

**ISO**  
9001:2015  
Company

# ITI LIMITED

(A Government of India Undertaking)

**ISO**  
14001:2015  
Certified Plants

## 72<sup>ND</sup> ANNUAL REPORT 2021-22



Partner In Nation Building Since 1948



## CHAIRMAN'S MESSAGE



Dear Shareholders,

Warm Welcome to the 72<sup>nd</sup> Annual General Meeting of ITI Ltd. The Notice related to this Meeting, Director's Report, Audited Annual Accounts together with the Auditor's Report, Comments of the Comptroller and Auditor General of India on the accounts of the Company are already with you and with your permission; I shall take them as read. Further, I am pleased to inform you that the Company has complied with the guidelines on Corporate Governance for CPSEs. On behalf of ITI and the Board of Directors, it is indeed an honour and a privilege to share my thoughts with you through the Annual Report 2021-22.

The Financial Year 2021-22 of the company has been a year of impressive success despite several challenges. Your Company has registered profit for the fifth consecutive year and the company's performance for the financial year 2021-22 has been significant as the company has clocked a turnover of Rs. 2077 Crore, with a Profit After Tax of Rs. 121 Crore. The contribution was mainly from Turnkey Projects like Gujnet, Mahanet, NFS Project, ASCON Phase IV Project, Airtel FTTH Rollout, Upgradation of Data Centre for Indian Air Force, Upgradation of 3G network to 4G/LTE for Indian Air Force. However, this year there was significant contribution from Manufacturing and supply of various products viz HDPE, OFC, Encryption Products, Solar Panels, FDMS, Smart cards, Solar street lights. Services like AMC for ASCON, Defence Equipment, NGN equipment, OCB, GSM-SZ & MLLN, Data Centre, VSSC Business, Third Party Audit Services (TPA) and also business generated by MSPs has contributed for this achievement.

Dear Shareholders, it gives me immense pleasure in informing that the Company is going in a big way addressing the latest technology opportunities for 4G & 5G Radio's. In partnership with TCS, company is conducting POC for 4G in the BSNL Network which is expected to be completed next month. We have also signed MOU with C-DOT for transfer of technology for manufacture of 4G Radio's. We expect to manufacture prototypes by November and subsequently go for mass production. We have already received a PO for POC (20 sites of 4G & 5 sites for 5G) from BSNL. Company has RQ order from BSNL for 20% of the 4G requirement. In order to meet this, the Company plans to manufacture both TCS and C-DOT 4G Radio's. Manufacturing infrastructure is ready and with the CAPEX from DOT, Testing infrastructure is also being positioned. This would give us a minimum turnover of around Rs. 350 Crore from RQ. Further we also plan to manufacture 4G Radios for TCS TQ giving us added turnover. Manufacturing of 4G Radios is expected to be a game changer for the company. Recently USOF, DoT has approved 4 pilot projects - one in E band Radio and 3 projects for 4G technology. Company is coordinating with the firms to deploy these innovative technologies as pilot projects. This would give us more opportunities on the technology front for addressing emerging technology business coming from BSNL and other customers.

Today let me also share with you all the contribution of the different manufacturing units. Bangalore Plant has Manufactured and Supplied during FY 2021-22, Encryption Devices to DCN network, and ADRIN network. In order to support PM WANI framework, which envisages provision of Broadband through Public Wi-Fi Hotspot providers, Bangalore Plant has manufactured and supplied C-DoT designed Mini PDO. In this direction we have also entered into agreement with CDoT for manufacturing Wi-Fi 5 & Wi-Fi 6 variants also. The Data Centre which is Empanelled Cloud Service Provider with MeitY (Ministry of Electronics and Information Technology), has Capability Maturity Model (CMMi) Level 3 and other ISO certifications. Data Centre can offer a wide spectrum of service portfolios including High density hosting services, Cloud services, Managed security services, on demand services, Professional services, Security (SoC) and Managed IT services. We are yet get a breakthrough in selling these services. We have on boarded 12 customers and our discussions with AdaniConnex (ACX) are under progress. Another very vital initiative is to set up SoC platform in the Data Centre to offer services to customers, MSMEs to monitor, prevent, detect, investigate, and respond to cyber threats around the clock. We expect to launch this service shortly. Telecom Test Labs cater to various customers ranging from commercial, communication, medical, industrial, IT and domestic sectors. EMC Lab is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and Conformity Assessment Body (CAB) by TEC Delhi. We are also augmenting 60 additional tests from automotive, railways, medical, household appliances standards which is expected to be completed by this month. The Startup hub is making a good progress in attracting startup firms and there is a need to identify startups in telecom domain to be part of this hub, so that we could encourage the innovative products in the Telecom, IoT and other areas by way of manufacturing & marketing of successful products. R&D has been a pioneer for last 5 decades in the design & supply of encryption devices to Defense. Now R&D is also exploring in the new areas of Digital Mobile Radio, EVM, IRNSS Receivers, High Capacity Radio, SDR etc. all these products are going to be the core products of the company in the coming years.

Palakkad Plant has entered in to a MoU with Intel for Technical Advisory role as well as to identify business requirements for Laptops. The Laptops developed by Palakkad have obtained BIS, FCC, RoHS, CE, BEE etc. certifications. The product is available in various configurations and the company has also signed an agreement with Microsoft for Windows OS, which will enable to get direct support like other OEMs. The first order of 100 Nos Laptops from Kerala State Electronics Development Corporation is under progress. The desktop Micro PCs developed is registered on GeM and we have been supplying around 2000 to 3000 Micro PCs annually. I feel proud to inform that, in Component Screening Lab which is the prestigious assignment with VSSC, ISRO, more than 70,000 electronic components/assemblies are screened during last 5 years and more than 2500 flight packages are successfully utilised in various launch vehicles of GSLV, PSLV including Chandrayan, Gaganyaan. Company has been



discussing couple of OEMS, IIT Delhi and IIT Hyderabad for developing Smart Energy Meter. We can have different models of Smart Meter to cater for different segments of market coming from DISCOMS, EESL etc. The Company is also trying to venture as an Advanced Metering Infrastructure (AMI) solution provider. I would like to appreciate Palakkad team for smooth PDI and supply of HDPE Duct for ASCON Project. Further HDPE duct is also manufactured at Palakkad for TANFINET, A&N projects and also for Indian Railways.

The Mankapur Unit has successfully developed, manufactured and supplied Fibre Distribution Management Systems (FDMS) for ASCON PH-IV requirement. The plant has an order for supply of 40,000 ONTs to Railway and the same will be completed by December 2022. The HDPE duct plant established in Mankapur is now being converted to manufacture Water Pipes so as to address varied opportunities. Mankapur also manufactured various diversified products like Note counting Machines, Vending Machines, Sanitizer Dispenser etc. We have to make efforts to market vending machines in Railways, Colleges and Public utilities. Contract EMS manufacturing for M/s Varahi for 3 lakh Tablet PCs meant for Uttar Pradesh state government requirement is also taken up by the Unit.

Raebareli unit has manufactured around 10,000 Kms of OFC for ASCON PH-IV, Railways and Indian Air Force Projects. The OFC manufacturing line has been augmented recently. The unit has also manufactured and supplied 200 Kms of HDPE duct for ASCON project and 200 Kms for IAF Project. The unit has to explore bigger opportunities for OFC, HDPE to see that the facility runs at the maximum capacity. We have to utilize the OFC training centre for improving the revenue. The Unit is also exploring business opportunities in SMTS manufacturing.

Naini unit has supplied 16,640 numbers of Solar Panels for setting up Solar Power Plants of cumulative capacity of 5.60 MW in units of the company for Captive use. This initiative definitely reduces the energy expenditure of the units by 20%. Naini Unit has manufactured 662 numbers of solar panels for private sector and has also supplied Solar Street Lights for EESL in the state of Uttarakhand. We are also planning to set up Mono Crystalline Solar Panel manufacturing line of 250 Mega Watt capacity for which we are expecting capex from DoT. Srinagar unit focuses on Skill development programme and is also considered for establishing certain manufacturing infra i.e HDPE, OFC training center.

Dear shareholders, Company's Corporate Marketing team has been aggressively exploring private market for various products of the company. Empanelment with Vodafone for HDPE duct is completed & OFC is under process. PO for both items is awaited. Empanelment with Airtel for Duct & OFC is in progress. Many other initiatives of supplying Mini OLT and ONT to Tata Power, Supply of Mini PC to Pvt institutions, Contract manufacturing of Tablet PCs for around 3 Lakhs quantities, OFC for Airtel FTTH & NLD projects, HDPE duct of 8000 KMs to RIIL for Mahanet, 10,000 Nos Solar Modules of 125 Watt for Patanjali, 2500 modules of 325W to An's Evolving Pvt Ltd are under active consideration and we hope to get good revenue from these opportunities.

The Company's Network System Unit (NSU) has been the main revenue churning unit in the last financial year. The main projects being executed by NSU are ASCON PH-IV, GujNet, TANFINET, MahaNet. In the ASCON PH-IV, PoC completed successfully for Microwave & OFC and PoC for the balance sub-systems to be completed by Sep-2022. Even Prior to completion of PoC for OFC, the full-fledged rollout of OFC had been started across all the fronts i.e., Western, Northern & North-Eastern regions of India, and 2850 kms of T&D has been completed till date. Construction work of buildings has commenced at the sites where drawings have been approved by Army, and the balance approvals are being continually pursued. I am happy to inform that we hope to achieve a turnover of around Rs. 900 Crore from ASCON IV during this financial year. In the GujNet project, 99.9% GP litting has been completed. Balance work pending due to ROW likely to be completed by Sep-22. In the TANFINET project, 100% survey completed and detailed plan submitted for 109 Blocks to TANFINET, out of which approval received for 83 Blocks. Execution started in 18 Blocks for litting of 403 GPs. 323 kms of T&D work and 800 kms of aerial slinging of OFC has been completed. 300 GP Litting is targeted by the end of September -2022. The MahaNet Project is likely to be completed by Dec-2022.

Dear Shareholders, technology has been changing at rapid pace and we have to change, adapt to catch up & align so as to be competitive in the business. 4G RAN, Smart Energy Meter, DMR, Solar business may be the game changers for the company. The road ahead is extremely rough but let us all take it as a challenge that we will surmount. We have to channelize all our talents & ingenuity towards accomplishment of larger goal. Our commitment is unshakable. Our drive to excel is resolute. The company can excel only by all of us working with utmost Diligence, Unity and single-minded focus will sure to take us to greater heights. With the various new initiatives, new approach, new business segments, new projects & products, I am confident that, we can become self-sufficient in the near future. Let us all work in harmony to see that the company, which has now risen like a Phoenix, to become the best performing PSU of India. Company would also be completing 75 years of inception next year and we should be celebrating 'Amrit Mahotsav' through our best performance in this Financial year. With the support of DoT and Government of India, we shall launch the company towards market leadership & financial sustenance.

I am grateful to the Government of India, Ministry of Home Affairs, Ministry for Rural Development, Ministry of Defense, Department of Telecommunications, Telecom Commission, BSNL, MTNL, BBNL, Defense, TCIL, Indian Railways, all departments of Central and State Governments and other valued customers, depositors, banks, financial institutions, overseas collaborators, Auditors, Committee on Public Undertakings [COPU], Standing Committee on Information Technology and Standing Conference of Public Enterprises [SCOPE] for their continued co-operation and support. I also take this opportunity to extend my thanks to all the employees and shareholders for their support and understanding.

**Thank You**

**Place: Bengaluru**

NB : This does not purport to be a record of the proceedings of 72<sup>nd</sup> Annual General Meeting.

**Anand Singh**

Chairman & Managing Director(Addl Charge)

# VISION, MISSION AND VALUES

## VISION

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“To lead India's transformation towards self-reliance in the domain of Telecommunications, Electronics, and ICT products, services and solutions that change lives for better”

## MISSION

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“To provide in-house developed convergence solutions, products and services to our clients in the area of Telecommunications, Electronics, Defence system, Space Technologies and smart connected technology”

## VALUES

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We aspire to achieve our goal by focusing on Innovation, continuous improvement and collaborating with strategic market players (partner /alliance) in transparent and responsible manner.

- **Innovation:**

There is a constant want for Innovation through facilitation, resource provisions, encouragement & recognitions that drive our growth.

- **Continuous Improvement:**

We focus on continuous improvements which leads to more sophisticated and overall more economically competitive offerings.

- **Collaboration with Strategic Partner:**

We just don't do business but help our customers and other stakeholders to transform the lives we touch.

- **Transparency:**

We will be fair, honest and ethical in our conduct; everything we do must stand the test of scrutiny.

- **Responsible Manner:**

We will integrate environmental and social principles in our businesses, ensuring that what we generate goes back to the stakeholders.

# ANNUAL REPORT 2021-2022

## CONTENTS

Description.....	Page No
Company Information .....	04
Notice .....	05
Ten Year Digest .....	13
Figures at a glance.....	16
Directors' Report.....	18
Report on Corporate Governance.....	51
<b>Standalone Financial Statements</b>	
● Significant Accounting Policies .....	71
● Balance Sheet .....	77
● Statement of Profit and Loss.....	81
● Cash Flow Statement.....	82
● Notes to Financial Statements .....	83
● Independent Auditor's Report.....	118
<b>Consolidated Financial Statements</b>	
● Significant Accounting Policies .....	128
● Balance Sheet .....	134
● Statement of Profit and Loss.....	138
● Cash Flow Statement.....	139
● Notes to Financial Statements .....	140
● Independent Auditor's Report.....	176
Comments of the C&AG of India.....	182

## COMPANY INFORMATION

### BOARD OF DIRECTORS\*

#### Shri Anand Singh

Joint Secretary (T), Department of Telecommunications & Chairman and Managing Director (Addl Charge)

#### Shri Rajeev Srivastava

Director- Finance & Chief Financial Officer

#### Shri Rakesh Chandra Tiwari

Director- Marketing

#### Dr Rajesh Sharma

Deputy Director General (SU), Department of Telecommunications Government Director

#### Dr Raja Nayak

Independent Director

#### Shri Billeswar Sinha

Independent Director

#### Smt Mamta Palariya

Independent Director

### COMPANY SECRETARY

Smt S Shanmuga Priya

### STATUTORY AUDITOR

M/s GRSM & Associates, Bengaluru

### BRANCH AUDITORS

M/s. Mehrotra Kapoor & Tandon (Rae Bareli)

M/s G K Arora & Associates (Naini)

M/s S K Associates (Mankapur)

M/s A R G E E & Co. (Palakkad)

M/s. Mohammed Qasim and Co (Srinagar)

### COST AUDITORS

M/s GNV Associates, Bengaluru

M/s Aman Malviya & Associates, Lucknow

### SECRETARIAL AUDITOR

Shri D Venkateswarlu, Bengaluru

### BANKERS

State Bank of India

Bank of Baroda

Canara Bank

Punjab National Bank

Union Bank of India

Central Bank of India

Indian Bank

### REGISTRAR AND TRANSFER AGENT

Integrated Registry Management Services Limited

### MANAGEMENT TEAM\*

#### CORPORATE OFFICE

#### Shri B Kasiviswanathan

Chief Vigilance Officer

#### Smt Ila Bahaduar

Executive Director- Operations & QA

#### Shri P K Agrawal

General Manager - Vigilance

#### Smt R Vasanthi

General Manager- Operations

#### Smt Jeyanthi S

General Manager- Projects & Technology

#### Shri Akhil Kumar

General Manager- Corporate Finance

#### Brig Girish Suri (Retd)

General Manager- HR & PR

#### Smt Jayanthimala G

Chief Internal Auditor

### UNITS

Network Systems Unit

#### Shri Prakash Chandra Jain

Executive Director

Bangalore Plant and Research & Development

#### Shri Rajiv Dubey

General Manager

Corporate Marketing

#### Brig Bhup Chand Sharma (Retd)

General Manager

Palakkad Plant

#### Shri Nagaraja K V

General Manager

Naini Plant

#### Shri Nitin Kumar Bokade

Additional General Manager

Mankapur Plant

#### Shri Ajai Kumar Srivastava

Additional General Manager

Rae Bareli Plant

#### Shri Sunil Dobhal

Additional General Manager

Srinagar Plant

#### Shri Idris Aslam Khan

Deputy General Manager

\*As on 01.09.2022

# ITI LIMITED

(A Government of India Undertaking)

CIN: L32202KA1950GOI000640

Registered Office: ITI Bhavan, Doorvani Nagar, Bengaluru – 560 016

Tel No: +91 (080) 2561 4466 Fax No: +91 (080) 2561 7525 Email: cosecy\_crp@itilttd.co.in Website: www.itilttd.in

## NOTICE

**NOTICE** is hereby given that the Seventy Second (72<sup>nd</sup>) Annual General Meeting (AGM) of ITI Limited will be held on Wednesday, 28<sup>th</sup> September 2022 at 11.30 am through Video Conference ('VC') or Other Audio Visual Means ('OAVM') to transact the following business :

### I. ORDINARY BUSINESS:

1. To consider and, if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited standalone and consolidated financial statements of the Company for the financial year ended 31<sup>st</sup> March 2022 together with the reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India, be and are hereby received, considered and adopted."

2. To consider and, if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri Rajeev Srivastava (DIN: 08921307), who retires by rotation and being eligible, be and is hereby re-appointed as a Director of the Company."

3. To consider and, if thought fit, to pass with or without modifications, the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 142 of the Companies Act, 2013 read with Rules made thereunder, the Board of Directors of ITI Limited be and is hereby authorised to fix the remuneration and other terms and conditions, including reimbursement of travelling allowance and out of pocket expenses of Statutory Auditors of the Company appointed by Comptroller and Auditor General of India and of the Branch Auditors of the Company for the financial year 2022-23".

### II. SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Communications order no. E-5-3/2018-PSA dated 01<sup>st</sup> November 2021, Dr. Raja Nayak (DIN: 06451006), be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10<sup>th</sup> November 2021, or until further orders, whichever is earlier, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India."

5. To consider and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and in terms of Ministry of Communications order no. E-5-3/2018-PSA dated 01<sup>st</sup> November 2021, Shri Billeswar Sinha (DIN: 09393543), be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10<sup>th</sup> November 2021, or until further orders, whichever is earlier, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India."

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of Ministry of Communications order no. E-5-3/2018-PSA dated 01<sup>st</sup> November 2021, Smt Mamta Palariya (DIN: 07749007), be and is hereby appointed as an Independent Director of the Company for a period of three years w.e.f. 10<sup>th</sup> November 2021, or until further orders, whichever is earlier, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India."

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 and the rules made there under the remuneration of Rs. 3.16 lakhs (inclusive of applicable taxes) and out of pocket expenses and conveyance expenses at actuals fixed for the Cost Auditors appointed to conduct the audit of cost records of all Units of the Company for the year 2022-23 be and is hereby ratified".

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Anand Singh (DIN: 01784114), Joint Secretary (T), Department of Telecommunications, who had been entrusted additional charge of the post of Chairman and Managing Director vide Ministry of Communications order no. F.No. E-14-3/2022-PSA dated 30<sup>th</sup> August 2022, be and is hereby appointed as the Chairman and Managing Director (Additional charge) of the Company, not liable to retire by rotation and on the terms and conditions as stipulated by the Government of India from time to time."

Regd. & Corporate Office  
ITI Bhavan, Doorvaninagar

Place : Bengaluru  
Date : 01<sup>st</sup> September 2022

By Order of the Board  
For ITI LIMITED

**S. SHANMUGA PRIYA**  
COMPANY SECRETARY

**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular dated 5<sup>th</sup> May, 2022 read with General Circulars dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13<sup>th</sup> May, 2022 (hereinafter collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conference ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the Circulars, the AGM of the Company is being held through VC/OAVM. Hence, Members can attend and participate in AGM through VC/OAVM or view the live webcast at <https://www.evotingindia.com/>. The deemed venue for the AGM shall be the Registered Office : ITI Bhavan, Doorvani Nagar, Bengaluru-560016.
2. Since this AGM is being held pursuant to the Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map of the venue are not annexed to this Notice.
3. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
4. In line with the Circulars, the Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members requiring hard copy of Annual Report can submit their request by sending email to [cosecy\\_crp@ititd.co.in](mailto:cosecy_crp@ititd.co.in).
5. The Notice convening the 72<sup>nd</sup> AGM along with full version of Annual Report 2021-22 has been uploaded on the website of the Company at [www.ititd.in](http://www.ititd.in) under 'Investors' section and can also be accessed on the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
6. Corporate Members / FIs / Financial Institutions intending to appoint Authorised Representatives as per Section 113 of the Companies Act, 2013, to attend the AGM through VC/OAVM are requested to send to the Company, a certified copy of the Board Resolution/such other documents authorizing their representative(s) to attend and vote on their behalf at the meeting, together with their specimen signatures by e-mail to [dvenkatas@gmail.com](mailto:dvenkatas@gmail.com) and [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
7. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 which set out the details relating to Special Business at the AGM is annexed hereto and forms part of the notice as **Annexure A**.
8. Pursuant to provisions of the Regulation 36 (3) of Listing Regulations and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, the brief resume/profile of the Director eligible for appointment/re-appointment vide Item Item No. 2, 4, 5, 6 & 8 is appended to this Notice as **Annexure B**.
9. Pursuant to Section 139 read with Section 142 of the Act, the Auditors of the Company are appointed by the Comptroller and Auditor General of India. However, the remuneration of auditors shall be fixed by the Company at the AGM. Members may authorise the Board to determine and fix suitable remuneration payable to Auditors for the year 2022-23 after taking into consideration change(s), if any, in scope of assignments due to statutory requirements/ volume of work/ inflation index, etc.
10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per Register of Members of the Company will be entitled to vote at the meeting.
11. As per Section 108 of the Companies Act, 2013 read with relevant rules made there under, Regulation 44 of Listing Regulations, MCA Circular and SEBI Circular, the Company is pleased to provide its Members the facility to cast their vote by electronic means on all resolutions set forth in the Notice through remote e-voting and e-voting during AGM and for attending the meeting through VC/OAVM. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) in this regard. The instructions for remote e-voting, e-voting during AGM and for attending the meeting through VC/OAVM are appended to this Notice as **Annexure C**.
12. The Members can join the AGM through VC/OAVM mode 15 minutes before and within 15 minutes of the scheduled time of the commencement of the Meeting by following the instructions mentioned in the **Annexure C**. The Members will be able to view the proceedings by login into the CDSL e-Voting website at [www.evotingindia.com](http://www.evotingindia.com). The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
13. All documents referred to in the notice & statutory registers maintained under Section 170 and 189 of the Companies Act, 2013 will be available for electronic inspection during the AGM. Members seeking to inspect such documents can send an e-mail to [cosecy\\_crp@ititd.co.in](mailto:cosecy_crp@ititd.co.in).
14. Members requiring information on the Accounts are requested to write to the Company at least fifteen days before the date of the Meeting so that the required information could be kept ready.
15. Shri D Venkateswarlu, (CP No. 7773), Practicing Company Secretary and Partner of DAC & Associates, Bengaluru has been appointed as the Scrutinizer to scrutinise the e-voting during the AGM and remote e-voting in fair and transparent manner.
16. The Register of Members of the Company will remain closed from Thursday, 22<sup>nd</sup> September 2022 to Wednesday, 28<sup>th</sup> September 2022 (both days inclusive) for the purpose of the AGM.
17. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by 31<sup>st</sup> March 2023, and linking Pan with Aadhaar by 31<sup>st</sup> March 2022 vide its circular dated 3<sup>rd</sup> November 2022 and 15<sup>th</sup> December 2021. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC and nomination details etc. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. Members holding shares in electronic form are requested



to submit PAN, KYC and nomination details to their respective Depository Participant(s). The forms for updating the same are available at [https://www.ititd.in/common\\_and\\_simplified\\_norms](https://www.ititd.in/common_and_simplified_norms).

In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date as mentioned above, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents.

If the securities continue to remain frozen as on 31<sup>st</sup> December 2025, the RTA/the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1998, and/ or the Prevention of Money Laundering Act, 2002.

18. In accordance with Regulation 40 of the Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Members holding shares of the Company in physical form are requested to kindly get their shares converted into demat/ electronic form to get inherent benefits of dematerialisation.
19. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, with the Company. If a Member desires to optout or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or Form SH-14 as the case may be. The said forms can be downloaded from the website of the Company at [https://www.ititd.in/common\\_and\\_simplified\\_norms](https://www.ititd.in/common_and_simplified_norms). Members are requested to submit the requisite form to their DPs in case the shares are held in electronic form and to the Registrar in case the shares are held in physical form, quoting their folio no.
20. Members may please note that SEBI vide its Circular dated 25<sup>th</sup> January 2022 has mandated the Listed Companies to issue securities in dematerialized form only while processing service requests viz. Issue of

duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/ folios; Transmission and Transposition. Accordingly, members are required to submit duly filled up Form ISR-4 which is available on the website of the Company at [https://www.ititd.in/common\\_and\\_simplified\\_norms](https://www.ititd.in/common_and_simplified_norms) along with documents and details specified therein, while submitting request for the above mentioned Investor Services.

21. Members are also requested to intimate changes, if any, pertaining to their name, postal address, email address, mobile number, PAN, registration of nomination, Power of attorney registration, bank mandate details, etc. to their DPs in case the shares are held in electronic form and to the Registrar at [irg@integratedindia.in](mailto:irg@integratedindia.in) in case the shares are held in physical form, quoting their folio number
22. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
23. The recorded transcript of the AGM, shall be maintained by the Company and also be made available on the website of the Company at [https://www.ititd.in/annual\\_general\\_meeting](https://www.ititd.in/annual_general_meeting) in the Investor Section, at the earliest soon after the conclusion of the Meeting.
24. Members may visit the website of the Company for more information on the Company.

Regd. & Corporate Office  
ITI Bhavan, Doorvaninagar

By Order of the Board  
For ITI LIMITED

Place : Bengaluru  
Date : 01<sup>st</sup> September 2022

**S. SHANMUGA PRIYA**  
COMPANY SECRETARY

## Annexure A

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4 to 6

In terms of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors. Accordingly, the following appointments on the Board of your Company were effected during the year as per the directives of the President of India:

The Ministry of Communications vide order No. E-5-3/2018-PSA dated 01<sup>st</sup> November 2021 has appointed following Non-official Independent Directors on the Board of the Company for a period of three years or until further orders whichever is earlier :

1. Dr Raja Nayak (DIN : 06451006)
2. Shri Billeswar Sinha (DIN : 09393543)
3. Smt Mamta Palariya (DIN : 07749007)

The appointment of Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya has taken effect from 10<sup>th</sup> November 2021 i.e. from the date of obtaining DIN and the date of inclusion of name in the databank of Independent Directors maintained by Indian Institute of Corporate Affairs (IICA).

Pursuant to section 161(1) of the Companies Act 2013, the Board of Directors appointed Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamatha Palariya as Additional Directors to hold office until the date of this Annual General Meeting.

The Nomination and Remuneration Committee at its meeting held on 09<sup>th</sup> August, 2022 have recommended to the Members' for appointment of Dr. Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya as Independent Directors of the Company.

In terms of Section 152 of the Companies Act, 2013, every Director shall be appointed by the Company in general meeting. Accordingly, necessary resolutions have been placed before the Annual General Meeting for Members' approval, not liable to retire by rotation.

Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya fulfil requirements of an Independent Director as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1)(b) of Listing Regulations.

Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya are deemed to be interested in the proposed resolution to the extent of their appointment as Independent Directors.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested, financially or otherwise, in the resolution set out at item no. 4 to 6 of the Notice.

Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya do not hold any share in the Company, either in their individual capacity or on a beneficial basis for any other person.

Your directors recommend the special resolutions for appointment of Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya as Independent Directors of

the Company as proposed in the notice for approval.

A brief profile of Dr Raja Nayak, Shri Billeswar Sinha and Smt Mamta Palariya are provided in **Annexure B** of this Notice.

**Item No. 7**

The Board, on the recommendation of the Audit Committee, has approved the appointment of following Cost Auditors to conduct the audit of the cost records of the various units of the Company for the financial year ending 31<sup>st</sup> March 2023:

Sl. No.	Name of the Cost Auditor	Audit Fees including GST (in Rs)
1.	GNV & Associates, Bangalore	2,36,000
2.	Aman Malviya & Associates, Lucknow	80,000
	Total	3,16,000

Rule 14 of the Companies (Audit and Auditors) Rules, 2014 requires ratification by the Members for the remuneration fixed for the Cost Auditor of the Company appointed under Section 148(3) of the Companies Act, 2013.

Accordingly, necessary resolution seeking ratification for fixation of remuneration of Rs 3.16 lakhs (inclusive applicable taxes) and out of pocket expenses and conveyance expenses at actuals for the Cost Auditor appointed for the year 2022-23 is placed before the Member for their ratification.

None of the Directors or Key Managerial Personnel of the Company or their relatives is interested, financially or otherwise, in the resolution set out at item no.7 of the Notice.

Your directors recommend the ordinary resolution as proposed in the notice for Members' approval.

**Item No 8**

In terms of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors.

The Ministry of Communications vide order No. E-14-3/2022-PSA dated 30<sup>th</sup> August 2022 has entrusted the Additional Charge of the post of Chairman and Managing Director to Shri Anand Singh (DIN: 01784114), Joint Secretary (T), Department of Telecommunications (DoT) for one month w.e.f. 01<sup>st</sup> September

2022 to 30<sup>th</sup> September 2022 or till the appointment of regular incumbent or until further orders, whichever is the earliest.

Shri Anand Singh was inducted into the Board as an Additional Director w.e.f. 01<sup>st</sup> September 2022.

In pursuance of Government of India order dated 30<sup>th</sup> August 2022 and in terms of Section 161 of the Companies Act, 2013, Shri Anand Singh holds office upto the date of ensuing Annual General Meeting.

The Nomination and Remuneration Committee through Circular Resolution dated 01<sup>st</sup> September 2022 have recommended to the Members' appointment of Shri Anand Singh as Chairman and Managing Director of the Company.

In terms of Section 152 of the Companies Act, 2013, every Director shall be appointed by the Company in general meeting. Accordingly, necessary resolution has been placed before the Annual General Meeting for Members' approval.

Shri Anand Singh is deemed to be interested in the proposed resolution to the extent of his appointment as Chairman and Managing Director.

None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, in the resolution set out at item no. 8 of the notice.

Shri Anand Singh do not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person.

Your directors recommend the ordinary resolution for appointment of Shri Anand Singh, Joint Secretary, DoT as Chairman and Managing Director (addl charge) of the Company as proposed in the notice for approval.

A brief profile of Shri Anand Singh is provided in **Annexure B** of this Notice.

Regd. & Corporate Office  
ITI Bhavan, Doorvaninagar

By Order of the Board  
For ITI LIMITED

Place : Bengaluru  
Date : 01<sup>st</sup> September 2022

**S. SHANMUGA PRIYA**  
COMPANY SECRETARY

**Annexure B**

**BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT / RE-APPOINTMENT**

**Item No. 2**

**Re-appointment of Shri Rajeev Srivastava, Director Finance**

Shri Rajeev Srivastava aged 54 years, has taken over charge of Director-Finance of the Company w.e.f. 15<sup>th</sup> October 2020. He has joined the Company as General Manager-Finance on 17<sup>th</sup> December 2018. Shri Rajeev Srivastava is a qualified Finance Professional having membership of the Institute of Cost Accountants of India (ICMAI). Shri Srivastava has also accomplished his Bachelor in Commerce and Masters in Commerce from Delhi University, LLB from DAV Law College and CS from Institute of Company Secretaries of India (ICSI).

Shri Srivastava has a rich experience of more than 29 years. Before joining ITI Limited, he has worked with Government of India as Director (Accounts)/Senior Accounts Officer from December 1990 to December 2018.

Pursuant to the provisions of Listing Regulations the other details of Shri Rajeev Srivastava are as follows :

- Number of Board Meetings attended during 2021-22 : 7
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2022: Nil

- Membership/Chairmanship in the Committees of other Listed Companies as on 31<sup>st</sup> March 2022 : Nil
- Details of resignation from Directorships of other Listed Companies during the past 3 years : Nil
- Disclosure of inter-se relationships between directors & key managerial personnel : Nil

**Item No. 4**

**Appointment of Dr Raja Nayak, Independent Director**

Dr Raja Nayak, aged 61 years is a Scheduled Tribe Entrepreneur, Philanthropist and the National Vice President of Dalit Indian Chamber of Commerce and Industry (DICCI) & President, South India, Dalit Indian Chamber of Commerce & Industry.

He has been officially Conferred the European Professional Doctorate by Aldersgate University Europe.

Dr Raja Nayak is associated with Akshay Enterprises, MCS Logistics, he is now President for Institutions - Kala Niketan College of Education, KJ Convent Nursery, Primary and High School, Director of Purple Haze Beauty Spa Private Limited and Jala Beverages, and CEO of Nayak Food and beverages and Nayak Power systems.

Dr Raja Nayak is a renowned Philanthropist. He has helped innumerable first generation SC/ST community, connecting them to the Government of Karnataka Industrial Board, State Finance Corporation. He has joined hands with Central Food Technological Research Institute and Indian Institute of Food Processing Technology to help farmers and food manufacturing entrepreneurs to upgrade farming, contract farming and value addition of products.

Pursuant to the provisions of Listing Regulations the details of Dr Raja Nayak are as follows :

- Number of Board Meetings attended during 2021-22 : 4
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2022: Nil
- Membership/Chairmanship in the Committees of other Listed Companies as on 31<sup>st</sup> March 2022 : Nil
- Details of resignation from Directorships of other Listed Companies during the past 3 years : Nil
- Number of shares held in the Company as on date (including shares held as a beneficial owner) : Nil
- Disclosure of inter-se relationships between directors & key managerial personnel : Nil
- The skills and capabilities required for the role and the manner in which the proposed person meets such requirements: The Independent Directors on the Board are appointed by the Government of India with requisite integrity, expertise and experience.

#### Item No. 5

##### Appointment of Shri Billeswar Sinha, Independent Director

Shri Billeswar Sinha, aged 41 years, holds Bachelors of Law degree from B N Mondal University, West Bengal. He is an Advocate by profession and has been awarded best lawyer of Bankura District in 2017 by District Legal Services Authority. The other social activities in which Shri Billeswar Sinha is associated are Prisoners Right, Disability Right, Women Rights, Juvenile Rights, Labour Rights, etc.

Pursuant to the provisions of Listing Regulations the other details of Shri Billeswar Sinha are as follows :

- Number of Board Meetings attended during 2021-22 : 4
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2022: Nil
- Membership/Chairmanship in the Committees of other Listed Companies as on 31<sup>st</sup> March 2022 : Nil
- Details of resignation from Directorships of other Listed Companies during the past 3 years : Nil
- Number of shares held in the Company as on date (including shares held as a beneficial owner) : Nil
- Disclosure of inter-se relationships between directors & key managerial personnel : Nil
- The skills and capabilities required for the role and the manner in which the proposed person meets such requirements: The Independent Directors on the Board are appointed by the Government of India with requisite integrity, expertise and experience.

#### Item No. 6

##### Appointment of Smt Mamta Palariya, Independent Director

Smt Mamta Palariya, aged 60 years holds Masters degree, Bachelors degree in Political Science and LLB from Kumaun University. She is an Advocate by profession and has been practicing in Civil Court, Haldwani (Uttarakhand) since

1986. She was an Independent Director in Bharat Wagon and Engineering Company Limited from 31.01.2017 to 31.01.2020.

Pursuant to the provisions of Listing Regulations the other details of Smt Mamta Palariya are as follows :

- Number of Board Meetings attended during 2021-22 : 4
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2022: Nil
- Membership/Chairmanship in the Committees of other Listed Companies as on 31<sup>st</sup> March 2022 : Nil
- Details of resignation from Directorships of other Listed Companies during the past 3 years : Nil
- Number of shares held in the Company as on date (including shares held as a beneficial owner) : Nil
- Disclosure of inter-se relationships between directors & key managerial personnel : Nil
- The skills and capabilities required for the role and the manner in which the proposed person meets such requirements: The Independent Directors on the Board are appointed by the Government of India with requisite integrity, expertise and experience.

#### Item No. 8

##### Appointment of Shri Anand Singh, Joint Secretary (T), Department of Telecommunications as Chairman and Managing Director (Addl charge)

Shri Anand Singh, aged 48 years, is an Indian Administrative Service officer of 2000 batch from Kerala cadre. He is a Graduate in Electronics and Telecom Engineering from MNIIT, Allahabad. He completed his M.A in Development Studies from University of Sussex, U.K.

Shri Anand Singh has 22 years of diverse experience in the fields of public works, taxation (commercial taxes), Planning and Programme Implementation, Urban Development and Information Technology. He has worked as State level head of all IT initiatives of State Government of Kerala as Director Kerala State Information Technology Mission (KSITM) for over two years. He has also served as a District Magistrate/District Collector in Kannur and Kasargod Districts of Kerala. Shri Anand Singh has also been a Secretary, Public Works (PwD), Kerala and Project Director for externally aided projects for Kerala Sustainable Urban Development Project (KSUDP) – ADB assisted and Kerala State Transport Project (KSTP) – a World Bank assisted project for over three years.

Shri Anand Singh also has wide exposure in the Central Government having served as Private Secretary to Union Minister of State for External Affairs, Govt. of India and the post of Director of Estates and is now posted as Joint Secretary (Telecom) since February, 2022.

Since appointed w.e.f 01<sup>st</sup> September 2022, pursuant to the provisions of Listing Regulations the other details of Shri Anand Singh are as follows :

- Number of Board Meetings attended during 2021-22 : NA
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2022: NA
- Membership/Chairmanship in the Committees of other Listed Companies as on 31<sup>st</sup> March 2022 : NA
- Details of resignation from Directorships of other Listed Companies during the past 3 years : Nil
- Disclosure of inter-se relationships between directors & key managerial personnel : Nil

**Annexure C**

## INSTRUCTIONS TO MEMBERS FOR REMOTE E-VOTING, E-VOTING DURING AGM AND ATTENDING THE AGM THROUGH VC/OAVM

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER**

1. The voting period begins on **Saturday, 24<sup>th</sup> September 2022 at 09.00 am and ends on Tuesday, 27<sup>th</sup> September 2022 at 05.00 pm**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21<sup>st</sup> September 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
2. Members who have already voted through remote e-voting would not be entitled to vote at the AGM.
3. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09<sup>th</sup> December 2020 read with SEBI Circular dated 13<sup>th</sup> May 2022 and under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

4. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9<sup>th</sup> 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR INDIVIDUAL MEMBERS HOLDING SECURITIES IN DEMAT MODE CDSL/NSDL IS GIVEN BELOW**

Type of shareholders	Login Method
Individual Member holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to <b>Easi / Easiest</b> are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Member holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDEAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDEAS" "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at abovementioned website.

**Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Members holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. <a href="mailto:evoting@cdslindia.com">evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43.
Individual Members holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETINGS FOR PHYSICAL MEMBERS AND MEMBERS OTHER THAN INDIVIDUAL HOLDING IN DEMAT FORM.**

- i) The shareholders should log on to the e-voting website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on “Shareholders” module.
- iii) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical members) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN for ITI Limited on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xvi. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Members can also cast their vote using CDSL’s mobile app “m-Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE MEMBERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE**

1. **For Physical Members-** please provide necessary details like Folio No., Name of Members, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **RTA / Company email id**.
2. **For Demat Members -** please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to RTA / Company email id.

**INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in members login where the EVSN of Company will be displayed.
2. Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
3. Members are encouraged to join the Meeting through Laptops / ipads for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in).
7. The Members who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in). These queries will be replied to by the company suitably through email.
8. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING DURING THE AGM ARE AS UNDER**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**5. Note for Non – Individual Members and Custodians**

- Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
6. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.
  7. All grievances connected with the facility for voting by electronic means or Members who need technical assistance before or during the AGM can contact to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

**OTHER INSTRUCTIONS**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by Chairman in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.itilttd.in](http://www.itilttd.in) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

## TEN YEAR DIGEST

₹ in Crore

OPERATING RESULTS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Sales including services	2077	2578	2403	1894	1703	1611	1253	620	770	921
Accretion/(Decretion) to Stock	19	9	40	11	(12)	18	0	(2)	(2)	(11)
Value of Production	2096	2586	2444	1905	1691	1629	1253	618	768	910
Other Income**	255	161	184	336	381	542	598	86	40	33
Direct Materials	741	446	508	605	545	605	670	185	137	235
Charges on Installation & Maintenance	714	1472	1114	784	526	642	318	214	382	409
Employees Cost**	222	290	231	204	226	301	332	321	337	393
Depreciation	50	42	42	37	25	17	13	15	17	18
Financing Expenses	192	160	141	106	153	153	157	157	122	85
Other Expenses less Charges on Installation & Maintenance	311	327	445	412	367	187	124	110	159	163
Profit	121	11	147	93	230	266	238	(298)	(346)	(360)
Prior Period Adjustments	-	-	-	-	-	-	-	1	2	48
Extraordinary Items	-	-	-	-	-	-	-	-	-	130
Profit Before Tax	121	11	147	93	230	266	238	(297)	(344)	(182)
Provision for Tax / Deferred Tax/FRB	-	-	-	-	-	-	-	-	-	-
Add: Provision for tax of earlier years no longer required	-	-	-	-	-	-	-	-	-	-
Profit after Tax	121	11	147	93	230	266	238	(297)	(344)	(182)
Other Comprehensive Income	(15)	20	4	18	5	39	17	-	-	-
Total comprehensive Income for the period (Comprising profit/(Loss) and other comprehensive Income for the period)	106	31	151	111	235	305	255	-	-	-
FINANCIAL POSITION	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Equity	934	934	925	897	760	560	288	288	288	288
Preference Shares *	-	-	-	-	-	-	-	300	300	300
Preference Shares - Application	-	-	-	-	-	-	-	-	-	-
Money Received Pending Allotment	71.56	-	-	55	137	-	192	192	-	-
Reserves & Surplus	5716	5731	5613	2847	2824	2814	2769	2735	2718	2709
Revaluation Reserves	-	-	-	2335	2339	2348	2354	2360	2374	2390
Miscellaneous expenditure not written off	-	-	-	-	-	-	-	-	-	-
Profit and Loss Account-(Debit)	4135	4256	4255	4340	4432	4663	4929	5166	4869	4527
Net Worth Funds with Revaluation Reserve ##	2586	2408	2282	1794	1628	1059	674	713	819	1172
Net Worth without considering DRE not written off and Revaluation Reserve ##	2586	2408	2282	(541)	(711)	(1289)	(1680)	(1647)	(1555)	(1218)
Grant-in-aid	-	-	-	-	-	-	-	4	8	12
Bonds	-	-	-	-	-	-	-	-	-	2
Other borrowings and deferred credit	1313	1164	1036	959	926	879	839	921	876	606
Gross Block #	2938	2864	2814	2775	2663	2524	3737	3690	3696	3695
Depreciation #	211	163	121	80	43	18	1279	1267	1243	1210
Net Block	2727	2700	2693	2695	2620	2506	2458	2423	2453	2485
Capital work-in-progress	154	169	189	165	149	102	92	33	21	1
Assets, Loans and Advances (Current & Non-Current):										
Inventory	193	194	173	149	156	142	104	93	96	105
Debtors	2966	2905	3120	2659	3086	2196	2743	2219	2152	4067
Others	3502	2907	1508	1292	996	566	436	572	366	348
<b>Total</b>	<b>6661</b>	<b>6006</b>	<b>4801</b>	<b>4100</b>	<b>4238</b>	<b>2904</b>	<b>3283</b>	<b>2884</b>	<b>2614</b>	<b>4520</b>

Turnover and Value of production for the year 2017-18,2016-17,2015-16,2014-15,2013-14 & 2012-13 are inclusive of Excise duty & Service tax/GST while for rest of the years, they include Excise duty only. Turnover & Value of production for FY 2018-19, 2019-20, 2020-21 and 2021-22 includes GST only.

\*Some of the figures in 2012-13 have been regrouped as per revised schedule III.

\*\* Employee cost & Other income for FY 2021-22, FY 2020-21, FY 2019-20, FY 2017-18 and FY 2016-17 include ₹4.81 Crores, ₹ 66.75 Crores, ₹4.39 Crores, ₹2.86 Crores and ₹33.72 Crores respectively on account of VRS funded from the Government of India.

# Due to IND AS implementation w.e.f. 01.04.2016, Net carrying value has been taken in the books of accounts as deemed cost.

## Rectified figures as per the latest Audited Financial Statements for FY 2019-20, 2020-21 and 2021-22.

<b>FINANCIAL POSITION</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
Liabilities and Provisions (Current & Non-Current) \$	<b>5344</b>	5004	4185	3907	4153	3274	4021	3406	3393	5227
Working Capital	<b>(70)</b>	(342)	(456)	(498)	(642)	(1054)	(1478)	(1311)	(1501)	(1259)
Capital Employed (Net Fixed Assets+Working Capital)	<b>2657</b>	2358	2237	2197	1978	1452	980	1112	952	1226
<b>Sources of Funds:</b>										
Shareholders' Fund	<b>2586</b>	2408	2282	1794	1628	1059	674	713	819	1172
Borrowings	<b>1612</b>	1464	1216	1259	1226	1179	1139	1223	876	608
Net Non-Current Liabilities	<b>(74)</b>	(178)	(36)	268	199	195	98	131	155	57
Deferred Tax	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4124</b>	<b>3694</b>	<b>3462</b>	<b>3321</b>	<b>3053</b>	<b>2433</b>	<b>1911</b>	<b>2067</b>	<b>1850</b>	<b>1837</b>
<b>Application of Funds:</b>										
Net Fixed Assets	<b>2727</b>	2700	2693	2695	2620	2506	2458	2423	2453	2485
Working Capital (Other than Cash Credit)	<b>1243</b>	822	579	460	283	(176)	(640)	(390)	(625)	(650)
Capital Work in progress	<b>154</b>	169	189	165	149	102	92	33	21	1
Investments	<b>1</b>	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>4125</b>	<b>3692</b>	<b>3462</b>	<b>3321</b>	<b>3053</b>	<b>2433</b>	<b>1911</b>	<b>2067</b>	<b>1850</b>	<b>1837</b>
<b>FINANCIAL RATIOS</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Working Capital Ratios:</b>										
Current Ratio	<b>0.99:1</b>	0.94:1	0.91:1	0.89:1	0.87:1	0.73:1	0.69:1	0.66:1	0.62:1	0.75:1
Working Capital in no. of months of value of Production	<b>N.A</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Inventory in no. of months of value of Production	<b>1.11</b>	0.90	0.85	0.94	1.11	1.05	1.00	1.81	1.50	1.38
Debtors(Net of Advances) in terms of months sales and services	<b>10.75</b>	8.38	12.26	12.85	16.31	14.13	18.28	38.76	30.22	30.18
Working capital to total Assets (%)	<b>N.A</b>	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Cost of Direct Material to value of Production incl. Excise Duty (%)	<b>35.34</b>	17.24	20.78	31.76	32.23	37.14	53.47	29.94	17.84	25.82
Cost of Direct Material & Charges on Insttn to value of Production incl. Excise Duty (%)	<b>69.40</b>	74.16	66.34	72.91	63.34	76.55	78.85	64.56	67.58	70.77
Debt-to-Equity Ratio	<b>0.63</b>	0.62	0.60	2.88	3.30	-	-	-	-	-
Return on equity (ROE)/Return on net worth Ratio	<b>0.13</b>	0.03	0.03	(0.17)	(0.14)	-	-	-	-	-
Net Profit Margin (%)	<b>6.51%</b>	0.47%	7.16%	5.55%	6.82%	-	-	-	-	-
Debtors/Receivable Turnover Ratio	<b>0.63</b>	0.78	0.71	0.58	0.54	-	-	-	-	-
Inventory Turnover Ratio	<b>9.07</b>	12.53	11.82	11.90	9.48	-	-	-	-	-
Interest Coverage /Debt Service Coverage Ratio	<b>1.73</b>	1.08	1.49	1.01	1.01	-	-	-	-	-
Operating Profit Margin (%)	<b>6.40%</b>	2.67%	7.82%	1.00%	-3.25%	-	-	-	-	-
<b>FINANCIAL RATIOS</b>	<b>2021-22</b>	<b>2020-21</b>	<b>2019-20</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>
<b>Growth Ratios:</b>										
Annual growth in value of Production (%)	<b>-18.96</b>	5.84	28.28	12.66	3.81	30.01	102.75	19.53	-15.60	-8.63
Annual growth in Gross Block excluding Revaluation Reserve (%) \$	<b>2.58</b>	1.77	539.55	35.80	84.09	(87.27)	3.98	(0.58)	0.10	0.39



OTHER STATISTICS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>Turnover composition:</b>										
To BSNL/MTNL and other PSU	282	237	309	974	1188	1083	592	239	260	181
Others	1796	2341	2094	920	515	528	661	381	510	740
<b>Total</b>	<b>2077</b>	<b>2578</b>	<b>2403</b>	<b>1894</b>	<b>1703</b>	<b>1611</b>	<b>1253</b>	<b>620</b>	<b>770</b>	<b>921</b>
Value added	408	438	463	276	324	283	177	153	164	166
No. of Employees as on 31 <sup>st</sup> March	2442	2876	3498	3520	3576	4052	5229	6177	7311	8516
Value Added per Employee (₹)	1534081	1372767	1319464	777903	849502	609848	310363	226868	207241	184158
Value of Production per Employee (₹)	7882663	8115593	6964213	5369222	4433665	3510398	2197089	916370	970493	1009541

- \$ 1. Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities
- \$ 2. As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability.  
[Figures in brackets indicate negative figures]

## FIGURES AT A GLANCE

		₹ in Crore	
BALANCE SHEET	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021	
<b>(a) What the Company owned</b>			
Fixed Assets	2938		2863
Less: Depreciation	211		161
Net Block	2727		2702
Capital Work-in-Progress	154		169
Investments			
Current Assets, Loans & Advances	6425	5653	
Less: Current Liabilities	6494	5995	
	(69)		(342)
Add: Non Current Assets	237		353
	3048		2882
<b>(b) Less: What the Company owed</b>			
Non-Current Liabilities	462		473
<b>(c) Shareholders' Funds [a]-[b]</b>			
Represented by:			
Share Capital	934		934
Reserves & Surplus	3275	3275	
Revaluation Reserve	-	-	
Grant-in-aid	72	-	
Less: Profit and Loss Account (Debit)	1695	1800	
	1652		1475
	2586		2409

		₹ in Crore	
PROFIT AND LOSS ACCOUNT	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021	
<b>(a) What the Company earned</b>			
Sales including services(incl. excise duty, service tax & GST)	2,077	2,578	
Other Income*	255	161	
Increase/(Decrease) in Work-in-Process, Stock-in-Trade and Manufactured Components	19	9	
	2,351	2,748	
<b>(b) What the Company incurred</b>			
Materials	1,455	1,918	
Employees Cost	222	290	
Depreciation	50	42	
Financing Expenses	192	160	
Other Expenses(including GST)	311	327	
	2,230	2,737	
<b>(c) Profit/(Loss) before tax (a-b)</b>			
	121	11	
<b>(d) Less: Provision for Taxation</b>			
	0	0	
<b>(e) Profit after tax</b>			
	121	11	
<b>(f) Other Comprehensive Income</b>			
	(15)	20	
<b>(g) Total comprehensive Income for the period</b>			
	106	31	
<b>(Comprising profit/(Loss) and other comprehensive Income for the period)</b>			

\* Other Income for FY 2021-22 includes Rs.214.29 Crores sanctioned by Department of Expenditure , Ministry of Finance for meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 and Employee Cost & Other income for FY 2020-21 includes ₹ 66.75 Crores received on account of VRS funded from the Government of India.

\*\* Profit of ₹ 121 Crores and Profit of ₹ 11 Crores is with Grant In Aid of ₹ 214.29 Crore and ₹ NIL Crores respectively.

₹ in Crore

SOURCES AND APPLICATION OF FUNDS	For the year ended 31 <sup>st</sup> March 2022	For the year ended 31 <sup>st</sup> March 2021
<b>SOURCES OF FUNDS</b>		
1. Depreciation	50	42
2. Increase in Borrowings	148	130
3. Reduction in Working Capital	-	-
4. Revenue Grant in aid received	214	-
5. Capital Grant in aid received	72	105
6. Increase in Non-Current Liabilities	-	38
7. Decrease in Non-Current Assets	116	7
8. a) Profit After Tax*	121	11
b) Other Comprehensive Income	(15)	20
	<b>706</b>	<b>353</b>
<b>APPLICATION OF FUNDS</b>		
1. Loss After Tax	-	-
2. Decrease in Borrowings	-	-
3. Increase in working Capital	421	244
4. Fixed Assets	59	31
5. Change in other equity	-	12
6. Capital Grant-in-aid utilised	-	-
7. Revenue Grant-in-aid utilised	219	67
8. Decrease in Non-Current Liabilities	7	-
9. Increase in Non-Current Assets	-	-
	<b>706</b>	<b>353</b>

Note: \*Profit of Rs.121 Crores and profit of Rs.11 Crores is with Grant in Aid of Rs.214.29 Crores and Rs.NIL Crore respectively.

## Directors' Report

### Dear members,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company" or "ITI") along with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year (FY) ended 31<sup>st</sup> March 2022, Auditors report and comments on the Accounts by the Comptroller and Auditor General (CAG) of India.

As per the approved revival plan by the Cabinet Committee on Economic Affairs (CCEA) in February 2014, Company has been sanctioned an amount of Rs.4156.79 Crore, including Rs.1892.79 Crore as grant-in-aid and Rs.2264 Crore as CAPEX Fund. We have received Rs.945.56 Crore of the CAPEX Fund in the form of equity and the entire grant-in-aid until FY 2021-22. CAPEX Fund amounting to Rs.71.56 Crore was received during FY 2021-22. Rs.200 Crore has been allocated in budget as CAPEX Fund for FY 2022-23.

The CAPEX Fund has been invested for upgrading the manufacturing infrastructure at various Units of ITI to cater to the need of emerging technologies in Telecom industry. This has helped ITI regain its manufacturing strength. The State-of-the-art infrastructure established under revival funds has boosted the manufacturing strengths to cater for domestic market demands under Make in India mission of Government of India.

The Company has been declaring profit since FY 2017-18. The Networth of the Company had become positive from 2019-20.

### FINANCIAL PERFORMANCE

The summarized performance of the Company (Standalone basis) for the financial year 2021-22 compared to the previous year 2020-21 is as under:

Rs. in Crore

S.No.	Particulars	2021-22	2020-21
1	Sales including services	2077	2578
2	Value of production	2097	2586
3	Profit/(Loss) after tax	121	11
4	Profit/(Loss) after tax	121	11
5	Other Comprehensive income	(15)	20
6	Total Comprehensive income	106	31
7	Financing expenses	192	160
8	Depreciation	50	42
9	Capital employed (Net Fixed Assets + Working Capital)	2657	2360
10	R & D Expenditure	15	11

### CONSOLIDATED PERFORMANCE

The Consolidated Revenue from operations is at Rs.1861 Crore (PY Rs.2362 Crore) reflect a decrease of 21% compared to the previous year. The profit before tax and Profit after tax for the financial year 2021-22 were Rs.119.69 Crore against Rs.9.48 Crore during the previous year.

### OPERATIONAL PERFORMANCE

The Company has achieved the Turnover of Rs. 2077.48 Crore during the FY 2021-22 against Rs. 2577.90 Crore during the previous FY 2020-21.

### MAJOR HIGHLIGHTS

The turnover for the FY 2021-22 is mainly constituted from Turnkey Projects; Mix of products and Services.

### ❖ Turnkey Projects

Execution of Turnkey Projects viz Gujnet, Mahanet, NFS Project, ASCON Phase IV Project, IAF Project, Andaman & Nicobar Bharat Net Project, Airtel FTTH Rollout, etc

### ❖ Products

Manufacturing and supply of various products viz HDPE Duct, OFC, Encryption Products, SMPS, Solar Panel, Mini PC, Fibre Distribution Management System, Banking products, Mini PDO, Smart cards, Solar street lights etc

### ❖ Services

AMC for ASCON, Defence Equipment, NGN equipment, OCB, GSM-SZ & MLLN, Business from Data Centre, Upgradation of Data Centre for Indian Air Force, Upgradation of 3G network to 4G/LTE for Indian Air Force, Services from Test labs, Reliability lab, 3D printing, Start-up Hub, VSSC Business, skill development, Third Party Audit Services (TPA) for implementation of Bharatnet Phase II project in the states of Odisha, Jharkhand and various other states, business generated by Corporate, MSP, etc.

❖ During the year "Letter of Award (LOA)" received from Tamil Nadu Fibrenet Corporation Limited (TANFINET) was converted into work order of Rs 432.96 Crore for execution of BharatNet Phase-II in the state of Tamil Nadu. The project includes Planning, Survey, Supply, Installation, Commissioning, Testing, End-to-End Integration, Operation & Maintenance of Optical Fibre Network (OFN) and Electronics of Package-D from TANFINET for providing Broad Band connectivity across the state of Tamil Nadu. The project is under implementation and expected to be completed by FY 2022-23.

❖ The Company has received a Letter of Intent (LOI) from Urban Development Department, Government of Maharashtra for the implementation of a centralized monitoring system based on Information and Communications Technology (ICT) for solid waste management procedures in all urban local bodies of Maharashtra. The expected value of this contract is Rs. 400 Crore, for a period of seven years.

❖ The Company has received a Purchase order worth Rs 70 Crore from BSNL for AMC of GSM Network for South Zone.

❖ The Company has received a work order from BSNL worth Rs.39.84 Crore for execution of Pilot Projects for last mile Broad band connectivity in uncovered villages under Universal Service Obligation Fund (USOF).

❖ The Company has received a LOI worth Rs.10.50 Crore from Bangalore Electricity Supply Company Limited (BESCOM), Karnataka for establishing Grid- Connected Roof top Solar Plant of various capacities.

❖ The Company has received a Purchase order from C-DoT for manufacture and supply of 40,000 Nos of Optical Network Termination (ONT 23) of worth Rs.7.22 Crore to M/s Railtel Corporation.

❖ It is of great pride for the Company to be associated with VSSC, ISRO country's space mission which on 14<sup>th</sup> February 2022 successfully placed three satellites- PSLV C52 into their exact orbits and these carried five package assembled at ITI.

❖ For the first time in the history of the Company, ITI has received an order from a Private operator for FTTH rollout worth around Rs. 34 Crore.

**Details of Turn over achieved in FY 2021-22 Vs FY 2020-21:**

Rs. in Crore

Sl. No	Products/Projects	2021-22 (including ED,ST & GST)	2020-21 (including ED,ST & GST)
1	Corp Marketing & MSP's	744.24	270.56
2	ASCON PH IV	599.57	328.40
3	Mahanet	283.51	1367.46
4	NFS Project	104.88	108.95
5	GSM SZ AMC	98.42	34.38
6	Gujnet	63.08	114.58
7	Defence Business & AMC/ ASCON AMC	34.39	165.37
8	Solar Panel/ Solar Street Light	29.98	12.29
9	Data Centre	20.41	17.98
10	SMPS	19.92	7.80
11	MLLN/ AMC for MLLN/SSTP	18.86	22.03
12	3D Printing, Aadhar based Business/ Mini PC/ Component Screening/ E-Governance projects/ Misc. Services	17.98	22.25
13	TPA for Bharanet Project in Jharkhand, Odisha & Satellite	9.18	11.24
14	GPON (ONT, OLT, SPV and I&C)	8.62	1.81
15	Airtel FTTH	5.97	0.00
16	OFC/ Trading	5.08	17.41
17	NGN AMC	3.94	4.03
18	OCB AMC Business	3.70	8.65
19	Energy Savings	2.36	0.00
20	GSM Franchise	1.17	1.66
21	Bharatnet A&N	0.67	23.86
22	Banking Products/ Cont.Mfg/ Sanitary Napkin Vending Machine	0.56	1.23
23	Wifi Hotspots I&C	0.58	0.43
24	HDPE Duct Manufacturing	0.41	35.54
	<b>Total</b>	<b>2077.48</b>	<b>2577.90</b>

**CHANGE IN SHARE CAPITAL / ISSUE OF SHARES:**

There was no change in the authorised/paid up share capital of the Company during the year.

During the financial year 2021-22, pursuant to the CCEA approval dated 20<sup>th</sup> July 2016, to comply with SEBI's (erstwhile) Minimum 10% Public Shareholding requirement 8,40,336 equity shares were transferred by President of India, Promoter to Special National Investment Fund ("SNIF") on 17<sup>th</sup> March 2022.

As part of revival package, the Company has received Rs 71,56,30,000 (Rupees Seventy One Crore Fifty Six Lakhs and Thirty Thousand only) from Ministry of Communication, Government of India on 31<sup>st</sup> March 2022, as capital grant for meeting the expenditure towards CAPEX for implementation of various projects in its various plants.

The Board of Directors of the Company in its meeting held on 25<sup>th</sup> May 2022, allotted 83,21,279 equity shares, at Rs 86.00 (face value of Rs 10 per share and at a premium of Rs 76) on preferential basis to the President of India against the Capex grant of Rs. 71.56 Crore received from Government of India. Accordingly, post allotment of equity shares on 25<sup>th</sup> May 2022, the paid up Equity Share Capital has increased from Rs 9,33,52,28,690 to Rs 9,41,84,41,480.

During the year under review, the Company has not granted stock options or sweat equity shares. As on 31<sup>st</sup> March 2022, none of the Directors of the Company hold any shares of the Company.

**DIVIDEND**

As the Company still has accumulated losses the Directors are not in the position to recommend any dividend for the year 2021-22.

**RESERVES**

As the Company still has accumulated losses, it has not transferred any amount to General Reserve.

**OPERATIONAL PERFORMANCE OF PRODUCTION PLANTS AND SERVICE UNITS BANGALORE PLANT:**
**I. PERFORMANCE**

In FY 2021-22, Bangalore Plant has achieved the turnover of Rs. 432.51 Crore. The turnover mainly consists of Manufacturing, Services and Projects.

**II. MAJOR HIGHLIGHTS**
**i. Encryption Products**

ITI has been the Pioneer in the field of encryptor device and has a major market trusted shareholding in the digital technologies. The products have evolved over the years in tune with the evolution in the digital communication technology. Bangalore Plant has Designed, Manufactured and Supplied around 189 Encryption Products during FY 2021-22

**ii. Telephones**

Bangalore Plant has Supplied 202 no's of Field Telephone (5C) to Ashok Leyland, GRSE and 301 no's of ETS (1+1) telephones to BSNL

Plant also manufactured and supplied 170 nos of Nutan Telephone to various customers.

**iii. PM-WANI**

This framework takes forward the goal of National Digital Communications Policy, 2018 (NDCP) of creating a robust digital communications infrastructure. The PM-WANI framework envisages provision of Broadband through Public Wi-Fi Hotspot providers. It consists of elements such as Public Data Office (PDO), Public Data Office Aggregator (PDOA), App Provider and Central Registry.

Bangalore Plant has manufactured and supplied 118 No's of C-DoT designed Mini PDO for PM-WANI scheme.

**iv. Data Centre and IT Business**

Looking into high demand for data Centre business and the expected growth in India, ITI has expanded the Data Centre with 1000 Racks more capacity at Bangalore Plant having level of Tier III certification i.e. ANSI/TIA-942-B. The TIA-942 Certification Program enables data centres to be reviewed and certified for conformity to the requirements of the globally-recognized ANSI/TIA-942 standard, providing greater assurance to customers and stakeholders.

ITI's state-of-the-art Tier 3 Data Centre is currently spread over more than 2,00,000 Sq. ft. with world class facilities having ISO 20000-1:2011, ISO 27001:2013, ISO 27017: 2015 & ISO 27018:2019 certification. ITI Data Centre is also Empanelled Cloud Service Provider with MeitY (Ministry of Electronics and Information Technology). ITI has obtained Capability Maturity Model (CMMi) Level 3.

ITI Data Center has the capability to offer a wide spectrum of service portfolios which includes High density hosting services, Cloud services, Managed security services, on demand services, Professional services, Security Operations and Managed IT services.

The Company is providing IT services like Aadhar authentication services, e-KYC services, core banking applications, ERP services, mobile wallet application, e-Seva services etc. through ITI Data Center.

The new Data Center is operational since February 2021 and it has boarded 12 customers.

v. **Security Operation Center (SoC)**

The function of the SoC is to monitor, prevent, detect, investigate, and respond to cyber threats around the clock. SoC teams are responsible for monitoring and protecting the organization's assets including intellectual property, personnel data, business systems, and brand integrity. The SoC team implements the organization's overall cybersecurity strategy and acts as the central point of collaboration in coordinated efforts to monitor, assess and defend against cyberattacks.

Various services provided by the SoCaaS (SoC as a Service) are:

- a. Data Loss Prevention
- b. Security Information and Event Management SIEM & User and Entity Behaviour Analytics (UEBA).
- c. Vulnerability and Penetration Testing (VAPT)
- d. E-Mail Security
- e. Firewall With DDOS (Distributed Denial-of-Service)
- f. Network Access Control (NAC)
- g. Identity & Access Management
- h. Endpoint Detection And Response (EDR)

vi. **ITI eSeva**

An Integrated e-Services Platform to deliver more than 40 e-services to citizens under CSC Scheme. Currently more than 50 B2B, B2C & G2C e-services is being offered to 1000+ ITI e-Seva Centers in Karnataka & more than 200 Centres in district of Chittrakoot, Uttar Pradesh.

Impact on Social Livelihood:

- Providing self-sustainable employment directly or indirectly to more than 500 entrepreneurs.
- ITI e-Seva through its presence in various geographical region of Urban and Rural areas of Karnataka & UP state, providing all e-Service to citizen at door step.

vii. **SaaS**

Various services are provided by the SaaS team along with the technology partners. A brief description of each is given below:

A) **Offline Aadhaar KYC Verification**

This service is used to verify the identity and address of the individual using Aadhaar Number. This ensures that fake Aadhaar is not used by the individual. Authentication is done using an API which can be integrated with any software application. The regulatory body maintaining this information is UIDAI.

B) **PAN Verification**

This service is used to verify the identity of the individual. This ensures that fake PAN is not used by the individual. The PAN verification happens through NSDL. It also confirms if the PAN and Aadhaar for an individual are linked

C) **Aadhaar Masking**

ITI offers an Automated Aadhaar Masking feature which can partially or completely mask the Aadhaar number on an image in real-time. This can be used to store all legacy Aadhaar cards of the financial institution as per RBI defined regulations. This Solution provides functionality to Mask all Aadhaar Numbers in any PDF/Image containing Valid 12 digit Aadhaar Number.

D) **Video KYC**

The Reserve Bank of India (RBI) has issued a notification in January 2020 allowing financial institutions (FI) to conduct video-based KYC (Know Your Customer) through the Video Customer Identification Process (V-CIP). ITI offer this as a service.

Verticals using the ITI SaaS Services

- Non Banking Financial Companies (NBFC)
- Micro Financing Institutions
- Fintech Companies

viii. **Telecom Test Lab (TTL)**

ITI has established the Telecom Test Lab to execute the various tests under EMC and Safety Test as per standards. EMC Lab is accredited by National Accreditation Board for Testing and Calibration Laboratories (NABL) and Conformity Assessment Body (CAB) by TEC Delhi. TTL caters to external customers ranging from commercial, communication, medical, industrial, IT and domestic sectors.

60 additional tests from automotive, railways, medical, household appliances standards are being added.

Further, to cater to customers from defence, TTL is being upgraded to test MIL systems.

ix. **Startup Hubs**

ITI has always been the front-runner in the nation building and implementation of Government of India policies. With a vision to contribute for Start-up India mission of Govt. of India, the Company has established a full-fledged Start-up hub at ITI Bangalore plant for encouraging start-ups in the country. ITI vision for Start-up hub is to help Start-ups convert their Innovations to Pilot Products quickly through Rapid Proto-typing facilities under one roof.

Start-up hub is having the facilities like dedicated corporate hub meeting room, demo room, highly secure Wi-Fi connectivity.

There are 10 start-ups occupied with 165 seats operational who are working on IoT based Home automation products, Test equipment's and Covid related products, Secured voting system, CRM software development, Atmospheric water generator, drones and Helitaxi/ Air ambulance. Start-ups are using Rapid prototype manufacturing facilities & testing facilities within Bangalore Plant.

x. **Reliability Engineering Lab**

Reliability Engineering Lab is equipped with various Environmental Test chambers and are providing services to internal as well as

external customers. Lab facilitates to conduct all environmental tests as per QM333, JSS 55555, MIL Standard and Customer Test Requirement.

**xi. High-Density Polyethylene (HDPE) Duct Manufacturing**

Bangalore plant is equipped with excellent manufacturing infrastructure for production of HDPE Ducts with annual capacity of 8,000 KMs.

**xii. Defence AMC & Non AMC card Repairs**

Bangalore Plant also executes the AMC for Ananda BEU MK II, EDUs, STM 1 and STM 4 encryption Equipment's supplied to Defence Customers all over India.

**xiii. GSM SZ AMC**

ITI had successfully completed the BSNL GSM project of around Rs.2940 Crore in various BSNL –South Zone Circles namely - Andhra Pradesh, Telangana, Chennai, Karnataka, Kerala and Tamil Nadu Circle along with mandatory AMC. Subsequently BSNL has extended the AMC upto Dec- 2021 and further extended AMC order worth Rs. 70 Crore for one more year upto Dec 2022.

**PALAKKAD PLANT**

**I. PERFORMANCES**

In the FY 2021-22, Palakkad Plant has achieved the Turnover of Rs. 30.35 Crore. The turnover mainly consists of Manufacturing, Services and Projects.

**II. MAJOR HIGHLIGHTS**

**i. Laptop**

ITI has taken initiatives to supply Laptops “ITI SMAASH” and the product has acquired all the statutory certifications such as BIS, FCC, RoHS, CE, BEE etc. The product is registered in GeM . The product is available in various configurations such as Celeron, Core i3, Core i5, Core i7 etc. ITI is having the MoU partnership with Intel as the technical advisor to identify the business requirements and including enabling ITI branded laptop portfolio for India market. The targeted market is mainly Government Business, Educational Institutions, etc. ITI has also signed an agreement with Microsoft as the OEM partner for Windows Operating System with which Microsoft will extend the direct support to ITI at par with other MNCs such as HP, Dell etc.

ITI Palakkad Plant has received order from KSEDC (Kerala State Electronic Development Corporation) for supply of 100 Nos of Laptops.

**ii. Smaash PC**

ITI Palakkad has started assembly and marketing of Micro PC branded as “SMAASH”, which is a replacement to the traditional Desktops. Trademark is registered and BIS, CE, FCC, ROHS, and Energy Star Certifications have been received. The product is also customized with add on features such as Smart Power Station with dual power input as grid and solar with 3 hour backup, Smart lock for Physical Security etc.

The plant has also entered into IT business by offering software solutions such as Examination Management Software for Kerala University, Web site design & development for Kannur University, Infrastructure set up for Online Examination centre for Mahatma Gandhi University etc.

**iii. Components Screening**

During FY 2021-22, ITI Palakkad has manufactured and supplied more than 1500 Nos of Smaash PC to various customers such as KSEDC for e-health Project, MG university, DIET Karnataka, IIST etc.

ITI Palakkad Plant is associated with Vikram Sarabhai Space Centre(VSSC), Thiruvananthapuram in realization of electronic packages, screening of electronic components and assemblies for various launch vehicles as well as screening of electronic components since 2010 and expanded over a decade in to wide range of activities.

The component screening and testing facility is accredited by VSSC, Trivandrum for all types of avionics flight packages as well as more than 70 types of devices for screening tests. ITI Palakkad is having business association with 3 units of ISRO namely VSSC, LPSC (Liquid Propulsion System Centre) and MVIT (Mechanisms and Vehicle Integration Testing ) all of which are located at Thiruvananthapuram and engaged in the Manufacturing, Testing and Integration of all Launch Vehicles - PSLV, GSLV, GSLV Mark III etc. used in various space missions of ISRO. Orders are being received and executed continuously from the year 2017-18 onwards. More than 70,000 electronic components / assemblies are screened from this centre and more than 2,500 flight packages manufactured by ITI are successfully used in various launch vehicles - GSLV, PSLV and GSLV Mark-III- of ISRO including the prestigious Chandrayan mission.

Recently the facility got qualified for screening and package realization of Gaganyaan project of ISRO, against which pilot quantities are screened/assembled and delivered successfully. Expansion of scope of programme is being done continuously by developing test facilities for more devices.

Business opportunities for utilization of Component Screening and testing facility from non-ISRO client base like Automation and Bio-medical industries are also being explored. Small pilot orders from M/s Bosch, M/s Tata Elxsi, M/s BPL and M/s Souriau connectors are received and executed successfully. NABL accreditation procedures are in progress, as it is essential to tap business opportunities from non-ISRO sectors.

**iv. Smart Energy Meter**

As a part of diversification strategy, ITI has entered into Smart Energy Meter manufacturing wherein the legacy energy meters are being replaced by smart energy meters. These meters records energy consumption and has a facility to store the data and reproduce whenever required. These meters enable a two-way communication between the meter and the central system.

ITI Palakkad has received type approval and BIS certification for Single Phase Smart Energy meters complying with IS 16444 technical specifications for two technologies. Facilities and infrastructure are set up at the plant for bulk manufacturing, calibration, testing and supply of smart energy meters.

The calibration laboratory of Smart Energy Meter has received the NABL accreditation as per standards ISO 17025: 2017 standards. ITI has supplied 91,000 nos of Smart Energy Meters to the DISCOMs in UP and Haryana. ITI is also trying to venture as a Total Advance Metering Infrastructure (AMI solutions) solution provider and pursue business with various Electricity distribution companies for offering smart energy meters solutions.

**v. Smart Banking Card**

ITI Palakkad plant is having state of the art infrastructure in line with technical specifications for Payment Card Industry (PCI).

ITI is the only PSU having the accreditation for Rupay chip card personalization from National Payments Corporation of India (NPCI). The infrastructure includes modern manufacturing equipment for Smart Card Assembly and customization for milling & embedding, personalization etc.

ITI Palakkad has executed the pilot order from SBI for the supply of 2 Lakhs Rupay cards. ITI is also pursuing business with other Public Sector banks and other customers for getting more orders.

Plant also executed the Order from Kerela Bank – ID card, Kerala Election Commission – EPIC Card of cumulative 46,386 Nos.

vi. **High-Density Polyethylene (HDPE) Duct Manufacturing**

Palakkad plant is equipped with excellent manufacturing infrastructure for production of HDPE Ducts with annual capacity of 8,000 KMs.

Plant has manufactured and supplied 2000 KMs of HDPE Duct to ASCON Phase IV, 600 KMs for TANFINET ; 83 KMs for BBNL – Andaman & Nicobar ; 67 KMs for Indian Railways and 5 KMs Dept. of Atomic Energy during the FY 2021-22.

vii. **MLLN**

ITI has been the leader in supplying MLLN products and services, including turnkey solutions for supply, installation, integration, commissioning, operation and maintenance of Network equipment to BSNL/MTNL since 2002-03. The existing MLLN networks has been installed and maintained by ITI till date. During FY 2021-22, ITI Palakkad has executed orders worth Rs 18.86 Crore from BSNL for the AMC (card repair and technical support) extended to MLLN equipments for BSNL.

**MANKAPUR PLANT**

**I. PERFORMANCES**

In the FY 2021-22, Mankapur Plant has achieved the Turnover of Rs. 86.29 Crore. The turnover mainly consists of Manufacturing, Services and Projects.

**II. MAJOR HIGHLIGHTS**

i. **Fibre Distribution Management System (FDMS)**

FDMS shall provide management of large volume of optical fibres or number of cables with flexibility and reliability in all environment of access network (i.e.) at the Central office (exchange end), outdoor closure and at the building premises. It shall provide management of fibres in a consistent and structured manner.

During the FY 2021-22 Plant has manufactured and supplied 514 Nos of FMDS for ASCON Phase IV Project.

ii. **Gigabit Passive Optical Network (GPON)**

GPON technology offers an excellent mix of triple play services (voice, data & video) to end users. Mankapur Plant has State-of-art manufacturing facility for GPON-OLT & ONT systems and during FY 2021-22 Plant has manufactured and supplied 500 Nos of GPON ONT to various customers i.e BSNL, BBNL, etc

iii. **High-Density Polyethylene (HDPE) Duct Manufacturing**

Mankapur plant is equipped with excellent manufacturing infrastructure for production of HDPE Ducts with annual capacity of 12,000 KMs.

iv. **Diversified Products**

ITI Mankapur is doing business in diversified Products also. The products, which are developed and manufactured In-house, are Banking products viz, Note Counting machine, Fake note detectors, SNVM- FLORA (Sanitary Napkin Vending Machine), SNDM-FAUNA (Sanitary Napkin Disposal Machine), FMVM-KAVACH (Face Mask Vending Machine), and FMDM-CONA (Face Mask Disposal Machine).

Mankapur Plant has developed Anti Covid products to help prevent the spread of coronavirus like pedal operated hand Sanitizer Dispenser (All Clean), Automatic Hand Sanitizer Dispenser (Rakshak).

Plant has manufactured and Supplied 114 Nos of Note Counting Machine to various Bank and Post Offices. Plant also supplied 20 Nos of SNVM & SNDM to Railways, Municipality, colleges etc

**RAE BARELI PLANT**

**I. PERFORMANCES**

In the FY 2021-22, Rae Bareli Plant has achieved the Turnover of Rs. 56.38 Crore. The turnover mainly consists of Manufacturing, Services and Projects.

**II. MAJOR HIGHLIGHTS**

i. **OFC**

The Indian optical fiber cable market is gaining traction. The growth is driven by continued investments being made by the Indian government in developing OFC network infrastructure, in various projects. There has been increased adoption of Fiber-to-the-Home (FTTH) connectivity owing to government initiatives such as Digital India, Smart Cities, Bharatnet Project etc. Moreover, the growing number of data centres in India will fuel this growth further.

The Company have been making great efforts to meet domestic demand for optic fibre cable with the installed capacity of 30,000 KMs per annum. During FY 2021-22, Rae Bareli plant manufactured around 10,000 KMs of OFC for ASCON-IV project, Railways, MTNL and Indian Air Force.

ii. **Gigabit Passive Optical Network (GPON)**

GPON technology offers an excellent mix of triple play services (voice, data & video) to end users. Rae Bareli Plant has State-of-art manufacturing facility for GPON-OLT & ONT systems and during FY 2021-22 Plant has manufactured and supplied 100 GPON (ONT & OLT) to various customers i.e BSNL, BBNL, etc.

iii. **High-Density Polyethylene (HDPE) Duct Manufacturing**

Rae Bareli plant is equipped with excellent manufacturing infrastructure for production of HDPE Ducts with annual capacity of 28,000 KMs.

During the FY 2021-22, Plant manufactured and supplied 2000 KMs for ASCON Project; 200 KMs for Indian Air Force.

iv. **Switched-Mode Power Supply (SMPS)**

Rae Bareli plant received orders from various BSNL circles across India for supply of multi configuration SMPS Power Plants of 1169 no's during FY 2021-22.

v. **OFC Training Center**

Optical Fibre is the backbone of any Telecommunication Networks.



So proper laying practices must be followed for setting up any Telecom Network.

Rae Bareli Plant has a well-equipped Tools and Test Lab with all OFC testing equipments like OTDR, Splicing Machine, Optical Attenuator, Laser Source, Power Meter, Digital Microscope, Visual Fault Locator, ERM Locator etc. All Fibre tools & accessories like FDMS, ERM, Joint Closure, Duct Cutter etc, Duct tools & accessories like Coupler, End Cap, End Plug and so on. It also has Aerial OFC Laying Accessories; OFC Laying site simulation Models etc.

**NAINI PLANT**

**I. PERFORMANCES**

In the FY 2021-22, Naini Plant has achieved the Turnover of Rs. 30.06 Crore. The turnover is mainly from manufacturing and services.

**II. MAJOR HIGHLIGHTS**

**i. Solar Panel**

The Government has set an ambitious target of generating 450 GW of renewable energy by 2030. This includes a target of generating 175 GW of renewable energy by 2022 with a target of 100 GW from solar power.

Naini Plant has state-of art manufacturing facility for Solar Panel manufacturing with annual capacity of 18 MW.

During the FY 2021-22, the Plant has manufactured and supplied 662 Nos of 60W Solar Panel for MahaNet; 16,640 Nos of 325W Solar Panel for Captive Requirement and 299 Nos of 325W Solar Panel for Retail customers.

**ii. LED Street Light**

Naini Plant has received LOI from M/S. ESSL for UREDA (Uttarakhand Renewable Energy Development Agency) for the supply, Installation & Commissioning of 19665 Nos Solar Street Light System in the state of Uttarakhand. Out of which, 8850 systems have been supplied during FY 2021-22.

**SRINAGAR PLANT**

**I. PERFORMANCES**

In the FY 2021-22, Srinagar Plant has achieved the Turnover of Rs 2 Lakhs.

**II. MAJOR HIGHLIGHTS**

Smart Skill Development Centre: Established in Srinagar is being used for imparting training to around 500 Students. Following Courses are offered as on date in the skill sets like:

- Medical lab Technician
- Optical Fibre Splicer
- Domestic Data Entry Operator.
- Solar Panel Technician
- Fashion Design

**NETWORK SYSTEMS UNIT (NSU)**

**I. PERFORMANCE**

NSU is headquartered at Bangalore with regional offices spread across all over India. NSU is committed to creditably and timely execute the projects/ services. Even at the challenging times of Covid-19 Pandemic, NSU has booked a colossal turnover of Rs. 697.63 Crore.

NSU has proficiency in project management, turnkey project implementation and maintenance services in the F.Y. 2021-2022 following turnover was booked by NSU under projects and services heads:

Under Projects Head – The unit has executed ASCON-IV project worth Rs. 599.56 Crore against order received from Ministry of Defence, GoI and GujNet project worth Rs. 63.08 Crore against order received from GFGNL for Broad Band connectivity across the Gram Panchayats in the state of Gujarat.

Under Services Head – The unit has executed ASCON-AMC orders worth Rs. 18.00 Crores for Defence; AMC orders worth Rs. 3.70 Crore for OCB equipment supplied to MTNL; Installation and Commissioning of GPON equipment supplied to BSNL worth Rs. 7.32 Crore.

**II. PROJECTS EXECUTED DURING THE YEAR 2021-2022**

**a. Army Static Switched Communication Network (ASCON) Phase-IV**

ITI signed contract for prestigious project of National Importance (ASCON-IV) on 01<sup>st</sup> October 2020 with the Indian Army. This project involves developing a fully secured strategic next generation communication network oriented towards the borders (spread across Northern, North-Eastern and Western regions of India). The project scope involves laying OFC, establishing IP MPLS Network, Microwave, Satellite, Mobile Nodes, and construction of buildings and towers. Also, integration of this communication network with legacy Army network i.e., Network for spectrum (NFS), Army WAN, ASCON Phase III, etc. under this project scope.

Proof of Concept (POC) to the customer is completed for a few sub-systems and for balance sub-systems it is in advance stages of completion. Upon successful completion of PoC, full-fledged trenching & ducting activities across the North-Western, North-Eastern & the hinterlands of Northern India had been initiated. Also, the construction of buildings has started. NSU achieved a turnover of Rs. 599.56 Crore from this project in the F.Y. 2021-2022.

**b. BharatNet Phase-II in Gujarat (GujNet)**

ITI had received order worth Rs. 1417.71 Crores from Gujarat Fibre Grid Network Limited (GFGNL) for implementation of turnkey project for Broad Band Connectivity to Gram Panchayats of Gujarat state under Bharat Net Phase II Project. The project includes laying of optical fibre cables (OFC), supply of DWDM equipment, optical transmission and access equipment and other related products as well as maintenance services. NSU has achieved a turnover of Rs. 63.07 Crore from this project in the F.Y. 2021-2022.

**c. AMC for ASCON**

ITI had successfully executed the first 3 phases of ASCON project. Now we are providing services to maintain the ASCON network. The scope of service under this project involves repair and maintenance of secrecy cards, maintenance of OFC routes, etc. NSU has achieved a turnover of Rs. 18.00 Crores from this project in the F.Y. 2021-2022.

**d. BharatNet Phase-I in Andaman & Nicobar**

The scope of this project involves network design and planning, supply, deployment and commissioning of fibre optic network for data connectivity for gram panchayats across Andaman & Nicobar Islands under BharatNet Phase-I project of BBNL.

**e. Airtel Project**

India's second-largest service provider, Bharti Airtel, has awarded OFC works to ITI Limited, on 28<sup>th</sup> August 2020. The Company is working with Private telcos to leverage local firms and expertise in all business verticals. NLD work involves construction of around 500 Km of underground optical fibre network for intercity back bone fibre connecting sixty-two nodes across six routes in state of Odisha and FTTH work is to construct around 380 Kms of aerial and underground optical fibre network for Fibre to Home connectivity which covers more than 37,000 Home Connections across 7 major cities in India. NSU has achieved a turnover of Rs. 5.96 Crores from this project in the F.Y. 2021-2022.

**f. OCB-AMC**

ITI was one of the major suppliers of fixed line switches to BSNL/MTNL. Currently, ITI has been extending the maintenance services to BSNL and MTNL for OCB exchanges. NSU has achieved a turnover of Rs. 3.70 Crores from this project in the F.Y. 2021-2022.

**g. GPON Supply**

NSU has installed and commissioned GPON equipment against the BSNL and BBNL orders, across all over India. NSU has achieved a turnover of Rs. 7.32 Crores from this project in the F.Y. 2021-2022.

**III. HIGHLIGHTS**

- ITI has received Work Order for Planning, Survey, Supply, Installations, Commissioning, Testing End to end Integration Operation & Maintenance of Optical fiber network and Electronics for Bharat Net Phase – II in Tamil Nadu for Package-D amounting to a total value of Rs. 432.97 Crore.
- GujNet project has successfully been completed, and same has rendered significant profit to ITI.
- Warranty period successfully completed for GPON BBNL PO and AMC agreement signed.

**MARKETING SERVICES AND PROJECTS (MSP)**

The total Turnover from Corporate Marketing unit for the year 2021-22 was Rs 744.24 Crore.

- All MSPs Turnover (without below 4 projects) : Rs. 274.93 Crore
- Turnover from Projects :
  - IAF: (4G/LTE: 3G to 4G up gradation & expansion) : Rs. 84 Crore
  - IAF-FCI : Rs. 269.41 Crore upgradation of OPS of data centre at 6 locations
  - OFC (Mumbai) : Rs. 109.29 Crore
  - SWM (Solid waste Management) : Rs. 6.61 Crore

**MSP DELHI**

The total Turnover achieved for the year 2021–22 was Rs. 259.86 Crore which includes IAF 4G-Rs. 84 Crore. Some important projects are highlighted as below:

- MSP Delhi has executed the KVS (Kendria Vidhyalaya Sanghathan) project for SITC (Supply, Installation, Testing and Commissioning) of 2310 e-learning solution at 238 KVs – Total value Rs 80.45 Crore including AMC.
- Hoisting services of IUMS (Integrated Universities Management System) for HP University and implementation of IUMS for JNVU (Jay Narayan Vyas University) has been completed successfully.

- AMC for CCTV Surveillance for “Sriram Janmabhoomi Ayodhya” has been completed. Total value Rs 5.9 Crore.
- Work of Cloud hoisting for Universities like LUVAS (Lala Iajpat Rai University of Veterinary and Animal Science), Hissar and RTU (Rajasthan technical university), Kota has been completed. Total value Rs 2.0 Crore.
- UKBOCW Project - Supply, storage of door-to-door delivery of ration kit & its e - management is Under Execution. Total Value Rs. 13.26 Crore
- Projects such as AMC for CCTV Surveillance, IUMS, N/W Up gradation, LAN/VAN and Wi-Fi system etc. are being executed. Approx. Value Rs. 15 Crore.

**MSP LUCKNOW**

The total revenue achieved for the year 2021–22 was Rs. 32.97 Crore. Some important projects are as follows:

- UP Vidhan Sabha Project for Digital Library & Communication System of value Rs. 2.83 Crore & Rs. 1.28 Crore have been completed successfully.
- UKBOCW project (Supply of Blanket, Solar Street light, and Napkin to Uttarakhand Govt.) is under execution. Total value Rs. 19.66 Crore.
- UP Minority commission (Smart Class works) Project is Under Execution. Total Value Rs. 9.33 Crore.

**MSP HYDERABAD**

The total revenue achieved for the year 2021–22 was Rs. 6.83 Crore. Some important projects are as follows:

- PACS, NMS for BSNL and Railway telecom Infra projects are being executed.

**MSP BHUBANESHWAR**

The total revenue achieved for the year 2021–22 was Rs. 7.27 Crore Some important highlights are as follows:

- CCTV surveillance work for Odisha police has been completed. Total value Rs 0.58 Crore.

**MSP KOLKATA**

The total revenue achieved for the year 2021–22 was Rs. 3.55 Crore Some important highlights are as follows:

- Project such as IUMS (Integrated Universities Management System) for RPCAU (Rajendra Prasad Central Agriculture University), PUSA, Bihar and SWAN (State wide Area Network), Mizoram have been completed.
- Project of Replacement of UTN Datacom equivalent in age cum condition basis in Malegaon division and Rangia division NF Railway Malegaon has been completed successfully

**MSP MUMBAI**

The total revenue achieved for the year 2021–22 was Rs. 158.21 Crore which includes SWM- Rs 6.61 Crore and OFC-109.29 Crore.

- Government of Maharashtra has appointed ITI for development, commissioning and implementation of ICT based Solid Waste Management Project in Maharashtra under “Urban Development Department” on rate contract basis for 7 years through GR No SMA-2021/C.R. NO. 12 (3)/UD-34 Dated 7<sup>th</sup> October 2021.
- The Technology shall broadly comprise of following:
  - ICT Based Waste Collection Monitoring Technology for Household/ Commercial / Other Properties. ITI signed agreement with Maharashtra Government.

- b) Street Sweeping Monitoring System
- c) Liquid Waste Cleaning Monitoring System.

- Geo Fencing project of Maharashtra Government at 4 locations in Maharashtra Municipal Corporation and Facility Management System project of WWB (Worker Welfare Board) are being executed. Retrofit work of bullet proof vehicle for Maharashtra Government is under execution.

#### MSP CHENNAI

The total revenue achieved for the year 2021–22 was Rs. -16.49 Crore.

- Work order received for Provision of VSS works at Thiruvanthpuram southern railway and it's under execution.
- Railway electrification project of Salem and Dindigul has been completed successfully and 2 other projects of electrification are under execution.
- Order Value of Rs 1.00 Crore for IT solution project of TN Agricultural universities received and same been successfully completed.

#### MSP BANGALORE

The total revenue achieved for the year 2021–22 was Rs. 292.04 Crore which includes IAF–FCI project : Rs 269.41 Crore. Some important projects are as follows:

- Project such as Solar power plant, LED Light and Solar water Heater for NAAC – Total value Rs 1.5 Crore and OFC laying work for southern railway - Total value Rs 5.0 Crore have been completed successfully.
- OMC project of Intelligent Traffic Management System phase-I and Phase-II Has been completed successfully- Total value – Rs. 30 Crore

#### Efforts undertaken by Corporate Marketing during year 2021-22

- ITI won an order for Rs. 233.89 Crore from IAF through open tender for up gradation of their 3G network to 4G network. It is being executed by MSP Delhi.
- ITI received order to supply 40,000 ONT from C-dot for RailTel and its being executed by our Mankapur unit.
- Empanelment with Vodafone as supplier for supply of HDPE Duct & OFC
- Empanelment with Airtel for supply of HDPE Duct & OFC is under progress
- Coordinated with our plants and participated in GeM bid / tender pertaining to OFC of order quantity – 8040 Kms (Won - 1513 Kms, Value – Rs. 11.30 Crore)
- Coordinated with our Naini unit and won Gem Bid pertaining to Solar panel of order quantity – 4500 Modules, Value – Rs. 0.83 Crore
- Coordinated with our Palakkad unit and participated in Gem Bid / Tender pertaining to PC of order quantity – 2754 (Won – 1604, Value – Rs 9.5 Crore)
- Approached private players like L&T, Ashoka Buildcon, Aksh Optifiber, Rajani telecom, Tata Communications for our HDPE Duct & OFC.

#### MEMORANDUM OF UNDERSTANDING WITH MINISTRY OF COMMUNICATIONS

The Company's rating for the FY 2019-20 is "Good" with a composite score of 52.46 and for the FY 2020-21 is "Fair" with a composite score of 43.05. The Company has signed MoU with the Administrative Ministry for sales turnover of Rs. 2723 Crore (at Excellent Level) for the FY 2021-22. The MoU Evaluation for the FY 2021-22 is yet to be finalized.

#### FUTURE OUTLOOK

The Company has undertaken many initiatives/ projects so as to boost the turnover and implement the Revival plan

#### I. Mono Crystalline Solar Cells

The demand of High Efficiency Crystalline Solar module is expected to grow of 8.5% CAGR. The National Solar mission has target to install 1,75,000 MW Renewable Energy capacity by year 2022. The prime objective of the mission covers generation of 1,00,000 MW Solar energy capacity including 40,000 MW Rooftop Solar Power project. The current manufacturing capacity in India is not sufficient to meet the objective mission. The indigenous solar cell manufacturing capacity in India is merely 3 GW whereas the Solar Module manufacturing opportunity is 20 GW as per MNRE report.

The Implementation of in house manufacturing facility in ITI will support ITI to expand market reach and building up the local supply-chain eco-system in India thus generating more jobs and revenue. ITI is planning to implement 250 MW in-house manufacturing facility of High Efficiency Mono Crystalline Solar Cell and Solar Module with an investment of Rs 125Crore in year 2022-23.

#### II. Digital Mobile Radio – DMR

ITI Ltd. R&D intends to take up the development of Digital Mobile Radio (DMR). This device uses digital technology along with a time division approach to enable greater levels of efficiency and performance along with improved spectrum usage. DMR aims to provide an affordable, low-complexity digital standard to replace analog radio. DMR based VHF/UHF radios are used in many applications such as military communications, police, railways, public safety, traffic control, disaster management, industrial security and communications etc. The VHF/UHF radio can be used in direct-to-direct communication in Tier I, Tier II or in multi-site environment in Tier II, Tier III modes.

ITI Ltd. looks forward to development of a DMR based full system to operate in the range of VHF/UHF frequencies. The developed Radio shall have complete user interface and the mechanical design to meet the needs of consumer applications.

ITI R&D proposes to develop the required DMR System comprises DMR Smart Phone, DMR LCR (Low Cost Radio), Repeater and Base Station. Once the System is designed and prototype proven, ITI Ltd. intends to demonstrate the prototype to defence and get it approved.

In order to emerge as a potential manufacturer for supply of Digital Mobile Radio (DMR) to customer, ITI has to be equipped with the latest technology & complete solution for DMR.

#### III. Manufacturing Infra & Test setup for 4G RRU/BBU

As part of its focus on delivering turnkey projects, in the field of Telecom, IT and networking ITI Limited has decided to contribute in the proliferation of indigenously manufactured 4G Mobile equipment and service in the Indian Telecom Space through forth coming BSNL's 4G Tender under Atma Nirbhar Bharat Mission. ITI is currently conducting Proof of Concept (PoC) testing along with its technology partner TCS at Ambala for BSNL 4G network implementation. PoC test is expected to be completed by end of August 2022. Technology transfer for manufacturing of 4G Remote Radio Unit (RRU) is under process. ITI has upgraded its manufacturing infrastructure and procurement of Test Instruments for 4G RRUs are in progress. ITI plans to manufacture 4G equipment at its Bangalore, Palakkad and Mankapur plants.

In addition to manufacturing Remote Radio Head (RRH), ITI also want to manufacture Base Band Units(BBU) components including BBU chassis, indoor and outdoor cabinets required in the BSNL 4G network which is in the order of 57,000Nos.

#### IV. Establishment of MSP/SoC

ITI has entered into an MOU with Tata Communications Ltd for setting up of Multiservice Platform/Security Operation Centre (SoC) in ITI Data centre in Bangalore. Various IT and security services like Identity access Management, Email Security, Data Loss Prevention, Distributed Denial of Service (DDOS) Mitigation, Network Access Control, Endpoint Protection, Detection & Remediation, SIEM (Security Incident and Event Management) and Threat Intelligence & Advisory would be provided to various clients to fulfil their network security requirements. Implementation of Multiservice Platform/SoC is under progress and will be completed by September 2022.

#### V. Router Manufacturing

ITI has Technology transfer agreement with CDOT for manufacturing of Stackable Terabit Router (STBR) which provides advanced routing platform with 960 Gbps bidirectional switching capacity. CDOT STBR Router has 48 Ethernet interfaces which can be configured as either 1Gbps or 10Gbps each.

Stackable Tera bit Router (STBR) can be used as service provider edge router as well as an aggregation switch in the telecom and IT Network. These Routers are deployed in the network of NKN, TEC, Strategic Networks, CEIR and DRDO. The deployment of these Routers in ITI Data Centre would also be explored.

#### VI. Electronic Voting Machines-EVM

ITI looks forward to manufacture complete Electronic Voting Machine (EVM) system. The developed EVM has complete user interface and the mechanical design as per the needs of State Election Commission (SECs). Electronic Voting Machine (EVM) comprises of Ballot unit, Control unit & VVPAT (Voter Verifiable Paper Audit Trail).

ITI R&D has finalized the Technical specifications of EVM matching to SECs requirement of latest EVM for the development of prototypes for Lab evaluation/trials & product approval by TEC/ECL. ITI has manufactured the prototype.

#### CONTRIBUTION TO EXCHEQUER

During the year, your Company has contributed Rs. 191.64 Crores to the exchequer towards duties and taxes.

#### PUBLIC DEPOSIT

The Company did not accept any deposits during the year 2021-22. Deposits aggregating to Rs.0.23 Crores had matured for payment, but were not claimed on due dates.

#### CREDIT RATING

The Credit rating assigned by Rating Agencies for the various debt instruments of the Company forms part of the Corporate Governance Report

#### JOINT VENTURES

##### INDIA SATCOM LIMITED (ISL)

ISL is a Joint Venture of Chris Tech Systems Pvt Ltd and ITI. Chris Tech Systems Pvt Ltd has 51% equity participation in ISL and balance equity is held by ITI.

As part of revival, ISL has executed Joint Development Agreement to develop its immovable property as a Software Technology Park. The Master design of the project called as "Silicon Forest", was completed with the required specification to get the rating of "IGBC Core and Shell Gold Certification", a Green building rating that brings together a host of sustainable practices and solutions to reduce the

environmental impacts. The project is expected to create employment opportunities for 1000 people during construction and shall build an IT infrastructure designed with a working capacity for 25,000 Software professionals, thereby contributing to the economic growth of the country. ISL has also developed a cloud-based software application useful for various commercial applications and FY 2021-22 being the first year of business operation after a hiatus of quite a few years.

There was no Company which became or ceased to be subsidiary, joint venture or associate of the Company during the year under review.

The salient features of the Joint Venture Company are furnished in form AOC-1 which is appended to this report as **Annexure 1**.

#### QUALITY

ITI Limited is always committed to Quality and understand that Quality encompasses all functions. Quality is a driver that produces higher profits through lower costs and has the ability to command a premium price in the market place.

Quite conscious of the importance of the quality, since the very beginning of its incorporation, the company has introduced many quality procedures and practices and has established various Quality Management Systems and necessary infrastructure over the years.

All the Manufacturing Units of the Company are certified for ISO based Quality Management Systems i.e ISO 9001 and ISO 14001 Environment Management System.

The Company has created the required Infrastructure by establishing state-of-the-art test facilities like environment test chambers, high altitude test facilities, bump & vibration test facilities, calibration facilities for electronic test instruments, EMI / EMC test facilities, etc. Facilities for Highly Accelerated Life Testing (HALT), Highly Accelerated Stress Screening (HASS) and combined environmental testing have been established for enhancing product reliability. Around two Labs have been accredited by NABL.

Requisite competency on various aspects of quality and reliability has been built by imparting training to employees every year for ISO under on-going competency development programme.

Efforts are paying rich dividend to the Company in many ways like improving our processes, reducing costs and improving profitability, enhancing customer satisfaction and earning goodwill, trust and reputation. With all these infrastructure in place along with necessary available competency and very high level of quality awareness within the company we are poised to comfortably meet any forthcoming challenge on this front in future.

ITI as a main System Integrator is responsible for quality of the overall system even on behalf of its vendors. In such a scenario, it is imperative to have a network of competent and reliable quality suppliers who can consistently deliver high quality products and services. In this context Supplier Quality Assurance Requirement Manual is under preparation with an objective to help in understanding the minimum quality performance requirements and expectations of ITI and its customers and regulators so that the suppliers shall consistently deliver defect free products by developing and enhancing their capabilities through continual improvement of their processes and product performance.

#### TSEC (Technical Specification Evaluation Certificate Issued by QA and Inspection Circle of BSNL) for

- Gigabit Passive Optical Network (GPON) – ONT & OLT,
- Radio Modem in ISM Band (Type A and Type B),
- Electronic Telephone Instrument with CLIP and two-way speaker feature (Type-I)
- Permanently Lubricated HDPE Telecom Ducts
- Executive Telephone System (ETS-04),

- Optical Fibre Cable ( various Types )
- SMPS Power Plant ( Outdoor and Indoor)
- 2 Mbps PCM Multiplexing Equipment
- Hybrid Solar Photo Voltaic (SPV) Power Supply System.
- Fiber Distribution Management System

**BIS (Bureau of Indian Standards) Certification for**

- Smart Energy Meter
- Crystalline Silicon Photovoltaic (PV) Modules
- Smaash PC
- Laptops

**IEC (International Electro-Technical Commission) certificate for “Solar PV Module”**

**TEC (Telecommunication Engineering Center) Type Approval certificate for Permanently Lubricated HDPE Telecom Ducts**

**NPCI certification for RuPay Card Manufacturing and Personalisation for Smart Card Manufacturing Infrastructure at Palakkad Plant.**

**NABL Certification**

- EMC Lab at Bangalore Plant;
- Smart Energy Meter Calibration Laboratory at Palakkad Plant.

**Accreditation of VSSC (Vikram Sarabai Space Center, Trivandrum) for Component Screening, Test & Evaluation, Assembly & Testing of flight Packages.**

**CSIR- CSIO (Central Scientific Instruments Organisation), Chennai** certificated for UV Disinfection System – Garuda

**MANPOWER**

The Company recognizes the importance of and contribution of its Human Resource in providing the competitive advantages. It emphasizes on upgrading the skills and capabilities of its employees to improve their productivity. The Company is conducting training and workshops in new and strategic areas, so that its employees are ready to face challenges in the coming years. HR initiatives are focused on developing team spirits, employee’s empowerment and their involvement in various activities. All HR efforts are in alignment with the business priorities and with an objective of smooth transition to latest technology.

**EMPLOYEES STRENGTH**

The Employee strength as on 31<sup>st</sup> March 2022 was 2442 out which 433 are female employees.

As on 31<sup>st</sup> March 2022, there were 400 employees belonging to Scheduled Castes, 34 belonging to Scheduled Tribes and 468 employees belonging to OBC category. 531 Officials are on Tenure basis, 17 Consultants and 08 Project Coordinators / Project Assistants were recruited during the year 2021-2022.

Employees belonging to Physically Challenged category were 21 and Ex-servicemen category numbering 39 were on the rolls of the Company as at the end of the financial year.

**INDUSTRIAL RELATIONS**

ITI has glorious tradition of building and maintaining conducive employee-employer relations environment. The Industrial Relation scenario in the Company was cordial throughout the year. Employees Union and Officers Association extended their co-operation and support in ensuring smooth work flow and helped to meet the Company’s objectives.

**PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE**

The Company has Internal Complaints Committees (ICC) to redress complaints received regarding Sexual Harassment at all Units. All employees (permanent, Contractual, Temporary, trainees) are covered under this policy. The Company has complied with the provisions relating to the Constitution of ICC and during the year no cases/complaints have been filed under the Act.

**DEVELOPING EMPLOYEES CAPABILITIES & COMPETENCIES**

ITI Limited weighs up that employee’s development, enhancing their skills & competencies for preparing them for future is the key step in taking up the challenges effectively.

**HUMAN RESOURCES DEVELOPMENT**

**i) Training & Development**

Due to the rapid advancement of technology in the present era of globalization, it is very essential for the Company to develop the skills and knowledge required. A lot of attention is being paid to developing new skills, improving existing ones, and boosting capacity in order to meet and overcome the challenges faced. The success of the business depends on skilled manpower/ personnel. The major driving forces behind the Company’s expansion and sustainability are skill and knowledge. Attrition of trained and experienced employees has resulted to a shortage of skilled manpower for the Company right now which is a biggest challenge. The lack of required skill set is made by deliberate and well-planned training and development activities to improve/overcome the challenging situation. ITI Limited has adopted a strategy that directs employee training, development and capacity building training through a systematic and need based planning process through identification of training needs, designing and customizing the training programmes etc.

Learning is part of our core value at ITI Limited. Recognizing the need for capability building for current and future roles, ITI Limited has set up a comprehensive training facilities comprising Employee Development Centers (EDCs) at all plants and Simulator training facilities at Bengaluru. Training & Development is actively engaged in making our people future ready in terms of technology, business acumen and leadership so as Learning is one of our Core-Values.

Training Delivery modes includes classroom, online (web based and Video-Conferencing), Virtual Reality and e-Learning with increasing emphasis on technology driven platforms. In fact, in the wake of Covid-19, almost all programs were being delivered virtually on GoTo Meet/CDOT, other such platforms.

With a major focus on the Company’s business objectives, employee-centered technological and managerial skill development, customer relations and quality, the Company has made a commitment to adopt the way to enhance the skills in emerging trends in telecom technologies, IoT and ICT etc, and also accelerated HR learning interventions and development activities. Employees get regular access to enhance the skills/knowledge on areas like new technology/general training courses such advanced courses on 4G/5G, IoT, enterprise risk management (ERM), advanced courses on PCMM Level 3, employee wellness programmes and awareness courses on the right to information etc.

The details of number of training programmes organized; No. of people trained; Training man-days achieved during the FY 2021-22 is as follows:

Details	Training		Total
	In-house (IH)	External (EN)	
No. of programmes	70	31	101
No. of people trained	2238	241	2479
Trg. Man-days achieved	1985	580	2565
Male employees trained	1674	171	1845
Female employees trained	564	70	634
SC/ST employees trained	378	52	430

Note: IH-In House, EN: External Nomination

### Talent Development

At ITI Limited, we believe in holistic development of not only our product but also of our talent/employees to give them an edge over their personal and professional growth. Given the trend of increase in technology and innovation globally, it has been always being important to us to nurture our employees through comprehensive training and development programs.

A skill is the capacity to perform an action satisfactorily on the job; well-honed skills and knowledge can establish a person as an authority in a given field. Employee performance is improved by skill when they have the essential training to do their jobs. Employees can develop these talents further through a training programme. When new technology, procedures or systems are introduced, trainings are used to re-educate and re-train staff members in order to ensure that they are meeting the specific needs of their respective positions. And also, Employees may advance in their careers with the help of employee development programmes.

Corporate HRED has taken advantage to organize the programmes/workshops with the help from different govt. bodies like Department of Public Enterprises (DPE), Centre for Development of Advanced Computing (C-DAC), National Telecommunications Institute for Policy Research, Innovation & Training (NTIPRIT)/ Department of Telecommunications (DoT), National Academy of Human Resource Development (NAHRD), Government e-Marketplace (GeM) etc. i.e. Training programmes/workshops organized by DPE during FY 2021-22 under Research, Development & Consultancies (RDC) scheme for the benefit/well-being of our employees and the Company. With respect to webinars, Corporate HRED hosted/organized like MANAS - the HR Maturity forum, CHINTAN - the Techno Brains and external free/paid webinars and new intervention like MANTHAN- Brainstorming Session initiative for cross functional departments to improve & share knowledge in the Company has been coordinated/organized by Corporate HRED department.

In addition to the above, 241 officials have been nominated for external training programmes/workshops organized by various Govt. agencies & private Institutions in the most important areas to groom and develop their skills, knowledge, attitude and new technology. These interventions help them to develop, ability to manage the change, drive for innovative ideas & approaches, to enhance critical thinking, positive attitude for building a high-performance work culture.

#### ii) Skill Development and Capacity Building:

Skill Development is significant in the overall development of an employee. The personal development & learning skills of employee will not only increase the opportunities but will also empower an individual. Skills like communication go a long way in aiding the overall development of students/trainees. Skill Development trainings provide significant benefits like; increase in employment opportunities, increased career development opportunities, personal growth, increases knowledge and understanding of local industry.

The Company not only develops the skill sets of its own employees by imparting training through its HR-Employee Development Centers located at units but also train and educate the young minds in vocational trades through summer training/ internship projects etc. Company has also ventured to provide theoretical and practical training to engineering, management students as an endeavor to bridge the institution-industry skill gaps. The Finishing School trainings at Company's plants are doing yeoman services to the students' community in the Country.

The Company is actively involved in imparting the Skill Development training in various modules of Telecom Skill Sector Council (TSSC)/ Electronics Sector Skill Council of India (ESSCI) and National Institute of Electronics & Information Technology (NIELIT) job roles and ITI Modules for various categories of students. As part of 'Skill India' Flagship programme, ITI started imparting Skill Development and Capacity Building training at various plants of ITI to youths/trainees/ students thereby enhancing their employability and increasing their employment opportunities and entrepreneurship.

ITI has been empanelled by Maulana Azad Education Foundation as Project Implementing Agency (PIA) and received an initial allocation/ target of 500 trainees for organizing Skill Development Training programme under '**Seekho aur Kamao**' scheme of Ministry of Minority Affairs.

The following are some of the Job Roles in which ITI has imparted Skill Development trainings like Retail Team Leader (Seekho aur Kamao, under MoMA, by MAEF), Broadband Technician (NSKFDC) etc. In addition to the above, ITI is also engaging and imparting training to Graduate Engineers, Diploma (Technicians) and Trade Apprentices in various trades under the Apprentices' Act / National Apprentices Promotion Scheme (NAPS). Also, as a part of capacity building, the Company is imparting training to the students of Engineering / Management to carry out their Internship, Project and Adoption of ITI / Specialized Industrial Trainings.

Course-wise number of participants imparted Skill Development training during the FY 2021-22:

Sl. No.	Name of Skill Development Scheme	No. of participants
1	ITI Trade Apprentices (NAC)	69
2	Diploma Technician Apprentices	15
3	Graduate Engineer Apprentices	22
4	In-Plant/Internship Training (ITIL module)	253
5	Project Training (ITIL module)	83
6	Special Industrial Training (ITIL module)	69
<b>TOTAL</b>		<b>511</b>

#### COMPLIANCE UNDER THE OFFICIAL LANGUAGE ACT, 1963

All Units/Marketing services and Projects ("MSP") of the Company have established "Check-Points" in their departments to make effective implementation of the Official Language Policy. Monitoring is being done by the respective Official Language Implementation Committee (OLIC) constituted in every Unit/MSP.

The Progress of Implementation of Official Language in corporate office as well as in all Units/MSP is being periodically reviewed by the OLIC of corporate office.

Units/MSP at Naini, Rae Bareilly, Mankapur, New Delhi, Mumbai, Lucknow & Corporate Office have been notified in the Gazette of Government of India under the OL Rules 10(2) & (4), 1976 as more than eighty percent (80%) of the staff had working knowledge of Hindi in these Units/MSP.

The Corporate Office is regularly sending the Quarterly Progressive Report to the Ministry of Communication, Department of Telecommunication, New Delhi as well as Dy. Director (Implementation), Regional Implementation Office, Bengaluru. We have also sent Half Yearly Hindi Progress report to Secretary, Town Official Language Implementation Committee (Undertaking) (TOLIC), Bangalore and Annual Assessment Report to Ministry of Communication, Department of Telecommunication, New Delhi. After reviewing our quarterly report & Annual report Corporate Office has been receiving appreciation letter for the last one year from Deputy Director (Implementation), Regional Implementation Office, Bangalore.

On 25<sup>th</sup>-26<sup>th</sup> October, 2021, Shri Ramanuj Dey, Deputy Secretary (OL) & Shri. PC. Vishwakarma, consultant (OL), Ministry of Communication, Department of Telecommunication, New Delhi, has inspected ITI limited, Registered & Corporate office of Official language department in connection of official language policy implementation.

After inspection an appreciation letter received in the review report sent to the Chairman and Managing Director by Shri. Ramanuj Dey, Deputy Secretary (OL), Department of Telecommunication, New Delhi.

The Company has published Hindi House Magazine "SANCHAR PRAGATI" for the first time and the first issue was released on 22<sup>nd</sup> March 2022 by Chairman and Managing Director of ITI limited, Shri. Rakesh Mohan Agarwal, in the presence of all the members of the official language implementation committee and editor/ members of the Magazine.

In order to enhance working knowledge of Official Language of employees, internal training programs are conducted with support of internal/external faculties. Besides, employees are also encouraged to take part in Hindi Prabodh, Praveen,

Pragya & Parangat examinations for which financial incentives are given to qualified employees.

“Hindi Fortnight” was organized in the year 2021-2022 in all the Units and MSP offices and various events were organized for employees during this fortnight. Employees of Units/MSP also participated in the “Joint Hindi Month” competitions organized by Town Official Language Implementation Committee (Undertaking), Bangalore and won approx. 03 awards. Bilingual (i.e English and Hindi) website of the company is being regularly updated.

## VIGILANCE

The vigilance department of ITI Limited focuses on preventive vigilance to identify deficiencies in the system if any and advise the management on streamlining the systems to prevent recurrence. The complaints received also are being investigated and brought to a logical conclusion.

### I. System Improvements

The details of system improvements effected based on preventive vigilance and investigations of complaints are as below :

#### a. Recruitment

The deficiencies w.r.t notification and the selection process were identified and advisories on the same to prevent recurrence of deficiencies in the sensitive recruitments were issued.

#### b. Security of factories

To strengthen security system in the factories of ITI at various places, a detailed review was done and details of deficiencies and guidelines for rectifying the same were issued to management.

#### c. Procurement of goods and services

The Materials Management Manual which was revised in 2016 was reviewed and the revised manual with latest guidelines and policy of the Company was completed and the draft is in the advance stage of acceptance by the management for compliance along with relevant DOP.

#### d. Works contracts for execution of projects

To overcome the deficiencies/discrepancies observed in the contracts being entered into and executed on various projects, a detailed advisory covering Pre tender, Tender stage, tender evaluation and Post tender execution was issued.

#### e. Leveraging of technology

The implementation of E Payment, E tender, Procurement through GEM and implementation of ERP was taken up as a regular review items in vigilance review with the management and quantum improvements was achieved on the same.

#### f. Disposal of overaged materials and Plant & Machineries

Detailed review of the huge accumulation of obsolete/unserviceable materials and Plant & Machinery which were accumulated over the past two decades was taken up and disposal of the same is under process. This not only generates revenue on disposal but also reduces the expenses to maintain the inventory and release the space for alternate use in the unit.

### ii. Details of vigilance Complaints monitoring

The complaints received are being reviewed by vigilance organisation and whichever complaint requires investigation, the same are taken up duly following CVC guidelines. The details of vigilance complaints received and processed at ITIL during the year is as below,

### Status of Vigilance Complaints - 2021-22

Opening Balance	Received during 2021-22	Total	Disposed	Pending Cases with Nature of Complaints
6	27	33	25	8 (Contract -4) (HR-4)

### COMPLIANCE UNDER THE RIGHT TO INFORMATION ACT,2005 (RTI)

During the FY 2021-22, 451 applications under RTI have been received including 48 RTI applications carried forward from previous years. Information was provided for 460 RTI applications. The Central Information Commission (“CIC”) has online RTI portal for filing online RTI requests for seeking information for convenience of the applicants. Out of the 460 replies, information was provided online for 210 cases. All cases referred to CIC by the applicants as Second Appeals have been successfully addressed and complied. Quarterly online RTI returns were uploaded on the CIC portal and also same information were published on the Company website.

### AUDIT

#### ➤ STATUTORY AUDIT

M/s. GRSM & Associates, Chartered Accountants, Bengaluru were appointed as Statutory Auditors for 2021-22, by Comptroller & Auditor General of India (C&AG) for Bangalore Plant, NS Unit, Corporate Office, 8 Regional Offices and Consolidation of accounts. They will hold office till conclusion of the ensuing Annual General Meeting. C&AG is in the process for appointment of Statutory Auditors for the year 2022-23.

The Statutory Auditors have been paid a total remuneration of Rs 12.85 lakhs towards audit fees, certification and other services. The above fees are excluding of taxes, re-imbursment of travelling and out of pocket expenses.

#### ➤ AUDITORS' REPORT

Auditors' Report on the annual accounts for the financial year 2021-22 and the comments of the C&AG under Sec 143(6)(b) of the Companies Act, 2013 on the Annual accounts are appended to this report. Reply to observations of Statutory Auditors and C&AG are attached as addendum to this report.

During the year 2021-22, there has not been any fraud reported by the Statutory Auditors of the Company.

#### ➤ BRANCH AUDITORS

The following firms of Chartered Accountants were appointed by Comptroller and Auditor General of India as Branch Auditors for different plants of the Company for the year 2021-22.

SI No.	Unit	Name of the Firm
1.	Rae Bareli	M/s. Mehrotra Kapoor & Tandon, Rae Bareli
2.	Naini	M/s. G K Arora & Associates, Allahabad
3	Mankapur	M/s. S K Associates , Faizabad
4.	Palakkad	M/s. Argee & Co, Palakkad
5	Srinagar	M/s. Mohammad Qasim & Co, Srinagar

The fees paid to Branch Auditor for Rae Bareli is Rs 1.63 Lakhs, Naini Rs 1.16 lakhs, Palakkad Rs 1.34 lakhs, Mankapur Rs 1.18 lakhs and Srinagar Rs 0.20 lakhs towards audit fees, certification and other services. The above fees are excluding applicable taxes, re-imbursment of travelling and out of pocket expenses.

#### ➤ COST AUDITORS

The Company maintains cost records as required under the provisions of the Companies Act. The Company had appointed M/s. GNV & Associates, Bengaluru as lead Cost Auditors for the year 2021-22 for the cost audit of units located at

Bengaluru and Palakkad and also for consolidation of Cost Audit Reports of the Company as a whole.

M/s. Aman Malviya & Associates, Lucknow were appointed as Branch Auditors for cost audit of units located at Naini, Rae Bareli, Mankapur and Srinagar.

A remuneration of Rs.3,16,000 inclusive of GST as applicable was fixed by the Board for payment to the Cost Auditors for 2021-22, which was ratified by the shareholders in the last Annual General Meeting held on 10.11.2021. The cost audit report for the year 2020-21 was filed with Ministry of Corporate Affairs.

#### ➤ SECRETARIAL AUDITOR

The Board had appointed Shri D Venkateswarlu, Company Secretary in Practice, to conduct the Secretarial Audit of the Company for the year 2021-22. The Secretarial Auditor in his report have stated that during the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, guidelines, standards except for those observations mentioned in Secretarial Audit Report, which is appended as **Annexure-2**. The reply of management to observations of Secretarial Auditor is attached as addendum to Directors report.

#### INTERNAL FINANCIAL CONTROL

The Internal Audit is conducted by Company's Internal Audit team headed by professional personnel at Corporate Office and at Units. The reports of Internal Audit department indicating the status of compliance with internal control system of the Company, is periodically reviewed by Audit Committee. The Audit Committee also periodically interacts with the internal and statutory auditors including Branch auditors to assess the adequacy of internal control systems.

As per Auditor's opinion, Company have in all material respects, an adequate internal financial controls system over financial reporting along with the findings expect of the observations referred in **Annexure- B** to the Independent Auditor's Report and such internal financial control were operating effectively as on 31<sup>st</sup> March 2022, based on the internal control with reference to the Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

ITI is committed to the Communities around its business and far beyond through its CSR initiatives. The Company meticulously took care of its social responsibility and spent Rs 99.09 lakhs during the Financial year 2021-22 and Rs 11.46 lakhs is being transferred to PM Cares Fund.

Annual Report on CSR activities including the composition of CSR Committee is enclosed as **Annexure-3** to the report.

The details of the CSR policy, projects and programmes are available on the website of the Company on at <https://www.ititd.in/csr>

#### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

As on 10<sup>th</sup> August 2022, there are Seven Directors on the Board of the Company, of which Three are Whole Time Directors (including Chairman and Managing Director), One is Government Director and Three Non Official Part Time Directors (Independent Directors).

#### INDEPENDENT DIRECTORS

During FY 2021-22, following Independent Directors have completed their term :

1. Shri Rajen Vidyarthi on 07<sup>th</sup> August 2021
2. Dr Akhilesh Dube on 07<sup>th</sup> August 2021
3. Shri Mayank Gupta on 12<sup>th</sup> August 2021

4. Dr K R Shanmugam on 29<sup>th</sup> August 2021

The Government of India vide order dated 01<sup>st</sup> November 2021 appointed following Independent Directors for a period of three year w.e.f. 10<sup>th</sup> November 2021 :

1. Dr Raja Nayak
2. Shri Billeswar Sinha
3. Smt Mamta Palariya

The Company has received the Certificate of Independence from the Independent Directors confirming that they meet the criteria prescribed for Independent Directors under the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Independent Directors have confirmed that they are registered with the Database maintained by the Indian Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs

In terms of the provisions of Schedule IV of the Companies Act, 2013, the terms and conditions of appointment of Independent Directors are posted on the website of the Company. Further, the Independent Directors are not liable to retire by rotation under the provisions of Section 152 of the Companies Act, 2013.

During the year under review, a separate meeting of Independent Directors was held on 07<sup>th</sup> August 2021 in which all the Independent Directors were present.

#### GOVERNMENT DIRECTOR

The following are changes in Government Directors:

1. Lt Gen Milind N Bhurke, PVSM, VSM, Signal Officer – in Chief was appointed as Government Director w.e.f 07<sup>th</sup> May 2021 upon obtaining DIN.
2. Dr Rajesh Sharma was re-appointed as Government Director w.e.f. 01<sup>st</sup> August 2021.
3. Lt Gen Milind N Bhurke, PVSM, VSM, Signal Officer- in Chief and Government Director ceased to be the Director of the Company consequent to his superannuation on 30<sup>th</sup> June 2022.

#### FUNCTIONAL DIRECTORS

The following are the changes in Functional Directors :

1. Shri Shashi Prakash Gupta ceased to be the Director HR upon attaining the age of superannuation w.e.f. 30<sup>th</sup> June 2021.
2. Shri Rakesh Mohan Agarwal, Chairman and Managing Director was entrusted with additional charge of Director HR w.e.f 02<sup>nd</sup> July 2021 to 30<sup>th</sup> September 2021
3. Shri D Venkateswarlu, Director Production was entrusted with additional charge of Director HR w.e.f. 29<sup>th</sup> December 2021
4. Shri Rakesh Mohan Agarwal ceased to be Chairman and Managing Director of the Company upon attaining the age of superannuation w.e.f. 30<sup>th</sup> June 2022
5. Shri D Venkateswarlu, Director Production assumed Additional Charge of Chairman and Managing Director w.e.f. 07<sup>th</sup> July 2022

The Board wish to place on record its whole hearted appreciation for commendable contribution and guidance rendered by the Directors whose term of office ended during the year.

Shri Rajeev Srivastava, Director Finance retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.



## KEY MANAGERIAL PERSONNEL

During the financial year 2021-22, apart from functional directors, Chief Financial Officer and Company Secretary continues to hold the post of Key Managerial Personnel of the Company.

## DETAILS OF BOARD MEETINGS

During the year under review, 7 (Seven) Meetings of the Board of Directors were held. The details of meetings attended by each director are provided in the Corporate Governance Report.

## COMPOSITION OF AUDIT COMMITTEE

As on 31<sup>st</sup> March 2022, the Audit Committee comprised 4 (four) Members out of which 3 (three) were Independent Directors and 1 (one) was a Functional Director. During the year, 06 (six) Audit Committee Meetings were held, details of which are provided in the Corporate Governance Report.

There have been no instances during the year when recommendations of the Audit Committee were not accepted by the Board.

## PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS AND POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

As per the provisions of Section 134(3)(p) of the Companies Act, 2013, a listed entity is required to include a statement indicating the manner of formal evaluation of performance of the Board, its Committees and of individual Directors. However, the said provisions are exempted for Government Companies as the performance evaluation of the Directors is carried out by the Administrative Ministry i.e. Ministry of Communications, as per laid down evaluation methodology.

With regard to formulation of criteria for appointment of Directors on the Board, being a Government Company, Government of India does the criteria for selection, appointment and terms and conditions of appointment including remuneration of the directors.

## RISK MANAGEMENT

During the year, the Board of Directors in its meeting held on 22<sup>nd</sup> June 2021 approved the Enterprise Risk Management Manual. The Company has a Risk Management Committee ("RMC") to frame, implement and monitor the risk management plan for the Company. The Committee had revamped its Enterprise Risk Management Manual – Policy & Framework with an objective to ensure that the Company has proper and continuous risk identification and management process. Risk Management is being practiced by the Company in all units and the possible risks associated with the business are identified and mitigation plans are evolved. Besides Risk Prioritization, the Roles and responsibilities of all the sub committees (below board level) have been clearly defined.

The details of Committee and other details are set out in the Corporate Governance Report and a detailed note on Risk Management is provided in the Management Discussion and Analysis Report.

## WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Details regarding Vigil Mechanism is provided under Corporate Governance report which forms part of this Annual Report.

## PARTICULARS OF EMPLOYEES

Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

## BUSINESS RESPONSIBILITY REPORT AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A separate section on Business Responsibility report and Management Discussion

and Analysis Report, as required under Listing Regulations, has been included in the Annual Report as **Annexure- 4 & 5** respectively and the same forms part of the Directors' Report.

## CORPORATE GOVERNANCE REPORT

The report on Corporate Governance on the compliance of Corporate Governance conditions stipulated in Listing Regulations and the DPE guidelines forms part of Directors report. The Certificate on the Compliance of above Corporate Governance Conditions from Practicing Company Secretary also forms part of Directors' report.

## ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual return is available on the Company's website at [https://www.ititd.in/annual\\_general\\_meeting](https://www.ititd.in/annual_general_meeting).

## RELATED PARTY TRANSACTIONS

All related party transactions entered during the year 2021-22 were in ordinary course of the business and are on an arm's length basis.

The Company has formulated a Policy on Related Party Transactions which is available on the Company's website at [https://www.ititd.in/codes\\_and\\_policies](https://www.ititd.in/codes_and_policies).

The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable to the Company. Members may refer to note no. 32 to the financial statement which sets out related party disclosures pursuant to IndAs 24.

## MATERIAL CHANGES AFFECTING FINANCIAL POSITION OCCURRING BETWEEN THE END DATE OF FINANCIAL YEAR AND DATE OF THE REPORT

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report. There has been no change in the nature of the business of the Company.

## REGULATORY OR COURTS ORDER:

During FY 2021-22, there was no order or direction of any court or tribunal or regulatory authority which either affecting Company's status as a going concern or significantly affecting Company's business operations.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that

- (a) In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) Such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31<sup>st</sup> March 2022 and of the profit of the Company at that date;
- (c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual financial statements have been prepared on a going concern basis;
- (e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- (f) That systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

**PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS**

There are no transactions of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013.

**STATUS ON COMPLIANCE WITH THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year 2021-22, M/s Emdee Digitronics Private Limited filed an application u/s 9 of the Insolvency and Bankruptcy Code, 2016 before NCLT Bengaluru Branch. On the last date of hearing on 03<sup>rd</sup> August 2022, Counsels for both parties submitted before the Bench that a Joint Memo for withdrawal of the application will be filed. Hon'ble Bench heard both sides and posted the matter to 11<sup>th</sup> August 2022.

There are no other applications made or any proceeding pending against the Company under Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

**DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF**

There are no instances of one-time settlement during the financial year 2021-22.

**ENTERTAINMENT EXPENDITURE AND FOREIGN TRAVEL**

The expenditure on entertainment was Rs. 2.58 lakhs (PY Rs.0.56 lakhs). Expenditure on official travel abroad by the officials of the Company was NIL during the year.

**CITIZEN'S CHARTER**

Citizens are implied as any stakeholder of the ITI Limited (ITI) extending from Employees, Customers, Vendors, Investors, Collaborators/JV Partners,

Competitors, Media, and Government to Society/community at large. The Citizen's Charter does not by itself create new legal rights, but makes the citizens aware of their existing rights.

ITI Citizen's Charter outlines its scope and contains general information about the Company, Citizens' obligations towards the Company and the management's commitment towards the citizens. It also contains Grievance Redressal Mechanism and Citizens' Service Delivery.

The Charter exhibits the organization's ability to provide quality products and efficient services to the citizens while meeting the legal and regulatory requirements. Continuous improvement of products and services is its aim for the satisfaction of the stakeholders. The Citizen Charter of the Company is available on the website at [https://itiitd.in/doc/2022/Citizen\\_Charter\\_ITI.pdf](https://itiitd.in/doc/2022/Citizen_Charter_ITI.pdf)

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, required to be disclosed under the Section 134 of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 is appended as **Annexure 6**.

**PROCUREMENT POLICY FOR MICRO AND SMALL ENTERPRISES ORDER 2012**

Procurement Policy for Micro and Small Enterprises Order 2012 read with amendments made thereunder is being followed by all the Units of the Company. The annual target set for MSME procurement is 25% in FY 2021-22. The Company has achieved a decent target of 58.90% of total annual procurement through our MSME vendor during 2021-22. Total procurement value through MSME vendors was Rs 633.12 Crore.

## ACKNOWLEDGEMENT

The Directors acknowledge the support and guidance received from Government of India particularly Ministry of Communications, various State Governments, regulatory and statutory authorities. The Directors appreciate and value the contribution made by the employees at all levels. The Directors would also like to place on record their appreciation for the continued co-operation and support received by the Company during the year from bankers, business associates, members, customers and other stakeholders. The Directors look forward to continuance of the supportive relations and assistance in the future.

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl. charge) Chairman and Managing Director &  
(Addl. charge) Director HR  
DIN : 08605954

## ADDENDUM TO THE DIRECTORS' REPORT

### COMPANY'S REPLIES TO STATUTORY AUDITOR'S OBSERVATION IN THEIR REPORT

Point No.	Statutory Auditor's Observations	Company's Remarks
<b>Qualifications quantifiable:</b>		
1.i)	The Company has not made provisions for bad and doubtful debts (expected credit losses) in respect of the following items included under Current Financial Assets, which are also doubtful of recovery:  The Company is carrying an amount of Rs. 5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011. The Company has not made a provision for credit losses in respect of this amount which is doubtful of recovery. The Company has also not recognised any rent for further period due to uncertainty of collection	The Company has been rigorously following on with the C-DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject matter to ITI Board for perusal for the further course of action. Company is of the view that provision for ₹ 5847.90 Lakhs at this juncture is not required till the issue is finally settled.
ii)	Recoverable from HCL Infosystems Limited of Rs. 1690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.	The implementation of GSM Project 2M, 3M & 9M BSNL Project and 1M MTNL Project and there was Master agreement (MoU) in 2006 and subsequent addendums. Due to Liquidated Damages, payment & short closure the dispute arose between the parties as such the arbitration clause is invoked by the of some of the works HCL in December 2017 during the pendency of their civil suit. In this case ITI has also filed its amended counter claim. Cross examination of HCL's witness is completed. Cross examination of ITI RW-1, 2, 3 and 4 has been completed. Case is adjourned for further written submissions if any and then final arguments. Most likely in the month of June, 2022. We are hopeful to get the decision in Company's favour, provision at this juncture is not possible
iii)	Recoverable from Himachal Futuristic Communications Ltd of Rs. 1049.41 lakhs towards Liquidated Damages	The Contract entered into between M/s ITI Ltd and M/s Himachal Futuristic Communication Ltd (HFCL) for supply of Integrated Fixed Wireless Telephone (IFWT) sets and there were disputes between the parties as such the M/s HFCL has invoked the arbitration clause. The award was passed in favour of HFCL. However, HFCL has filed the present case for enhancement of award. Case was last listed on 25.03.2022 and is posted for disposal on 24.08.2022. Company will try to represent its views and will try to get the decision in favour of the Company and hence it is proposed not to make provision at this juncture
iv)	Receivable from Mind array towards encashment of letter of Credit of Rs.1023 lakhs	For criminal complaint: As per the Police report- B Report, there is no need for further investigation. ITI Limited filed a complaint in the Magistrate Civil Court dated 18/05/2022 in furtherance of acting upon the Police B-Report.  For Civil suit: The Court directed both the parties to go for mediation upon which ITI Limited was present in all the mediation sessions. The opposite party, however, was not present due to which the mediation process was deemed to be failed. We have to file a civil suit for the next step.
2.	Non Reversal of Wrong Input Tax Credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company	During the year 2019-20, BSNL reversed/rejected some of the supplies for various reasons and in Smart Energy Meter project due to consignee address issue, for which Palakkad Unit had issued the credit notes against already issued sales invoices .While accounting these in GST portal for the credit notes values were reduced from output liability (GSTR3B) and added back to ITC claim (GSTR3B). This resulted in difference between ITC claimed and ITC available (GSTR2A). Necessary rectification will be carried out in the year 2022-23 after verification of all the documents.

## REPLY TO OBSERVATIONS OF SECRETARIAL AUDITOR

Secretarial Auditor's Observations	Company's Explanation
a) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Companies Act, 2013 and Rules made there under are as follows:  • <i>the Company has not complied with the requirements of Section 149 (1) of the Act having at-least one-woman director on the Board for the period from 1<sup>st</sup> April 2021 to 09<sup>th</sup> November 2021.</i>	Being a Government Company under the Administrative Control of Ministry of Communications, the appointment of all categories of directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises.  The Company has, from time to time, communicated to the Ministry of Communications with respect to the requirements of Independent Directors including Woman Director under the Companies Act, 2013 and SEBI Regulations.  Accordingly, a Woman Independent Director was appointed w.e.f 10.11.2021

<p>• Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has not transferred unspent amount of Rs 63.83 Lakhs to Funds specified in Schedule VII of the Companies Act, 2013 within 6 (Six) months from the end of the financial year 2020-21. However, the Company has transferred Rs. 64.00 Lakhs against the aforementioned unspent amount to the PM Cares Fund on 28th March 2022.</p>	<p>The Company had spent its CSR obligation in excess of its statutory requirement in the year 2018-19 and 2019-20. However in 2020-21, inadvertently had considered excess of 2018-19 for its setoff, which had resulted in unspent amount of Rs 63.83 Lakhs against which the Company has immediately transferred Rs 64.00 Lakhs to PM CARES Fund to ensure compliance.</p>
<p>b) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Compliance with SEBI (Listing Obligations &amp; Disclosure Requirements) (LODR) Regulations, 2015 are as follows:</p> <p>• the Company has not complied with the provisions of Regulation 17 (1) of LODR with respect to Composition of Board of Directors of the Company {for not having woman director and proper balance of independent directors}</p>	<p>Being a Government Company under the Administrative Control of Ministry of Communications, the appointment of all categories of directors are done by Government of India in accordance with the laid down guidelines of Department of Public Enterprises.</p> <p>The Company has, from time to time, communicated to the Ministry of Communications with respect to the requirements of Independent Directors under SEBI Regulations.</p>
<p>• National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”) have been imposing penalty at the rate of Rs 5000 per day for non-compliance with the requirements pertaining to the composition of the Board including Woman Director, Composition of Committee and quorum for Meetings as mentioned hereunder:</p> <p>NSE had imposed a penalty of Rs 5,36,000 for the quarter ended 31.03.2021.</p> <p>NSE &amp; BSE had imposed a penalty of Rs 5,36,900 each for the quarter ended 30.06.2021.</p> <p>NSE &amp; BSE has imposed penalty of Rs. 5,52,240 each for the quarter ended 30.09.2021</p> <p>NSE &amp; BSE has imposed penalty of Rs. 8,42,520 each for the quarter ended 31.12.2021.</p> <p>NSE &amp; BSE has imposed penalty of Rs. 5,31,000 each for the quarter ended 31.03.2022</p>	<p>Ministry of Communications vide order dated 01<sup>st</sup> November 2021 appointed 3 (Three) Independent Directors and the Company has submitted the representation to both the stock exchanges for waiver of penalty.</p> <p>BSE has waived penalties for quarter ended September 2020 and December 2020.</p> <p>However, NSE vide its email dated 23<sup>rd</sup> September 2020, 8<sup>th</sup> December 2021 and 23<sup>rd</sup> May 2022 has informed that, the request for waiver of fine shall be considered by the Exchange only after the compliance is achieved by the Company.</p> <p>The status is informed to Administrative Ministry to expedite the appointment of Independent Directors</p>

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl charge) Chairman and Managing Director &  
(Addl charge) Director HR

## Annexure-1

**Form AOC-1**  
**Statement containing salient features of the financial statement of Joint Ventures**  
**Part “A”: Subsidiaries –Not applicable**  
**Part “B”: Associates and Joint Ventures**  
**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture**

SI.No	Name of Joint Ventures	India Satcom Limited
1	Latest audited Balance Sheet Date	31.03.2022
2	Shares of Joint Ventures held by the company on the year end	16,21,800 equity shares of Rs. 10 each
a	Amount of Investment in/Joint Venture	Rs. 40.55 Lakhs
b	Extend of Holding%	49%
3	Description of how there is significant influence	Investment in the equity to the extent of 49% paid up capital
4	Reason why the associate/joint venture is not consolidated	N.A
5	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs.3,490 lakhs
6	Profit (Loss) for the year	
	i) Considered in Consolidation	Yes, Rs.(136.61) lakhs
	ii) Not Considered in Consolidation	Nil

**For GRSM & Associates**

Chartered Accountants  
Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner  
M. No. 028113  
Place : Bengaluru  
Date : 10<sup>th</sup> August 2022

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer  
DIN : 08921307

**D Venkateswarlu**

Director Production,  
(Addl charge) Chairman and Managing Director &  
(Addl charge) Director HR  
DIN : 08605954

**Form No. MR-3****Secretarial Audit Report for the financial year ended 31<sup>st</sup> 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****M/s. ITI Limited****(CIN: L32202KA1950GOI000640)****ITI Bhavan, Doorvani Nagar,****Bengaluru - 560 016**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ITI Limited (CIN: L32202KA1950GOI000640) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board - processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by ITI Limited for the financial year ended on 31<sup>st</sup> March 2022 and made available to me, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye- laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company: -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999/Securities and Exchange Board of India (Shares Based Employee Benefits) Regulations, 2021; **(Not applicable during the audit period)**;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable during the audit period)**;
  - f. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - **(Not applicable during the audit period)** and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - **No buy - back was done during the year.**

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (LODR).

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that having regard to the compliance system prevailing in the Company and on the examination of relevant documents and records in pursuance thereof, on test-check basis, compliance certificates made by the heads of the departments and submitted to the Board of Directors of the Company, the Company has substantially complied with the following applicable laws/guidelines/rules applicable specifically to the Company:

- i. Guidelines issued by the Department of Public Enterprises (DPE)
- ii. Guidelines issued by the Ministry of Communications
- iii. The Telecom Regulatory Authority of India Act, 1997

- iv. The Information Technology Act, 2000
- v. E-Waste (Management & Handling) Rules, 2016
- vi. Orders/Regulations issued by Government of India from time to time

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, tax auditors and other designated professionals.

**a) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Companies Act, 2013 and Rules made there under are as follows:**

- *the company has not complied with the requirements of Section 149 (1) of the Act having at-least one-woman director on the Board for the period from 1<sup>st</sup> April 2021 to 09<sup>th</sup> November 2021.*
- *Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has not transferred unspent amount of Rs 63.83 Lakhs to Funds specified in Schedule VII of the Companies Act, 2013 within 6 (Six) months from the end of the financial year 2020-21. However, the Company has transferred Rs. 64.00 Lakhs against the aforementioned unspent amount to the PM Cares Fund on 28<sup>th</sup> March 2022.*

**b) Observations / Non-Compliances / Adverse Remarks / Qualifications in respect of Compliance with SEBI (Listing Obligations & Disclosure Requirements) (LODR) Regulations, 2015 are as follows:**

- *The Company has not complied with the provisions of Regulation 17 (1) of LODR with respect to Composition of Board of Directors of the Company {for not having woman director from 1<sup>st</sup> April 2021 to 09<sup>th</sup> November 2021 and proper balance of independent directors}.*
- *National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") have been imposing penalty at the rate of Rs 5000 per day for non-compliance with the requirements pertaining to the composition of the Board including Woman Director, Composition of Committee and quorum for Meetings as mentioned hereunder:*
  - NSE had imposed a penalty of Rs 5,36,000 for the quarter ended 31.03.2021.
  - NSE & BSE had imposed a penalty of Rs 5,36,900 each for the quarter ended 30.06.2021.
  - NSE & BSE has imposed penalty of Rs. 5,52,240 each for the quarter ended 30.09.2021
  - NSE & BSE has imposed penalty of Rs. 8,42,520 each for the quarter ended 31.12.2021.
  - NSE & BSE has imposed penalty of Rs. 5,31,000 each for the quarter ended 31.03.2022

Ministry of Communications vide order dated 01<sup>st</sup> November 2021 appointed 3 (Three) Independent Directors and the Company has submitted the representation to both the stock exchanges for waiver of penalty. BSE has waived penalties for quarter ended September 2020 and December 2020. However, NSE vide its email dated 23<sup>rd</sup> September 2020 and 8<sup>th</sup> December 2021 has informed that, the request for waiver of fine shall be considered by the Exchange only after the compliance is achieved by the Company.

I further report that:

- a. The Board of Directors of the Company is duly constituted and the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013. However, the Company has not been able to appoint requisite number of independent directors as required under the provisions of Regulation 17 of LODR as mentioned above.
- b. Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a 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. All decisions at Board Meetings are carried out by requisite majority as recorded in the minutes of the meetings of the Board of Directors as the case may be.
- d. I further report that as represented by the Company and relied upon by me 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.
- e. I further report that during the audit period, the following are the events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, Rules, Regulations, Guidelines, Standards taken place:
  - i. Cabinet Committee on Economic Affairs (CCEA) approval dated 20<sup>th</sup> July 2016 for maintenance of erstwhile SEBI's minimum 10% public shareholding requirement, the President of India, Promoter of the Company has transferred 8,40,336 equity shares to Special National Investment Fund (SNIF) on 17<sup>th</sup> February 2022 to maintain the same.
  - ii. Emdee Digitronics Private Limited filed an application during the FY 2021-22, under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC) before Hon'ble NCLT, Bench at Bengaluru vide CP(IB)No.27/BB/2021 for initiation of Corporate Insolvency Resolution Process against the Company.

Place : Bengaluru  
Date : 01<sup>st</sup> August 2022

**D Venkateswarlu**  
Company Secretary  
FCS No. 8554 C P No. 7773  
UDIN: F008554D000722674  
PR No: 1617 / 2021

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

## “Annexure A”

To  
The Members  
M/s. ITI Limited  
(CIN: L32202KA1950GOI000640)  
ITI Bhavan, Doorvani Nagar, Bengaluru - 560 016

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
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.

Place: Bengaluru  
Date : 01<sup>st</sup> August 2022

**D Venkateswarlu**  
Company Secretary  
FCS No. 8554 :: C P No. 7773  
UDIN: F008554D000722674  
PR No: 1617 / 2021

## ANNUAL REPORT ON CSR ACTIVITIES

**1. Brief out line on CSR Policy of the Company:**

We at ITI Limited (ITI) strive to accomplish our vision to lead India's transformation towards self-reliance in the domain of Telecommunications, Electronics and ICT products, services and solutions that change lives for better and to address the concerns of economic status, environment and well-being of the society through CSR initiatives.

**A. The Objective of the CSR policy is given below:**

- (a) To carry out CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- (b) To integrate the core values of the Company with the philosophy of Corporate Social Responsibility (CSR) and Sustainability.
- (c) To incorporate the spirit of CSR and Sustainability to the employees at all levels and to infuse into all the activities, processes, operations and transactions of the Company.
- (d) To undertake any other matter as deemed appropriate or determined by the Board from time to time in the best interest of the Company and other stakeholders of the Company.

**B. Overview of ITI CSR Projects/Activities:**

Focus areas of the Company's CSR & Sustainability activities are Health, Sanitation, Safe Drinking Water and Education. Preference for CSR & Sustainability activities is being given to local areas around Company's operations, ensuring that majority CSR funds are spent for activities in local areas.

- (a) Providing access to the drinking water, sanitation to surrounding villages.
- (b) Helping in eradicating poverty & hunger through different schemes like supply of food packets and health supplements to old age person of surrounding villages and Old Age Home.
- (c) Managing "Snehalaya" ITI School for Special Children (Intellectually Challenged).
- (d) Maintenance of General Parks in ITI Township being used by General Public.
- (e) Providing guidance and support in the field of health and hygiene to girls and women of economic weaker families of surrounding villages of the Company and distribution of sanitary pad and vitamins for their better health.
- (f) Facilities for persons with special abilities and socially backwards groups.
- (g) Ensuring environment sustainability through plantation of saplings of different variety at vacant land and selected areas.

- (h) Contribution to Armed Forces Flag day fund (AFFDF) as measures for benefits of armed forces.
- (i) Providing of free ambulance service for COVID cases and distribution of Face Shields/sanitizers, food for combating against COVID pandemic.

**2. Composition of the CSR Committee As on 31<sup>st</sup> March 2022**

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	Shri Rakesh Mohan Agarwal	Chairman	3	3
2	Smt Mamta Palariya	Member	2	2
3	Shri D Venkateswarlu	Member	3	3
4	Shri Rajeev Srivastava	Member	2	2

**3. The Composition of CSR Committee, CSR Policy and CSR projects of the Company are available on the website at:**

[https://www.ititd.in/management\\_team](https://www.ititd.in/management_team) & <https://www.ititd.in/csr>

**4. Details of Impact assessment of CSR projects carried out:**

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**

NIL

**6. Average net profit of the Company as per section 135(5):**

Rs. 55.27 Crores

**7. (a) Two percent of average net profit of the Company as per section 135(5): Rs. 110.55 Lakhs**

**(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):**  
Rs.110.55 Lakhs + 0 – 0 = Rs.110.55 Lakhs

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

Total Amount Spent for the Financial Year 2021-22 (in Lakhs)	Amount Unspent (in Rs.) *				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
<b>99.09</b>	-	-	PM Cares Fund	11.46 lakhs	*

\*The unspent/ shortfall amount of Rs.11.46 Lakhs will be transferred to fund included in schedule VII of the Companies Act 2013, i.e., PM CARES FUND as approved by the Board.

**(b) Details of CSR amount spent against on going projects for the financial year: NIL**



(c) Details of CSR amount spent against other than on going projects for the Financial Year

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration number
1	a) Provide guidance and support in the field of health and hygiene to girls and women of economic weaker families of surrounding villages of the company and distribution of sanitary pad and vitamins for their better health. b) Supply of food packets and health supplements to old age person of surrounding villages and Old Age Home of neighbouring area.	Health & Hygiene and Eradicating hunger (Item no. i of Sch VII)	Yes	U.P	Naini	42000.00	Yes	NA	NA
2	To donate sanitizer Units to Govt. Higher Secondary School & Govt. High School	Health & Hygiene	Yes	Kerala	Palakkad	8000.00	Yes	NA	NA
3	To donate sanitizer Units to Panchayat Office, Pudussery.	Health & Hygiene	Yes	Kerala	Palakkad	2000.00	Yes	NA	NA
4	To donate sanitizer Units to Primary Health Centre.	Health & Hygiene	Yes	Kerala	Palakkad	36000.00	Yes	NA	NA
5	To donate sanitizer Units to Village Office, Pudussery.	Health & Hygiene	Yes	Kerala	Palakkad	15000.00	Yes	NA	NA
6	To donate sanitizer Units to Provident Fund Office.	Health & Hygiene	Yes	Kerala	Palakkad	5000.00	Yes	NA	NA
7	To donate sanitizer Units to ESI Office.	Health & Hygiene	Yes	Kerala	Palakkad	14000.00	Yes	NA	NA
8	Managing "Sne-halaya" ITI School for Special Children (Intellectually Challenged)	Education (Item no. ii of Sch VII)	Yes	Karnataka	Bangalore	3003517.00	Yes	NA	NA
9	Supplying of Food prepared in ITI General Canteen/ Guest House during COVID-19	Eradicating hunger (Item no. i of Sch VII)	Yes	Karnataka	Bangalore	805000.00	Yes	NA	NA
10	Planting of Saplings of different variety at Vacant Land and select-ed areas Town-ship for better Environment	Environment (Item no. iv of Sch VII)	Yes	Karnataka	Bangalore	100500.00	Yes	NA	NA
11	Donation of Face Shield 20000 Nos.	Health & Hygiene	Yes	Karnataka	Bangalore	1642052.60	Yes	NA	NA
12	Sanitization activities in ITI estate and surrounding areas periodically	Health & Hygiene	Yes	Karnataka	Bangalore	1502400.00	Yes	NA	NA
13	Free Water Supply distribution to adjacent Bovi Colony Residents	Making available safe drink-ing water item No. I of Schedule VII	Yes	Karnataka	Bangalore	500760.00	Yes	NA	NA
14	Contribution to Armed Forces Flag day fund (AFFDF)	Schedule VII Item No. VI Measures for benefits of armed forces	Yes	Karnataka	Bangalore	400000.00	Yes	NA	NA
15	Maintanance of General Parks in ITI Township being used by General Public	Environment (Item no. iv of Sch VII)	Yes	Karnataka	Bangalore	1200225.00	Yes	NA	NA
16	Providing of free ambulance ser-vice for COVID cases	Health & Hygiene	Yes	Karnataka	Bangalore	632500.00	Yes	NA	NA
<b>Total</b>						<b>9908954.60</b>			

- (d) Amount spent in Administrative Overheads : NIL
- (e) Amount spent on Impact Assessment, if applicable : NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) :Rs. 99.09 Lakhs
- (g) Excess amount for set off, if any : NIL

Sl. No.	Particular	Amount (Rs. In Lakhs)
1	Two percent of average net profit of the Company as section 135(5)	110.55 Lakhs
2	Total amount spent for the Financial Year	99.09 Lakhs
3	Excess amount spent for the financial year [(ii)-(i)]	-11.46 Lakhs
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

**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 Rs.)	Amount spent in the reporting Financial Year (in Rs.).	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 Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2020-21	-	-	PM CARES FUND	64.00 Lakhs	28.03.2022	-
	<b>TOTAL</b>				<b>64.00 Lakhs</b>		

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

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

**11. Specify the reasons(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) :**

Due to various reasons like Covid pandemic, financial constraints, etc, all the approved CSR activities could not be accomplished in time and hence amount of Rs. 11.46 Lakhs remain unspent as on 31<sup>st</sup> March 2022. The Board of Directors with the recommendation of CSR Committee has approved transfer of Rs. 11.46 Lakhs to PM Cares Fund.

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl. charge) Chairman and Managing Director &  
(Addl. charge) Director HR  
Chairman of Committee  
DIN : 08605954

## Annexure 4

### Business Responsibility Report

**Section A: General Information about the Company**

1.	Corporate Identity Number (CIN) of the Company	L32202KA1950GoI000640
2.	Name of the Company	ITI Limited
3.	Registered address	ITI Bhavan, Doorvani Nagar, Bengaluru -560 016
4.	Web site	www.itilttd.in
5.	E-mail id	cosecy_crp@itilttd.co.in
6.	Financial Year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Telecommunication Technology, Defence Products, Turnkey project execution, manufacturing & supplying of communication systems & products
8.	List three key products/services that the Company manufactures /provides (as in balance sheet)	<p>1) Manufacturing and Supply of 24F/48F/96F Optical Fiber Cable to various Projects/Customers.</p> <p>2) Execution of ASCON Ph-IV for deploying strategic network for secured communication across the country and subsequent maintenance for next 10 years. The project involves deployment and maintenance of communication network across India for the defence forces. This includes civil works for the infrastructure and optical fiber network, installation, commissioning and maintenance of equipment such as IP MPLS routers, Microwave Radio, Satellite terminals, NMS and testing tools.</p> <p>3) Execution of Turnkey Project i.e "Implementing Agency (PIA) for Bharatnet Phase-II Project" for which HDPE Duct, OFC, GPON Equipment, FDMS, Solar Panel, Wi-Fi Equipment are manufactured at various Production Units</p>

9.	Total number of locations where business activity is undertaken by the Company a. Number of International Locations (Provide details of major 5) b. Number of National Locations	Nil  <b>Manufacturing Plants at:</b> Bengaluru (Karnataka), Palakkad (Kerala), Rae Bareli (Uttar Pradesh), Mankapur (Uttar Pradesh), Naini (Uttar Pradesh), Srinagar (Jammu & Kashmir) Network System Unit (Installation and Maintenance Services), Bengaluru <b>Marketing Services Project at :</b> Bengaluru, Mumbai, New Delhi, Chennai, Kolkata, Bhubaneshwar, Lucknow and Hyderabad <b>Local/Area Marketing Offices at:</b> Thiruvananthapuram, Kochi, Pune, Nagpur, Ahmedabad, Ranchi, Dimapur, Raipur, Guwahati, Jaipur, Chandigarh, Bhopal, Trichy, Madurai, Coimbatore, Patna, Dehradun
10.	Markets served by the Company Local/State/ National/International	National

### Section B: Financial Details of the Company

1.	Paid up Capital (INR)	9,33,52,28,690
2.	Total Turnover (INR)	2077.48 Crore
3.	Total profit after taxes (INR)	121.06 Crore
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	Rs 1.10 Crore was required to be spent. However, Rs 99.09 lakh was spent during fy 2021-22 towards CSR and balance Rs 11.46 lakhs will be transferred to fund specified under Schedule VII of the Companies Act, 2013.
5.	List of activities in which expenditure in 4 above has been incurred:-	As per Board approved CSR Policy, CSR projects are undertaken in various thrust areas viz., Education, Sanitation, Health care, Environment protection etc. The details are mentioned under Corporate Social Responsibility report.

### Section C: Other Details

1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/ Companies participate in the BR initiatives of parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/ entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No. The Company does not mandate that suppliers and partners to participate in the Company's BR initiatives. However they are encouraged to do so. Certain activities of the Company under the BR mandate Company's business partners also to follow.

### Section D: BR Information

<b>1. Details of Director/Directors responsible for BR</b>	
(a) Details of the Director/ Directors responsible for implementation of the BR policy/ policies	
1. DIN	08605954
2. Name	Shri D Venkateswarlu
3. Designation	Director Production and Addl Charge Chairman and Managing Director /Director HR
(b) Details of the BR head	The Board has not assigned responsibilities specifically to any Director to function as the BR head.
DIN	
Name	
Designation	
Telephone No.	
Email ID	

**2. Principle-wise (asper NVGs) BR Policy/policies (Reply in Y/N)**

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	-	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
		The policies has been formulated in consultation with functional heads								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
		Various policies conform to different applicable statutes/ guidelines/ rules etc. issued by GoI and other Regulatory authorities, and updated from time to time. Industry practices, national/ international standards are kept in view while formulating policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Different policies are approved by the Board/ Competent Authorities as per delegation of power.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Chairman & Managing Director								
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: <a href="http://www.itilttd.in">www.itilttd.in</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies have been communicated to the stakeholders by uploading on the Company's above mentioned website.								
8	Does the company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Company is subject to various audits such as Statutory Audit by firm of Chartered Accountants appointed by the Comptroller & Auditor General, C&AG Audit, Cost Audit, Internal Audit, Secretarial Audit, Energy Audit, Safety Audit, Quality Audit, Environmental management system audit etc. These audits ensure compliance to various internal and external policies.								

\* ITI does not advocate influencing the public & regulatory policies for its gain, hence no policy is proposed. If required, the Company may approach the appropriate authorities through Trade and Industry Chambers and Association and other such collective platforms.

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3months, 3-6months, Annually, More than 1 year

Chairman and Managing Director to review the BRR annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyper link for viewing this report? How frequently it is published?

Yes. The Company publishes BR Report annually as part of its annual report. The same can be viewed at [http://www.ititd.co.in/investor\\_information](http://www.ititd.co.in/investor_information)

### Section E: Principle-Wise Performance

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

Yes. The policy covers the Company. The Company has implemented Integrity Pact (IP). Standard operating procedure (SOP) related to IP is followed to maintain ethics & transparency in public procurement by preventing corruption to a larger extent. IP is signed with bidders to enable them to raise any issues with regard to partnering with ITI for transfer of technology or bidding for high value tenders of more than Rs 25 lakhs floated from time to time.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

During the financial year 2021-22, no investor complaints have been received by the Company through SEBI SCORES Platform, NSE and BSE and Registrar & Transfer Agent. As per Vigilance Department, total 33 complaints were received during year 2021-22 (including 6 complaints of previous year) through post and email. Out of these, 25 complaints have been disposed and 14 complaints were anonymous/pseudonymous complaints hence filed and for some complaints preventive checks were done.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The following products are designed to address social /environmental concerns.

- ITI has pioneered a green computing initiative in India with the production of Micro PC along with Smart power Station, under the Make in India initiative of Government of India.
- ITI has developed a new product known as Portable ventilator Single Outlet Automated Resuscitator (SOAR) with ToT from DEBEL, DRDO. It has successfully undergone trial test in RR Hospital, Delhi and approval letter is awaited.
- ITI has established 18 MW solar panel manufacturing facility at its Naini unit for meeting requirement of solar panels as a part of powering the equipments with solar power supply in the country.
- Establishments of solar plants at Lucknow, Corporate office, Bangalore, Palakkad, Rae Bareli, etc with a capacity and energy savings of 25%.

2. For each such product, provide the following details in respect of resourcen use (energy, water, raw material etc.) per unit of product (optional):

- Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?

#### 1. SMAASH PC

This innovative solution would be able to save 80% energy and can reduce carbon footprint considerably. Installing a single SMAASH PC with a solar panel could eliminate 267 kilograms of carbon production per year. Consumption of eco-friendly products could also reduce waste generation. The solution helps the organizations to transform themselves into an environmentally responsible business and cutting down energy costs and save nature through the installation of combined Solar Online UPS systems.

#### 2. Single Outlet Automatic Resuscitator (SOAR)

This product is being developed by DRDO known as Single Outlet Automatic Resuscitator (SOAR) which a life saving device that provides artificial breathing to the patient in case of emergency situations like Covid-19 and other respiratory diseases.

#### 3. Solar Plants

Solar electricity replaces combustion heat from fossil fuels, thus contributes in reducing Co2 emission. The panels are used by customers to generate power using sunlight which is having a life span of 25 years, thus contributing significantly for environmental friendly process of power generation. ITI is in the pursuit of designing scalable solar solutions and systems that can efficiently and cost effectively capture, convert sunlight into electricity to reduce impact of Co2 emission in the environment.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company has established a rigorous selection mechanism for supplier selection. The Company provides feedback to suppliers by regularly monitoring performance on a variety of parameters including quality, cost and delivery.

The Company also follow the various stages of inspection and testing for the materials before accepting in the stores and production.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, ITI is having dedicated vendor development department team which is interacting with the small producers and vendors nearby ITI Limited and its manufacturing unit, visiting their offices, making them aware of the quality and quantity requirements so as to enhance their capability and capacity to support our requirements in line with the specifications required by ITI.

Preference will be given to the local vendors for our annual procurement. The Company started Procurement through GeM Portal. The Company also complied with Public Procurement Policy.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company does not recycle products because most products are used for strategic/national security applications.

The Company has a structured mechanism to deliver waste from the manufacturing process of its products/ equipment through authorised recyclers approved by the Pollution Control Board. Metal waste, waste oil, solvents and copper containing rejects are sent (100%) to authorised recyclers for recycling and recovery. Paper and plastic are handed over to recyclers.

In addition, manufacturing plants have water treatment for effective recycling of wastewater from factory and township.

**Principle 3: Businesses should promote the well being of all employees**

1. Please indicate the total number of employees: **1665 (permanent employees)**
2. Please indicate the total number of employees hired on temporary / contractual/casual basis: **777**
3. Please indicate the Number of permanent women employees: **247**
4. Please indicate the Number of permanent employees with disabilities: **17**
5. Do you have an employee association that is recognized by management?: **Yes**
6. What percentage of your permanent employees is members of this recognized employee association?: **100%**
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the year

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as at end of the financial year
1.	Child Labour / forced labour/ involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of your undermentioned employees were given safety and skill upgradation training in the last year.

Permanent/Tenure employees	38%
Permanent/Tenure Women Employees	55%
Contractual Employees	17%
Employees with Disabilities	24%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders?

Yes.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

Yes. The Company has identified officially designated group of people belonging to SC/ST and Persons with Disabilities as disadvantaged, vulnerable and marginalized stakeholders for employment opportunities.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company follows the reservation policy as per Government guidelines for persons with disabilities at the time of their appointment. Persons with disabilities are granted special Transport allowance at the rate of 5% of their basic pay.

The Company also follows the reservation policy for SC/ST at the time of their appointment and promotion. The Company has provided building/ infrastructure for housing SC/ST Welfare association Offices. Scholarship is awarded by the Company for the Children of SC/ST employees. The Company conduct various programmes from time to time at its HRD centre to sensitize the SC/ST employees about the various Government scheme/ facilities available.

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The various HR policies of the Company cover all aspects of human rights. No complaints have been received in the past financial year on human rights. The Company does not employ child labor and does not permit forced or compulsory labor.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The followings are the grievance redressal systems maintained in the Company for its stakeholders :

i. **Centralized Public Grievance Redress and Monitoring System (CPGRAMS)** is an online platform available to the Citizens 24\*7 to lodge their grievance to the Public authorities on any subject related to service delivery.

It is a single portal connected to all the Ministries / Departments of the Government of India and States.

ii. **Employee Grievance system:** Any issues/grievances of employees can be shared with reporting officers, Departmental Head and HR Department.

iii. **Grievance Under Sexual Harassment :** As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made there under, Company has constituted Internal Complaints Committees (ICC) to redress complaints received regarding Sexual Harassment at all Units.

No stakeholder complaint was received during the year with regard to human rights.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

The environment policy of the Company covers only the Company.

**2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming etc? If yes, please give hyper link for web page etc.**

Yes. The Company addresses issues such as climate change and global warming through effective energy management measures and by adopting renewable energy sources. Energy-saving initiatives such as energy-efficient chillers, lighting management systems, building management systems, and daylight harvesting are followed. There is an impetus to use renewable energy sources such as solar power for energy generation and captive consumption. The company is aiming for attaining stage of net zero grid energy.

**3. Does the Company identify and assess potential environmental risks?**

Yes. ITI complies with the requirements of ISO 14001 environmental standards and meet all the statutory & regulatory requirements of environmental aspects in its manufacturing processes. Regular internal and external audits are also conducted to verify the effectiveness of the implementation.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes. Generation of Solar energy (Green Energy) through 300 KW capacity Solar energy power plants at ITI Naini Plant and MSP-Lucknow.

Details of electrical energy, carbon credits earned, etc during the year 2021-22 and cumulative from inception of these are provided below:

As on 31<sup>st</sup> March 2022:

- Total generation during 2021-22 : 1.52 MW Hrs
- Reduction in CO<sub>2</sub> emission : 7.6 Tons of CO<sub>2</sub>

**5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. If yes, please give hyper link for web page etc.**

Yes. The concept of clean technology is practiced in the manufacturing process to prevent pollution. ITI is focused on the prevention of pollution at the source itself. Towards this end, several improvements and modifications have been incorporated in the existing processes. Many of the Restriction of Certain Hazardous Substance (RoHS) compliant processes have been introduced into the PCB manufacturing and metal finishing processes.

Additional environment friendly materials have been implemented, such as low smoke halogen cables, low VOC metal finish (polyurethane), cyanide-free silver, zinc and copper plating, and trivalent chromium-based chromate conversion coating.

ITI has installed a 400 KW Grid Interactive Rooftop Solar PV power plant and 5200 KW Grid Interactive Rooftop Solar PV plant is under Progress. Total green energy from the solar power plant during 2021-22 is 1.52 MW Hrs and CO<sub>2</sub> emission avoided amounted to 7.6 Tons of CO<sub>2</sub>.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes. This is being closely monitored as per prevailing Guidelines.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

Nil, the Company has a good record of environment management and compliance.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

- (a) Standing Conference of Public Enterprises (SCOPE)
- (b) National Safety Council
- (c) Electronic Industries Association of India (ELCINA)
- (d) Federation of Karnataka Chambers of Commerce & Industry (FKCCI)
- (e) Telecom Equipment & Services Exports Promotion Council (TEPC)
- (f) India Electronics & Semiconductor Association (IESA)
- (g) Broadband India Forum

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

ITI is collaborating & interacting with all the above institutions for contributing by proactively involving in various policy initiatives, programmes, events etc.

**Principle 8: Businesses should support inclusive growth and equitable development**

**1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company has adopted a CSR policy for Social welfare of the society. The projects mentioned therein are in line with Schedule VII of Companies Act 2013 and are attempting for inclusive growth & equitable development.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?**

The Company has undertaken CSR project through in-house teams.

**3. Have you done any impact assessment of your initiative?**

Yes. Impact assessment is crucial to view the effect of the activity conducted. ITI conducts impact assessment as a part of the project for the majority of projects.

**4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company is not engaged in Community development projects as one of its business activities. However, such projects are being planned under CSR activities.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

As explained above under Principle 8, the Company is not obliged to spend towards community development projects. However, as part of CSR activities, engagement of the community is paramount for sustaining any community development program on ground. We ensure engagement of the community at the very planning stage and thereafter induct them at the implementation level. This not only ensures acceptance of the programme

on ground but also its continuity and sustainability.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

NIL

**2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

The Company displays product information relevant to our customers for identify the product. We do not sell products for general public.

**3. Is there any case filed by any stake holder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive**

**behaviour during the last five years and pending as on end of financial year? If so, provide details there of, in about 50 words or so.**

No cases have been filed by any stakeholders against the Company regarding unfair trade practices during the year under review.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

No. The Company, however, ensures that complaints, if any, received from any stakeholders are promptly attended to.

For & on behalf of the Board

**D Venkateswarlu**

Director Production,

Place: Bengaluru

Date : 10<sup>th</sup> August 2022

(Addl charge) Chairman and Managing Director &

(Addl charge) Director HR

DIN : 08605954

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Annexure 5

**I. Telecom and Electronic Industry Structure**

India is the world's second-largest telecommunications market with a subscriber base of 1.18 billion and has registered strong growth in the last decade. India is also one of the biggest consumer of data worldwide. As per TRAI, average wireless data usage per wireless data subscriber was 11 GB per month in FY 2020. It is expected to reach to 18 GB by 2025. India ranks as the world's second largest market in terms of total internet users. The total number of internet subscribers increased to 792.08 million in February 2022. The total wireless or mobile telephone subscriber base increased to 1154.62 million in February 2022, from 1,153.77 million in December 2020. According to a report by GSM Association (GSMA), in collaboration with Boston Consulting Group (BCG), Indian mobile economy is growing rapidly and will contribute substantially to India's Gross Domestic Product (GDP). The Government has enabled easy market access to telecom equipment and a fair and proactive regulatory framework that has ensured availability of telecom services to consumer at affordable prices.

As per CRISIL report, the telecom service industries are expected to grow at a rate of 12-14% between Fiscal 2019-2024. Telecommunications has become an increasingly important industry. The continuing advances in high-speed mobile services and Internet connectivity between devices keep driving innovation and competition within the sector. Much of the industry focus is on providing faster data services, especially in the area of high-resolution video and mobility services. With the launch of 4G and Broadband wireless services, average data consumption per user is increasing, with increased adoption of smart phones, laptops and availability of huge internet digital contents.

In the process of rolling out 5G services, Government of India has invited bid applications for spectrum auctions. The launch of 5G services will boost data growth 5-7 times enabling various use cases, requiring higher data speed. The launch of 5G services will boost data volume growth, given it unfolds various use cases requiring high-speed data.

To boost Electronic Manufacturing in the country Government has launched the Production Linked Incentive Scheme (PLI) for Large Scale

Electronics Manufacturing. Financial incentive will be provided to attract large investments in the electronics value chain including mobile phones, electronic components and Assembly, testing, Marketing and Packaging (ATMP) units.

This will certainly create an indigenous ecosystem where local companies would be benefited in terms of creating design, helping in R&D and building world-class products through collaboration. ITI has applied for PLI scheme and received approval from DoT for manufacturing of 4G/LTE RAN Base Station at its manufacturing plants. ITI is in process of upgrading its Manufacturing plant and Infrastructure at its various units for RAN Base station manufacturing.

The electronics industry has seen sweeping changes over the last two decades. These have primarily been in the product domain (across technologies, formats and design). Currently, a significant share of Indian demand is met by imports. However, the Indian electronics industry is being ushered into an era under Aatmanirbhar Bharat mission of Govt. wherein the manufacture of several components will be indigenised through regulatory support and incentivised production from the government of India. Make in India is another initiative which boosts local manufacturing.

**II. Opportunities and Threats**

**Opportunities**

With the existing sectors like Telecommunications, Defence Electronics Industrial, IT&BA and Automobile, the advent of disruptive technologies like Electric Vehicles, 5G, Drones, Medical Technology, Agriculture Technology, IoT, Satellite Broadband, Defence, Space and power electronics among others are the market segments for faster innovation. India is evolving as an innovation-driven R&D destination for global companies. The government, academia, industry players and industry associations need to make concerted and coordinated efforts to help the industry reach its potential.

India has established itself as design hub of the world. The next phase of growth in the design sector is characterised by growth of indigenous design



companies creating their own IPRs as against the growth of outsourced captive design services companies. To compete in the market our focus area should be on creating and owning the design rather technology transfer. This, along with growth in EMS market, presents an opportunity for Design-led manufacturing, which is given thrust by way of incentivization under schemes like PLI.

The AatmaNirbharBharat Abhiyan of Govt. promotes local production and aims to implement a Phased Manufacturing Program for designated product segments in Digital Communication Technologies. ITI's new initiatives, in collaboration with start-ups, will now focus on developing Indian IPRs in the electronics and communication sectors, which will aid in the realization of the NDCP's goals. Department for Promotion of Industry and Internal Trade (DPIIT) in its 2018 notification, had issued guidelines to adhere to Public Procurement by providing Preference to Make in India products and preference to the local suppliers in the procurement of Electronic and Communications related products and services. This policy and guideline will unfold many opportunity areas and boost local manufacturing in the telecom product and service sectors.

In the fields of 4G LTE communications, defence electronics, solar power plants, and medical electronics, there are several business opportunities. To produce diverse electronics and communications devices, ITI has collaborated with a number of start-ups and reputed technical partners. Cloud-based storage and platforms have grown in popularity in recent years, with companies like Amazon Web Services and Microsoft Azure aggressively growing market share and product adoption in India. ITI is providing these cloud services and solutions from its Bangalore based Data centre. There is numerous potential to deliver e-governance solutions and services at the central and state government levels, given the need to provide government services through digital means.

5G Global Marketing is Growing and will be of the Order of 2.6 Trillion USD by 2026. Emerging Technology of Super Capacitors will be replacing Li-ion Batteries of various sizes. With maturing of the Solar Films and Batteries Technologies, Solar Plants will take over Thermal power plants in the future. Small capacity Power Plants usage in Telecom Specifically for RAN will keep on Increasing. Home grown Power Supplies and Invertor market are promising business for ITI. E and V Band Radio will be used in High Capacity Backhauls and also be a substitute Optical Fiber cable where it cannot be laid. The approach of executing proof of concept (POC) first and further to go ahead with TOT will result in successful product acquisition for ITI.

The enormous disparity between local demand and local supply in India, which is a result of the country's excessive reliance on imports, is considered as a potential to boost the manufacturing index in the electronics hardware and software divisions. To catalyse the fourth industrial revolution (Industry 4.0) company plans to promote Investments, Innovation and IPR in new product development and production.

#### Threats

Currently, the Indian electronics industry is characterised by low-value-added industrial activity. India's rising economy is driving electronic hardware manufacturing, as it strives to compete with big Asian countries with low-cost of production and a strong supply network.

The Company has identified the following threats in the changing business environment:

1. Telecommunications industry is highly competitive.
2. Rapidly evolving technologies and products.
3. The country's electronics manufacturing eco-system is underdeveloped, resulting in high disability cost leading to high reliance on imports of crucial component.
4. High financing cost for working capital.

### III. Strengths and Weakness

#### Strengths

1. State of the art infrastructure for manufacturing for complete range of telecom/ electronic products.
2. Rich experience in Electronic equipment manufacturing and providing telecom turnkey solutions for creation of national network.
3. Experience of deploying and maintenance of strategic telecom network infrastructure for Defence establishment on turnkey basis.
4. Capacity to execute end to end execution of Mega projects like BharatNet.
5. Cybersecurity infrastructure to provide various IT security services from ITI Tier-3 Data Centre.
6. In house R&D capability for development of Encryption products for defence.
7. Telecom testing labs for telecom equipment testing under the Department of Telecommunication's Mandatory Testing and Certification of Telecom Equipment (MTCTE) rules.
8. Pan-India presence (6 Manufacturing Plants at Bengaluru, Palakkad, Rae Bareli, Mankapur, Naini and Srinagar) as well strong marketing presence through countrywide 8 MSP offices at Bengaluru, Chennai, Hyderabad, Delhi, Mumbai, Kolkata, Lucknow and Bhubaneswar and many associated Area offices.
9. Capacity augmentation for indigenous manufacturing of 4G RAN.
10. Company has diversified into manufacturing of new products such as 4G RAN, Security Operation Centre (SoC), HDPE Ducts, OFC cable, Solar Panel, Smart Energy meters, High Speed Wi-Fi Products, Smart cards/Payment cards & Component Screening services for VSSC, ISRO; Further Company has diversified into new business areas like Smart city solution, IoT, 3D printing and diversified Electronic Manufacturing Services (EMS).

#### Weakness

1. Lack of technology and development of Intellectual Property (IP), acts as a barrier to the growth.
2. Non-availability of skilled resource.

3. Lack of exposure to latest technology areas.
4. Underutilised production line and manpower due to low order volume.
5. Dependence on Technology Partners for key Technologies.

#### IV. Production wise performance of the Company :

The information in this regard is covered in main report.

#### V. Future Outlook

The order book of ITI is about Rs. 9,141 Crore including Advanced Purchase Order as on 31<sup>st</sup> March 2022. The Company has planned for a turnover of Rs. 2,842 Crore for FY 2022-23. ITI is focusing on manufacturing in a big way and plans to take up turnkey projects as System Integrator (SI) to increase the value addition. ITI is executing a defence order of Rs. 7,796 Crore contract for Phase IV of the Army Static Switched Communication network (ASCON) project. The project includes civil works for the infrastructure and optical fibre network, installation, commissioning and maintenance of equipment such as IP MPLS routers, Microwave Radio, Satellite terminals, NMS and testing tools. To be part of nation building, ITI is participating in proof of Concept (PoC) for BSNL's 4G network implementation in the country in co-ordination with M/s TCS. Other than being the SI, ITI is planning to manufacture the RAN requirements of BSNL as well as requirements of other operators, for both 4G & 5G.

The continued support from the Government is helping ITI to manufacture products in different market domains in a big way. Company is now manufacturing many new telecom products like High speed Wi-Fi Access Points, G-PON, OFC and Solar panel products. ITI has won contracts of BharatNet projects like TANFINET, Andaman and Nicobar OFC and IAF 4G LTE projects. In addition major focus has been given by the Company for manufacturing of encrypted telecommunication equipment required for Defence sector.

ITI has expanded its Data Centre to 1000 racks capacity and thereby providing various managed cloud services. The ASCON Project has provided sufficient impetus to upgrade the OFC & HDPE manufacturing lines at Rae Bareilly & Palakkad Plants and started new lines at Bangalore & Mankapur Plants. Contract manufacturing activities for Vikram Sarabhai Space Centre (VSSC) and for other PSUs are progressing steadily with ample scope for enhancement. ITI is in the process of establishing technology transfer with leading Technology partners for manufacturing of Wi-Fi products, Energy Meters to cater to the requirements in the country.

ITI in MoU with M/s Tata Communications is implementing Security Operation Centre in ITI Data Centre to enter into Cybersecurity domain and providing cybersecurity services to other organisations. ITI has developed a new product known as Portable ventilator Single Outlet Automated Resuscitator (SOAR) with ToT from DEBEL, DRDO. It has successfully undergone trial test in RR Hospital, Delhi and approval letter is awaited. ITI is planning its resources for the manufacturing of low cost laptops for state Govts. Which will be distributed to the students to meet their online educational requirements.

#### VI. Risk Management

As part of its strong emphasis on Governance, Risk Management and Compliance (GRC), the Company has rolled out a comprehensive Enterprise

Risk Management (ERM) framework across the entire organisation in this year. It is based on global best practices in Risk Management as covered by ISO 31000:2018 and IEC 31010:2019 and has enabled the Company to fully integrate the Risk Management into its normal business operations.

The Company's ERM policy framework, is a continuous and structured process of identifying all external and internal risk-factors, assessing their impact on the achievement of the organization's business and financial targets, prioritizing the risk-factors, exploring alternatives for treating the risks, and controlling and monitoring such risks. The objective of ITI's ERM framework is to manage and in the long term, achieve a substantial reduction in risk exposure and maintain it at an acceptable level. The aim is to maintain the balance between compliance and performance. It seeks to identify risks inherent in the business operations of the Company and provides guidelines to define, measure, report, control and treat the identified risks. The objective of the ERM framework is to ensure that the Company has proper and continuous risk identification and management processes. Integrating risk management into the Organization is an iterative and dynamic process.

The establishment and maintenance of the ERM framework will facilitate effective decision making by communicating the benefits of risk management to all stakeholders, by involving all employees in the identification of risks by encouraging their participation.

As part of the ERM rollout, training workshops have been conducted on the ERM Framework for all units, in which the ERM Taskforce members as well as key personnel from the respective unit have participated. The participants have been imparted training on the ERM Policy, ERM Process, ERM Governance Structure, Roles and Responsibilities of the relevant stakeholders, formation of Risk Registers, etc

The ERM manual has been uploaded in ITI website and circulated as a policy to all Stakeholders after approval from the Board in 459<sup>th</sup> Board Meeting. Further refresher training was conducted to all the officers concerned of ERM of respective units through VC. Accordingly, two meetings of the Board level Risk management committee were held on 30<sup>th</sup> December 2021 & 24<sup>th</sup> March 2022 to review the status of the prevailing risks and the progress of implementation of ERM.

Going forward, risk management activities will be carried out on an ongoing basis as part of the routine business operations, as outlined in the ERM Manual.

#### VII. Human Resources

As on 31<sup>st</sup> March 2022, your Company had a total employee strength of 2442 as compared to 2876 at the end of the previous year. The detailed information on material developments in Human Resources/ Industrial front is given in Directors' Report.

#### VIII. Internal Control Measures

The Company's internal control systems are commensurate with the nature of its business, the size, and complexity of its operations.

Internal control systems operate at different levels of effectiveness. The Directors and department heads have oversight responsibility for internal controls within their units. Managers and supervisory personnel are

responsible for executing control policies and procedures at the detail level within their specific unit. Each individual within a unit is to be cognizant of proper internal control procedures associated with their specific job responsibilities.

Internal Audit Department of the company at Corporate office and Units, reviews compliance with the Company's procedures & policies. The department coordinates with the Unit/Divisions of the Company for ensuring coverage of all major areas of operations and such internal financial controls with reference to Financial Statements are adequate.

#### IX. Financial Performance

Your Company has achieved a sales turnover of Rs. 2077 Crore for the year ended 31<sup>st</sup> March 2022, as compared to Rs 2578 Crore in the previous year. The detailed information on financial performance with respect to operational performance is given in Directors' Report.

#### X. Details of Significant changes in Key Financial Ratios

Sl. No.	Particulars	FY 2021-22	FY 2020-21	Reasons for variation
1	Debtors Turnover	0.63	0.78	Decrease primarily on account of decrease in turnover
2	Inventory Turnover	9.07	12.53	Due to increase in average inventory and also due to decrease in Cost of Goods sold
3	Interest coverage ratio	1.73	1.08	Increase was primarily due to increase in EBIT during the current year, eventhough there was increase in finance cost
4	Current Ratio	0.99	0.95	Current ratio is showing a slight improvement due to increase in Inventory and other current financial assets
5	Debt equity ratio	0.63	0.61	There is slight increase in this ratio due to increase in borrowings
6	Operating Profit Margin (%)	6.40%	2.67%	Due to increase in the total Income of the Company
7	Net Profit Margin (%)	6.51%	0.47%	Due to increase in the total Income of the Company

**Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

There is no significant change in the return on networth compared to the

immediately preceding financial year, the ratio has improved due to increase in profit

#### XI. Environmental Protection and Conservation

The Company's Units are spread across the Country at different locations viz. Bengaluru, Mankapur, Rae Bareli, Naini, Palakkad and Srinagar. Environment Protection & Management of the Units is governed by various Acts & Rules like The Environment (Protection) Act, 1986, The Air (Prevention and Control of Pollution) Act, 1981, The Water (Prevention and Control of Pollution) Act, 1974, Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016, The Solid Wastes Management Rules, 2016, etc. All the Units ensured to comply with the applicable Acts and Rules.

#### XII. Technological conservation, Renewable energy developments, Foreign Exchange conservation:

Relevant information in this regard is disclosed at **Annexure-6** of the Directors' Report.

#### XIII. Cautionary Statement

Statements made in the Management Discussion and Analysis about your Company's objectives, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand/supply and price conditions in the domestic market in which your Company operates, changes in Government regulations, tax laws, statutes and other incidental/related matters.

For & on behalf of the Board

**D Venkateswarlu**

Director Production,

Place: Bengaluru

Date : 10<sup>th</sup> August 2022

(Addl. charge) Chairman & Managing Director &

(Addl Charge) Director HR

DIN : 08605954

**Annexure 6**
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**  
**Section 134 of the Companies Act, 2013 read with the Company's (Accounts) Rules, 2014:**
**A. CONSERVATION OF ENERGY**
**(i) Steps taken or impact on conservation of energy;**

The Company's operation involves low energy consumption. Nevertheless, energy conservation measures have already been taken wherever possible. Efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

- Installation of Solar power plant in factory area
- Replacement of outdated equipment with energy efficiency equipment

**(ii) Steps taken by Company for utilizing alternate sources of energy and capital investment on energy conservation equipments**

In its constant endeavour to conserve energy, ITI is establishing 5600 KW Solar Power Plant at all Production units, Corporate Office and MSP-Lucknow for meeting the captive requirements.

Solar power plants of 100 KW at Lucknow MSP, 300 KW at Naini and 1200 KW at Palakkad are already established and connected for captive use. Installation at Bangalore, Rae Bareli, Mankapur and Corporate are at final stage.

**B. TECHNOLOGY ABSORPTION**
**RESEARCH & DEVELOPMENT (R&D) 2021-22**
**(i) Efforts made towards Technology Absorption**
**a. Defence Sector :**

Provided that the requirement of furnishing information and details under this sub-rule shall not apply to a government company engaged in producing defence equipment

**b. Other Sectors :**

- 4G Radio Access Network (RAN)
- Wireless Access Point (WAP)
- Wi- Fi
- GPON –ONT 23

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution**

As part of Technology Absorption, the Company has enter into ToT with C-DoT and TCS for manufacturing of 4G RAN. The Company has 20% Reservation Quota (RQ) from BSNL for supply of 4G RAN as this is a part of EoI which calls for Indigenously developed product. Company would manufacture Indigenously developed RAN equipment for BSNL. This would definitely help to reduce import of similar equipment from outside India. Because of Indigenous manufacturing and local technology, Company can have full control over the cost component and the quality of the product.

**(iii) Imported Technology**

Imported during last three years reckoned from the beginning of the financial year - NIL

**(iv) R&D Expenditure**

- a) Capital Rs. 04.73 Crore
  - b) Revenue Rs.14.73 Crore
- TOTAL** Rs.19.46 Crore

Total R&D Expenditure as a percentage of total turnover is 1.04% (turnover excluding GST) and 0.94%(turnover including GST)

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(i) Activities relating to exports, initiative taken to increase exports, development of new Export markets for products and services and export plans: NIL

**(ii) Total Foreign Exchange earning and outgo**

CIF Value of Imports

Raw material and production stores - Rs.0.53 Crore

Capital Goods - Rs.9.47 Crore

For & on behalf of the Board

**D Venkateswarlu**

Director Production,

Place: Bengaluru

Date : 10<sup>th</sup> August 2022

(Addl charge) Chairman & Managing Director &

(Addl Charge) Director HR

DIN : 08605954

## REPORT ON CORPORATE GOVERNANCE

The details of compliance by the Company with the norms of Corporate Governance, in accordance with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) as amended read with Department of Public Enterprises Guidelines on Corporate Governance (DPE Guidelines), are as under:

### 1. OUR CORPORATE GOVERNANCE PHILOSOPHY

The Corporate Governance framework and philosophy is a reflection of the Company's corporate culture, policies, values and relationship with stakeholders which is driven relentlessly across the organisation. The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. As a good corporate citizen, the Company lays great emphasis on a corporate culture of integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

Our Corporate Governance is reinforced through the Company's Code of Conduct and Ethics, Corporate Governance Guidelines, Policies and Committee charters. The Board and Management processes, audits and internal control systems reflect the Corporate Governance framework principles.

### 2. BOARD OF DIRECTORS

#### (a) Board Composition

As on 31<sup>st</sup> March 2022, the ITI Board comprised of 9 Directors represented by 4 Whole-time (Executive) Directors including Chairman & Managing Director, 2 Part-time (Ex-Officio) Directors (Government Directors) and 3 Part-time (Non-official) Director (Independent Director) (including one woman Independent Director).

The Composition of Board of Directors is not in line with the requirements of Listing Regulations and DPE guidelines due to insufficient number of Independent Directors. Accordingly, the Company has taken up with the Administrative Ministry for appointment of requisite number of Independent Directors to fulfil the statutory requirements.

#### (b) Category and attendance of Directors

The particulars regarding composition of Board of Directors as on 31<sup>st</sup> March, 2022 and the details of other Directorships & Membership/ Chairmanship of Committees of Board as on that date, attendance of each Director at Board Meetings held during 2021-22, last Annual General Meeting (AGM) are furnished below:

Name of Director and Director Identification Number	Designation	Total Board Meetings		Attendance at the last AGM	Other Directorship held in Public Companies	Other Committee memberships held <sup>13</sup>	
		Held during tenure of Director	Attended during tenure of Director			As member	As Chairperson
<b>Whole Time Functional (Executive) Directors</b>							
Shri Rakesh Mohan Agarwal <sup>1</sup> DIN: 07333145	Chairman and Managing Director	7	7	Yes	1	1	Nil
Shri Shashi Prakash Gupta <sup>2</sup> DIN: 08254999	Director HR	1	1	NA	NA	NA	NA
Shri D Venkateswarlu <sup>3</sup> DIN: 08605954	Director Production & Addl. charge Director HR	7	6	Yes	Nil	1	Nil
Shri Rajeev Srivastava DIN: 08921307	Director Finance & Chief Financial Officer	7	7	Yes	1	Nil	NA
Shri Rakesh Chandra Tiwari DIN: 08953397	Director Marketing	7	6	Yes	Nil	1	Nil
<b>Non – Executive Directors - Part time Official Directors</b>							
Lt Gen Milind N Bhurke <sup>4</sup> DIN: 09168118	Government Director	7	0	No	Nil	Nil	Nil
Dr Rajesh Sharma <sup>5</sup> DIN: 08200125	Government Director	7	7	Yes	Nil <sup>12</sup>	Nil	Nil
<b>Non – Executive Directors - Part time Non - Official Director</b>							
Shri Rajen Vidyarthi <sup>6</sup> DIN: 08196235	Independent Director	1	1	NA	NA	NA	NA
Dr Akhilesh Dube <sup>6</sup> DIN: 08195896	Independent Director	1	1	NA	NA	NA	NA
Shri Mayank Gupta <sup>7</sup> DIN: 03501227	Independent Director	2	2	NA	NA	NA	NA
Dr K R Shanmugam <sup>8</sup> DIN: 08211253	Independent Director	2	2	NA	NA	NA	NA
Dr Raja Nayak <sup>9</sup> DIN: 06451006	Independent Director	4	4	NA	Nil	2	1
Shri Billeswar Sinha <sup>10</sup> DIN: 09393543	Independent Director	4	4	NA	Nil	1	Nil
Smt Mamta Palariya <sup>11</sup> DIN: 07749007	Independent Director	4	4	NA	Nil	1	1

**Note:**

1. Shri Rakesh Mohan Agarwal, Chairman and Managing Director was entrusted the additional charge of Director HR w.e.f. 02<sup>nd</sup> July 2021 to 30<sup>th</sup> September 2021 consequent to superannuation of Shri Shashi Prakash Gupta as Director HR on 30<sup>th</sup> June 2021.
2. Shri Shashi Prakash Gupta ceased to be Director HR of the Company upon attaining the age of superannuation on 30<sup>th</sup> June 2021.
3. Shri D Venkateswarlu, Director Production was entrusted the additional charge of Director HR w.e.f. 29<sup>th</sup> December 2021 for a period of 6 months. The additional charge was extended for a further period till 31<sup>st</sup> August 2022.
4. Lt Gen Milind N Bhurke was appointed as Government Director w.e.f. 07<sup>th</sup> May 2021.
5. Dr Rajesh Sharma was re-appointed as Government Director w.e.f. 01<sup>st</sup> August 2021.
6. Shri Rajen Vidyarthi and Dr Akhilesh Dube completed term as Independent Directors on 07<sup>th</sup> August 2021.
7. Shri Mayank Gupta completed term as an Independent Director on 12<sup>th</sup> August 2021.
8. Dr K R Shanmugam completed term as an Independent Director on 29<sup>th</sup> August 2021.
9. Dr Raja Nayak was appointed as Independent Director w.e.f. 10<sup>th</sup> November 2021 and is the Chairman of Stakeholders Relationship Committee.
10. Shri Billeswar Sinha was appointed as Independent Director w.e.f. 10<sup>th</sup> November 2021.
11. Smt Mamta Palariya was appointed as Independent Director w.e.f. 10<sup>th</sup> November 2021 and is the Chairperson of Audit Committee.
12. Dr Rajesh Sharma ceased to be director of TATA Communications Limited w.e.f. 10<sup>th</sup> May 2021.
13. Chairmanship/ Membership of Audit Committee and the Stakeholders Relationship Committee are only reckoned with

**Note:**

- None of the Director / Key Managerial Personnel is related to each other and there are no inter se relationships between the Directors
- As per the declarations received, none of the Non-executive Directors are holding any equity shares in the Company.
- Directors do not have any pecuniary relationships or transactions with the Company (except remuneration, including sitting fees, as they are entitled).
- None of the Director is on the Board of any Listed Company as on 31<sup>st</sup> March 2022.
- The Directors neither held membership of more than 10 Committees nor acted as Chairperson of more than 5 Committees across all the companies in which he/she is a Director.
- Video-conferencing facilities are also used to facilitate Directors residing at other locations to participate in the meetings.
- The Board periodically reviews the compliance reports of all laws applicable to the Company.

**(c) Core Skills / expertise / Competencies of the Board of Directors**

Being a Government Company, all the Directors on the Board viz. Functional Directors, Government Directors and Independent Directors are appointed by the Government as per well laid down process for each category of

Directors. The core skills, expertise and competence required for the Board to function effectively, in the context of the Company's business, forms an integral part of the Government's process for selection of the Directors.

**(d) Independent Directors**

- i. The Independent Directors on the Board have registered with the Institute notified under Section 150(1) of the Companies Act, 2013.
- ii. During the year under review, no Independent Director has resigned from the Company.

**iii. Details of Familiarization & Training programmes for Directors :**

The details of Familiarisation programme imparted to the Independent Directors of the Company is available on the Company's website at [https://www.itild.in/Investor%20information/2022/Familiarisation%20programme-Independent%20Directors\\_updated\\_18\\_07\\_2022.pdf](https://www.itild.in/Investor%20information/2022/Familiarisation%20programme-Independent%20Directors_updated_18_07_2022.pdf)

**iv. Separate Meeting of Independent Directors**

A separate meeting of Independent Directors was held on 07<sup>th</sup> August 2022, wherein the Independent Directors assessed the quality, quantity & timeliness of flow of information between the Company, Management and the Board

**v. Declaration of Independence**

The Independent Directors of the Company have provided a declaration confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and Listing Regulations and are registered with Independent Director's Databank maintained by Indian Institute of Corporate. It is affirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations are independent of the Management.

**(e) Dates of Board Meetings**

During the year under review 7 Board Meetings were held on

22 <sup>nd</sup> June 2021	12 <sup>th</sup> August 2021	07 <sup>th</sup> October 2021
12 <sup>th</sup> November 2021	11 <sup>th</sup> February 2022	01 <sup>st</sup> March 2022
23 <sup>rd</sup> March 2022		

**3. BOARD COMMITTEES**
**a. AUDIT COMMITTEE**

The terms of reference and Composition of the Audit Committee are in compliance with the Section 177 of the Companies Act, 2013 read with Rules made thereunder, Listing Regulations and the DPE Guidelines.

As on 31<sup>st</sup> March 2022, the Audit Committee consists of three Independent Directors including Chairperson and one Executive Director as members of the Committee as follows:

- i. Smt Mamta Palariya, Independent Director, Chairperson
- ii. Shri Rakesh Chandra Tiwari, Director Marketing, Member
- iii. Dr Raja Nayak, Independent Director, Member and
- iv. Shri Billeswar Sinha, Independent Director, Member

During the year ended 31<sup>st</sup> March 2022, 5 Audit Committee meetings held on 22<sup>nd</sup> June 2021, 12<sup>th</sup> August 2021, 07<sup>th</sup> October 2021, 12<sup>th</sup> November 2021 and 11<sup>th</sup> February 2022.

During the year under review, the details of change in membership and their attendance for Audit Committee meeting are as follows:

Name of the Member	Meetings held during tenure of Director	Meetings attended during tenure of Director
Shri Shashi Prakash Gupta <sup>1</sup>	1	1
Shri Rakesh Chandra Tiwari <sup>2</sup>	4	3
Shri Rajen Vidyarthi <sup>3</sup>	1	1
Shri Mayank Gupta <sup>4</sup>	2	2
Dr K R Shanmugam <sup>5</sup>	2	2
Dr Rajesh Sharma <sup>6</sup>	1	1
Lt Gen Milind N Bhurke <sup>7</sup>	1	0
Shri D Venkateswarlu <sup>8</sup>	1	1
Smt Mamta Palariya <sup>9</sup>	2	2
Dr Raja Nayak <sup>10</sup>	2	2
Shri Billeswar Sinha <sup>10</sup>	2	2

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 30.06.2021

<sup>2</sup> Inducted as Member of the Committee w.e.f. 03.08.2021

<sup>3</sup> Ceased to be Member of the Committee w.e.f. 07.08.2021

<sup>4</sup> Ceased to be Member of the Committee w.e.f. 12.08.2021

<sup>5</sup> Ceased to be Member and Chairperson of the Committee w.e.f. 29.08.2021

<sup>6</sup> Inducted as Member and Chairperson of the Committee w.e.f. 29.09.2021 and ceased to be Member and Chairperson of the Committee w.e.f. 12.11.2021

<sup>7</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be member of the Committee w.e.f. 12.11.2021

<sup>8</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be Member of the Committee w.e.f. 12.11.2021

<sup>9</sup> Inducted as Member and Chairperson of the Committee w.e.f. 12.11.2021

<sup>10</sup> Inducted as Member of the Committee w.e.f. 12.11.2021

Director Finance & Chief Financial Officer is the permanent invitee of the Committee and Company Secretary acts as Secretary of the Committee.

#### b. NOMINATION AND REMUNERATION COMMITTEE (NRC)

The terms of reference and Composition of the Nomination and Remuneration Committee are as specified in Section 178 of the Companies Act, 2013, Regulation 19 read with Schedule II Part-D of Listing Regulations (except to the extent of exemptions provided to Govt. Companies). Being a Government Company, the appointment, term and conditions of appointment of Directors on the Board of the Company is as per directive of Government of India.

#### REMUNERATION OF DIRECTORS

##### (i) Remuneration to Whole-time Directors

The remuneration paid to Whole-time Directors for the financial year 2021-22 are as follows:

(Amt in Rs)

Staff No.	Name of the Director	Designation	Salary	Perquisites	PF contribution	Total
20094	Shri Rakesh Mohan Agarwal	Chairman and Managing Director	29,55,145	4,11,242	2,81,306	36,47,693
20095	Shri Shashi Prakash Gupta <sup>1</sup>	Director HR	6,19,552	91,038	73,083	7,83,673
2099	Shri D Venkateswarlu	Director Production	15,67,413	2,19,727	1,77,881	19,65,021
20104	Shri Rajeev Srivastava	Director Finance	15,23,119	2,14,805	1,73,916	19,11,840
20122	Shri Rakesh Chandra Tiwari	Director Marketing	35,76,803	2,46,706	4,14,857	42,38,366

<sup>1</sup> Shri Shashi Prakash Gupta ceased to be Director HR of the Company upon attaining the age of superannuation on 30<sup>th</sup> June 2021.

The terms of reference of the Committee as per the provisions of the Companies Act, 2013 and Listing Regulations is limited to the extent of Senior Management i.e. one level below the Board, Chief Financial Officer and Company Secretary and as per DPE Guidelines for performance related pay.

As on 31<sup>st</sup> March 2022, NRC comprised of :

- Shri Billeswar Sinha, Independent Director, Chairman;
- Smt Mamta Palariya, Independent Director, Member, and
- Dr Rajesh Sharma, Government Director, Member

During the year ended 31<sup>st</sup> March 2022, the NRC meeting was held on 10<sup>th</sup> August 2021.

The details of change in the tenure of member, if any, number of meeting held during the year and their attendance for the NRC Meetings are as under:

Name of the Member	Meetings held during respective tenure of Director	Meetings attended during tenure of Director
Shri Mayank Gupta <sup>1</sup>	1	1
Dr K R Shanmugam <sup>2</sup>	1	1
Dr Rajesh Sharma <sup>3</sup>	1	1
Lt Gen Milind N Bhurke <sup>4</sup>	Nil	Nil
Shri Rajeev Srivastava <sup>5</sup>	Nil	Nil
Shri Billeswar Sinha <sup>6</sup>	Nil	Nil
Smt Mamta Palariya <sup>7</sup>	Nil	Nil

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 12.08.2021

<sup>2</sup> Ceased to be Member and Chairman of the Committee w.e.f. 29.08.2021

<sup>3</sup> Held the position of Chairman of the Committee from 29.09.2021 to 06.12.2021

<sup>4</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be Member of the Committee w.e.f. 06.12.2021

<sup>5</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be Member of the Committee w.e.f. 06.12.2021

<sup>6</sup> Inducted as Member and Chairman of the Committee w.e.f. 06.12.2021

<sup>7</sup> Inducted as Member of the Committee w.e.f. 06.12.2021

**Notes:**

- a. The service contract/ notice period/ severance fee etc., for the above Directors are as per the terms of appointment made by the Government of India.
- b. During the year 2021-22, no bonus/ commission was paid and no Stock Options were issued to the Directors.
- c. During the year under review, no Performance related pay has been made to Executive Directors.

**(ii) Part-time Government Directors' compensation**

The Government Directors are not paid any remuneration, sitting fees, for attending Board / committee meetings.

**(iii) Independent Directors' compensation**

During the year, the Independent Directors are not paid any remuneration except sitting fees of Rs 10,000/- per meeting for attending the meetings of the Board and Rs 5,000/- per meeting for attending the meetings of Committees thereof. Apart from receiving the sitting fee and reimbursement of expenses incurred in discharge of their duties, none of the Non-Executive Directors had any pecuniary relationship or transactions with the Company during the year 2021-22.

**The details of sitting fee paid to Independent Directors during the year under review are as follows :**

(in Rs)

Name of the Director	Board Meeting	Committee Meeting	Total
Dr K R Shanmugam <sup>1</sup>	20,000	25,000	45,000
Shri Rajen Vidyarthi <sup>2</sup>	10,000	10,000	20,000
Shri Mayank Gupta <sup>3</sup>	20,000	20,000	40,000
Dr Akhilesh Dube <sup>4</sup>	10,000	5,000	15,000
Dr Raja Nayak <sup>5</sup>	40,000	25,000	65,000
Shri Billeswar Sinha <sup>5</sup>	40,000	10,000	50,000
Smt Mamta Palariya <sup>5</sup>	40,000	20,000	60,000

<sup>1</sup>Ceased to be Independent Director w.e.f 29.08.2021.

<sup>2</sup>Ceased to be Independent Director w.e.f. 07.08.2021.

<sup>3</sup>Ceased to be Independent Director w.e.f. 12.08.2021.

<sup>4</sup>Ceased to be Independent Director w.e.f. 07.08.2021.

<sup>5</sup>Appointed as Independent Director w.e.f. 10.11.2021.

- (iv) The remuneration of senior management just one below the level of Board of Directors, appointment or removal of them including CFO and Company Secretary, as specified in Part A (E) of schedule (II) of Listing Regulations are governed by the Companies Act, 2013, Listing Regulations and DPE guidelines and the same is reported to the Board from time to time.
- (v) The performance evaluation of the Directors (including Independent Directors) has not been carried out by the Nomination & Remuneration Committee, as the Company is a Government Company, the powers relating to appointment, evaluation and the terms of Directors vests with the Government of India. Such evaluation is exempted for Government

Companies under the provisions of the Companies Act, 2013.

- (vi) The Company Secretary acts as the Secretary of the Nomination & Remuneration Committee.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The terms of reference and Composition of the Stakeholders Relationship Committee (SRC) are as specified in Section 178 of the Act and Regulation 20 read with Part D Schedule II of the Listing Regulations read with Part D Schedule II of the Listing Regulations. The SRC looks into various aspects of interest of shareholders. The Committee ensures in servicing and protecting the interests of members, maintaining cordial investor relations and overseeing the mechanism to review and redress investors' grievances. The Committee also overseas and reviews the performance of Registrar and Share Transfer Agent and action taken by the Company.

As on 31<sup>st</sup> March 2022, SRC comprised of

- i. Dr Raja Nayak, Independent Director, Chairman;
- ii. Shri Rakesh Mohan Agarwal, Chairman and Managing Director, Member; and
- iii. Shri D Venkateswarlu, Director Production, Member

Smt S Shanmuga Priya, Company Secretary is the Compliance Officer of the Company.

During the year ended 31<sup>st</sup> March 2022, one SRC meeting was held on 23<sup>rd</sup> March 2022 in which all the Committee members were present.

The details of change in the tenure of members, if any, number of meeting held during the year and their attendance for the SRC meetings are as under:

Name of the Member	Meetings held during tenure of Director	Meetings attended during tenure of Director
Shri Shashi Prakash Gupta <sup>1</sup>	NA	NA
Shri Rajen Vidyarthi <sup>2</sup>	NA	NA
Shri Rakesh Mohan Agarwal	1	1
Shri K R Shanmugam <sup>3</sup>	NA	NA
Shri D Venkateswarlu <sup>4</sup>	1	1
Dr Rajesh Sharma <sup>5</sup>	NA	NA
Dr Raja Nayak <sup>6</sup>	1	1

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 30.06.2021

<sup>2</sup> Ceased to be Member and Chairman of the Committee w.e.f. 07.08.2021

<sup>3</sup> Inducted as Member and Chairman of the Committee w.e.f. 12.08.2021 and ceased to be Member and Chairman of the Committee w.e.f. 29.08.2021.

<sup>4</sup> Inducted as Member of the Committee w.e.f. 12.08.2021

<sup>5</sup> Inducted as Member and Chairman of the Committee w.e.f. 29.09.2021 and ceased to be Member and Chairman of the Committee w.e.f. 06.12.2021.

<sup>6</sup> Inducted as Member and Chairman of the Committee w.e.f. 06.12.2021.

The Company endeavours to resolve complaints / grievances / queries of stakeholders / investors within a reasonable period of time. During the financial year 2021-22, the Company has received nil complaints from Members.



#### Investors Relations Cell:

The information frequently required by investors and analysts are available on the Company's website [www.ititd.in](http://www.ititd.in) under the 'Investors' page. The website provides updates on financial statements, investor related events and presentations, annual reports, and shareholding pattern along with media releases, and report on Corporate Governance etc.

#### d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board had constituted the CSR Committee to recommend, monitor and administer activities under the CSR policy and also to oversee its performance/ implementation. The terms of reference and composition of the CSR committee are as specified in section 135 of the Act read with applicable Rules made the reunder.

As on 31<sup>st</sup> March 2022, the Committee comprised of:

- Shri Rakesh Mohan Agarwal, Chairman and Managing Director, Chairman;
- Shri D Venkateswarlu, Director Production, Member;
- Shri Rajeev Srivastava, Director Finance, Member; and
- Smt Mamta Palariya, Independent Director, Member.

During the FY 2021-22 three CSR Committee Meeting was held on 10<sup>th</sup> August 2021, 11<sup>th</sup> February 2022 and 30<sup>th</sup> March 2022 in which all the Members of the Committee were present.

The details of change in the composition of Committee, if any, number of meeting held during the year and their attendance for the CSR Meeting are as under:

Name of the Member	Meetings held during tenure of Director	Meetings attended during tenure of Director
Shri Rakesh Mohan Agarwal	3	3
Shri D Venkateswarlu	3	3
Shri Shashi Prakash Gupta <sup>1</sup>	NA	NA
Dr K R Shanmugam <sup>2</sup>	1	1
Shri Rajeev Srivastava <sup>3</sup>	3	3
Dr Akhilesh Dube <sup>4</sup>	NA	NA
Dr Rajesh Sharma <sup>5</sup>	NA	NA
Smt Mamta Palariya <sup>6</sup>	2	2

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 30.06.2021

<sup>2</sup> Inducted as Member of the Committee w.e.f. 03.08.2021 and ceased to be member of the Committee w.e.f. 29.08.2021

<sup>3</sup> Inducted as Member of the Committee w.e.f. 03.08.2021.

<sup>4</sup> Ceased to be Member of the Committee w.e.f. 07.08.2021.

<sup>5</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be Member of the Committee w.e.f. 06.12.2021.

<sup>6</sup> Inducted as Member of the Committee w.e.f. 06.12.2021.

The CSR Policy is hosted on the website of the Company on the link <https://www.ititd.in/csr>. The CSR Report, as required under the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2022 is annexed to the Director's Report.

#### e. RISK MANAGEMENT COMMITTEE

The Company has constituted a Risk Management Committee to review the risk management process involving risk assessment and minimisation procedure. The terms of reference of risk management committee are as specified in regulation of listing regulation

As on 31<sup>st</sup> March, 2022, the Risk Management Committee comprised of:

- Shri D Venkateswarlu, Director Production, Chairman;
- Dr Raja Nayak, Independent Director, Member;
- Shri Rajeev Srivastava, Director Finance, Member;
- Shri Rakesh Chandra Tiwari, Director Marketing, Member;
- Smt Ila Bhadur, Head of Projects & Planning, Member; and
- Smt R Vasanthi, GM-Operations, Member

During FY 2021-22 two Risk Management Committee Meetings were held on 30<sup>th</sup> December 2021 and 24<sup>th</sup> March 2022 in which all the Members of the Committee were present.

The details change in the tenure of members, if any, number of meeting held during the year and their attendance for the Risk Management Committee Meeting are as under:

Name of the Member	Meetings held during respective tenure of Director	Meeting attended during tenure of Director
Shri Sunil Kumar <sup>1</sup>	NA	NA
Shri Shashi Prakash Gupta <sup>2</sup>	NA	NA
Shri Rajeev Srivastava	2	2
Dr Akhilesh Dube <sup>3</sup>	NA	NA
Smt Ila Bhadur	2	2
Shri Rakesh Chandra Tiwari <sup>4</sup>	2	2
Shri D Venkateswarlu <sup>5</sup>	2	2
Dr K R Shanmugam <sup>6</sup>	NA	NA
Dr Rajesh Sharma <sup>7</sup>	NA	NA
Dr Raja Nayak <sup>8</sup>	2	2
Smt R Vasanthi <sup>9</sup>	2	2

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 30.04.2021

<sup>2</sup> Ceased to be Member and Chairman of the Committee w.e.f 30.06.2021

<sup>3</sup> Ceased to be Member of the Committee w.e.f. 07.08.2021

<sup>4</sup> Inducted as Member and Chairman of the Committee w.e.f. 12.08.2021 and ceased to be Chairman of the Committee w.e.f. 29.09.2021.

<sup>5</sup> Inducted as Member of the Committee w.e.f. 12.08.2021 and appointed as Chairman of the Committee w.e.f 29.09.2021.

<sup>6</sup> Inducted as Member of the Committee w.e.f 12.08.2021 and ceased to be Member of the Committee w.e.f. 29.08.2021.

<sup>7</sup> Inducted as Member of the Committee w.e.f. 29.09.2021 and ceased to be Member of the Committee w.e.f. 06.12.2021.

<sup>8</sup> Inducted as Member of the Committee w.e.f. 06.12.2021.

<sup>9</sup> Inducted as Member of the Committee w.e.f. 06.12.2021.

#### 4. GENERAL BODY MEETINGS

The date, time, venue of the previous Annual General Meetings, Special resolution passed during the last three years are given below:

Financial Year	Date & Time	Venue	Special Resolution(s)
2018-19	27 <sup>th</sup> December 2019 at 11.30 a.m.	ITI Officers Club- New Wing, ITI Township, Bengaluru 560 016	Yes
2019-20	04 <sup>th</sup> December 2020 at 11.30 a.m.	The AGM was held Online through Video Conference (VC) / Other	No
2020-21	10 <sup>th</sup> November 2021 at 11.30 a.m.	Audio-Visual Means (OAVM)	No

No Extraordinary General Meeting of the shareholders was held during the year 2021-22.

During the year under review no resolution was passed through postal ballot. Any decisions on matters requiring approval of shareholders through postal ballot system will be obtained as per the procedures laid down in the Act.

## 5. MEANS OF COMMUNICATIONS

### Quarterly/ Annual Results

The audited/unaudited financial results are announced to stock exchanges within the time prescribed under the Listing Regulations. The results are published in leading newspapers like Business Standard/ Financial Express (in English), Sanjevani (in Kannada) and Dakshin Bharat Rashtiramath (in Hindi). The financial results are also made available in the Company's website- <https://www.itilttd.in/newspaperpublications>.

### News Release, Presentation etc.

The Company issues news releases on significant corporate decisions / activities and posts them on its website as well as notifies the stock exchanges as and when deemed necessary.

### Website

The Company's website [www.itilttd.in](http://www.itilttd.in) contains separate dedicated section for investors where relevant shareholder information is available. Full Annual Report, Shareholding Pattern, Corporate Governance Report, all disclosures made to stock exchanges, etc. are available on the web-site.

### Investor Service Cell

The grievances / queries of shareholders are handled at Company's Corporate Office in Bengaluru and Integrated Registry Management Services Private Limited, Registrar & Transfer Agent (RTA) office in Bengaluru

The investors can raise queries / grievances by sending email to [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in) & [irg@integrated.in](mailto:irg@integrated.in)

### SCORES (SEBI Complaints Redressal System)

SEBI has provided a centralised web-based complaints Redressal system named, SCORES, through which an investor can lodge complaint(s) against a Company for his grievance. The Company is also registered with SCORES to resolve the issue sent through SCORES platform.

### Green Initiative – Service of Documents in Electronic Form

The provisions of the Companies Act, 2013 and rules made thereunder permit paperless communication by allowing service of all documents in electronic mode. Further, the Ministry of Corporate Affairs (MCA) as well as the SEBI, has permitted that all communication to shareholders may be served electronically. In compliance thereof, the Company has adopted the practice of sending communications, including Annual Report, through email to those shareholders whose email id is available as per registered records.

## 6. CODE OF CONDUCT

The Code of Conduct for Board Members and Senior Management Personnel of the Company has been adopted by the Company, which is circulated to all concerned and is also hosted on the website of the Company at [https://www.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies). The Directors and Senior Management Personnel of the Company have affirmed compliance with the provisions of the Code of Conduct for the year ended March 31, 2022 pursuant to SEBI listing regulations and no material financial or commercial transactions, which may have a potential conflict with the interest of the Company, were reported by them. A declaration to this effect, signed by the Chairman and Managing Director is enclosed as **Annexure - b** to this report.

## 7. CODE FOR PREVENTION OF INSIDER TRADING

During the year, the Company has amended the ITI code of conduct to Regulate, Monitor and Report Trading by Designated persons and their immediate relatives and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (Insider Trading Code) effective 12<sup>th</sup> November 2021. The amended Insider Trading Code of the Company is available on the website of the Company at [https://www.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies).

## 8. DIVIDEND DISTRIBUTION POLICY

The Company has adopted the Dividend Distribution Policy, framed broadly in line with the provisions of Companies Act, 2013 and also taking into consideration, guidelines on "Capital Restructuring of Central Public Sector Enterprises" issued by Dept of Investment and Public Asset Management (DIPAM), Ministry of Finance, Dept. of Public Enterprises, SEBI and other guidelines, to the extent applicable. The policy shall deem to cover the amendments if any, issued by any of the regulatory authorities and / or Govt. of India from time to time.

This policy lays down the general framework for considering and deciding the distribution of dividend to the Company's shareholders and / or retaining of earnings for sustained growth.

The said policy is available on the website of the Company at [https://www.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies)

## 9. COMPLIANCE CERTIFICATE BY CEO/ CFO

In terms of Regulation 17(8) of Listing Regulations, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting for the year 2021-22 is enclosed as **Annexure-c** to this report.

## 10. DISCLOSURES

- (a) The Company has amended policy on Related Party Transaction effective from 12<sup>th</sup> November 2021, which is hosted on the website of the Company and can be accessed at the following link: [https://www.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies). During the year under review the Company did not enter into any contracts, arrangements and transactions with any related party which are not at arm's length basis and ordinary course of business. No materially significant related party transactions are entered into that may have potential conflict with the interest of the Company at large. The details of related party transactions are placed before the Audit Committee.

## (b) NON-COMPLIANCES/STRICTURES/PENALTIES DURING THE LAST THREE YEARS

During FY 2021-22, the Company has complied with the requirements of Listing Regulations and DPE Guidelines except for the following :

- The Company has received notices from the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) regarding non-compliance with the requirements pertaining to the composition of the Board including Women Independent Director, Composition of Committee and quorum for Meetings and had imposed monetary penalty for the same.

- The Company has wrote to the Exchange(s) clarifying that the shortfall in appointment of Independent Directors was not due to any negligence / default by the Company as the appointment of Directors is done by the Government of India. The Company has made representation to Exchanges for waiver of penalty levied. With the appointment of three Independent Directors by the Ministry of Communication w.e.f. 10.11.2021 the Board Committees has been reconstituted in compliance with the composition requirement of Listing Regulations and DPE Guidelines.

There were no other penalties or strictures imposed on the Company by Statutory Authorities for non-compliance related Capital Market.

**(c) VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has established a mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who avail the mechanism, and allows direct access to the Chairperson of the Audit Committee. During the year, no person was denied access to the audit committee. The Whistleblower Policy is available on our website, at <https://www.ititd.in/vigilance>

**(d) COMPLIANCE WITH THE MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements specified in Listing Regulations on Corporate Governance, excepting those non-compliances as observed in the Certificate on Corporate Governance and the Secretarial Audit Report. The reasons for non-compliance have been furnished separately as reply to the observations of Secretarial Auditors.

**(e) ADOPTION OF NON-MANDATORY REQUIREMENTS**

- The requirement of maintenance of an office for the Non-executive Chairman and the reimbursement of expenses to him are not applicable to the Company as the Company has an Executive Chairman.
- The Company's financial results are published in Business Standard/ Financial Express (in English), Sanjevani (in Kannada) and Dakshin Bharat Rashtramath (in Hindi). Further as required under SEBI (LODR), the results of the Company including significant events and information are furnished immediately to the Stock Exchanges and also uploaded in the Company's website [www.ititd.in](http://www.ititd.in) for the information of shareholders and other investors. Hence the financial results are not being sent individually to the shareholders.
- The consolidated financial statement is disclosed with modified audit opinion.
- Internal Audit reports containing periodical reports includes significant findings, if any, and the same is reviewed by the Audit Committee periodically. The Chief of Internal Auditor reports directly to Chairman and Managing Director and Chairperson of Audit Committee and is a permanent invitee to the meeting of Audit Committee

**(f) COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES :**

Foreign Exchange Risks are being hedged through derivatives such as Forward Contracts.

**(g) DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMAN AT WORK PLACE:**

The disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in Directors' Report.

**(h) DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT**

During the year under review, as part of revival package approved by Cabinet Committee on Economic Affairs (CCEA), the Company has received capital grant of Rs 71.56 Crores for which the Company has issued and allotted 83,21,279 equity shares on 25.05.2022 to the President of India at Rs 86 per share on preferential allotment basis. Detailed fortnight report on CAPEX utilization is being sent to Ministry of Communications, Administrative Ministry

**(i) RECOMMENDATIONS OF COMMITTEES**

During the financial year 2021-22, the Board has accepted all the recommendation of the Board Committees, which were mandatorily required

**(j) DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS**

The total amount paid to the Statutory Auditors for all services rendered by them to the Company during 2021-22 was Rs 12,85,000 plus GST

**(k) PRESEDENTIAL DIRECTIVES & GUIDELINES**

No Presidential Directives have been received during financial year 2021-22 and also in the last three years.

No items of expenditure, other than those directly related to its business or incidental thereto, those spent towards the welfare of its employees/ ex-employees, towards fulfilling its Corporate Social Responsibility, were debited in the books of accounts.

Expenses incurred for the Board of Directors and Top Management are in the nature of salaries, allowances, perquisites, benefits and sitting fees as permissible under the rules of the Company. No other expenses, which are personal in nature, were incurred for the Board of Directors and Top Management.

Administrative and office expenses as a percentage of total expenses and reasons for increase, if any:

The General administrative expenses were 2% of the total expenses during 2021-22 which was same as that of the previous year.

**11. GENERAL SHAREHOLDER INFORMATION**

**a) Annual General Meeting for Financial Year 2022**

Date :28<sup>th</sup> September 2022

Time :11.30 a.m.

Venue :The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 05<sup>th</sup> May 2020 read with MCA circular dated 05<sup>th</sup> May 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

As required under Regulation 36(3) of the Listing Regulations and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

**b) Financial Calendar**

Tentative calendar for declaration of financial results for 2022-23 is given below:

Adoption of Quarterly Results for the quarter ending on	Date / tentative date of the meeting of the Board
30.06.2022 (with limited review by Statutory Auditors)	10.08.2022
30.09.2022 (with limited review by Statutory Auditors)	On or before 14.11.2022
31.12.2022 (with limited review by Statutory Auditors)	On or before 14.02.2023
31.03.2023 (audited)	On or before 30.05.2023

The Compliance Officer specifies the closure of trading window for dealing in securities of the Company to "Insiders" from time to time. Generally the trading window for dealing in securities of the Company remain closed for Insiders from the end of each quarter till 48 hours after the financial results for the quarter are filed with the stock exchanges. All the communications in this regard are sent to the Stock Exchanges, through mail to the Insiders and the notices also uploaded on the website of the Company at [https://www.ititd.in/noc\\_of\\_trading\\_window](https://www.ititd.in/noc_of_trading_window).

**(c) Listing on Stock Exchanges and payment of listing fees**

Company's equity shares are presently listed in following stock exchanges:

Name & Address	Telephone/Fax/E-mail ID/ Website ID	Trading Symbol
<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400 001	Telephone:022-22721233/4 Fax: 022-22721919 E-mail:bsehelp@bseindia.com Website:www.bseindia.com	523610
<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai- 400 051	Telephone: 022-26598100-8114 Fax: 022-26598120 E-mail: ignse@nse.co.in Website: www.nseindia.com	ITI

The Company has paid listing fee for 2021-22 to BSE and NSE

**d) Custodian Fees to Depositories**

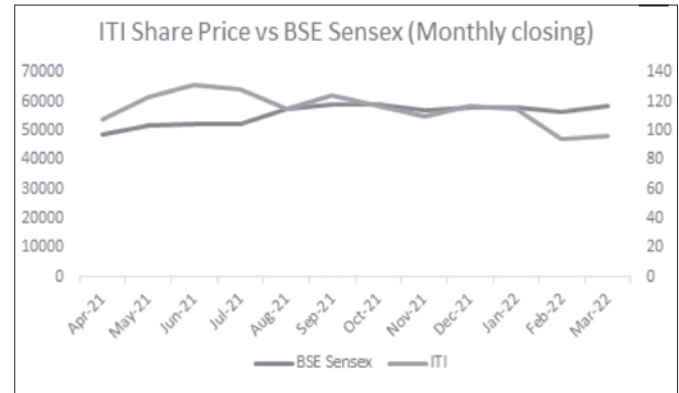
Custodian Fee to National Securities Depositories Limited NSDL and Center Depositories Services (India) Limited CDSL for Company's equity, bearing the code INE248A01017, has been paid for the Financial Year 2021-22.

**e) Market Price Data**

The details of high/low market prices of the shares of the Company during each month on BSE and NSE are as under:

Month	BSE (Rs.per share)			NSE (Rs.per share)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
Apr-21	119.30	102.20	6,77,585	119.35	102.00	54,17,653
May-21	127.35	106.15	14,20,238	127.50	106.00	1,68,45,351
Jun-21	140.00	119.95	30,65,188	137.65	119.85	4,24,66,393
Jul-21	143.70	124.00	18,40,812	143.80	123.95	2,55,58,695
Aug-21	135.45	110.50	7,69,392	135.50	110.35	81,94,186
Sep-21	129.20	114.15	8,69,053	128.55	114.15	1,22,54,458
Oct-21	133.40	116.15	12,31,872	133.50	116.25	1,63,90,567
Nov-21	123.35	107.90	6,71,748	123.40	107.50	58,97,019
Dec-21	125.00	109.00	13,39,811	124.80	108.90	1,35,02,852
Jan-22	122.60	112.35	5,51,354	123.00	112.25	53,64,722
Feb-22	121.05	90.00	7,34,234	121.70	90.00	76,84,270
Mar-22	104.80	91.50	7,06,097	104.90	91.60	63,98,958

**f) Performance of the Company's shares in comparison to broad based indices such as BSE Sensex**



**g) Date of Book closure**

The Register of Members and the Share Transfer Register of the Company would remain closed from 22<sup>nd</sup> September 2022 to 28<sup>th</sup> September 2022 (both days inclusive).

**h) Registrar and Share Transfer Agent**

Integrated Registry Management Services Private Limited, a SEBI registered Category I Registrar and Share Transfer Agent (RTA) is the Company's Registrar and Share Transfer Agent.

Address : 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560003,  
Phone No. : 080-23460815-818  
Fax : 080-23460819  
E-Mail : irg@integratedindia.in

**i) Share Transfer System**

In accordance with Regulation 40 of the Listing Regulations, as amended, the Company has stopped accepting any fresh transfer requests for securities held in physical form. Accordingly, securities of listed companies can be transferred only in dematerialised form.

Further, SEBI has, vide its circular dated 25<sup>th</sup> January 2022, mandated companies to issue its securities in demat form only while processing various service requests such as issue of duplicate share certificates, sub-division, consolidation, transmission, etc. to enhance ease of dealing in securities markets by investors. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at [https://www.ititd.in/common\\_and\\_simplified\\_norms](https://www.ititd.in/common_and_simplified_norms)

In view of the aforesaid, Members who are holding shares in physical form are hereby requested to convert their holdings in electronic mode to avail various benefits of dematerialisation.

**j) Shareholding as on 31<sup>st</sup> March 2022**

**i. Categories of shareholding as on 31<sup>st</sup> March 2022**

Sr. No.	Particulars	No. of Share holders	No. of Shares	% to total
1.	Promoter- President of India	1	83,98,58,083	89.97
2.	Promoter Group- Governor of Karnataka	1	3,12,500	0.03
3.	Institutions:			
	Mutual Fund	8	39,332	0.00

	FIs	15	3,80,191	0.04
	Financial Institutions/ Banks	16	31,695	0.00
	Insurance Companies	1	800	0.00
4.	Central Government: Special National Investment Fund (SNIF)	1	7,31,32,976	7.83
5.	Non-Institutions:			
	Individuals	77002	1,82,45,507	1.95
	NRI	495	3,65,919	0.04
	Bodies Corporate	270	9,03,294	0.10
	Clearing Members	104	2,52,472	0.03
	LLP	1	100	0.00
	<b>Total</b>	<b>77,915</b>	<b>93,35,22,869</b>	<b>100.00</b>

## ii. Distribution of Shareholding as on 31.03.2022

SL NO	Description	Holders	% of Holders	Holdings	% of Holdings
1	1-500	71,394	92	78,95,228	0.85
2	501-1000	3,900	5	32,00,892	0.34
3	1001-2000	1,603	2	24,61,620	0.26
4	2001-3000	435	1	11,09,244	0.12
5	3001-4000	170	0	6,16,546	0.07
6	4001-5000	150	0	7,09,180	0.08
7	5001-10000	164	0	12,14,331	0.13
8	10001 & above	99	0	91,63,15,828	98.16
	<b>TOTAL</b>	<b>77,915</b>	<b>100</b>	<b>93,35,22,869</b>	<b>100.00</b>

## iii. Dematerialization of Shares and Liquidity

The Company's shares are admitted in to both the depositories i.e. National Securities Depository Limited ('NSDL') 92,36,13,321 shares and Central Depository Services (India) Limited ('CDSL') 92,86,294 shares in dematerialized mode. 6,23,254 equity shares are held in physical form.

The Company has a shareholders base of 77,915 as on 31st March 2022.

99.93% of total equity shares of the Company are held by the investors in dematerialized form with NSDL and CDSL.

The Company's shares are being traded under International Securities Identification Number (ISIN)-INE248A01017

## k) Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity

No GDRs/ ADRs/ Warrants or any convertible instruments have been issued by the Company and hence there would not be any impact on the equity.

## l) Plant locations

ITI Limited has Bangalore Plant in the State of Karnataka, Palakkad Plant in the State of Kerala, Rae Bareilly Plant, Naini Plant and Mankapur Plant in the State of Uttar Pradesh and Srinagar Plant in the Union Territory of Jammu and Kashmir.

## m) Address for correspondence with the Company

Shareholders/Investors may send their correspondence to the Company Secretary, ITI Limited, ITI Bhavan, Doorvani Nagar, Bengaluru- 560016, Karnataka, India

## n) Credit Rating

During the year under review, the Company had obtained following credit ratings:

S. No.	Name of Rating Agency	Rating	Date of Rating
1.	Brickwork Ratings India Pvt Ltd	Long Term Rating – BWR A-(CE) Short Term Rating – BWR A2+(CE) Outlook - Stable	24.02.2022
2.	ICRA Limited	Long Term Rating – [ICRA] BBB- Short Term Rating – [ICRA] A3 Outlook-Stable	10.03.2022
3.	Acuite Ratings & Research Limited	Long Term Rating – Acuite BBB+ Short Term Rating – Acuite A2 Outlook-Stable	10.06.2021

## o) Disclosures with respect to demat suspense account/unclaimed suspense account:

As on 31<sup>st</sup> March 2022, there were no unclaimed shares of the Company pending for transfer in the demat suspense account/unclaimed suspense account

## p) Investor Education and Protection Fund (IEPF)

In terms of the provisions of the Companies Act, 2013 read with rules made thereunder, as on 31<sup>st</sup> March, 2022, no amount and shares are required to be transferred to IEPF.

## q) Disclosure of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

No loans and/or advances are given to firms/companies in which directors are interested

## 12. SECRETARIAL AUDIT REPORT AND CERTIFICATES FROM COMPANY SECRETARY IN PRACTICE

A certificate from a Company Secretary in Practice that none of the directors on the Board of the Company have been debarred or disqualified, for the year ended 31.03.2022, from being appointed or continuing as directors of Company is enclosed as **Annexure -a** with this report

The Secretarial Audit has been conducted by Shri D Venkateswarlu, Practicing Company Secretary with respect to compliance to the applicable provisions of the Companies Act, 2013, Listing Regulations, DPE guidelines, SEBI Regulations and other applicable laws. The Secretarial Audit Report forms part of Directors report

The Annual Secretarial Compliance Report for the Year Ended 31st March 2022 was issued by Shri D Venkateswarlu, Practicing Company Secretary has been filed with the Stock Exchanges.

Certificate from Shri D Venkateswarlu, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance as stipulated under Listing Regulations is enclosed as **Annexure-d** to this report.

## 13. COMPLIANCE

Your Company submits quarterly Corporate Governance reports as per prescribed format to the Ministry of Communications and Stock Exchanges within 15 days and 21 days respectively from the close of quarter.

## 14. DPE GRADING

Your Company submits a grading report on the compliance with the Corporate Governance with Ministry of Communications on quarterly and annual basis. As per the grading report, your Company was rated as 'Excellent' with a composite score of 93% for the year 2021-22.

For & on behalf of the Board

**D Venkateswarlu**

Director Production,

(Addl. charge) Chairman and Managing Director &

(Addl. charge) Director HR

DIN : 08605954

Place: Bengaluru

Date : 10<sup>th</sup> August 2022

**Annexure- a**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
**The Members**  
**ITI Limited**  
**(CIN: L32202KA1950GOI000640)**  
**ITI Bhavan, Doorvani Nagar,**  
**Bengaluru - 560 016**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ITI Limited having CIN: L32202KA1950GOI000640 and registered office at ITI Bhavan, Doorvani Nagar, Bengaluru- 560 016 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

SI No	Name of the Director	DIN	Date of appointment in Company
1	Shri Rakesh Mohan Agarwal	07333145	08/06/2016
2	Shri Shashi Prakash Gupta <sup>1</sup>	08254999	15/10/2018
3	Shri Duvvuri Venkateswarlu	08605954	07/11/2019
4	Shri Rajeev Srivastava	08921307	15/10/2020
5	Shri Rakesh Chandra Tiwari	08953397	07/01/2021
6	Lt Gen Milind Narayanrao Bhurke	09168118	07/05/2021
7	Dr. Rajesh Sharma	08200125	14/08/2018
8	Shri Rajen Vidyarthi <sup>2</sup>	08196235	08/08/2018
9	Dr. Akhilesh Charan Dube <sup>2</sup>	08195896	08/08/2018
10	Shri Mayank Gupta <sup>3</sup>	03501227	13/08/2018
11	Dr. Shanmugam Komarapalayam Rangasamy <sup>4</sup>	08211253	30/08/2018
12	Shri Raja Nayak <sup>5</sup>	06451006	10/11/2021
13	Smt Mamta Palariya <sup>5</sup>	07749007	10/11/2021
14	Shri Billeswar Sinha <sup>5</sup>	09393543	10/11/2021

<sup>1</sup> Held the post of Director (HR) up to 30<sup>th</sup> June 2021

<sup>2</sup> Completed term as an Independent Director on 07<sup>th</sup> August 2021

<sup>3</sup> Completed term as an Independent Director on 12<sup>th</sup> August 2021

<sup>4</sup> Completed term as an Independent Director 29<sup>th</sup> August 2021

<sup>5</sup> Appointment as Independent Director w.e.f. 10<sup>th</sup> November 2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bengaluru  
Date : 01<sup>st</sup> August 2022

**D VENKATESWARLU**  
Practicing Company Secretary  
FCS: 8554 :: CP: 7773  
UDIN: F008554D000720452  
PR No: 1617 / 2021

## Annexure- b

### DECLARATION

Pursuant to relevant provisions under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Department of Public Enterprises (DPE) guidelines all Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management Personnel of the Company for the year ended 31<sup>st</sup> March, 2022.

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl. charge) Chairman and Managing Director &  
(Addl. charge) Director HR  
DIN : 08605954

## Annexure- c

### CEO / CFO CERTIFICATION

*(Pursuant to Regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 & DPE guidelines on Corporate Governance)*

To  
**The Board of Directors of ITI Ltd.**

We have reviewed the balance sheet and profit and loss account and all its schedules and notes on accounts, as well as the cash flow statements and the Directors' report of ITI Limited for the year ended 31<sup>st</sup> March 2022 and that to the best of our knowledge and belief, we state that:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) these statements together present a true and fair view of your Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or in violation of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken for rectifying these deficiencies.
- (d) We have disclosed, wherever applicable, to your Company's Auditors and the Audit Committee of the Company's Board of Directors
- Significant changes in internal controls over financial reporting during the year
  - All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements: and
  - Instances of significant fraud of which we are aware, that involves management or other employees who have a significant role in your Company's internal control system over financial reporting.

**Rajeev Srivastava**  
Director Finance & Chief Financial Officer  
DIN : 08921307

**D Venkateswarlu**  
Director Production,  
(Addl charge) Chairman and Managing Director &  
(Addl charge) Director HR  
DIN : 08605954

Place : Bengaluru  
Date : 10<sup>th</sup> August 2022

## Annexure- d

**CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of ITI Limited

I, D Venkateswarlu, Secretarial Auditor of ITI Limited (CIN: L32202KA1950G01000640) ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of the Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations')

**Managements' responsibility:**

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance in the SEBI Listing Regulations.

**Auditors' Responsibility:**

My responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I have carried out examination of relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India.

**Opinion:**

Based on my examination of the relevant records and according to the information and explanations provided to me and the representation made by the directors and management of the Company, I certify that the Company has complied with the conditions of Corporate Governance as specified and stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of the Schedule V of the Listing Regulations during the year ended March 31, 2022 subject to the following:

- The Company has not complied with the provisions of Regulation 17 (1) of LODR with respect to Composition of Board of Directors of the Company {for not having woman director from 1<sup>st</sup> April 2021 to 09<sup>th</sup> November 2021 and proper balance of independent directors}.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Bengaluru

Date : 01<sup>st</sup> August 2022

**D VENKATESWARLU**

Practicing Company Secretary

FCS: 8554 :: CP: 7773

UDIN: F008554D000722685

PR No: 1617 / 2021



## AWARDS

### ITI Mankapur Plant bags National Safety Award

ITI Mankapur Plant has bagged 'National Safety Award' for outstanding performance in Industrial Safety as Runner-Up during the Performance Year 2018 in achieving 'Lowest Average Frequency Rate'. The award was presented by Shri Bhupender Yadav, Hon'ble Minister of Labour & Employment and Environment, Forest & Climate Change, Government of India at National Safety Awards ceremony held at Vigyan Bhawan, New Delhi on March 8, 2022.



The Award was received by Shri Ajay Kumar Srivastava, Unit Head, ITI Mankapur Plant.

## EVENTS

### Shri Devusinh Chauhan, Hon'ble Minister of State for Communications, GoI visits ITI Limited



Shri Devusinh Chauhan, Hon'ble Minister of State for Communications, GoI visited ITI Limited on July 16, 2021. During his visit, Shri Devusinh Chauhan inaugurated PLB-HDPE Duct Manufacturing Plant in the presence of Shri R M Agarwal, CMD, ITI Limited, Shri D. Venkateswarlu, Director (Production), Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), Shri B. Kasiviswanathan, CVO, Brig. B C Sharma (Retd), Unit Head, ITI Bangalore Plant and senior officers, employees, representatives of ITI employees' union and officers' association at Bengaluru. On the occasion, Hon'ble Minister of State for Communications addressed the gathering. He also visited the state-of-the-art manufacturing facilities at SMT Line, R&D, Start-up Hub, 3D Printing and Data Center.



Shri Devusinh Chauhan, Hon'ble Minister of State for Communications inaugurated Diagnostic Center at ITI Hospital in the presence of senior officers.



Hon'ble Minister of State for Communications visited ITI Corporate Office on July 16, 2021. On the occasion, Shri R M Agarwal, CMD, ITI Limited gave an overview of the Company in the presence of senior officers of the Company. Hon'ble Minister of State for Communications also reviewed the performance of the ongoing projects and ITI manufacturing plants.



### Shri Prahlad Kumar Sinha, Member (Finance), Department of Telecommunications, GoI visits ITI Limited



Shri Prahlad Kumar Sinha, Member (Finance), Department of Telecommunications, GoI visited ITI Limited on July 24, 2021. He was welcomed by Shri R M Agarwal, CMD, ITI Limited in the presence of Shri D. Venkateswarlu, Director (Production), Shri Rajeev Srivastava, Director (Finance), Brig. B C Sharma (Retd), Unit Head, ITI Bangalore Plant, senior officers, representatives of ITI employees' union and officers' association at ITI Bangalore Plant.

During the visit, Member (Finance) visited the state-of-the-art manufacturing facilities at SMT Line, 3D Printing, WiFi Production, Data Centre, R&D and Startup Hub of ITI Bangalore Plant.

Shri P K Sinha, Member (Finance) visited ITI Corporate Office. Shri R M Agarwal, CMD, ITI Limited gave an overview of the Company. On the occasion, Shri P K Sinha held discussions with senior officers and reviewed the performance of the Company.



### Shri Deepak Chaturvedi, Member (Services), Department of Telecommunications, GoI Visits ITI Limited

Shri Deepak Chaturvedi, Member (Services) along with Shri P K Singh, DDG (SA) and Shri H K Sharma, Director (PSU-II), Department of Telecommunications, GoI visited ITI Limited on August 30, 2021. The officials were welcomed by Shri R M Agarwal, CMD, ITI Limited in the presence of Shri D. Venkateswarlu, Director (Production), Brig. B C Sharma (Retd), Unit Head, ITI Bangalore Plant, senior officers, representatives of ITI employees' union and officers' association at ITI Bangalore Plant. During the visit, Member (Services) witnessed the state-of-the-art manufacturing facilities like SMT Line, 3D Printing, WiFi Production, Data Centre, R&D and Startup Hub at ITI Bangalore Plant.

Shri Deepak Chaturvedi, Member (Services), Shri P K Singh, DDG (SA) and Shri H K Sharma Director, (PSU-II) visited ITI Corporate Office. A meeting was organized to review the status of ongoing projects. Shri R M Agarwal, CMD, ITI Limited highlighted the performance of the Company. Shri Deepak Chaturvedi, Member (Services) interacted with ITI Management and reviewed the progress of the ongoing projects / products of the Company.



### Shri R M Agarwal, CMD, ITI Limited Meets Shri K Rajaraman, IAS, Telecom Secretary

Shri R M Agarwal, CMD, ITI Limited met Shri K Rajaraman, IAS, Telecom Secretary on October 1, 2021. Shri Agarwal gave an overview of the Company, highlighted the status of ongoing projects and discussed the initiatives undertaken by ITI for 'Aatmanirbhar Bharat' and 'Digital India' initiatives of Gol.



### EMC Lab of ITI Bangalore Plant Receives Certificate of Accreditation from NABL

ITI Limited has set up the state-of-the-art Electromagnetic Compatibility (EMC) and Electromagnetic Interference (EMI) Testing Facilities at ITI Bangalore Plant. The Electromagnetic Compatibility Laboratory (EMC Lab) has received an accreditation from National Accreditation Board for Testing and Calibration Laboratories (NABL) in accordance with ISO/IEC 17025:2017 in the discipline of 'Electrical Testing'. With this accreditation, ITI can support manufacturers and product designers by detecting the slightest anomalies in the electromagnetic and electrical operations of their products and address frequent due diligence, compliance and market access challenges. Electromagnetic Compatibility (EMC) testing measures the ability of equipment or systems to function satisfactorily in their electromagnetic environment without introducing intolerable electromagnetic disturbance to anything in that environment.



### ITI Limited Holds Synergy Meeting with Department of Posts and Centre for Development of Telematics

A team of officials, Smt Sharda Sampath, Chief Postmaster General, Shri Kishan Kumar Sharma, Chief General Manager, Centre for Excellence in Postal Technology, Shri Saravanan, GM-Infra, Shri B.S Chandrashekhara, Senior Superintendent of Post Offices from Department of Posts (DoP) and Dr. Sreenath Settur, Head TOT & PPMS, Dr. Y V S Lakshmi, Group Leader-IPR, Marketing/KMG from Centre for Development of Telematics (C-DoT) visited ITI Limited on August 16, 2021. During the visit, the officials witnessed the facilities of ITI Bangalore Plant like SMT Line, R&D Centre, Data Center and Start up Hub along with Shri D. Venkateswarlu, Director (Production) and Brig. B C Sharma (Retd), Unit Head, ITI Bangalore Plant, and held discussions with senior management officers of the plant.



The officials visited ITI Corporate Office. Shri R M Agarwal, CMD, ITI Limited along with Shri D. Venkateswarlu, Director (Production) and senior officers welcomed them. On the occasion, a meeting was organized to review synergy efforts among ITI Limited, Department of Posts and Centre for Development of Telematics. Shri D. Venkateswarlu set the context for the deliberations on synergy efforts complied with the directives of the National Telecom Policy of Ministry of Communications, DoT. A presentation on the overview of the Company, its products and services was made during the meeting. Shri R M Agarwal held discussions with the officials, informed them about the products & services available at the plants/units and urged to explore various avenues for synergizing the potentials among the three organizations. He stressed that at the first instance PM - WANI could be taken up to exhibit synergy among the three organizations, C-DoT as solution provider, ITI as manufacturer and DoP as service provider.



## Shri Ashok Kumar Mittal, Member (Services), DCC visits ITI Limited

Shri Ashok Kumar Mittal, Member (Services), DCC, Dr. Rajesh Sharma, DDG (SU) and Government Director and Shri Mukesh Mangal, DDG (SA-II), Department of Telecommunications, Ministry of Communications, Govt visited ITI Limited on March 11, 2022. The officials were welcomed by Shri D. Venkateswarlu, Director (Production) & Additional Charge Director (HR), Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) and senior officers at ITI Bangalore Plant.

Shri Ashok Kumar Mittal, Member (Services), Dr. Rajesh Sharma, DDG (SU) and Government Director and Shri Mukesh Mangal, DDG (SA-II) visited the facilities of Bangalore Plant at SMT Line, Telecom Testing Lab, R&D, Data Centre, and Startup Hub Vinyas.



Shri Ashok Kumar Mittal, Member (Services) along with Dr. Rajesh Sharma, DDG (SU) and Government Director, and Shri Mukesh Mangal, DDG (SA-II) visited Corporate Office. A meeting was organized to review the progress of ongoing projects. Shri D. Venkateswarlu, Director (Production) & Additional Charge Director (HR) gave an overview of the Company and reviewed the status of ongoing projects.

## Committee on Public Undertakings (COPU) (2021-22) visits Bangalore

A study-visit of Committee on Public Undertakings (COPU) (2021-22) to Visakhapatnam, Hyderabad and Bengaluru was organized by BEML, HAL, ITI Limited, NTPC, BEL and Power Grid from April 23 to 28 April, 2022. The Committee chaired by Hon'ble Chairperson, Shri Santosh Kumar Gangwar, the former Minister of State with independent charge in the Ministry of Labour and Employment along with Members of Parliament, Shri K C Ramamurthy, Shri Anil Desai, Shri Ramdas Chandrabhanji Tadas, Shri Syed Nasir Hussain and Shri M Shanmugam, and Officials of Parliament, Shri Vinod Kumar Tripathi, Joint Secretary, Shri G C Prasad, Additional Director, Smt Mriganka Achal, Deputy Secretary, Shri Dhruv, Executive Officer, Shri Vinay Dua, Joint Director & PS to Chairperson and Shri Pramod Gupta, PS to Chairperson visited Bangalore on April 28, 2022.



During the study-visit, a meeting was organized on April 28, 2022 at Hotel Shangri-La Bengaluru. Shri R M Agarwal, CMD, ITI Limited made a presentation on the overview of the Company, highlighted the performance and reviewed the status of ongoing projects to the Committee Members in the presence of Shri D. Venkateswarlu, Director (Production) & Additional Charge Director (HR), Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) and Smt S Shanmuga Priya, Company Secretary. Shri Santosh Kumar Gangwar, Chairperson and Members of COPU also held discussions with ITI Management Officers.

**ITI Limited inks MoU with Department of Telecommunications for the Year 2021-22**



ITI Limited has signed a Memorandum of Understanding (MoU) with the Department of Telecommunications, Ministry of Communications, Government of India for the year 2021-22. The MoU was signed by Shri K Rajaraman, IAS, Secretary, Department of Telecommunications & Chairman, Digital Communications Commission (DCC), Government of India in the presence of senior officials from Department of Telecommunications at Sanchar Bhawan, New Delhi. Shri R M Agarwal, Chairman and Managing Director, ITI Limited signed the MoU on February 10, 2022. The MoU exercise is an annual and mandatory feature for all Central PSEs where the performance parameters are fixed between the CPSE and the Administrative Ministry. The MoU envisages to achieve turnover and profit for the Company for the year 2021-22 by giving greater thrust towards manufacturing of telecommunication equipment. The MoU also focuses to drive the 'Make in India', 'Digital India' and 'Aatmanirbhar Bharat' initiatives of the Government of India.

**ITI Limited organizes Blood Donation Camp at ITI Hospital**

ITI Limited in association with Rotary International Lake World & Indian Red Cross, Karnataka organized a two-day blood donation camp from July 10 to 11, 2021 at ITI Hospital. Overwhelmed by the great response, Shri R M Agarwal, CMD, ITI Limited highlighted the various welfare measures taken by the Company contributing to the betterment of the society in the current pandemic situation. He lauded this initiative and urged all employees and their family members to associate with this noble cause. The two-day event scheduled on July 10 and July 11 saw an active participation of employees, their family members and voluntary donors. ITI Limited has been contributing in preventing the spread of COVID 19 through various initiatives like manufacturing and distribution of face shields, sanitizing tunnel, face mask with detachable filter, face mask disposal machine etc., the Company with its dedicated team of doctors has been providing 24x7 medical services during this pandemic.



**ITI Limited organizes Medical Health Check-up Camp at ITI Hospital**



ITI Limited organized a two-day free medical health check-up camp at ITI Hospital, Bengaluru from August 5 to 6, 2021. The key objective of the health check-up was to create awareness among the people of the significance of routine check-ups and the importance of maintaining a healthy lifestyle. ECG, blood pressure check, haemoglobin, glucose random blood sugar and urine routine tests were done during the camp. Medical Specialist Doctors provided free consultation in orthopaedics, ophthalmology and general medicine. Around 400 people from ITI Township, Ramamurthy Nagar, KR Puram, Vijinapura, Mahadevapura and Banasawadi benefitted from the health check-up.

## ITI Limited Celebrates 75<sup>th</sup> Independence Day

ITI Limited celebrated 75<sup>th</sup> Independence Day across its Manufacturing Plants/Units with fervor and patriotism on August 15, 2021. Shri R M Agarwal, CMD, ITI Limited hoisted the tricolour national flag after inspecting the guard of honour which was followed by salute and national anthem in the presence of Shri D. Venkateswarlu, Director (Production), Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), Shri B. Kasiviswanathan, CVO, senior officers, employees, representatives of employees' union, officers' association and family members at ITI Corporate Office.



## ITI Limited organizes Customer Meet 2021

ITI Limited organized a one-day Customer Meet at ITI Bangalore Plant on September 29, 2021. The event was aimed at having Industrialists and Micro, Small and Medium Enterprises (MSMEs) at one platform to make use of available infrastructure of ITI Limited including EMC Telecom Testing Lab for testing and certification of telecom equipment. Shri D. Venkateswarlu, Director (Production), ITI Limited inaugurated the event in the presence of Guest of Honour, Dr. D C Pande, Former Scientist & Associate Director, LRDE, Shri Hanumantha Rao, DDG (SR), TEC, Smt Ila Bahadur, EDR(P&O) and senior officers of ITI Limited. Shri D. Venkateswarlu highlighted about ITI's Manufacturing Infrastructure & Services like SMT Line, PCB Plant, Testing Labs, Data Center, Startup Hub and urged the Industry Partners to avail the facilities in ITI. On the occasion, Dr. D C Pande gave a presentation of the MTCTE Portal of TEC and spoke about latest notifications of Mandatory Testing

& Certification of Telecommunication Equipment (MTCTE). As per the notification of Department of Telecommunications, Ministry of Communications, 'The Indian Telegraph (Amendment) Rules, 2017', it is mandatory that all the telecom equipment manufactured in India shall have to undergo prior mandatory testing and certification in respect of parameters as determined by the telegraph authority from time to time.

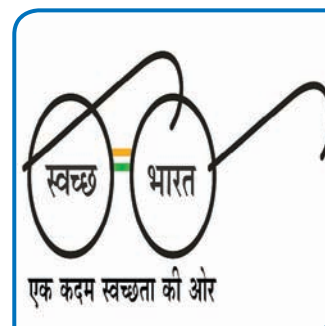


## Shri R M Agarwal, CMD, ITI Limited Inaugurates 100 KW Solar Rooftop Power Plant

Shri R M Agarwal, CMD, ITI Limited inaugurated the 100 KW Solar Rooftop Power Plant at ITI Bhawan, Vibhuti Khand, Gomti Nagar in the presence of Shri Shashi Prakash Gupta, Principal Advisor, Shri Anupam Pandey, General Manager-Corporate Marketing & MSP NZ II and senior officers during his visit to MSP Lucknow on November 16, 2021. Speaking on the occasion, Shri R M Agarwal said, "ITI has set up the state-of-the-art manufacturing facility at Naini Plant for manufacturing Solar Panels. The Solar Panels used in the Solar Rooftop Tower Plant were manufactured in the Naini Plant". He emphasized the need for approaching the potential customers for their requirements of Solar Power Panels in Uttar Pradesh State.



## ITI Limited Observes Swachhata Pakhwada 2021



ITI Limited observed 'Swachhata Pakhwada' from November 16 to 30, 2021 at its Corporate Office and Manufacturing Units / Plants as part of 'Swachh Bharat Mission' of Government of India in compliance with the directives of Department of Telecommunications, Ministry of Communications. To begin the observation of Swachhata Pakhwada and to create awareness on cleanliness,

a 'Swachhata Pledge' was administered by Shri Rajeev Srivastava, Director (Finance) in Hindi followed by Shri Rakesh Chandra Tiwari, Director (Marketing) in English to all the employees on November 16, 2021 at ITI Corporate Office.



### ITI Limited Observes National Integration Day 2021

ITI Limited observed National Integration Day on November 19, 2021 at its Corporate Office and Manufacturing Plants/Units to promote peace, unity, integration and nurture a spirit of communal harmony. To mark the day, a National Integration Pledge was administered by Shri R M Agarwal, CMD, ITI Limited in English followed by Shri Rakesh Chandra Tiwari, Director (Marketing) in Hindi to all the employees at Corporate Office.



### ITI Limited Observes National Constitution Day

ITI Limited observed Constitution Day on November 26, 2021 to commemorate the adoption of the Constitution of India. To mark the day and create awareness of fundamental duties of citizens as enshrined in the Constitution, Preamble of Constitution was read out by Shri R M Agarwal, CMD, ITI Limited in English followed by Shri Rakesh Chandra Tiwari, Director (Marketing) in Hindi along with all the employees.



### ITI Limited Celebrates 73<sup>rd</sup> Republic Day



ITI Limited celebrated Nation's 73<sup>rd</sup> Republic day with great fervor and enthusiasm at its Corporate Office, and across Manufacturing Plants/Units on January 26, 2022. Shri D. Venkateswarlu, Director (Production) & Additional Charge Director (HR), ITI Limited hoisted the national flag in the presence Shri Rajeev Srivastava, Director (Finance), Shri B. Kasiviswanathan, CVO, senior officers, employees & family members at its Corporate Office, Bengaluru.

### ITI Limited Celebrates International Women's Day 2022

ITI Limited celebrated International Women's Day (IWD) 2022 with the theme 'Gender equality today for a sustainable tomorrow' across all its Manufacturing Plants/Units/Marketing, Sales and Projects Offices on March 8, 2022. Shri R M Agarwal, CMD, ITI Limited presided over the function in the presence of Shri Rajeev Srivastava, Director (Finance), Smt Ila Bahadur, EDR-P&O, Shri P C Jain, EDR-NSU, Brig. Brig. B C Sharma (Retd), Unit Head, GM-BG & R&D, ITI Bangalore Plant, Smt Swapna Agarwal, President, ITI Women's Welfare Association, and Guest of Honor, Dr. Supriya Bhagat. The event was inaugurated by the dignitaries by lighting the lamp in the presence of senior officers, women employees, representatives of Employees' Union and Officers' Association at ITI Bangalore Plant. The prize winners of women's day competitions were felicitated by ITI Management on the occasion.





# STANDALONE FINANCIAL STATEMENTS

## SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareilly Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

### 1) Basis of Preparation

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

#### Basis of Measurement:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

- a. Derivative financial instruments, if any
- b. Financial assets and liabilities that are qualified to be measured at fair value
- c. Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

### 2) Use of Estimates

The preparation of the financial statements in conformity with the IndAS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

### 3) Functional and presentation currency

Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

### 4) Revenue Recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is

satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

#### a. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

#### b. Ex- Works Contract

When specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.

#### c. FOR Contracts

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

#### d. Bill and Hold Sales

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

- i. it is probable that delivery will be made;
- ii. the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;
- iii. the buyer specifically acknowledges the deferred delivery instructions; the usual payment terms apply

#### e. Services and Construction contracts

Revenue on time-and-material and unit of work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized rateably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or rateably using a percentage-of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards

completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

Some contracts include multiple performance obligations, such as the supply of systems, equipment etc., and maintenance services. Consideration towards maintenance services is therefore identified and accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

For other fixed-price contracts, revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

**f. Interest income**

Interest income is recognized using the effective interest rate method.

**g. Dividend**

Dividend income is recognised when the Company's right to receive dividend is established.

**h. Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

**i. Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

**j. Other Income**

Other Income not specifically stated above is recognised on accrual basis.

**5) Property, plant and equipment, Capital Work-in progress**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

**Capital work-in-progress**

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

**6) Intangible Assets, Intangible Asset under Development**

- a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development
- b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
- c. Cost of developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".
- d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

**7) Research and development expenses:**

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

**8) Impairment of Non-financial assets**

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

**9) Depreciation /Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

- a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
- b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or

destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.

- c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.
- d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### Amortization

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

#### Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars		(Years)
A.	(a) Building (other than factory buildings)	60
	(b) Factory building	30
	(c) Purely temporary erections	3
	(d) Building with dwelling units each with plinth area not exceeding 80 sqm.	30
B.	Furniture & Fittings	10
C.	Plant & Machinery	
	(a) General Rate (on double shift basis)	15
	(b) Special Rate: - Servers & Networks	6
	(c) Data Processing Machines including Computers	3
D.	Roads and compound Walls	10
E.	Office Machinery and Equipment	5
F.	Vehicles	8
G.	Assets costing less than `5,000/- are depreciated @ 100%	
	However, in respect of assets having original cost of `50,000/- and above, a residual balance of `5/- has been retained in the books.	

#### 10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

##### Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and

Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

##### Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

#### 11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### 12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

#### 13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

**14) Inventories**

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

**15) Work-in-process**

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales overheads and at the net realisable value, after providing for obsolescence, if any.

b. Work-in-process (Installation) is valued at lower of cost as recorded in the work orders and net realizable value, after providing for obsolescence, if any.

**16) Tools and Gauges**

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment. Loose tools are changed to reverse at the time of issue.

**17) Financial assets (Trade Receivables & Other receivables)**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

**18) Errors and Estimates**

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

**19) Income taxes**

Income tax comprises of current and deferred income tax

**Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

**Deferred tax**

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying

amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

**20) Warranty Liability**

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

**21) Foreign currencies**

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

**22) Employee benefits**

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.

c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

e. Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company remits the contribution to the ITI Employees' Provident Fund Trust. The trust after making a portion of contribution to the government-administered pension fund as per the regulations, invests the remaining funds in specific designated instruments as permitted by appropriate regulations. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government.

## 23) Provision & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements. However, contingent liabilities unless the possibility of an outflow of resources embodying economic benefits is remote and contingent assets where an inflow of economic benefits is probable are disclosed in the notes.

### Onerous Contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

## 24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices 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).

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

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## 25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

## 26) Financial Instruments

### a. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition

of the financial asset are included in the cost of the asset.

### b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost,
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI),
- iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),
- iv. Equity instruments (other than investments in associates – which is carried at cost) measured at fair value through other comprehensive income (FVTOCI).

### Derecognition

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset has expired.

### Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

## 27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## 28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

## 29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

- a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.
- b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
- c. In case of dues outstanding for a significant period of time, on a case to case basis

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

**30) Financial Liabilities**
**a. Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

**b. Subsequent measurement**

Measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss.
- ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IndAS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**c. Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**d. Trade and other payables**

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**31) Reclassification of Financial Instruments**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

**32) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**33) Cash dividend and non-cash distribution to equity shareholders**

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

**34) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**35) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Standalone Balance Sheet as at 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	1	265846.40	263464.20
(b) Capital work-in-progress	2	15439.20	16887.03
(c) Investment Property	3	6838.00	6746.53
(d) Goodwill		0.00	0.00
(e) Other Intangible assets		0.00	0.00
(f) Intangible assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial Assets			
(i) Investments	4(a)	40.55	40.55
(ii) Trade receivables	4(b)	23622.30	35272.92
(iii) Loans	4(c)	0.42	6.89
(iv) Others	4(d)	3.00	3.00
(i) Deferred Tax Assets (net)		0.00	0.00
(j) Other non current assets	5	0.52	0.52
		<b>311790.39</b>	<b>322421.64</b>
<b>(2) Current assets</b>			
(a) Inventories	6	19339.54	19369.90
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	7	272989.62	255210.34
(iii) Cash and cash equivalents	8(a)	1556.54	2793.67
(iv) Bank Balances other than (iii) above	8(b)	29104.81	51966.87
(v) Loans	9(a)	75304.56	55764.33
(vi) Others	9(b)	230581.96	171118.91
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other current assets	10	13578.72	9046.15
		<b>642455.76</b>	<b>565270.17</b>
<b>TOTAL</b>		<b>954246.15</b>	<b>887691.81</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	93352.29	93352.29
(b) Other Equity	12	165246.08	147469.60
		<b>258598.37</b>	<b>240821.89</b>
<b>Liabilities</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Government Grants Unutilised	13	4250.12	4731.62
(b) Financial Liabilities			
(i) Borrowings	14(a)	29940.00	30000.00
(ia) Lease Liabilities	14(b)	13.48	0.00
(ii) Trade Payables	14(c)		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises.		0.00	0.00
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		0.00	0.00
(iii) Others	14(d)	7386.26	7311.62
(c) Provisions	15	4619.26	5324.90
(d) Deferred Tax Liabilities		0.00	0.00
(e) Other Non current Liabilities	16	0.00	0.00
		<b>46209.12</b>	<b>47368.14</b>

## Standalone Balance Sheet as at 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17(a)	<b>131259.25</b>	116426.36
(ii) Lease Liabilities	17(b)	<b>74.67</b>	100.21
(iii) Trade Payables	17(c)		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises, and		<b>20679.84</b>	5395.25
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		<b>190131.42</b>	183148.06
(iii) Others	18	<b>185119.36</b>	174725.52
(b) Other current liabilities	19	<b>106775.23</b>	106041.81
(c) Provisions	20	<b>15398.89</b>	13664.57
(d) Current Tax Liabilities	21	<b>0.00</b>	0.00
		<b>649438.66</b>	599501.78
<b>TOTAL</b>		<b>954246.15</b>	887691.81

Note: The accompanying Significant Accounting Policies and notes form part of the financial statements  
As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For &amp; On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman &amp; Managing Director

DIN : 07333145

Place : Bengaluru

 Date : 25<sup>th</sup> May 2022



## Statement of Standalone Changes in Equity

### A. Equity Share Capital

₹In Lakhs

Particulars	2021-22	2020-21
<b>Balance at the beginning</b>	<b>93,352.29</b>	<b>92,511.95</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	840.34
<b>Balance as at end</b>	<b>93,352.29</b>	<b>93,352.29</b>

### B. Other Equity

₹In Lakhs

Particulars	Share application money pending allotment	Reserves and Surplus					Revaluation Surplus	Other items of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	OCI-Remeasurement of DBP	Other Reserves	Retained Earnings			
<b>Balance as at 01.04.2021</b>	-	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	-	<b>-1,90,282.59</b>	-	-	<b>1,47,469.60</b>
Changes in accounting policy / Prior Period errors									-
<b>Restated balance at the beginning of the current reporting period</b>	-	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	-	<b>-1,90,282.59</b>	-	-	<b>1,47,469.60</b>
Total Comprehensive Income for the current year				-1,486.07					-1,486.07
Dividends									
Transfer to retained earnings						12,106.26			12,106.26
Any other change									-
Capital Grant received during the year *	7,156.30								7,156.30
<b>Balance as at 31.03.2022</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.37</b>	-	<b>-1,78,176.34</b>	-	-	<b>1,65,246.08</b>
<b>Balance as at 01.04.2020</b>	-	<b>3,05,827.30</b>	<b>11,854.27</b>	<b>8,285.89</b>		<b>-1,90,219.01</b>	-	-	<b>1,35,748.45</b>
Changes in accounting policy / Prior Period errors *									-
-Depreciation						172.42			172.42
- Interest on Soft Loan						-1,356.20			-1,356.20
<b>Restated balance at the beginning of the current reporting period</b>						<b>-1,91,402.79</b>			<b>1,34,564.67</b>
Total Comprehensive Income for the current year				1,959.56					1,959.56
Dividends									
Transfer to retained earnings						1,120.20			1,120.20
Any other change			9,825.17						9,825.17
<b>Balance as at 31.03.2021</b>	-	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	-	<b>-1,90,282.59</b>	-	-	<b>1,47,469.60</b>

\*Note: Under the Rehabilitation Scheme approved by CCEA for the revival of ITI Limited sanctioned upon the Company being declared as a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985, financial assistance of ₹415679 lakhs was sanctioned in February 2014. As part of the revival scheme, the Company received Rs.7156.30 lakhs during the FY 2021-22 towards Capital expenditure which is treated as share application money pending allotment

Error Rectification: (i) During the year, the company has rectified an error in charging excess depreciation on buildings during 2019-20, amounting to Rs.172.42 lakhs which had already been fully depreciated during the year 2018-19 by a retrospective restatement of the carrying value of property, plant & equipment. (ii) The Company has rectified the error of non-provision of interest on the Soft loan from the Government of India for the period from 17.04.2014 to 31.03.2019 by a retrospective restatement of the interest payable account under the current liabilities. In both these cases, the corresponding effect has been given in the retained earnings for the earliest prior period presented

The accompanying significant accounting policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Standalone Statement of Profit and Loss for the year ended 31.03.2022

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>INCOME</b>			
I. Revenue from operations	22	186073.13	236218.27
II. Other Income	23	25456.63	16137.34
<b>III. Total Income (I + II)</b>		<b>211529.76</b>	<b>252355.61</b>
<b>IV. EXPENSES:</b>			
Cost of materials consumed	24	12045.53	17564.47
Purchase of Stock-in-Trade	25 (a)	62017.36	26893.89
Installation & Maintenance Charges	25 (b)	71390.78	147352.15
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1928.37)	(854.94)
Employee benefit expense	27	22217.84	29043.81
Finance costs	28	19213.03	15959.17
Depreciation and amortization expense	29	5002.95	4184.85
Other expenses	30	9464.39	11092.02
<b>Total Expenses</b>		<b>199423.50</b>	<b>251235.42</b>
<b>V. Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>12106.26</b>	<b>1120.20</b>
<b>VI. Exceptional Items</b>			
(i) Income		0.00	0.00
(ii) Expenses		0.00	0.00
<b>VII. Profit/(Loss) before tax (V + VI)</b>		<b>12106.26</b>	<b>1120.20</b>
<b>VIII. Tax expense:</b>			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	0.00
<b>IX. Profit/(Loss) for the year (VII-VIII)</b>		<b>12106.26</b>	<b>1120.20</b>
<b>X. Other Comprehensive Income</b>			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		1436.07	1959.56
B. (i) Items that will be reclassified to profit or loss		0.00	0.00
<b>XI. Total Comprehensive Income for the year (IX+X) Comprising Profit (Loss) and Other comprehensive Income for the year</b>		<b>10620.18</b>	<b>3079.76</b>
<b>XII. Earnings per equity share (for continuing operation):</b>			
<b>Basic &amp; Diluted (Face value of ₹ 10/- each):</b>		1.30	0.12
<b>Weighted average number of shares</b>		<b>933522869</b>	<b>926293676</b>

Note: The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

### For GRSM & Associates

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Standalone Cash Flow Statement for the year ended 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	<b>12106.26</b>	<b>1120.20</b>
<b>Adjustment For :</b>		
Depreciation	5002.95	4184.85
Financing Charges	19213.03	15959.17
Profit On Sale Of Investments	0.00	0.00
Interest/Dividend Received	(485.26)	(1160.60)
Loss On Sale Of Asset	0.00	0.00
Profit On Sale Of Asset	(344.48)	(2810.64)
Transfer From Grant-In-Aid	(21912.40)	(6675.51)
Other Comprehensive Income	(1486.07)	1959.56
Non-Cash Expenditure	1042.20	1201.29
<b>OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>13136.22</b>	<b>13778.32</b>
<b>Adjustment For:</b>		
Trade And Other Receivables	(90710.32)	(89334.87)
Inventories	30.36	(2037.71)
Trade Payables	34485.82	87177.60
Direct Taxes Paid	10.08	(3.64)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(43047.84)</b>	<b>9579.70</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(43047.84)</b>	<b>9579.70</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	(6016.08)	(3141.10)
Sale Of Fixed Assets	344.48	2810.64
Investments	0	0.00
Interest Received	485.26	1160.60
Proceeds from maturity/Deposit of Other Bank Balances	222862.06	(31441.10)
Dividend Received	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES [B]</b>	<b>17675.72</b>	<b>(30610.96)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Short Term Borrowings	14760.83	24968.18
Share Application Money	7156.30	10500.00
Adjustment with surplus	0.00	337.93
Grant-In-Aid Received	21430.89	0.00
Financing Expenses	(19213.03)	(15959.17)
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>24134.99</b>	<b>19846.94</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>1237.13</b>	<b>(1184.32)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>2793.67</b>	<b>3977.99</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>1556.54</b>	<b>2793.67</b>

Note: The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

For & On Behalf of Board of Directors

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022



## Notes to the Standalone Financial Statements

Note No. 1

Property, Plant & Equipment

FY 2021-22

₹ in Lakhs

PARTICULARS	GROSS BLOCK						DEPRECIATION					Net Carrying Value as at 31.03.2022
	GROSS AMOUNT 01.04.2021	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2022	ACCUMULATED DEP 01.04.2021	FOR THE PERIOD	DELETION	ADJUSTMENTS	TOTAL 31.03.2022	
<b>LAND:</b>												
-FREE HOLD	2,21,058.84	-	101.67	-	-	2,20,957.17	-	-	-	-	-	2,20,957.17
-LEASE HOLD	777.13	-	-	-	-	777.13	1.35	0.27	-	-	1.62	775.51
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	14,556.03	150.55	-	-	-	14,706.58	3,709.12	704.47	-	-13.15	4,400.44	10,306.14
PLANT & MACHINERY	39,436.72	5,141.35	203.79	-	-	44,374.27	10,884.80	3,467.65	85.17	166.12	14,433.41	29,940.87
OTHER EQUIPMENT	3,109.22	2,154.74	-	-	-	5,263.96	1,177.44	723.13	-	-165.07	1,735.50	3,528.46
OFFICE M/C & EQPT	343.96	65.98	-	-	-	409.94	240.74	53.97	-	-1.05	293.66	116.28
FURNITURE FIXTURE & FITTINGS	75.78	30.95	-	-	-	106.74	41.85	9.61	-	-0.37	51.09	55.65
VEHICLES	138.61	9.45	-	-	-	148.06	73.72	14.03	-	-	87.75	60.31
ELECTRICAL INSTALLATION	-	29.49	-	-	-	29.49	-	-	-	-	-	29.49
RIGHT OF USE (CAR LEASE)	102.03	-	-	-	-	102.03	5.10	20.41	-	-	25.51	76.52
<b>TOTAL</b>	<b>2,79,598.32</b>	<b>7,582.52</b>	<b>305.46</b>	<b>-</b>	<b>-</b>	<b>2,86,875.38</b>	<b>16,134.12</b>	<b>4,993.54</b>	<b>85.17</b>	<b>-13.52</b>	<b>21,028.98</b>	<b>2,65,846.40</b>

## Notes to the Standalone Financial Statements

Note No. 1

 FY 2020-21  
 ₹ in Lakhs

Property, Plant &amp; Equipment

PARTICULARS	GROSS BLOCK						DEPRECIATION					Net Carrying Value as at 31.03.2021
	GROSS AMOUNT 01.04.2020	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2021	ACCUMULATED DEP. 01.04.2020	FOR THE YEAR	DELETION	ADJUSTMENTS	TOTAL 31.03.2021	
<b>LAND:</b>												
-FREE HOLD	2,21,170.52	-	111.67	-	-	2,21,058.84	-	-	-	-	-	2,21,058.84
-LEASE HOLD	777.13	-	-	-	-	777.13	1.08	0.27	-	-	1.35	775.78
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	13,081.37	1,484.15	9.49	-	-	14,556.03	2,960.40	749.07	0.35	-	3,709.12	10,846.91
PLANT & MACHINERY	36,059.89	3,376.83	-	-	-	39,436.72	7,837.24	3,047.56	-	-	10,884.80	28,551.91
OTHER EQUIPMENT	3,083.64	30.08	-	-	-4.50	3,109.22	876.31	301.13	-	-	1,177.44	1,931.78
OFFICE M/C & EQPT	281.17	62.79	-	-	-	343.96	189.94	50.80	-	-	240.74	103.21
FURNITURE FIXTURE & FITTINGS	70.49	5.29	-	-	-	75.78	36.83	5.02	-	-	41.85	33.94
VEHICLES	138.61	-	-	-	-	138.61	59.37	14.35	-	-	73.72	64.89
ELECTRICAL INSTALLATION	-	-	-	-	-	-	-	-	-	-	-	-
RIGHT OF USE (CAR LEASE)	-	102.03	-	-	-	102.03	-	5.10	-	-	5.10	96.93
<b>TOTAL</b>	<b>2,74,662.82</b>	<b>5,061.17</b>	<b>121.16</b>		<b>-4.50</b>	<b>2,79,598.32</b>	<b>11,961.17</b>	<b>4,173.30</b>	<b>0.35</b>	<b>-</b>	<b>16,134.12</b>	<b>2,63,464.20</b>

**Notes:**

- There is a charge of ₹7 lakhs on 400 D type and 624 E type quarters in favour of Govt. of Karnataka towards subsidy received in terms of Subsidised Industrial housing Scheme.
- Factory building is on the leased land measuring 36 Kanals and 13 Marlas for which extension for lease is under process with J&K Government.
- There is a charge on title of property, plant and equipment, and other assets of the company in favour of various lenders for an aggregate amount of Rs. 357694 lakhs as these assets are pledged as security for liabilities.

**4. Non Availability of Title Deeds**

Bangalore: - ITI Ltd is in possession of 435 acres of land at K.R. Puram. Out of this, the Company is having title deeds for an area of approximately 375 acres. For balance area, only record of rights exist with the Company for use of land and proper title deeds are not held by the Company.

Mankapur: Out of 191.03 acres of land purchased from private owners, title deed for 41.77 acres land are not available with the management.

Naimi: - ITI Complex land (174.69 acres) was handed over by District Industrial Officer in 1969. The title deed of this land is still not transferred in the name of M/s ITI Ltd.

Palakkad: - The Company has Title/Lease deeds properties except in respect of land admeasuring 77 acres which has been resumed by Govt of Kerala and is under adjudication before apex court

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 2</b>		
<b>CAPITAL WORK-IN-PROGRESS</b>		
Capital Work-in-Progress at Cost	9004.29	6706.91
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>9004.29</b>	<b>6706.91</b>
Materials with Contractors	28.93	28.93
Less : Provision	28.93	28.93
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>Machinery at Cost</b>		
In-Transit	60.84	339.76
Awaiting Acceptance / Installation	6380.60	9846.89
	6441.44	10186.65
Less: Provision	6.53	6.53
<b>TOTAL</b>	<b>6434.91</b>	<b>10180.12</b>
<b>GRAND TOTAL</b>	<b>15439.20</b>	<b>16887.03</b>

### Capital Work in Progress Ageing Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at 31.03.2022
Projects in progress	1,922.78	225.17	118.06	6738.28	9004.29
Projects temporarily suspended	-	-	-	-	-
Machinery at cost- In Transit , Awaiting acceptance / Installation	1,220.27	2,234.16	1824.54	1155.94	6434.91
<b>TOTAL</b>	<b>3,143.05</b>	<b>2,459.33</b>	<b>1942.60</b>	<b>7894.22</b>	<b>15439.20</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan  
CWIP completion schedule

Project Name	Less than 1 year	1-2 years	2-3 years	More than 3 years
NIFT	-	-	-	6582.05
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6582.05</b>

Note: The Company has been mandated to construct NIFT Building for which M/s. TCIL, (A Govt. Of India Undertaking) was engaged as PMC and the entire construction was given to TCIL. As on date, the entire building has been constructed and handed over to NIFT but TCIL has not issued completion certificate for want of certain documents from Local Development authority. The Company is regularly following up with all the stakeholders to get the completion certificate

## Notes to the Standalone Financial Statements (Contd...)

Note No.3

FY 2021-22

Investment Property:

₹ in Lakhs

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2022	
	GROSS AMOUNT 01.04.2021	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2022	ACCUMULATED DEP 01.04.2021	FOR THE PERIOD	DELETION	ADJUSTMENTS		TOTAL 31.03.2022
LAND	2,854.00	-	-	-	-	2,854.00	-	-	-	-	-	2,854.00
BUILDING	3,924.22	101.67	-	-	-	4,025.90	31.69	10.21	-	-	41.90	3,984.00
<b>TOTAL</b>	<b>6,778.22</b>	<b>101.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,879.90</b>	<b>31.69</b>	<b>10.21</b>	<b>-</b>	<b>-</b>	<b>41.90</b>	<b>6,838.00</b>

FY 2020-21

₹ in Lakhs

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2021	
	GROSS AMOUNT 01.04.2020	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2021	ACCUMULATED DEP 01.04.2020	FOR THE PERIOD	DELETION	ADJUSTMENTS		TOTAL 31.03.2021
LAND	2,854.00	-	-	-	-	2,854.00	-	-	-	-	-	2,854.00
BUILDING	3,914.73	9.49	-	-	-	3,924.22	21.49	10.21	-	-	31.69	3,892.53
<b>TOTAL</b>	<b>6,768.73</b>	<b>9.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,778.22</b>	<b>21.49</b>	<b>10.21</b>	<b>-</b>	<b>-</b>	<b>31.69</b>	<b>6,746.53</b>

Notes:

- i) (a) Land measuring 4653.75 sq.metres has been leased to Department of Telecommunications for a period of 99 years commencing from 3.10.1983.
- (b) Formal Conveyance/lease deeds in respect of Land (excepting part of lands at Bangalore & Mankapur) are yet to be executed by the respective State Governments.
- (c) Land measuring 1256.86 Sq. metres has been leased to Dept. of Telecommunications for a period of 99 years commencing from 10.07.1991.
- (d) 3 acres of land is leased to State Government for construction of Mini-Vidhana Soudha for a period of 99 years commencing from March, 1994.
- ii) 1.83 acres of land is leased to Southern Railways and 0.286 acres of land is leased to ESI corporation.
- iii) (a) BSNL Telephone Exchange having area of 0.5733 acres of land
- (b) HPCL Petrol bunk, ITI Colony having area of 0.2222 acres of land
- (c) HPCL Petrol bunk, Old Madras Road, K.R.Puram having area of 0.3025 acres of land
- (d) EPFO, F-28 Bldg. having area of 0.6069 acres of land
- (e) Thumbay Aviation [Halipad - EC Plant] having area of 0.9182 acres of land
- (f) Embassy Services Pvt. Ltd. having area of Land and Building 0.776 acres and 6300 Sq.meters respectively.
- iv) The company is in the process of engaging the registered valuer for obtaining the fair values of various investment properties and hence the disclosure of this information could not be given.



## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 4 (a)</b>		
<b>NON- CURRENT FINANCIAL ASSETS-INVESTMENTS</b>		
Investment in Equity instruments		
Fully Paid at Cost (unquoted)	40.55	40.55
16,21,800 Equity Shares of ₹10/- each fully paid up in India Satcom Limited		
<b>TOTAL</b>	<b>40.55</b>	<b>40.55</b>
As per IND AS 27 Separate Financial Statements Investment in joint Venture is being carried at cost in the Standalone Financial Statements		
<b>NOTE NO. 4 (b)</b>		
<b>NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>		
Trade Receivables Considered Good - Secured	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivable Considered Good - UnSecured	23622.30	35272.92
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>23622.30</b>	<b>35272.92</b>
Trade Receivables which have significant increase in Credit Risk	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivables – credit impaired	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>23622.30</b>	<b>35272.92</b>

### TRADE RECEIVABLE AGEING SCHEDULE

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i)Undisputed Trade receivables – considered good	-	-	-	20703.30	2919.00	23622.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	-	-	-	<b>20703.30</b>	<b>2919.00</b>	<b>23622.30</b>

### NOTE NO. 4 (c)

#### NON CURRENT FINANCIAL ASSETS - LOANS

Loans Receivables considered good- Secured		
Loans & Advances	0.00	0.00
Others	0.00	0.00
Less : Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Loans Receivables considered good- UnSecured		
Loans & Advances	0.42	6.89
Deposits	0.00	0.00
Loans & Advances to related parties	0.00	0.00
Others	0.00	0.00
Less : Provision	0.42	6.89
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Loans Receivables which have significant increase in Credit Risk	0.00	0.00

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
Less : Provision	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	0.00
Loans Receivables – credit impaired			
	0.00	0.00	
Less : Provision	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	0.00
<b>GRAND TOTAL</b>	<b>0.42</b>	<b>6.89</b>	
<b>NOTE NO. 4(d)</b>			
<b>NON CURRENT FINANCIAL ASSETS OTHERS</b>			
Other Financial Assets			
(i) Security Deposits	0.00	0.00	
(ii) Bank deposits with more than 12 months maturity	3.00	3.00	
(iii) Others	0.00	0.00	
<b>GRAND TOTAL</b>	<b>3.00</b>	<b>3.00</b>	
<b>NOTE NO. 5</b>			
<b>OTHER NON CURRENT FINANCIAL ASSETS</b>			
(i) Capital Advances	1.62	1.62	
Less: Provision	1.10	1.10	
<b>TOTAL</b>	<b>0.52</b>	<b>0.52</b>	0.52
(ii) Advances other than Capital advances			
Margin money	0.00	0.00	
Less: Provision	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	0.00
(iii) Others	0.00	0.00	
Less: Provision	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	0.00
<b>GRAND TOTAL</b>	<b>0.52</b>	<b>0.52</b>	
<b>NOTE NO. 6</b>			
<b>INVENTORIES</b>			
a) Raw material and Production stores	8196.77	8604.73	
Less: Provision for Obsolescence	1754.22	1754.22	
	<b>6442.55</b>	<b>6850.51</b>	
b) Material issued against Fabrication Contracts held by vendors	96.91	96.91	
Less: Provision	95.47	95.47	
	<b>1.44</b>	<b>1.44</b>	
c) Non-Production Stores	843.96	872.01	
Less: Provision for Obsolescence	237.41	237.41	
	<b>606.55</b>	<b>634.60</b>	
d) Work-in-Process Production	6934.06	7406.75	
Less: Provision	606.76	606.76	
	<b>6327.30</b>	<b>6799.99</b>	
e) Work-in-Process Installation	0.00	0.00	
Less: Provision	0.00	0.00	
	<b>0.00</b>	<b>0.00</b>	0.00
f) Manufactured Components	4285.07	2146.64	
Less: Provision	40.13	40.13	
	<b>4244.94</b>	<b>2106.51</b>	
g) Finished Goods			
Stock-in-Trade	2579.52	2354.75	

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Less: Provision	1019.56	1019.56
	1559.96	1335.19
h) Stock Reconciliation Account	19.47	19.47
Less: Provision	10.33	10.33
	9.14	9.14
i) Goods Pending Inspection / Acceptance	3.89	992.23
j) Material-in-Transit Advances		
Considered Good	143.77	640.29
Considered Doubtful	238.76	238.76
Less: Provision	382.53	879.05
	238.76	238.76
	143.77	640.29
k) Material received and In-Transit Advances	0.00	0.00
l) Tools and Gauges	0.00	0.00
<b>GRAND TOTAL</b>	<b>19339.54</b>	<b>19369.90</b>

### NOTE NO. 7

#### CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Trade Receivables Considered Good - Secured	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivables Considered Good - UnSecured		
-Gujnet	26000.32	36252.05
-Other than Gujnet	246989.30	218958.29
<b>TOTAL</b>	<b>272989.62</b>	<b>255210.34</b>
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>272989.62</b>	<b>255210.34</b>
Trade Receivables which have significant increase in Credit Risk	4974.00	4274.00
Less: Allowance for Bad and doubtful debts	4974.00	4274.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivables – credit impaired	580.68	580.68
Less: Allowance for Bad and doubtful debts	580.68	580.68
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>272989.62</b>	<b>255210.34</b>

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is an example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis.

#### TRADE RECEIVABLE AGEING SCHEDULE

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) Undisputed Trade receivables – considered good	43,863.81	48,114.98	43612.17	23434.67	96562.18	255587.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>43,863.81</b>	<b>48,114.98</b>	<b>43612.17</b>	<b>23434.67</b>	<b>113963.99</b>	<b>272989.62</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 8 (a)</b>		
<b>CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>		
a)Cash-on-Transit	0.00	0.00
b)Cash on hand	4.18	32.72
c) Cheques & Stamps on Hand	0.59	0.00
d)Balance with Banks :		
- On Current Account	1551.77	2760.95
<b>TOTAL</b>	<b>1556.54</b>	<b>2793.67</b>
<b>NOTE NO. 8 (b)</b>		
<b>CURRENT FINANCIAL ASSETS - BANK BALANCE OTHER THAN ABOVE</b>		
<b>Balance with Banks :</b>		
- On Escrow Account	20830.29	11178.48
- On Current Account (Apprentices)	54.76	1033.91
Unpaid Dividend	0.00	0.00
Security deposits/others	11.56	0.48
LC Margin money	0.00	0.00
On Savings Account(Apprentices Security Deposits)	0.00	0.00
On short term deposit (margin money)	157.82	157.82
On current Account(Margin money)	0.00	0.00
On Bank deposits- More than 3 months but Less than 12 months maturity	8050.37	39596.18
<b>TOTAL</b>	<b>29104.81</b>	<b>51966.87</b>
<b>NOTE NO. 9 (a)</b>		
<b>CURRENT FINANCIAL ASSETS - LOANS</b>		
<b>Secured Advances recoverable in cash or for value to be received</b>		
Vehicles	0.00	0.00
House building	0.00	0.00
Other Deposits	1182.22	1035.95
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>1182.22</b>	<b>1035.95</b>
<b>Un secured Advances recoverable in cash for value to be received</b>		
Advances Recoverable -Considered Good	27903.41	26538.20
Less : Provision	0.00	0.00
	<b>27903.41</b>	<b>26538.20</b>
Loans Receivables which have significant increase in Credit Risk	536.60	536.60
Less : Provision	536.60	536.60
	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>27903.41</b>	<b>26538.20</b>
<b>Claims and Expenses Recoverable - Inland</b>		
Considered Good	41090.21	24014.30
Less : Provision	0.00	0.00
	<b>41090.21</b>	<b>24014.30</b>
Loans Receivables which have significant increase in Credit Risk	992.29	992.29
Less : Provision	992.29	992.29
	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	10.32	10.32
Less : Provision	10.32	10.32
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>41090.21</b>	<b>24014.30</b>

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Claims and expenses recoverable - Foreign</b>		
Considered Good	1.25	1.25
Less : Provision	0.00	0.00
	<u>1.25</u>	<u>1.25</u>
Loans Receivables which have significant increase in Credit Risk	1204.32	1204.31
Less : Provision	1204.32	1204.31
	<u>0.00</u>	<u>0.00</u>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<u>1.25</u>	<u>1.25</u>
<b>Advance for Civil Works/ Capital Goods</b>		
Considered Good	0.00	0.00
Less : Provision	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Loans Receivables which have significant increase in Credit Risk	0.00	0.00
Less : Provision	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<u>0.00</u>	<u>0.00</u>
Vehicle advance	0.00	0.00
Loans & Advances to related parties	0.00	0.00
Other Deposits	5531.20	4578.36
Less: Provision	421.47	421.47
	<u>5109.73</u>	<u>4156.89</u>
Interest accrued but not due on short term deposits	17.74	17.74
<b>TOTAL</b>	<u>5127.47</u>	<u>4174.63</u>
<b>GRAND TOTAL</b>	<u>75304.56</u>	<u>55764.33</u>

- a) Claims and expenses recoverable - inland- includes ₹1690.20 Lakhs recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.
- b) Claim Recoverable - in land -includes ₹1049.41 Lakhs due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.
- c) Rent Receivable includes of ₹5847.90 Lakhs on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization.
- d) Claim Receivable includes of ₹1023.00 Lakhs receivable from M/s. Mindarray towards encashment of letter of credit

### NOTE NO. 9 (b)

#### CURRENT FINANCIAL ASSETS OTHERS

##### Other Financial assets

(i) Security Deposits		69.25	0.00
(ii) Unbilled Revenue			
Government			
-Gujnet	7462.75		15709.13
-Others	223038.57		155409.78
Non Government	0.00	230501.32	0.00
(iii) Others		11.39	0.00
<b>TOTAL</b>		<u>230581.96</u>	<u>171118.91</u>

The Other Current Financial assets include UBR of Rs.230501.52 lakhs, the revenue which has been recognized over the last few years based on the work performed, the billing of which would happen upon fulfilling the terms of contract

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 10</b>		
<b>OTHER CURRENT ASSETS</b>		
Taxes & Duties input	12827.37	8333.09
Deposits with Customs Department	328.61	280.24
Payment of Advance tax (Net of refunds)	0.00	10.08
Deposits with Excise Authorities	422.74	422.74
WCT Recoverable	0.00	0.00
<b>TOTAL</b>	<b>13578.72</b>	<b>9046.15</b>

### NOTE NO. 11

#### I. EQUITY SHARE CAPITAL

##### a) Authorised

2,80,00,00,000 equity shares of ₹10 each 280000.00 280000.00

##### b) Issued

93,35,22,869 equity shares of ₹10 each (Previous Year 93,35,22,869 equity shares of ₹10 each) 93352.29 93352.29

##### c) Subscribed and Fully Paid-up

93,35,22,869 equity shares of ₹10 each (Previous Year 93,35,22,869 equity shares of ₹10 each) 93352.29 93352.29

##### d) Subscribed & not fully paid up

0.00 0.00

##### e) Par value per share

10.00 10.00

##### f) Calls unpaid

0.00 0.00

##### g) Forfeited shares

0.00 0.00

##### h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

As at 31.03.2022

As at 31.03.2021

Particulars	No.of shares	No.of shares
<b>Number of shares outstanding O.B</b>	<b>933522869</b>	925119508
Add: Issues during the year*	0	8403361
Less: Buy back/forfiture during the year	0	0
<b>Number of shares outstanding C.B</b>	<b>933522869</b>	933522869

\*The Company has allotted 84,03,361 equity shares issued at Rs.124.95 to the President of India on 09.02.2021, against capital grant of Rs.105 Crores received from Government of India.

##### i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>j) List of share holders holding more than 5% shares</b>		
<b>Name</b>	<b>No. of shares held</b>	<b>No. of shares held</b>
1. President of India	839858083	840698419
2. Special National Investment Fund	73132976	72292640
<b>k) During last 5 years:</b>		
i) Aggregate number of shares allotted without being received in cash	0	0
ii) Aggregate number of shares allotted as fully paid up by way of bonus shares	0	0
iii) Aggregate number and class of shares bought back	0	0
<b>II. PREFERENCE SHARES:</b>		
<b>a) Authorised</b>		
70000000 Preference Shares of ₹ 100 each	70000.00	70000.00

### l) Shareholding of Promoters

Name of the Promoter	Shares held as at 31.03.2022		
	No. of shares held	% of total shares	% change during the period ended 31.03.2022
1. President of India	839858083	89.97	0.09
2. Government of Karnataka	312500	0.03	0.00

### NOTE NO. 12

#### OTHER EQUITY

##### 1) Capital Reserves

###### i) Free Land Gifted

O.B As per last B/S	25.30	25.30
Additions	0.00	0.00
Total	25.30	25.30
Deductions	0.00	0.00
Closing balance	25.30	25.30

###### ii) Capital Grant in aid

As per last Balance Sheet	305802.00	305802.00
Transfer from Grant in aid (capital)	0.00	0.00
Closing Balance	305802.00	305802.00
<b>TOTAL CAPITAL RESERVES</b>	<b>305827.30</b>	<b>305827.30</b>

##### 2) Securities premium reserve

O.B as per last B/S	21679.44	11854.27
Additions	0.00	9659.66
Total	21679.44	21513.93
Less: FPO Issue Expenses *	0.00	(165.51)
Closing balance	21679.44	21679.44

##### 3) Revaluation Reserve

###### i) Revaluation reserves- Land

Opening balance as per last B/S	0.00	0.00
Less-Reversal on sale of land	0.00	0.00
Closing Balance	0.00	0.00

###### ii) Revaluation reserves-Buildings

Opening balance as per last B/S	0.00	0.00
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## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
Less-Transfer to General Reserve	0.00	0.00	
Closing Balance	0.00	0.00	0.00
<b>TOTAL-REVALUATION RESERVE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>RETAINED EARNING</b>			
<b>i) General reserve:</b>			
Opening balance as per last B/S	235316.61	235316.61	
Prior Period Adjustments	0.00	0.00	
Add: Transfer from Revaluation Reserve (Dep)	0.00	0.00	
Less-Transfer to P&L	0.00	0.00	
Less-Transfer to Surplus	0.00	0.00	
Closing Balance	235316.61	235316.61	235316.61
<b>ii) Profit on Sale of Fixed Assets</b>			
Opening balance as per last B/S	0.00	0.00	
Less-Transfer to Surplus	0.00	0.00	
Closing Balance	0.00	0.00	0.00
<b>iii) Sale of Technical know-how</b>			
As per last Balance Sheet	3.50	3.50	
Less-Transfer to P&L	0.00	0.00	
Closing Balance	3.50	3.50	3.50
<b>iv) Industrial Housing Subsidy</b>			
As per last Balance Sheet	6.79	6.79	
Less-Transfer to P&L	0.00	0.00	
Closing Balance	6.79	6.79	6.79
<b>v) Investment allowance reserve</b>			
As per last Balance Sheet	0.00	0.00	
LESS: Transfer to General reserve	0.00	0.00	
Closing Balance	0.00	0.00	0.00
<b>vi) Surplus</b>			
As per last Balance sheet	(425609.49)	(425545.91)	
Add: Profit/(Loss) for the year	12106.26	1120.20	
Add: Transfer from General Reserve	0.00	0.00	
Add: Transfer from Profit on sale of fixed assets	0.00	0.00	
TOTAL	(413503.24)	(424425.71)	
Less- Appropriations	0.00	1183.78	
Less-Transfer from P&L A/C-(Loss for the year)	0.00	0.00	
Closing Balance	(413503.24)	(425609.49)	(425609.49)
<b>TOTAL-RETAINED EARNINGS</b>	<b>(178176.34)</b>	<b>(190282.59)</b>	
<b>5) Share application money pending allotment</b>	<b>7156.30</b>	<b>0.00</b>	
<b>6) Other Comprehensive Income</b>			
<b>Remeasurement of Defined Benefit Plans (Actuarial Gain)</b>			
Opening Balance	10245.45	8285.89	
Changes during the Year	(1486.07)	1959.56	
Closing balance	8759.38	10245.45	
<b>GRAND TOTAL - OTHER EQUITY</b>	<b>165246.08</b>	<b>147469.60</b>	

- During the year 2019-20, the Company had filed the Red Herring Prospectus for FPO (Further Public Offer) with SEBI. However, the Company had withdrawn the issue due to the prevailing market conditions then,. The issue expenses of Rs.1363.39 lakhs incurred towards FPO had been set off against the Securities Premium Account in accordance with the Sec 52 of the Companies Act. Further, during the year 2020-21, after actual payment of FPO expenses the excess estimated has been reversed by Rs.165.51 lakhs

- During the year, the Company has received grant of Rs.7156.30 lakhs towards Capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per the provisions of the Sick Industrial Companies Act, 1985 and the same is shown under Share Application money pending allotment



## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
<b>NOTE NO. 13</b>			
<b>NON-CURRENT LIABILITIES</b>			
<b>Government Grants Unutilised:</b>			
<b><u>i) Free Equipment gifted</u></b>			
Opening balance as per last B/S	0.00	0.00	
Less-Transfer to P&L	0.00	0.00	
Closing Balance		0.00	0.00
<b><u>ii) Grant-in-aid (Capital) :</u></b>			
As per last Balance Sheet	4.64	4.64	
Add: Receipts during the year	0.00	0.00	
<b>Total</b>	<b>4.64</b>	<b>4.64</b>	
Less: Transfer to revenue GIA/Capital reserves	0.00	0.00	
Less: Transfer to Profit & Loss Account	0.00	0.00	
Closing Balance	4.64	0.00	4.64
<b><u>iii) Grant-in-aid (Revenue)</u></b>			
As per last Balance Sheet	4726.98	11402.49	
Add : Receipts during the year*	21430.89	0.00	
<b>Total</b>	<b>26157.87</b>	<b>11402.49</b>	
Less: Transfer to Profit & Loss Account	21912.40	6675.51	
Closing Balance		4245.48	4726.98
<b>GRAND TOTAL</b>	<b>4250.12</b>		<b>4731.62</b>

-During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹21429 lakhs to the company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the grant of Rs.21429 lakhs has been recognised as Income.

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

### NOTE NO. 14 (a)

#### NON-CURRENT FINANCIAL LIABILITIES -BORROWINGS

##### I Borrowings - Secured

(a) Bonds	0.00	0.00	
(b) Term Loans			
(i) From Banks	0.00	0.00	
(ii) From Others	0.00	0.00	
(c) Deferred payment liabilities	0.00	0.00	
(d) Deposits	0.00	0.00	
(e) Loan from related parties	0.00	0.00	
(f) Liability Component of compound financial instruments	0.00	0.00	
(g) Other Loans	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>

##### II Borrowings - Unsecured

(a) Bonds	0.00	0.00	
(b) Term Loans			
(i) From Banks	0.00	0.00	
(ii) From Others	0.00	0.00	
Loan from Government of India *	29940.00	30000.00	
Interest accrued and due on above	0.00	0.00	
(c) Deferred payment liabilities	0.00	0.00	
(d) Deposits	0.00	0.00	
(e) Loan from related parties	0.00	0.00	
(f) Liability Component of compound financial instruments	0.00	0.00	
(g) Other Loans	0.00	0.00	
<b>GRAND TOTAL</b>		<b>29940.00</b>	<b>30000.00</b>
		<b>29940.00</b>	<b>30000.00</b>

\*The Company received a soft loan of Rs.30,000 lakhs from the Ministry of Communications & IT, Department of Telecommunications, Government of India during the year 2014-15 for payment of salaries of employees to be repaid in five years after the Company starts earning profit with a moratorium of two years. The Company has received a letter from DoT dated 27.10.21 in which it was observed that the Company had started earnings from its operations with effect from 2019-20 and hence the Company should start repaying the said loan from the FY 2022-23. Hence, the repayment due in next 12 months is shown under Current Liabilities.

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
<b>NOTE NO. 14 (b)</b>			
<b>NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES</b>			
Finance Lease Liabilities	13.48	0.00	
Operating lease liabilities	0.00	0.00	
<b>GRAND TOTAL</b>		<b>13.48</b>	<b>0.00</b>
<b>NOTE NO. 14 (c)</b>			
<b>NON CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>			
<b>For goods supplied</b>			
- Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
- Other than Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
<b>For Expenses and Services</b>			
- Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
- Other than Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
<b>For Other Liabilities</b>			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
<b>Disputed Dues</b>			
-Micro small and medium enterprises	0.00	0.00	
-Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>		<b>0.00</b>	<b>0.00</b>

### TRADE PAYABLES AGEING SCHEDULE

Particulars	Outstanding for the following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 14(d)</b>		
<b>NON-CURRENT FINANCIAL LIABILITIES - OTHERS</b>		
Security deposit received	7386.26	7311.62
Others	0.00	0.00
<b>GRAND TOTAL</b>	<b>7386.26</b>	<b>7311.62</b>
<b>NOTE NO. 15</b>		
<b>STATEMENT OF NON CURRENT PROVISIONS</b>		
<b>(i) For Employee Benefits</b>		
<b>For privilege Leave</b>		
As per Last Balance Sheet	5268.56	7378.89
Less : Transfer to Corporate	0.00	0.00
Add: Provision for the period	(696.53)	(2110.33)
Less: Payments	0.00	0.00
<b>TOTAL</b>	<b>4572.03</b>	<b>5268.56</b>
<b>For sick Leave</b>		
As per Last Balance Sheet	56.34	54.88
Less : Transfer to Corporate	0.00	0.00
Add: Provision for the period	(9.12)	1.47
Less: Payments	0.00	0.01
<b>TOTAL</b>	<b>47.23</b>	<b>56.34</b>
<b>(ii) Others</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>4619.26</b>	<b>5324.90</b>
<b>NOTE NO. 16</b>		
<b>OTHER NON-CURRENT LIABILITIES</b>		
<b>GRAND TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 17 (a)</b>		
<b>CURRENT FINANCIAL LIABILITIES -BORROWINGS</b>		
<b>I Borrowings - Secured</b>		
(a) Loans repayable on demand		
(i) From Banks		
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks, stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.		
	131199.25	116426.36
(ii) From Others	0.00	0.00
(b) Loan from related parties	0.00	0.00
(c) Deposits	0.00	0.00
(d) Current maturities of Long Term Borrowings	0.00	0.00
(e) Others	0.00	0.00
<b>TOTAL</b>	131199.25	116426.36
<b>II Borrowings - Unsecured</b>		
(a) Loans repayable on demand		
(i) From Banks	0.00	0.00
(ii) From Others	0.00	0.00
(b) Loan from related parties	0.00	0.00
(c) Deposits	0.00	0.00
(d) Current maturities of Long Term Borrowings	60.00	0.00
(e) Others	0.00	0.00
<b>TOTAL</b>	60.00	0.00
<b>GRAND TOTAL</b>	131259.25	116426.36
Deposits, fallen due and not claimed for refunds, is shown as current liabilities as at 31.03.2022		
<b>NOTE NO. 17 (b)</b>		
<b>CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES</b>		
Finance Lease Liabilities	74.67	100.21
Operating lease liabilities	0.00	0.00
<b>GRAND TOTAL</b>	74.67	100.21
<b>NOTE NO. 17 (c)</b>		
<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
<b>For goods supplied</b>		
- Gujnet		
- Micro small and medium enterprises	345.08	180.61
- Others	17260.63	25664.38
-Other than Gujnet		
- Micro small and medium enterprises	20334.76	5214.64
- Others	165275.83	149141.85
<b>TOTAL</b>	203216.29	180201.48
<b>For Expenses and Services</b>		
-Gujnet		
- Micro small and medium enterprises	0.00	0.00
- Others	923.65	0.00
-Other than Gujnet		
- Micro small and medium enterprises	0.00	0.00
- Others	4295.17	5053.77
<b>TOTAL</b>	5218.82	5053.77
<b>For Other Liabilities</b>		
- Micro small and medium enterprises	0.00	0.00
- Others	2376.14	3288.07
<b>TOTAL</b>	2376.14	3288.07

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Disputed Dues		
-Micro small and medium enterprises	0.00	0.00
-Others	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>210811.26</b>	<b>188543.32</b>

### Trade Payables Ageing Schedule

Particulars	Outstanding for the following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) MSME	16,223.06	1,860.04	968.14	1628.60	20679.84
(ii) Others	67,436.16	43,715.42	29510.86	31117.89	171780.33
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	1,771.00	-	16580.08	18351.08
<b>Total</b>	<b>83,659.22</b>	<b>47,346.46</b>	<b>30479.00</b>	<b>49326.57</b>	<b>210811.26</b>

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

Disclosure of dues/payments to micro and small enterprises to the extent such enterprises are identified by the company.

	31-03-2022	31-03-2021
(a) Principal amount remain unpaid for the period ended	648.37	534.77
(b) Interest due thereon remaining unpaid for the period ended.	37.69	63.41
(c) The amount of interest paid and principal paid beyond the appointed day during the period	0.00	0.00
(d) Amount of interest due and payable for delay in payments (which have been paid beyond the appointed day during the period) but without adding interest under the MSMED Act, 2007.	0.00	0.00
(e) Amount of interest accrued and remaining unpaid for the period ended.	0.00	0.00
(f) Amount of further Interest remaining due and payable even in succeeding years (until such interest dues are paid to small enterprises)	0.00	0.00

### NOTE NO. 18

#### CURRENT FINANCIAL LIABILITIES - OTHERS

Unbilled Dues		
Government		
-Gujnet	0.00	0.00
-Other than Gujnet	104062.79	92413.06
Non Government	0.00	0.00
Interest Accrued but not due on Borrowings	2256.20	1956.20
Interest Accrued and due on Borrowings	0.00	0.00
Unpaid matured deposits and interest accrued thereon	0.00	0.00
Unpaid matured debentures and interest accrued thereon	0.00	0.00
Unclaimed Dividend	0.00	0.00
For Expenses and Services	938.75	14698.94
For Other Liabilities	37558.80	22815.52
Other payables	468.47	573.32
Salary Payable	2542.01	2188.39
Royalty Payable	212.80	212.80
Wage revision Arrears	1020.21	1033.52
Deposits from Contractors	6898.06	5624.60

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
Misc.Liabilities	29161.27	33209.18	
Preference Shares	0.00	0.00	
<b>TOTAL</b>		<b>185119.36</b>	174725.52
<b>NOTE NO.19</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Income received in advance	0.00	0.00	
Duties & Taxes	3414.24	2872.51	
Advances from Customers	103360.99	103169.31	
<b>TOTAL</b>		<b>106775.23</b>	106041.82
<b>NOTE NO. 20</b>			
<b>CURRENT PROVISIONS</b>			
<b>For Taxation</b>			
As per last Balance Sheet	0.00	0.00	
Add: Provisions during the period	0.00	0.00	
Less: Adjustments of provisions relating to earlier years	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	0.00
<b>For Gratuity</b>			
As per Last Balance Sheet	11446.44	10756.06	
Add: Provision for the period	2317.10	900.38	
Less: Transfer to gratuity trust	537.00	210.00	
Add: Transfer from gratuity trust	4647.98	7171.33	
Add: Transfer from Corporate	0.00	0.00	
Less: Payments	4647.98	7171.33	
<b>TOTAL</b>		<b>13226.55</b>	11446.44
<b>For Privilege Leave</b>			
As per Last Balance Sheet	2008.05	1676.66	
Less : Transfer to Corporate	0.00	0.00	
Add: Provision for the period	2124.80	1559.83	
Less: Payments	2140.16	1228.45	
<b>TOTAL</b>		<b>1992.69</b>	2008.04
<b>For Sick Leave</b>			
As per Last Balance Sheet	1.45	3.75	
Add: Provision for the period	1.05	(2.30)	
Less: Payments	0.00	0.00	
<b>TOTAL</b>		<b>2.50</b>	1.45
<b>For L L T C provision</b>			
As per Last Balance Sheet	208.64	267.11	
Add: Provision for the period	69.01	(22.82)	
Less: Payments	100.48	35.65	
<b>TOTAL</b>		<b>177.16</b>	208.64
<b>GRAND TOTAL</b>		<b>15398.89</b>	13664.57
<b>NOTE NO. 22</b>			
<b>REVENUE FROM OPERATIONS</b>			
<b>i)Sale of Products (net of GST)</b>			
Sale of Finished Goods	6857.45	15965.20	
Sale of Traded Goods	51998.38	19965.76	
<b>TOTAL</b>		<b>58855.83</b>	35930.96
<b>i)Sale of Services</b>			
		<b>127217.30</b>	200287.31
<b>iii) Other Operating Revenues:</b>			
a) Sale of Scrap	0.00	0.00	
b) Income from DLRC Project	0.00	0.00	
c) Non competing fee	0.00	0.00	
d) Grant In Aid-Revenue	0.00	0.00	0.00
<b>TOTAL</b>		<b>186073.13</b>	236218.27

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021	
<b>Sales under broad heads :</b>			
- ELECTRONIC SWITCHING EQUIPMENT	1687.90	684.30	
- TELEPHONE	9.44	13.78	
- G-PoN	60.90	60.79	
- SOLAR PANEL	1254.28	105.10	
- IT PRODUCTS	17781.97	5312.03	
- NGN	16.10	0.00	
- NFS	1694.89	601.95	
- DEFENCE	22994.66	42.58	
HDPE Pipe	34.87	3002.48	
- OFC	9693.03	1461.43	
- MAHANET	21.18	3218.52	
- Min PC Mfg / Tab PC	72.38	420.40	
- CCMS	0.00	808.95	
- MOBILE SHOWROOM	99.35	116.68	
- MCEU	0.00	5567.04	
- IP ENCRYPTORS MHA	0.00	1731.01	
- LED STREET LIGHT	1470.80	770.43	
- FACE SHIELD / SANITARY NAPKIN VENDING MACHINE	16.96	427.85	
- SMART PARCEL DELIVERY SYSTEM	0.00	9.43	
- SMART CARD	44.11	0.00	
- VENTILATOR/MEDICAL DEVICES	0.00	1696.69	
- AIRTEL FTTH ROLLOUT	0.00	3.77	
- BHARATNET ANDAMAN & NICOBAR	56.96	2055.47	
- 3D PRINTING	80.61	0.00	
- CONTRACT MANUFACTURING	14.03	0.00	
- SUPPLIES TO STATE GOVT.	559.83	0.00	
- OTHERS	1191.57	7820.28	
<b>TOTAL</b>		<b>58855.83</b>	35930.96
<b>Service Income under broad heads :</b>			
- AMC	5419.08	3309.44	
- SSTP	14.94	18.72	
- DATA CENTER	1926.21	1542.67	
- IT	3128.77	1083.96	
- SWAN	374.84	0.00	
- GSM	8734.30	3143.41	
- NFS	8111.16	9981.24	
- G-PoN	723.73	47.49	
- ASCON	1577.82	5908.12	
- DEFENCE	1278.23	831.41	
- NGN	321.31	353.56	
- MAHANET	24462.50	122570.14	
- WIFI-HOTSPOT	47.86	62.52	
- GUJNET	4440.70	10336.51	
- BNG	474.45	574.31	
- MLLN	48.89	49.05	
- CCMS	34.79	87.36	
- E-TENDERING	2573.47	2262.12	
- SMPS, SKIL DEVELOPMENT	41.46	244.62	
- FIBER NETWORK	159.56	99.78	
- RAILWAY	120.41	394.61	
- NMS	110.62	110.62	
- E-GOVERNANCE/E-SEVA	0.00	26.85	
- TPA	777.58	937.83	
- AADHAR BUSINESS/SAAS	0.00	261.47	
- TELECOM TESTING & LABS	113.49	55.62	
- AIRTEL FTTH ROLLOUT	572.50	56.60	
- BHARATNET ANDAMAN & NICOBAR	0.00	236.73	
- ASCON -PHASE IV	59956.57	32839.67	
- SAAS	190.46	62.48	
- CONTRACT MFG	9.90	0.00	
- OTHERS	1471.72	2798.40	
<b>TOTAL</b>		<b>127217.30</b>	200287.31

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>Earnings in Foreign Currency</b>		
Export of goods calculated on FOB basis	0.00	0.00
Royalty, Knowhow, Professional and Consultancy fees	0.00	0.00
Interest and Dividend	0.00	0.00
Services	0.00	0.00
<b>TOTAL</b>	0.00	0.00
<b>NOTE NO. 23</b>		
<b>OTHER INCOME</b>		
<b>a) Interest Income</b>		
i) Interest on Inter Corporate Advances	0.00	0.00
ii) Interest - Others	485.26	1160.60
<b>Total</b>	485.26	1160.60
b) Dividend from Non-Trading Investments	0.00	0.00
c) Net Gain/Loss on Sale of Investment	0.00	0.00
<b>d) Other Non-operating income (Net of expenses directly attributable to such income)</b>		
i) Profit on Sale of Assets	0.00	0.00
Less: Transfer to Capital Reserves	0.00	0.00
<b>TOTAL</b>	0.00	0.00
ii) Commission	0.00	0.00
iii) Rent	1928.77	2172.64
iv) Lease Rent	309.15	309.15
v) Transport Charges	0.02	0.04
vi) Sale of Scrap	104.69	339.32
vii) Water Charges/Electricity Charges	5.42	6.22
viii) Forfeited Bank Guarantee	7.31	0.00
ix) Excess Provision Withdrawn	0.10	426.59
x) Reimbursement of VRS	0.00	0.00
xi) Withdrawal of Liability no Longer Required	289.18	2043.71
xii) Waiver of Liquidated Damages	3.08	0.23
xiii) Compensation for Srinagar Loss	0.00	0.00
xiv) Waiver of Interest Charges	0.00	0.00
xv) Transfer from Revenue Grant-in-Aid	0.00	0.00
xvi) Revenue Grant-in-Aid - VRS	481.49	6695.30
xvii) Revenue Grant-in-Aid*	21429.03	0.00
xviii) Transfer from Capital Grant-in-Aid	0.00	0.00
xix) Compensation for Acquisition of Land by SWR/NHAI	344.48	2810.64
xx) Misc. Income	68.64	166.27
<b>TOTAL (i to xx)</b>	24971.37	14970.11
e) Adjustment to the carrying value of investments (write back)	0.00	0.00
f) Grants relating to Previous Years	0.00	0.00
g) Net gain /loss on foreign currency translation and transaction (other than considered as finance cost)	0.00	6.63
<b>GRAND TOTAL</b>	25456.63	16137.34
-During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹21429 lakhs to the company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the Grant has been recognised as Income.		
- The Special Land Acquisition Officer (KIDBA) during the year 1998 had acquired ITI land for extension of Road by NHAI for which the award was fixed for Rs.10 per sq ft. However, the Company had filed a case for enhancement of Market Value, for additional interest and also solatium. The judgment was passed by City Civil Court in favour of the Company during October 2021 and the Company was awarded an enhanced compensation of Rs.334.48 lakhs compensation for acquisition of land.		
- During the year 2020-21, the company received a letter for awarding compensation of Rs.2908.02 lakhs towards compulsory acquisition of land at Bangalore by the South-Western Railways. The surplus amount of Rs.2796.34 lakhs is calculated by deducting the cost of land, which is taken as a proportion of the value of the total carrying value of land in Bangalore based on the area of land acquired that bears to the total area of land owned by the Company in Bangalore and this surplus is treated as an exceptional income.		
<b>NOTE NO. 24</b>		
<b>CONSUMPTION OF RAW MATERIALS &amp; PRODUCTION STORES</b>		
Opening Stock	8483.92	7970.89
Add: Prior Period Adjustment due to Price Revision	0.00	0.00
Purchases/Transfers	11641.54	17901.53
Material for Installation & Maintenance	0.00	0.00
<b>TOTAL</b>	20125.46	25872.42



## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Less:		
Closing Stock	8076.46	8483.92
Issue to Revenue and Others	3.48	(182.36)
Material Transferred to Other Units	(0.00)	0.01
<b>TOTAL</b>	<b>8079.94</b>	<b>8301.57</b>
Add: Stores Indirect expenses relating to RM & Prodn. Stores	0.00	(6.38)
<b>CONSUMPTION</b>	<b>12045.53</b>	<b>17564.47</b>
<b>Rawmaterials consumed under broad heads</b>		
Particulars		
1. Electronic Goods & Components	12045.53	17503.55
2. MNIC	0.00	60.92
<b>TOTAL</b>	<b>12045.53</b>	<b>17564.47</b>
<b>Value of Imports on CIF basis</b>		
Raw Materials and Production Stores	53.38	1697.18
Components and Spare Parts	0.00	0.00
Material in transit	0.00	0.00
Capital Goods	946.87	274.83
<b>TOTAL</b>	<b>1000.25</b>	<b>1972.01</b>

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

Particulars	2021-22	%	2020-21	%
	₹ Lakhs		₹ Lakhs	
Imported	53.38	0.44	2093.87	11.92
Indigenous	11992.15	99.56	15470.60	88.08
<b>Total</b>	<b>12045.53</b>	<b>100.00</b>	<b>17564.47</b>	<b>100.00</b>

### NOTE NO. 25 (a)

#### PURCHASE OF STOCK-IN-TRADE

##### Goods purchased under broad heads

Particulars		
- ELECTRONIC SWITCHING EQUIPMENTS	0.00	10.44
- SOLAR PANEL	0.00	57.19
- IT PRODUCTS	15365.07	4875.68
- NGN	14.81	0.00
- NFS	1631.34	585.27
- ASCON	69.85	64.82
- DEFENCE	20821.83	0.00
- OFC	8576.07	1334.49
- MAHANET	0.00	2904.68
- GUJNET	498.35	3612.33
- Min PC Mfg / Tab PC	0.00	30.42
- MOBILE SHOWROOM	82.48	114.85
- LED STREET LIGHT	1396.48	872.65
- FACE SHIELD / SANITARY NAPKIN VENDING MACHINE	0.05	19.85
- SMART CARD	0.00	0.00
- VENTILATOR/MEDICAL DEVICES	0.00	1566.91
- ASCON PHASE IV	11961.01	3044.44
- AIRTEL FTTH ROLLOUT	0.00	3.15
- SUPPLIES TO STATE GOVT.	515.04	0.00
- OTHERS	1084.98	7796.72
<b>TOTAL</b>	<b>62017.36</b>	<b>26893.89</b>

### NOTE NO. 25 (b)

#### Service Expenses under broad heads :

- AMC	4274.48	504.77
- SSTP	9.76	0.00
- DATA CENTER	1547.40	8.19
- IT	2917.15	998.93
- SWAN	344.85	0.00

**Notes to the Standalone Financial Statements (Contd...)**

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021	
- GSM	8361.67	0.00	
- NFS	7795.27	2782.96	
- G-PoN	361.44	21.62	
- ASCON	1520.33	1303.86	
- NGN	311.67	0.00	
- MAHANET	23728.63	0.00	
- WIFI-HOTSPOT	52.21	21.10	
- GUJNET	3025.99	4407.01	
- BNG	383.23	535.37	
- MLLN	38.66	45.03	
- CCMS	32.00	80.37	
- E-TENDERING	2184.87	1692.30	
- SMPS, SKIL DEVELOPMENT	31.36	208.78	
- FIBER NETWORK	109.93	43.35	
- RAILWAY	109.04	319.32	
- NMS	102.32	102.32	
- E-GOVERNANCE/E-SEVA	0.00	24.69	
- AADHAR BUSINESS/SAAS	0.00	240.55	
- AIRTEL FTTH ROLLOUT	637.91	35.49	
- BHARATNET ANDAMAN & NICOBAR	0.00	0.00	
- ASCON -PHASE IV	12354.75	170.84	
- SAAS	142.85	0.00	
- OTHERS	1013.01	133805.30	
<b>TOTAL</b>	<b>71390.78</b>	<b>147352.15</b>	

**NOTE NO. 26**
**CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**
**Accretion/(Decretion) to WIP**
**WIP - Production :**

Closing Balance	6902.72	7375.41	
Less: Opening Balance	7375.41	7851.61	
<b>TOTAL</b>	<b>(472.69)</b>	<b>(476.20)</b>	
Add: Write Off during the Year	0.00	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00	
<b>TOTAL</b>	<b>(472.69)</b>	<b>(476.20)</b>	

**WIP - Installation:**

Closing Balance	0.00	0.00	
Less: Opening Balance	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	
Add: Write Off during the Year	0.00	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	

**Accretion/(Decretion) to Manufacturing Components**

Closing Balance	4270.98	2132.56	
Less: Opening Balance	2132.56	1137.55	
<b>TOTAL</b>	<b>2138.42</b>	<b>995.02</b>	
Add: Write Off during the Year	0.00	0.00	
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00	
<b>TOTAL</b>	<b>2138.42</b>	<b>995.02</b>	

**WIP - Installation:**

Closing Balance	0.00	0.00	
Less: Opening Balance	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/ effects of WIP	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>Accretion/(Decretion) to Stock-in-Trade</b>		
<b>Stock-in-Trade :</b>		
Closing Balance	2429.74	2102.07
Less: Opening Balance	2102.07	1765.95
<b>Total</b>	<b>327.67</b>	<b>336.13</b>
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00
<b>TOTAL</b>	<b>327.67</b>	<b>336.13</b>
<b>Stock of Scrap</b>		
Closing Balance	0.00	0.00
Less: Opening Balance	0.00	0.00
Add : Prior Period Adjustments	(65.03)	0.00
<b>TOTAL</b>	<b>(65.03)</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>1928.37</b>	<b>854.94</b>

### NOTE NO. 27

#### EMPLOYEE BENEFIT EXPENSES

##### i) SALARIES & WAGES

Salaries & Wages	16549.54	17124.26
Less: Other Revenue Accounts	0.00	0.00
<b>TOTAL</b>	<b>16549.54</b>	<b>17124.26</b>
Bonus	12.75	9.23
Wage revision arrear payments	0.00	0.00
Incentive	9.02	10.85
<b>TOTAL</b>	<b>16571.31</b>	<b>17144.35</b>

##### ii) CO'S CONTRIBUTION TO PF AND OTHER FUNDS:

Provident Fund & Pension Fund	1690.83	1912.01
Employees State Insurance	14.79	12.75
Gratuity Trust Fund	2317.10	900.38
Leave Salary- PL	1428.27	(554.04)
Sick Leave	(8.08)	(0.85)
Deposit Linked Insurance/Group Insurance	23.50	33.00
<b>TOTAL</b>	<b>5466.41</b>	<b>2303.26</b>

##### iii) WORKMEN AND STAFF WELFARE EXPENSES

Welfare Expenses - Canteen	264.54	286.26
Welfare Expenses - Education	25.37	39.86
Medical Expenses	623.75	496.27
LTC/LLTC	69.20	(20.16)
Uniforms	0.62	3.08
Others	201.22	134.27
<b>TOTAL</b>	<b>1184.72</b>	<b>939.58</b>

##### iv) VOLUNTARY RETIREMENT SCHEME

VRS Payments	481.48	6697.06
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##### v) Actuarial Gain/(Loss)

	(1486.07)	1959.56
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#### GRAND TOTAL

	<b>22217.84</b>	<b>29043.81</b>
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#### RELATED PARTY TRANSACTIONS

##### KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES

Name	2021-22	2020-21
Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60

## Notes to the Standalone Financial Statements (Contd...)

### DISCLOSURE REPORT UNDER IND AS 19

₹ in Lakhs

#### Defined Benefit Plan

The Employees Gratuity Fund Scheme Managed by a Trust is a defined benefit Plan. The Present value of Obligation is determined based on Actuarial Valuation. The obligation for Leave encashment is recognized based on Actuarial Valuation which is unfunded. (Rupees in Lakhs)

#### I Summary of results

S.N	Particulars Assets / Liability	Gratuity		Privilege Leave		Sick Leave	
		31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a	Present value of obligation	15,007	17,148	6,565	7,277	50	58
b	Fair value of plan assets	1,781	5,701	0	0	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-13,226	-11,447	-6,565	-7,277	-50	-58

#### II Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Discounting Rate	6.86	6.15	6.86	6.15	6.86	6.15
b)	Future salary Increase	2.00	2.00	2.00	2.00	2.00	2.00
c)	Attrition at Ages	2.45	2.45	2.45	2.45	2.45	2.45

#### III Plan Liability

S.N	Date Ending	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present value of obligation as at the end of the period	15,007	17,148	6,565	7,277	50	58

#### IV Service Cost

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Current Service Cost	479	536	528	296	2	2
b)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
c)	Gains or Losses on Non routine settlements	0	0	0	0	0	0
d)	Total Service Cost	479	536	528	296	2	2

#### V Net Interest Cost

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Interest Cost on Defined Benefit Obligation	1,055	1,366	447	571	4	4
b)	Interest Income on Plan Assets	351	687	0	0	0	0
c)	Net Interest Cost (Income)	704	679	447	571	4	4

#### VI Change in Benefit Obligation

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present value of obligation as at the beginning of the period	17,147	21,655	7,277	9,056	58	59
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Interest Cost	1,055	1,366	447	571	4	4
d)	Service Cost	479	536	528	296	2	2
e)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
f)	Benefits Paid	-4,647	-7,171	-2,054	-1,008	0	0
g)	Total Actuarial (Gain)/Loss on Obligation	973	761	367	-1,638	-14	-7
h)	Present value of obligation as at the End of the period	15,007	17,147	6,565	7,277	50	58

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

### VII Bifurcation of Actuarial Gain/Loss on Obligation

Particulars		Gratuity		Privilege Leave		Sick Leave	
S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	0	130	0	65	0	1
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-265	771	-142	36	-1	0
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	1,238	554	509	-1,740	-13	-8

### VIII Actuarial Gain/Loss on Plan Asset

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Expected Interest Income	351	688	0	0	0	0
b)	Actual Income on Plan Asset	191	1,764	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-160	1,076	0	0	0	0

### IX Balance Sheet and related analysis

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present Value of the obligation at end	15,007	17,147	6,565	7,277	50	58
b)	Fair value of plan assets	1,781	5,701	0	0	0	0
c)	Unfunded Liability/provision in Balance Sheet	-13,226	-11,446	-6,565	-7,277	-50	-58

### X The amounts recognized in the income statement.

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Total Service Cost	479	536	528	296	2	2
b)	Net Interest Cost	704	679	447	571	4	4
c)	Net actuarial (gain) / loss recognized in the period	0	0	367	-1,638	-14	-7
d)	Expense recognized in the Income Statement	1,183	1,215	1,342	-771	-8	-1

### XI Other Comprehensive Income (OCI)

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Net cumulative unrecognized actuarial gain/(loss) opening	0	0	0	0	0	0
b)	Actuarial gain / (loss) for the year on PBO	-973	-761	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-1,601	1075	0	0	0	0
d)	Unrecognized actuarial gain/(loss) for the year	-1,133	315	0	0	0	0

### XII Change in plan assets

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Fair value of plan assets at the beginning of the period	5,701	10,899	0	0	0	0
b)	Actual return on plan assets	190	1,763	0	0	0	0
c)	Employer contribution	537	210	0	0	0	0
d)	Benefits paid	-4,647	-7,171	0	0	0	0
e)	Fair value of plan assets at the end of the period	1,781	5,701	0	0	0	0

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

### XIII Major categories of plan assets (as percentage of total plan assets)

S.N	Particulars	Gratuity		Privilege Leave		Sick Leave	
		31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Government of India Securities	0	0	0	0	0	0
b)	State Government securities	0	0	0	0	0	0
c)	High Quality Corporate Bonds	0	0	0	0	0	0
d)	Equity Shares of listed companies	0	0	0	0	0	0
e)	Property	0	0	0	0	0	0
f)	Funds Managed by Insurer	100%	100%	0	0	0	0
g)	Bank Balance	0	0	0	0	0	0
	<b>Total</b>	<b>100%</b>	<b>100%</b>				

### XIV Change in Net Defined Benefit Obligation

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Net defined benefit liability at the start of the period	11,446	10,756	7,277	9,056	57	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Total Service Cost	479	536	528	296	2	2
d)	Net Interest cost (Income)	704	679	447	571	4	4
e)	Re-measurements	1,133	-315	367	-1,638	-14	-7
	Difference in Opening	-537	-210	0	0	0	0
f)	Contribution paid to the Fund	0	0	-2,054	-1,008	0	0
g)	Benefit paid directly by the enterprise	0	0	0	0	0	0
h)	Net defined benefit liability at the end of the period	13,225	11,446	6,565	7,277	49	57

### XV Bifurcation of PBO at the end of year in current and non current.

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Current liability (Amount due within one year)	4,869	4,754	1,993	2,008	2	1
b)	Non-Current liability (Amount due over one year)	10,138	12,393	4,572	5,269	47	56
	<b>Total PBO at the end of year</b>	<b>15,007</b>	<b>17,147</b>	<b>6,565</b>	<b>7,277</b>	<b>50</b>	<b>58</b>

### XVI Expected contribution for the next Annual reporting period

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Service Cost	431	490	431	246	11	15
b)	Net Interest Cost	907	704	450	448	3	4
c)	Expected Expense for the next annual reporting period	1,338	1,194	893	694	15	19

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

### XVII Sensitivity Analysis of the defined benefit obligation.

#### a) Impact of the change in discount rate

	31-03-2022	31-03-2022	31-03-2022
Present Value of Obligation at the end of the period	15,007	6,565	50
a) Impact due to increase of 0.50%	-179	-95	-1
b) Impact due to decrease of 0.50 %	186	99	1

#### b) Impact of the change in salary increase

	31-03-2022	31-03-2022	31-03-2022
Present Value of Obligation at the end of the period	15,007	6,565	50
a) Impact due to increase of 0.50%	181	103	1
b) Impact due to decrease of 0.50 %	-179	-99	-1

### XVIII Maturity Profile of Defined Benefit Obligation

S.N	Year	Amount	Amount	Amount
a)	0 to 1 Year	4,868	1,993	2
b)	1 to 2 Year	2,956	1,169	15
c)	2 to 3 Year	2,061	831	8
d)	3 to 4 Year	1,711	763	9
e)	4 to 5 Year	1,292	563	6
f)	5 to 6 Year	712	368	4
g)	6 Year onwards	1,406	877	5

### XIX Summary of results

#### Leave Travel Concession

S.N	Assets / Liability	31-03-2022	31-03-2021
a	Present value of obligation	177	209
b	Fair value of plan assets	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-177	-209

### XX Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2022	31-03-2021
a	Discounting Rate	6.86	6.15
b	Future salary Increase	2.00	2.00
c	Attrition at Ages	0.00	2.45

### XXI Actuarial Value

Present value of obligation as at the end of period	177	209
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### XXII Bifurcation of PBO at the end of year as per schedule III to the companies Act, 2013

S.N	Particulars	31-03-2022	31-03-2021
a)	Current liability (Amount due within one year)	52	54
b)	Non-Current liability (Amount due over one year)	125	155
c)	<b>Total PBO at the end of year</b>	<b>177</b>	<b>209</b>

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
<b>NOTE NO. 28</b>		
<b>FINANCE COSTS</b>		
i) Interest Expense:		
Cash Credit	10761.60	11965.69
Public Deposits	0.00	0.00
Bonds	0.00	0.00
Term Loan	0.00	0.00
Others*	5809.68	2456.06
ii) Bank charges	2638.38	1537.42
iii) Government Guarantee Fee	0.00	0.00
iv) Expenses on Issue of Bonds/Loans	0.00	0.00
v) Net Gain / Loss from Foreign Currency Translations & Transactions	3.37	0.00
<b>TOTAL</b>	<b>19213.03</b>	<b>15959.17</b>
*Interest expenses others includes Interest on Delayed Payment of PF to Trust.		
<b>NOTE NO. 29</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Fixed Assets	5002.95	4183.51
Tools and Gauges	0.00	1.34
<b>TOTAL</b>	<b>5002.95</b>	<b>4184.85</b>
Less: Transfer from Revaluation Reserve	0.00	0.00
<b>NET DEPRECIATION</b>	<b>5002.95</b>	<b>4184.85</b>
<b>NOTE NO. 30</b>		
<b>OTHER EXPENDITURE</b>		
DRE Written off	0.00	0.00
VRS Expenditure	0.00	0.00
<b>MANUFACTURING EXPENSES:</b>		
Cosumption of Stores and Spares	49.91	126.58
Power and Light	1756.64	1512.63
Water Charges	285.62	395.43
<b>REPAIRS AND MAINTENANCE:</b>		
i) Plant Machinery and Equipment	175.37	214.23
ii) Vehicles	58.91	83.58
iii) Buildings	948.09	1128.65
iv) Other Equipments	65.18	112.38
Cost and Expenses on Tools	0.00	0.00
Experimental Work and Training Expenses	2.00	16.92
Expenses on Minor Equipment & Work	6.08	13.23
Factory Expenses	834.08	789.37
<b>TOT CHARGES:</b>		
i) Technical Assistance	0.00	0.00
ii) Technical Knowhow fee	0.00	0.00
iii) Documentation Charges	0.00	0.00
iv) Training Assistance	0.00	0.00
v) Others	0.00	(5.05)
Liquidated Damages	531.26	1388.93
Net gain /loss on foreign currency translation and transaction (other than considered as finance cost)	(0.01)	0.00
<b>TOTAL MANUFACTURING EXPENSES</b>	<b>4713.12</b>	<b>5776.88</b>
<b>ADMINISTRATION EXPENSES:</b>		
Rent	161.52	196.42
Rates and Taxes	162.20	1100.14
Insurance	74.06	76.26
<b>TRAVELLING EXPENSES</b>		
Inland	432.68	236.91



## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021
Foreign	0.00	0.00
Legal fees	92.11	167.69
Postage, Telegram, Telex Expenses	31.77	30.50
Telephone and Trunk Call Charges	68.91	76.09
<b>Remuneration to Auditors :-</b>		
Audit Fees	23.96	30.88
For Taxation Matters	1.66	0.15
For Company Law Matters	0.00	0.00
For Management Services	0.00	0.00
For Reimbursement of Expenses	0.38	0.16
For Other Services	0.48	0.82
CISF/ Private Security Expenses	960.60	916.19
Printing, Stationary and Duplicating Charges	51.83	54.08
Transport Expenses	290.63	268.02
News Papers, Magazines & Periodicals	16.75	19.14
Mechanised Accounting Expenses	0.94	0.19
Licence fee/Segment Charges	4.07	1.04
CSR Expenditure	68.00	6.36
Office Expenses	881.45	749.67
Provision for Debtors/Advance	700.00	203.07
Bad Debts Write off	323.02	8.70
Claims and Expenses Charge off	19.18	989.51
Loss on Sale of Assets	0.00	0.00
Irrecoverable ED/ Late Fees/ Penalty	15.24	120.73
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>4381.45</b>	<b>5252.71</b>
<b>SELLING EXPENSES</b>		
Selling Agency Commission	6.38	0.02
Advertisement Expenses	24.72	25.55
Exhibition and Publicity Expenses	0.40	2.58
Packing Expenses	0.16	1.08
Forwarding Expenses	322.40	26.04
Discount Allowed	0.00	0.00
Warrenty Expenses	0.53	1.96
Sales Promotion Expenses	9.03	4.25
Entertainment Expenses	2.58	0.56
Cost of Tender Forms	3.61	0.38
<b>TOTAL SELLING EXPENSES</b>	<b>369.82</b>	<b>62.43</b>
<b>TOTAL OTHER EXPENSES</b>	<b>9464.39</b>	<b>11092.02</b>
Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.		
In case of back to back arrangements, Liquidated damages is accounted on net basis.		
<b>Expenditure in Foreign Currency :</b>		
Royalty	0.00	0.00
Knowhow	0.00	0.00
Professional / Consultation Fees	0.00	0.00
Interest	0.00	0.00
Others	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

### Additional Disclosures

#### NOTE NO. 31

1 Corporate information:

ITI Limited is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. The Company is primarily engaged in the business of Manufacture, sale and servicing of Telecommunication equipments.

2 Execution and registration of sale deed for assets sold to DRDO for ₹2600 lacs during 2003-2004 is under process .

3 An amount of ₹16500 Lakhs has been received from the government towards payment of wage revision arrears during 2014-2015. An Amount of ₹15479.79 lakhs has been paid towards payment of wage revision arrears and remaining amount of ₹1020.21 lakhs kept under Other Current Liabilities.

4 Balances in the accounts of creditors, advances from customers, debtors, claims recoverable, loans & advances, materials with fabricators , subcontractors/others, material in transit, deposits, loans, and other payables/receivables such as Sales Tax, VAT, Excise Duty, Cenvat, Service Tax, GST, TDS etc., are under confirmation/reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivables, current assets and loans and advances are realisable in the ordinary course of the business.

5 The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The company is also engaged in Defence projects. The MCA vide its notification dt.23.02.2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.

6 a) As per Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures the following transactions are entered into with the Joint Ventures of the company viz. India Satcom Ltd.,(ISL).

	2021-22	2020-21
Purchase of goods\Services	0.00	0.00
Sale of goods\Services	0.00	0.00
Amount Outstanding:	0.00	0.00
- Due from the related party	0.00	0.00
- Due to the related party	0.00	0.00
Provision for doubtful debts against dues from related party.	0.00	0.00
Written Off during the Year	0.00	0.00

b) Remuneration paid to Key Management Personnel [As required under Ind AS 24]

Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60

7 **Earnings Per Share (for continuing operation):**

Profit after tax	12106.26	1120.20
(-) Preference Dividend	0.00	0.00
Dividend tax	0.00	0.00
Profit available to equity shareholders	12106.26	1120.20
No. of Shares at beginning of the year	933522869	925119508
No. of Shares at the end of the year	933522869	933522869
Weighted average number of shares during the period	933522869	926293676
Earning per equity share (for continuing operation): Basic & Diluted( in ₹ )	1.30	0.12

8 Since the Company has no virtual certainty of sufficient future taxable income, deferred tax asset is not being recognised on unabsorbed depreciation and carried forward losses of the Company under Indian Accounting Standard (Ind AS)-12 "Income Taxes"

9 **JOINT VENTURES:**

The financial reporting of interests in Joint Ventures as per Ind AS 28:

(a) India Satcom Limited

No.2, Kadugodi Industrial Area, Whitefield, Bangalore - 560 067

Company's stake in equity participation 49% 49%

Place of incorporation of JV-India

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021																				
10 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	0.00	0.00																				
Commitments in respect of other contracts not provided for-	0.00	0.00																				
11 <u>a) Contingent Liability in respect of</u>																						
- Outstanding letters of credit & guarantees	147253.97	158979.28																				
- Sales Tax demand /Service Tax/Income Tax	14578.43	14301.53																				
- Non receipt of C/D forms	14139.51	19929.54																				
- Excise Duty Demand/CENVAT Disallowance	2225.78	2225.78																				
- ESI demand	0.00	0.00																				
- Demand of interest & penalty by KVAT	226.04	226.04																				
- Claims against the Company not acknowledged as debts	21380.42	20909.26																				
i.) Due to the financial crunch, there have been delayed remittance of some of the statutory dues including contribution to the provident fund. The company has provided interest for the delay on an estimated basis as the actual amount of interest/penalty payable is unascertainable.																						
ii.) The company has disclosed a contingent liability of ₹ 14,139.51 lakhs (Previous Year ₹ 19,929.54 Lakhs) towards additional central sales tax liability for non-collection/submission of C/D forms for the past years on the estimated basis. The actual liability may vary based on the collection and submission of the statutory forms and adopting the applicable tax rate at the time of tax assessments.																						
iii.) Out of the claims against the company not acknowledged as debt of ₹ 21380.42 Lakhs which includes ₹ 16700.00 Lakhs towards M/s Alphion Corporation, Company has to recover ₹ 17096 Lakhs from BSNL on back to back basis contract related to GPON.																						
<u>b) Pending litigations:-</u>																						
(i) Claim Recoverable - in land - ₹1049.41 lakhs due from M/S Himachal futuristic communications. The Company has filed a legal case and the matter is pending before Delhi High court.																						
(ii) Vendors have filed the case against the company involving total amount ₹100.00 lakhs and the case is pending before various forums.																						
(iii) Disputed statutory liabilities of ₹17030.26 lakhs.																						
(iv) LERC is using the temporary road in ITI land measuring 5310 sq.ft. belonging to ITI without permission and the matter is subjudiced.																						
(v) Bruhat Bengaluru Mahanagara Palike (BBMP) constructed road in ITI land in Krishnarajapuram without permission of ITI which is used by general public despite the stay order from High court of Karnataka.																						
(vi) Interest and penalties on arrears of all overdue statutory liabilities (including undisputed) could arise as and when assessed and determined by the respective authorities.																						
(vii) One employee has filed case against the company for claiming interest on 39 months wage revision arrears for ₹ 28.28 Lakhs and the case is pending in High Court.																						
12 Write-back of liabilities of earlier years amounting to ₹289.18 lakhs comprises Rae Bareli Unit ₹161.46 lakhs and NSU ₹127.72 lakhs (Previous year ₹2043.71 Lakhs comprises Palakkad unit ₹1.13 Lakhs, Mankapur unit ₹2010.40 Lakhs, and ROs ₹32.18 Lakhs).																						
Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption																						
13	<table border="1"> <thead> <tr> <th>Particulars</th> <th>2021-22</th> <th>%</th> <th>2020-21</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Imported</td> <td>53.38</td> <td>0.44</td> <td>2093.87</td> <td>11.92</td> </tr> <tr> <td>Indigenous</td> <td>12042.06</td> <td>99.56</td> <td>15470.60</td> <td>88.08</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>12095.44</b></td> <td><b>100.00</b></td> <td><b>17564.47</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>	Particulars	2021-22	%	2020-21	%	Imported	53.38	0.44	2093.87	11.92	Indigenous	12042.06	99.56	15470.60	88.08	<b>TOTAL</b>	<b>12095.44</b>	<b>100.00</b>	<b>17564.47</b>	<b>100.00</b>	
Particulars	2021-22	%	2020-21	%																		
Imported	53.38	0.44	2093.87	11.92																		
Indigenous	12042.06	99.56	15470.60	88.08																		
<b>TOTAL</b>	<b>12095.44</b>	<b>100.00</b>	<b>17564.47</b>	<b>100.00</b>																		
14 Accretion/Decretion to stock-in-trade is arrived at after considering due adjustment to difference in excise duty element in respect of opening stock.																						
15 The Company is a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of ₹4156.79 Crores in February, 2014, for revival of ITI under Rehabilitation Scheme. As a part of the approved financial assistance, a sum of ₹192 Crores has been received towards share application money as Capital Grant during the financial year 2014-15 and shares allotted during financial year 2016-17 and additionally ₹80 Crores received as share capital in financial year 2016-17. During the year 2017-18 ₹337 Crores has been received towards Capital Grant in Aid, out of this ₹200 Crores allotted during 2017-18 and balance ₹137 Crores during 2018-19. The Company also received ₹55 Crores during 2018-19 which was lying in share application money for pending allotment. During the FY 2019-20 the company has received capital grant of ₹105 Crores. For the total Capex amount of Rs 160 Crores (Rs 50 Crores + Rs 5 Crores + Rs 35 Crores + Rs 70 Crores) received by ITI, the company allotted 2,81,19,508 equity shares @ ₹ 56.90 per share (Each ₹10 fully paid up at premium of Rs 46.90 per share) to The President of India. The allotment was made in accordance with the Ministry of Communications vide order no. 20-36/2012-FAC.II(Pt) dated 06.09.2019 & dated 14.01.2020 at prevailing market price or average share price for three months prior to the date of allotment whichever is lower. "During the FY 2020-21 the company has received capital grant of ₹105 Crores and the company has allotted the 84,03,361 equity shares @ ₹ 124.95 per share (Each ₹10 fully paid up at premium of Rs 114.95 per share) to The President of India. The allotment was made in accordance with the BIFR order dated 08.01.2013 read with Ministry of Communications order no. 20-86/2014-FAC.II dated 02.08.2019 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower.																						

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<p>"Further to the above, during the FY 2021-22 the company has received capital grant of ₹7156.30 lakhs which is lying in share application money pending allotment During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹21429 lakhs to the company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the Grant amount of ₹21429 lakhs has been recognised as Income.</p> <p>The company has received ₹15500 lakhs towards VRS expenditure, out of which ₹3658.19 lakhs has been spent towards VRS during FY 2016-17 and 2017-18 and ₹3350 lakhs have been transferred to units/Ros for meeting the expenditure during 2016-17 and the balance ₹308.18 lakhs has been transferred during FY 2018-19. During FY 2018-19 the company has not paid VRS expenditure and during FY 2019-20 the company has paid VRS expenditure of ₹439.33 lakhs and during FY 2020-21, ₹ 6675.00 lakhs was paid to VRS optee. During FY 2021-22 Company has paid ₹ 481.49 lakhs to VRS optees and the balance amount is lying in the account.</p>		
16 Land proposed to be leased to Bangalore Metropolitan Transport Corporation, BMTC, measuring 12.15 acres is in possession of the BMTC. Pending Government of India approval for the lease, lease terms and agreement yet to be finalised. Lease rental will be recognised on finalisation of the terms. An amount of ₹ 285 lakhs received earlier from the BMTC under an agreement to sell is held under deposits.		
17 Liquidated Damages (LD) of Rs 1049.41 lakhs on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi.		
18 Karnataka Power Transmission Corporation Limited is using 5 Acres of Land and no lease agreement has been entered for the same.		
19 Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered, as the revised lease rent is not settled with ESIC.		
20 <u>Value of Imports on CIF basis</u>		
Raw Materials and Production Stores	53.38	1697.18
Components and Spare Parts	0.00	0.00
Material in transit	0.00	0.00
Capital Goods	946.87	274.83
<b>TOTAL</b>	<b>1000.25</b>	<b>1972.01</b>
21 Rent from C-DoT, Government of India aggregating ₹ 5847.90 lakhs has not been realised for the years 2005-06 to 2010-11. Due to uncertainty of realisation, recognition of gross rental revenue aggregating ₹ 10879.92 lakhs for the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22 on accrual basis is deferred, which is in conformity with Ind AS.		
22 Write off of Trade receivables of earlier years amounting to ₹ 323.02 lakhs pertains to NSU and Provision for Bad & Doubtful debt amounting to Rs.700 lakhs pertains to Bangalore Plant		
23 The title deeds of all the immovable properties, as disclosed in Note 1 and Note 3 to the financial statements are held in the name of the Company except those mentioned below: Land Measuring 77 Acres at Palakkad valuing ₹ 19470 Lakhs (Carrying Value) have been resumed by the Govt of Kerala and under adjudication of the Apex Court. The value of Land as shown in the Balance Sheet includes the value of Land resumed by the Govt of Kerala pending decision by the Apex court. ITI Complex land 174.69 acres valuing ₹ 9282 lakhs (Carrying Value) was handed over to Naini Unit by District Industrial Officer in 1969 which is not in the name of the Company Transfer of title of 196.37 acres of land (factory area) valuing ₹ 11620 Lakhs (Appx) acquired against Gazette No 10574(1) . SHA.U/18.II.666/Bha-72 dtd 09.01.1973 pertaining to Villages Ballapur, Chhajlapur & Malikmau Aima, Raebareli transfereed by Industries Department, Raebareli dated 12.11.1973 is pending due to non submission of proof of compensation paid by ITI Limited to the land owners at the time of land acquirement		
24 The Company has not revalued its Property, Plant & Equipment during the Current or Previous year		
25 No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.		
26 No proceedings has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and the rules made there under.		
27 The Company has borrowings from Banks on the basis of security of current assets. The Stock and Debtors Statement filed by the Company with banks are in agreement with the books of accounts		
28 The Company has not been declared as a Wilful Defaulter by any banks or other Financial Institutions or other lenders		
29 As per the information available with the management, the Company does not have any transactions with Companies stuck off under Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956, in respect of Investments in Securities, Receivables, Payables, Shares held by Stuck off Company and other outstanding balances.		
30 The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period		
32 No funds 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 entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries		
33 The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961		
34 The Company has not traded or invested in Crypto or Virtual Currency during the Current or Previous year.		
35 The borrowings obtained by the Company from banks and financial institutions have been applied for the purpose for which such loans are taken		

## Notes to the Standalone Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>36 Performance Indicators - Ratios</b>		
(a) Current Ratio -(Current Assets / Current Liabilities)	0.99	0.94
(b) Debt Equity Ratio - (Long term debt + Short Term Debt)/Total Shareholders Equity	0.63	0.62
(c) Debt Service Coverage Ratio (EBIDTA / (Interest+Principal repayment)	1.38	1.34
(d) Return on Equity (Net Income / Shareholders' Equity)	0.13	0.03
(e) Inventory Turnover Ratio (Cost of Goods Sold / Average Inventory)	9.07	12.53
(f) Trade Receivables turnover ratio (Net Credit Sales / Average Accounts Receivable)	0.63	0.78
(g) Trade Payables turnover ratio (Net Credit Purchases / Average Trade Payables)	0.67	0.86
(h) Net Capital turnover ratio (Sales /Working Capital)	-14.40	-6.90
(i) Operating Profit Margin without Grant in Aid (Operating Profit / Net Sales)	-5.38%	-0.16%
(j) Operating Profit Margin with Grant in Aid (Operating Profit / Net Sales)	6.40%	2.68%
(k) Net Profit ratio (Net Profit / Net Sales)	6.51%	0.47%
(l) Return on Capital Employed (Operating Profit / Capital Employed)	0.04	0.02
(m) Return on Investment (Investment only in Joint Venture - Unquoted)	-	-
(n) Sales to Total Assets ( Sales incl. Taxes/ Total Assets (Net Fixed Assets +Investments + Gross Current Assets) Times	0.22	0.30
(o) Operating Profit to Capital employed (Profit before tax / (Share holders' funds + Loan funds)	3.64%	4.31%
(p) Profit to Sales (Profit before tax to sales incl. GST)	5.83%	0.43%

The turnover ratios having more than 25% variance are due to operational changes

### 37 Details of CSR Activities

Rs. In lakhs

(i) Amount required to be spent by the Company during the year	110.55
(ii) Amount of expenditure incurred	99.09
(iii) Shortfall at the end of the year	11.46***
(iv) Total of Previous years shortfall	Nil
(v) Nature of CSR activities	Education, Health & Hygiene, Eradicating Hunger, Environment etc
(vi) Details of related party transactions	Nil

\*\*\* The Shortfall in CSR Expenditure will be transferred to PM Cares Fund before filing of return

- 38 The spread of Covid-19 pandemic and subsequent restrictions during the year adversely impacted several businesses across the globe. There was a moderate impact on the company's operations/performance for the quarter and year ended on 31-03-2021. Based on the information (internal, as well as external) available up to the date of approval of these financial results, Company expects to recover the carrying amounts of trade receivables and other financial assets. The company will continue to closely monitor the developments, future economic and business outlook, and its impact on the company's future performance.
- 39 ITI Limited, being a Public Sector Undertaking, the Directors on the Board of the company are appointed by the order of Government of India. The composition of Board of Directors is not as per provisions of SEBI Listing Regulations due to insufficient number of Independent Directors including women Independent Director. However, the proposal for the appointment of requisite number of Independent Directors including Women Independent Director on the Board of the company is under process with the Administrative Ministry.
- 40 Pending approval from the concerned ministry on the finalisation of the lease terms and agreement, rental income on the land the newly constructed building leased out to NIFT by the Raebareli Unit has not been recognised.
- 41 Figures in brackets indicated in the Accounts reflect negative balances.
- 42 Previous year's figures have been re-grouped, re-classified & re-stated wherever necessary to conform to current year's classification.

The accounting policies and accompanying note Form part of Financial Statements

As per our report of even date

#### For GRSM & Associates

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Notes to the Standalone Financial Statements (Contd...)

### 32 Related Party Disclosures

#### a. Associate/Joint Venture

Name of the Entity	Place of Business	Ownership Interest Held by Company		Ownership Interest Held by Non-Controlling Interests		Principal Activities
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
INDIA SATCOM LIMITED	India	49.06%	49.06%	50.94%	50.94%	VSAT Manufacturing & Servicing

#### b. Key Management Personnel's Details

Name of Directors/Key Management Personnel's	F.Y. 2021-22	F.Y. 2020-21
Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)- (Till 30.06.2021)*	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri D. Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)*	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60
Dr. Akhilesh Dube - Independent Director	0.15	1.05
Dr. K R Shanmugam - Independent Director	0.45	1.35
Shri. Mayank Gupta - Independent Director	0.40	1.25
Shri. Rajen Vidyarthi - Independent Director	0.20	1.35
Dr. Raja Nayak - Independent Director	0.65	-
Shri Billeswar Sinha - Independent Director	0.50	-
Smt Mamta Palariya - Independent Director	0.60	-

\* Part of the year

#### c. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) :-

Particulars	Associate/ Joint Venture
	INDIA SATCOM LIMITED
Purchase of Goods	
Sale of Goods	
Rendering Services	
Services Received	
Rent Received (Lease)	
Interest Income	Nil
Dividend Income on Investments	
Loan Outstanding (including Interest) as on 31.03.2022	
Trade Payables Outstanding as on 31.03.2022	
Trade Receivables Outstanding as on 31.03.2022	
Investment in Equity as on 31.03.2022	40.55 lakhs (40.55L)
Advances for Purchase Outstanding as on 31.03.2022	Nil

d. All transactions dealt with related parties are on arm's length basis.

e. All Outstanding balances(other than loan) are Unsecured and is repayable in cash within next 6 months. For Outstanding balance of loans refer note f below.

f. Loans to Related Parties

Nil

g. Management Contracts including deputation of Employees:-

Nil

h. Transaction with Government and Government Related Entities :-

As ITI is a government entity under the control of Ministry of Communications (MoC), the company has provided detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions :-

1. Buyback of Shares.
2. Bonus Issued.
3. Dividend Paid.

## CAPITAL EXPENDITURE ON AMENITIES 2021-22

₹ in Crores

PARTICULARS	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK	
	AS AT 31-03-2021	ADDITIONS DURING THE YEAR	ASSETS SOLD/SCRAPPED DURING THE YEAR	TRANSFERS AND ADJUSTMENTS	AS AT 31-03-2022	UPTO 31-03-2021	FOR THE YEAR	ASSETS SOLD/SCRAPPED DURING THE YEAR	TRANSFERS AND ADJUSTMENTS	UPTO 31-03-2022	AS AT 31-03-2022	AS AT 31-03-2021
	1	2	3	4	5=1+2-3-4	6	7	8	9	10=6+7-8-9	11=5-10	12
TOWNSHIP	1103.92	0.32	0.00	0.00	1104.24	109.24	0.79	0.00	0.00	110.03	994.21	994.69
TRANSPORT	7.00	0.00	0.00	0.00	7.00	6.36	0.13	0.00	0.00	6.49	0.51	0.63
MEDICAL	7.78	0.57	0.01	0.00	8.34	3.59	0.05	0.01	0.00	3.63	4.71	4.19
CANTEEN	6.45	0.00	0.30	0.00	6.15	3.52	0.10	0.30	0.00	3.32	2.83	2.93
SCHOOL CLUBS, AUDITORIUM SOCIAL AND CULTURAL ACTIVITIES	13.43	0.06	0.64	0.00	12.85	6.11	0.09	0.64	0.00	5.56	7.29	7.32
VEGETABLE FARMS, PARKS ETC.	0.05	0.00	0.01	0.00	0.04	0.03	0.00	0.01	0.00	0.02	0.02	0.02
<b>TOTAL</b>	<b>1138.63</b>	<b>0.95</b>	<b>0.96</b>	<b>0.00</b>	<b>1138.62</b>	<b>128.85</b>	<b>1.16</b>	<b>0.96</b>	<b>0.00</b>	<b>129.05</b>	<b>1009.57</b>	<b>1009.78</b>

## REVENUE EXPENDITURE ON AMENITIES 2021-22

₹ in Crores

PARTICULARS	TOWNSHIP	TRANSPORT	MEDICAL	CANTEEN	SCHOOLS, CLUBS, AUDITORIUM, SOCIAL AND CULTURAL ACTIVITIES	VEGETABLES FARMS, PARKS ETC.	2021-22	2020-21
Pay and Allowances	5.71	1.29	3.78	1.04	0.32	0.16	12.30	11.26
Uniforms	0.00	0.00	0.00	0.02	0.00	0.00	0.02	0.00
Grants	0.00	0.00	0.00	0.00	0.29	0.00	0.29	0.45
Supplies and Other Services	0.01	0.33	3.98	2.16	0.06	0.11	6.65	8.21
Power, light & water	2.81	0.03	0.14	0.13	0.05	0.03	3.19	2.46
Transport Charges	0.00	1.41	0.00	0.00	0.00	0.00	1.41	0.88
Rent, Rates, Taxes and Insurance	0.36	0.08	0.00	0.00	0.00	0.00	0.44	0.54
Maintenance and repairs	1.75	0.26	0.21	0.00	0.00	0.20	2.42	2.16
Depreciation - Buildings	0.34	0.01	0.03	0.12	0.09	0.00	0.59	0.77
Depreciation - Plant, Machinery, Equipment & Vehicles	0.51	0.08	0.04	0.00	0.01	0.00	0.64	0.13
General Overheads	0.01	0.02	0.02	0.01	0.00	0.00	0.06	0.09
	<b>11.50</b>	<b>3.51</b>	<b>8.20</b>	<b>3.48</b>	<b>0.82</b>	<b>0.50</b>	<b>28.01</b>	<b>26.95</b>
<b>LESS:</b>								
Recoveries/adjustments								
Rent	18.72	0.00	0.00	0.00	0.00	0.00	18.72	17.20
Power, Light & Water	1.34	0.00	0.00	0.00	0.00	0.00	1.34	1.36
Transport Charges	0.00	0.08	0.00	0.00	0.00	0.00	0.08	0.08
Capitation & other Recoveries	0.00	0.00	0.02	0.00	0.00	0.00	0.02	0.15
Sale proceeds	0.00	0.00	0.00	0.12	0.00	0.00	0.12	-
Indirect expenses	0.00	0.00	0.00	0.09	0.00	0.00	0.09	0.33
Allocated to Township, Medical & office use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-
	<b>20.06</b>	<b>0.08</b>	<b>0.02</b>	<b>0.21</b>	<b>0.00</b>	<b>0.00</b>	<b>20.37</b>	<b>19.12</b>
Net Expenditure	-8.56	3.43	8.18	3.27	0.82	0.50	7.64	7.83
Interest on Capital outlay notional	0.15	0.33	0.17	0.13	0.05	0.00	0.83	0.88
<b>TOTAL EXPENDITURE</b>	<b>-8.41</b>	<b>3.76</b>	<b>8.35</b>	<b>3.40</b>	<b>0.87</b>	<b>0.50</b>	<b>8.47</b>	<b>8.71</b>
Previous year	-9.17	4.06	7.47	4.74	0.99	0.62	8.71	8.71

## Independent Auditor's Report

TO THE MEMBERS OF ITI LIMITED BENGALURU

Report on the Audit of the Standalone Financial Statements

### Qualified Opinion

We have audited The accompanying standalone financial statements of ITI 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 Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements") in which are incorporated the returns for the year ended on that date audited by the branch auditors of the company's branches located at Naini, Mankapur, Raebareli, Srinagar and Palakkad.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid 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, the profit and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

### Basis for Qualified Opinion

1. The Company has not made provision for bad and doubtful debts (expected credit losses) in respect of the following items included under Current Financial Assets, which are also doubtful of recovery:
  - a) Rs.5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011.
  - b) Recoverable from HCL Infosystems Limited of Rs.1,690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
  - c) Recoverable from Himachal Futuristic Communications Ltd of Rs.1,049.41 lakhs towards Liquidated Damages.
  - d) Receivable from Mindarray towards encashment of letter of credit of Rs.1,023.00 lakhs
  - e) Accordingly, if provision for credit losses were made by the Company, the profit for the year and the net current assets would have been reduced by Rs.9,610.51 lakhs.
2. The Company does not have confirmations and reconciliation of balances from sundry debtors. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss which may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to comment on the impact of non-provisioning for such loss on the result or financial position of the Company.
3. The company is in the process of an assessment on ageing, usefulness, and serviceability of the inventories held at various units to ascertain the provision for obsolete inventory. At the Raebareli unit, the branch auditor has emphasised that the valuation of inventory is not as per the applicable accounting standard. As these amounts are unascertained, we are unable to comment on the impact of the same on the result or financial position of the Company.
4. The company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment

of interest in cases of delays in payment, appears to be inadequate and unverifiable. As a result, we are unable to comment on MSMED Act 2006 compliance or disclosure requirements under Schedule III of the Companies Act 2013.

5. The Company has not reversed the wrong GST input tax credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company. Accordingly, cost of sales would have been increased by Rs.889 lakhs, and the net profit and shareholders' funds would have been reduced by the same amount.
6. Regarding Goods & Services Tax, in certain cases, entries/ balances as per the books of accounts do not match with the returns filed and input tax credit reflected in the portal. Adjustment entries and reversal of ineligible input tax credit are pending. In the absence of quantification, we are unable to comment on the impact of the same on the result or financial position of the Company.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Emphasis of matter

We draw attention to the following matters under various notes (referred against each item) of the financial statements. Our opinion is not modified in respect of these matters

- The Company has received funds towards capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per provisions of Sick Industrial Companies Act, 1985. [Note No.31.15]
- The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements. [Note Nos. 31.16, 31.18, 31.19, 31.21]
- The Company carries as under 'other financial assets- current' accumulated unbilled revenue of Rs.2,30,501.32 lakhs that were recognised during the current as well as the last few years. [Note No.9 (b)]
- The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors. [Note No.31.39]
- The Company continues to carry a land admeasuring 77 acres having a carrying value of Rs.19,470 lakhs under Property, Plant & Equipment after receiving intimation of re-possession by the Government of Kerala as the company has disputed the same and the matter is under adjudication of the Apex Court. [as reported by the branch auditor]. [Note No.31.23]
- Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.3-sub note(iv)]

### Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period, These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report



Key Audit Matters	Auditor's Response
<p><b>Unbilled Revenue:</b></p> <p>Accounting for unbilled revenue is an exercise of recognising revenue based on accounting policies when an invoice/ charge on the customer is yet to be made for supply of goods or services. Revenue on Projects (Service/ Construction Contracts) such as fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time is recognized using the input (percentage-of-completion) method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts.</p> <p>Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.</p> <p>We identified the recognition of unbilled revenue as a key audit matter as the estimation of efforts or costs involves significant judgment throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the life of the contracts.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to estimates of total expected costs or efforts to complete fixed-price contracts included among others the following:</p> <p>We tested the effectiveness of controls relating to</p> <ol style="list-style-type: none"> <li>(1) reviewing the efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and</li> <li>(2) reviewing the controls pertaining to recording &amp; allocation systems which prevent unauthorised changes to recording of efforts incurred.</li> </ol> <p>We selected a sample of fixed price contract accounted using percentage-of-completion method and performed the following :</p> <ul style="list-style-type: none"> <li>• Compared efforts or costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract.</li> <li>• Review the computations of total revenue recognisable and comparisons with the billing done up to the balance date to identify the unbilled revenue</li> </ul>

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or 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 financial statements, or our knowledge obtained in the 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give true and fair view of the financial position, financial performance, total 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, Management of Company 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 the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 disclosure 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 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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication,

#### Other Matters

We did not audit the financial statements of Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs.4,94,049.06 lakhs as at March 31, 2022 and total income of Rs.19,561.38 lakhs for the year ended on that date, as considered in the standalone financial statements (excluding inter-unit balances and transactions). The financial statements of these branches have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is solely on the report of such Branch Auditors. Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2) 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. and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.
- c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
- d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
- e) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015.
- f) In terms of Notification no. G.S.R. 463 (E) dt. 05-06-2015 issued by Ministry of Corporate Affairs, the Provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company, being a Government Company.
- g) The provisions of Section 197 are not applicable to a government Company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India.
- h) 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 B".
- i) 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, 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. (Refer Note 31.11 to the financial statements and clause vii (b) of Annexure A to this Report )
  - ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii) There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder to the Investor Education and Protection Fund by the Company.
  - iv) The management has represented that,
    - (1) to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds 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(s) or entity(ies), including foreign entities, "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;
- (2) to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("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; and
- (3) Based on such audit procedures we have 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 (a) and (b) contain any material misstatement.
- v) The Company has neither declared nor paid any dividend during the year and hence commenting on the compliance with section 123 of the Companies Act, 2013 does not arise.
- 3) On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "Annexure C".

Place: Bangalore

Date: 25 May 2022

**For GRSM & ASSOCIATES**

Chartered Accountants

[FRN: 000863S]

**UDIN: 22028113AKDUWP6065**

**V.MADHAVAN**

Partner

M.No.028113

## "Annexure A" to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of ITI Limited ("the Company"), for the year ended March 31, 2022)

i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets except in the case of Bangalore Plant, NS Unit and R&D Unit at Bangalore, where the records are not updated. (B) The Company does not have intangible assets.

(b) According to the information and explanations given to us, fixed assets have been physically verified by the management except for the assets located at the Bangalore Plant, Bangalore NS Unit, Bangalore RO and Corporate Office and no material discrepancies were noticed on such verification. Pending physical verification of fixed assets in the above units, discrepancies, if any, could not be ascertained and accounted for.

(c) We are unable to comment on whether the title deeds of immovable properties are held in the name of the Company as sufficient information and appropriate evidence supporting the same in the Units where we have audited are not made available to us. The details of title deeds of immovable properties, in the opinion of the management that not held in the name of the Company are given in note no. 1 to the Financial Statements and are given below:

Description of property	Gross carrying value (Rs. In lakhs)	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company (also indicate if in dispute)
Land	19470	Title resumed by Government of Kerala	No	Over 10 years	Company has disputed the resumption
Land	9282	Absolute Sale Deed not yet executed	No	Over 10 years	Pending
Land	11620	Absolute Sale Deed not yet executed	No	Over 10 years	Pending due to non-submission of proof of compensation paid by ITI Limited to the landowners at the time of land acquirement

(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) According to the information and explanations given to us, inventories (excluding those with third parties) have been physically verified by the management at reasonable intervals other than at (i) Bangalore Plant; (ii) NSU Unit & (iii) Raebareli Unit. According to the information and explanations given to us and based on the Report of the Other Auditors, no material discrepancies were noticed on physical verification of the inventories at the locations where Management had carried out physical verification. However, at Bangalore Plant since documents supporting the comparison of physical stocks with book records are not made available, we are unable to comment on the discrepancies

(b) In our opinion and according to the books of account and records examined by us in the normal course of audit, the quarterly returns or statements filed by the company with banks who have sanctioned working capital limits to the Company, are in agreement with the books of account of the Company.

iii. According to the information given to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, clauses (iii) (a) to (f) Paragraph 3 of the Order are not applicable to the Company.

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. We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

vii. According to the information and explanations given to us in respect of Statutory dues:

(a) The company is generally not regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. The extent of the arrears of outstanding statutory dues as on 31-3-2022 for a period of more than six months from the date they became payable is given in the below table:

₹ in Lakhs

Particulars	BG Plant (Including Ros & NSU)	Srinagar	NAINI	Raebareli	Mankapur	Palakkad	TOTAL
Statutory Dues PF	1,888.36	-	2,833.13	13,646.49	7,210.60	221.73	<b>25,800.31</b>
WCT			8.08				<b>8.08</b>
Excise Duty			0.44				<b>0.44</b>
Sales Tax			1.23	57.13			<b>58.36</b>
TDS			58.40	200.33	471.64		<b>730.37</b>
Service Tax				2,417.74			<b>2,417.74</b>
<b>Total</b>	<b>1,888.36</b>	<b>-</b>	<b>2,901.28</b>	<b>16,321.69</b>	<b>7,682.24</b>	<b>221.73</b>	<b>29,015.30</b>

b )According to the information and explanations given to us, the statutory dues mentioned in the below table have not been deposited on account of any dispute

Sl. No.	Name of the statute	Nature of dues	Amount in Rs. Lakhs (As on 31.03.2022)	Period to which the dispute relates	Forum where the dispute is pending	Unit
1	Central Excise Act, 1944	Nil rate of duty availed on Software disputed by CE dept (Net of Pre deposit Rs.200.00 lakhs)	637.00	2003-2005	Custom Excise & Service Tax Appellate Tribunal	BGP
2	Central Excise Act, 1944	ED Demanded on R&D prototype modules for field trail. Stay extended ( net of pre deposit Rs.30.00 lakhs)	299.00	2006-07	Custom Excise & Service Tax Appellate Tribunal	BGP
3	Central Excise Act 1944	Nil Rate of Duty availed on software disputed by Central excise dept (Net of Pre deposit Rs.14.00 lakhs)	497.28	2001-2002 2002-2003	Custom Excise & Service Tax Appellate Tribunal	BGP
4	Central Excise Act 1944	CENVAT Credit	376.00	2007-2008	Custom Excise & Service Tax Appellate Tribunal	BGP
5	UP VAT	Sales Tax	264.89	1986-1989	UP Government	MKP
6	UP VAT	Sales Tax	15.32	1989-1996	UP Government	MKP
7	Finance Act, 1994	Service Tax	8,435.14	2009-10 to 2013-14	CESS Tax, Allahabad	MKP
8	Finance Act, 1994	Service Tax	1,992.19	2009-10 to 2013-14	CESS Tax, Allahabad	MKP
9	Central Sales Tax (CST)	Demand of other dues and Additional Tax against FORM 'C'	1,013.98	2005-2006	Joint Commissioner(Appeals), Commercial Tax, Allahabad	NNI
10	Central Sales Tax	Demand of Additional Tax against FORM 'C'	2.64	2007-08	Additional Commissioner(Appeals), Commercial Tax, Allahabad	NNI
11	CST/UPVAT/Entry Tax	Demand of other dues	9.23	2008-09	Addl Commissioner, (Appeals), Commercial Tax, Allahabad	NNI

Sl. No.	Name of the statute	Nature of dues	Amount in Rs. Lakhs (As on 31.03.2022)	Period to which the dispute relates	Forum where the dispute is pending	Unit
12	Central Sales Tax	Demand of other dues and Additional Tax against FORM 'C'	2.12	2009-2010	Deputy Commissioner, Commercial Tax, Allahabad	NNI
13	CST/UPVAT	Demand of other dues and additional Tax Against Form C	60.57	2010-2011	Addl Commissioner, Appeals Commercial Tax, Allahabad	NNI
14	CST	Demand of other dues and Additional Tax against FORM 'C'	10.96	2011-2012	Tribunal, Commercial Tax, Allahabad	NNI
15	CST/UPVAT	Demand of Other dues and Form C	146.75	2012-2013	Dy. Commissioner sector 14, Commercial Tax, Allahabad	NNI
16	CST/UPVAT	Demand of Tax	86.75	2013-2014	Deputy Commissioner Sector 14, Commercial Tax, Allahabad	NNI
17	Service Tax	Service Tax	109.44	2010-2011	CESTAT, Bangalore	PKD
18	Service Tax	Service Tax	140.34	2011-2012	CESTAT, Bangalore	PKD
19	Service Tax	Service Tax	161.27	2011-2012	CESTAT, Bangalore	PKD
20	Service Tax	Service Tax	2.76	2012-2013	CESTAT, Bangalore	PKD
21	Service Tax	Service Tax	2.69	2012-2013	CESTAT, Bangalore	PKD
22	CST	Sales Tax	28.04	2001-2002	High Court, Ernakulam	PKD
23	CST	Sales Tax	504.13	2003-2004	KVAT Tribunal, Palakkad	PKD
24	Sales Tax Act	Sales Tax	117.70	2010-2011	Trade Tax Tribunal, Lucknow	RBL
25	Sales Tax Act	Sales Tax	87.39	2014-2015	Trade Tax Tribunal, Lucknow	RBL
26	Karnataka VAT Act, 2003	Turnover Suppression	26.47	2013-2014	Commercial Tax Officer, Thirpunnithura	RO BG
27	Karnataka VAT Act, 2003	Turnover Suppression	48.92	2014-2015	Appellate Assistant Commissioner, Commercial Taxes, Ernakulam	RO BG
28	Service Tax	Non payment of Service Tax on Royalty payments received	44.78	2012-13 to 2014-15	Commissioner of Central Excise	RO BG
29	KVAT	Turnover suppression	65.87	2012-13	Dy Commr( Appeals) -Commercial Tax, Ernakulam	RO BG
30	Sales Tax	Sales Tax	733.36	1987-88 to 1989-90, 1996-97, 1999-00, 2002-03	High Court, J & K	SNR
31	Sales Tax	Sales Tax	226.05	2013-14	Commissioner of Sales Tax Bhubneshwar	RO BBSR
32	Income Tax	Income Tax	691.72	2017-18	Commissioner of Income Tax	CORP
33	Sales Tax	Sales Tax	189.51	2014-15	Sales Tax Tribunal, Mumbai	RO MBI
		<b>Total</b>	<b>17,030.26</b>			

- 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 received a soft loan of Rs.30,000 lakhs from the Ministry of Communications & IT, Department of Telecommunications, Government of India during the year 2014-15. During the year, the Company received an intimation deferring the repayment. Now, the repayment would effectively start from the FY 2022-23. However, the terms with respect to servicing of interest is unclear. Apart from this, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or Government according to the records of the Company examined by us and the information and explanations given to us. The Company has not issued any debentures.
- (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 funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies 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) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
- 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) The Company has an internal audit system. However, in our opinion it is not commensurate with the size and the 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.
- (d) 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. (a) In respect of other than ongoing projects, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act, 2013 within a period of six months of the expiry of the financial year in compliance with the second proviso to sub-section (5) of section 135 of the said Act, except in respect of the following:

Financial year	Amount unspent on Corporate Social Responsibility activities "other than Ongoing Projects"	Amount Transferred to Fund specified in Schedule VII within 6 months from the end of the Financial Year	Amount Transferred after the due date
2020-21	Rs.64 lakhs	Nil	Rs.64 lakhs On 28-3-2022
2021-22	Rs.11.46 lakhs	Time not yet elapsed at the time of the issue of the auditor's report	

(b) The Company does not have any ongoing projects in respect of any amount remaining unspent under section (5) of section 135 of Companies Act and hence the question of transfer to special account under the provisions of sub section (6) of section 135 of the said Act does not arise.

Place: Bangalore  
Date: 25 May 2022

**For GRSM & ASSOCIATES**

Chartered Accountants  
[FRN: 000863S]

**UDIN: 22028113AKDUWP6065**

**V.MADHAVAN**

Partner

M.No.028113

# "ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ITI LIMITED

Report on the Internal Financial Controls under Clause (l) 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 ITI 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.

## Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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.

## Qualified Opinion

According to the information and explanations given to us, and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- The company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis, and reconciliation of unmatched Receivables, Advances, and Payables.
- The company, in respect of Goods & Services Tax, did not have an effective system for timely accounting of entries, reversal of ineligible input tax credit, and reconciling the account balances with the returns filed thereof.
- At Raebareli Unit, the ERP software BaaN is not updated appropriately, and the audit was completed with information obtained from various departments.

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained 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 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.

## Other Matter

We did not audit the internal financial controls over financial reporting of Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs.4,94,049.06 lakhs as at March 31, 2022 and total income of Rs.19,561.38 lakhs for the year ended on that date, as considered in the standalone financial statements (excluding inter-unit balances and transactions). The internal financial controls over financial reporting of these branches have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the adequacy of the internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 included in respect of these branches is solely on the report of such Branch Auditors.

Our opinion is not modified in respect of these matters.

Place: Bangalore

Date: 25<sup>th</sup> May 2022

**For GRSM & ASSOCIATES**

Chartered Accountants

[FRN: 000863S]

**UDIN: 22028113AKDUWP6065**

**V.MADHAVAN**

Partner

M.No.028113



## "ANNEXURE C" TO INDEPENDENT AUDITOR'S REPORT

**Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of ITI Limited (Standalone) for the year 2021-22**

Sl. No.	Areas Examined	Auditors' Observations
1	<p>Whether the company has system in place to process all the accounting transitions through IT system?</p> <p>If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.</p>	<p>Yes. The company has a system in place to process all the accounting transitions through IT software. Different units of the Company use different systems.</p> <p>However sub-systems such as inventory, invoicing, order processing, payroll is outside the accounting software.</p> <p>We have not come across any adverse implications on the integrity of the accounts.</p>
2	<p>Whether there is any restructuring of an existing loan or eases of waiver/write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan?</p> <p>If yes, the financial impact may be stated. Whether such cases are properly accounted for?</p>	<p>According to the information and explanations given to us and based on our examination of the records of the company, during the year there has been no restructuring of an existing loan or cases of waiver/write off of debts/loan/interest etc. made by a lender to the company due to the company's inability to repay the loan.</p>
3	<p>Whether funds (grants/subsidy etc) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for /utilized as per its term and conditions?</p> <p>List the cases of deviation.</p>	<p>The Funds (grants/subsidy etc) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for /utilized as per its term and conditions.</p> <p>Details of unspent grant/ subsidy as on 31-3-2022 is as follows:</p> <ol style="list-style-type: none"> <li>1) Grant towards VRS – Rs.4245.48 lakhs</li> <li>2) Grant-in-aid (capital)- Rs.7160.94 lakhs</li> </ol>

Place: Bangalore  
Date: 25<sup>th</sup> May 2022

**For GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

**UDIN: 22028113AKDUWP6065**  
**V.MADHAVAN**  
Partner  
M.No.028113

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of ITI LIMITED for the year ended 31<sup>st</sup> March 2022 in accordance with the directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

Place: Bangalore  
Date: 25<sup>th</sup> May 2022

**For GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

**UDIN: 22028113AKDUWP6065**  
**V.MADHAVAN**  
Partner  
M.No.028113

# Consolidated Financial Statements

## SIGNIFICANT ACCOUNTING POLICIES

### Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the Company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareilly Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

#### 1) Basis of Preparation

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

#### Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

- Derivative financial instruments, if any
- Financial assets and liabilities that are qualified to be measured at fair value
- Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

#### 2) Use of Estimates

The preparation of the financial statements in conformity with the IndAS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

#### 3) Functional and presentation currency

Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

#### 4) Revenue Recognition

The Company recognises revenue from contracts with customers when it satisfies a performance obligation by transferring promised good or service to a customer. The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Performance obligation is satisfied over time when the transfer of control of asset (good or service) to a customer is done over time and in other cases, performance obligation is satisfied at a point in time. For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured

in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

#### a. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

#### b. Ex- Works Contract

When specified goods are unconditionally appropriated to the contract after prior inspection and acceptance, if required.

#### c. FOR Contracts

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

#### d. Bill and Hold Sales

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

- it is probable that delivery will be made;
- the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;
- the buyer specifically acknowledges the deferred delivery instructions; the usual payment terms apply

#### e. Services and Construction contracts

Revenue on time-and-material and unit of work-based contracts, are recognized as the related services are performed. Fixed-price maintenance revenue is recognized rateably either on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or rateably using a percentage-of completion method when the pattern of benefits from the services rendered to the customer and Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. Revenue from other fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the percentage-of-completion method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts. Estimates of transaction price and total costs or efforts are continuously monitored over the term of the contracts and are recognized in net profit in the period when these estimates change or when the estimates are revised. Revenues and the estimated total costs or efforts are subject to revision as the contract progresses. When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

Some contracts include multiple performance obligations, such as the supply of systems, equipment etc., and maintenance services. Consideration towards maintenance services is therefore identified and accounted for as a separate performance obligation. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost-plus margin.

For other fixed-price contracts, revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

**f. Interest income**

Interest income is recognized using the effective interest rate method.

**g. Dividend**

Dividend income is recognised when the Company's right to receive dividend is established.

**h. Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

**i. Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

**j. Other Income**

Other Income not specifically stated above is recognised on accrual basis.

**5) Property, plant and equipment, Capital Work-in progress**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

**Capital work-in-progress**

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

**6) Intangible Assets, Intangible Asset under Development**

a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic

benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development"

- b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
- c. Cost of developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".
- d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

**7) Research and development expenses:**

Research expenditure is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the Company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

**8) Impairment of Non-financial assets**

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

**9) Depreciation /Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

- a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
- b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.
- c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.
- d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Amortization**

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available

for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

#### Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars		(Years)
A.	(a) Building (other than factory buildings)	60
	(b) Factory building	30
	(c) Purely temporary erections	3
	(d) Building with dwelling units each with plinth area not exceeding 80 sqm.	30
B.	Furniture & Fittings	10
C.	Plant & Machinery	
	(a) General Rate (on double shift basis)	15
	(b) Special Rate: - Servers & Networks	6
	(c) Data Processing Machines including Computers	3
D.	Roads and compound Walls	10
E.	Office Machinery and Equipment	5
F.	Vehicles	8
G.	Assets costing less than ₹5,000/- are depreciated @ 100%	
	However, in respect of assets having original cost of ₹50,000/- and above, a residual balance of ₹5/- has been retained in the books.	

#### 10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

##### Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior

to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

##### Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

#### 11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### 12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

#### 13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

#### 14) Inventories

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

#### 15) Work-in-process

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales overheads and at the net realisable value, after providing for obsolescence, if any.

b. Work-in-process (Installation) is valued at lower of cost as recorded

in the work orders and net realizable value, after providing for obsolescence, if any.

**16) Tools and Gauges**

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment. loose tools are charged to revenue at the time of issue

**17) Financial assets (Trade Receivables & Other receivables)**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

**18) Errors and Estimates**

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

**19) Income taxes**

Income tax comprises of current and deferred income tax

**Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

**Deferred tax**

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

**20) Warranty Liability**

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

**21) Foreign currencies**

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a

foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

**22) Employee benefits**

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.

b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.

c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

e. Eligible employees of the Company receive benefits from a provident fund, which is a defined contribution plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company remits the contribution to the ITI Employees' Provident Fund Trust. The trust after making a portion of contribution to the government-administered pension fund as per the regulations, invests the remaining funds in specific designated instruments as permitted by appropriate regulations. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government.

**23) Provision & Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements. However, contingent liabilities unless the possibility of an outflow of resources embodying economic benefits is remote and contingent assets where an inflow of economic benefits is probable are disclosed in the notes.

**Onerous Contracts**

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the

contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

#### 24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices 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).

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

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### 25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

#### 26) Financial Instruments

##### a. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

##### b. Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i. Debt instruments at amortised cost,
- ii. Debt instruments at fair value through other comprehensive income (FVTOCI),
- iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),
- iv. Equity instruments (other than investments in associates – which is carried at cost) measured at fair value through other comprehensive income (FVTOCI).

##### Derecognition

A financial asset or part of a financial asset is derecognised when the rights to receive cash flows from the asset has expired.

##### Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

#### 27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured

at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

#### 28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

#### 29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

- a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.
- b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.
- c. In case of dues outstanding for a significant period of time, on a case to case basis

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

#### 30) Financial Liabilities

##### a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

##### b. Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

- i. Financial liabilities at fair value through profit or loss.
- ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IndAS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

##### c. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

**d. Trade and other payables**

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**31) Reclassification of Financial Instruments**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

**32) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**33) Cash dividend and non-cash distribution to equity shareholders**

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

**34) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**35) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

**36) Consolidation**

ITI has invested in 49% of Equity Share Capital of its Joint Venture "India Satcom Limited" for the cost of ₹40.55 lakhs.

According to Ind AS 28, the consolidation of interest in joint ventures can be done by using "Equity Method", wherein the share of investor in the net worth of investee can be directly taken as value of investment in the books of investor and the difference between old value and new value will be credited/debited to Other Comprehensive income as the investment in equity shares has been classified as "Equity Instruments through Other Comprehensive Income".

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Consolidated Balance Sheet as at 31.03.2022

₹ in Lakhs

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipment	1	265846.40	263464.20
(b) Capital work-in-progress	2	15439.20	16887.03
(c) Investment Property	3	6838.00	6746.53
(d) Goodwill		0.00	0.00
(e) Other Intangible assets		0.00	0.00
(f) Intangible assets under development		0.00	0.00
(g) Biological Assets other than bearer plants		0.00	0.00
(h) Financial Assets			
(i) Investments	4(a)	3490.00	3626.61
(ii) Trade receivables	4(b)	23622.30	35272.92
(iii) Loans	4(c)	0.42	6.89
(iv) Others	4(d)	3.00	3.00
(i) Deferred Tax Assets (net)		0.00	0.00
(j) Other non current assets	5	0.52	0.52
		<b>315239.84</b>	<b>326007.70</b>
<b>(2) Current assets</b>			
(a) Inventories	6	19339.54	19369.90
(b) Financial Assets			
(i) Investments		0.00	0.00
(ii) Trade receivables	7	272989.62	255210.34
(iii) Cash and cash equivalents	8(a)	1556.54	2793.67
(iv) Bank Balances other than (iii) above	8(b)	29104.81	51966.86
(v) Loans	9(a)	75304.56	55764.33
(vii) Others	9(b)	230581.96	171118.91
(c) Current Tax Assets (Net)		0.00	0.00
(d) Other current assets	10	13578.72	9046.15
		<b>642455.75</b>	<b>565270.16</b>
<b>TOTAL</b>		<b>957695.59</b>	<b>891277.86</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	11	93352.29	93352.29
(b) Other Equity	12	168695.49	151055.63
		<b>262047.78</b>	<b>244407.92</b>
<b>LIABILITIES</b>			
<b>(1) Non-Current Liabilities</b>			
(a) Government Grants Unutilised	13	4250.12	4731.62
(b) Financial Liabilities			
(i) Borrowings	14(a)	29940.00	30000.00
(i) Lease Liabilities	14(b)	13.48	0.00
(ii) Trade Payables	14(c)		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises		0.00	0.00
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		0.00	0.00
(iii) Others	14(d)	7386.26	7311.62
(c) Provisions	15	4619.26	5324.91
(d) Deferred Tax Liabilities		0.00	0.00
(e) Other Non current Liabilities	16	0.00	0.00
<b>TOTAL</b>		<b>46209.12</b>	<b>47368.15</b>



Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>(2) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17(a)	<b>131259.25</b>	116426.36
(ia) Lease Liabilities	17(b)	<b>74.67</b>	100.21
(ii) Trade Payables	17(c)		
(A) Total outstanding dues of Micro Enterprises & Small Enterprises		<b>20679.84</b>	5395.25
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		<b>190131.42</b>	183148.07
(iii) Others	18	<b>185119.36</b>	174725.52
(b) Other current liabilities	19	<b>106775.23</b>	106041.81
(c) Provisions	20	<b>15398.89</b>	13664.57
(d) Current Tax Liabilities		<b>0.00</b>	0.00
		<b>649438.68</b>	599501.79
<b>TOTAL</b>		<b>957695.59</b>	891277.86

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Statement of Consolidated Changes in Equity

### A. Equity Share Capital

₹In Lakhs

Particulars	2021-22	2020-21
<b>Balance at the beginning</b>	<b>93,352.29</b>	<b>92,511.95</b>
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	-	-
Changes in equity share capital during the current year	-	840.34
<b>Balance as at end</b>	<b>93,352.29</b>	<b>93,352.29</b>

### B. Other Equity

₹in Lakhs

Particulars	Share application money pending allotment	Reserves and Surplus					Revaluation Surplus	Other items of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	OCI-Remeasurement of DBP	Other Reserves	Retained Earnings			
<b>Balance as at 01.04.2021</b>	-	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	-	<b>-1,86,696.56</b>	-	-	<b>1,51,055.63</b>
Changes in accounting policy / Prior Period errors									-
Restated balance at the beginning of the current reporting period	-	3,05,827.30	21,679.44	10,245.45	-	-1,86,696.56	-	-	<b>1,51,055.63</b>
Total Comprehensive Income for the current year				-1,486.07					<b>-1,486.07</b>
Dividends									
Transfer to retained earnings						11,969.64			<b>11,969.64</b>
Any other change									-
Capital Grant received during the year *	7,156.30								<b>7,156.30</b>
<b>Balance as at 31.03.2022</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.37</b>	-	<b>-1,74,726.92</b>	-	-	<b>1,68,695.49</b>
<b>Balance as at 01.04.2020</b>	-	<b>3,05,827.30</b>	<b>11,854.27</b>	<b>8,285.89</b>	-	<b>-1,86,460.56</b>	-	-	<b>1,39,506.90</b>
Changes in accounting policy / Prior Period errors*									-
-Depreciation						172.42			172.42
- Interest on Soft Loan						-1,356.20			-1,356.20
Restated balance at the beginning of the current reporting period	-	3,05,827.30	11,854.27	8,285.89	-	-1,87,644.34	-	-	1,38,323.12
Total Comprehensive Income for the current year				1,959.56					1,959.56
Dividends									
Transfer to retained earnings						947.78			947.78
Any other change			9,825.17						9,825.17
<b>Balance as at 31.03.2021</b>	-	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	-	<b>-1,86,696.56</b>	-	-	<b>1,51,055.63</b>

#### \*Note

Under the Rehabilitation Scheme approved by CCEA for the revival of ITI Limited sanctioned upon the Company being declared as a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985, financial assistance of ₹415679 lakhs was sanctioned in February 2014. As part of the revival scheme, the Company received Rs.7156.30 lakhs during the FY 2021-22 towards Capital expenditure which is treated as share application money pending allotment

Error Rectification: (i) During the year, the Company has rectified an error in charging excess depreciation on buildings during 2019-20, amounting to Rs.172.42 lakhs which had already been fully depreciated during the year 2018-19 by a retrospective restatement of the carrying value of property, plant & equipment. (ii) The Company has rectified the error of non-provision of interest on the Soft loan from the Government of India for the period from 17.04.2014 to 31.03.2019 by a retrospective restatement of the interest payable account under the current liabilities. In both these cases, the corresponding effect has been given in the retained earnings for the earliest prior period presented

The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Consolidated Statement of Profit and Loss for the year ended 31.03.2022

₹ in Lakhs

Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>INCOME</b>			
I. Revenue from operations	22	186073.13	236218.27
II. Other Income	23	25456.63	16137.34
III. Total Income (I + II)		211529.76	252355.61
<b>IV. EXPENSES:</b>			
Cost of materials consumed	24	12045.53	17564.47
Purchase of Stock-in-Trade	25 (a)	62017.36	26893.89
Installation & Maintenance Charges	25 (b)	71390.78	147352.15
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(1928.37)	(854.94)
Employee benefit expense	27	22217.84	29043.81
Finance costs	28	19213.03	15959.17
Depreciation and amortization expense	29	5002.95	4184.85
Other expenses	30	9464.39	11092.02
<b>Total Expenses</b>		<b>199423.50</b>	<b>251235.42</b>
Share of net profit of associates and joint ventures accounted for using the Equity		(136.61)	(172.42)
V. Profit/(Loss) before exceptional items and tax (III-IV)		11969.64	947.78
VI. Exceptional Items			
(i) Income		0.00	0.00
(ii) Expenses		0.00	0.00
VII. Profit/(Loss) before tax (V + VI)		11969.64	947.78
VIII. Tax expense:			
(1) Current tax		0.00	0.00
(2) Deferred tax		0.00	0.00
IX. Profit/(Loss) for the year (VII-VIII)		11969.64	947.78
X. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(1486.07)	1959.56
B. (i) Items that will be reclassified to profit or loss		0.00	0.00
XI. Total Comprehensive Income for the period (IX+X) (Comprising Profit/(Loss) and Other comprehensive Income for the year)		10483.57	2907.34
XII. Earnings per equity share (for continuing operation):			
Basic & Diluted (Face value of 10/- each):		1.28	0.10
Weighted average number of shares		933522869	926293676

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

## Consolidated Cash Flow Statement for the year ended 31.03.2022

₹ in Lakhs

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>NET PROFIT/(LOSS) BEFORE TAX</b>	<b>11969.64</b>	<b>947.78</b>
<b>Adjustment For :</b>		
Depreciation	5002.95	4184.85
Financing Charges	19213.03	15959.17
Profit On Sale Of Investments	0.00	0.00
Interest/Dividend Received	(485.26)	(1160.60)
Loss On Sale Of Asset	0.00	0.00
Profit On Sale Of Asset	(344.48)	(2810.64)
Transfer From Grant-In-Aid	(21912.40)	(6675.51)
Other Comprehensive Income	(1486.07)	1959.56
Non-Cash Expenditure	1042.20	1201.29
<b>OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>12999.61</b>	<b>13605.90</b>
<b>Adjustment For:</b>		
Trade And Other Receivables	(90710.32)	(89334.87)
Inventories	30.36	(2037.71)
Trade Payables	34485.82	87177.60
Direct Taxes Paid	10.08	(3.64)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(43184.46)</b>	<b>9407.28</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(43184.46)</b>	<b>9407.28</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase Of Fixed Assets Including:		
Capital Work-In-Progress	(6016.08)	(3141.10)
Sale Of Fixed Assets	344.48	2810.64
Investments	136.61	172.42
Interest Received	485.26	1160.60
Proceeds from maturity/Deposit of Other Bank Balances	22862.06	(31441.09)
Dividend Received	0.00	0.00
<b>NET CASH USED IN INVESTING ACTIVITIES [B]</b>	<b>17812.34</b>	<b>(30438.54)</b>
<b>(C ) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds From Short Term Borrowings	14760.83	24968.17
Share Application Money	7156.30	10500.00
Adjustment with surplus	0.00	337.93
Grant-In-Aid Received	21430.89	0.00
Financing Expenses	(19213.03)	(15959.17)
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>	<b>24134.99</b>	<b>19846.93</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>	<b>(1237.13)</b>	<b>(1184.33)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>2793.67</b>	<b>3977.99</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>1556.53</b>	<b>2793.67</b>

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

Place : Bengaluru

Date : 25<sup>th</sup> May 2022

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

## Notes to the Consolidated Financial Statements

Note No. 1

Property, Plant & Equipment

FY 2021-22

₹ in Lakhs

PARTICULARS	GROSS BLOCK						DEPRECIATION					Net Carrying Value as at 31.03.2022
	GROSS AMOUNT 01.04.2021	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2022	ACCUMULATED DEP. 01.04.2021	FOR THE PERIOD	DELETION	ADJUSTMENTS	TOTAL 31.03.2022	
<b>LAND:</b>												
-FREE HOLD	2,21,058.84	-	101.67	-	-	2,20,957.17	-	-	-	-	-	2,20,957.17
-LEASE HOLD	777.13	-	-	-	-	777.13	1.35	0.27	-	-	1.62	775.51
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	14,556.03	150.55	-	-	-	14,706.58	3,709.12	704.47	-	-13.15	4,400.44	10,306.14
PLANT & MACHINERY	39,436.72	5,141.35	203.79	-	-	44,374.27	10,884.80	3,467.65	85.17	166.12	14,433.41	29,940.87
OTHER EQUIPMENT	3,109.22	2,154.74	-	-	-	5,263.96	1,177.44	723.13	-	-165.07	1,735.50	3,528.46
OFFICE M/C & EQPT	343.96	65.98	-	-	-	409.94	240.74	53.97	-	-1.05	293.66	116.28
FURNITURE FIXTURE & FITTINGS	75.78	30.95	-	-	-	106.74	41.85	9.61	-	-0.37	51.09	55.65
VEHICLES	138.61	9.45	-	-	-	148.06	73.72	14.03	-	-	87.75	60.31
ELECTRICAL INSTALLATION	-	29.49	-	-	-	29.49	-	-	-	-	-	29.49
RIGHT OF USE (CAR LEASE)	102.03	-	-	-	-	102.03	5.10	20.41	-	-	25.51	76.52
<b>TOTAL</b>	<b>2,79,598.32</b>	<b>7,582.52</b>	<b>305.46</b>	<b>-</b>	<b>-</b>	<b>2,86,875.38</b>	<b>16,134.12</b>	<b>4,993.54</b>	<b>85.17</b>	<b>-13.52</b>	<b>21,028.98</b>	<b>2,65,846.40</b>



## Notes to the Consolidated Financial Statements

Note No. 1

Property, Plant & Equipment

FY 2020-21

₹ in Lakhs

PARTICULARS	GROSS BLOCK						DEPRECIATION						Net Carrying Value as at 31.03.2021
	GROSS AMOUNT 01.04.2020	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2021	ACCUMULATED DEP. 01.04.2020	FOR THE YEAR	DELETION	ADJUSTMENTS	TOTAL 31.03.2021		
<b>LAND:</b>													
-FREE HOLD	2,21,170.52	-	111.67	-	-	2,21,058.84	-	-	-	-	-	-	2,21,058.84
-LEASE HOLD	777.13	-	-	-	-	777.13	1.08	0.27	-	-	1.35	-	775.78
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	13,081.37	1,484.15	9.49	-	-	14,556.03	2,960.40	749.07	0.35	-	3,709.12	-	10,846.91
PLANT & MACHINERY	36,059.89	3,376.83	-	-	-	39,436.72	7,837.24	3,047.56	-	-	10,884.80	-	28,551.91
OTHER EQUIPMENT	3,083.64	30.08	-	-	-4.50	3,109.22	876.31	301.13	-	-	1,177.44	-	1,931.78
OFFICE M/C & EQPT	281.17	62.79	-	-	-	343.96	189.94	50.80	-	-	240.74	-	103.21
FURNITURE FIXTURE & FITTINGS	70.49	5.29	-	-	-	75.78	36.83	5.02	-	-	41.85	-	33.94
VEHICLES	138.61	-	-	-	-	138.61	59.37	14.35	-	-	73.72	-	64.89
ELECTRICAL INSTALLATION	-	-	-	-	-	-	-	-	-	-	-	-	-
RIGHT OF USE (CAR LEASE)	-	102.03	-	-	-	102.03	-	5.10	-	-	5.10	-	96.93
<b>TOTAL</b>	<b>2,74,662.82</b>	<b>5,061.17</b>	<b>121.16</b>		<b>-4.50</b>	<b>2,79,598.32</b>	<b>11,961.17</b>	<b>4,173.30</b>	<b>0.35</b>	<b>-</b>	<b>16,134.12</b>	<b>-</b>	<b>2,63,464.20</b>

**Notes:**

- There is a charge of ₹ 7 lakhs on 400 D type and 624 E type quarters in favour of Govt. of Karnataka towards subsidy received in terms of Subsidised Industrial housing Scheme.
- Factory building is on the leased land, measuring 36 Kanals and 13 Marlas for which extension for lease is under process with J&K Government.
- There is a charge on title of property, plant and equipment, and other assets of the Company in favour of various lenders for an aggregate amount of Rs. 357694 lakhs as these assets are pledged as security for liabilities.
- Non Availability of Title Deeds  
Bangalore: - ITI Ltd is in possession of 435 acres of land at K.R. Puram. Out of this, the Company is having title deeds for an area of approximately 375 acres. For balance area, only record of rights exist with the Company for use of land and proper title deeds are not held by the Company.  
Mankapur: Out of 191.03 acres of land purchased from private owners, title deed for 41.77 acres land are not available with the management.  
Naini: - ITI Complex land (174.69 acres) was handed over by District Industrial Officer in 1969. The title deed of this land is still not transferred in the name of M/s ITI Ltd.  
Palakkad: - The Company has Title/Lease deeds properties except in respect of land admeasuring 77 acres which has been resumed by Govt of Kerala and is under adjudication before apex court.

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 2</b>		
<b>CAPITAL WORK-IN-PROGRESS</b>		
Capital Work-in-Progress at Cost	9004.29	6706.91
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>9004.29</b>	<b>6706.91</b>
Materials with Contractors	28.93	28.93
Less : Provision	28.93	28.93
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>Machinery at Cost</b>		
In-Transit	60.84	339.76
Awaiting Acceptance / Installation	6380.60	9846.89
	6441.44	10186.65
Less: Provision	6.53	6.53
<b>TOTAL</b>	<b>6434.91</b>	<b>10180.12</b>
<b>GRAND TOTAL</b>	<b>15439.20</b>	<b>16887.03</b>

### Capital Work in Progress Ageing Schedule

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total as at 31.03.2022
Projects in progress	1,922.78	225.17	118.06	6738.28	9004.29
Projects temporarily suspended	-	-	-	-	-
Machinery at cost- In Transit , Awaiting acceptance / Installation	1,220.27	2,234.16	1824.54	1155.94	6434.91
<b>TOTAL</b>	<b>3,143.05</b>	<b>2,459.33</b>	<b>1942.60</b>	<b>7894.22</b>	<b>15439.20</b>

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan

### CWIP completion schedule

Project Name	Less than 1 year	1-2 years	2-3 years	More than 3 years
NIFT	-	-	0.00	6582.05
<b>TOTAL</b>	-	-	<b>0.00</b>	<b>6582.05</b>

Note: The Company has been mandated to construct NIFT Building for which M/s. TCIL, (A Govt. Of India Undertaking) was engaged as PMC and the entire construction was given to TCIL. As on date, the entire building has been constructed and handed over to NIFT but TCIL has not issued completion certificate for want of certain documents from Local Development authority. The Company is regularly following up with all the stakeholders to get the completion certificate



## Notes to the Consolidated Financial Statements (Contd...)

Note No.3

Investment Property:

FY 2021-22  
₹ in Lakhs

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2022	
	GROSS AMOUNT 01.04.2021	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2022	ACCUMULATED DEP 01.04.2021	FOR THE PERIOD	DELETION	ADJUSTMENTS		TOTAL 31.03.2022
LAND	2,854.00	-	-	-	-	2,854.00	-	-	-	-	-	2,854.00
BUILDING	3,924.22	101.67	-	-	-	4,025.90	31.69	10.21	-	-	41.90	3,984.00
<b>TOTAL</b>	<b>6,778.22</b>	<b>101.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,879.90</b>	<b>31.69</b>	<b>10.21</b>	<b>-</b>	<b>-</b>	<b>41.90</b>	<b>6,838.00</b>

FY 2020-21  
₹ in Lakhs

Investment Property:

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2021	
	GROSS AMOUNT 01.04.2020	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUSTMENTS	TOTAL 31.03.2021	ACCUMULATED DEP 01.04.2020	FOR THE PERIOD	DELETION	ADJUSTMENTS		TOTAL 31.03.2021
LAND	2,854.00	-	-	-	-	2,854.00	-	-	-	-	-	2,854.00
BUILDING	3,914.73	9.49	-	-	-	3,924.22	21.49	10.21	-	-	31.69	3,892.53
<b>TOTAL</b>	<b>6,768.73</b>	<b>9.49</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,778.22</b>	<b>21.49</b>	<b>10.21</b>	<b>-</b>	<b>-</b>	<b>31.69</b>	<b>6,746.53</b>

Notes:

- i) (a) Land measuring 4653.75 sq.metres has been leased to Department of Telecommunications for a period of 99 years commencing from 3.10.1983.
- (b) Formal Conveyance/lease deeds in respect of Land (excepting part of lands at Bangalore & Mankapur) are yet to be executed by the respective State Governments.
- (c) Land measuring 1256.86 Sq. metres has been leased to Dept. of Telecommunications for a period of 99 years commencing from 10.07.1991.
- (d) 3 acres of land is leased to State Government for construction of Mini-Vidhana Soudha for a period of 99 years commencing from March, 1994.
- ii) 1.83 acres of land is leased to Southern Railways and 0.286 acres of land is leased to ESI corporation.
- iii) (a) BSNL Telephone Exchange having area of 0.5733 acres of land
- (b) HPCL Petrol bunk, ITI Colony having area of 0.2222 acres of land
- (c) HPCL Petrol bunk, Old Madras Road, K.R.Puram having area of 0.3025 acres of land
- (d) EPFO, F-28 Bldg. having area of 0.6069 acres of land
- (e) Thumbay Aviation [Halipad - EC Plant] having area of 0.9182 acres of land
- (f) Embassy Services Pvt. Ltd. having area of Land and Building 0.776 acres and 6300 Sq. meters respectively.
- iv) The Company is in the process of engaging the registered valuer for obtaining the fair values of various investment properties and hence the disclosure of this information could not be given.

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 4 (a)</b>		
<b>NON-CURRENT FINANCIAL ASSETS-INVESTMENTS</b>		
Investment in Equity instruments		
Opening Balance	3626.61	3799.03
16,21,800 Equity Shares of ₹10/- each fully paid up in India Satcom Limited (joint venture with M/S Chris Tech System Pvt. Ltd) including 1216350 Bonus Shares(extent of investment 49%)		
Change in Fair value during the year	(136.61)	(172.42)
<b>TOTAL</b>	<b>3490.00</b>	<b>3626.61</b>
<b>Calculation of Change in fair value of equity instruments in Indian Satcom Limited(49%)</b>		
Total Assets of Indian Satcom Limited	12098.03	12167.68
Less: Total Outside Liabilities of Indian Satcom Limited	(4975.58)	(4766.43)
NetWorth(100%)	7122.45	7401.26
Share of ITI(49%)/Closing Balance	3490.00	3626.61
Less: Opening Balance	(3626.61)	(3799.03)
Change in Fair value during the year	(136.61)	(172.42)
<b>Note No.4(b)</b>		
<b>NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>		
Trade Receivables Considered Good - Secured	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivable Considered Good - UnSecured	23622.30	35272.92
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>23622.30</b>	<b>35272.92</b>
Trade Receivables which have significant increase in Credit Risk	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivables – credit impaired	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>23622.30</b>	<b>35272.92</b>

### Trade Receivables ageing schedule

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i)Undisputed Trade receivables – considered good	-	-	-	20703.30	2919.00	23622.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.00
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	0.00
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	0.00
<b>TOTAL</b>	-	-	-	<b>20703.30</b>	<b>2919.00</b>	<b>23622.30</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 4(c)</b>		
<b>NON CURRENT FINANCIAL ASSETS : LOANS</b>		
Loans Receivables considered good - Secured		
Loans & Advances	0.00	0.00
Others	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Less : Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Loans Receivables considered good- UnSecured		
Loans & Advances	0.42	6.89
Deposits	0.00	0.00
Loans & Advances to related parties	0.00	0.00
Others	0.00	0.00
	<u>0.42</u>	<u>6.89</u>
Less : Provision	0.00	0.00
<b>TOTAL</b>	<b>0.42</b>	<b>6.89</b>
Loans Receivables which have significant increase in Credit Risk	0.00	0.00
	<u>0.00</u>	<u>0.00</u>
Less : Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>0.42</b>	<b>6.89</b>
<b>NOTE NO. 4(d)</b>		
<b>NON CURRENT FINANCIAL ASSETS OTHERS</b>		
Other Financial Assets		
(i) Security Deposits	0.00	0.00
(ii) Bank deposits with more than 12 months maturity	3.00	3.00
(iii) Others	0.00	0.00
	<u>3.00</u>	<u>3.00</u>
<b>GRAND TOTAL</b>	<b>3.00</b>	<b>3.00</b>
<b>NOTE NO. 5</b>		
<b>OTHER NON CURRENT FINANCIAL ASSETS</b>		
(i) Capital Advances	1.62	1.62
Less: Provision	1.10	1.10
<b>TOTAL</b>	<b>0.52</b>	<b>0.52</b>
(ii) Advances other than Capital advances		
Margin money	0.00	0.00
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
(iii) Others	0.00	0.00
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>0.52</b>	<b>0.52</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>NOTE NO. 6</b>		
<b>INVENTORIES</b>		
a) Raw material and Production stores	8196.77	8604.73
Less: Provision for Obsolescence	1754.22	1754.22
	<b>6442.55</b>	6850.51
b) Material issued against Fabrication Contracts held by vendors	96.91	96.91
Less: Provision	95.47	95.47
	<b>1.44</b>	1.44
c) Non-Production Stores	843.96	872.01
Less: Provision for Obsolescence	237.41	237.41
	<b>606.55</b>	634.60
d) Work-in-Process Production	6934.06	7406.75
Less: Provision	606.76	606.76
	<b>6327.30</b>	6799.99
e) Work-in-Process Installation	0.00	0.00
Less: Provision	0.00	0.00
	<b>0.00</b>	0.00
f) Manufactured Components	4285.07	2146.64
Less: Provision	40.13	40.13
	<b>4244.94</b>	2106.51
g) Finished Goods		
Stock-in-Trade	2579.52	2354.75
Less: Provision	1019.56	1019.56
	<b>1559.96</b>	1335.19
h) Stock Reconciliation Account	19.47	19.47
Less: Provision	10.33	10.33
	<b>9.14</b>	9.14
i) Goods Pending Inspection / Acceptance		
	<b>3.89</b>	992.23
j) Material-in-Transit Advances		
Considered Good	143.77	640.29
Considered Doubtful	238.76	238.76
	<b>382.53</b>	879.05
Less: Provision	238.76	238.76
	<b>143.77</b>	640.29
k) Material received and In-Transit Advances		
	<b>0.00</b>	0.00
l) Tools and Gauges		
	<b>0.00</b>	0.00
<b>GRAND TOTAL</b>	<b>19339.54</b>	19369.90

### NOTE NO. 7

#### CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Trade Receivables Considered Good - Secured	0.00	0.00
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	0.00
Trade Receivables Considered Good - UnSecured		
-Gujnet	26000.32	36252.05
-Other than Gujnet	246989.30	218958.29
<b>TOTAL</b>	<b>272989.62</b>	255210.34
Less: Allowance for Bad and doubtful debts	0.00	0.00
<b>TOTAL</b>	<b>272989.62</b>	255210.34

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Trade Receivables which have significant increase in Credit Risk	4974.00	4274.00
Less: Allowance for Bad and doubtful debts	4974.00	4274.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Trade Receivables – credit impaired	580.68	580.68
Less: Allowance for Bad and doubtful debts	580.68	580.68
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>272989.62</b>	<b>255210.34</b>

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is an example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis.

### Trade Receivables ageing schedule

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) Undisputed Trade receivables – considered good	43,863.81	48,114.98	43612.17	23434.67	96562.18	255587.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables—considered good	-	-	-	-	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>TOTAL</b>	<b>43,863.81</b>	<b>48,114.98</b>	<b>43612.17</b>	<b>23434.67</b>	<b>113963.99</b>	<b>272989.62</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

### NOTE NO. 8 (a)

#### CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

a) Cash-on-Transit	0.00	0.00
b) Cash on hand	4.18	32.72
c) Cheques & Stamps on Hand	0.59	0.00
d) Balance with Banks :		
- On Current Account	1551.77	2760.95
<b>TOTAL</b>	<b>1556.54</b>	<b>2793.67</b>

### NOTE NO. 8 (b)

#### CURRENT FINANCIAL ASSETS - BANK BALANCE OTHER THAN ABOVE

Balance with Banks :		
- On Escrow Account	20830.29	11178.48
- On Current Account (Apprentices)	54.76	1033.91
Unpaid Dividend	0.00	0.00
Security deposits/others	11.56	0.48
LC Margin money	0.00	0.00
On Savings Account(Apprentices Security Deposits)	0.00	0.00
On short term deposit (margin money)	157.82	157.82
On current Account(Margin money)	0.00	0.00
On Bank deposits- More than 3 months but Less than 12 months maturity	8050.37	39596.18
<b>TOTAL</b>	<b>29104.81</b>	<b>51966.86</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31-03-2022	As at 31-03-2021
<b>NOTE NO. 9 (a)</b>		
<b>CURRENT FINANCIAL ASSETS - LOANS</b>		
<b>Secured Advances recoverable in cash or for value to be received</b>		
Vehicles	0.00	0.00
House building	0.00	0.00
Other Deposits	1182.22	1035.95
Less: Provision	0.00	0.00
<b>TOTAL</b>	<b>1182.22</b>	<b>1035.95</b>
<b>Un secured Advances recoverable in cash for value to be received</b>		
Advances Recoverable -Considered Good	27903.41	26538.20
Less : Provision	0.00	0.00
	<b>27903.41</b>	<b>26538.20</b>
Loans Receivables which have significant increase in Credit Risk	536.60	536.60
Less : Provision	536.60	536.60
	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>27903.41</b>	<b>26538.20</b>
<b>Claims and Expenses Recoverable - Inland</b>		
Considered Good	41090.21	24014.30
Less : Provision	0.00	0.00
	<b>41090.21</b>	<b>24014.30</b>
Loans Receivables which have significant increase in Credit Risk	992.29	992.29
Less : Provision	992.29	992.29
	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	10.32	10.32
Less : Provision	10.32	10.32
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>41090.21</b>	<b>24014.30</b>
<b>Claims and expenses recoverable - Foreign</b>		
Considered Good	1.25	1.25
Less : Provision	0.00	0.00
	<b>1.25</b>	<b>1.25</b>
Loans Receivables which have significant increase in Credit Risk	1204.32	1204.31
Less : Provision	1204.32	1204.31
	<b>(0.00)</b>	<b>0.00</b>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>1.25</b>	<b>1.25</b>
<b>Advance for Civil Works/ Capital Goods</b>		
Considered Good	0.00	0.00
Less : Provision	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
Loans Receivables which have significant increase in Credit Risk	0.00	0.00
Less : Provision	0.00	0.00
	<b>0.00</b>	<b>0.00</b>
Loans Receivables – credit impaired	0.00	0.00
Less : Provision	0.00	0.00

**Notes to the Consolidated Financial Statements (Contd...)**

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Vehicle advance	0.00	0.00
Loans & Advances to related parties	0.00	0.00
Other Deposits	5531.20	4578.36
Less: Provision	421.47	421.47
	<u>5109.73</u>	<u>4156.89</u>
Interest accrued but not due on short term deposits	17.74	17.74
<b>TOTAL</b>	<b>5127.47</b>	<b>4174.63</b>
<b>GRAND TOTAL</b>	<b>75304.56</b>	<b>55764.33</b>

- a) Claims and expenses recoverable - inland- includes ₹1690.20 Lakhs recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.
- b) Claim Recoverable - in land -includes ₹1049.41 Lakhs due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.
- c) Rent Receivable includes of ₹5847.90 Lakhs on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization.
- d) Claim Receivable includes of ₹1023.00 Lakhs receivable from M/s. Mindarray towards encashment of letter of credit

**NOTE NO. 9 (b)**
**CURRENT FINANCIAL ASSETS**
**Other Financial assets**

(i) Security Deposits		69.25	0.00
(ii) Unbilled Revenue			
Government			
'-Gujnet	7462.75		15709.13
'-Others	223038.57		155409.78
Non Government	0.00	230501.32	0.00
(iii) Others		11.39	0.00
<b>TOTAL</b>		<b>230581.96</b>	<b>171118.91</b>

The Other Current Financial assets include UBR of Rs.2,30,501.32 lakhs, the revenue which has been reconigned over the last few years based on the work performed , the billing of which would happen upon fulfilling the terms of contract

**NOTE NO. 10**
**OTHER CURRENT ASSETS**

Taxes & Duties in put	12827.37	8333.09
Deposits with Customs Department	328.61	280.24
Payment of Advance tax (Net of refunds)	0.00	10.08
Deposits with Excise Authorities	422.74	422.74
WCT Recoverable	0.00	0.00
<b>TOTAL</b>	<b>13578.72</b>	<b>9046.15</b>

**NOTE NO. 11**
**I. EQUITY SHARE CAPITAL**
**a) Authorised**

2,80,00,00,000 equity shares of ₹10 each 280000.00 280000.00

**b) Issued**

'93,35,22,869 equity shares of ₹10 each (Previous Year 93,35,22,869 equity shares of ₹10 each ) 93352.29 93352.29

**c) Subscribed and Fully Paid-up**

'93,35,22,869 equity shares of ₹10 each (Previous Year 93,35,22,869 equity shares of ₹10 each ) 93352.29 93352.29

**d) Subscribed & not fully paid up**

0.00 0.00

**e) Par value per share**

10.00 10.00

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
f) Calls unpaid	0.00	0.00
g) Forfeited shares	0.00	0.00
h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period		
	<b>No. of shares</b>	<b>No. of shares</b>
Number of shares outstanding O.B	933522869	925119508
Add: Issues during the year*	0	8403361
Less: Buy back/forfeiture during the year	0	0
Number of shares outstanding C.B	933522869	933522869

\*The Company has allotted 84,03,361 equity shares issued at Rs.124.95 to the President of India on 09.02.2021, against capital grant of Rs.105 crores received from Government of India.

### i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### j) List of share holders holding more than 5% shares

Name	No. of shares held	No. of shares held
1. President of India	839858083	840698419
2. Special National Investment Fund	73132976	72292640
k) During last 5 years:		
i) Aggregate number of shares allotted without being received in cash	0	0
ii) Aggregate number of shares allotted as fully paid up by way of bonus shares	0	0
iii) Aggregate number and class of shares bought back	0	0

### II. PREFERENCE SHARES:

#### a) Authorised

70000000 Preference Shares of ₹ 100 each 70000.00 70000.00

#### 1) Shareholding of Promoters

Name of the Promoter	Share held as on 31.03.2022		
	No. of shares held	% of total shares	% change during the period ended 31.03.2022
1. President of India	839858083	89.97	0.09
2. Government of Karnataka	312500	0.03	0.00

### NOTE NO. 12

#### OTHER EQUITY

##### 1) Capital Reserves

##### i) Free Land Gifted

O.B As per last B/S	25.30	25.30
Additions	0.00	0.00
Total	25.30	25.30
Deductions	0.00	0.00
Closing balance	25.30	25.30

##### ii) Capital Grant in aid

As per last Balance Sheet	305802.00	305802.00
Transfer from Grant in aid (capital)	0.00	0.00
Closing Balance	305802.00	305802.00
<b>TOTAL CAPITAL RESERVES</b>	<b>305827.30</b>	<b>305827.30</b>



## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
<b>2) Securities premium reserve</b>			
O.B as per last B/S	21679.44	11854.27	
Additions	0.00	9659.66	
Total	21679.44	21513.93	
Less: FPO Issue Expenses *	0.00	(165.51)	
Closing balance		21679.44	21679.44
<b>3) Revaluation Reserve</b>			
<b>i) Revaluation reserves- Land</b>			
Opening balance as per last B/S	0.00	0.00	
Less-Reversal on sale of land	0.00	0.00	
Closing Balance		0.00	0.00
<b>ii) Revaluation reserves-Buildings</b>			
Opening balance as per last B/S	0.00	0.00	
Less-Transfer to General Reserve	0.00	0.00	
Closing Balance		0.00	0.00
<b>TOTAL-REVALUATION RESERVE</b>		0.00	0.00
<b>4) Retained Earnings</b>			
<b>i) General reserve:</b>			
Opening balance as per last B/S	235316.61	235316.61	
Prior Period Adjustments	0.00	0.00	
Add: Transfer from Revaluation Reserve (Dep)	0.00	0.00	
Less-Transfer to P&L	0.00	0.00	
Less-Transfer to Surplus	0.00	0.00	
Closing Balance		235316.61	235316.61
<b>ii) Profit on Sale of Fixed Assets</b>			
Opening balance as per last B/S	0.00	0.00	
Less-Transfer to Surplus	0.00	0.00	
Closing Balance		0.00	0.00
<b>iii) Sale of Technical know-how</b>			
As per last Balance Sheet	3.50		
Less-Transfer to P&L	0.00	0.00	
Closing Balance		3.50	3.50
<b>iv) Industrial Housing Subsidy</b>			
As per last Balance Sheet	6.79	6.79	
Less-Transfer to P&L	0.00	0.00	
Closing Balance		6.79	6.79
<b>v) Investment allowance reserve</b>			
As per last Balance Sheet	0.00	0.00	
LESS: Transfer to General reserve	0.00	0.00	
Closing Balance		0.00	0.00
<b>vi) Surplus</b>			
As per last Balance sheet	(422023.46)	(421787.48)	
Add: Profit/(Loss) for the year	11969.64	947.78	
Add: Transfer from General Reserve	0.00	0.00	
Add: Transfer from Profit on sale of fixed assets	0.00	0.00	
<b>TOTAL</b>	<b>(410053.82)</b>	<b>(420839.70)</b>	
Less- Appropriations	0.00	1183.76	
Less-Transfer from P&L A/C- (Loss for the year)	0.00	0.00	
Closing Balance		(410053.82)	(422023.46)
<b>TOTAL-RETAINED EARNINGS</b>	<b>(174726.92)</b>		(186696.56)
<b>5) Share application money pending allotment</b>	<b>7156.30</b>		0.00
<b>6) Other Comprehensive Income</b>			
<b>Remeasurement of Defined Benefit Plans (Actuarial Gain)</b>			

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
Opening Balance	1024.45	8285.89
Changes during the Year	(1486.07)	1959.56
Closing balance	8759.38	10245.45
<b>GRAND TOTAL - OTHER EQUITY</b>	<b>168695.49</b>	<b>151055.63</b>

- During the year 2019-20, the Company had filed the Red Herring Prospectus for FPO(Further Public Offer) with SEBI. However, the Company had withdrawn the issue due to the prevailing market conditions then. The issue expenses of Rs.1,363.39 lakhs incurred towards FPO had been set off against the Securities Premium Account in accordance with the Sec 52 of the Companies Act. Further, during the year 2020-21, after actual payment of FPO expenses the excess estimated has been reversed by Rs.165.51 lakhs

During the year, the Company has received grant of Rs.7156.30 lakhs towards Capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per the provisions of the Sick Industrial Companies Act, 1985 and the same is shown under Share Application money pending allotment

### NOTE NO. 13

#### NON-CURRENT LIABILITIES

##### Government Grants Unutilised:

##### i) Free Equipment gifted

Opening balance as per last B/S	0.00	0.00
Less-Transfer to P&L	0.00	0.00
Closing Balance	0.00	0.00

##### ii) Grant-in-aid (Capital) :

As per last Balance Sheet	4.64	4.64
Add:Receipts during the year	0.00	0.00
<b>Total</b>	<b>4.64</b>	<b>4.64</b>
Less: Transfer to revenue GIA/Capital reserves	0.00	0.00
Less: Transfer to Profit & Loss Account	0.00	0.00
Closing Balance	4.64	4.64

##### iii) Grant-in-aid (Revenue)

As per last Balance Sheet	4726.98	11402.49
Add : Receipts during the year*	21430.89	0.00
<b>Total</b>	<b>26157.87</b>	<b>11402.49</b>
Less: Transfer to Profit & Loss Account	21912.40	6675.51
Closing Balance	4245.48	4726.98
<b>GRAND TOTAL</b>	<b>4250.12</b>	<b>4731.62</b>

-During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹ 21429 lakhs to the Company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the Grant Rs. 21429 lakhs has been recognised as Income.

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

### NOTE NO. 14 (a)

#### NON-CURRENT FINANCIAL LIABILITIES -BORROWINGS

##### I Borrowings - Secured

(a) Bonds	0.00	0.00
(b) Term Loans	0.00	0.00
(i) From Banks	0.00	0.00
(ii) From Others	0.00	0.00
(c) Deferred payment liabilities	0.00	0.00
(d) Deposits	0.00	0.00

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
(e) Loan from related parties	0.00	0.00	
(f) Liability Component of compound financial instruments	0.00	0.00	
(g) Other Loans	0.00	0.00	
			0.00
<b>II Borrowings - Unsecured</b>			
(a) Bonds	0.00	0.00	
(b) Term Loans			
(i) From Banks	0.00	0.00	
(ii) From Others	0.00	0.00	
Loan from Government of India*	29940.00	30000.00	
Interest accrued and due on above	0.00	0.00	
(c) Deferred payment liabilities	0.00	0.00	
(d) Deposits	0.00	0.00	
(e) Loan from related parties	0.00	0.00	
(f) Liability Component of compound financial instruments	0.00	0.00	
(g) Other Loans	0.00	0.00	
			0.00
	<b>29940.00</b>	<b>30000.00</b>	
<b>GRAND TOTAL</b>	<b>29940.00</b>	<b>30000.00</b>	

\*The Company received a soft loan of Rs.30,000 lakhs from the Ministry of Communications & IT, Department of Telecommunications, Government of India during the year 2014-15 for payment of salaries of employees to be repaid in five years after the Company starts earning profit with a moratorium of two years. The Company has received a letter from DoT dated 27.10.21 in which it was observed that the Company had started earnings from its operations with effect from 2019-20 and hence the Company should start repaying the said loan from the FY 2022-23. Hence, the repayment due in next 12 months is shown under Current Liabilities.

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

### NOTE NO. 14 (b)

#### NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES

Finance Lease Liabilities	13.48	0.00	
Operating lease liabilities	0.00	0.00	
<b>GRAND TOTAL</b>		<b>13.48</b>	0.00

### NOTE NO. 14 (c)

#### NON CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

For goods supplied			
- Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
-Other than Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	0.00
For Expenses and Services			
-Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
-Other than Gujnet			
- Micro small and medium enterprises	0.00	0.00	
- Others	0.00	0.00	
<b>TOTAL</b>		<b>0.00</b>	0.00

#### For Other Liabilities

- Micro small and medium enterprises	0.00	0.00	
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## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
- Others	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>Disputed Dues</b>		
-Micro small and medium enterprises	0.00	0.00
-Others	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

### Trade Payables Ageing Schedule

Particulars	Outstanding for the following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) MSME	-	-	-	-	-
(ii) Others	-	-	-	-	-
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-
<b>TOTAL</b>	-	-	-	-	-
<b>GRAND TOTAL</b>			<b>0.00</b>		<b>0.00</b>

### NOTE NO. 14(d)

#### NON-CURRENT FINANCIAL LIABILITIES - OTHERS

Security deposit received	7386.26	7311.62
	0.00	0.00
<b>GRAND TOTAL</b>	<b>7386.26</b>	<b>7311.62</b>

### NOTE NO. 15

#### STATEMENT OF NON CURRENT PROVISIONS

##### (i) For Employee Benefits

##### For privilege Leave

As per Last Balance Sheet	5268.56	7378.89
Less : Transfer to Corporate	0.00	0.00
Add: Provision for the period	(696.53)	(2110.33)
Less: Payments	0.00	0.00
<b>TOTAL</b>	<b>4572.03</b>	<b>5268.56</b>

##### For sick Leave

As per Last Balance Sheet	56.34	54.89
Less : Transfer to Corporate	0.00	0.00
Add: Provision for the period	(9.12)	1.47
Less: Payments	0.00	0.01
<b>TOTAL</b>	<b>47.23</b>	<b>56.34</b>

##### (ii) Others

<b>GRAND TOTAL</b>	<b>4619.26</b>	<b>5324.91</b>
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### NOTE NO. 16

#### OTHER NON-CURRENT LIABILITIES

	0.00	0.00
<b>GRAND TOTAL</b>	<b>0.00</b>	<b>0.00</b>

### NOTE NO. 17 (a)

#### CURRENT FINANCIAL LIABILITIES -BORROWINGS

##### I Borrowings - Secured

(a) Loans repayable on demand

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
(i) From Banks	131199.25	116426.36
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks, stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.		
(ii) From Others	0.00	0.00
(b) Loan from related parties	0.00	0.00
(c) Deposits	0.00	0.00
(d) Current maturities of Long Term Borrowings	0.00	0.00
(e) Others	0.00	0.00
<b>TOTAL</b>	<b>131199.25</b>	<b>116426.36</b>
<b>II Borrowings - Unsecured</b>		
(a) Loans repayable on demand		0.00
(i) From Banks	0.00	0.00
(ii) From Others	0.00	0.00
(b) Loan from related parties	0.00	0.00
(c) Deposits	0.00	0.00
(d) Current maturities of Long Term Borrowings	60.00	0.00
(e) Others	0.00	0.00
<b>TOTAL</b>	<b>60.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>131259.25</b>	<b>116426.36</b>
Deposits, fallen due and not claimed for refunds, is shown as current liabilities as at 31.03.2022		
<b>NOTE NO. 17 (b)</b>		
<b>CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES</b>		
Finance Lease Liabilities	74.67	100.21
Operating lease liabilities	0.00	0.00
<b>GRAND TOTAL</b>	<b>74.67</b>	<b>100.21</b>
<b>NOTE NO. 17 (c)</b>		
<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
For goods supplied		
- Gujnet		
- Micro small and medium enterprises	345.08	180.61
- Others	17260.63	25664.38
-Other than Gujnet		
- Micro small and medium enterprises	20334.76	5214.64
- Others	165275.83	149141.85
<b>TOTAL</b>	<b>203216.29</b>	<b>180201.48</b>
<b>For Expenses and Services</b>		
-Gujnet		
- Micro small and medium enterprises	0.00	0.00
- Others	923.65	0.00
-Other than Gujnet		
- Micro small and medium enterprises	0.00	0.00
- Others	4295.17	5053.77
<b>TOTAL</b>	<b>5218.82</b>	<b>5053.77</b>
For Other Liabilities		
- Micro small and medium enterprises	0.00	0.00
- Others	2376.14	3288.07
<b>TOTAL</b>	<b>2376.14</b>	<b>3288.07</b>
Disputed Dues		

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021
-Micro small and medium enterprises	0.00	0.00
-Others	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>210811.26</b>	<b>188543.32</b>

### Trade Payables Ageing Schedule

Particulars	Outstanding for the following periods from the due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
(i) MSME	16,223.06	1,860.04	968.14	1628.60	20679.84
(ii) Others	67,436.16	43,715.42	29510.86	31117.89	171780.33
(iii) Disputed Dues- MSME	-	-	0.00	0.00	0.00
(iv) Disputed Dues- Others	-	1,771.00	0.00	16580.08	18351.08
<b>TOTAL</b>	<b>83,659.22</b>	<b>47,346.46</b>	<b>30479.00</b>	<b>49326.57</b>	<b>210811.26</b>

'A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

31-03-2022

31-03-2021

#### AS PER ENCLOSURE:

Disclosure of dues/payments to micro and small enterprises to the extent such enterprises are identified by the Company.

(a) Principal amount remain unpaid for the period ended	648.37	534.77
(b) Interest due thereon remaining unpaid for the period ended.	37.69	63.41
(c) The amount of interest paid and principal paid beyond the appointed day during the period	0.00	0.00
(d) Amount of interest due and payable for delay in payments (which have been paid beyond the appointed day during the period) but without adding interest under the MSMED Act, 2007.	0.00	0.00
(e) Amount of interest accrued and remaining unpaid for the period ended.	0.00	0.00
(f) Amount of further Interest remaining due and payable even in succeeding years (until such interest dues are paid to small enterprises).	0.00	0.00

#### NOTE NO.18

#### CURRENT FINANCIAL LIABILITIES - OTHERS

Unbilled Dues		
Government		
-Gujnet	0.00	0.00
-Other than Gujnet	104062.79	92413.06
Non Government	0.00	0.00
Interest Accrued but not due on Borrowings	2256.20	1956.20
Interest Accrued and due on Borrowings	0.00	0.00
Unpaid matured deposits and interest accrued thereon	0.00	0.00
Unpaid matured debentures and interest accrued thereon	0.00	0.00
Unclaimed Dividend	0.00	0.00
For Expenses and Services	938.75	14698.94
For Other Liabilities	37558.80	22815.52
Other payables	468.47	573.32
Salary Payable	2542.01	2188.39
Royalty Payable	212.80	212.80
Wage revision Arrears	1020.21	1033.52
Deposits from Contractors	6898.06	5624.60
Misc.Liabilities	29161.27	33209.18

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	As at 31.03.2022	As at 31.03.2021	
Preference Shares	0.00	0.00	
<b>TOTAL</b>	<b>185119.36</b>	<b>174725.52</b>	
<b>NOTE NO.19</b>			
<b>OTHER CURRENT LIABILITIES</b>			
Income received in advance	0.00	0.00	
Duties & Taxes	3414.24	2872.51	
Advances from Customers	103360.99	103169.31	
<b>TOTAL</b>	<b>106775.23</b>	<b>106041.81</b>	
<b>NOTE NO. 20</b>			
<b>CURRENT PROVISIONS</b>			
<b>For Taxation</b>			
As per last Balance Sheet	0.00	0.00	
Add: Provisions during the period	0.00	0.00	
Less: Adjustments of provisions relating to earlier years	0.00	0.00	
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>For Gratuity</b>			
As per Last Balance Sheet	11446.44	10756.06	
Add: Provision for the period	2317.10	900.38	
Less: Transfer to gratuity trust	537.00	210.00	
Add: Transfer from gratuity trust	4647.98	7171.33	
Add: Transfer from Corporate	0.00	0.00	
Less: Payments	4647.98	7171.33	
<b>TOTAL</b>	<b>13226.55</b>	<b>11446.44</b>	
<b>For Privilege Leave</b>			
As per Last Balance Sheet	2008.05	1676.66	
Less : Transfer to Corporate	0.00	0.00	
Add: Provision for the period	2124.80	1559.83	
Less: Payments	2140.16	1228.45	
<b>TOTAL</b>	<b>1992.69</b>	<b>2008.05</b>	
<b>For Sick Leave</b>			
As per Last Balance Sheet	1.45	3.75	
Add: Provision for the period	1.05	(2.30)	
Less: Payments	0.00	0.00	
<b>TOTAL</b>	<b>2.50</b>	<b>1.45</b>	
<b>For L L T C provision</b>			
As per Last Balance Sheet	208.64	267.11	
Add: Provision for the period	69.01	(22.82)	
Less: Payments	100.48	35.65	
<b>TOTAL</b>	<b>177.16</b>	<b>208.64</b>	
<b>GRAND TOTAL</b>	<b>15398.89</b>	<b>13664.57</b>	
<b>NOTE NO. 22</b>			
<b>REVENUE FROM OPERATIONS</b>			
<b>i) Sale of Products (net of GST)</b>			
Sale of Finished Goods	6857.45	15965.20	
Sale of Traded Goods	51998.38	19965.76	
<b>TOTAL</b>	<b>58855.83</b>	<b>35930.96</b>	
<b>ii) Sale of services</b>			
<b>iii) Other Operating Revenues:</b>			
a) Sale of Scrap	0.00	0.00	
b) Income from DLRC Project	0.00	0.00	
c) Non competing fee	0.00	0.00	
d) Grant In Aid-Revenue	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL</b>	<b>186073.13</b>	<b>236218.27</b>	

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>Sales under broad heads :</b>		
- ELECTRONIC SWITCHING EQUIPMENT	1687.90	684.30
- TELEPHONE	9.44	13.78
- G-PoN	60.90	60.79
- SOLAR PANEL	1254.28	105.10
- IT PRODUCTS	17781.97	5312.03
- NGN	16.10	0.00
- NFS	1694.89	601.95
- DEFENCE	22994.66	42.58
- HDPE Pipe	34.87	3002.48
- OFC	9693.03	1461.43
- MAHANET	21.18	3218.52
- Min PC Mfg / Tab PC	72.38	420.40
- CCMS	0.00	808.95
- MOBILE SHOWROOM	99.35	116.68
- MCEU	0.00	5567.04
- IP ENCRYPTORS MHA	0.00	1731.01
- LED STREET LIGHT	1470.80	770.43
- FACE SHIELD / SANITARY NAPKIN VENDING MACHINE	16.96	427.85
- SMART PARCEL DELIVERY SYSTEM	0.00	9.43
- SMART CARD	44.11	0.00
- VENTILATOR/MEDICAL DEVICES	0.00	1696.69
- AIRTEL FTTH ROLLOUT	0.00	3.77
- BHARATNET ANDAMAN & NICOBAR	56.96	2055.47
- 3D PRINTING	80.61	0.00
- CONTRACT MANUFACTURING	14.03	0.00
- SUPPLIES TO STATE GOVT.	559.83	0.00
- OTHERS	1191.57	7820.28
<b>TOTAL</b>	<b>58855.83</b>	<b>35930.96</b>
<b>Service Income under broad heads :</b>		
- AMC	5419.08	3309.44
- SSTP	14.94	18.72
- Data Center	1926.21	1542.67
- IT	3128.77	1083.96
- SWAN	374.84	0.00
- GSM	8734.30	3143.41
- NFS	8111.16	9981.24
- G-PoN	723.73	47.49
- ASCON	1577.82	5908.12
- DEFENCE	1278.23	831.41
- NGN	321.31	353.56
- MAHANET	24462.50	122570.14



## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
- WIFI-HOTSPOT	47.86	62.52
- GUJNET	4440.70	10336.51
- BNG	474.45	574.31
- MLLN	48.89	49.05
- CCMS	34.79	87.36
- E-TENDERING	2573.47	2262.12
- SMPS, SKIL DEVELOPMENT	41.46	244.62
- FIBER NETWORK	159.56	99.78
- RAILWAY	120.41	394.61
- NMS	110.62	110.62
- E-GOVERNANCE/E-SEVA	0.00	26.85
- TPA	777.58	937.83
- AADHAR BUSINESS/SAAS	0.00	261.47
- TELECOM TESTING & LABS	113.49	55.62
- AIRTEL FTTH ROLLOUT	572.50	56.60
- BHARATNET ANDAMAN & NICOBAR	0.00	236.73
- ASCON -PHASE IV	59956.57	32839.67
- SAAS	190.46	62.48
- CONTRACT MFG	9.90	0.00
- OTHERS	1471.72	2798.40
<b>TOTAL</b>	<b>127217.30</b>	<b>200287.31</b>

### Earnings in Foreign Currency

Export of goods calculated on FOB basis	0.00	0.00
Royalty, Knowhow, Professional and Consultancy fees	0.00	0.00
Interest and Dividend	0.00	0.00
Services	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

### NOTE NO. 23

#### OTHER INCOME

##### a) Interest Income

i) Interest on Inter Corporate Advances	0.00	0.00
ii) Interest - Others	485.26	1160.60

**TOTAL** **485.26** **1160.60**

##### b) Dividend from Non-Trading Investments

**0.00** **0.00**

##### c) Net Gain/Loss on Sale of Investment

**0.00** **0.00**

##### d) Other Non-operating income (Net of expenses directly attributable to such income)

i) Profit on Sale of Assets	0.00	0.00
Less: Transfer to Capital Reserves	0.00	0.00

**TOTAL** **0.00** **0.00**

ii) Commission **0.00** **0.00**

iii) Rent **1928.77** **2172.64**

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
iv) Lease Rent	309.15	309.15
v) Transport Charges	0.02	0.04
vi) Sale of Scrap	104.69	339.32
vii) Water Charges/Electricity Charges	5.42	6.22
viii) Forfeited Bank Guarantee	7.31	0.00
ix) Excess Provision Withdrawn	0.10	426.59
x) Reimbursement of VRS	0.00	0.00
xi) Withdrawal of Liability no Longer Required	289.18	2043.71
xii) Waiver of Liquidated Damages	3.08	0.23
xiii) Compensation for Srinagar Loss	0.00	0.00
xiv) Waiver of Interest Charges	0.00	0.00
xv) Transfer from Revenue Grant-in-Aid	0.00	0.00
xvi) Revenue Grant-in-Aid - VRS	481.49	6695.30
xvii) Revenue Grant-in-Aid*	21429.03	0.00
xviii) Transfer from Capital Grant-in-Aid	0.00	0.00
xix) Compensation for Acquisition of Land by SWR/NHAI	344.48	2810.64
xx) Misc. Income	68.64	166.27
<b>TOTAL ( i to xx )</b>	<b>24971.37</b>	<b>14970.11</b>
e) Adjustment to the carrying value of investments (write back)	0.00	0.00
f) Grants relating to Previous Years	0.00	0.00
g) Net gain /loss on foreign currency translation and transaction (other than considered as finance cost)	0.00	0.00
<b>GRAND TOTAL</b>	<b>25456.63</b>	<b>16137.34</b>
<p>-During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹21429 lakhs to the Company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the Grant has been recognised as Income.</p> <p>- The Special Land Acquisition Officer (KIDBA) during the year 1998 had acquired ITI land for extension of Road by NHAI for which the award was fixed for Rs.10 per sq ft. However, the Company had filed a case for enhancement of Market Value, for additional interest and also solatium. The judgment was passed by City Civil Court in favour of the Company during October 2021 and the Company was awarded an enhanced compensation of Rs.334.48 lakhs compensation for acquisition of land.</p> <p>*During the year 2020-21, the Company received a letter for awarding compensation of Rs.2908.02 lakhs towards compulsory acquisition of land at Bangalore by the South-Western Railways. The surplus amount of Rs.2796.34 lakhs is calculated by deducting the cost of land, which is taken as a proportion of the value of the total carrying value of land in Bangalore based on the area of land acquired that bears to the total area of land owned by the Company in Bangalore and this surplus is treated as an exceptional income.</p>		
<b>NOTE NO. 24</b>		
<b>CONSUMPTION OF RAW MATERIALS &amp; PRODUCTION STORES</b>		
Opening Stock	8483.92	7970.89
ADD: Prior Period Adjustment due to Price Revision	0.00	0.00
Purchases/Transfers	11641.54	17901.53
Material for Installation & Maintenance	0.00	0.00
<b>TOTAL</b>	<b>20125.46</b>	<b>25872.42</b>
Less:		
Closing Stock	8076.46	8483.92
Issue to Revenue and Others	3.48	(182.36)
Material Transferred to Other Units	(0.00)	0.01
<b>TOTAL</b>	<b>8079.94</b>	<b>8301.57</b>
Add: Stores Indirect expenses relating to RM & Prodn. Stores	0.00	(6.38)
<b>CONSUMPTION</b>	<b>12045.53</b>	<b>17564.47</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>Rawmaterials consumed under broad heads</b>		
<b>Particulars</b>		
1. Electronic Goods & Components	12045.53	17503.55
2. MNIC	0.00	60.92
<b>TOTAL</b>	<b>12045.53</b>	<b>17564.47</b>
<b>Value of Imports on CIF basis</b>		
	<b>2021-22</b>	<b>2020-21</b>
Raw Materials and Production Stores	53.38	1697.18
Components and Spare Parts	0.00	0.00
Material in transit	0.00	0.00
Capital Goods	946.87	274.83
<b>TOTAL</b>	<b>1000.25</b>	<b>1972.01</b>

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

Particulars	2021-22		2020-21	
	₹ in Lakhs	%	₹ in Lakhs	%
Imported	53.38	0.44	2093.87	11.92
Indigenous	11992.15	99.56	15470.60	88.08
<b>TOTAL</b>	<b>12045.53</b>	<b>100.00</b>	<b>17564.47</b>	<b>100.00</b>

**NOTE NO. 25 (a)**
**PURCHASE OF STOCK-IN-TRADE**
**Goods purchased under broad heads**
**Particulars**

- Electronic Switching Equipments	0.00	10.44
- Solar Panel	0.00	57.19
- IT PRODUCTS	15365.07	4875.68
- NGN	14.81	0.00
- NFS	1631.34	585.27
- ASCON	69.85	64.82
- DEFENCE	20821.83	0.00
- OFC	8576.07	1334.49
- MAHANET	0.00	2904.68
- GUJNET	498.35	3612.33
- Min PC Mfg / Tab PC	0.00	30.42
- MOBILE SHOWROOM	82.48	114.85
- LED STREET LIGHT	1396.48	872.65
- FACE SHIELD / Sanitary Napkin Vending Machine	0.05	19.85
- VENTILATOR/MEDICAL DEVICES	0.00	1566.91
- ASCON PHASE IV	11961.01	3044.44
- AIRTEL FTTH ROLLOUT	0.00	3.15
- SUPPLIES TO STATE GOVT.	515.04	0.00
- OTHERS	1084.98	7796.72
<b>TOTAL</b>	<b>62017.36</b>	<b>26893.89</b>

**NOTE NO. 25 (b)**
**Service Expenses under broad heads :**

- AMC	4274.48	504.77
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## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
- SSTP	9.76	0.00
- Data Center	1547.40	8.19
- IT	2917.15	998.93
- SWAN	344.85	0.00
- GSM	8361.67	0.00
- NFS	7795.27	2782.96
- G-PoN	361.44	21.62
- ASCON	1520.33	1303.86
- NGN	311.67	0.00
- MAHANET	23728.63	0.00
- WIFI-HOTSPOT	52.21	21.10
- GUJNET	3025.99	4407.01
- BNG	383.23	535.37
- MLLN	38.66	45.03
- CCMS	32.00	80.37
- E-TENDERING	2184.87	1692.30
- SMPS, SKIL DEVELOPMENT	31.36	208.78
- FIBER NETWORK	109.93	43.35
- RAILWAY	109.04	319.32
- NMS	102.32	102.32
- E-GOVERNANCE/E-SEVA	0.00	24.69
- AADHAR BUSINESS/SAAS	0.00	240.55
- AIRTEL FTTH ROLLOUT	637.91	35.49
- ASCON -PHASE IV	12354.75	170.84
- SAAS	142.85	0.00
- OTHERS	1013.01	133805.30
<b>TOTAL</b>	<b>71390.78</b>	<b>147352.15</b>

### NOTE NO. 26

#### CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

##### Accretion/(Decretion) to WIP

##### WIP - Production :

Closing Balance	6902.72	7375.41
Less: Opening Balance	7375.41	7851.61
<b>TOTAL</b>	<b>(472.69)</b>	<b>(476.20)</b>
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00
<b>TOTAL</b>	<b>(472.69)</b>	<b>(476.20)</b>
<b>WIP - Installation:</b>		
Closing Balance	0.00	0.00
Less: Opening Balance	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b><u>Accretion/(Decretion) to Manufacturing Components</u></b>		
Closing Balance	4270.98	2132.56
Less: Opening Balance	2132.56	1137.55
<b>TOTAL</b>	<b>2138.42</b>	<b>995.02</b>
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00
<b>TOTAL</b>	<b>2138.42</b>	<b>995.02</b>
<b><u>WIP - Installation:</u></b>		
Closing Balance	0.00	0.00
Less: Opening Balance	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/ effects of WIP	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>
<b><u>Accretion/(Decretion) to Stock-in-Trade</u></b>		
<b><u>Stock-in-Trade :</u></b>		
Closing Balance	2429.74	2102.07
Less: Opening Balance	2102.07	1765.95
<b>TOTAL</b>	<b>327.67</b>	<b>336.13</b>
Add: Write Off during the Year	0.00	0.00
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	0.00	0.00
<b>TOTAL</b>	<b>327.67</b>	<b>336.13</b>
<b><u>Stock of Scrap</u></b>		
Closing Balance	0.00	0.00
Less: Opening Balance	0.00	0.00
ADD : Prior Period Adjustments	(65.03)	0.00
<b>TOTAL</b>	<b>(65.03)</b>	<b>0.00</b>
<b>GRAND TOTAL</b>	<b>1928.37</b>	<b>854.94</b>

**NOTE NO. 27**
**EMPLOYEE BENEFIT EXPENSES**
**i) SALARIES & WAGES**

Salaries & Wages	16549.54	17124.26
Less: Other Revenue Accounts	0.00	0.00
<b>TOTAL</b>	<b>16549.54</b>	<b>17124.26</b>
Bonus	12.75	9.23
Wage revision arrear payments	0.00	0.00
Incentive	9.02	10.85
<b>TOTAL</b>	<b>16571.31</b>	<b>17144.35</b>

**ii) CO'S CONTRIBUTION TO PF AND OTHER FUNDS:**

Providend Fund & Pension Fund	1690.83	1912.01
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## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
Employees State Insurance	14.79	12.75
Gratuity Trust Fund	2317.10	900.38
Leave Salary- PL	1428.27	(554.04)
Sick Leave	(8.08)	(0.85)
Deposit Linked Insurance/Group Insurance	23.50	33.00
<b>TOTAL</b>	<b>5466.41</b>	<b>2303.26</b>
<b>iii) WORKMEN AND STAFF WELFARE EXPENSES</b>		
Welfare Expenses - Canteen	264.54	286.26
Welfare Expenses - Education	25.37	39.86
Medical Expenses	623.75	496.27
LTC/LLTC	69.20	(20.16)
Uniforms	0.62	3.08
Others	201.22	134.27
<b>TOTAL</b>	<b>1184.72</b>	<b>939.58</b>
<b>iv) VOLUNTARY RETIREMENT SCHEME</b>		
VRS Payments	481.48	6697.06
<b>v) Actuarial Gain/(Loss)</b>	<b>(1486.07)</b>	<b>1959.56</b>
<b>GRAND TOTAL</b>	<b>22217.84</b>	<b>29043.81</b>

### RELATED PARTY TRANSACTIONS

#### KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES

Name	2021-22	2020-21
Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

### DISCLOSURE REPORT UNDER IND AS 19

#### Defined Benefit Plan

The Employees Gratuity Fund Scheme Managed by a Trust is a defined benefit Plan. The Present value of Obligation is determined based on Actuarial Valuation. The obligation for Leave encashment is recognized based on Actuarial Valuation which is unfunded.

#### I Summary of results

₹ in Lakhs

S.N	Assets / Liability	Gratuity		Privilege Leave		Sick Leave	
		31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present value of obligation	15,007	17,148	6,565	7,277	50	58
b)	Fair value of plan assets	1,781	5,701	0	0	0	0
c)	Net assets / (liability) recognized in balance sheet as provision	-13,226	-11,447	-6,565	-7,277	-50	-58

#### II Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Discounting Rate	6.86	6.15	6.86	6.15	6.86	6.15
b)	Future salary Increase	2.00	2.00	2.00	2.00	2.00	2.00
c)	Attrition at Ages	2.45	2.45	2.45	2.45	2.45	2.45

#### III Plan Liability

S.N	Date Ending	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present value of obligation as at the end of the period	15,007	17,148	6,565	7,277	50	58

#### IV Service Cost

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Current Service Cost	479	536	528	296	2	2
b)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
c)	Gains or Losses on Non routine settlements	0	0	0	0	0	0
d)	Total Service Cost	479	536	528	296	2	2

#### V Net Interest Cost

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Interest Cost on Defined Benefit Obligation	1,055	1,366	447	571	4	4
b)	Interest Income on Plan Assets	351	687	0	0	0	0
c)	Net Interest Cost (Income)	704	679	447	571	4	4

#### VI Change in Benefit Obligation

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present value of obligation as at the beginning of the period	17,147	21,655	7,277	9,056	58	59
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Interest Cost	1,055	1,366	447	571	4	4
d)	Service Cost	479	536	528	296	2	2
e)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
f)	Benefits Paid	-4,647	-7,171	-2,054	-1,008	0	0
g)	Total Actuarial (Gain)/Loss on Obligation	973	761	367	-1,638	-14	-7
h)	Present value of obligation as at the End of the period	15,007	17,147	6,565	7,277	50	58

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

### VII Bifurcation of Actuarial Gain/Loss on Obligation

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	0	130	0	65	0	1
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-265	771	-142	36	-1	0
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	1,238	554	509	-1,740	-13	-8

### VIII Actuarial Gain/Loss on Plan Asset

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Expected Interest Income	351	688	0	0	0	0
b)	Actual Income on Plan Asset	191	1,764	0	0	0	0
c)	Actuarial gain/(loss) for the year on Asset	-160	1,076	0	0	0	0

### IX Balance Sheet and related analysis

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Present Value of the obligation at end	15,007	17,147	6,565	7,277	50	58
b)	Fair value of plan assets	1,781	5,701	0	0	0	0
c)	Unfunded Liability/provision in Balance Sheet	-13,226	-11,446	-6,565	-7,277	-50	-58

### X The amounts recognized in the income statement.

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Total Service Cost	479	536	528	296	2	2
b)	Net Interest Cost	704	679	447	571	4	4
c)	Net actuarial (gain) / loss recognized in the period	0	0	367	-1,638	-14	-7
d)	Expense recognized in the Income Statement	1,183	1,215	1,342	-771	-8	-1

### XI Other Comprehensive Income (OCI)

S.N	Particulars	Gratuity		Privilege Leave		Sick Leave	
		31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Net cumulative unrecognized actuarial gain/(loss) opening	0	0	0	0	0	0
b)	Actuarial gain / (loss) for the year on PBO	-973	-761	0	0	0	0
c)	Actuarial gain/(loss) for the year on Asset	-1,601	1075	0	0	0	0
d)	Unrecognized actuarial gain/(loss) for the year	-1,133	315	0	0	0	0

### XII Change in plan assets

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Fair value of plan assets at the beginning of the period	5,701	10,899	0	0	0	0
b)	Actual return on plan assets	190	1,763	0	0	0	0
c)	Employer contribution	537	210	0	0	0	0
d)	Benefits paid	-4,647	-7,171	0	0	0	0
e)	Fair value of plan assets at the end of the period	1,781	5,701	0	0	0	0



## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

### XIII Major categories of plan assets (as percentage of total plan assets)

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Government of India Securities	0	0	0	0	0	0
b)	State Government securities	0	0	0	0	0	0
c)	High Quality Corporate Bonds	0	0	0	0	0	0
d)	Equity Shares of listed companies	0	0	0	0	0	0
e)	Property	0	0	0	0	0	0
f)	Funds Managed by Insurer	100%	100%	0	0	0	0
g)	Bank Balance	0	0	0	0	0	0
	<b>Total</b>	<b>100%</b>	<b>100%</b>				

### XIV Change in Net Defined Benefit Obligation

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Net defined benefit liability at the start of the period	11,446	10,756	7,277	9,056	57	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Total Service Cost	479	536	528	296	2	2
d)	Net Interest cost (Income)	704	679	447	571	4	4
e)	Re-measurements	1,133	-315	367	-1,638	-14	-7
	Difference in Opening	-537	-210	0	0	0	0
f)	Contribution paid to the Fund	0	0	-2,054	-1,008	0	0
g)	Benefit paid directly by the enterprise	0	0	0	0	0	0
h)	Net defined benefit liability at the end of the period	13,225	11,446	6,565	7,277	49	57

### XV Bifurcation of PBO at the end of year in current and non current.

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Current liability (Amount due within one year)	4,869	4,754	1,993	2,008	2	1
b)	Non-Current liability (Amount due over one year)	10,138	12,393	4,572	5,269	47	56
	<b>Total PBO at the end of year</b>	<b>15,007</b>	<b>17,147</b>	<b>6,565</b>	<b>7,277</b>	<b>50</b>	<b>58</b>

### XVI Expected contribution for the next Annual reporting period

S.N	Particulars	31-03-2022	31-03-2021	31-03-2022	31-03-2021	31-03-2022	31-03-2021
a)	Service Cost	431	490	431	246	11	15
b)	Net Interest Cost	907	704	450	448	3	4
c)	Expected Expense for the next annual reporting period	1,338	1,194	893	694	15	19

### XVII Sensitivity Analysis of the defined benefit obligation.

a) Impact of the change in discount rate		31-03-2022	31-03-2022	31-03-2022
	Present Value of Obligation at the end of the period	15,007	6,565	50
a)	Impact due to increase of 0.50%	-179	-95	-1
b)	Impact due to decrease of 0.50 %	186	99	1
b) Impact of the change in salary increase		31-03-2022	31-03-2022	31-03-2022
	Present Value of Obligation at the end of the period	15,007	6,565	50
a)	Impact due to increase of 0.50%	181	103	1
b)	Impact due to decrease of 0.50 %	-179	-99	-1

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

### XVIII Maturity Profile of Defined Benefit Obligation

S.N	Year	Amount	Amount	Amount
a)	0 to 1 Year	4,868	1,993	2
b)	1 to 2 Year	2,956	1,169	15
c)	2 to 3 Year	2,061	831	8
d)	3 to 4 Year	1,711	763	9
e)	4 to 5 Year	1,292	563	6
f)	5 to 6 Year	712	368	4
g)	6 Year onwards	1,406	877	5

### XIX Summary of results

#### Leave Travel Concession

S.N	Assets / Liability	31-03-2022	31-03-2021
a	Present value of obligation	177	209
b	Fair value of plan assets	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-177	-209

### XX Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2022	31-03-2021
a	Discounting Rate	6.86	6.15
b	Future salary Increase	2.00	2.00
c	Attrition at Ages	0.00	2.45

### XXI Actuarial Value

Present value of obligation as at the end of period	177	209
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### XXII Bifurcation of PBO at the end of year as per schedule III to the companies Act, 2013

S.N	Particulars	31-03-2022	31-03-2021
a)	Current liability (Amount due within one year)	52	54
b)	Non-Current liability (Amount due over one year)	125	155
c)	<b>Total PBO at the end of year</b>	<b>177</b>	<b>209</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>NOTE NO. 28</b>		
<b>FINANCE COSTS</b>		
i) Interest Expense:		
Cash Credit	10761.60	11965.69
Public Deposits	0.00	0.00
Bonds	0.00	0.00
Term Loan	0.00	0.00
Others*	5809.68	2456.06
ii) Bank charges	2638.38	1537.42
iii) Government Guarantee Fee	0.00	0.00
iv) Expenses on Issue of Bonds/Loans	0.00	0.00
v) NET GAIN/LOSS FROM FOREIGN CURRENCY TRANSLATIONS & TRANSACTIONS	3.37	0.00
<b>TOTAL</b>	<b>19213.03</b>	<b>15959.17</b>
*Interest expenses others includes Interest on Delayed Payment of PF to Trust.		
<b>NOTE NO. 29</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Fixed Assets	5002.95	4183.51
Tools and Gauges	0.00	1.34
<b>TOTAL</b>	<b>5002.95</b>	<b>4184.85</b>
Less: Transfer from Revaluation Reserve	0.00	0.00
<b>NET DEPRECIATION</b>	<b>5002.95</b>	<b>4184.85</b>
<b>NOTE NO. 30</b>		
<b>OTHER EXPENDITURE</b>		
DRE Written off	0.00	0.00
VRS Expenditure	0.00	0.00
<b>MANUFACTURING EXPENSES:</b>		
Cosumption of Stores and Spares	49.91	126.58
Power and Light	1756.64	1512.63
Water Charges	285.62	395.43
<b>REPAIRS AND MAINTENANCE:</b>		
i) Plant Machinery and Equipment	175.37	214.23
ii) Vehicles	58.91	83.58
iii) Buildings	948.09	1128.65
iv) Other Equipments	65.18	112.38
Cost and Expenses on Tools	0.00	0.00
Experimental Work and Training Expenses	2.00	16.92
Expenses on Minor Equipment & Work	6.08	13.23
Factory Expenses	834.08	789.37
<b>TOT CHARGES:</b>		
i) Technical Assistance	0.00	0.00
ii) Technical Knowhow fee	0.00	0.00
iii) Documentation Charges	0.00	0.00
iv) Training Assistance	0.00	0.00
v) Others	0.00	(5.05)
Liquidated Damages	531.26	1388.93
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)	(0.01)	0.00
<b>TOTAL MANUFACTURING EXPENSES</b>	<b>4713.12</b>	<b>5776.88</b>

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>ADMINISTRATION EXPENSES:</b>		
Rent	161.52	196.42
Rates and Taxes	162.20	1100.14
Insurance	74.06	76.26
<b>TRAVELLING EXPENSES</b>		
Inland	432.68	236.91
Foreign	0.00	0.00
Legal fees	92.11	167.69
Postage, Telegram, Telex Expenses	31.77	30.50
Telephone and Trunk Call Charges	68.91	76.09
Remuneration to Auditors		
Audit Fees	23.96	30.88
For Taxation Matters	1.66	0.15
For Company Law Matters	0.00	0.00
For Management Services	0.00	0.00
For Reimbursement of Expenses	0.38	0.16
For Other Services	0.48	0.82
CISF/ Private Security Expenses	960.60	916.19
Printing, Stationary and Duplicating Charges	51.83	54.08
Transport Expenses	290.63	268.02
News Papers, Magazines & Periodicals	16.75	19.14
Mechanised Accounting Expenses	0.94	0.19
Lease Charges	0.00	0.00
Licence fee/Segment Charges	4.07	1.04
CSR Expenditure	68.00	6.36
Office Expenses	881.45	749.67
Provision for Debtors/Advance	700.00	203.07
Bad Debts Write off	323.02	8.70
Claims and Expenses Charge off	19.18	989.51
Loss on Sale of Assets	0.00	0.00
Irrecoverable ED/ Late Fees/ Penalty/ Interest	15.24	120.73
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>4381.45</b>	<b>5252.71</b>
<b>SELLING EXPENSES</b>		
Selling Agency Commission	6.38	0.02
Advertisement Expenses	24.72	25.55
Exhibition and Publicity Expenses	0.40	2.58
Packing Expenses	0.16	1.08
Forwarding Expenses	322.40	26.04
Discount Allowed	0.00	0.00
Warranty Expenses	0.53	1.96
Sales Promotion Expenses	9.03	4.25
Entertainment Expenses	2.58	0.56
Cost of Tender Forms	3.61	0.38
<b>TOTAL SELLING EXPENSES</b>	<b>369.82</b>	<b>62.43</b>
<b>TOTAL OTHER EXPENSES</b>	<b>9464.39</b>	<b>11092.02</b>

**Notes to the Consolidated Financial Statements (Contd...)**

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.		
In case of back to back arrangements, Liquidated damages is accounted on net basis.		
<b>Expenditure in Foreign Currency :</b>		
Royalty	0.00	0.00
Knowhow	0.00	0.00
Professional / Consultation Fees	0.00	0.00
Interest	0.00	0.00
Others	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Additional Disclosures**
**NOTE NO. 31**

- Corporate information:  
ITI Limited is a Public Limited Company incorporated under the provisions of the Companies Act, 2013. The Company is primarily engaged in the business of Manufacture, sale and servicing of Telecommunication equipments.
- Execution and registration of sale deed for assets sold to DRDO for ₹ 2600 lacs during 2003-2004 is under process .
- An amount of ₹ 16500 Lakhs has been received from the government towards payment of wage revision arrears during 2014-2015. An Amount of ₹ 15479.79 lakhs has been paid towards payment of wage revision arrears and remaining amount of ₹ 1020.21 lakhs kept under Other Current Liabilities.
- Balances in the accounts of creditors, advances from customers, debtors, claims recoverable, loans & advances, materials with fabricators , subcontractors/ others, material in transit, deposits, loans, and other payables/receivables such as Sales Tax, VAT, Excise Duty, Cenvat, Service Tax, GST, TDS etc., are under confirmation/reconciliation. Adjustments, if any will be made on completion of such review / reconciliation / receipt of confirmations. However, in the opinion of the management, the Trade Receivables, current assets and loans and advances are realisable in the ordinary course of the business.
- The Company is primarily engaged in business of manufacturing, trading and servicing of telecommunication equipments and rendering other associated / ancillary services and there are no other reportable segments. The Company is primarily operating in India, which is considered as a single geographical segment. The Company is also engaged in Defence projects. The MCA vide its notification dt.23.02.2018 has exempted companies engaged in the Defence production from the requirement of Segment Reporting.
- a) As per Indian Accounting Standard (Ind AS) 24 on Related Party Disclosures the following transactions are entered into with the Joint Ventures of the Company viz. India Satcom Ltd., (ISL).

	2021-22	2020-21
Purchase of goods\Services	0.00	0.00
Sale of goods\Services	0.00	0.00
Amount Outstanding:	0.00	0.00
- Due from the related party	0.00	0.00
- Due to the related party	0.00	0.00
Provision for doubtful debts against dues from related party.	0.00	0.00
Written Off during the Year	0.00	0.00

**b) Remuneration paid to Key Management Personnel [As required under Ind AS 24]**

Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60

**7 Earnings Per Share (for continuing operation):**

Profit after tax	12106.26	1120.20
(-) Preference Dividend	0.00	0.00
Dividend tax	0.00	0.00
Profit available to equity shareholders	12106.26	1120.20
No. of Shares at beginning of the year	933522869	925119508
No. of Shares at the end of the year	933522869	933522869
Weighted average number of shares during the period	933522869	926293676
Earning per equity share (for continuing operation): Basic & Diluted( in ₹ )	1.30	0.12

- Since the Company has no virtual certainty of sufficient future taxable income, deferred tax asset is not being recognised on unabsorbed depreciation and carried forward losses of the Company under Indian Accounting Standard (Ind AS)-12 "Income Taxes"

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021																				
9 <u>JOINT VENTURES:</u> The financial reporting of interests in Joint Ventures as per Ind AS 28: (a) India Satcom Limited No.2, Kadugodi Industrial Area, Whitefield, Bangalore - 560 067 Company's stake in equity participation Place of incorporation of JV-India	49%	49%																				
10 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>0.00</b>	0.00																				
11 Commitments in respect of other contracts not provided for- <u>a) Contingent Liability in respect of</u> - Outstanding letters of credit & guarantees - Sales Tax demand /Service Tax/Income Tax - Non receipt of C/D forms - Excise Duty Demand/CENVAT Disallowance - ESI demand - Demand of interest & penalty by KVAT - Claims against the Company not acknowledged as debts	<b>147253.97</b> <b>14578.43</b> <b>14139.51</b> <b>2225.78</b> <b>0.00</b> <b>226.04</b> <b>21380.42</b>	158979.28 14301.53 19929.54 2225.78 0.00 226.04 20909.26																				
i.) Due to the financial crunch, there have been delayed remittance of some of the statutory dues including contribution to the provident fund. The Company has provided interest for the delay on an estimated basis as the actual amount of interest/penalty payable is unascertainable. ii.) The Company has disclosed a contingent liability of ₹ 14,139.51 lakhs (Previous Year ₹ 19,929.54 Lakhs) towards additional central sales tax liability for non-collection/submission of C/D forms for the past years on the estimated basis. The actual liability may vary based on the collection and submission of the statutory forms and adopting the applicable tax rate at the time of tax assessments. iii.) Out of the claims against the Company not acknowledged as debt of ₹ 21380.42 Lakhs which includes ₹ 16700.00 Lakhs towards M/s Alphon Corporation, Company has to recover ₹ 17096 Lakhs from BSNL on back to back basis contract related to GPON. <u>b) Pending litigations :-</u> (i) Claim Recoverable - in land - ₹1049.41 lakhs due from M/S Himachal Futuristic Communications. The Company has filed a legal case and the matter is pending before Delhi High court. (ii) Vendors have filed the case against the Company involving total amount ₹100.00 lakhs and the case is pending before various forums. (iii) Disputed statutory liabilities of ₹17030.26 lakhs. (iv) LERC is using the temporary road in ITI land measuring 5310 sq.ft. belonging to ITI without permission and the matter is subjudiced. (v) Bruhat Bengaluru Mahanagara Palike (BBMP) constructed road in ITI land in Krishnarajapuram without permission of ITI which is used by general public despite the stay order from High court of Karnataka. (vi) Interest and penalties on arrears of all overdue statutory liabilities (including undisputed) could arise as and when assessed and determined by the respective authorities. (vii) One employee has filed case against the Company for claiming interest on 39 months wage revision arrears for ₹ 28.28 Lakhs and the case is pending in High Court.																						
12 Write-back of liabilities of earlier years amounting to ₹289.18 lakhs comprises Rae Bareli Unit ₹161.46 lakhs and NSU ₹127.72 lakhs (Previous year ₹2043.71 Lakhs comprises Palakkad unit ₹1.13 Lakhs, Mankapur unit ₹2010.40 Lakhs, and ROs ₹32.18 Lakhs). Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption																						
13	<table border="1"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: right;">2021-22</th> <th style="text-align: right;">%</th> <th style="text-align: right;">2020-21</th> <th style="text-align: right;">%</th> </tr> </thead> <tbody> <tr> <td>Imported</td> <td style="text-align: right;"><b>53.38</b></td> <td style="text-align: right;">0.44</td> <td style="text-align: right;">2093.87</td> <td style="text-align: right;">11.92</td> </tr> <tr> <td>Indigenous</td> <td style="text-align: right;"><b>12042.06</b></td> <td style="text-align: right;">99.56</td> <td style="text-align: right;">15470.60</td> <td style="text-align: right;">88.08</td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>12095.44</b></td> <td style="text-align: right;">100.00</td> <td style="text-align: right;">17564.47</td> <td style="text-align: right;">100.00</td> </tr> </tbody> </table>	Particulars	2021-22	%	2020-21	%	Imported	<b>53.38</b>	0.44	2093.87	11.92	Indigenous	<b>12042.06</b>	99.56	15470.60	88.08	<b>TOTAL</b>	<b>12095.44</b>	100.00	17564.47	100.00	
Particulars	2021-22	%	2020-21	%																		
Imported	<b>53.38</b>	0.44	2093.87	11.92																		
Indigenous	<b>12042.06</b>	99.56	15470.60	88.08																		
<b>TOTAL</b>	<b>12095.44</b>	100.00	17564.47	100.00																		

- 14 Accretion/Decretion to stock-in-trade is arrived at after considering due adjustment to difference in excise duty element in respect of opening stock.
- 15 The Company is a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of ₹4156.79 Crores in February, 2014, for revival of ITI under Rehabilitation Scheme. As a part of the approved financial assistance, a sum of ₹192 Crores has been received towards share application money as Capital Grant during the financial year 2014-15 and shares allotted during financial year 2016-17 and additionally ₹80 Crores received as share capital in financial year 2016-17. During the year 2017-18 ₹337 Crores has been received towards Capital Grant in Aid, out of this ₹200 Crores allotted during 2017-18 and balance ₹137 Crores during 2018-19. The Company also received ₹55 Crores during 2018-19 which was lying in share application money for pending allotment. During the FY 2019-20 the Company has received capital grant of ₹105 Crores. For the total Capex amount of Rs 160 Crores (Rs 50 Crores + Rs 5 Crores + Rs 35 Crores + Rs 70 Crores) received by ITI, the Company allotted 2,81,19,508 equity shares @ ₹ 56.90 per share (Each ₹10 fully paid up at premium of Rs 46.90 per share) to The President of India. The allotment was made in accordance with the Ministry of Communications vide order no. 20-36/2012-FAC.II(Pt) dated 06.09.2019 & dated 14.01.2020 at prevailing market price or average share price for three months prior to the date of allotment whichever is lower.

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<p>"During the FY 2020-21 the Company has received capital grant of ₹105 Crores and the Company has allotted the 84,03,361 equity shares @ ₹ 124.95 per share (Each ₹10 fully paid up at premium of Rs 114.95 per share) to The President of India. The allotment was made in accordance with the BIFR order dated 08.01.2013 read with Ministry of Communications order no. 20-86/2014-FAC.II dated 02.08.2019 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower.</p> <p>"Further to the above, during the FY 2021-22 the Company has received capital grant of ₹7156.30 lakhs which is lying in share application money pending allotment During the Year, the Dept of Telecommunications (DoT), GOI has allocated Grant of ₹21429 lakhs to the Company towards meeting the liability of PF and Gratuity of the employees who were in service as on 30.06.2018 which was approved by Dept of Expenditure, MoF. In accordance with Ind AS 20 the Grant amount of ₹21429 lakhs has been recognised as Income.</p> <p>The Company has received ₹15500 lakhs towards VRS expenditure, out of which ₹3658.19 lakhs has been spent towards VRS during FY 2016-17 and 2017-18 and ₹3350 lakhs have been transferred to units/Ros for meeting the expenditure during 2016-17 and the balance ₹308.18 lakhs has been transferred during FY 2018-19. During FY 2018-19 the Company has not paid VRS expenditure and during FY 2019-20 the Company has paid VRS expenditure of ₹439.33 lakhs and during FY 2020-21, ₹ 6675.00 lakhs was paid to VRS optee. During FY 2021-22 Company has paid ₹ 481.49 lakhs to VRS optees and the balance amount is lying in the account.</p>		
16 Land proposed to be leased to Bangalore Metropolitan Transport Corporation, BMTC, measuring 12.15 acres is in possession of the BMTC. Pending Government of India approval for the lease, lease terms and agreement yet to be finalised. Lease rental will be recognised on finalisation of the terms. An amount of ₹ 285 lakhs received earlier from the BMTC under an agreement to sell is held under deposits.		
17 Liquidated Damages (LD) of Rs 1049.41 lakhs on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi.		
18 Karnataka Power Transmission Corporation Limited is using 5 Acres of Land and no lease agreement has been entered for the same.		
19 Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered, as the revised lease rent is not settled with ESIC.		
<b>20 Value of Imports on CIF basis</b>		
Raw Materials and Production Stores	<b>53.38</b>	1697.18
Components and Spare Parts	<b>0.00</b>	0.00
Material in transit	<b>0.00</b>	0.00
Capital Goods	<b>946.87</b>	274.83
<b>TOTAL</b>	<b>1000.25</b>	1972.01
21 Rent from C-DoT, Government of India aggregating ₹ 5847.90 lakhs has not been realised for the years 2005-06 to 2010-11. Due to uncertainty of realisation, recognition of gross rental revenue aggregating ₹ 10879.92 lakhs for the financial years 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22 on accrual basis is deferred, which is in conformity with Ind AS.		
22 Write off of Trade receivables of earlier years amounting to ₹ 323.02 lakhs pertains to NSU and Provision for Bad & Doubtful debt amounting to Rs.700 lakhs pertains to Bangalore Plant		
23 The title deeds of all the immovable properties, as disclosed in Note 1 and Note 3 to the financial statements are held in the name of the Company except those mentioned below: Land Measuring 77 Acres at Palakkad valuing ₹ 19470 Lakhs (Carrying Value) have been resumed by the Govt of Kerala and under adjudication of the Apex Court. The value of Land as shown in the Balance Sheet includes the value of Land resumed by the Govt of Kerala pending decision by the Apex court. ITI Complex land 174.69 acres valuing ₹ 9282 lakhs (Carrying Value) was handed over to Naini Unit by District Industrial Officer in 1969 which is not in the name of the Company Transfer of title of 196.37 acres of land (factory area) valuing ₹ 11620 Lakhs (Appx) acquired against Gazette No 10574(1) . SHA.U/18.II.666/Bha-72 dtd 09.01.1973 pertaining to Villages Ballapur, Chhajapur & Malikmau Aima, Raebareli transfereed by Industries Department, Raebareli dated 12.11.1973 is pending due to non submission of proof of compensation paid by ITI Limited to the land owners at the time of land acquirement		
24 The Company has not revalued its Property, Plant & Equipment during the Current or Previous year		
25 No loans or advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are (a) repayable on demand or (b) without specifying any terms or period of repayment.		
26 No proceedings has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 1988 (45 of 1988) and the rules made there under.		
27 The Company has borrowings from Banks on the basis of security of current assets. The Stock and Debtors Statement filed by the Company with banks are in agreement with the books of accounts		
28 The Company has not been declared as a Willful Defaulter by any banks or other Financial Institutions or other lenders		
29 As per the information available with the management, the Company does not have any transactions with Companies stuck off under Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956, in respect of Investments in Securities, Receivables, Payables, Shares held by Stuck off Company and other outstanding balances.		
30 The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period		
31 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year		
32 No funds 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 entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries		
33 The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act 1961		
34 The Company has not traded or invested in Crypto or Virtual Currency during the Current or Previous year.		
35 The borrowings obtained by the Company from banks and financial institutions have been applied for the purpose for which such loans are taken		

## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
<b>36 Performance Indicators - Ratios</b>		
(a) Current Ratio -(Current Assets / Current Liabilities)	0.98	0.94
(b) Debt Equity Ratio - (Long term debt + Short Term Debt)/Total Shareholders Equity	0.63	0.62
(c) Debt Service Coverage Ratio (EBIDTA / (Interest+Principal repayment)	1.38	1.34
(d) Return on Equity (Net Income / Shareholders' Equity)	0.13	0.03
(e) Inventory Turnover Ratio (Cost of Goods Sold / Average Inventory)	9.07	12.53
(f) Trade Receivables turnover ratio (Net Credit Sales / Average Accounts Receivable)	0.63	0.78
(g) Trade Payables turnover ratio (Net Credit Purchases / Average Trade Payables)	0.67	0.86
(h) Net Capital turnover ratio (Sales /Working Capital)	-14.40	-6.90
(i) Operating Profit Margin without Grant in Aid (Operating Profit / Net Sales)	-5.38%	-0.16%
(j) Operating Profit Margin with Grant in Aid (Operating Profit / Net Sales)	6.40%	2.68%
(k) Net Profit ratio (Net Profit / Net Sales)	6.51%	0.47%
(l) Return on Capital Employed (Operating Profit / Capital Employed)	0.04	0.02
(m) Return on Investment (Investment only in Joint Venture - Unquoted)	-	-
(n) Sales to Total Assets ( Sales incl. Taxes/ Total Assets (Net Fixed Assets + Investments + Gross Current Assets) Times	0.22	0.30
(o) Operating Profit to Capital employed (Profit before tax / (Share holders' funds + Loan funds)	3.64%	4.31%
(p) Profit to Sales (Profit before tax to sales incl. GST)	5.83%	0.43%

The turnover ratios having more than 25% variance are due to operational changes

37 Details of CSR Activities	Rs. In lakhs
(i) Amount required to be spent by the Company during the year	110.55
(ii) Amount of expenditure incurred	99.09
(iii) Shortfall at the end of the year	11.46***
(iv) Total of Previous years shortfall	Nil
(v) Nature of CSR activities	Education, Health & Hygiene, Eradicating Hunger, Environment etc
(vi) Details of related party transactions	Nil

\*\*\* The Shortfall in CSR Expenditure will be transferred to PM Cares Fund before filing of return

38 The spread of Covid-19 pandemic and subsequent restrictions during the year adversely impacted several businesses across the globe. There was a moderate impact on the Company's operations/performance for the quarter and year ended on 31-03-2021. Based on the information (internal, as well as external) available up to the date of approval of these financial results, Company expects to recover the carrying amounts of trade receivables and other financial assets. The Company will continue to closely monitor the developments, future economic and business outlook, and its impact on the Company's future performance.

39 ITI Limited, being a Public Sector Undertaking, the Directors on the Board of the Company are appointed by the order of Government of India. The composition of Board of Directors is not as per provisions of SEBI Listing Regulations due to insufficient number of Independent Directors including women Independent Director. However, the proposal for the appointment of requisite number of Independent Directors including Women Independent Director on the Board of the Company is under process with the Administrative Ministry.

40 Pending approval from the concerned ministry on the finalisation of the lease terms and agreement, rental income on the land the newly constructed building leased out to NIFT by the Raebareli Unit has not been recognised.

41 Figures in brackets indicated in the Accounts reflect negative balances.

42 Previous year's figures have been re-grouped, re-classified & re-stated wherever necessary to conform to current year's classification.

The accounting policies and accompanying note form part of Financial Statements

As per our report of even date

### For GRSM & Associates

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**V MADHAVAN**

Partner

M. No. 028113

**S. SHANMUGA PRIYA**

Company Secretary

**RAJEEV SRIVASTAVA**

Director Finance / Chief Financial Officer

DIN : 08921307

**R M AGARWAL**

Chairman & Managing Director

DIN : 07333145

Place : Bengaluru

Date : 25<sup>th</sup> May 2022



## Notes to the Consolidated Financial Statements (Contd...)

₹ in Lakhs

Particulars	For the Year Ended 31.03.2022	For the Year Ended As at 31.03.2021
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**32 Related Party Disclosures**
**a. Associate/Joint Venture**

Name of the Entity	Place of Business	Ownership Interest Held by Company		Ownership Interest Held by Non-Controlling Interests	
		As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
INDIA SATCOM LIMITED	India	49.06%	49.06%	50.94%	50.94%

**b. Key Management Personnel's Details**

₹ in Lakhs

Name of Directors / Key Management Personnel's	F.Y. 2021-22	F.Y. 2020-21
Shri R M Agarwal-CMD	36.48	35.63
Shri Shashi Prakash Gupta-Director (HR)- (Till 30.06.2021)*	7.84	31.32
Shri Rajeev Srivastava - Director (Finance) & CFO	19.12	15.88
Shri D. Venkateswarlu -Director (Production)	19.65	17.84
Shri Rakesh Chandra Tiwari - Director (Marketing) (w.e.f. 07.01.2021)*	42.38	3.03
Smt Shanmuga Priya - Company Secretary	13.27	11.60
Dr. Akhilesh Dube - Independent Director	0.15	1.05
Dr. K R Shanmugam - Independent Director	0.45	1.35
Shri. Mayank Gupta - Independent Director	0.40	1.25
Shri. Rajen Vidyarthi - Independent Director	0.20	1.35
Dr. Raja Nayak - Independent Director	0.65	0
Shri. Shri Billeswar Sinha - Independent Director	0.50	0
Smt Mamta Palariya - Independent Director	0.60	0

\* Part of the year

**c. The transactions with Related Parties other than Key Management Personnel are as follows (Previous Year figures are shown in brackets) :-**

Particulars	Associate/ Joint Venture	
	INDIA SATCOM LIMITED	
Purchase of Goods	Nil	
Sale of Goods		
Rendering Services		
Services Received		
Rent Received (Lease)		
Interest Income		
Dividend Income on Investments		
Loan Outstanding (including Interest) as on 31.03.2022		
Trade Payables Outstanding as on 31.03.2022		
Trade Receivables Outstanding as on 31.03.2022		
Investment in Equity as on 31.03.2022		40.55 lakhs (40.55L)
Advances for Purchase Outstanding as on 31.03.2022		Nil

**d.** All transactions dealt with related parties are on arm's length basis.

**e.** All Outstanding balances(other than loan) are Unsecured and is repayable in cash within next 6 months. For Outstanding balance of loans refer note f below.

**f.** Loans to Related Parties :- Nil

**g.** Management Contracts including deputation of Employees :- Nil

**h. Transaction with Government and Government Related Entities :-**

As ITI is a government entity under the control of Ministry of Telecommunications (MoT), the Company has provided detailed disclosures required under Ind AS 24 wrt related party transactions with government and government related entities.

However as required under Ind AS 24, following are the individually significant transactions :-

- Buyback of Shares.
- Bonus Issued.
- Dividend Paid.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ITI LIMITED

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

#### Qualified Opinion

We have audited The accompanying consolidated financial statements of ITI LIMITED hereinafter referred to as ("the Company") and its associate (the Company and its one associate collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2022, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid 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 31 March 2022, the consolidated profit and total consolidated comprehensive income, consolidated statement of change in equity and its consolidated cash flow statement for the year ended on that date.

#### Basis for Qualified Opinion

1. The Company has not made provision for bad and doubtful debts (expected credit losses) in respect of the following items included under Current Financial Assets, which are also doubtful of recovery:
  - a) Rs.5,847.90 lakhs as receivable from C-DOT towards rent from premises leased out to them up to the period ended 31-3-2011.
  - b) Recoverable from HCL Infosystems Limited of Rs.1,690.20 lakhs as compensation on account of excess amount spent by the Mankapur Unit of the Company based on the agreement between ITI, HCL and Alcatel.
  - c) Recoverable from Himachal Futuristic Communications Ltd of Rs.1,049.41 lakhs towards Liquidated Damages.
  - d) Receivable from Mindarray towards encashment of letter of credit of Rs.1,023.00 lakhs
  - e) Accordingly, if provision for credit losses were made by the Company, the profit for the year and the net current assets would have been reduced by Rs.9,610.51 lakhs.
2. The Company does not have confirmations and reconciliation of balances from sundry debtors. The effect of the adjustment arising from reconciliation and settlement of old dues and possible loss which may arise on account of non-recovery or partial recovery of such dues is not ascertained. We are unable to comment on the impact of non-provisioning for such loss on the result or financial position of the Company.
3. The Company is in the process of an assessment on ageing, usefulness, and serviceability of the inventories held at various units to ascertain the provision for obsolete inventory. At the Raebareli unit, the branch auditor has emphasised that the valuation of inventory is not as per the applicable accounting standard. As these amounts are unascertained, we are unable to comment on the impact of the same on the result or financial position of the Company.
4. The Company's process for identifying suppliers covered by the Micro, Small and Medium Enterprises Development Act of 2006 and the payment of interest in cases of delays in payment, appears to be inadequate and unverifiable. As a result, we are unable to comment on MSMED Act 2006 compliance or disclosure requirements under Schedule III of the Companies Act 2013.

5. The Company has not reversed the wrong GST input tax credit of Rs.889 lakhs taken during 2019-20 at the Palakkad Unit of the Company. Accordingly, cost of sales would have been increased by Rs.889 lakhs, and the net profit and shareholders' funds would have been reduced by the same amount.
6. Regarding Goods & Services Tax, in certain cases, entries/ balances as per the books of accounts do not match with the returns filed and input tax credit reflected in the portal. Adjustment entries and reversal of ineligible input tax credit are pending. In the absence of quantification, we are unable to comment on the impact of the same on the result or financial position of the Company.

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated 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 together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

#### Emphasis of Matter

We draw attention to the following matters under various notes (referred against each item) of the financial statements. Our opinion is not modified in respect of these matters.

- The Company has received funds towards capital expenditure as part of the financial assistance approved by CCEA when the Company was declared a Sick Company as per provisions of Sick Industrial Companies Act, 1985. [Note No.31.15]
- The Company has postponed revenue recognition in respect of rent from a few parties due to uncertainty of ultimate collection owing to several reasons including but not limited to finalisation of the terms of the lease and not entering into formal agreements. [Note Nos.31.16, 31.18, 31.19, 30.21]
- The Company carries as under 'other financial assets- current' accumulated unbilled revenue of Rs.2,30,501.32 lakhs that were recognised during the current as well as the last few years. [Note No.9 (b)]
- The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors. [Note No.31.39]
- The Company continues to carry a land admeasuring 77 acres having a carrying value of Rs.19,470 lakhs under Property, Plant & Equipment after receiving intimation of re-possession by the Government of Kerala as the Company has disputed the same and the matter is under adjudication of the Apex Court. [as reported by the branch auditor]. [Note No.31.23]
- Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.3-sub note(iv)]

#### Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matters	Auditor's Response
<p><b>Unbilled Revenue:</b> Accounting for unbilled revenue is an exercise of recognising revenue based on accounting policies when an invoice/ charge on the customer is yet to be made for supply of goods or services. Revenue on Projects (Service/ Construction Contracts) such as fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time is recognized using the input (percentage-of-completion) method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is measured as the ratio of costs or efforts incurred to date (representing work performed) to the estimated total costs or efforts.</p> <p>Use of the percentage-of-completion method requires the Company to determine the actual efforts or costs expended to date as a proportion of the estimated total efforts or costs to be incurred. The estimation of total efforts or costs involves significant judgment and is assessed throughout the period of the contract to reflect any changes based on the latest available information.</p> <p>We identified the recognition of unbilled revenue as a key audit matter as the estimation of efforts or costs involves significant judgment throughout the period of the contract and is subject to revision as the contract progresses based on the latest available information. This estimate has a high inherent uncertainty and requires consideration of progress of the contract, efforts or costs incurred to-date and estimates of efforts or costs required to complete the remaining contract performance obligations over the life of the contracts.</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures related to estimates of total expected costs or efforts to complete fixed-price contracts included among others the following: We tested the effectiveness of controls relating to (1) reviewing the efforts or costs incurred and estimation of efforts or costs required to complete the remaining contract performance obligations and (2) reviewing the controls pertaining to recording &amp; allocation systems which prevent unauthorised changes to recording of efforts incurred.</p> <p>We selected a sample of fixed price contract accounted using percentage-of-completion method and performed the following :</p> <ul style="list-style-type: none"> <li>• Compared efforts or costs incurred with Company's estimate of efforts or costs incurred to date to identify significant variations and evaluate whether those variations have been considered appropriately in estimating the remaining costs or efforts to complete the contract.</li> <li>• Review the computations of total revenue recognisable and comparisons with the billing done up to the balance date to identify the unbilled revenue</li> </ul>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the 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 Consolidated Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of change in equity and consolidated cash flow statement of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group are responsible for assessing the Group'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 the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so,

The respective Board of Directors of the companies included in the group are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the companies have 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 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 Group'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 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

1. The consolidated financial statements include the group's share of net loss of Rs.137 lakhs in respect of an associate for the year ended 31 March 2022, whose financial statements have been audited by its Independent auditors. The independent auditors' report on Financial Statements of this entity has been furnished to us and our opinion on the consolidated Financial statements in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
2. We did not audit the financial statements of Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the financial statements of the Company whose financial statements reflect total assets of Rs. Rs.4,94,049.06 lakhs as at 31 March 2022 and total income of Rs. 19,561.38 lakhs for the year ended on that date, as considered in the financial statements (excluding inter-unit balances and transactions). The financial statements of these branches have been audited by the branch auditors whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches is solely on the report of such Branch Auditors

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the unaudited financial statements certified by the management.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit and on the consideration of audit report of an associate, as referred in "Other Matters" paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.
  - e) In terms Notification no. G.S.R. 463(E) dtd. 05-06-2015 issued by the Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company.
  - f) The provisions of Section 197 are not applicable to a government Company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India.
  - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its associate, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
  - 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 Auditor's) Rules, 2014 to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiary Company and its associate, as noted in "Other Matters" paragraph;
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts in respect of such items as it relates to the Group and
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its associate Company incorporated in India.

iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their 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 or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of

such subsidiaries shall, 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 performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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. The Company and its associate have neither declared nor paid any dividend during the year and hence commenting on the compliance with section 123 of the Companies Act, 2013 does not arise.

2. With respect to the matters specified in paragraphs 3(xi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its associate included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report below the details of the companies and the paragraph numbers of the CARO report containing the qualifications or adverse remark:

<b>Sr. No.</b>	<b>Name/ CIN</b>	<b>CIN</b>	<b>Holding Company/ subsidiary/Associate/ Joint Venture</b>	<b>Clause number of the CARO report which is qualified or adverse</b>
1.	ITI LIMITED	L32202KA1950GOI000640	Holding Company	Clauses (i)(a)(A), (i)(b), (i)(c), (ii)(a), (vii)(a), (vii)(b), (ix)(a), (xiv)(a) and (xx)(a)
2.	INDIA SATCOM LIMITED	U85110KA1987PLC008639	Associate Company	Clauses (ii)(a) and (xvii)

Place : Bangalore  
Date : 25<sup>th</sup> May 2022

**For GRSM & Associates**  
Chartered Accountants  
[FRN: 000863S]

**UDIN:** 22028113AKDVHL2343  
**V.MADHAVAN**  
Partner  
M.No.028113

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of ITI LIMITED for the year ended 31<sup>st</sup> March 2022 in accordance with the directions issued by the C&AG of India under Section 143 (5) of the Companies Act, 2013 and certify that we have complied with all the directions issued to us.

Place: Bangalore  
Date: 25<sup>th</sup> May 2022

**For GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

**UDIN:** 22028113AKDUWP6065  
**V.MADHAVAN**  
Partner  
M.No.028113

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ITI LIMITED

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

In conjunction with our audit of the consolidated IND AS financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls over financial reporting of ITI Limited (hereinafter referred to as (“the Company”) as of that date. We did not audit the financial statements of an Associate which has been audited by the other Auditor.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company, its subsidiary Company and jointly controlled companies, which are companies incorporated in India, are 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 (ICAI). 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 the respective 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other

Matters paragraph below, 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.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to:

- one associate Company, which is companies incorporated in India, is audited by its auditor;
- Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches are audited by the branch auditors;

whose report has been furnished to us, and our opinion in so far as it relates to the adequacy of the internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022 included in respect of these associate/branches is solely on the report of such Auditors. Our opinion is not modified in respect of these matters

**Qualified Opinion**

According to the information and explanations given to us, and based on our audit, the following material weaknesses have been identified as at March 31, 2022:

- i. The Company did not have an appropriate internal control system for obtaining confirmation of balances on a periodic basis, and reconciliation of unmatched Receivables, Advances, and Payables.
- ii. The Company, in respect of Goods & Services Tax, did not have an effective system for timely accounting of entries, reversal of ineligible input tax credit, and reconciling the account balances with the returns filed thereof.
- iii. At Raebareli Unit, the ERP software BaaN is not updated appropriately, and the audit was completed with information obtained from various departments

In our opinion, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company, its one associate, which is incorporated in India, have, 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 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

Place : Bangalore  
Date : 25<sup>th</sup> May 2022

**For GRSM & Associates**

Chartered Accountants

[FRN: 000863S]

**UDIN:** 22028113AKDVHL2343

**V.MADHAVAN**

Partner

M.No.028113

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF ITI LIMITED (STANDALONE) FOR THE YEAR ENDED 31st MARCH 2022

The preparation of Financial Statements of ITI Limited for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (the Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on the Financial Statements under Section 143 of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of ITI Ltd. for the year ended 31 March 2022 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company Personnel, and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention, and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

### Comment on Profitability

#### Statement of Profit and Loss

#### IV Expenses-Other Expenses (Note No. 30)- Rs. 9464.39 lakh.

1. The above head is understated by an amount of Rs. 1647.70 lakh due to non-provisioning of Property tax payable to BBMP for the period from 2016-17 to 2021-22, even after the court orders. This has also resulted in overstatement of profit by the same amount.

Liability on account of interest and penalty payable thereon is also not disclosed.

2. The above head is understated by an amount of Rs. 218.69 lakh due to non-provision of expenses pertaining to the year 2021-22. This has also resulted in overstatement of profit by the same amount.

For and on behalf of the  
Comptroller and Auditor General of India

(Aman Deep Chattha)  
Director General of Audit  
(Finance & Communication)

Place: Delhi

Date: 05.08.2022



## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013, ON THE (CONSOLIDATED) FINANCIAL STATEMENTS OF ITI LIMITED FOR THE YEAR ENDED 31' MARCH 2022

The preparation of Consolidated Financial Statements of ITI Ltd. for the year ended 31" March 2022 in accordance with the financial reporting framework prescribed under the Companies' Act, 2013 (Act) is the responsibility of the Management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) read with Section 129 (4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129 (4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25.05.2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the Consolidated Financial Statements of ITI Ltd. for the year ended 31" March 2022 under Section 143 (6) (a) read with Section 129 (4) of the Act. We conducted a supplementary audit of the financial statements of ITI Ltd. but did not conduct supplementary audit of the financial statements of India Satcom Limited (jointly controlled entity) for the year ended on that date. **Further, Section 139 (5) and 143 (6) (a) of the Act are not applicable to India Satcom Limited being a private entity, under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this Company.** This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company Personnel, and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under Section 143(6) (b) read with Section 129 (4) of the Act which have come to my attention, and which, in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

### Comment on Profitability

#### Statement of Profit and Loss

#### IV Expenses-Other Expenses (Note No. 30)- Rs. 9464.39 lakh.

1. The above head is understated by an amount of Rs. 1647.70 lakh due to non-provisioning of Property tax payable to BBMP for the period from 2016-17 to 2021-22, even after the court orders. This has also resulted in overstatement of profit by the same amount.  
Liability on account of interest and penalty payable thereon is also not disclosed.
2. The above head is understated by an amount of Rs. 218.69 lakh due to non-provision of expenses pertaining to the year 2021-22. This has also resulted in overstatement of profit by the same amount.

For and on behalf of the  
Comptroller and Auditor General of India

(Aman Deep Chattha)  
Director General of Audit  
(Finance & Communication)

Place: Delhi

Date: 05.08.2022

**Comments of the Comptroller & Auditor General of India under Sec 143(6)(b) of the Companies Act, 2013 on the accounts of ITI Limited (Standalone) for the year ended 31st March 2022 and the Company's reply for the same.**

Comments of C & AG	Company's Reply
<p>Comments on Profitability:</p> <p>1. Other Expenses (Note No.30)- Rs.9464.39 lakh</p> <p>The above head is understated by an amount of Rs.1647.70 lakh due to non-provisioning of property tax payable to BBMP for the period from 2016-17 to 2021-22, even after the court orders. This has resulted in overstatement of profit by the same amount.</p> <p>Liability on account of interest and penalty payable thereon is also not disclosed</p>	<p>Since in the opinion of the Company, the demand raised by BBMP appeared to be very much on the higher side, it was decided by the Company to appoint a surveyor and to undertake the self-assessment of property as per the guidelines to assess the actual liability.</p> <p>The work order was issued for the same. The work is in progress. Based on the report of surveyor necessary action would be taken in the FY 2022-23</p>
<p>2. The above head is understated by an amount of Rs.218 lakh due to non-provision of expenses pertaining to the year 2021-22. This has also resulted in overstatement of profit by the same amount.</p>	<p>Expenses are booked based on the submission invoices duly verified and certified by the concerned department. During the previous year, there were certain delay in submission of invoices relating to utilities and expenses of non-recurring nature to the finance department which has resulted in non-provision of those expenses in the books. However, necessary measures have been given to avoid such things in future</p>

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl. charge) Chairman and Managing Director &  
(Addl. charge) Director HR  
DIN : 08605954

**Comments of the Comptroller & Auditor General of India under Sec 143(6)(b) of the Companies Act, 2013 on the accounts of ITI Limited (Consolidated) for the year ended 31st March 2022 and the Company's reply for the same.**

Comments of C & AG	Company's Reply
<p>Comments on Profitability:</p> <p>1. Other Expenses (Note No.30)- Rs.9464.39 lakh</p> <p>The above head is understated by an amount of Rs.1647.70 lakh due to non-provisioning of property tax payable to BBMP for the period from 2016-17 to 2021-22, even after the court orders. This has resulted in overstatement of profit by the same amount.</p> <p>Liability on account of interest and penalty payable thereon is also not disclosed</p>	<p>Since in the opinion of the Company, the demand raised by BBMP appeared to be very much on the higher side, it was decided by the Company to appoint a surveyor and to undertake the self-assessment of property as per the guidelines to assess the actual liability.</p> <p>The work order was issued for the same. The work is in progress. Based on the report of surveyor necessary action would be taken in the FY 2022-23</p>
<p>2. The above head is understated by an amount of Rs.218 lakh due to non-provision of expenses pertaining to the year 2021-22. This has also resulted in overstatement of profit by the same amount.</p>	<p>Expenses are booked based on the submission invoices duly verified and certified by the concerned department. During the previous year, there were certain delay in submission of invoices relating to utilities and expenses of non-recurring nature to the finance department which has resulted in non-provision of those expenses in the books . However, necessary measures have been given to avoid such things in future</p>

For & on behalf of the Board

Place: Bengaluru  
Date : 10<sup>th</sup> August 2022

**D Venkateswarlu**  
Director Production,  
(Addl. charge) Chairman and Managing Director &  
(Addl. charge) Director HR  
DIN : 08605954



# PRODUCTS & SERVICES OF ITI LIMITED

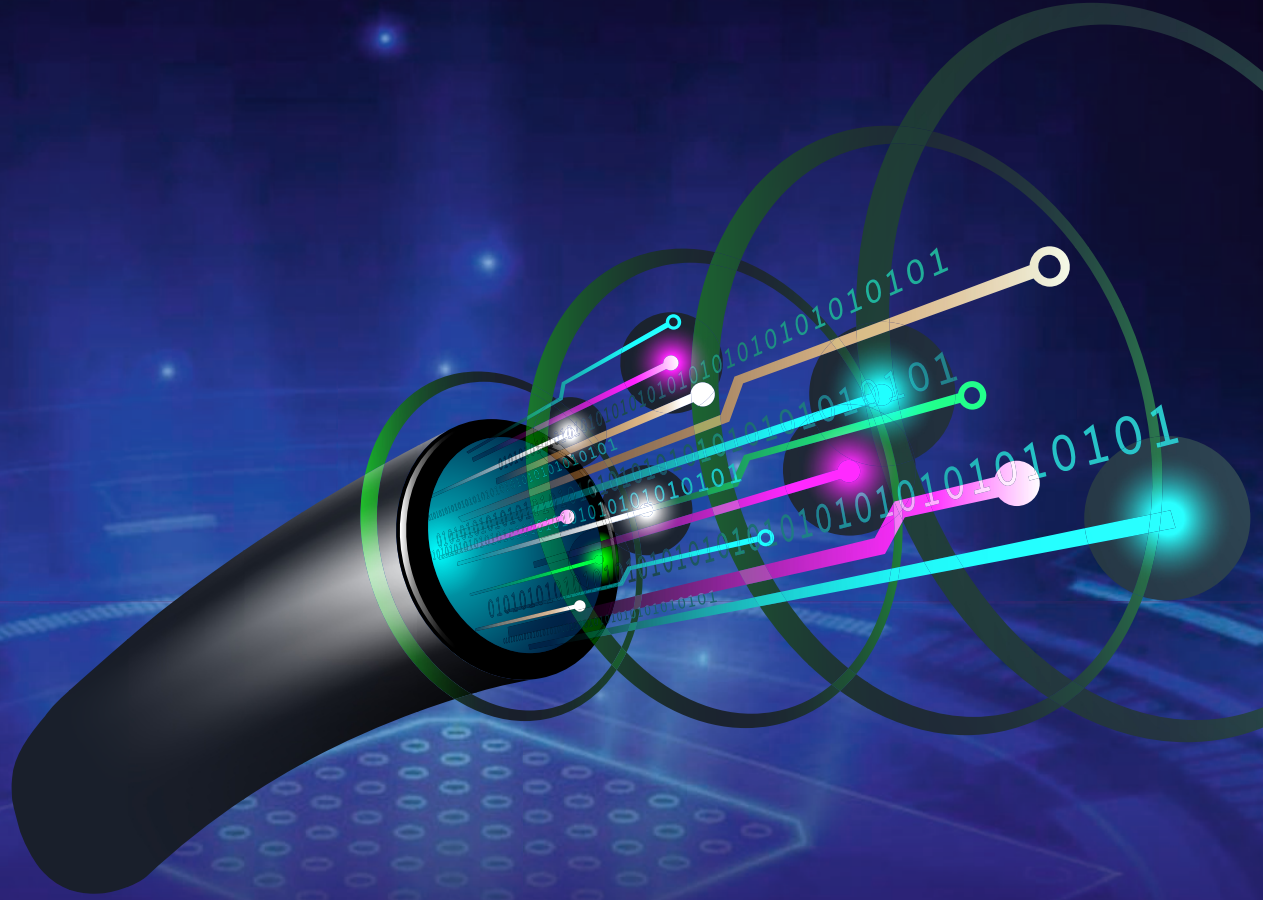


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**ITI LIMITED**

(A Government of India Undertaking)

**CIN:** L32202KA1950GOI000640

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