39,920	1,01,064	319
12	Profit before Taxation	890	2,519	10
13	Provision for Taxation	107	613	-
14	Profit after Taxation	783	1,906	10
15	Proposed Dividend (Paid during the year)	-	-	-
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
Bengaluru

Date : 03 May, 2022