

Ref: K/953/BSE & NSE/2023  
Date: 01.09.2023

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400 001  
Scrip Code: 523610

The Manager  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai- 400 051  
Scrip Code: ITI

Dear Sir/Madam,

Sub: **Annual Report along with Notice of 73<sup>rd</sup> Annual General Meeting (AGM) of the Company for the year 2023.**  
Ref: **Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

This is to inform that 73<sup>rd</sup> Annual General Meeting (AGM) of the Members of the Company is scheduled to be held on Thursday, 28<sup>th</sup> September 2023 at 11:30 a.m. through Video Conference (VC) or Other Audio Visual Means (OAVM).

In this regard, please find enclosed herewith Annual Report along with Notice of 73<sup>rd</sup> AGM of the Company for the Financial Year 2022-23. The Annual Report 2022-23 is also available on the Company's website at the following link:  
[https://www.itiltd.in/Investor%20information/2023/Book%20-%20ITI%20-%20AGM%20-%2020230901\\_compressed%2011MB.PDF](https://www.itiltd.in/Investor%20information/2023/Book%20-%20ITI%20-%20AGM%20-%2020230901_compressed%2011MB.PDF)

This is for your kind information and record please.

Thanking you,

Yours faithfully  
For ITI LIMITED

Shalini Ghatak  
Company Secretary

Encl: as above

**ISO**  
9001:2015  
Company

**ISO**  
14001:2015

**ITI**  
**ITI LIMITED**  
(A Government of India Undertaking)

**73<sup>RD</sup> ANNUAL REPORT  
2022-23**



Partner In Nation Building Since 1948



## CHAIRMAN'S MESSAGE

Dear Members,

It is an honour and a great privilege to present the 73<sup>rd</sup> Annual Report of ITI Limited for the Financial Year 2022-23. I am pleased to inform you that the Company has complied with the guidelines on Corporate Governance for CPSEs. On behalf of ITI Limited and the Board of Directors, it is indeed an honour and a privilege to share my thoughts with you through the Annual Report 2022-23.

Dear Shareholders, before I talk about the performance of the last financial year, I would like to share with you all that ITI Limited has bagged completely indigenous 4G technology Order from BSNL which is worth Rs 2421.49 Crores including Supply, Installation & Commissioning of 4G Radio in 23,633 sites in West Zone. This was the most awaited order and is very important for ITI Limited as it opens new avenues in 5G technology arena also. Let me now talk about the Financial Year 2022-23. This year of the Company has been a year of several challenges and unexpected issues. The most expected projects did not mature during this year due to some concerns of the customers. PoC of the ASCON Phase IV project has not been concluded delaying the project rollout and the cash flow. Similarly, there has been an undue delay in the completion of PoC of BSNL 4G Project, thus delaying the RQ order from BSNL. These two unwarranted events have caused a big blow to our performance, and the Company's turnover as well as profits have dwindled in this year. Company has achieved a turnover of Rs 1588.60 Crores, with a loss of Rs 359.85 Crores. Despite big disappointment from the two mega projects, the above turnover was made possible by the contribution mainly from Turnkey Projects like ASCON Phase IV, Mahanet, TanfiNet, NFS Project, Gujnet, and IAF project for Upgradation of 3G network to 4G/LTE. This year's contribution from Manufacturing was mainly from supply of various products viz HDPE, OFC, Encryption Products, Solar Panels, FDMS, Mini PC, and Solar Street Lights. Services like AMC for ASCON, OCB, GSM-SZ & MLLN, Data Centre, VSSC Business, Third Party Audit Services (TPA) and also business generated by MSPs have contributed for this achievement.



Dear Shareholders, as mentioned above, the Company is going in a big way addressing the latest technology opportunities for 4G which is expected to pave way for the next generation that is 5G. We have collaborated with TCS for rolling out the project as well as for manufacturing the 4G Radios. Other than Radios, ITI Limited also plans to manufacture outdoor cabinets and cables required for the roll out.

ITI Limited has also signed MOU with C-DOT for Transfer of Technology for manufacturing of 4G Radios. Despite supply chain long lead time for components, we have been able to roll out first Prototypes within 6 to 7 months and they are already deployed by ITI Limited at Ambala for PoC. We have already received a PO for POC (20 sites of 4G & 5 sites for 5G) from BSNL. Manufacturing of 4G Radios will enable ITI Limited for manufacturing 5G Radios which is expected to be a path-breaking change for the Company. Another opportunity in 4G Radios manufacturing is also expected out of USOF approved pilot projects. The Company is coordinating with 4 start-up firms to deploy these pilot projects. This is expected to give the Company more openings on the technology front for addressing emerging technology business coming from BSNL and other customers.

Dear Shareholders, I am happy to inform that our R&D developed Electronic Voting Machine (EVM) has been approved by Technical Evaluation Committee. ITI Limited has initiated for mass manufacturing of EVMs. The Company is also pursuing with State Election Commissions (SECs) for marketing the EVMs. Another product developed by R&D is the Digital Mobile Radio (DMR) and prototypes have been demonstrated to Indian Railways. Good market demand is expected from agencies like MHA, State Police, Defence Forces in addition to Railways.

We are also making all out efforts to market the services offered from our Data Centre. Data Centre has been equipped to offer wide range of services including Cloud services, Managed Security Services, On-demand Services, Professional Services, Security (SoC), and Managed IT Services. Out of the Data Centre, we have an initiative to set up SoC platform to offer services to customers and MSMEs to monitor, prevent, detect, investigate, and respond to cyber threats round the clock. Telecom Test Labs offer wide range of test services across customers ranging from commercial, communication, medical, automotive, railways, industrial, IT, and domestic sectors. EMI/ EMC Lab is upgraded for Military standards and the lab is accredited by NABL and TEC Conformity Assessment Body (CAB), TEC Delhi. The Start-up Hub is making good progress in attracting start-up firms and there is a need to identify start-ups 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. Our R&D has been a pioneer for last 5 decades in the design & supply of encryption devices to Defense sector.

With regard to the contribution of Units, Palakkad Unit in collaboration with Intel has been manufacturing and marketing Laptops. The Laptops developed by Palakkad Unit have acquired certifications from BIS, FCC, RoHS, CE, BEE etc. The Desktop Micro PCs have been supplied to various Educational Organisations and annually around 2000 to 3000 Micro PCs are being shipped from Palakkad Unit. I feel proud to inform that we have received an Appreciation Letter for commendable contribution made by Palakkad Team by way of fabricating avionics packages flown on the launch of LVM3 M2/One Web India-1 Mission, and Chandrayaan-3 (LVM3-M4) Mission, meeting all the quality norms of ISRO and supplying in a time bound manner.

At our Mankapur Unit, HDPE Duct Plant has been converted to manufacture Water Pipes and around 5000 KMs of water pipe has been manufactured till date to address varied opportunities. The Unit has successfully manufactured and supplied around 1140 Nos of Fibre Distribution Management Systems (FDMS) for ASCON PH-IV & TanfiNet projects. Mankapur Plant has also manufactured 8000 Nos of ONTs for RailTel.



Our Raebareli Unit has manufactured around 23,400 KMs of HDPE Duct for ASCON PH-IV, MahaNet, TanfiNet, A&N Projects and also Indian Air Force (IAF) Projects. Further, the Unit has manufactured around 23,407 KMs of OFC and supplied mainly for ASCON, and TanfiNet projects. Marketing Team has been exploring opportunities with private operators like Vodafone, Airtel etc so that the facility runs at the maximum capacity.

The Solar Panels manufactured at Naini Unit have been used to set up roof-top solar power plants in all the Units and Regional Office of ITI Limited. Cumulative capacity of Captive Power Plants is around 5.6 MW of power which reduces the energy expenditure of the Units by 20%. Our Naini Unit has also supplied SPV systems for BharatNet projects. We have a plan to set up Mono Crystalline Solar Panel manufacturing line of 500 Mega Watt capacity. Srinagar Unit focuses on Skill Development Programme and has also established OFC Training Center.

The Company's Order Book needs to be improved year-on-year so as to achieve sustainable growth. Corporate Marketing Team has been aggressively exploring private market for various products. In this regard, ITI Limited is empanelled with Vodafone for HDPE Duct. Many other initiatives of supplying Mini OLT and ONT, Supply of Mini PC to private institutions, contract manufacturing of Tablet PCs, Laptops, OFC, HDPE water pipes, mobile handsets, 15,000 Nos Solar Modules of 125 Watt for Patanjali are under progress/active consideration and we hope to get good revenue from these opportunities.

Network System Unit (NSU) has contributed maximum for the revenue of the last year. The performance achieved in the main projects executed by NSU is ASCON PH-IV & AMC - Rs 390 Cr, Mahanet - Rs 313 Cr, TANFINET- Rs 140 Cr, IAF 4G, Gujnet, NFS, GSM etc -Rs 382 Cr. Rollout of OFC has been under progress across the Western, Northern & North-Eastern regions of India and 5865 Kms of T&D, 1681 Kms of AT has been completed. Civil construction work has also been making good progress. In the TANFINET project, 25% of GP litting work has been completed and 45% of OFC laying work has been completed. We are planning to complete the project by September 2023.

Dear Shareholders, to be competitive in the business, your Company has been trying to adapt to, and catch up & align with the rapid changes in technology. We believe products like 4G/5G Radios, EVM, DMR may be the game-changers for the Company. We have tough path ahead but our resolute focus is to surpass the obstacles and challenge to march towards complete revival. We have to channelize all our talents & ingenuity towards accomplishment of larger goal. Our utmost commitment is required to excel. Meticulous efforts and steadfast march towards our goal is the need of the hour and would enable the Company to scale up to newer heights. By aligning the Company with the various new initiatives of Government, new technology, new business segments, new projects & products, I am confident that, we can become a prominent player in making Indian Telecom sector self-reliant – Aatma Nirbhar in the near future. As the Company would be completing 75 years of inception this year, the fitting way to celebrate 'Amrit Mahotsav' is through showing improved performance in this Financial year. With the support of DoT and Government of India, we shall achieve best performance that would lead 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**

**RAJESH RAI**  
Chairman & Managing Director

Note: This does not purport to be a record of the proceedings of 73<sup>rd</sup> Annual General Meeting.



# 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

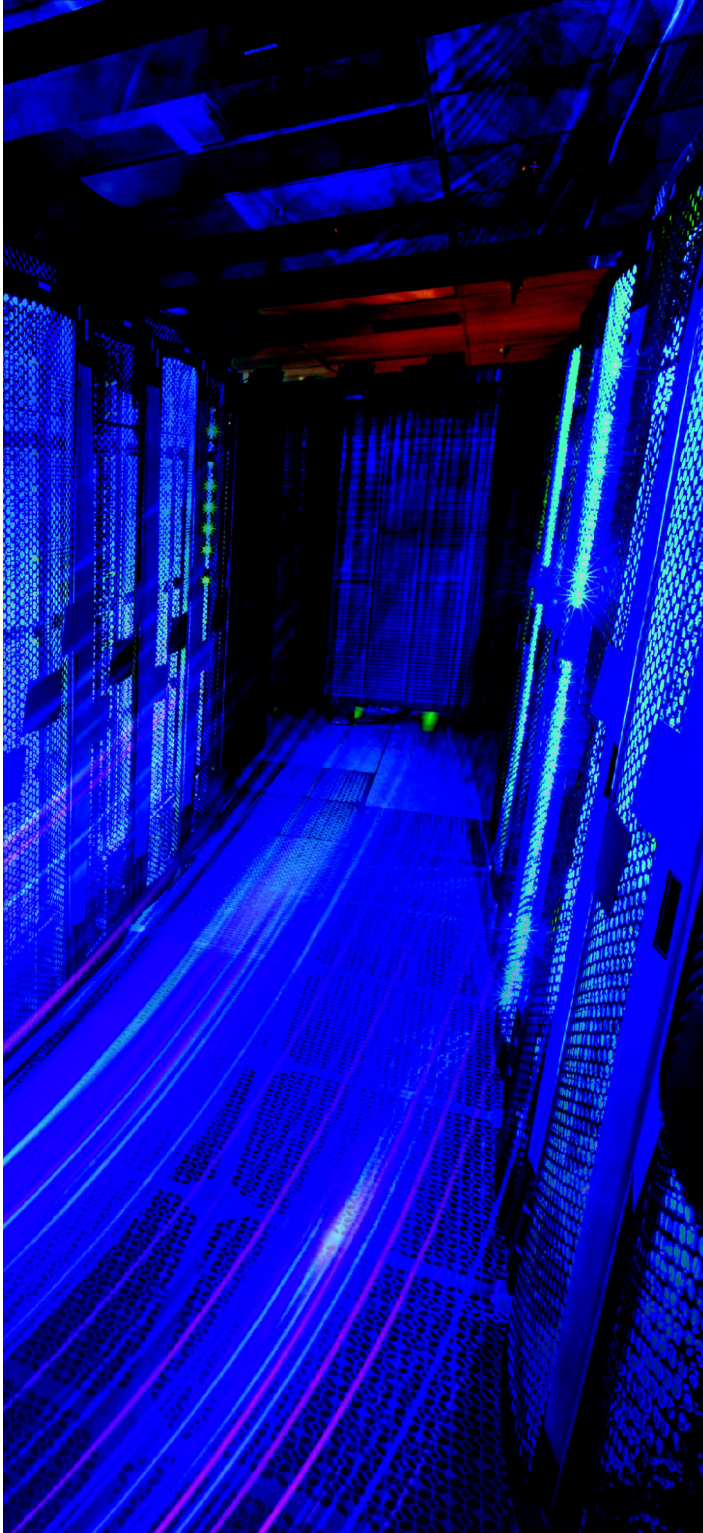
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We aspire to achieve our goal by focusing on Innovation, continuous improvement and collaborating with strategic market players (partner /alliance) in transparent and responsible manner.

- **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 2022-23



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## COMPANY INFORMATION

### BOARD OF DIRECTORS\*

#### Shri Rajesh Rai

Chairman and Managing Director

#### Shri Rakesh Chandra Tiwari

Director - Marketing

#### Shri Rajeev Srivastava

Director - Finance & Chief Financial Officer

#### Smt S Jeyanthi

Director - Production & Director HR (Addl. Charge)

#### Lt Gen M Unnikrishnan Nair, AVSM, SM

Government Director

#### Shri R Shakya, DDG PM (DoT)

Government Director

#### Smt Mamta Palariya

Independent Director

#### Dr Raja Nayak

Independent Director

#### Shri Billeswar Sinha

Independent Director

### COMPANY SECRETARY

Smt Shalini Ghatak

### 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 Mir & Co. (Srinagar)

### COST AUDITORS

M/s GNV Associates, Bengaluru

M/s Aman Malviya & Associates, Lucknow

### SECRETARIAL AUDITOR

Shri K N Nagesha Rao, Bengaluru

### BANKERS

State Bank of India

Bank of Baroda

Canara Bank

Punjab National Bank

Union Bank of India

Central Bank of India

Indian Bank

### MANAGEMENT\*

#### CORPORATE OFFICE

#### Shri B Kasiviswanathan

Chief Vigilance Officer

#### Smt Ila Bahaduar

Executive Director- Technology Development

#### Shri Akhil Kumar

General Manager- Corporate Finance

#### Brig Girish Suri (Retd)

General Manager- HR & PR

#### Smt Jayanthimala G

Chief Internal Auditor

#### Shri Sajan Abraham

Additional General Manager - MM & CPIO

### UNITS

Network Systems Unit

#### Shri Prakash Chandra Jain

Executive Director

Corporate Marketing

#### Shri Surendra Sudhakar T

General Manager

Bangalore Unit

#### Smt R Vasanthi

General Manager

Palakkad Unit

#### Shri Nagaraja K V

General Manager

Mankapur and Naini Unit

#### Shri Ajai Kumar Srivastava

Additional General Manager

Rae Bareli Unit

#### Shri Sunil Dobhal

Additional General Manager

Srinagar Unit

#### Shri Idris Aslam Khan

Additional General Manager

\*As on - 11.08.2023



# ITI LIMITED

(A Govt 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 Third (73<sup>rd</sup>) Annual General Meeting (AGM) of ITI Limited will be held on Thursday, 28<sup>th</sup> September 2023 at 11.30 am through Video Conferencing ('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 2023 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 Rakesh Chandra Tiwari (DIN: 08953397), 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 2023-24".

### II. SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modifications, the following resolution as **Ordinary 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-14-3/2022-PSA dated 20<sup>th</sup> February 2023, Shri Rajesh Rai (DIN: 10052045), be and is hereby appointed as Chairman and Managing Director of the Company for a period of five years with effect from the date of assumption of charge of the post i.e. 21<sup>st</sup> February 2023, or till the date of his superannuation, or until further orders, whichever is the earliest, 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 **Ordinary 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, Smt S Jeyanthi (DIN: 10059174) be and is hereby appointed as Director HR (Addl Charge) and Director Production vide following Government Orders :

- i. Government Order no. E-14-4/2021-PSA dated 28<sup>th</sup> February 2023 for entrustment of additional charge of Director HR for a period of one year with effect from the date of assumption of charge of the post i.e. 28<sup>th</sup> February 2023 or till regularly selected candidate joins the post or until further orders, whichever is earliest;
- ii. Government Order no. E-14-3/2021-PSA dated 19<sup>th</sup> May 2023 for appointment as Director Production of the Company with effect from the date of assumption of charge of the post i.e. 19<sup>th</sup> May 2023 till 30<sup>th</sup> June 2026 i.e. the date of her superannuation or until further orders, whichever is earlier."

"RESOLVED FURTHER THAT the period of office of Smt S Jeyanthi will be liable to retire by rotation and the terms and conditions of appointment shall be as stipulated by the Government of India."

6. 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 2023-24 be and is hereby ratified".

Registered & Corporate Office  
ITI Bhavan, Doorvaninagar

Place : Bengaluru  
Date : 11.08.2023

By Order of the Board  
for ITI LIMITED

**SHALINI GHATAK**  
COMPANY SECRETARY

## NOTES:

1. The Ministry of Corporate Affairs ('MCA') vide General Circular dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020, 5<sup>th</sup> May 2022, 28<sup>th</sup> December 2022 and SEBI Circular dated 12<sup>th</sup> May 2020, 13<sup>th</sup> May 2022 and 5<sup>th</sup> January 2023 (hereinafter collectively referred to as "the Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("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 73<sup>rd</sup> AGM of the Company is being held on Thursday, 28<sup>th</sup> September 2023 at 11.30 am through VC/OAVM. Hence, Members can attend and participate in AGM through VC/OAVM or view the live webcast through National Securities Depository Limited's (NSDL) e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The deemed venue for the AGM shall be the Registered Office : ITI Bhavan, Doorvani Nagar, Bengaluru - 560 016.
2. Since this AGM is being held 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 2022-23 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@itiltld.co.in](mailto:cosecy_crp@itiltld.co.in).
  5. The Notice convening the 73<sup>rd</sup> AGM along with full version of Annual Report 2022-23 has been uploaded on the website of the Company at [www.itiltld.in](http://www.itiltld.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 NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.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 [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  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 No. 2, 4 and 5 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 2023-24 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. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL. 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 30 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 NDSL e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.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@itiltld.co.in](mailto:cosecy_crp@itiltld.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, Bengaluru has been appointed as the Scrutinizer to scrutinise the 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 Friday, 22<sup>nd</sup> September 2023 to Thursday, 28<sup>th</sup> September 2023 (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 which was further extended till 30<sup>th</sup> September 2023 vide its circular dated 3<sup>rd</sup> November 2022, 15<sup>th</sup> December 2021 and 16<sup>th</sup> March 2023. Accordingly, the Company has sent individual letters to all the Members holding shares of the Company in physical form to 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.itiltld.in/common\\_and\\_simplified\\_norms](https://www.itiltld.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 SEBI 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.itilttd.in/common\\_and\\_simplified\\_norms](https://www.itilttd.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.itilttd.in/common\\_and\\_simplified\\_norms](https://www.itilttd.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.itilttd.in/annual\\_general\\_meeting](https://www.itilttd.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.

Registered & Corporate Office  
ITI Bhavan, Doorvaninagar

Place : Bengaluru  
Date : 11.08.2023

By Order of the Board  
For ITI LIMITED

**SHALINI GHATAK**  
COMPANY SECRETARY

## Annexure A

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

#### Item No. 4 & 5 :

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:

#### **Shri Rajesh Rai, Chairman and Managing Director (DIN: 10052045)**

The Ministry of Communications vide order dated 20<sup>th</sup> February 2023, appointed Shri Rajesh Rai to the post of Chairman and Managing Director of ITI Limited for a period of five years with effect from the date of assumption of charge of the post, or till the date of his superannuation or until further orders, whichever is earliest. Shri Rajesh Rai assumed the charge of Chairman and Managing Director w.e.f. 21<sup>st</sup> February 2023. In terms of Section 161 of the Companies Act, 2013, Shri Rajesh Rai holds office upto the date of ensuing AGM.

The terms and conditions of appointment of Shri Rajesh Rai to the post of Chairman and Managing Director will be governed as per Department of Public Enterprise Guidelines.

#### **Smt S Jeyanthi, Director Production & Director HR (Addl. Charge) (DIN: 100591740)**

In terms of the Ministry of Communications order no. E-14-4/2021-PSA dated 28<sup>th</sup> February 2023, Smt S Jeyanthi was entrusted with the additional

charge of the post of Director HR for a period of one year with effect from the date of assumption of charge i.e. 28<sup>th</sup> February 2023 or till the regularly selected candidate joins the post or until further orders, whichever is the earliest.

The Ministry of Communications vide order dated 19<sup>th</sup> May 2023, appointed Smt S Jeyanthi to the post of Director Production of ITI Limited with effect from the date of assumption of the charge of the post i.e. 19<sup>th</sup> May 2023 (f/n) till 30<sup>th</sup> June 2026 i.e. the date of her superannuation. In terms of Section 161 of the Companies Act, 2013, Smt S Jeyanthi holds office upto the date of ensuing AGM.

The terms and conditions of appointment of Smt S Jeyanthi to the post of Director Production will be governed as per Department of Public Enterprise Guidelines.

Shri Rajesh Rai and Smt S Jeyanthi are qualified to be appointed as directors in terms of Section 164 of the Companies Act, 2013 and has given their consent to act as director of the Company. The Company has received Notice under section 160 of the Companies Act, 2013 from the Members, signifying their intention to appoint Shri Rajesh Rai and Smt S Jeyanthi as Directors of the Company.

The Nomination and Remuneration Committee in its meeting held on 08<sup>th</sup> August, 2023 have recommended to the Members' for appointment of Shri Rajesh Rai and Smt S Jeyanthi as 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.

Shri Rajesh Rai and Smt S Jeyanthi are deemed to be interested in the proposed resolution to the extent of their appointment as Director of the Company.

None of the other 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 and 5.

Shri Rajesh Rai do not hold any share in the Company, either in his individual capacity or on a beneficial basis for any other person. Smt S Jeyanthi hold 50 equity shares of the Company.

Your directors recommend the ordinary resolutions for appointment of Shri Rajesh Rai as Chairman and Managing Director and Smt S Jeyanthi as Director Productions and Director HR (Addl. Charge) of the Company, as proposed in the notice for approval.

A brief profile of Shri Rajesh Rai and Smt S Jeyanthi are provided in **Annexure B** of this Notice.

#### Item No. 6

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 2024:

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
	<b>Total</b>	<b>3,16,000</b>

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 2023-24 is placed before the Member for their approval.

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. 6.

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

## Annexure B

### BRIEF RESUME OF DIRECTORS PROPOSED FOR APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI LISTING REGULATIONS AND APPLICABLE SECRETARIAL STANDARDS

#### Item No. 2

##### Reappointment of Shri Rakesh Chandra Tiwari, Director - Marketing

**Shri Rakesh Chandra Tiwari** was appointed as Director Marketing, ITI Limited w.e.f. 7<sup>th</sup> January 2021. An Indian Telecommunication Service officer of 1985 batch, Shri Tiwari possesses more than 3 decades of rich and diversified experience in Telecom management, Switch installation, quality assurance, network planning & operations, project implementation, enterprise business development, marketing of fixed line services etc

Before joining ITI Limited, Shri Tiwari has been working as Principal General Manager at BSNL Corporate Office, New Delhi. He was looking after Enterprise Business portfolio at BSNL. He has been instrumental in handing prestigious projects like Network for Spectrum (NFS) and BharatNet at BSNL. He had arranged many seminars and skill development courses at Ahmedabad & Jalgaon. He has also been awarded as Sanchar Sarthi for his exceptional services at DoT/BSNL

He is a graduate from REC Kurukshetra in Electronics & Communications Engineering and PGDM from MDI Gurugram consisting of National Management Programme (NMP). Later he had completed PGP-PMP from IIM Ahmedabad specializing in Public Sector Management. He also holds MBA in HR from Manipal Sikkim University.

Pursuant to the provisions of Listing Regulations the other details of Shri Rakesh Chandra Tiwari are as follows :

- Number of Board Meetings attended during Financial Year (FY) 2022-23 : **8**
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2023: **Nil**
- Membership/Chairmanship in the Committees in Listed Companies as on 31<sup>st</sup> March 2023 : **Member of Audit Committee and Stakeholders Relationship Committee in ITI Limited**
- 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**

#### Item No. 4

##### Appointment of Shri Rajesh Rai, Chairman and Managing Director

**Shri Rajesh Rai** having more than 30 years of rich experience in Telecommunication industry has assumed charge as Chairman and Managing Director of ITI Limited (ITI) on 21<sup>st</sup> February 2023.

Prior to assuming charge as CMD in ITI, Shri Rajesh Rai served as General Manager (Admin) of Mahanagar Telephone Nigam Limited (MTNL), Mumbai.



Shri Rajesh Rai also held prestigious post of Chief Technology Officer of Mahanagar Telephone Mauritius Limited (MTML) in Mauritius for 12 years, where he was responsible for CDMA, GSM, 3G & 4G Network and customer acquisition.

He holds a Bachelors degree of Engineering in Electronics from Madan Mohan Malviya Engineering College, Gorakpur, M.Tech (Computer Science) from Jawaharlal Nehru University and MBA from FMS, Delhi University.

Pursuant to the provisions of Listing Regulations the details of Shri Rajesh Rai are as follows :

- Number of Board Meetings attended during FY 2022-23 : **No Board Meeting held after appointment of Shri Rajesh Rai as CMD in FY 2023**
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2023: **Nil**
- Membership/Chairmanship in the Committees in Listed Companies as on 31<sup>st</sup> March 2023 : **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**

#### Item No. 5

#### Appointment of Smt S Jeyanthi as Director Production

Smt S Jeyanthi has joined the Board as Director HR (Addl. Charge) on 28<sup>th</sup> February 2023 and later taken over charge of Director Production on 19<sup>th</sup> May 2023.

Smt S Jeyanthi joined ITI Bangalore Plant as Assistant Executive Engineer in 1989 and thereafter held various positions in Production area. Smt S Jeyanthi has rich experience of more than 3 decades of handling Production of Telecom and allied products. Smt S Jeyanthi was promoted as General Manager-Production of Palakkad Unit during 2021.

Smt S Jeyanthi has successfully upgraded Production facilities of Bangalore Plant and executed prestigious orders for Defence and ISRO.

Smt S Jeyanthi is a B.E in Electronics and Communication Engineering Graduate from Mepco Schlenk Engineering College, Sivakasi, Tamilnadu.

Pursuant to the provisions of Listing Regulations the other details of Smt S Jeyanthi are as follows :

- Number of Board Meetings attended during FY 2022-23 : **No Board Meeting held after appointment of Smt S Jeyanthi as Director in FY 2023**
- Details of Directorships in other Listed Companies as on 31<sup>st</sup> March 2023: **Nil**
- Membership/Chairmanship in the Committees in Listed Companies as on 31<sup>st</sup> March 2023 : **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) : **50 equity shares**
- 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 Monday, 25<sup>th</sup> September 2023 at 09.00 a.m. and ends on Wednesday, 27<sup>th</sup> September 2023 at 05.00 p.m. 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 2023 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.
2. Members who have already voted through remote e-voting would not be entitled to vote at the meeting venue.
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 shareholders' resolutions. However, it has been observed that the participation by the public non-institutional members / retail members 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 9<sup>th</sup> December 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.





Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode NSDL/CDSL is given below:

In terms of SEBI circular dated December 9, 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.

**STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**

**A) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR INDIVIDUAL MEMBERS HOLDING SECURITIES IN DEMAT MODE.**

Login method for Individual Members holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are 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>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 i.e. NSDL and you will be redirected to <b>e-Voting website of NSDL</b> for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;">   </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div>
Individual Members holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>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, so that the user can visit the e-Voting service providers’ website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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. 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> <p>Individual Members (holding securities in demat mode) can login through their depository participants. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>



**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget 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. NSDL and CDSL.**

Login type	Helpdesk details
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 022-4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) LOGIN METHOD FOR E-VOTING AND JOINING VIRTUAL MEETING FOR MEMBERS OTHER THAN INDIVIDUAL MEMBERS HOLDING SECURITIES IN DEMAT MODE AND MEMBERS HOLDING SECURITIES IN PHYSICAL MODE.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for Members other than Individual Members are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those Member whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for members

1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [dvenkatas@gmail.com](mailto:dvenkatas@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000 or send a request to Shri Falguni Chakraborty, Assistant Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, 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 [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), 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 [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### 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 Members/ shareholders, who will be 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 in the AGM.
3. 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.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Members who would like to express their views / ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID / folio number, PAN and mobile number at [cosecy\\_crp@itilttd.co.in](mailto:cosecy_crp@itilttd.co.in).
6. 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.
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.

#### OTHER INSTRUCTIONS

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting during AGM and make, not later than 48 hours 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 him 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 NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.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

OPERATING RESULTS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Sales including services	1589	2077	2578	2403	1894	1703	1611	1253	620	770
Accretion/(Decretion) to Stock	33	19	9	40	11	(12)	18	-	(2)	(2)
Value of Production	1622	2096	2586	2444	1905	1691	1629	1253	618	768
Other Income**	53	255	161	184	336	381	542	598	86	40
Direct Materials	438	741	446	508	605	545	605	670	185	137
Charges on Installation & Maintenance	777	714	1,472	1114	784	526	642	318	214	382
Employees Cost**	229	222	290	231	204	226	301	332	321	337
Depreciation	49	51	42	42	37	25	17	13	15	17
Financing Expenses	210	192	160	141	106	153	153	157	157	122
Other Expenses less Charges on Installation & Maintenance	332	311	327	445	412	367	187	124	110	159
Profit	(360)	120	11	147	93	230	266	238	(298)	(346)
Prior Period Adjustments	-	-	-	-	-	-	-	-	1	2
Extraordinary Items	-	-	-	-	-	-	-	-	-	-
Profit Before Tax	(360)	120	11	147	93	230	266	238	(297)	(344)
Provision for Tax / Deferred Tax/FRB	-	-	-	-	-	-	-	-	-	-
Add: Provision for tax of earlier years no longer required	-	-	-	-	-	-	-	-	-	-
Profit after Tax	(360)	120	11	147	93	230	266	238	(297)	(344)
Other Comprehensive Income	(61)	(15)	20	4	18	5	39	17	-	-
Total comprehensive Income for the period (Comprising profit/(Loss) and other comprehensive Income for the period)	(421)	105	31	151	111	235	305	255	-	-
FINANCIAL POSITION	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Equity	950	934	934	925	897	760	560	288	288	288
Preference Shares	-	-	-	-	-	-	-	-	300	300
Preference Shares - Application	-	-	-	-	-	-	-	-	-	-
Money Received Pending Allotment	107	71.56	-	-	55	137	-	192	192	-
Reserves & Surplus	5791	5716	5731	5613	2847	2824	2814	2769	2735	2718
Revaluation Reserves	-	-	-	-	2335	2339	2348	2354	2360	2374
Miscellaneous expenditure not written off	-	-	-	-	-	-	-	-	-	-
Profit and Loss Account-(Debit)	4508	4148	4256	4255	4340	4432	4663	4929	5166	4869
Net Worth Funds with Revaluation Reserve ##	2340	2573	2408	2282	1794	1628	1059	674	713	819
Net Worth without considering DRE not written off and Revaluation Reserve ##	2340	2573	2408	2282	(541)	(711)	(1289)	(1680)	(1647)	(1555)
Grant-in-aid	-	-	-	-	-	-	-	-	4	8
Bonds	-	-	-	-	-	-	-	-	-	-
Other borrowings and deferred credit	1696	1372	1164	1036	959	926	879	839	921	876
Gross Block #	3014	2942	2864	2814	2775	2663	2524	3737	3690	3696
Depreciation #	262	213	163	121	80	43	18	1279	1267	1243
Net Block	2752	2729	2700	2693	2695	2620	2506	2458	2423	2453
Capital work-in-progress	139	150	169	189	165	149	102	92	33	21
Assets, Loans and Advances (Current & Non-Current):										
Inventory	250	193	194	173	149	156	142	104	93	96
Debtors	2626	2966	2905	3120	2659	3086	2196	2743	2219	2152
Others	3690	3502	2907	1508	1292	996	566	436	572	366
<b>Total</b>	<b>6566</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>



Turnover and Value of production for the year 2017-18, 2016-17, 2015-16, 2014-15 & 2013-14 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, 2021-22 & 2022-23 includes GST only.

\*\* 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.

FINANCIAL POSITION	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Liabilities and Provisions (Current & Non-Current) \$	5241	5355	5004	4185	3907	4153	3274	4021	3406	3393
Working Capital	(221)	85	(342)	(456)	(498)	(642)	(1054)	(1478)	(1311)	(1501)
Capital Employed (Net Fixed Assets+Working Capital)	2531	2814	2358	2237	2197	1978	1452	980	1112	952
<b>Sources of Funds:</b>										
Shareholders' Fund	2340	2573	2408	2282	1794	1628	1059	674	713	819
Borrowings	1876	1612	1464	1216	1259	1226	1179	1139	1223	876
Net Non-Current Liabilities	(24)	(74)	(178)	(36)	268	199	195	98	131	155
Deferred Tax	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4191</b>	<b>4111</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>Application of Funds:</b>										
Net Fixed Assets	2752	2729	2700	2693	2695	2620	2506	2458	2423	2453
Working Capital (Other than Cash Credit)	1355	1397	822	579	460	283	(176)	(640)	(390)	(625)
Capital Work in progress	139	150	169	189	165	149	102	92	33	21
Investments	1	1	1	1	1	1	1	1	1	1
<b>Total</b>	<b>4247</b>	<b>4277</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>
FINANCIAL RATIOS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Working Capital Ratios:</b>										
Current Ratio	0.97:1	1.01:1	0.94:1	0.91:1	0.89:1	0.87:1	0.73:1	0.69:1	0.66:1	0.62:1
Working Capital in no. of months of value of Production	N.A	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	1.85	1.12	0.90	0.85	0.94	1.11	1.05	1.00	1.81	1.50
Debtors(Net of Advances) in terms of months sales and services	11.84	10.75	8.38	12.26	12.85	16.31	14.13	18.28	38.76	30.22
Working capital to total Assets (%)	N.A	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 (%)	26.99	35.34	17.24	20.78	31.76	32.23	37.14	53.47	29.94	17.84
Cost of Direct Material & Charges on Instn to value of Production incl. Excise Duty (%)	74.88	69.40	74.16	66.34	72.91	63.34	76.55	78.85	64.56	67.58
Debt-to-Equity Ratio	0.81	0.64	0.62	0.60	2.88	3.30	-	-	-	-
Return on equity (ROE)/Return on net worth Ratio	(15)	0.132	0.032	0.03	(0.17)	(0.14)	-	-	-	-
Net Profit Margin (%)	-25.81%	6.45%	0.47%	7.16%	5.55%	6.82%	-	-	-	-
Debtors/Receivable Turnover Ratio	0.5	0.63	0.78	0.71	0.58	0.54	-	-	-	-
Inventory Turnover Ratio	6.89	9.07	12.53	11.82	11.90	9.48	-	-	-	-
Interest Coverage/Debt Service Coverage Ratio	-0.98	1.73	1.08	1.49	1.01	1.01	-	-	-	-
Operating Profit Margin (%)	-9.1%	6.40%	2.67%	7.82%	1.00%	-3.25%	-	-	-	-



<b>FINANCIAL RATIOS</b>	<b>2022-23</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>
Growth Ratios:										
Annual growth in value of Production (%)	(22.62)	(18.96)	5.84	28.28	12.66	3.81	30.01	102.75	(19.53)	(15.60)
Annual growth in Gross Block excluding Revaluation Reserve (%) \$	2.6	2.74	1.77	539.55	35.80	84.09	(87.27)	3.98	(0.58)	0.10
<b>OTHER STATISTICS</b>	<b>2022-23</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>
Turnover composition:										
To BSNL/MTNL & other PSUs	196	282	237	309	974	1188	1083	592	239	260
To Others	1393	1796	2341	2094	920	515	528	661	381	510
<b>Total</b>	<b>1589</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>
Value added	196	408	438	463	276	324	283	177	153	164
No. of Employees as on 31 <sup>st</sup> March	2094	2442	2876	3498	3520	3576	4052	5229	6177	7311
Value Added per Employee (₹)	863095	1534081	1372767	1319464	777903	849502	609848	310363	226868	207241
Value of Production per Employee (₹)	7151003	7882663	8115593	6964213	5369222	4433665	3510398	2197089	916370	970493

- \$ 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 Crores

BALANCE SHEET		As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
<b>(a) What the Company owned</b>			
Fixed Assets		3014	2942
Less: Depreciation		262	213
Net Block		2752	2729
Capital Work-in-Progress		139	150
Investments			
Current Assets, Loans & Advances	6369		6424
Less: Current Liabilities	6590		6340
		-221	84
Add: Non Current Assets		197	237
		2867	3200
<b>(b) Less: What the Company owed</b>			
Non-Current Liabilities		527	627
<b>(c) Shareholders' Funds [a]-[b]</b>			
Represented by:		2340	2573
Share Capital		950	934
Reserves & Surplus	3411		3275
Revaluation Reserve			
Grant-in-aid	107		72
Less: Profit and Loss Account (Debit)	2128		1708
		1,390	1,639
		2,340	2,573

PROFIT AND LOSS ACCOUNT		For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>(a) What the Company earned</b>			
Sales including services (including GST)		1,589	2,077
Other Income		53	255*
Increase/(Decrease) in Work-in-Process, Stock-in-Trade and Manufactured Components		33	19
		1,675	2,351
<b>(b) What the Company incurred</b>			
Materials		1,214	1,455
Employees Cost		229	222
Depreciation		50	51**
Financing Expenses		210	192
Other Expenses(including GST)		332	311
		2,035	2,231
<b>(c) Profit/(Loss) before tax (a-b)</b>			
		(360)	120***
<b>(d) Less: Provision for Taxation</b>			
		0	0
<b>(e) Profit after tax**</b>			
		(360)	120
<b>(f) Other Comprehensive Income</b>			
		(61)	(15)
<b>(g) Total comprehensive Income for the period (Comprising profit/(Loss) and other comprehensive Income for the period)</b>			
		(421)	105

\* Other income includes ₹ 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.

\*\* Depreciation for the FY 2021-22 has been restated.

\*\*\* Profit of ₹120 crores for the FY 2021-22 is with Grant In Aid of ₹ 214.29 crores.



₹ in Crores

SOURCES AND APPLICATION OF FUNDS	For the year ended 31 <sup>st</sup> March 2023	For the year ended 31 <sup>st</sup> March 2022
<b>SOURCES OF FUNDS</b>		
1. Depreciation	50	51
2. Increase in Borrowings	324	208
3. Reduction in Working Capital	0	0
4. Revenue Grant in aid received	0	214
5. Capital Grant in aid received	187	72
6. Increase in Non-Current Liabilities	0	0
7. Decrease in Non-Current Assets	40	117
8. a) Profit After Tax*	0	120*
b) Other Comprehensive Income	-61	-15
	<b>540</b>	<b>767</b>
<b>APPLICATION OF FUNDS</b>		
1. Loss After Tax	360	0
2. Decrease in Borrowings	0	0
3. Increase in working Capital	18	482
4. Fixed Assets	61	59
5. Changes in Other Equity	0	0
6. Capital Grant-in-aid utilised	0	0
7. Revenue Grant-in-aid utilised	0	219
8. Decrease in Non-Current Liabilities	101	7
9. Increase in Non-Current Assets	0	0
	<b>540</b>	<b>767</b>
<b>* Profit of Rs 120 Crores for the FY 2021-22 is with Grant in Aid of Rs 214.29 Crores</b>		

# Directors' Report

## Dear Members,

The Board of Directors of ITI Limited ("the Company" or "ITI") hereby submits the report of the business and operations of the Company along with the Audited Financial Statements (Standalone and Consolidated) for the Financial Year (FY) ended 31<sup>st</sup> March 2023, Auditors report and comments on the Accounts by the Comptroller and Auditor General (C&AG) of India.

As per the approved Revival Plan for ITI Limited by the Cabinet Committee on Economic Affairs (CCEA) in February 2014, the Company has been sanctioned an amount of Rs 4156.79 Crore. This package consists of Rs 2264 Crores in the form of equity towards CAPEX fund and Rs 1892.79 Crores as grant-in-aid. The Company has received Rs 1132.56 Crore of the CAPEX Fund in the form of equity and the entire grant-in-aid in a staggered manner from 2014-15 onwards to until financial year 2022-23.

A provision of Rs 360 Crore towards overdue statutory dues was included in the Revival Plan (part of Rs 1892.79 Crore). The Company had received the Grant of Rs 360 Crore in a staggered manner commencing from the month of Feb 2016 and the final instalment was released during March 2018. As a result, there was an increase in the quantum of outstanding statutory dues liability by Rs 299.69 Crore as on 30<sup>th</sup> June 2018, on account of delayed payment. In 2020-21 approval received for (Non Plan - Revenue) Additional Relief of Rs 299.69 crore towards statutory dues, out of which Rs 120.40 Crore was released during 2020-21 & 2021-22; Rs 25 crore received on 2<sup>nd</sup> April 2023 and balance Rs 154.29 crore was received on 15<sup>th</sup> June 2023.

The Capex Fund has been invested for upgrading the manufacturing infrastructure at various Units of the Company to cater to the need of emerging technologies in Telecom industry. These projects have 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.

## FINANCIAL PERFORMANCE

The summarized standalone performance of the Company (Standalone basis) for the financial year 2022-23 compared to the previous year 2021-22 is as under:

Rs in crore

Sl.No.	Particulars	2022-23	2021-22
1	Sales including services	1589	2077
2	Value of production	1622	2097
3	(Loss)/Profit before tax	(360)	120
4	(Loss)/Profit after tax	(360)	120
5	Other Comprehensive income	(61)	(15)
6	Total Comprehensive income	(421)	105
7	Financing expenses	210	192
8	Depreciation	49	51
9	Capital employed (Net Fixed Assets + Working Capital)	2531	2657
10	R & D Expenditure	14	15

## CONSOLIDATED PERFORMANCE

The Consolidated Revenue from operations at Rs 1395 crores (PY Rs 1861 crore) reflect a decrease of 25% compared to the previous year. The profit before tax and Profit after tax for the financial year 2022-23 were Rs (359.85) crore against Rs (118.71) crore during the previous year.

## OPERATIONAL PERFORMANCE:

The Company has achieved the turnover of Rs 1588.60 Crore during the FY 2022-23 against Rs 2077.48 Crores during the previous FY 2021-22.

## PRODUCTION HIGHLIGHTS

ITI Limited is the leading provider of Electronic manufacturing i.e Defence electronics products & systems. Our cutting-edge technology and solutions will revolutionize the industry and take it to the next level. During the year, the Company has Manufactured Encryptor's for Defence, Laptop / PC, Solar Panels, Optical Fiber Cable, High-Density Polyethylene (HDPE), Switched Mode Power Supply (SMPS), etc at its various Units.

## ORDER BOOK POSITION

The Order Book position of the Company as on 30<sup>th</sup> June 2023 stands at Rs 11,460.14 Crores.

## SIGNIFICANT ACHIEVEMENTS OF THE COMPANY

- ❖ ITI Limited has bagged a Purchase Order (PO) from BSNL worth Rs 2421.49 Crores for its 4G rollout under Reservation Quota (RQ) Order in the West Zone. The scope of work includes Planning, Engineering, Supply, Installation, Testing, Commissioning, integration and annual maintenance of 4G Mobile Network for 23,633 sites in West Zone of BSNL Network.
- ❖ ITI Limited, Palakkad Plant has been appreciated by ISRO for realizing the flight packages with respect to launch of LVM3 M2/OneWeb India-1 Mission in a time bound manner meeting all Vikram Sarabhai Space Centre (VSSC) quality norms. The launch of LVM3 M2/OneWeb India-1 Mission was successfully accomplished on October 23, 2022 and all 36 Satellites were placed into their intended orbits precisely. This was made possible by ISRO with the participation of many external partners ITI Limited, Palakkad was one major industry partner which VSSC is depending for the realization of Avionics packages. Various packages fabricated by ITI Limited, Palakkad have successfully flown in LVM3 M2 Mission.
- ❖ Palakkad plant is involved in ISRO's prestigious Chandrayaan mission LVM3-M4 which is launched on 14<sup>th</sup> July 2023. Out of the total packages in the mission, 55 nos of packages are realized by ITI Palakkad team.
- ❖ ITI Limited, Naini has signed Non-Disclosure Agreement with Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited (MPPKVCL), Jabalpur for setup of Rooftop Solar plant of 1.3 MW capacity.
- ❖ ITI Limited, Palakkad Plant has received the Purchase Order from Kerala Infrastructure and Technology for Education (KITE) and Kerala State Electronics Development Corporation for supply of 9223 Nos of ITI Made Laptop.
- ❖ ITI Naini Unit has been selected as project executing agency by Bihar Renewable Energy Development Authority (BREDA) for implementation of Pradhan Mantri Grameen Solar Street Light Scheme in Bihar. Under the scheme, ITI has been awarded total 11 Districts and received order for supply of 40830 Nos solar street light system.
- ❖ ITI Limited Mankapur plant has got an order from C-DOT for the supply of Optical Network Terminal (ONT) 23 to M/s Raitel Ltd for the quantity of 40,000 Nos.
- ❖ ITI Limited Mankapur plant has got an order from BSNL for the supply of Optical Line Terminal-4P for the quantity of 1500 no.s including 5 years AMC services.



- ❖ ITI Limited Mankapur Plant has developed in house Product as “24Fibre FDMS (Fiber Distribution Management System)”. This product has been designed for the supply of TANFINET Project.
- ❖ ITI Limited has completed manufacturing of Radio Access Network (RAN) with C-DOT Technology. B28 & B8 band RAN Equipment have been supplied to Ambala & Faridabad sites for Proof of Concept in BSNL network. RAN in other Bands 1, 41 and 3 are in process of manufacturing. ITI has also planned to deploy B28 RAN for POC with Indian Railways.
- ❖ Electro Magnetic Interference/ Electromagnetic Compatibility Lab is a part of the Telecom Testing Centre which has been built at Bangalore Plant to meet the EMC requirements of the Telecom Equipment launched in the market. This lab can test Industrial, Scientific, Medical and IT equipment for Emission and Immunity requirements of Telecommunication Engineering Centre as per International Standards. MIL-STD-461 is followed for Defence and Commercial equipment can be tested as per CISPR 11/22/15/32.
- ❖ This lab is now upgraded to Mil Standard-461 E/F/G Test systems to conduct:
  1. CE101 (Conducted Emissions, Power Leads, 30 Hz to 10 KHz)
  2. CE102 (Conducted Emissions, Power Leads, 10 KHz to 10 MHz)
  3. CS101 (Conducted Susceptibility, Power Leads, 30 Hz to 150 KHz)
  4. CS109 (Conducted Susceptibility, Structure Current, 60 Hz to 100 KHz)
  5. RE101 (Radiated Emissions, Magnetic Field, 30 Hz to 100 KHz)
  6. RE102 (Radiated Emissions, Electric Field, 10 KHz to 18 GHz)
  7. RS101 (Radiated Susceptibility, Magnetic Field, 30 Hz to 100 KHz)
  8. CS114 (Conducted Susceptibility, Bulk Cable Injection, 10 KHz to 200 MHz)
  9. CS115 (Conducted Susceptibility, Bulk Cable Injection, Impulse Excitation)
  10. CS116 (Conducted Susceptibility, Damped Sinusoidal Transients, Cables and Power Leads, 10 KHz to 100 MHz)

**Details of Turnover achieved in FY 2022-23 Vs FY 2021-22:**

(Value in Rs Crore)

Sl.No	Products/Projects	2022-23 (including GST)	2021-22 (including GST)
1	ASCON PH IV	389.96	599.57
2	Corp Mktg & MSPs	339.34	744.24
3	Mahanet	313.00	283.51
4	Tanfinet	140.89	-
5	Gujnet	79.56	63.08
6	NFS Project	78.76	104.88
7	GSM SZ AMC	62.52	98.42
8	3D Printing, Aadhar based Business/ Mini PC/ Component Screening/ E-Governance projects/Test labs/ Reliability labs/E-Seva/Telephones/ Cont. Mfg/ Smart Cards/Energy Savings/ Batteries/GSM Franchise/ Banking Products/SNVM/SNDM/AMC	42.75	22.08

9	Data Centre	22.97	20.41
10	AMC for MLLN/SSTP	18.72	18.86
11	Solar Panel/Solar Street Light	18.20	29.98
12	Airtel FTTH	17.38	5.97
13	Defence Business & AMC/ ASCON AMC	14.16	34.39
14	GPON (ONT, OLT, SPV and I&C)	12.32	8.62
15	SMPS	9.34	19.92
16	USOF – 4G by Start ups	7.97	-
17	TPA for Bharat net Project in Jharkhand, Odisha & Satellite	5.93	9.18
18	OFC - Railways & MTNL	5.06	5.08
19	HDPE Pipe Mfg/Water Pipes	4.12	0.41
20	BSNL 4G PoC/NGN AMC/OCB AMC/Wifi Hotspots	4.00	8.21
21	Bharatnet A&N	1.65	0.67
	<b>Total</b>	<b>1588.60</b>	<b>2077.48</b>

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

There was no change in the Authorized Share Capital of the Company during the year 2022-23.

During the financial year 2022-23, pursuant to the BIFR order dated 08<sup>th</sup> January 2013, the Board of Directors had allotted equity shares to the President of India on preferential basis against CAPEX received from Government of India, details of which are as follows :

Date of allotment of equity shares	No. of Equity shares issued	Allotment price	Capex Receipt (in Rs)
25.05.2022	83,21,279	Rs 86 (Rs 10 face value and at a premium of Rs 76)	71,56,30,000
28.09.2022	77,33,204	Rs 103.45 (Rs 10 face value and at a premium of Rs 93.45)	80,00,00,000

Accordingly, during the financial year 2022-23, the paid up Equity Share Capital has increased from Rs 9,33,52,28,690 to Rs 9,49,57,73,520.

The Company had received Rs 107 crore as Capex from Government of India on 23<sup>rd</sup> March 2023, against which the Board of Directors in its meeting held on 11<sup>th</sup> May 2023 had allotted 1,13,09,586 equity shares at Rs 94.61 (Rs 10 face value and at a premium of Rs 84.61 per share) to the President of India on preferential basis.

During the year under review, the Company has not granted stock options or sweat equity shares. As on 31<sup>st</sup> March 2023, except for Smt S Jeyanthi who holds 50 equity shares of the Company, none of the Directors of the Company hold any shares of the Company.

**DIVIDEND**

As the Company had incurred loss during the year 2022-23 and still has accumulated losses of previous years, the Directors are not in a position to recommend any dividend for the year 2022-23.

**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 UNIT:

#### I. PERFORMANCE

During FY 2022-23, Bangalore Unit has achieved the Turnover of Rs 414.48 Crore. The turnover mainly consists of Manufacturing, Various Services and Projects.

#### II. MAJOR HIGHLIGHTS

##### (i) Encryption Products

The Secrecy products for Defence Communication Networks and other Ministries are being designed by our R&D and manufactured, supplied & maintained by ITI for a long time. ITI has been the pioneer in this field. The products have evolved over the years in tune with the evolution in the digital communication technology. There are major requirements of encryption products for Defence for their Network for Spectrum, (NFS) Army Static Switched Communication Network (ASCON) etc.

Bangalore Unit has Designed, Manufactured and Supplied 51 Nos. of High Throughput Terminal End Secrecy Devices (SESD) and 26 Nos. of Next Generation Network (NGN)- Bulk Encryption Unit (BEU) sub racks as part of Defence Communication Network.

##### (ii) Telephones

Plant has Supplied 302 Nos of Field Telephone (5C) and Executive Telephone System (1+1) to Ashok Leyland, GRSE and BSNL.

##### (iii) 4G RAN Manufacturing

Bangalore Unit has manufactured and supplied C-DOT 4G RAN equipment (Band 28 & Band 8) to PoC Site, Ambala.

##### (iv) 3D Printing

3D Printing has been providing services to internal as well as external customers Bagged order for manufacturing of force & moment low-speed wind tunnel 5<sup>th</sup> generation Fighter jet models, like Twin Engine Deck Based Fighter (TEDBF) & Advanced Medium Combat Aircraft (AMCA) from our esteemed customers Aeronautical Development Agency & IIT-Kanpur.

##### (v) Reliability Engineering Lab

Reliability engineering Lab is equipped with various Environmental Test chambers and has been 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.

##### (vi) Telecom Testing Lab (TTL)

NABL accredited EMI/EMC lab is a part of the Telecom Testing Centre which has been built at Bangalore Plant to meet the EMC requirements of the Telecom Equipment launched in the market. This lab can test Industrial, Scientific, Medical and IT equipment for Emission and Immunity requirements of TEC as per International Standards. MIL-STD-461 is followed for Defence and Commercial equipment can be tested as per CISPR 11/22/15/32.

TTL caters to external customers ranging from commercial, communication, medical, industrial, IT, automobiles and domestic sectors.

##### (vii) Defence AMC & Non AMC card Repairs

Bangalore Unit is also executing the AMC for Ananda BEU MK II, EDUs, STM 1 and STM 4 secrecy Equipment's supplied to Defence Customers all over India.

##### (viii) Global System for Mobile Communication (GSM) South Zone AMC

ITI had successfully completed the BSNL GSM project of 9ML GSM equipment in BSNL South Zone for around Rs 2940 Crores in various BSNL –South Zone Circles namely - AP, Telangana, Chennai, Karnataka, Kerala and Tamil Nadu Circle and have executed the mandatory AMC. On completion of mandatory Annual Maintenance Contract, BSNL has extended the AMC up to Dec- 2021 for Rs 70 Cr and further extended the order worth Rs 65 Crore for one more year i.e upto December 2022 which ITI Bangalore Plant has executed successfully. ITI Bangalore plant has also received confirmed extension order for 2023 AMC for BSNL South Zone Circles.

##### (ix) Data Centre and IT Business

Looking into high demand for data Centre business and the expected growth in India, the new Data Centre has been established, under the revival plan with 1000 Racks capacity at Bangalore Unit having 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.

The Data Centre is 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 include High density hosting services, Cloud services, Managed security services, on demand services, Professional services, Security Operations Centre (SoC) 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.

##### (x) Security Operations Centre (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 cyber attacks.



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

- i) Data Loss Prevention
- ii) Security Information and Event Management (SIEM) & User and Entity Behaviour Analytics (UEBA).
- iii) Vulnerability and Penetration Testing (VAPT)
- iv) E-Mail Security
- v) Firewall With DDOS (Distributed Denial-of-Service)
- vi) Network Access Control (NAC)
- vii) Identity & Access Management (IAM)
- viii) Endpoint Detection And Response (EDR)

**(xi) ITI e-Seva**

An Integrated e-Services Platform to deliver more than 40 e-services to citizens under CSC Scheme.

Impact on Social Livelihood:

- i. Providing self-sustainable employment directly or indirectly to more than 500 entrepreneurs.
- ii. 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.

**(xii) Major Research & Development (R&D) initiatives taken by the Company**

Company's R&D Philosophy is to enhance its pre-eminence in products / services of Defence Electronics and other chosen fields through Research & Development. Company's R&D strives for development of new products built with cutting-edge technology modules.

R&D located in Bangalore Unit is designing & developing Communication Equipment to support In-House manufacturing and also keep abreast with State of the Art Technologies in the field of Electronics & Communications. R&D has core strength in design & development of Encryption systems to secure Communication Networks for defence forces, MHA, NTRO, etc. ranging from 8 Kbps to 10 Gbps data rate over different media and also in development of Network solutions.

The necessary infrastructure to aid design & development is available in the form of latest Test Instruments, Software design tools, Computer-Aided Design (CAD) design tools, reliability lab, EMI/EMC test lab and Telecom testing lab.

Major R&D products/services in the following areas:

- a) Encryption Systems for Defence, MHA etc.
- b) Electronic Voting Machine (EVM)
- c) Digital Mobile Radio (DMR) system
- d) Power Supply Modules
- e) Network Solutions for Communication Network

- f) Getting the CPC approval for Crypto products with proprietary Algorithms.

The successful products/solutions developed/Productionised in Financial Year 2022-23:

**Products/Services:**

- a) Multi Post Electronic Voting Machine (EVM)
- b) 1GE IPE for IB-MHA (Evaluated by DRDO)
- c) Development of spare Algorithm for TESD/SESD, 10/100 IPE, NGN and Flexi BEU of DCN project Evaluation completed by DRDO.
- d) E1 Encryptor for Eastern command (Army).

The Encryption products have successfully undergone Field trails, testing & Evaluation by customers.

**PALAKKAD UNIT**

**I. Performances**

In the FY 2022-23, Palakkad Unit has achieved the Turnover of Rs 57.69 Crore.

**II. Major highlights**

**(i) Laptop**

After successfully establishing the ITI Smaash brand in the Micro PC segment, ITI Palakkad has now ventured into manufacturing of ITI Smaash brand laptops. In the fiscal year 2022-23, the Palakkad Unit has supplied 9223 no's of laptops, which includes the prestigious supply of 6600 laptops to KITE (Kerala Infrastructure and Technology for Education). The ITI Smaash laptops have received great appreciation from major customers like KITE and KSEDC (Kerala State Electronic Development Corporation). These laptops carry national and international certifications such as Conformance Europeenne (CE), Federal Communications Commission (FCC), Restriction of Hazardous Substances (RoHS), Bureau of Indian Standards (BIS), and Bureau of Energy Efficiency (BEE) making them significant addition to ITI's portfolio.

The Memorandum of Understanding (MoU) with Intel Corporation for market analysis and product development, as well as with Microsoft Corporation for OEM products, remains strong in both the PC and Laptop segments.

**(ii) Smaash PC**

ITI's Smaash branded Mini PCs have strengthened its presence in the market through technological upgrades, incorporating newer generation processors. These compact computers, known for their energy efficiency and small form factor, are complemented by the Smart Power Station, a green energy solution that functions as a UPS and accepts power from both solar and grid sources. This innovative combination allows for minimal grid reliance and significant energy savings. Furthermore, these devices hold international certifications such as CE, FCC, RoHS, BIS, and Energy Star.



The Micro PC business has expanded its reach to Karnataka state, supplying PCs to 17 districts of Department of State Educational Research and Training (DSERT)/ Director of Public Instructions (DPI). The product has garnered attention from esteemed customers including Kerala State Electronics Development Corporation (KSEDC), Kerala e-Health, AIR India, NIC, Kerala Forest Department, National Urban Health Mission, Calicut University, Kannur University, and various educational institutions.

In addition to Mini PCs, the Palakkad Unit offers a range of turnkey solutions associated with this product, such as Smart Classrooms for schools and universities, HCI (Human-Computer Interaction) solutions, and Student Lifecycle Management Systems for universities.

**(iii) Vikram Sarabhai Space Centre (VSSC) Business**

ITI Palakkad Unit is associated with VSSC, Thiruvananthapuram in realization of electronic packages for various launch vehicles as well as screening of electronic components/ Packages. The association started with the establishment of Space Electronics Fabrication Centre (SEFC) at ITI Palakkad for electronic assembly for Space Application in the year 2010 and expanded over a decade in to wide range of activities. The centre is approved for the realization of various Electronic Packages used in launch vehicles which include operations such as SMD Assembly & Manual Assembly, Conformal Coating, Card level testing, Integration, Integration testing, In line QC, Screening of Components, Test & Evaluation (T&E) of assemblies and multi stacks. Customized test jigs, Burn-in boards, Vibration fixtures and software programs are developed in-house for each assembly/ components individually, meeting all the critical parameters identified by VSSC, for completion of item wise qualification procedures. ITI Palakkad is the only work centre accredited by VSSC for RF Package Assembly and Testing.

ITI Palakkad is having business association with 3 units of ISRO namely VSSC, Liquid Propulsion System Centre (LPSC) and Mechanisms and Vehicle Integration Testing (MVIT) all of which are located at Thiruvananthapuram and are 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 2010-11 onwards.

Recently our facility has been qualified for screening and package realization of Gaganyaan mission 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.

Officials engaged in all these activities are qualified through highly stringent training and tests imparted by VSSC. The work is carried out in the contract manufacturing mode with all required components being provided by VSSC, as free issue materials (FIMs).

More than 1 Lakh electronic components are screened from this centre and more than 2500 flight packages manufactured by ITI are successfully used in various launch vehicles - GSLV, PSLV and GSLV Mark-III- of ISRO including the prestigious

Chandrayaan mission LVM3-M4 launched on 14<sup>th</sup> July 2023. Out of the total packages in the mission, 55 nos of packages are realized by ITI Palakkad team.

The GSLV Mark III launched on 23<sup>rd</sup> October 2022 with 36 satellites on board and which successfully placed all these satellites in the right orbits with extreme precision in LVM 3 M2/ One Web Indian-1 Mission had on board a total of 47 packages executed by ITI Palakkad Plant and our valuable contribution in the mission has been acknowledged and appreciated by ISRO and DoT.

**(iv) Smart Banking Card**

ITI Palakkad Unit 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 and 4.1 Lakh Election ID Cards for Election Commission of Kerala. ITI is also pursuing business with other Public Sector banks and other customers for getting more orders.

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

Anticipating increased demand of HDPE conduits for OFC in the country considering the government focus on providing internet connectivity for all villages, ITI Palakkad has established 2 lines of HDPE machinery with an annual capacity of 8000 KM. While the HDPE Pipe Plant has got TSEC for manufacture of 40/33 mm PLB HDPE Duct and contributed to the requirement of more than 7000 KM of duct against Mahanet, Gujnet, Tanfinet, Bharatnet A&N and ASCON Phase IV Projects in addition to supplies for Railways and Department of Atomic Energy, the manufacture and supply of 2000 KM of Duct for ASCON Project in a timely manner with highest level of quality won accolades from the Indian Army. In order to enlarge the product portfolio, ITI Palakkad has started manufacturing of HDPE Pipe for Water Transport as well which will be expanded in the years to come.

**(vii) Managed leased Line Network (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. ITI Palakkad has executed AMC orders worth Rs 18.72 crore from BSNL for the AMC (card repair and technical support) extended to MLLN projects for BSNL.

**(viii) 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.



## MANKAPUR UNIT

### I. Performances

In the FY 2022-23, Mankapur Unit has achieved the Turnover of Rs 49.36 crore.

### II. Major Highlights

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

FDMS product has been designed by Mankapur Unit for ASCON and Tanfinet Projects and also got BSNL Certificate (TSEC). FDMS product has been developed/tested/manufactured and passed by PDI army team without any obstacle/delay. Total 656 Nos FDMS have been manufactured and dispatched to different sites under ASCON IV and Tanfinet projects.

#### ii. HDPE Duct Manufacturing

Mankapur Unit has signed an agreement from M/s Katariya Pastics Pvt Ltd. Mankapur plant has got the BIS certification & started contract manufacturing of water pipes/Telecom duct since Dec 2022. Developed END CAP used as HDPE duct accessories.

#### iii. 4G Manufacturing

Mankapur Unit is fully ready for manufacturing of 4G RRU/ any types of electronic products/ Contract manufacturing all the required machines have been procured, installed and commissioned.

#### iv. Optical Network Terminal (ONT)-23

Mankapur Unit has got an order from C-DOT for the supply of ONT23 to Railtel for the quantity of 40,000 nos.

#### v. Optical Line Terminal (OLT)-4 port

Mankapur Unit has received an order from BSNL for the supply of OLT-4P for the quantity of 1500 no's including 5 years AMC services.

#### vi. Third Party Audit (TPA)

Mankapur Unit has taken up TPA activities for implementation of BharatNet in Jharkhand for Jharkhand Communication Network Limited, Odisha for Odisha Power Transmission Corporation Limited and TPA –VSAT in Manipur and Tripura.

#### vii. Diversified products

Mankapur Unit is doing business in Diversified Products also. The products, which are developed and manufactured In-house like NCM (Note Counting Machine), 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).

#### viii. Skill development

Employee Development Centre (EDC) started OJT (On Job Training) programs for ITI (Industrial Training Institute) Students. Employee development Centre is also involved in conducting Course on Computer Concepts (CCC) examination at various centres in UP through National Institute of Electronics & Information Technology, Gorakhpur.

### ix. Safety Award

Every year National Safety Awards are given by the Ministry of Labour and Employment, Government of India, based on the performance of Companies in the area of safety and environment. During FY 2022-23, Mankapur plant has received Runner up award.

## RAE BARELI UNIT

### I. Performance

In the FY 2022-23, Rae Bareli Unit has achieved the Turnover of Rs 52.87 Crores.

### II. Major highlights

#### i. Optical Fibre Cable

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, and 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 fiber cable with the installed capacity of 30,000 KMs per annum. During FY 2022-23, Rae Bareli unit manufactured OFC for ASCON, TANFINET project and Railways.

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

GPON technology offers an excellent mix of triple play services (voice, data & video) to end users Rae Bareli Unit has State-of-art manufacturing facility for GPON-OLT & ONT systems.

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

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

During the FY 2022-23, Rae Bareli unit manufactured HDPE duct for Vodafone.

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

Rae Bareli Unit received orders from various BSNL circles across India for supply of multi configuration SMPS Power Plants of 393 no's during FY 2022-23.

## NAINI UNIT

### I. Performance

In the FY 2022-23, Naini Unit has achieved the Turnover of Rs 18.20 crore.

### II. Major highlights

#### i. Solar Panel

The Government has set an ambitious target of generating 450 GW of renewable energy by 2030. Naini Plant has state-of art manufacturing facility for Solar Panel Manufacturing with annual capacity of 18 MW.

ITI has been awarded work order from BESCOM for implementation of 2000 KW On grid Solar Rooftop Solar project in North & South Bangalore.

Received work order from NTPC, Vindhyachal for installation of 150KW on grid Rooftop Solar project & NTPC, Bombaigaon, Assam for installation of 265 KW On grid Rooftop Solar project.

Enlisted in Approved List of Model and Manufacturer, Ministry of New & Renewable Energy.

Successfully revalidated the BIS certification for Poly crystalline Solar Modules up from 40Wp to 325Wp validity up to July-2024.

Successfully installed 10 KW Off-grid Rooftop Solar projects in Army Public School Jhansi and RTO, Jaipur, Bhubneshwar.

Supplied 4500 nos of 60Wp SPV panel to BBNL through GeM contract

## ii. LED Street Light

ITI Naini Unit has been selected as project executing agency by Bihar Renewable Energy Development Authority (BREDA) for implementation of Pradhan Mantri Grameen Solar Street Light Scheme in Bihar. Under the scheme, ITI has been awarded total 11 Districts and received LOI for supply of 40830 Nos solar street light system.

Signed MoU with M/s Patanjali Renewables for implementation of BREDA Solar Project.

ITI has successfully completed Supply & installation of 7252 Nos Solar Street lights System in BREDA Project.

## SRINAGAR UNIT:

### I. Performance :

In the FY 2022-23, in Srinagar Unit, Skill Development Training is being provided to students in different fields like Optical Fibre Cable Technician/Splicer, Fashion Designing, Data Entry Operations & Medical Lab Technician etc.

## NETWORK SYSTEMS UNIT (NSU)

### I. Performance

NSU is headquartered at Bangalore with regional offices spread across all over India. NSU has achieved proficiency in Project management, Turnkey Project implementation and maintenance services and is committed towards credible and timely execution of the projects/ services.

The turnover achieved by NSU for the FY 2022-23 is Rs 656.66 Crores and the details are as enumerated below: -

#### (a) Projects

- (i) ASCON-IV projects order received from Ministry of Defence, Gol
- (ii) GujNet project order received from GFGNL for Broad Band connectivity across the Gram Panchayats in the state of Gujarat.
- (iii) TANFINET project for internet connectivity on IPMPLS at Tamil Nadu

#### (b) Services

- (i) ASCON phase III-AMC orders for Defence

- (ii) Tanfinet orders
- (iii) Installation and Commissioning of GPON equipment supplied to BSNL
- (iv) Universal Service Obligation Fund (USOF) BharatNet Project
- (v) Airtel FTTH ROLLOUT project
- (vi) OCB –AMC

## II. PROJECTS EXECUTED DURING THE FY 2022-23

### i. Army Static Switched Communication Network (ASCON) Phase-IV

ITI was awarded the prestigious project of National Importance (ASCON-IV) on 1<sup>st</sup> October 2020 for the Indian Army. This project involves developing a fully secured strategic state of art communication network with a special focus 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. The scope of the Project also involves integration of this communication network with future and legacy Army network i.e., Network for spectrum (NFS), Army WAN, ASCON Phase III.

**AMC for ASCON III:** ITI had successfully executed the first 3 phases of ASCON project and presently is involved in maintenance of these ASCON assets. The scope of service under this project involves repair and maintenance of secrecy cards, maintenance of OFC routes, etc.

### ii. Gigabit Passive Optical Network (GPON):

NSU has installed and commissioned GPON equipment against the BSNL and BBNL orders, all over India.

### iii. BharatNet Phase-II in Gujarat (GujNet)

ITI had received order from Gujarat Fiber Grid Network Limited (GFGNL) towards implementation of Turnkey project for Broad Band Data Connectivity to Gram Panchayats in the state of Gujarat under Bharat Net Phase II Project. The project includes laying of optical fiber cables (OFC), supply of DWDM equipment, optical transmission and access equipment and other related products as well as maintenance services. It also includes survey, design & plan, supply, installation, testing, commissioning, Optical Fibre Cable laying, end-to-end integration to provide 100 Mbps Bandwidth to 3925 GPs of 12 District of Gujarat State against Package-A of GFGNL's BharatNet Project Phase-II (BBNL) along with Additional 336 GPs and Operations & Maintenance for 3 Years.

### iv. BharatNet Phase-II in Tamil Nadu (TanfiNet)

ITI received Work Order for Planning, Survey, Supply, Installation, 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.

Tamil Nadu Fibre Net Corporation Ltd. (TANFINET), is a Special Purpose Vehicle (SPV) formed by the state of Tamil Nadu, as the nodal agency towards implementation of the BharatNet



Phase II project. In TANFINET, under phase II, all the 12,524 Gram Panchayats (GPs) in the State will be connected through Optical Fiber Cable (OFC) both in Aerial/Underground mode. The GPs are divided into Four Packages i.e., A, B, C, D for effective network rollout by ensuring parallel execution across Packages.

ITI Limited bagged Network Rollout of Package D consisting of 109 Blocks and 3103 GPs spread across 10 Districts, which also includes Operation & Maintenance (O&M) for three years from the date of "GO LIVE". The scope also includes Planning, Survey, Design, Supply, Installation, Commissioning & Testing of active & passive network infrastructure at all locations across the districts for the respective Blocks.

**v. 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, covering 3 Districts, 7 Blocks and 66 GPs of Andaman & Nicobar Islands as a part of Digital India program of Government of India (GoI).

**vi. BharatNet Phase-II in Maharashtra (MahaNet)**

The scope of the project includes connectivity to GPs using MPLS using Aerial and UG Cables in Maharashtra state (Package A & C).

- (a) Package A: T&D of 7640 kms is completed out of 8540 Kms; And 12121 Kms of cable blowing and stringing (UG & OH) completed out of 17429 Kms; 2099 No's Routers installation done out of 4003 No's of Routers Also, 2003 No's of GPs Lit up out of 4003 No's of GPs.
- (b) Package C: T&D of 10865 Kms completed out of 11132 Kms; 18673 Kms of cable blowing and stringing (Underground-UG & Overhead-OH) completed out of 20741 Kms; 3622 No's of Routers installation done out of 4550 No's of Routers; Also, 3588 No's of GPs Lit up done out of 4550 No's of GPs.

**vii. Airtel Project**

ITI Limited is working with Private telcos to leverage local firms and expertise in all business verticals. Towards this end, India's second-largest service provider, Bharti Airtel, awarded OFC works to ITI Limited, on 28<sup>th</sup> August 2020. This project, National Long Distance (NLD) services involves construction of around 500 Km of underground optical fibre network for intercity back bone transport layer fibre connecting sixty-two nodes across six routes in state of Odisha. It also involves Fibre to the Home (FTTH), wherein around 380 Km of aerial and underground optical fibre network connectivity is to be provided to cover more than 37000 home Connections across 7 major cities in India.

**viii. Network for Spectrum (NFS)**

NFS is a strategic communications network project to develop and install an OFC network to be owned and operated by the Defence services under the Project Implementation Core Group (PICG) of the Ministry of Defence. NFS involves establishing an exclusive OFC-based nationwide optical backbone for 414

defence sites & access networks at 219 army sites. NFS project comprises all Optical Fibre Cable (OFC) routes, aggregating to 57,015 km, which is divided into seven packages. ITI has an order for laying optical fiber cable under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions (Package G & F).

**ix. Universal Service Obligation Fund (USOF)**

Department of Telecommunications has signed an agreement with ITI Limited and BSNL to fund the pilot projects of E-band, Long Term Evolution (LTE) indigenous technologies including integration of 4G/5G prototypes with C-DoT core to enable development and hardening of these technologies. ITI had received a work order from BSNL for execution of Pilot Projects for last mile Broad band connectivity in uncovered villages under USOF.

**MARKETING SERVICES AND PROJECTS (MSP)**

The total turnover from the Corporate Marketing unit for the year 2022-23 was Rs 339.34 Crores details of which are as follows :

- All MSPs turnover – **Rs 220.55 Crore**
- Turnover from Projects: (IAF I & II) – **Rs 118.79 Crore**

**Important projects of MSPs are highlighted below:**

- Hoisting services of Integrated Universities Management System (IUMS) for HP University, Guwahati University, Chaudhary Ranvir Singh University Jind, Gurugram University, Maa Shakumbhari University, B.N.Mandal University.
- Entrance Exam solution and Barcoding Decoding and answer view solution to Chaudhary Charan Singh University Meerut.
- Annual Maintenance Contract for Distributed Denial of Service project of BSNL
- E-tendering.
- Implementation of projects for IAF for Data Centre and 4G/5G network.
- UP Vidhan Sabha Project for Digital Library & Communication System.
- Regional Centre for Urban and Environmental Studies for Geo Information System project.
- Uttarakhand Building and Other Construction Workers Welfare Board project.
- UP Minority Commission (Smart Class works) Project.
- High Court Allahabad for network solution.
- Uttar Pradesh Rajkiya Nirman Nigam for IT-Product
- Uttarakhand Forest Development Corporation for Uttarakhand Van Vikas Management System -AMC
- Network Management System for BSNL
- Central Control Monitoring System for EESL
- CCTV for Yarigudda Temple Development Authority
- Finance Management System
- Geo Fencing
- Solid Waste Management

- Webcasting of Urban Local Body election at Bihar
- Southern Railway Project of OFC Cable laying and Provision of VSS work
- Aadhaar services to banks
- Switch Mode Power Supply Repairs to BSNL SSAs
- Indian Business School (Vodafone, Airtel)
- IT and IOT supply and solutions
- Orissa Mining Corporation Project.
- Bengaluru Electricity Supply Company limited Project.
- Odisha Computer Application Centre Project.
- Broad Band Network Gateway Project.
- Driving License and Registration Certificate Project.

#### Efforts undertaken by Corporate Marketing during year 2022-23:

- ITI Limited participated in BSNL tender of 4G mobile network in the month of November and December 2022. After multiple negotiation with BSNL, the Company has received an order from BSNL for the Planning, Engineering, Supply, Installation, and Testing & Commissioning of a 4G mobile network in the West zone of BSNL for value of Rs 2421.49 Crore in the month of May 2023.
- ITI received an order for the supply of GPON 4 Port Optical Line Termination Equipment - 1500 Nos. from BSNL.
- Empanelment with Vodafone as a supplier for the supply of HDPE Duct & OFC. Vodafone order received for PLB HDPE pipes.
- OFC laying for Airtel Odisha in tribal area.
- GeM bids/tenders pertaining to OFC and won for 7059 km.
- MSP MIS portal is developed for better coordination among MSPs.
- GeM Bids/Tenders pertaining to SMAASH PC 2167 no & Laptops-9220 no.

#### Participation in Exhibitions:

During the year 2022-23, the Company has participated in following exhibitions for showcasing its products and to increase the visibility of the products manufactured by the Company.

- Aero India Show 2023, Bangalore
- Indian Mobile Congress New Delhi
- Bengaluru Tech Summit Bangalore
- India Energy Week Bangalore
- UP Global Investors Summit Lucknow
- International IETE Summit Bangalore
- ITU Workshop on the future of television for South Asia and Africa Bangalore
- India ISP Conclave Pune
- India Telecom Exhibition Delhi

#### RATING IN MEMORANDUM OF UNDERSTANDING (MoU)

The Company's rating for the FY 2021-22 is "Fair" with a composite score of 44.76. The Company has signed MoU with the Administrative Ministry for

sales turnover of Rs 2569 Crores (at Excellent Level) for the FY 2022-23. The MoU Evaluation for the FY 2022-23 is yet to be finalized by DoT/DPE.

#### FUTURE OUTLOOK

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

#### I. 500 MWP Solar Panel manufacturing with Mono Crystalline Solar Cells

The Indian government's ambitious targets and support for the solar sector have made indigenous PV manufacturing's prospects even more vibrant.

In 2020, India has adopted 'National programme on high efficiency solar PV modules' for achieving manufacturing capacity of Giga watt (GW) scale in high efficiency solar PV modules. The aim of the mission is to promote manufacturing of high efficiency solar PV modules in India and thus reduce import dependence in the area of renewable energy.

Over the past five years, India has made substantial progress in solar manufacturing. Solar module manufacturing capacity has trebled from 5.8GW in 2016 to about 39 GW in December 2022 and it is further expected to reach 110 GW by 2026.

Due to change in Solar Photovoltaic Technology and orientation of High Efficiency Solar module, the demand of high efficiency Solar cell increasing rapidly to meet the High power and High efficiency requirement to reduce the Levelized cost of Energy (LCOE).

Due to advantage of High efficiency and less power degradation, the Mono crystalline solar modules made with Mono PERC Solar Cell technology are being widely used in Utility scale solar projects, Residential purposes, PERC solar panels can be used as regular rooftop photo-voltaics, EV solar roof chargers, and solar sheds. Building Integrated Photo-voltaics (BIPV), water surface power stations, and much more.

Hence, ITI is planning to implement 500 MW Solar Module in-house manufacturing facility with High Efficiency Mono Crystalline Solar Cell with an investment of Rs 110 Crore in year 2023-24.

#### II. Digital Mobile Radio – DMR

R&D has developed Digital Mobile Radio (DMR). 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.

The developed Radio has complete user interface and the mechanical design to meet the needs of consumer applications.

R&D DMR System comprises DMR Smart Phone, DMR LCR (Low Cost Radio), Repeater and Base Station. Prototype has been already developed and is under testing in real environment at Indian Railway, Bangalore.

#### III. 4G RAN Manufacturing

As part of its focus on delivering turnkey projects to contribute in the proliferation of indigenously manufactured 4G Mobile equipment through BSNL's 4G Tender under Atma Nirbhar Bharat Mission. ITI has received Purchase Order from BSNL worth Rs 2421.49 Crore for Planning, Engineering, Supply, Installation & Commissioning and AMC of 4G Mobile Network for 23,633 Sites in West Zone of BSNL Network.



Also ITI has entered into Transfer of Technology with CDOT for manufacturing of 4G LTE RAN to be deployed for BSNL network. The first proto types of Radio Access Network (RAN) manufactured by ITI have already been installed at PoC at BSNL. 20 Sites for PoC have been allocated by BSNL for five different bands.

#### IV. Multi Service Platform (MSP)/ Security Operation Centre (SOC) :

ITI has entered into MOU with Tata Communications 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/Security Operation Centre (SOC) is completed and ready to provide services to customers ITI has received letter of empanelment of National Level System Integrator as SECaas Solution Provider on 11.01.2023 from BSNL.

#### V. Electronic Voting Machines (EVM)

ITI looks forward to manufacture complete of EVM system. The developed EVM has complete user interface and the mechanical design as per the needs of State Election Commission (SECs). 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 and has manufactured the prototype. Demonstration of prototype by standing committee of SEC is completed. Awaiting for Clearance from SEC.

#### VI. Smart Energy Meter

As 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 Ltd has supplied 91000 nos of Smart Energy Meters complying with IS 16444 technical specifications to the DISCOMs in UP and Haryana against the order from Energy Efficiency Services Limited (EESL) The Single Phase Smart Energy meters received type approval and BIS certification complying with IS 16444 technical specifications. ITI Palakkad plant is having the bulk manufacturing infrastructure and facilities for the calibration and testing of smart energy meters. The calibration laboratory of Smart Energy Meter has received the NABL accreditation as per ISO 17025: 2017 standards.

ITI is in the process of engaging in more technology partners for addressing the huge market demand.

#### VII. OFC manufacturing line at Rae Bareli plant (Capacity of 30,000 per annum)

There is a huge demand for OFC cable from Railways, BharatNet and Defense project. Optical Fibre Cable (OFC) manufacturing lines are established with an annual capacity of 30,000 KMs (24F Loose Tube Type OFC) and 10000 Km Ribbon Type OFC at Raebareli plant.

ITI has manufactured 11000 Km of 24F NZDS OFC for ASCON Project, 8997 Km of 24F/48F ADSS, 96F Ribbon OFC for TANFINET Project, 1800 KM 24F Armoured OFC for Railways, 900 Km 24F/48F/96F OFC for MTNL, 200 Km 24F MF LT type OFC for Indian Air Force.

ITI has achieved Bulk supplier category for RDSO/Railway recently for supply of 24F Armoured OFC. We have registered for supply of 48F Armoured OFC for RDSO/Railways. ITI is expected to secure orders of 2000-5000Km for 24F/48F Armoured OFC for RDSO/ Railways.

ITI has plans to enhance the 24 F normal Loose Tube Capacity from 3000 Km to 45000 Km and also create new infra for manufacturing Patch Cords, FTTH/ Drop cables.

#### CONTRIBUTION TO EXCHEQUER

During the year, your Company has contributed Rs 153.67 Crore to the Exchequer towards duties and taxes.

#### PUBLIC DEPOSIT

The Company did not accept any deposits during the year 2022-23. 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 executed a Joint Development Agreement to develop its immovable property as a Software Technology Park. The Master plan of this project called "Silicon Forest" is designed by Pei Cobb Freed & Partners, an internationally renowned architects of USA and is designed with the required specifications 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 Government of Karnataka, the Environment Impact Assessment Authority, Pollution Control Board, Fire and Emergency Services Department, Airports Authority of India, BESCO, BWSSB, HAL and BSNL have accorded approval for the project. This project will create employment opportunities for 1000 people and shall build an IT infrastructure for 25,000 Software professionals.

Further, ISL is also set to embark upon commercialization of its software namely "SatPAY", which will facilitate the online payments for large enterprises. After obtaining the require license from the competent authorities, it will be offered to various Government departments for integration of their online payment process.

During the financial year 2022-23, ISL had achieved total income of Rs 3.21 crore and profit for the year is Rs 49.53 lakhs.

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 Financial Statement of 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 we 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 marketplace.

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 the employees every year for ISO under on-going competency development programme.

Efforts are paying benefits 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. The Company is continuously following all the methods & procedures for maintaining the Quality in all spheres.

Quality Management System QMS 9001-2015 surveillance audit was conducted on 20<sup>th</sup> June 2023.

Renewal audit of Environment Management System (EMS 14001-2015) at Palakkad Unit was conducted November 2022. Scope of Manufacture, Supply, Installation, and servicing of Laptop and Micro PC are also added to the existing.

Renewal audit of NABL Accreditation standard IS:17025 for Smart Energy Meter Calibration Laboratory conducted in February 2023.

Renewal audit of BIS IS 16444-2015 for Smart Energy Meter conducted during November 2022. Renewal audit of BIS IS 16444-2015 for Smart Energy Meter conducted during November 2022.

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

- Radio Modem in ISM Band (Type A and Type B),
- Permanently Lubricated HDPE Telecom Ducts
- Executive Telephone System (ETS-04),
- Optical Fibre Cable ( various Types )
- 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**

- EMI/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.

#### **MANPOWER**

The Company strives to build technological and managerial excellence in the organization through best HR policies and practices in the industry. The HR policies of the Company are in line with the Company's business plan. 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.

The HR vision of the Company is to make ITI a dynamic, highly competitive and value based learning organization with skilled and motivated human resources to face present and future challenges in the fast changing telecom scenario.

#### **EMPLOYEES STRENGTH**

The Employee strength at the end of the year 31<sup>st</sup> March 2023 was 2118 out of which 374 are female employees.

As on 31<sup>st</sup> March 2023, there were 360 employees belonging to Scheduled Castes, 57 belonging to Scheduled Tribes and 437 employees belonging to OBC category.

162 Officials are on Tenure/Contract basis, 6 Consultants were recruited during the year 2022-23.

Employees belonging to Physically Challenged categories were 15 and Ex-servicemen category numbering 19 were on the rolls of the company as at the end of the financial year.

#### **INDUSTRIAL RELATIONS**

The Company has glorious tradition of building and maintaining healthy employer-employee relations. 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**

As per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('POSH Act') and Rules made there under, Company has constituted 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. Company has complied with the provisions relating to the Constitution of ICC and during the year no cases/complaints have been filed under the POSH Act. The details of composition of ICC is available on the website of the Company at <https://www.itild.in/hr>



## DEVELOPING EMPLOYEES CAPABILITIES & COMPETENCIES

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

### HUMAN RESOURCES EMPLOYEE DEVELOPMENT:

#### i) Training & Development:

As technology is evolving rapidly in today's era of globalization, it is crucial for the organization to acquire the necessary skills and knowledge. In order to meet and overcome the obstacles faced, a lot of focus is being dedicated to creating new talents, enhancing current ones, and raising capacity. The business's ability to succeed rests on its trained workforce. Skill and knowledge are the main factors influencing the Company's growth and sustainability.

The main difficulty for the organization right now is a shortage of skilled people caused by the attrition of trained and experienced workers. The Human Resource Employee Development (HRED) Department meticulously designs training and development programmes, it is possible to improve/overcome the difficult circumstances and the lack of the required set of skills. ITI Limited has implemented a strategy that prioritizes staff training, development, and capacity building through a methodical and need based planning approach that includes identifying training needs, creating and customizing training courses etc.

Learning is a fundamental value of 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 (i.e., Bangalore, Palakkad, Mankapur, Rae Bareli and Naini). Learning and Development is actively engaged in preparing our employees for the future when it comes to technology, business acumen and leadership. So learning is a core value. Training Delivery modes includes classroom, online (web based and Video-Conferencing), Virtual Reality and e-Learning with increasing emphasis on technology driven 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 like Department of Public Enterprises (DPE), Centre for Development of Advanced Computing (C-DAC), National Telecommunications Institute for Policy Research, Innovation & Training (NTIPRIT), the Department of Telecommunications (DoT), National Academy of Human Resource Development (NAHRD), Government e-Marketplace (GeM) etc. And also accelerated HR learning interventions and employee 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, Reservation Rules and Recruitment Policy, Employee Wellness/Awareness programmes, GeM Procurement, Right to Information Act 2005 etc.

In order to develop and improve their abilities, knowledge, attitudes, and exposure to new technology, 728 ITI Officials have been nominated for external training programmes and workshops organized by various governmental organizations and private institutions in the most important fields. These coaching programmes help people cultivate their capacity for managing change, their innovative and methods, their ability to think critically, and their positive outlook on creating a high-performance workplace culture.

The details of number of training programmes organized; No. of people trained; Training man-days achieved during the FY 2022-23 is as follows:

Details	Training		Total
	In-house (IH)	External (EN)	
No. of programmes	70	79	149
No. of people trained	1523	728	2251
Training Man-days achieved	2201	940	3141
Male employees trained	1140	527	1667
Female employees trained	383	201	584
SC/ST employees trained	256	171	427

Note: IH-In House, EN: External Nomination

In addition to the above, the Ministry of Communications developed an online learning platform to guide individual officials in their capacity-building journey. It combines five functional hubs for Online Learning, Competency Management, Career Management, Discussions, and Networking.

ITI employees have taken online trainings to improve their knowledge and skills on various topics under iGoT Portal (Karmayogi Bharat) by DoPT. As of 79 employees have completed two or more online trainings at the iGoT portal.

#### Talent Development:

In order to give our talent and staff members an advantage in their personal and professional development, we at ITI Limited believe in the holistic development of not just our product but also of these individuals. We have always believed that it is crucial to support our staff through extensive training and development programmes given the trend towards more technology and innovation on a global scale.

An individual can become an authority in a particular profession by having well-honed skills and knowledge. A skill is the capacity to perform an activity satisfactorily on the job. When employees possess the necessary skills to accomplish their tasks, their performance goes up. A training programme can help employees enhance their development of these skills. Trainings are used to re-educate and re-train staff workers when new technology, methods or systems are introduced in order to make sure they are meeting the unique requirements of their particular employment. Additionally, staff development initiatives can assist employees to develop in their profession.

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

Skill Development training is an initiative taken by Central Government to enhance the employability of unemployed people or school drop outs by giving training in the emerging or the prospective areas of employment. Skill Development is significant in the overall development of a student/candidate. Personal development & learning skills 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.

Six Training Centers (TCs) have been created at ITI plants and registered on smart.nsdcindia.org portal – NSDC viz. Bangalore, Palakkad, Rae Bareli, Naini and Mankapur and a Smart Skill Development Centre has been established at ITI Srinagar Plant. 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.

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.

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.

All the plants have re-registered / migrated their TCs on skillindia.nsdcindia.org NSDC. 310 students have completed Skill Development training on different modules under Employment through Skill Training & Placement (EST&P) under Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM) in the FY 2022-23.

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 /Industrial Trainings.

Course-wise number of participants imparted Skill Development training during the FY 2022-23:

Sl.No.	Name of Skill Development Scheme	No. of Participants
1	Computer/Networking based training (VHSE)	90
2	Field Technician Computing & Peripherals - EST&P-DAY NULM	120
3	Fire Fighter - EST&P-DAY NULM	112
4	Broadband Technician - EST&P-DAY NULM	78
5	ITI Trade Apprentices (NAC)	82
6	Diploma/Technician Apprentices	7
7	Graduate Engineer Apprentices	9
8	In-Plant/Internship Training (ITIL module)	547
9	Project Training (ITIL module)	88
10	Industrial visit	1730
11	Special Industrial Training (Adopted ITIs students)	81
	<b>TOTAL</b>	<b>2944</b>

#### IMPLEMENTATION OF OFFICIAL LANGUAGE ACT, 1963

All Units/Marketing services and Projects ("MSP") 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 constituted in every Unit/MSP.

The Progress of Implementation of Official Language in Corporate Office as well as in all other Units/MSP is being periodically reviewed by the Official Language Implementation Committee (OLIC) of Corporate Office.

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

The Corporate Office of the Company regularly sends the Quarterly Progressive Report to the Ministry of Communication, Department of Telecommunication, New Delhi as well as Dy. Director (Implementation), Regional Implementation Office, Bengaluru. The Company had 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.

As per Ministry Guidelines, Corporate Office OL department has done 25% inspection in the northern Units/MSP Offices such as Naini, Raebereli, Mankapur and Lucknow during 16<sup>th</sup> – 21<sup>st</sup> May 2022.

ITI Limited, Corporate Office had received first prize for "Official Language Performance Excellence Award" on 25<sup>th</sup> July 2022 for the year 2021-22 by TOLIC, Bangalore for progressive use of Hindi and implementation of Official Language Policy in Corporate Office.

On 25<sup>th</sup> August 2022, the second sub-committee of Parliamentary Committee on Official Language, New Delhi, Dr. Rita Bahuguna Joshi and all the Committee members had inspected ITI limited, MSP Office, Hyderabad Official Language department, in connection with Official Language Policy Implementation.

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 2022-23 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 maintained and regularly updated.

#### VIGILANCE

The vigilance department of the Company focus 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. The Management Audit of Vigilance Unit was done by CVC officials on 14<sup>th</sup> and 15<sup>th</sup> September 2022. The vigilance awareness week- 2022 was observed by vigilance department in ITI from 31<sup>st</sup> October to 6<sup>th</sup> November 2022.

#### 1 System Improvements

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

##### a) Land records

Digitizing of Land records of all land owned by ITI was perused by vigilance and facilitated completion of the land record as well as utilization status of the same. Created awareness on increasing the revenue through leasing and clearing encroachments in various plants.

##### b) Cost saving measures

- OFC - Based on vigilance initiative, cost of raw materials for OFC manufacturing has been reduced by 17%.
- Electricity conservation - Awareness on electricity consumption and measure to reduce the same was highlighted by vigilance and is being implemented.



iii. Summary of all labour contracts were compiled and highlighted to the Management for reducing and optimizing the cost of outsourcing.

**c) Recruitment & Promotion**

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.

The promotion process followed in 2021 & 2022 was reviewed and requisite inputs to make it more objective & transparent was highlighted. Most of them were accepted.

**d) Security of factories**

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

**e) 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.

**f) 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.

**g) 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.

**h) Disposal of averaged materials and Plant & Machineries**

Detailed review of the huge accumulation of obsolete/unserviceable materials and Plant & Machineries which were accumulated over the past two decades was taken up and disposal of the same is under process. This not only generate revenue on disposal but also reduces the expenses on maintaining the inventory and releases the space for alternate use in the unit. Scrap disposal process was reviewed and deficiencies observed were highlighted for compliance.

**2. 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 the Company during the year is as below,

**Status of Vigilance Complaints - 2022-23**

Opening Balance	Received during 2022-23	Total	Disposed	Pending cases with nature of complaints
8	17	25	21	4 (Contract - 2) (HR-2)

**IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005 (RTI)**

During the FY 2022-23, 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**

Statutory Audit

M/s GRSM & Associates, Chartered Accountants, Bengaluru were appointed as Statutory Auditors for FY 2022-23 by Comptroller & Auditor General of India (C&AG) for Bangalore Unit, NS Unit, Corporate Office, 8 Regional Offices and for Consolidation of accounts. They will hold office till conclusion of the ensuing Annual General Meeting. C&AG is in the process of appointment of Statutory Auditors for the year 2023-24.

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 2022-23 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 2022-23, no fraud had been 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 2022-23.

Sl.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. Mir & Co., Pulwama, 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 2022-23 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 2022-23, which was ratified by the shareholders in the last Annual General Meeting held on 28.09.2022. The cost audit report for the year 2021-22 was filed with Ministry of Corporate Affairs.

#### - SECRETARIAL AUDITOR

The Board had appointed Shri K N Nagesha Rao, Company Secretary in Practice, to conduct the Secretarial Audit of the Company for the year 2022-23. 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 the observation mentioned in Secretarial Audit Report, which is appended as **Annexure-2**. The reply of management to the observations of Secretarial Auditor is attached as addendum to Directors' Report.

#### INTERNAL FINANCIAL CONTROL

ITI has an adequate system of Internal Controls in place commensurate with its size and nature of business. It has well established and documented policies and procedures for safeguarding its assets viz. Materials Management Manual, HR Policies and Procedures, Accounting policies, Sub-Delegation of Powers for financial and operational functions. The Internal Audit is conducted by Company's Internal Audit team headed by Chief Internal Auditor 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.

The Internal Financial Control of the Company is analysed and audited for compliance. The report on the Internal Financial Controls under Section 143 of the Companies Act, 2013 is prepared and annexed to the Independent Auditor's Report. As per the report, the Company has, in all material respects, adequate internal financial controls with reference to the financial statements and such internal financial control were operating effectively as on 31<sup>st</sup> March 2023, except of the observations referred in **Annexure-B**, 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. During the financial year 2022-23, the Company was not required to spend any amount towards CSR activities, as the average net profits of the Company for the preceding three financial years was negative. However, the Company had spent Rs 6.13 lakhs towards CSR activities. Further, the CSR unspent amount for FY 21-22 of Rs 11.46 lakhs was transferred to PM Cares Fund on 29<sup>th</sup> September 2022.

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.itild.in/csr>

#### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

ITI Limited being a Government Company, the policy on directors' appointment and remuneration is not applicable and also evaluation of their performance

is exempted vide notification dated 05.06.2015 issued by the Ministry of Corporate Affairs.

As on 11<sup>th</sup> August 2023, there are Nine Directors on the Board of the Company, of which four are Whole Time Directors (including Chairman and Managing Director), Two are Government Director and Three Non-Official Part Time Directors (Independent Directors).

#### INDEPENDENT DIRECTORS

During FY 2022-23, there were no appointment and cessation of Independent Directors.

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 (LODR). 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 11<sup>th</sup> November 2022 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 ceased to be Government Director of the Company w.e.f. 30<sup>th</sup> June 2022 upon attaining the age of superannuation.
2. Dr Rajesh Sharma ceased to be Government Director w.e.f. 17<sup>th</sup> November 2022 as he has taken up new assignments.
3. Shri R Shakya was appointed as Government Director of the Company w.e.f. 23<sup>rd</sup> November 2022 in place of Dr. Rajesh Sharma.
4. Lt Gen M Unnikrishnan Nair, AVSM, SM, Signal Officer- in Chief was appointed as Government Director of the Company w.e.f. 16<sup>th</sup> December 2022, Vice Lt Gen Milind N Bhurke.

#### FUNCTIONAL DIRECTORS

The following are the changes in Functional Directors :

1. Shri Rakesh Mohan Agarwal ceased to be the Chairman and Managing Director upon attaining the age of superannuation w.e.f. 30<sup>th</sup> June 2022.
2. Shri D Venkateswarlu, Director Production / (addl charge) Director HR was entrusted with additional charge of Chairman and Managing Director w.e.f. 07<sup>th</sup> July 2022 till 31<sup>st</sup> August 2022.
3. Shri D Venkateswarlu ceased to be Director Production/ (addl charge) Chairman and Managing Director & Director HR w.e.f. 31<sup>st</sup> August 2022 upon attaining the age of superannuation.
4. Shri Anand Singh, Joint Secretary (Telecom) was entrusted with additional charge of Chairman and Managing Director from 01<sup>st</sup> September 2022 till 30<sup>th</sup> September 2022.
5. Shri Rakesh Chandra Tiwari, Director Marketing was entrusted with additional charge of Chairman and Managing Director w.e.f. 01<sup>st</sup> October 2022 till 21<sup>st</sup> February 2023 (F/N).



6. Shri Rajesh Rai was appointed as Chairman and Managing Director w.e.f. 21<sup>st</sup> February 2023.
7. Smt R Vasanthi, General Manager (Operations) was entrusted with additional charge of Director Production w.e.f. 28<sup>th</sup> February 2023 till regularly selected candidate's appointment.
8. Smt S Jeyanthi, General Manager (Projects & Planning) was entrusted with additional charge of Director HR w.e.f. 28<sup>th</sup> February 2023 till regularly selected candidate's appointment.
9. Shri S Jeyanthi was appointed as Director Production w.e.f. 19<sup>th</sup> May 2023. Consequent to that Smt R Vasanthi ceased to be Director of the Company w.e.f. 19<sup>th</sup> May 2023.

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 Rakesh Chandra Tiwari, Director Marketing retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

#### KEY MANAGERIAL PERSONNEL

During the financial year 2022-23, apart from functional directors, Chief Financial Officer and Company Secretary continues to hold the post of Key Managerial Personnel of the Company.

Smt S Shanmuga Priya, Company Secretary and Key Managerial Personnel of the Company resigned from the services of the Company w.e.f. 09<sup>th</sup> March 2023.

The Board of Directors appointed Smt Shalini Ghatak as the Company Secretary and Key Managerial Personnel of the Company w.e.f. 06<sup>th</sup> July 2023.

#### DETAILS OF BOARD MEETINGS

During the year under review, eight 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 2023, the Audit Committee comprised of 04 Members out of which 03 were Independent Directors and 01 was a Functional Director. During the year, 05 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

ITI Limited being Government Company is exempted from the provisions of evaluation of performance of independent Directors. Further, the Govt. of India, the appointing authority has its own set of processes in determining the criteria and also for evaluation of the performance of Independent Directors at the time of appointment / re-appointment.

With regard to formulation of criteria for appointment of Directors on the Board by the Nomination and Remuneration Committee, being a Government Company, the criteria for appointment of Directors on the Board is done by Government of India.

#### RISK MANAGEMENT

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 AND SUSTAINABILITY REPORT

A separate section on Business Responsibility and Sustainability Report as required under Listing Regulations, has been included in the Annual Report as **Annexure - 4** and the same forms part of the Directors' Report.

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report prepared as per Listing Regulations and DPE Guidelines on Corporate Governance is enclosed as **Annexure - 5** of this 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.

#### EXTRACT OF ANNUAL RETURN

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

#### RELATED PARTY TRANSACTIONS

All related party transactions entered during the year 2022-23 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.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies).

The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC2 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 IndAS24.

#### 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 2022-23, 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 which significantly affecting Company's business operations.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors confirm that

- In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 2023 and of the profit of the company at that date;
- 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;
- The annual financial statements have been prepared on a going concern basis;
- Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- 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 (IBC)

M/s Eagle Software India Pvt. Ltd. has filed an application U/Sec 9 of IBC in NCLT, Bangalore to initiate Corporate Insolvency Resolution Process against ITI Ltd. This case came up for hearing on 07.06.2023 and is reserved for orders. The Company had also received an email dated 21<sup>st</sup> April 2022 from NCLT Bengaluru regarding an application filed by M/s Fujiyama.

As reported in Annual Report 2021-22 regarding filing of case by M/s Emdee Digitronics Private Limited for Corporate Insolvency Resolution process, the case was dismissed as withdrawn on 20<sup>th</sup> September 2022.

Apart from the cases mentioned above, there were 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 2022-23.

## ENTERTAINMENT EXPENDITURE AND FOREIGN TRAVEL

The expenditure on entertainment was Rs 1.56 lakhs (Previous Year Rs 2.58 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 stakeholder. 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

The Procurement Policy for Micro and Small Enterprises Order 2012 read with amendments made thereunder is being followed across all the Units of the Company. The annual target set for MSME procurement was 25% for FY 2022-23. The Company has achieved a decent target of 26.30% of total annual procurement through our MSME vendor during 2022-23. Total procurement value through MSME vendors was Rs 69.59 Crore.

# ACKNOWLEDGEMENT

The Board of Directors would like to thank its clients, vendors, investors, bankers for their continued support during the year. The Board would also like to thank the Government of India, particularly the Ministry of Communications and Ministry of Defence as well as the various State Governments, regulatory and statutory authorities for their support and look forward to their continued support in future. The Board is also thankful to all its stakeholders, including the Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditor, Cost Auditor, Internal Auditors, etc for their continued co-operation. The Board appreciate and value the contribution made by every employee.

For and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045



## ADDENDUM TO THE DIRECTORS' REPORT

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

Point No.	Statutory Auditor's Observations	Company's Remarks
<b>Qualifications Quantifiable</b>		
1.	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. Company is hopeful of receiving the entire amount.  Company is of the view that provision for Rs 5847.90 Lakhs at this juncture is not required till the issue is finally settled.
2	Recoverable from HCL Info systems 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 LD, payment & short closure the some works the dispute arose between the parties as such the arbitration clause is invoked by the 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 RW1 is continuing. Matter was last listed for further cross examination of RW1 on 10.04.2021 to 13.04.2021. However, due to pandemic it could not happen. Matter is posted for final arguments from 21 <sup>st</sup> to 25 <sup>th</sup> July, 2023. We are hopeful to get the decision in company's favour, provision at this juncture is not possible.
3.	Recoverable from Himachal Futuristic Communications Ltd of ₹ 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. Matter was last posted to 28 <sup>th</sup> April 2023. Next date is awaited. We are hopeful to get the decision in companies favour, provision at this juncture is not possible.
4.	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.  The last date of the Court hearing for the case of M/s Mind Array was heard on 04.04.2023 wherein the Court gave time to the opposing Counsel to further his arguments and the case was last posted on 16.05.2023 for further cross examination.
5.	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 we have issued the credit notes against already issued sale 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).  Matter is under review and appropriate action will be taken during 2023-24.
6.	The Naini Unit carries a debit balance of Rs 94.42 lakhs towards unavailed input tax credits that are time-barred	The matter is being reviewed at the Unit level, appropriate action will be taken during the first quarter of Financial Year 2023-24.

## REPLY TO OBSERVATION OF SECRETARIAL AUDITOR

Point No.	Secretarial Auditor's Observations	Company's Explanation
<b>Qualifications Quantifiable</b>		
1.	As on 31 <sup>st</sup> March 2023 the Company did not comply the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 in as much as the strength of Independent Directors was less than 50% of the total strength of the Board of Directors of the Company.	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 under the SEBI Regulations.

For and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045

### Annexure - 1

## ANNEXURE TO THE DIRECTORS' REPORT

### 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

Sl.No.	Name of Joint Ventures	India Satcom Limited
1	Latest audited Balance Sheet Date	31.03.2023
2	Shares of Joint Ventures held by the company on the year end	16,21,800 equity shares of Rs 10 each
3	Amount of Investment in Associates/Joint Venture	Rs 40.55 Lakhs
4	Extend of Holding%	49%
5	Description of how there is significant influence	Investment in the equity to the extent of 49% paid up capital
6	Reason why the associate/joint venture is not consolidated	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	Rs 3,514 lakhs
8	Profit/Loss for the year	
	i) Considered in Consolidation	Yes, Rs 24.27 lakhs
	ii) Not Considered in Consolidation	Nil

For **M/s. GRSM & ASSOCIATES**  
Chartered Accountants  
Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**  
Partner  
M. No.205296

**RAJEEV SRIVASTAVA**  
Director Finance & CFO  
DIN: 08921307

**RAJESH RAI**  
Chairman & Managing Director  
DIN: 10052045

Place: Bengaluru  
Date : 29<sup>th</sup> May 2023



## Annexure - 2

### Form No. MR-3

Secretarial Audit Report for the financial year ended 31<sup>st</sup> March 2023

[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 of ITI Limited

1. I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ITI Limited (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.
2. 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, and subject to my separate letter attached hereto as the Annexure, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2023, 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.
3. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2023 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
    - iv. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 [Not applicable during the above audit period];
    - v. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable during the above audit period;
    - vi. 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;
    - vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - No delisting of shares was done during the year; and
    - viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; - No buy - back was done during the year.
  - (f) Indian Copyright Act, 1957
  - (g) The Patents Act, 1970
  - (h) The Trade Marks Act, 1999
  - (i) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Finance, Government of India – as relates to composition and appointment of Directors.
  - (j) Guidelines issued by the Department of Investment and Public Asset Management, Ministry of Finance – as applicable to Central Public Sector Enterprises.
4. I have also examined compliance with the Listing Agreements entered into by the Company and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. I have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.



6. I have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.
7. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualifications mentioned in paragraph 9 below.
8. Subject to the qualification mentioned in paragraph 9, I further report as below:

**8.1 that, -**

- (a) the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. 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 Act;
- (c) the Company followed proper Board processes in convening and conduct of Meetings Members and Directors; the Company has maintained proper Books to record Proceedings of General Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.
- (c) adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, the Company adopts a system to enable Directors to seek and obtain required information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (d) 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.

**8.2 during the year –**

- (a) the Company allotted 1,60,54,483 equity shares of Rs 10 each (details shown below) to the President of India on preferential basis against capex receipt in pursuance to order dated 8<sup>th</sup> January 2013 issued by the Board of Industrial and Financial Reconstruction.

Sl. No.	Date of Allotment	Number of equity shares allotted	Issue price (including face value of Rs 10 per equity share) Amount in Rs	Total Consideration for allotment Amount in Rs
1.	25 May 2022	83,21,279	86.00	71,56,30,000
2.	28 Sep 2022	77,33,204	103.45	80,00,00,000
	<b>Total</b>	<b>1,60,54,483</b>		<b>151,56,30,000</b>

As per the order dated 8<sup>th</sup> January 2013 issued by the Board for Industrial and Financial Reconstruction (BIFR), read with the then requirement of SEBI, the Company was required to maintain minimum public shareholding to 10 percent of paid up capital. In order to comply with this requirement and as per directives of the Cabinet Committee on Economic Affairs dated 20<sup>th</sup> July 2016 Company's Promoter, the President of India is required to transfer 15,77,800 equity shares of Rs 10 each to the Special National Investment Fund (SNIF). Presently the equity shareholding of Company's Promoter, the President of India is under lock-in period as stipulated by the Securities and Exchange Board of India. Therefore, the aforesaid 15,77,800 equity shares would be transferred to SNIF after release of the lock-in period. While so, Rule 19A of the Securities Contracts (Regulation) Rules 1957 (made effective from 9<sup>th</sup> August 2010), the Company is required to bring up its public shareholding to minimum 25% from 9.83% as at 31<sup>st</sup> March 2023. However, the Ministry of Finance, Government of India has granted in its letter F.No. 1/14/2018-PM(part) dated 6<sup>th</sup> July, 2022 time up to 01<sup>st</sup> August 2024 for listed public sector companies to increase their public shareholdings to at least 25%.

Except the allotment mentioned sub-paragraphs 8.2 (a) above, there were no instances of:

- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity.
- (ii) redemption or buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;
- (v) foreign technical collaborations.

**9. Qualification:**

As at 31<sup>st</sup> March 2023 the Company did not comply the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 in as much as the strength of Independent Directors was less than 50% of the total strength of the Board of Directors of the Company.

Place: Bengaluru  
Date: 14<sup>th</sup> May, 2023

UDIN No. F003000E000304169  
Peer Review Unique ID No.I2014KR1122000

**K N Nagesha Rao**  
Practising Company Secretary  
**FCS 3000 CP 12861**

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



## Annexure A

# The Annexure to the Secretarial Audit Report for the Financial Year 2022-23

To the Members of ITI Limited

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records and compliance based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness 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 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 obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru

Date: 14<sup>th</sup> May, 2023

UDIN No. F003000E000304169

Peer Review Unique ID No.I2014KR1122000

**K N Nagesha Rao**  
Practising Company Secretary

**FCS 3000 CP 12861**

## ANNUAL REPORT ON CSR ACTIVITIES FOR THE FY 2022-23

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

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:

- To carry out CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- To integrate the core values of the Company with the philosophy of Corporate Social Responsibility (CSR) and Sustainability.
- 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.
- 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.

- Providing access to the drinking water, sanitation to surrounding villages and 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.
- Managing "Snehalaya" ITI School for Special Children (Intellectually Challenged).
- Maintenance of General Parks in ITI Township being used by General Public.
- 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.
- Facilities for persons with special abilities and socially backwards groups.
- Contribution to Armed Forces Flag day fund (AFFDF) as measures for benefits of armed forces.
- Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)

### 2. Composition of CSR Committee as on 31.03.2023:

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 Chandra Tiwari*	Director Marketing / Chairman of Committee	1	1
2.	Shri Rajeev Srivastava	Director Finance/ Member	2	2
3.	Smt Mamta Palariya	Independent Director / Member	2	2

\* Appointed as Member and Chairman of the Committee w.e.f. 01.09.2022

- The Composition of CSR Committee, CSR Policy and CSR projects of the Company are available on the website at: [https://www.itilttd.in/management\\_team](https://www.itilttd.in/management_team)  
<https://www.itilttd.in/csr>
- Details of Impact assessment of CSR projects carried out: **Not Applicable**
- 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**
- Average net profit of the Company as per section 135(5): **-665.00 Lakhs**
- Two percent of average net profit of the Company as per section 135(5): **Not Applicable**
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
  - Amount required to be set off for the financial year, if any: **NIL**
  - Total CSR obligation for the financial year (7a+7b-7c): **Not Applicable**
- CSR amount spent or unspent for the financial year:



Total Amount Spent for the Financial Year 2022-23 (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) 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 FY 2022-23:\*

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Amount spent for the project (in Rs)	Mode of Implementation Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR Reg. No.
1	Contributing to the need to eradicate poverty malnutrition	Health & Hygiene and Eradicating hunger (Item No. i of Sch VII)	Yes	Kerala	Palakkad	1,03,500.00	Yes	NA	NA
2	Promoting Education	Education (Item No. ii of Sch VII)	Yes	Kerala	Palakkad	10,000.00	Yes	NA	NA
3	Contribution to Armed Forces Flag Day Fund (AFFDF)	Schedule VII Item No. vi Measures for benefits of armed forces	Yes	Karnataka	Bangalore	5,00,000.00	Yes	NA	NA
					<b>Total</b>	<b>6,13,500.00</b>			

\* The company had voluntarily spent towards CSR activities during FY 2022-23

(d) Amount spent in Administrative Over heads	:	<b>NIL</b>
(e) Amount spent on Impact Assessment, if applicable	:	<b>NIL</b>
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	:	<b>6.13 Lakhs</b>
(g) Excess amount for set off, if any	:	<b>NIL</b>

Sl. No.	Particular	Amount (in Rs)
1	Two percent of average net profit of the Company as section 135(5)	<b>-13.3 Lakhs</b>
2	Total amount spent for the Financial Year	<b>6.13 Lakhs</b>
3	Excess amount spent for the financial year [(ii)-(i)]	<b>6.13 Lakhs</b>
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	<b>NIL</b>
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	<b>6.13 Lakhs</b>

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.	FY 2021-22	-	-	PM CARES FUND	11,46,045.40	29.09.2022	-
2.	FY 2020-21	-	-	PM CARES FUND	64,00,000.00	28.03.2022	-
3.	FY 2019-20	-	-	-	-	-	-



- (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  
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).

**Not Applicable for FY 2022-23**

For and on behalf of Board

Place: Bengaluru  
Date: 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045

## Annexure - 4

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Listed Entity	L32202KA1950GOI000640
2	Name of the Listed Entity	ITI Limited
3	Year of incorporation	1950
4	Registered office address	ITI Bhavan, Doorvani Nagar, Bengaluru - 560 016
5	Corporate address	ITI Bhavan, Doorvani Nagar, Bengaluru - 560 016
6	E-mail	cosecy_crp@itilttd.co.in
7	Telephone	+91 (080) 2561 4466
8	Website	<a href="https://www.itilttd.in/">https://www.itilttd.in/</a>
9	Financial year for which reporting is being done	FY 2022-23
10	Name of the Stock Exchange(s) where shares are listed	i. BSE Limited ii. National Stock Exchange of India Limited
11	Paid-up Capital	Rs 9,49,57,73,520/-
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shalini Ghatak, Company Secretary, Tel No.: +91 (080) 2561 7486, Email: cosecy_crp@itilttd.co.in
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis



## II. Products/services

### 14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacture of Telecom and its allied Product	4.06%
2	Service	Repair and Maintenance of Telecom and its allied Product	23.68 %
3	Projects	Implementation of Turnkey Projects	72.27%

### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacture of Telephone; other communication equipments; fibre optic cables, etc	26302; 26309; 27310	4.06%
2	Repair and maintenance of communication equipment; telecom network	95120; 95111; 61102	23.68 %
3	Turnkey Project & Other telecommunications activities	42202; 43213; 61900	72.27%

## III. Operations

### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Manufacturing Plants-06 Network System Unit-01	Corporate Office: 1; MSP-08	16
International	Nil	-	-

### 17. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	PAN India
International (No. of Countries)	Nil

#### b. What is the contribution of exports as a percentage of the total turnover of the entity? Nil

#### c. A brief on types of customers :

The following are the Customers of ITI for supply of various products, Services and Turnkey Products.

- Army, Navy, Indian Air Force and Ministry of Home Affairs
- PSU like BSNL (Bharat Sanchar Nigam Limited), MTNL (Mahanagar Telephone Nigam Limited, BBNL (Bharat Broadband Network), EESL (Energy Efficiency Services Limited), C-DoT (Centre for Development of Telematics), BEL (Bharat Electronics), NTPC (National Thermal Power Corporation),
- Central Government and State Government organizations like OPTCL (Odisha Power Transmission Corporation Limited), TANFINET (Tamil Nadu FibreNet Corporation Limited), MITCL (Maharashtra Information Technology Corporation Ltd), JCNL (Jharkhand Communication Network Limited), GFGNL (Gujarat Fibre Grid Network Limited). KSEDC (Karnataka State Educational Development Council), KITE (Kerala Infrastructure and Technology for Education), UREDA (Uttarakhand Renewable Energy Development Agency), BREDA (Bihar Renewable Energy Development Agency).
- Department of Post, DoS (Department of Space), DoAE (Department of Atomic Energy), Railways.
- Private customers like Banks, Schools, Universities, Hospitals, TCS, RIL (Rural infratel international limited), Aksentt, Keltron, Vodafone and Airtel.



#### IV. Employees

##### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1072	875	81.6%	197	18.3%
2.	Other than Permanent (E)	454	341	75.1%	113	24.8%
3.	<b>Total employees (D + E)</b>	1526	1216	79.6%	310	20.3%
<b>WORKERS</b>						
4.	Permanent (F)	245	221	90.2%	24	9.7%
5.	Other than Permanent (G)	347	248	71.4%	99	28.5%
6.	<b>Total workers (F + G)</b>	592	476	80.4%	123	20.7%

##### b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	11	10	90.9%	1	90.9%
2.	Other than Permanent (E)	1	0	0	1	100%
3.	<b>Total differently abled employees (D + E)</b>	12	10	83.3%	2	16.6%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	2	2	100%	0	0
5.	Other than permanent (G)	1	0	0	1	100%
6.	<b>Total differently abled workers (F + G)</b>	3	2	66.6%	1	33.3%

##### 14. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	03	33.33%
Key Management Personnel	05	02	40.00%

Details are provided as on 31<sup>st</sup> March 2023



**15. Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	299	27	326	304	23	327	584	51	635
<b>Permanent Workers</b>	46	6	57	73	4	77	165	16	181

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

**16. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether holding/ Subsidiary/Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	India Satcom Limited	Joint Venture	49%	No

**VI. CSR Details**

**17. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013 (Yes/No): Yes**

(ii) Turnover (in Rs) : Rs 15,88,61,97,265

(iii) Net worth (in Rs) : Rs 2,33,95,961.81

**VII. Transparency and Disclosures Compliances**

**18. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <sup>1</sup>	169	Nil	Nil	90	Nil	Nil
Investors (other than shareholders)	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes <sup>2</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers	Yes <sup>3</sup>	2	2		0	0	
Customers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Yes <sup>4</sup>	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)							

- Centralized Public Grievance Redress and Monitoring System (CPGRAMS) under the Ministry of Personnel, Public Grievances & Pensions, the Department of Administrative Reforms & Public Grievances <https://pgportal.gov.in/>
- The shareholders can lodge their grievances by sending email to [cosecy\\_crp@itiltd.co.in](mailto:cosecy_crp@itiltd.co.in)
- The employees and workers can lodge their grievances through [http://10.1.1.4/corp\\_hr/Docs/Grievance.Officers.pdf](http://10.1.1.4/corp_hr/Docs/Grievance.Officers.pdf)
- ITI deals with Defence Projects and Data Center services, therefore all the communications are through confidential mode as per the requirement of the Customers. Accordingly, no web-link is there for raising grievances. However, the partners can directly lodged their grievances by sending email to the Company.



**19. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environmental Footprint -Water management	Risk	Water shortages can disrupt Company's operations and disrupt its business. Company is manufacturing HDPE and OFC cables which requires huge amount of water consumption.	Employee education on saving water, more efficient use of water in campuses, Rain water harvesting, recycling of waste water.	Negative
2	Solar Green Energy	Opportunity	Company has installed solar Power Plant in all the manufacturing Units for total capacity of 5.4 MW which will enable saving by 25%. Also Company has supplied 62000 Nos of solar panels to GPoN Project, BBNL and various other customers; 15000 nos of solar street lights to UP Govt. Currently Company is executing BREDA project in the state of Bihar for supply of 40000 nos Solar street lights.	Nil	Positive

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7*	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.itild.in/">https://www.itild.in/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	No	Yes	Yes	Yes	Yes	-	Yes	Yes
*ITI Limited does not advocate influencing the public & regulatory policies for its gain, hence no policy is framed. If required, the Company may approach the appropriate authority through Trade Industry and Industry Chambers and Associations and other such collective forms.									
4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by you entity and mapped to each principle.	<ul style="list-style-type: none"> <li>The Company follows SEBI Regulations and DPE Guidelines on Corporate Governance and CVC Guidelines for ensuring ethical, transparent and accountable business conduct among others.</li> <li>ITI Units are certified to ISO 14001:2015 ; ISO 9001:2015; ISO 10002:2018;</li> <li>ITI Products are BIS; TEC; TSEC ; RDSO; NPCI Certified as applicable ensuring the standards to our customer.</li> <li>Some of the ITI Products are Trademark registered.</li> <li>ITI EMC Test labs are accredited by NABL.</li> </ul>								



5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Continuous upgrade and timely renewal of certifications are ensured wherever applicable.																																						
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable since Company ensures timely upgradation / renewal of Policy / Manuals / Certifications as applicable																																						
<b>Governance, leadership and oversight</b>																																							
<p><b>7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</b> (listed entity has flexibility regarding the placement of this disclosure)</p> <p>One of the Five Values of the Company is "we will integrate the environmental and social principles in our businesses, ensuring that what we generate goes back to the stakeholders." Our company has also coordinated our sustainability efforts along the value chain, plant operations and product development.</p> <p>ITI Limited being a Telecommunication company, we aim to create a sustainable future through environment conservation activities for the community. All emissions and waste generated is monitored as prescribed by the Pollution Control Boards. The Company is also actively promoting socioeconomic rejuvenation through targeted CSR activities such as healthcare, Skill Development for Employment Enhancement &amp; Self Employment, Education, Sanitation, Drinking Water, River Rejuvenation, Environment Sustainability and Sports Development etc.</p> <p>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. In addition to that Scrap Disposal Committee has been formed in the Units to dispose of various types of wastages generated under the general ambit of rules framed under the Environment (Protection) Act, 1986. The Industrial Wastages are disposed of through normal tendering procedure.</p> <p>Further, the Company is also subjected to various audit such as Energy Audit, Safety Audit, Quality Audit, Environmental Management System Audit relating to ESG principles, which helps the Company in determining the best course of action for energy conservation, reducing the amount of energy input, energy cost and carbon footprint.</p> <p>A major obstacle to the adoption of sustainable business practices is to encompass the ESG principles across all Units and MSPs offices. However, the Company regularly takes steps to create awareness on ESG principles by conducting various programmes and initiatives.</p> <p>ITI being a CPSE, the appointment of Directors are made by Govt. of India and the Company has no control over filling up of the vacancy within the stipulated time frame specified under the Act / Rules / Regulations, to comply the same.</p>																																							
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Rajesh Rai Chairman and Managing Director DIN: 10052045																																						
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Shri Rajesh Rai, Chairman and Managing Director is responsible for decision making on sustainability related issue.																																						
<b>10. Details of Review of NGRBCs by the Company:</b>																																							
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee																																						
	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>9</td> </tr> </table>	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	9
P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P																					
1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9	9																					
Performance against above policies and follow up action	All the policies of the Company are reviewed periodically or on a need basis by department heads /respective committees and placed before the Board of Directors as and when required. In the assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																																						
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	<table border="1"> <tr> <td>Complied except with respect to composition of the Board of Directors under SEBI (LODR) Regulations, due to non-appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the Ministry of Communications (MoC) for filling up the post and the same is pending with MoC/DPE.</td> <td>As and when required</td> </tr> </table>	Complied except with respect to composition of the Board of Directors under SEBI (LODR) Regulations, due to non-appointment of Independent Directors. Since, the Company is a CPSE, the appointment of directors has to be made by the concerned Administrative Ministry. Hence, the matter has been referred to the Ministry of Communications (MoC) for filling up the post and the same is pending with MoC/DPE.	As and when required																																				
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11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	<table border="1"> <tr> <td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td><td>P</td> </tr> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>9</td> </tr> </table>	P	P	P	P	P	P	P	P	P	P	1	2	3	4	5	6	7	8	9	9																		
P	P	P	P	P	P	P	P	P	P																														
1	2	3	4	5	6	7	8	9	9																														
	The Company is subject to various audits such as Statutory Audit, C&AG Audit, Cost Audit, Secretarial Audit, Energy Audit, Safety Audit, Quality Audit, Environmental Management System Audit, etc. These Audit ensure compliance to various internal and external policies.																																						

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:										
Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
The entity does not consider the Principles material to its business (Yes/No)	<b>Not Applicable</b>									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1** Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

<b>Essential Indicators</b>			
1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:			
Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	2	<ul style="list-style-type: none"> <li>• Orientation programme for Independent Directors (IDs)</li> <li>• Familiarization on operations of the Company</li> </ul>	100%
Key Managerial Personnel	1	Basic Certificate Program on Commercial Arbitration	20%
Employees other than BoD and KMPs	144*	<ul style="list-style-type: none"> <li>• Workshop on Business Ethics &amp; Values, Virtual meeting on Promoting Apprenticeship &amp; Finalizing Skill India 2.0;</li> <li>• Familiarization Programme for CSR Nodal Officers of CPSEs on CSR Module on PE Survey Portal and HR Discussions;</li> <li>• Right to Information (RTI) Act 2005,</li> <li>• Material Management,</li> <li>• Orientation Program for Newly Recruited Officers, Disciplinary Proceedings and Domestic Enquiry,</li> <li>• Government e-Marketplace (GeM),</li> <li>• 5G use cases in Manufacturing and Logistics sectors,</li> <li>• Train the Trainers - Advance Programme on IoT,</li> <li>• Ethics &amp; Leadership and along with this various webinars and workshops have been attended by employees.</li> </ul>	43.8%
Workers	5**	Refreshers training of Security Guards, Government e-Marketplace (GeM), Hindi Training, Seminar on Zero Accident and Basics on Computer.	27.3%
Note: * Other than BoD and KMPs. **Workers also attended the most of training and awareness programmes along with Employees other than BoD and KMPs.			



2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL				
Settlement					
Compounding Fee					

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed. **NIL**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:

The whistle Blower policy existing in the Company acts as an Anti - Corruption policy. Whistle blower policy aims to provide a channel to report genuine concerns about unethical behaviors actual or suspected fraud or violation codes of conduct or leak of price sensitive information.

The web link for the policy is given below:

<https://www.itild.in/Vigilance/Corp%20HR%20Policy%20Circular%20No%20557%20dated%2003%2004%202021-revised.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption: **NIL**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest: **NIL**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.: **NIL**

**PRINCIPLE 2 - Businesses should provide goods and services in a manner that is sustainable and safe**

Essential Indicators			
<b>1. Percentage of R&amp;D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&amp;D and capex investments made by the entity, respectively.</b>			
	<b>2022-23</b>	<b>2021-22</b>	<b>Details of improvements in environmental and social impacts</b>
R&D	NIL	NIL	NA
Capex	Nil	Nil	NA
<b>2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No) Yes</b>			
<b>b. If yes, what percentage of inputs were sourced sustainably?</b>			
100%. The Company is sourcing the raw material complied against various standards / certification as applicable.			
<b>3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.</b>			
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 authorized recyclers approved by the Pollution Control Board. Metal waste, waste oil, solvents and copper containing rejects are sent (100%) to authorize 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.			
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.			
<b>4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.</b>			
Not Applicable			

**PRINCIPLE 3 - Businesses should respect and promote the well-being of all employees, including those in their value chains**

Essential Indicators											
<b>1. a. Details of measures for the well-being of employees:</b>											
CATEGORY	% EMPLOYEES COVERED BY										
	Total	Group Life Insurance		Kalyankari Benefits		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	875	875	100%	875	100%	-	-	-	-	875	100%
Female	197	197	100%	197	100%	197	100%	-	-	197	100%
<b>Total</b>	<b>1072</b>	<b>1072</b>	<b>100%</b>	<b>1072</b>	<b>100%</b>	<b>197</b>	<b>18.4%</b>		<b>-</b>	<b>1072</b>	<b>100%</b>



CATEGORY	% EMPLOYEES COVERED BY										
	Total	Group Life Insurance		Kalyankari Benefits		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Other than permanent employees</b>											
Male	341	341	100%	341	100%	-	-	-	-	341	100%
Female	113	113	100%	113	100%	113	100%	-	-	113	100%
<b>Total</b>	<b>454</b>	<b>454</b>	<b>100%</b>	<b>454</b>	<b>100%</b>	<b>113</b>	<b>24.8%</b>		-	<b>454</b>	<b>100%</b>

**b. Details of measures for the well-being of employees:**

CATEGORY	% EMPLOYEES COVERED BY										
	Total	Group Life Insurance		Kalyankari Benefits		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	221	221	100%	221	100%	-	-	-	-	221	100%
Female	24	24	100%	24	100%	24	100%	-	-	24	100%
<b>Total</b>	<b>245</b>	<b>245</b>	<b>100%</b>	<b>245</b>	<b>100%</b>	<b>24</b>	<b>9.7%</b>		-	<b>245</b>	<b>100%</b>
<b>Other than permanent employees</b>											
Male	248	248	100%	248	100%	-	-	-	-	248	100%
Female	99	99	100%	99	100%	99	100%	-	-	99	100%
<b>Total</b>	<b>347</b>	<b>347</b>	<b>100%</b>	<b>347</b>	<b>100%</b>	<b>99</b>	<b>28.5%</b>		-	<b>347</b>	<b>100%</b>

**2. Details of retirement benefits, for Current FY and Previous FY.**

Category	FY 2022-23			FY 2021-2022		
Benefits	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total workers	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	30.4%	23.2%	N/A	24.1%	25.8%	24.1%
Gratuity	30.4%	23.2%	N/A	24.1%	25.8%	24.1%
ESI	N/A	N/A	N/A	N/A	N/A	N/A
Others - (PL Encash)	30.4%	23.2%	N/A	24.1%	25.8%	24.1%

**3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard. : YES

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

No separate policy existing. Rights of the persons with Disabilities are protected as per the applicable act.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**



Gender	Permanent Employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

All the female employees can report their complaints to Internal Complaints Committee framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and all the employees can report to Grievance Redressal Committee existing in their respective unit and they can submit their suggestions or complaints in suggestions box kept in the office premises.

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2022-2023			FY 2021-2022		
	Current Financial Year			Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union	% (D / C)
<b>Total Permanent Employees</b>	<b>1072</b>	<b>1072</b>	<b>100%</b>	<b>1358</b>	<b>1358</b>	<b>100%</b>
- Male	875	875	100%	117	117	100%
- Female	197	197	100%	211	211	100%
<b>Total Permanent workers</b>	<b>245</b>	<b>245</b>	<b>100%</b>	<b>307</b>	<b>307</b>	<b>100%</b>
- Male	221	221	100%	271	271	100%
- Female	24	24	100%	36	36	100%

**Note:** All the regular Non-officer & Officers can take the membership in ITI Employee Union & ITI OA respectively

**8. Details of training given to employees and workers:**

Category	FY 2022-23					FY 2021-22				
	Current Financial Year					Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
No. (B)		% (B/A)	No. (C)	No. (B)	No. (E)		% (E/D)	No. (F)	% (F/D)	
<b>Employee</b>										
Male	598	37	6.19	561	93.81	1773	115	6.49	1658	93.51
Female	175	15	8.57	160	91.43	568	55	9.68	513	90.32
<b>Total</b>	<b>773</b>	<b>52</b>	<b>6.74</b>	<b>720</b>	<b>93.26</b>	<b>2341</b>	<b>170</b>	<b>7.26</b>	<b>2171</b>	<b>92.74</b>
<b>Workers</b>										
Male	84	20	23.81	64	76.19	72	34	47.22	38	52.78
Female	34	0	0	34	100	66	12	18.18	54	81.82
<b>Total</b>	<b>118</b>	<b>20</b>	<b>16.95</b>	<b>98</b>	<b>83.05</b>	<b>138</b>	<b>46</b>	<b>33.33</b>	<b>92</b>	<b>66.67</b>


**9. Details of performance and career development reviews of employees and worker:**

Particulars	As on 31.03.2023			As on 31.03.2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>EMPLOYEES</b>						
Male	1283	1283	100%	1540	1540	100%
Female	308	308	100%	330	330	100%
<b>Total</b>	<b>1591</b>	<b>1591</b>	<b>100%</b>	<b>1870</b>	<b>1870</b>	<b>100%</b>
<b>WORKERS</b>						
Male	477	477	100%	557	557	100%
Female	109	109	100%	115	115	100%
<b>Total</b>	<b>586</b>	<b>586</b>	<b>100%</b>	<b>672</b>	<b>672</b>	<b>100%</b>

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**  
 Yes. All necessary safety protocols in accordance with extant rules have been incorporated to ensure optimum health & safety management of the employees.
- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**  
 Regular inspections and monitoring to ensure high safety management standards have been established.
- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**  
 Yes
- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**  
 Yes

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	<b>NIL</b>	<b>NIL</b>
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

- Safety Audit is conducted as per SAFE/114 procedure
- Work instructions & Safe Work Practices were made & readily available
- Safety Committee is created at all Units to review the adequacy of resources for safety
- Time to time safety training programmes are conducted to create awareness on safety



**13. Number of Complaints on the following made by employees and workers:**

Category	FY 2022-2023			FY 2021-2022		
	(Current Financial Year)			(Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

Every month, Safety Committee is conducting the audit as per SAFE/114 procedure.

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

At ITI Limited, hazards and risks are identified through various auditing and inspection process. Corrective actions are implemented to mitigate significant Health and Safety hazards according to the hierarchy of controls.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Key stakeholders are individuals, organizations, parties, or entities that influence our business, add value, or are critical elements of the value chain. Vendors, customers, employees, community and shareholders are some of our major stakeholders.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as vulnerable & marginalised Group (Yes/No)	Channel of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, website, Others)	Frequency of engagement of (Annually/Half Yearly/ Quarterly/others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Communities	No	Emails, letters, CSR initiatives	Ongoing/ Need basis	Engaging with local community for enhancing quality of life, skill developments training to make them self sufficient
Shareholders	No	Email, Newspapers, Advertisement, Stock Exchange, Website, Virtual meetings etc.	Ongoing	Shareholders meeting and Resolution of grievance
Employees and workers	No	Intranet, Email, SMS, Virtual Calls, In-person meetings, internal events, notice boards	Ongoing	Relevant business communication, Career, learning & growth and HR policies & practices
Customers	No	Emails, letter, meetings	Ongoing	Organizing conclave with Vendors, showcasing of products through various exhibitions



Stakeholder Group	Whether identified as vulnerable & marginalised Group (Yes/No)	Channel of Communication (Email, SMS, Newspaper, Pamphlets, Advertisements, Community Meetings, Notice Board, website, Others)	Frequency of engagement of (Annually/Half Yearly/Quarterly/others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Value Chain Partners	No	Email, website	Ongoing/Need basis	<ul style="list-style-type: none"> <li>Tender are hosted in Website.</li> <li>Procurement Plan for the interest of MSE vendors</li> <li>Open Tender available for Participation.</li> </ul>
Regulatory Authorities	No	Scheduled meetings, Regular liaisoning with Industry forums	Ongoing	<ul style="list-style-type: none"> <li>Discussion and inputs on regulations</li> <li>Business ethics</li> </ul>

**PRINCIPLE 5 - Businesses should respect and promote human rights**

Essential Indicators										
<b>1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: NIL</b>										
Category	FY 2022-23			FY 2021-22						
	Current Financial Year			Previous Financial Year						
	Total (A)	No. employees workers covered (B) of /	% (B / A)	Total (C)	No. employees workers covered (D) of /	% (D / C)				
<b>Employees</b>										
Permanent	1487	124	8.34%	1747	30	1.72%				
Other than permanent	45	0	0	45	0	0				
<b>Total Employees</b>	<b>1532</b>	<b>124</b>	<b>8.09%</b>	<b>1792</b>	<b>30</b>	<b>1.67%</b>				
<b>Workers</b>										
Permanent	392	12	3.06%	453	2	0.44%				
Other than permanent	194	1	0.52%	197	0	0				
<b>Total Workers</b>	<b>586</b>	<b>13</b>	<b>2.22%</b>	<b>650</b>	<b>2</b>	<b>0.31%</b>				
<b>2. Details of minimum wages paid to employees and workers, in the following format:</b>										
Category	Current Financial Year 2022-23					Previous Financial Year 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	1072	Nil	Nil	1072	100%	1358	Nil	Nil	1358	100%
Male	875	Nil	Nil	875	100%	1147	Nil	Nil	1147	100%
Female	197	Nil	Nil	197	100%	211	Nil	Nil	211	100%
<b>Other than Permanent</b>	454	38	8.3%	416	91.6%	434	45	9.6%	389	89.1%
Male	341	36	10.5%	305	89.4%	324	30	10.8%	294	90.1%
Female	113	2	1.76%	111	98.2%	110	15	7.3%	95	86.1%

Category	Current Financial Year 2022-23					Previous Financial Year 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Workers</b>										
Permanent	245	Nil	Nil	245	100%	307	Nil	Nil	307	100%
Male	221	Nil	Nil	221	100%	271	Nil	Nil	271	100%
Female	24	Nil	Nil	24	100%	36	Nil	Nil	36	100%
Other than Permanent	347	194	55.9%	153	44.1%	343	200	58.3%	143	41.6%
Male	248	136	54.8%	112	45.1%	267	151	56.5%	116	43.4%
Female	99	58	58.5%	41	41.4%	76	49	64.4%	27	35.5%

3. **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*	5	16,54,572/-	2	2,04,078
Key Managerial Personnel**	5	16,54,572/-	3	2,04,078
Employees other than BoD and KMP	1219	77,916.00/-	276	77,916.00/-
Workers	322	31,864.00/-	62	31,864.00/-

\*As on 31<sup>st</sup> March 2023, Five Functional Directors are there of which two are Women Director

\*\*As on 31<sup>st</sup> March 2023, Five Key Managerial Personnel (KMP) are there. However, the Functional Directors and Company Secretary who held the position of KMP and ceased to be director and KMP due to superannuation/resignation are also included.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? : NO**

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues: NO**

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2022-2023			FY 2021-2022		
	Current Financial Year			Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at work place	Nil	Nil	-	Nil	Nil	-
Child Labour						
Forced Labour/ Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human Rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

The Company has various policies such as Whistle Blower Policy, policy on Prevention of Sexual Harassment at Workplace (POSH), etc which protects the complainant from the adverse consequences in case of complaint file for discrimination or harassment.

8. **Do human rights requirements form part of your business agreements and contracts?**

YES. As per Company policy Human rights are taken care. Working hours for regular as well as for the contract employees are limited to 8 hours. Fundamental rights are ensured to be in line with Govt. policies.


**9. Assessments for the year:**

Assessments for the year	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. : NIL

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**
**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	115068786135.66 KJ	104870234635.78 KJ
Total fuel consumption (B)	314289212 KJ	297119269.6 KJ
Energy consumption through other sources (C)	3175859160 KJ	NIL
<b>Total energy consumption (A+B+C)</b>	<b>118558934507.84 KJ</b>	<b>105167353905.38 KJ</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	7.46 KJ/Rupee	5.06 KJ/ Rupee

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. Nil

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	352885	424980
(ii) Groundwater	6,88,579	12,76,588
(iii) Third party water	23760	46470
(iv) Seawater / desalinated water	NIL	NIL
(v) Others	97.2	97.2
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>10,90,381.2</b>	<b>17,99,905</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>10,90,381.2</b>	<b>17,99,905</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.00006864 KL/Rupee</b>	<b>0.00008664 KL/Rupee</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Nil

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	Mg/Nm <sup>3</sup>	63.92	78.01
SOx	Mg/Nm <sup>3</sup>	71.01	79.28
Particulate matter (PM)	Mg/Nm <sup>3</sup>	111.26	112.69
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please specify	NA	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

- Periodic Stack emission testing is done in Palakkad Unit by KSPCB Approved lab -M/s Standards Environmental & Analytical Laboratory, Ernakulam.
- Naini Unit is also subjected to testing by UP Pollution Board
- Bangalore Unit is also subjected to testing by M/s. Vsix Analytical Labs Pvt. Ltd.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	3305	3214
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	5132.6385	5087.45
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	Metric ton/ Rupee	0.0000005311	0.0000003996

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

ITI has established manufacturing facility for Solar Panel Manufacturing with annual capacity of 18 MWp. ITI has got BIS certification for Poly Crystalline Solar Modules from 40Wp to 325Wp validity up to July-2024.

ITI had supplied 47000 SPV System for BBNL/BSNL for Power-in GPON ONT/WiFi Access Equipment's and 20000 SPV System for Maha IT Project and Solarization of 71 BTS site of BSNL Telecom Towers.

ITI had installed 15350 Solar LED Smart Street Solar Lights in Uttarakhand and 40000 Nos of Smart LED Street Lights installation in BIHAR is under progress.

Under On Grid Utility Scale Solar System ITI had manufactured and supplied 18,955 Solar Panels (5.66 MW) of 325Wp for establishing the solar power plant at various units of ITI for captive use, 5625 Nos of 60Wp SPV panel to BBNL through GeM contract, 150 KW Grid Connected Solar Project for Tibetan University, Varanasi, 225 KW Grid Connected Solar Project for NAAC, Bangalore and 100 KW Grid connected Rooftop Solar Project for Safdarjung Hospital, New Delhi.

ITI had also executed 10 KW Off Grid Solar Project (Residential Rooftop Solar System) with Battery Backup for RTO, Jaipur and APS, Jhansi.

ITI is doing business in the area of renewable energy sources in line with the objective of Atmanirbhar Bharat is to create an ecosystem for Solar PV manufacturing in India, which reduce carbon emission progressively.



**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	120.57	49.675
E-waste (B)	49.471	2.448
Bio-medical waste (C)	0.071	0.0795
Construction and demolition waste (D)	60	208
Battery waste (E)	NIL	NIL
Radioactive waste (F)	NIL	NIL
Other Hazardous waste. Please specify, if any. (G)	14.69	8.58
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	44.35	54.225
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>289.152</b>	<b>323.0075</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	2.5	NIL
(ii) Re-used	NIL	NIL
(iii) Other recovery operations	NIL	NIL
<b>Total</b>	<b>2.5</b>	<b>NIL</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0.859	0.0675
(ii) Landfilling	10.936	8
(iii) Other disposal operations	NIL	NIL
<b>Total</b>	<b>11.795</b>	<b>8.0675</b>

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Palakkad Unit: Scrap Disposal Committee has been formed in the Unit to dispose of various types wastages generated under the general ambit of rules framed under the Environment (Protection) Act, 1986. The Industrial Wastages are disposed of through normal tendering procedure. Hazardous Waste/ Chemicals are handed over to KEIL (KERALA ENVIRO INFRASTRUCTURE LIMITED), a public limited Company established on the directive of the Supreme Court Monitoring Committee on hazardous waste for treatment and disposal of hazardous waste generated from industries in the State of Kerala. E-Wastages are disposed of through competitive tender to Kerala State Pollution Control Board approved agencies.

Mankapur Unit: The waste materials are disposed through MSTC. Hazardous & toxic chemical has not generated by the company.

Naini Unit: There is no usage/generation of hazardous and toxic chemicals in our products and processes.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied No.with? (Y/N). If no, the reasons thereof and corrective action taken, if any.
	NIL	NIL	NIL
	NIL	NIL	NIL



**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
	NIL	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL	NIL

**12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

Yes, the Company is 100% compliant with the applicable environmental law/ rules/ regulations/ guidelines in India.

**PRINCIPLE 7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S.No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Broadband India Forum (BIF)	National
2	India Electronics & Semiconductor Association (IESA)	National
3	Telecom Equipment & Services Exports Promotion Council (TEPC)	National
4	Standing Conference of Public Enterprise (SCOPE)	National
5	National Safety Council	National
6	Electronic Industries Association of India	National
7	Federation of Karnataka Chambers of Commerce & Industry	State

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities. : **NIL**

**PRINCIPLE 8 - Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
As per applicable laws, SIA is not applicable for any of the projects undertaken by the Company					



2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not Applicable as no projects on Rehabilitation and Resettlement is undertaken by the Company						

3. Describe the mechanisms to receive and redress grievances of the community

Complain can be received through Public Grievance Portal <https://pgportal.gov.in/Home/LodgeGrievance>

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	26.26 %	58.90 %
Sourced directly from within the district and neighbouring districts	NA	NA

**PRINCIPLE 9 - Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer Service Centre is operational in ITI Palakkad unit as well as in Network Service Units in Bangalore. 24\*7 customer complaints services are provided from these centers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Approx. 3.00% (Turnover from sales of Solar Panel, Smaash PC, Sanitary Napkin vending Machine)
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following: **NIL**

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Remarks Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	NA		Nil	NA	
Advertising	Nil	NA		Nil	NA	
Cyber-security	Nil	NA		Nil	NA	
Delivery of essential services	Nil	NA		Nil	NA	
Restrictive Trade Practices	Nil	NA		Nil	NA	
Unfair Trade Practices	Nil	NA		Nil	NA	
Other	Nil	NA		Nil	NA	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA



**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, ITI is having IT Security Policy which prescribes the application of safeguards to reduce the business risk arising due to lapses in Information Security. It is designed to protect corporate information and preserve the confidentiality, integrity, availability and value of Assets and assure the continued delivery of Services. ITI has framed and enacted the IT security policies to be followed by all employees across the organization in totality.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. :**

NIL

For and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045

## Annexure - 5

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### 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 FY20. 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 846.57 million in March 2023. The total wireless or mobile telephone subscriber base in the country is 1143.93 Million as on March 2023. 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.

Indian Economy has done well as far as fiscal deficit front of the government, which was 6.7 per cent of GDP during FY22 and is further budgeted to reach 6.4 per cent of GDP in FY23. Under the budget 2023, the government has allocated Rs 97579 Cr for the Department of Telecommunications. Indian Telecom service industries are expected to grow at a rate of 12-14% between Fiscal 2019-2024.

ITI is actively working for manufacturing of 4G LTE RAN to be deployed for BSNL network. ITI Limited has decided to contribute in the proliferation of indigenously manufactured 4G Mobile equipment and services in the Indian Telecom Space through participation in implementation of BSNL's 4G Network under Atma Nirbhar Bharat Mission.

The Government has set a target of 280 GW of installed solar capacity power generation by 2030. In a bid to push India's energy transition toward renewable sources, the union cabinet has allocated ₹19,500 crore for domestic manufacture of solar photovoltaic (PV) modules. ITI is planning for expansion of Solar Module manufacturing capacity from 18 MWP to 500 MWP. ITI Naini unit is working with focussed approach to target the requirements of the Solar Business and to expand market

reach and building up the local supply-chain eco-system in India thus generating more jobs and revenue.

The government has allocated Rs 21.58 billion for optical fibre cable-based network for defence services and Rs 7.16 billion for telecom projects in the northeastern states. Seeing the huge demand for OFC cable from Railways, BharatNet and Defense project, and for 5G projects ITI is planning for expansion of Optical Fiber Cable Manufacturing capacity to stay competitive in OFC market.

In spite of best efforts, ITI faced difficulties in delivering some of the products and systems, as per timelines, due to non-receipt of components, modules, assemblies etc, involving Semiconductor ICs both from Indian and foreign sources, as per the committed delivery timelines. Manufacturing of ONT, OLT 4G RAN were affected by the global semiconductor shortage. Meetings at Govt level were held and letters were sent to these chip manufacturers to shorten these logistic delays.

However, ITI is taking necessary actions like alternate sourcing/redesign co-ordination with Technology partner like C-DOT and proactive sourcing to shorten the procurement cycle time to manage the semiconductor shortage/delays.

### 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 AatmaNirbharBharat Abhiyan of Govt. promotes local production and aims to implement a Phased Manufacturing Program for designated product segments in Digital Communication Technologies. The growth in EMS market, presents an opportunity for Design-led manufacturing, which is given thrust by way of incentivization under schemes like PLI.



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.

5G Global Market is Growing and will be of the Order of 2.6 Trillion USD by 2026. 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 Backhuals 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.

**Current opportunities for ITI are the following :**

1. Government's emphasis on Make-In-India and Atmanirbhar Bharat for manufacture of Telecom and Electronic equipment.
2. Government plan to set up 100 labs to develop applications using the newly-launched 5G services to cover, applications such as smart classrooms, precision farming, intelligent transport systems, and healthcare.
3. Growing Telecom, Defence and security needs in the country.
4. BSNL 4G Network
5. ASCON Phase-IV project
6. Shifting of manufacturing focus of leading design houses across world towards India and select Asian countries as their manufacturing base.
7. Govt policy towards promotion of alternate energy sources like Solar, Electric Vehicles.
8. Opening up of Space electronics market for Indian industries.
9. Modernisation of BSNL Railways, Defence networks .
10. Growing market for areas such as, Smart City, Energy Storage Products, Data Centre , Network & Cyber Security, Solar based power plants, Defense market etc.
11. Govt. PLI scheme and promotion of indigenization.

**Threats:**

Currently, the Indian electronics industry is characterised by highly competitive industry wherein rapid technological change renders the huge investment done by OEMs and TSP out of date within short time span.

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

1. Telecommunications industry is highly competitive.
2. High financing cost for working capital.
3. Difficulty in sourcing of few critical and denied technologies.
4. Flexibility of Private Sectors to manoeuvre with Govt. policies
5. Manifold increase in competition from Indian private industry and foreign OEMs including their JVs in the Telecom Sector.

**III. Strengths and Weakness :**

**Strengths:**

1. State of the art infrastructure for manufacturing for complete range of telecom/ electronic products.
2. Decade of experience in Electronic equipment manufacturing and providing telecom turnkey solutions for creation of national network.
3. Excellent domain knowledge and core competencies in Telecom electronics.
4. Experience of deploying and maintenance of strategic telecom network infrastructure for Defence establishment on turnkey basis.
5. Capacity to execute end to end execution of Mega projects like BharatNet.
6. Cybersecurity infrastructure to provide various IT security services from ITI Tier-3 Data Centre.
7. In house R&D capability for development of Encryption products for defence.
8. Telecom testing labs for telecom equipment testing under the Department of Telecommunication's Mandatory Testing and Certification of Telecom Equipment (MTCTE) rules.
9. 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.
10. Capacity augmentation for indigenous manufacturing of 4G RAN.
11. Leveraging partnerships ecosystem for growth

**Weakness:**

1. Dependence on low Telecom order volume
2. Non-availability of skilled resource.
3. Long cycle time of component procurement
4. Time to Market Products- High
5. Fewer absorption of niche telecom technology/products.
6. Dependence on C-DOT for technology in certain segments.
7. Dependence on Technology Partners for key Technologies.
8. Lack of technology and development of Intellectual Property (IP), acts as a barrier to the growth.

#### IV. Future Outlook

The order book of ITI is about Rs 11,460.14 Crore on 30.06.2023. The Company has planned for a turnover of Rs 2648 Crore for FY 2023-24. 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 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 has received Purchase Order from BSNL for Planning, Engineering, Supply, Installation & Commissioning and AMC of 4G Mobile Network for 23,633 Sites in West Zone of BSNL Network. Other than being the SI to implement this project, ITI is planning to manufacture the 4G RAN equipment as well as requirements of other operators, for both 4G & 5G. This shows The Government's emphasis on 'Make in India' and 'Atmanirbharta' towards self-reliance in manufacturing and this provides great opportunity for import substitution and promoting innovative indigenous solutions for Telecom market. We will closely work with C-DOT, research and premier academic institutions and progressive technology partners for developing new products and systems in emerging technologies.

The continued support from the Government is helping ITI to manufacture products in different market domains in a big way. We will focus ourselves in building on our existing capabilities. Company is now manufacturing many new telecom products like High speed Wi-Fi Access Points, G-PON, OFC and Solar panel products. Company is working for development of new products like Electronic Voting machine (EVM) & Voter Verifiable Paper Audit Trail (VVPAT), Digital Mobile Radio (DMR), Compact TESD (Terminal End Secrecy Device) And Software Defined Radios. ITI has won contracts of BharatNet projects like TANFINET, Andaman and Nicobar OFC and IAF 4G LTE. In addition major focus has been given by the company for manufacturing of encrypted telecommunication equipment required for Defence sector.

ITI is continuously pursuing opportunities to expand business by capturing new customers in the existing and new geographies. We will pursue and focus business models like OPEX, Service model, and Government-owned Company Operated (GOCO) to increase our revenue margins. Currently our presence in international geographies are less but we will focus our strategy to create marketing offices to increase business opportunities in South East Asia, Middle East, and Africa by collaborating with other Indian companies and local partners.

While opportunities are many, we also anticipate challenges due to competition, geopolitical situations, changing policies and regulatory landscapes, emerging new technologies and evolving customer expectations. We will remain focused for increasing our business and with accepting new challenging assignments in future.

#### V. Risk Management:

The Enterprise Risk Management (ERM) framework implemented as part of Governance, Risk Management and Compliance (GRC) in the Company 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 structured process that involves:

- Identifying all external and internal risk-factors.
- Assessing the impact of these risks on the organization's business and financial targets.

- Prioritizing the identified risk-factors.
- Exploring various alternatives for treating these risks.
- Implementing controls and monitoring mechanisms for managing the risks.

ERM is an ongoing and dynamic process that requires iteration and adaptation to changing circumstances. The Company's ERM Manual is a well-structured framework having four layers of governance team's i.e.

- Level-1: URM (Unit Level Risk Management Committee)
- Level-2: ERMSC (ERM Steering Committee)
- Level-3: ERMGC (Enterprise Risk Management Governing Committee) or RMC (Risk Management Committee)
- Level-4: Risk Management Committee at Board Level.

These Committees are responsible to monitor the policy implementation across all the Units by flowing approved ERM Process, ERM Governance Structure, Roles and Responsibilities of the relevant stakeholders, formation of Risk Registers, provide their continuous contribution to operation of ERM in all the units of Company.

The establishment and maintenance of the ERM framework is facilitating effective decision making process at different levels of the Company. The Risk Register maintained by the Company includes standalone risks identified for the Corporate as well as any significant risks from the Units that merit attention of the Corporate, which will be regularly be presented and reviewed by the Task Force Committee.

All the Units submit and update ERM Risk Register to the ERM Steering Committee (ERMSC). As part of the policy operation ERMSC have conducted monthly risk management review meetings on 23<sup>rd</sup> September 2022, 21<sup>st</sup> October 2022, 24<sup>th</sup> November 2022 and 31<sup>st</sup> January 2023 with all the Units (URM). In the Risk Management Committee Meeting and the Board Meeting held on 10<sup>th</sup> February 2023 and 13<sup>th</sup> February 2023, the high priority risks and mitigation plans proposed were reviewed.

As framed in the ERM Manual, Risk Management activities will be carried out on an ongoing basis as part of the routine business operations.

#### VI. Human Resources

As on 31<sup>st</sup> March 2023, your Company had a total employee strength of 2118 as compared to 2442 at the end of the previous year. The detailed information on material developments in Human Resources/ Industrial front is given in Directors' Report.

#### VII. 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 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.

#### VIII. Financial Performance

Your Company has achieved a sales turnover of Rs 1589 crore for the year ended 31<sup>st</sup> March 2023, as compared to Rs 2077 crore in the



previous year. The detailed information on financial performance with respect to operational performance is given in Directors' Report.

**IX. Details of Significant changes in Key Financial Ratios**

S. No.	Particulars	FY 2022-23	FY 2021-22	Reasons for variations
1.	Debtors Turnover	0.50	0.63	Decrease primarily on account of decrease in turnover.
2.	Inventory Turnover	6.89	9.07	Due to increase in average inventory and also due to decrease in Cost of Goods sold
3.	Interest Coverage Ratio	-0.98	1.72	Decrease was primarily due to negative EBIT during the current year, even though there was increase in finance cost
4.	Current Ratio	0.97	1.01	Though increase in Inventory but escalation in the current liability mainly in borrowings has resulted in slightly reduction in Current Ratio.
5.	Debt Equity Ratio	0.81	0.64	Due to increase in the borrowings and slight reduction in the equity has resulted increase.
6.	Operating Profit Margin (%)	-9.10%	6.40%	Reduction in the total income and due to operating loss also.
7.	Net Profit Margin (%)	-25.81%	6.45%	Reduction in the total income and due to loss also.

**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 significant change in the return on Net Worth compared to the immediately preceding financial year, the ratio has become negative due to loss during the FY 2022-23.

**X. 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.

**XI. Technological conservation, Renewable energy developments, Foreign Exchange conservation:**

Relevant information in this regard is disclosed in the Directors' Report.

**XII. 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 and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045

## **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:**

**(a) 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.

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

**(b) 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 has established 5600 KW Solar Power Plant at all Production units, Corporate Office and MSP-Lucknow for meeting the captive requirements.

**B. TECHNOLOGY ABSORPTION**

**(i) Efforts made towards Technology Absorption**

- a) Joint development with CAIR DRDO for 1GE IP Encryptor for NATGRID.
- b) Joint development with SAC-ISRO/RCI-DRDO for IRNSS-RS receiver for Defence.
- c) Joint development of VHP (Versatile Hardware Platform) with CAIR DRDO

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

The following R&D Products were productionised, which contributed for more than Rs 9.1 Cr turnovers to the Company.

- a) Encryption products - TESD, SESD, Ananda BEU MKII
- b) Field Telephones

- c) Technical support for ASCON Phase IV :Proof of Concept (PoC)

**(iii) Imported Technology**

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

**(iv) R&D Expenditure**

a) Capital	Rs 3.67 Crore
b) Revenue	Rs 13.79 Crore
<b>TOTAL</b>	<b>Rs 17.46 Crore</b>

Total R&D Expenditure as a percentage of total turnover is 1.25% (turnover excluding GST) and 1.10% (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:  
Foreign Exchange Earning : Nil  
Foreign Exchange Outgo : Rs 21.13 crore

For and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
**Chairman and Managing Director**  
**DIN: 10052045**



## 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 2023, the ITI Board comprised 10 Directors represented by 5 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. The Company does not have sufficient 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, 2023 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 2022-23, last Annual General Meeting (AGM) are furnished below:

Name of Director & Director Identification Number	Designation	Total Board Meetings		Attendance at the last AGM	Other Directorship held in Public Companies	Other Committee memberships held <sup>14</sup>	
		Held during tenure of Director	Attended during tenure of Director			As member	As Chairperson
<b>Functional Directors</b>							
Shri Rakesh Mohan Agarwal <sup>1</sup> DIN: 07333145	Chairman and Managing Director	1	1	NA	NA	NA	NA
Shri D Venkateswarlu <sup>2</sup> DIN: 08605954	Director Production & Addl. charge Director HR & CMD	3	3	NA	NA	NA	NA
Shri Anand Singh <sup>3</sup> DIN: 01784114	Chairman and Managing Director (Addl Charge)	1	1	Yes	NA	NA	NA
Shri Rajesh Rai <sup>4</sup> DIN: 10052045	Chairman and Managing Director	0	0	NA	Nil	Nil	Nil
Shri Rakesh Chandra Tiwari <sup>5</sup> DIN: 08953397	Director Marketing	8	8	Yes	1	2	0
Shri Rajeev Srivastava DIN: 08921307	Director Finance & Chief Financial Officer	8	8	Yes	1	1	0
Smt R Vasanthi <sup>6</sup> DIN: 10059129	Director Production (Addl Charge)	0	0	NA	Nil	Nil	Nil
Smt S Jeyanthi <sup>7</sup> DIN:	Director HR (Addl Charge)	0	0	NA	Nil	Nil	Nil
<b>Government Directors</b>							
Lt Gen Milind N Bhurke <sup>8</sup> DIN: 09168118	Government Director	1	0	NA	NA	NA	NA
Lt Gen M Unnikrishnan Nair <sup>9</sup> DIN: 09826740	Government Director	3	3	NA	Nil	Nil	Nil
Dr Rajesh Sharma <sup>10</sup> DIN: 08200125	Government Director	4	4	Yes	NA	NA	NA
Shri R Shakya <sup>11</sup> DIN: 09800172	Government Director	3	3	NA	Nil	Nil	Nil



Name of Director & Director Identification Number	Designation	Total Board Meetings		Attendance at the last AGM	Other Directorship held in Public Companies	Other Committee memberships held <sup>14</sup>	
		Held during tenure of Director	Attended during tenure of Director			As member	As Chairperson
<b>Independent Directors</b>							
Dr Raja Nayak <sup>12</sup> DIN: 06451006	Independent Director	8	8	Yes	Nil	2	1
Shri Billeswar Sinha DIN: 09393543	Independent Director	8	5	NA	Nil	1	0
Smt Mamta Palariya <sup>13</sup> DIN: 07749007	Independent Director	8	8	NA	Nil	1	1

**Note:**

- Shri Rakesh Mohan Agarwal ceased to be Chairman and Managing Director of the Company upon attaining the age of superannuation on 30<sup>th</sup> June 2022.
- Shri D Venkateswarlu, Director Production was entrusted the additional charge of Director HR from 29<sup>th</sup> December 2021 till 31<sup>st</sup> August 2022 and of Chairman and Managing Director from 07<sup>th</sup> July 2023 till 31<sup>st</sup> August 2022. Shri D Venkateswarlu ceased to be Director of the Company upon attaining the age of superannuation on 31<sup>st</sup> August 2022.
- Shri Anand Singh, Joint Secretary (T) was entrusted with additional charge of Chairman and Managing Director from 01<sup>st</sup> September 2022 till 30<sup>th</sup> September 2022.
- Shri Rajesh Rai was appointed as Chairman and Managing Director of the Company w.e.f. 21<sup>st</sup> February 2023 (F/N)
- Shri Rakesh Chandra Tiwari was entrusted with additional charge of Chairman and Managing Director from 01<sup>st</sup> October 2022 till 21<sup>st</sup> February 2023 (F/N)
- Smt R Vasanthi was entrusted with additional charge of Director Production w.e.f. 28<sup>th</sup> February 2023
- Smt S Jeyanthi was entrusted with additional charge of Director HR w.e.f. 28<sup>th</sup> February 2023
- Lt Gen Milind N Bhurke ceased to be Director of the Company upon attaining the age of superannuation on 30<sup>th</sup> June 2022.
- Lt Gen M Unnikrishnan Nair, AVSM, SM, Signal Officer-in Chief was appointed as Government Director of the Company w.e.f. 16<sup>th</sup> December 2022
- Dr Rajesh Sharma ceased to be Government Director of the Company w.e.f. 17<sup>th</sup> November 2022
- Shri R Shakya was appointed as Government Director of the Company w.e.f. 23<sup>rd</sup> November 2022
- Dr Raja Nayak is the Chairman of Stakeholders Relationship Committee.
- Smt Mamta Palariya is the Chairperson of Audit Committee.
- 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 2023.
- 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. In view thereof, the Board of the Company has not identified any such core skills or expertise or competence required by a Director as required under Listing Regulations.

**(d) Independent Directors:**

- The Independent Directors on the Board have registered with the Indian Institute of Corporate Affairs as notified under Section 150(1) of the Companies Act, 2013.
- During the year under review, no Independent Director has resigned from the Company.
- 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/Familiraisation%20programme-Independent%20Directors\\_updated\\_18\\_07\\_2022.pdf](https://www.itild.in/Investor%20information/2022/Familiraisation%20programme-Independent%20Directors_updated_18_07_2022.pdf)
- Separate Meeting of Independent Directors :**  
A separate meeting of Independent Directors was held on 11<sup>th</sup> November 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 Affairs. It is affirmed that in the opinion of the Board, the Independent Directors fulfil the conditions specified in Companies Act, 2013 and Listing Regulations and are independent of the Management.

**(e) Dates of Board Meetings:**

During the year under review 8 Board Meetings were held on :

25 <sup>th</sup> May 2022	26 <sup>th</sup> July 2022	10 <sup>th</sup> August 2022
28 <sup>th</sup> September 2022	11 <sup>th</sup> November 2022	30 <sup>th</sup> December 2022
01 <sup>st</sup> February 2023	13 <sup>th</sup> February 2023	

**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 2023, the Audit Committee comprised of following directors:

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

During the year ended 31<sup>st</sup> March 2023, 5 Audit Committee meetings held on 25<sup>th</sup> May 2022, 10<sup>th</sup> August 2022, 27<sup>th</sup> September 2022, 11<sup>th</sup> November 2022 and 13<sup>th</sup> February 2023.

During the year under review, there was no change in membership of the Committee. The details of attendance for Audit Committee meetings are as follows:

Name of the Member	Meetings held during tenure of Director	Meetings attended during tenure of Director
Smt Mamta Palariya	5	5
Shri Rakesh Chandra Tiwari	5	5
Dr Raja Nayak <sup>10</sup>	5	5
Shri Billeswar Sinha	5	5

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 per the provisions of Section 178 of the Companies Act, 2013, Regulation 19 of Listing Regulations (except to the extent of exemptions provided to Government Companies). Being a Government Company, the appointment, terms and conditions of appointment of Directors on the Board of the Company is as per the Directives of Government of India.

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 and as per DPE Guidelines for performance related pay.

As on 31<sup>st</sup> March 2023, NRC comprised of :

- Shri Billeswar Sinha, Independent Director - Chairman;
- Smt Mamta Palariya, Independent Director - Member;
- Dr Raja Nayak, Independent Director - Member and
- Shri R Shakya, Government Director - Member

During the year ended 31<sup>st</sup> March 2023, the NRC meeting was held on 09<sup>th</sup> August 2022 and 10<sup>th</sup> February 2023.

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 tenure of Director	Meetings attended during tenure of Director
Shri Billeswar Sinha	2	2
Smt Mamta Palariya	2	2
Dr Rajesh Sharma <sup>1</sup>	1	1
Dr Raja Nayak <sup>2</sup>	1	1
Shri R Shakya <sup>3</sup>	1	1

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 17.11.2022

<sup>2</sup> Inducted as Member of the Committee w.e.f. 12.10.2022

<sup>3</sup> Inducted as Member of the Committee w.e.f. 23.11.2022

**REMUNERATION OF DIRECTORS**

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

The remuneration paid to Whole-time Directors for the financial year 2022-23 are as follows:

(Amt in Rs)

Name of the Director	Designation	Salary	Perquisites	PF contribution	Total
Shri Rakesh Mohan Agarwal <sup>1</sup>	Chairman and Managing Director	7,32,337	99,829	55,058	8,87,224
Shri Rajesh Rai <sup>2</sup>	Chairman and Managing Director	3,78,173	-	33,417	4,11,590
Shri D Venkateswarlu <sup>3</sup>	Director Production and Addl. Charge of Chairman and Managing Director & Director HR	40,30,043	97,954	78,784	42,06,781
Shri Anand Singh <sup>4</sup>	Chairman and Managing Director (Addl. Charge)	-	-	-	-
Shri Rajeev Srivastava	Director Finance, CMD	19,22,405	2,74,074	2,25,441	24,21,920
Shri Rakesh Chandra Tiwari	Director Marketing	37,41,676	5,48,662	3,07,256	45,97,594
Smt R Vasanthi <sup>5</sup>	Addl Charge Director Production	1,83,450	-	20,628	2,04,078
Smt S Jeyanthi <sup>6</sup>	Addl Charge Director HR	1,83,450	-	20,628	2,04,078





1. Shri Rakesh Mohan Agarwal ceased to be Chairman and Managing Director of the Company upon attaining the age of superannuation on 30<sup>th</sup> June 2022.
2. Shri Rajesh Rai appointed as Chairman and Managing Director w.e.f. 21<sup>st</sup> February 2023
3. Shri D Venkateswarlu ceased to be Director Production & additional charge Director HR and Chairman and Managing Director of the Company upon attaining the age of Superannuation on 31<sup>st</sup> August 2022.
4. Shri Anand Singh held the additional charge of Chairman and Managing Director from 01<sup>st</sup> September 2022 till 30<sup>th</sup> September 2022. During this period Shri Anand Singh did not draw any remuneration from the Company.
5. Smt R Vasanthi was entrusted with additional charge of Director Production w.e.f. 28<sup>th</sup> February 2023
6. Smt S Jeyanthi was entrusted with additional charge of Director HR w.e.f. 28<sup>th</sup> February 2023

**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 2022-23, 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, etc.

**(iii) Independent Directors' compensation**

The Independent Directors are not paid any remuneration except sitting fees of Rs 10,000/- per meeting for attending meetings of the Board and Committees thereof. The sitting fees paid during the year 2022-23 are as under:

in Rs

Name of the Director	Board Meeting	Committee Meeting	Total
Smt Mamta Palariya	80,000	1,00,000	1,80,000
Dr Raja Nayak	80,000	1,00,000	1,80,000
Shri Billeswar Sinha	50,000	80,000	1,30,000

- (iv) The remuneration of senior management just one below the level of Board of Directors, appointment or removal of them including Chief Financial Officer 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 being ITI Limited a Government Company, the powers relating to appointment, evaluation and the terms of Directors vests with the Government of India. Such performance 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.
- (vii) During FY 2022-23, Smt S. Shanmuga Priya, Company Secretary has resigned from the services of the Company w.e.f. 09<sup>th</sup> March 2023.

**c. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee ("SRC") looks into various aspects of interest of shareholders. The Committee ensures in servicing and protecting the interests of shareholders, maintaining cordial investor relations and overseeing the mechanism to review and redress investors' grievances. The Committee oversees and reviews the performance of Registrar and Share Transfer Agent and action taken by the Company.

The terms of reference and the composition of the SRC is in terms with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

As on 31<sup>st</sup> March 2023, SRC comprised of

- i. Dr Raja Nayak, Independent Director- Chairman;
- ii. Shri Rajeev Srivastava, Director Finance- Member; and
- iii. Shri Rakesh Chandra Tiwari, Director Marketing- Member

The Company Secretary acts as the Compliance Officer of the Company.

During the year ended 31<sup>st</sup> March 2023, one SRC meeting was held on 27<sup>th</sup> March 2023 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
Dr Raja Nayak	1	1
Shri Rakesh Mohan Agarwal <sup>1</sup>	NA	NA
Shri D Venkateswarlu <sup>2</sup>	NA	NA
Shri Rajeev Srivastava <sup>3</sup>	1	1
Shri Rakesh Chandra Tiwari <sup>4</sup>	1	1

<sup>1</sup> Ceased to be Member of the Committee w.e.f. 30.06.2022

<sup>2</sup> Ceased to be Member of the Committee w.e.f. 31.08.2022

<sup>3</sup> Inducted as Member of the Committee w.e.f. 01.07.2022

<sup>4</sup> Inducted as Member of the Committee w.e.f. 01.09.2022

The Company endeavours to resolve complaints / grievances / queries of stakeholders / investors within a reasonable period of time. During the financial year 2022-23, 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.itiltd.in](http://www.itiltd.in) under the 'Investors' page. The website provides updates on financial statements, investor related events and presentations, annual reports, shareholding pattern along with media releases, and report on Corporate Governance, etc.

**d. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

The Board has constituted the Corporate Social Responsibility (CSR) Committee to recommend, monitor and administer activities under the CSR Policy and to also oversee its performance / implementation. The terms of reference and composition of the CSR Committee are as specified in section 135 of the Companies Act, 2013 read with Rules made thereunder.



As on 31<sup>st</sup> March 2023, the Committee comprised of:

- Shri Rakesh Chandra Tiwari, Director Marketing- Chairman;
- Shri Rajeev Srivastava, Director Finance- Member; and
- Smt Mamta Palariya, Independent Director- Member

During FY 2022-23, two CSR Committee Meeting was held on 09<sup>th</sup> August 2022 and 13<sup>th</sup> February 2023 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 <sup>1</sup>	NA	NA
Shri D Venkateswarlu <sup>2</sup>	1	1
Shri Rajeev Srivastava	2	2
Smt Mamta Palariya	2	2
Shri Rakesh Chandra Tiwari <sup>3</sup>	1	1

<sup>1</sup> Ceased to be Member and Chairman of the Committee w.e.f. 30.06.2022

<sup>2</sup> Appointed as Chairman of the Committee w.e.f. 07.07.2022 and ceased to be Member and Chairman of the Committee w.e.f.31.08.2022

<sup>3</sup> Appointed as Member and Chairman of the Committee w.e.f. 01.09.2022

The CSR Policy is hosted on the website of the Company on the link <https://www.itilttd.in/csr>. The CSR Report, as required under the Companies Act, 2013 for the year ended 31<sup>st</sup> March 2023 is annexed to the Directors' 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 Listing Regulations.

As on 31<sup>st</sup> March, 2023, the Risk Management Committee comprised of:

- Shri Rajeev Srivastava, Director Finance- Chairman
- Dr Raja Nayak, Independent Director- Member
- Shri Rakesh Chandra Tiwari, Director Marketing- Member
- Smt R Vasanthi, General Manager Operations- Member
- Smt S Jeyanthi, Head of Projects and Planning- Member

During FY 2022-23 two Risk Management Committee Meeting was held on 26<sup>th</sup> August 2022 and 10<sup>th</sup> February 2023 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 tenure of Director	Meetings attended during tenure of Director
Shri D Venkateswarlu <sup>1</sup>	1	1
Shri Rajeev Srivastava <sup>2</sup>	2	1
Shri Rakesh Chandra Tiwari	2	2
Dr Raja Nayak	2	2
Smt R Vasanthi	2	2
Smt S Jeyanthi <sup>3</sup>	2	2
Smt Ila Bahadur <sup>4</sup>	NA	NA

<sup>1</sup> Ceased to be Member and Chairman of the Committee w.e.f. 31.08.2022

<sup>2</sup> Appointed as Chairman of the Committee w.e.f. 01.09.2022

<sup>3</sup> Appointed as Member of the Committee w.e.f. 06.06.2022

<sup>4</sup> Ceased to be Member of the Committee w.e.f. 06.06.2022

#### 4. GENERAL BODY MEETINGS

##### a. Details of last three AGMs of the Company :

The date, time, venue of the previous AGMs, Special resolution passed during the last three years are given below:

Financial Year	Date & Time	Venue	Special Resolution(s) passed
2019-20	04 <sup>th</sup> December 2020 at 11.30 a.m.	The AGM was held Online through Video	No
2020-21	10 <sup>th</sup> November 2021 at 11.30 a.m.	Conferencing (VC) / Other Audio-Visual Means (OAVM)	No
2021-22	28 <sup>th</sup> September 2022 at 11.30 am	Conferencing (VC) / Other Audio-Visual Means (OAVM)	<ul style="list-style-type: none"> <li>Appointment of Dr Raja Nayak (DIN: 06451006) as an Independent Director of the Company.</li> <li>Appointment of Shri Billeswar Sinha (DIN: 09393543) as an Independent Director of the Company.</li> <li>Appointment of Smt Mamta Palariya (DIN: 07749007) as an Independent Director of the Company.</li> </ul>

##### b. Extraordinary General Meetings :

No Extraordinary General Meeting of the Members was held during the year 2022-23.

**c. Postal Ballot :**

**i. Details of Special Resolutions passed through Postal Ballot:**

During the year under review no special resolution was passed through postal ballot.

**ii. Details of voting pattern :**

Particulars of business	Votes in favour of the resolution			Votes against the resolution		
	No. of Members votes	No. of votes cast by them	% of No. of valid votes	No. of Members votes	No. of votes cast by them	% of No. of valid votes
Appointment of Shri R Shakya (DIN: 09800172), DDG (PM), Ministry of Communications as Government Director of the Company	161	85,65,54,541	99.96	18	3,42,011	0.04
Appointment of Lt Gen M Unnikrishnan Nair (DIN: 09826740), AVSM, SM, Signal Officer-in-Chief, Ministry of Defence as Government Director of the Company	162	85,65,03,998	99.95	19	3,92,605	0.05

**iii. Person who conducted the aforesaid postal ballot exercise:**

Shri D Venkateswarlu, Practicing Company Secretary (FCS: 8554), being the scrutinizer for the Postal Ballot had conducted the postal ballot in a fair and transparent manner.

**iv. Whether any special resolution proposed to be passed through postal ballot :**

No Special Resolution is currently proposed to be passed through postal ballot.

**v. Procedure for postal ballot :**

The Postal Ballot was carried out as per the provisions of Sections 108, 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rules made thereunder, Regulation 44 of the Listing Regulations, Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, and in accordance with the requirements prescribed by the Ministry of Corporate Affairs vide General Circular dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 15<sup>th</sup> June 2020, 28<sup>th</sup> September 2020, 31<sup>st</sup> December 2020, 23<sup>rd</sup> June 2021, 08<sup>th</sup> December 2021, 05<sup>th</sup> May, 2022 and other relevant circulars and notifications issued by the Ministry of Corporate Affairs (MCA Circulars).

The Board of Directors of the Company have appointed Shri D. Venkateswarlu (Membership No. 8554 COP No. 7773), Practicing Company Secretary to act as the Scrutinizer for conducting the Postal Ballot process, in a fair and transparent manner.

The Company had availed the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting platform for Postal Ballot voting.

In compliance with the aforesaid MCA Circulars, Notice of the Postal Ballot was sent on 28<sup>th</sup> December, 2022, in electronic mode through e-voting agency CDSL to the Members, whose name(s) appeared on the Register of Members/ List of beneficiaries as on Friday, 23<sup>rd</sup> December 2022. Assent or dissent of the Members on the resolutions contained therein were sought only through remote e-voting.

The remote e-voting period was commenced from Thursday, 29<sup>th</sup> December 2022 at 09:00 a.m. IST and ended on Friday, 27<sup>th</sup> January 2023 at 05.00 p.m. IST.

Shri D. Venkateswarlu, Practicing Company Secretary, the Scrutinizer for Postal Ballot submitted his report dated 30<sup>th</sup> January 2023 to the Chairman and Managing Director of the Company. All the resolutions as mentioned in the Postal Ballot Notice dated 22<sup>nd</sup> December 2022 was passed with requisite majority.

The results of Postal Ballot through remote e-voting were declared on Monday, 30<sup>th</sup> January 2023, by Chairman and Managing Director of the Company and submitted to the Stock Exchanges where the equity shares are listed and also uploaded on the website of the Company and e-voting website of CDSL.

**5. MEANS OF COMMUNICATIONS**

**Quarterly/ Annual Results:**

The audited/unaudited financial results are announced 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 Rashtramath (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 and at 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.

### Availability of Dispute Resolution Mechanism at Stock Exchanges:

The SEBI vide circular issued 30<sup>th</sup> May 2022 has issued Standard Operating Procedure (SOP), as per which in case of dispute between the Shareholder(s)/ investor(s) of the Company and the Registrar and Transfer Agent, the dispute can be referred to the Stock Exchange for resolution after exhausting all actions for resolutions complaints including those received through SCORES portal. The SEBI issued another circular dated 27<sup>th</sup> January 2023 for generating awareness on availability of Dispute Resolution Mechanism at Stock Exchange. Pursuant to the said circular, RTA has sent intimation to the physical shareholders on the same and action taken report on that was submitted to the SEBI.

The shareholders are advised to avail the facility of Dispute Resolution Mechanism of Stock Exchanges in case of any dispute with the Company or RTA.

### 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 31<sup>st</sup> March 2023 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 CMD is enclosed as Annexure -b to this report.

## 7. CODE FOR PREVENTION OF INSIDER TRADING

The Company has put in place "ITI code of conduct to Regulate, Monitor and Report Trading by Designated persons and immediate relatives of designated persons "and for fair disclosure" (Insider Trading Code), in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, for dealing in securities of ITI Limited.

The objective of the Insider Trading Code is to prevent purchase/sale of shares of the Company based on Unpublished Price Sensitive Information (UPSI). Under the Insider Trading Code, an Insider (connected person or a person in possession of UPSI) either on his own behalf or on behalf of any other person is prohibited to deal in the Company's shares when in possession of UPSI. Further the designated

persons are also not allowed to trade in the securities of the Company during the closure of trading window period. To deal in securities of the Company beyond the specified limit, permission of Compliance Officer shall be required.

All designated persons are required to disclose related information periodically as defined in the Insider Trading Code. The 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).

## TRADING WINDOW

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.itilttd.in/noc\\_of\\_trading\\_window](https://www.itilttd.in/noc_of_trading_window).

## 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 Annual report.

## 10. DISCLOSURES

(a) 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 Policy on Related Party Transactions is available on the website of the Company at [https://www.itilttd.in/codes\\_and\\_policies](https://www.itilttd.in/codes_and_policies).

### (b) NON-COMPLIANCES/STRICTURES/PENALTIES DURING THE LAST THREE YEARS

During FY 2022-23, the Company has complied with the requirements of Listing Regulations and DPE Guidelines except for the following :

### Non-compliance with provisions of Regulation 17 of Listing Regulations:

- 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 i.e. inadequate number of Independent Directors on the Board and was imposed monetary penalty for the same.
- The Company regularly pursues with Ministry of Communications for appointment of requisite number of Independent Directors so as to ensure compliance with Corporate Governance norms stipulated in the Listing Regulations and DPE Guidelines.
- Between 01<sup>st</sup> October 2022 till 16<sup>th</sup> December 2022, the Board composition was 6 Directors including 3 independent Directors and hence was in compliance with the Listing regulations. Accordingly, the Company had filed application dated 30<sup>th</sup> November 2023, for waiver of penalty of Rs 1,02,23,520/- imposed by both the Stock Exchanges up to 30<sup>th</sup> September 2022 for non-compliance with Listing Regulations.
- In response to the application for Waiver of penalty of Rs 1,02,23,520/-, the Company has received letter dated 01<sup>st</sup> March 2023 from NSE favorably accepting the request to waive fine imposed till 30<sup>th</sup> September 2022.
- Pursuant NSE and BSE circular dated 31<sup>st</sup> March 2022 wrt processing of waiver applications by the Exchanges in case of commonly listed entities, the decision of NSE will be binding on all other Exchanges which have levied penalties on the Companies for the same non-compliance.
- However, as on 31<sup>st</sup> December 2022 and 31<sup>st</sup> March 2023, the composition of Board of Directors was again non-compliant with Listing Regulations due to inadequate number of Independent Directors on the Board. In this regard, the Stock Exchanges has imposed fine to the Company for non-compliance of SEBI Regulations. The Company regularly submits its representations to the Stock Exchange, since being Government Company the power to appoint directors vests with Government of India.

There were no other penalties or strictures imposed on the Company by Statutory Authorities for non-compliance related to 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 in exceptional cases. During the year, no person was denied access to the Audit Committee. The Whistleblower Policy is available on the website of the Company at <https://www.itilttd.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 Auditor.

#### (e) ADOPTION OF NON-MANDATORY REQUIREMENTS

- i. 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.
- ii. 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 Listing Regulations, 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.itilttd.in](http://www.itilttd.in) for the information of shareholders and other investors. Hence the financial results are not being sent individually to the shareholders.
- iii. The consolidated financial statement is disclosed with modified audit opinion.
- iv. 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

As part of revival package approved by Cabinet Committee on Economic Affairs (CCEA), the Company received Capex from the Administrative Ministry from the budgetary allocation against which equity shares are allotted to President of India on preferential basis. The details of equity shares issued to the President of India against the Capex receipt is given below :

- Rs 71.56 crore capex was received towards CAPEX on 31<sup>st</sup> March 2022 against which 83,21,279 equity shares were issued on 25<sup>th</sup> May 2022 at Rs 86.00 per shares.
- Rs 80 crore was received towards CAPEX on 06<sup>th</sup> August 2022 against which 77,33,204 equity shares were issued on 28<sup>th</sup> September 2022 at Rs 103.45 per shares.
- Rs 107 crore was received towards CAPEX on 23<sup>rd</sup> March 2023 against which 1,13,09,586 equity shares were issued at Rs 93.40 per share.

Detailed fortnight report on CAPEX utilization is being sent to Ministry of Communications, Administrative Ministry.



**(i) CERTIFICATION 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 31.03.2023, from being appointed or continuing as directors of Company is enclosed as **Annexure - a** with this report

**(j) RECOMMENDATIONS OF COMMITTEES:**

During the financial year 2022-23, the Board has accepted all the recommendation of the Board Committees.

**(k) DETAILS OF TOTAL FEES PAID TO STATUTORY AUDITORS**

The total fees paid to the Statutory Auditors for all services rendered by them to the Company during 2022-23 was Rs 15,25,000 plus GST.

**(l) GUIDELINES ON CORPORATE GOVERNANCE BY DPE**

No Presidential Directives have been received during FY 2022-23 and also in last 3 years.

The General Administrative expenses are 4% of the total expenses during 2022-23 which was 2% as that of previous year.

**11. GENERAL SHAREHOLDER INFORMATION**

**a) AGM for Financial Year 2023**

Date : 28<sup>th</sup> September 2023

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 28<sup>th</sup> December 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 2023-24 is given below:

Adoption of Quarterly Results for the quarter ending on	Tentative date of the meeting of the Board
30.06.2023 (with limited review by Statutory Auditors)	On or before 14.08.2023
30.09.2023 (with limited review by Statutory Auditors)	On or before 14.11.2023
31.12.2023 (with limited review by Statutory Auditors)	On or before 14.02.2024
31.03.2024 (audited)	On or before 30.05.2024

**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	Tel: 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	Tel: 022-26598100-8114 Fax: 022-26598120 E-mail: ignse@nse.co.in Website: www.nseindia.com	ITI

The Company had paid listing fee for 2022-23 to BSE and NSE

**d) Custodian Fees**

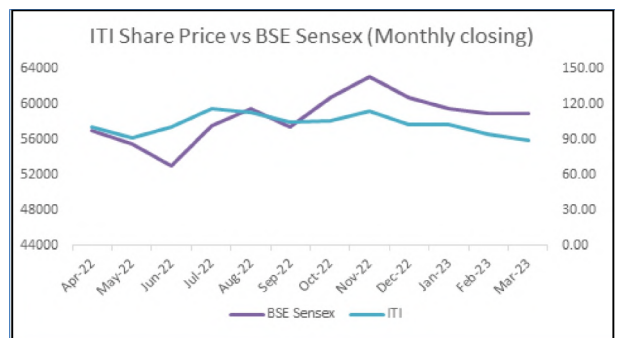
Custodian Fee to NSDL and CDSL for Company's equity, bearing the code INE248A01017, was paid for the Financial Year 2022-23.

**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 (in lakhs)	High Price	Low Price	Volume (in lakhs)
Apr-22	106.20	96.30	6.41	106.25	95.60	39.91
May-22	102.00	80.35	14.09	100.70	81.00	185.76
Jun-22	114.10	81.00	44.32	114.20	81.70	817.24
Jul-22	129.50	97.00	79.23	129.65	96.85	1386.04
Aug-22	124.75	110.90	14.09	124.80	110.70	254.25
Sep-22	117.50	100.05	14.72	117.65	100.00	233.73
Oct-22	111.90	99.75	8.30	111.95	99.70	89.70
Nov-22	118.00	107.90	14.09	118.10	107.85	228.75
Dec-22	118.90	96.50	7.51	119.00	96.50	86.54
Jan-23	111.45	99.30	7.01	111.45	99.45	128.93
Feb-23	105.85	93.25	14.09	105.80	93.30	78.78
Mar-23	99.90	86.50	11.68	99.95	86.55	304.38

**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 2023 to 28<sup>th</sup> September 2023 (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, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru - 560003,

Phone No. : 080-23460815-818

Fax : 080-23460819

E-Mail : irg@integratedindia.in

**i) Share Transfer System**

In terms of Regulation 40(1) of Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. A summary of transfer/ transmission of securities are noted at subsequent Board Meetings.

Pursuant to the Regulation 40 (10) of Listing Regulation-2015, certificate on yearly basis confirming due compliance of share transfer formalities by the Company, certificate for timely dematerialization of the shares as per SEBI (Depositories and Participants) Regulations, 2018 are sent to the stock exchanges.

In addition, a Reconciliation of Share Capital Audit Report confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL, is submitted to stock exchanges and is also placed before the Board on a quarterly basis.

**j) Shareholding as on 31<sup>st</sup> March 2023:**

**i. Categories of shareholding as on 31<sup>st</sup> March 2023:**

Sr. No.	Particulars	No. of Shareholders	No. of Shares	% to total
1.	Promoter- President of India	1	85,59,12,566	90.14
2.	Promoter Group - Governor of Karnataka	1	3,12,500	0.03
3.	<b>Institutions:</b>			
	Mutual Fund	9	1,09,900	0.01
	FII's	19	7,56,001	0.08
	Financial Institutions /Banks	16	31,695	0.00
	Insurance Companies	1	800	0.00
4.	<b>Central Government:</b>			
	Special National Investment Fund (SNIF)	1	7,31,32,976	7.70

5.	<b>Non-Institutions:</b>			
	Individuals	74,996	1,79,05,278	1.88
	NRI	489	3,16,445	0.03
	Bodies Corporate	277	9,13,355	0.10
	Clearing Members	67	1,20,365	0.01
	LLP	7	59,451	0.01
	Trusts	2	6020	0.00
	<b>Total</b>	<b>75,886</b>	<b>94,95,77,352</b>	<b>100.00</b>

**ii. Distribution of Shareholding as on 31<sup>st</sup> March 2023**

Sl. No	Description	Holders	% of Holders	Holdings	% of Holdings
1	1-500	69,504	91.59	73,43,951	0.77
2	501-1000	3,739	4.93	30,71,144	0.32
3	1001-2000	1,580	2.08	24,14,436	0.25
4	2001-3000	420	0.55	10,74,046	0.11
5	3001-4000	181	0.24	6,55,179	0.07
6	4001-5000	161	0.21	7,58,885	0.08
7	5001-10000	194	0.26	14,01,859	0.15
8	10001 & above	107	0.14	93,28,57,852	98.24
	<b>TOTAL</b>	<b>75,886</b>	<b>100.00</b>	<b>94,95,77,352</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') 93,96,63,497 shares and Central Depository Services (India) Limited ('CDSL') 93,03,681 shares in dematerialized mode. 6,10,174 equity shares are held in physical form.

The Company has a shareholders base of 75,886 as on 31<sup>st</sup> March 2023.

99.94% 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 manufacturing units at Bengaluru in the State of Karnataka, Palakkad Unit in the State of Kerala, Rae Bareli, Naini and Mankapur Units in the State of Uttar Pradesh and Srinagar Unit 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) Details of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad:**

During the year under review, the Company had obtained following credit ratings:

S. No.	Name of Rating Agency	Rating	Date of Rating
1.	ICRA Limited	Long Term Rating: [ICRA] BBB - Short Term Rating: [ICRA] A3 Outlook: Stable	10.03.2022
2.	ACUITE Ratings & Research Limited	Long Term Rating: ACUITE BBB + Short Term Rating: ACUITE A2 Outlook: Stable	08.09.2022
3.	Brickwork Long Ratings India Pvt. Ltd.	Term Rating: BWR BBB+Short Term Rating: BWR A2 Outlook: Stable	03.03.2023

**o) Disclosures with respect to demat suspense account/ unclaimed suspense account:**

As on 31<sup>st</sup> March 2023, 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, 2023, no amount is 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**

The Secretarial Audit for FY 2022-23, was conducted by Shri K N Nagesha Rao, 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 31<sup>st</sup> March 2023 issued by Shri D Venkateswarlu, Practicing Company Secretary was filed with the Stock Exchanges within the prescribed time.

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 report on Compliance with the requirements of Corporate Governance as per the prescribed format to the Ministry of Communications and Stock Exchanges within 15 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 96% for the year 2022-23.

For and on behalf of Board

**Rajesh Rai**

Chairman and Managing Director

DIN: 10052045

Place: Bengaluru

Date : 11<sup>th</sup> August 2023



## 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 of**  
**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 Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my knowledge and based on the information and explanations furnished to me by the Company & its officers and according to the following verifications made:

- i. Documents available on the website of the Ministry of Corporate Affairs;
- ii. Verification of Directors Identification Number (DIN) status on the website of the Ministry of Corporate Affairs;
- iii. Disclosures provided by the Directors to the Company; and
- iv. Debarment list of the BSE Limited and the National Stock Exchange of India Limited

I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31<sup>st</sup> March 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority as on 31<sup>st</sup> March 2023.

S No	Name of the Director	DIN	Date of appointment in the Company
1.	Shri Rakesh Mohan Agarwal <sup>1</sup>	07333145	08.06.2016
2.	Shri Anand Singh <sup>2</sup>	01784114	01.09.2022
3.	Shri Rajesh Rai <sup>3</sup>	10052045	21.02.2023
4.	Shri Duvvuri Venkateswarlu <sup>4</sup>	08605954	07.11.2019
5.	Shri Rajeev Srivastava	08921307	15.10.2020
6.	Shri Rakesh Chandra Tiwari	08953397	07.01.2021
7.	Smt R Vasanthi <sup>5</sup>	10059129	28.02.2023
8.	Smt Sethuraman Jeyanthi <sup>6</sup>	10059174	28.02.2023
9.	Lt Gen Milind Narayanrao Bhurke <sup>7</sup>	09168118	07.05.2021
10.	Lt Gen Madhavan Unnikrishnan Nair <sup>8</sup>	09826740	16.12.2022
11.	Dr. Rajesh Sharma <sup>9</sup>	08200125	14.08.2018
12.	Shri Radhacharan Shakya <sup>10</sup>	09800172	23.11.2022
13.	Dr. Raja Nayak	06451006	10.11.2021
14.	Smt Mamta Palariya	07749007	10.11.2021
15.	Shri Billeswar Sinha	09393543	10.11.2021

1. Completed term as Chairman & Managing Director on 30<sup>th</sup> June 2022.
2. Appointed as Chairman and Managing Director from 01<sup>st</sup> September 2022 till 30<sup>th</sup> September 2022.
3. Appointed as Chairman and Managing Director of the Company w.e.f. 21<sup>st</sup> February 2023
4. Completed term as Director Production/ Addl Charge, Director HR and Chairman and Managing Director on 31<sup>st</sup> August 2023
5. Entrusted the additional charge of Director Production w.e.f. 28<sup>th</sup> February 2023.
6. Entrusted the additional charge of Director HR w.e.f. 28<sup>th</sup> February 2023.
7. Completed term as Government Director on 30<sup>th</sup> June 2022



8. Appointed as Government Director of the Company w.e.f. 16<sup>th</sup> December 2022

9. Ceased to be Government Director of the Company w.e.f. 17<sup>th</sup> November 2022

10. Appointed as Government Director of the Company w.e.f. 23<sup>rd</sup> November 2022

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: 3<sup>rd</sup> July 2023

**D VENKATESWARLU**  
Practicing Company Secretary  
FCS: 8554 :: CP: 7773  
UDIN: F008554E000563196  
PR No: 1617 / 2021

## Annexure - b

### DECLARATION

As provided under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2023.

For and on behalf of Board

Place: Bengaluru  
Date : 11<sup>th</sup> August 2023

**Rajesh Rai**  
Chairman and Managing Director  
DIN: 10052045

## Annexure - c

### CEO / CFO CERTIFICATION

*(Issued in accordance with provision of Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015)*

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 2023 and that to the best of our knowledge and belief, we state that:

- (a) (i) These statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading.
- (ii) These statements present a true and fair view of your Company's affairs and are in compliance with existing accounting standards and / or 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
  - o Significant changes in internal controls during the year covered by this report.
  - o 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.
  - o 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.

Place: Bengaluru  
Date: 11<sup>th</sup> August 2023

**Rajeev Srivastava**  
Director Finance &  
Chief Financial Officer  
DIN: 08921307

**Rajesh Rai**  
Chairman and  
Managing Director  
DIN: 10052045

## Annexure - d

# CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Members of ITI Limited**

I, D Venkateswarlu, Practicing Company Secretary have examined the compliance conditions of Corporate Governance of ITI Limited (CIN: L32202KA1950GOI000640) ('the Company'), for the year ended March 31, 2023, 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, 2023 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 sufficient independent directors on the Board during the FY 2022-23 except for the period from 01-10-2022 to 16-12-2022.*

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: 4<sup>th</sup> July 2023

**D VENKATESWARLU**  
Practicing Company Secretary  
FCS: 8554 :: CP: 7773  
UDIN: F00855YE000568058  
PR No: 1617 / 2021



## AWARDS

ITI Limited received 'Official Language Performance Excellence Award' on 25.07.2022 for the year 2021-22 by Town Official Language Implementation Committee (Undertaking), Bangalore for progressive use of Hindi language and implementation of Official Language Policy at its Corporate Office.



On the occasion of receiving the first prize 'Kanchan' by ITI Limited Corporate Office for excellent performance in official language implementation for the year 2021-22 by the Town Official Language Implementation Committee (Undertaking), Bengaluru, Shri. Jonathan Wheeler, Member Secretary of the Official Language Implementation Committee of the Company, was awarded a Certificate along with a memento on 25.07.2022 by the President of TOLIC for his valuable contribution.



## EVENTS

### Lieutenant General Milind N Bhurke, AVSM, VSM Signal Officer-in-Chief, and Government Director Visits ITI Limited

Lieutenant General Milind N Bhurke, AVSM, VSM Signal Officer-in-Chief, and Government Director, ITI Limited visited ITI Corporate Office on June 9, 2022. He held discussions with Shri R M Agarwal, CMD, ITI Limited, Shri D. Venkateswarlu, Director (Production) and Additional Charge Director (HR), Shri Rajeev Srivastava, Director (Finance), and Shri Rakesh Chandra Tiwari, Director (Marketing) and Senior Officers and reviewed the progress of ongoing projects.



### Shri Harwesh Bhatia, Member (Services), DCC Visits ITI Limited



Shri Harwesh Bhatia, Member (Services), Digital Communications Commission (DCC) along with Dr. Rajesh Sharma, DDG (SU), Shri P K Singh, DDG (SA) and Shri Mukesh Mangal, DDG (SA-II) from DoT, Ministry of Communications, Government of India visited ITI Bangalore Plant July 7, 2022. Shri Harwesh Bhatia, Member (Services) along with DoT officials witnessed the facilities of



ITI Bangalore Plant at SMT Line, 4G Hangar, Telecom Testing Lab, R&D Centre, DATA Centre and Startup HUB during the visit.

Shri Harwesh Bhatia, Member (Services), Dr. Rajesh Sharma, DDG (SU), Shri P K Singh, DDG (SA) and Shri Mukesh Mangal, DDG (SA-II) also visited ITI Corporate Office. Shri D. Venkateswarlu, Additional Charge CMD & Director (Production) gave an overview of the Company and reviewed the status of ongoing projects in the presence of Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) and Senior Officers.

### ITI Limited Inks Memorandum of Understanding with C-DoT



An Memorandum of Understanding was signed between ITI Limited and Centre for Development of Telematics (C-DoT) at ITI Corporate Office on July 7, 2022. The signed agreement was exchanged by Shri D. Venkateswarlu, Additional Charge CMD and Director (Production) and Shri Daniel Jebaraj, Director (C-DoT) in the presence of Shri Harwesh Bhatia, Member (Services), DCC, Dr. Rajesh Sharma, DDG (SU), Shri P K Singh, DDG (SA) and Shri Mukesh Mangal, DDG (SA-II) from DoT, Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) from ITI Limited and Shri R Prakash, Group Leader-4G Projects, C-DoT. The signed agreement aims to establish a framework of cooperation for Technology transfer of LTE/ LTE-A/ 4G technology based Wireless Communication Systems that will provide networks of upcoming technologies to different telecom service providers in the country and also address business opportunities globally. ITI will produce the 4G upgradable to 5G Radio Access Network (RAN) and related equipment. The MoU will bring synergy between the two organizations and focuses to drive the 'Make in India', and 'Aatmanirbhar Bharat' initiatives of the Government of India.

### Ms. Aprajita Sharma, DDG (BPF) Visits ITI Limited



Ms. Aprajita Sharma, DDG (BPF) visited ITI Limited on June 11, 2022. Shri D. Venkateswarlu, Director (Production) and Additional Charge Director (HR) gave an overview of the Company and highlighted the progress of ongoing



projects in the presence of Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) and Senior Officers during her visit to ITI Corporate Office. Ms. Aprajita Sharma, DDG (BPF) also visited ITI Bangalore Plant. She was taken around the facilities of the plant at Telecom Testing Lab, SMT Line, R&D Centre and Data Centre accompanied by Brig. B C Sharma, GM-B and R&D, Unit Head, ITI Bangalore Plant, Smt Ila Bahadur, EDR (Projects & Operations) and Senior Officers.

### ITI Limited Observes World Blood Donor Day 2022

ITI Limited observed World Blood Donor Day with the theme 'Donating blood is an act of solidarity. Join the effort and save lives' on June 14, 2022. To mark the day, a blood donation pledge was administered by Shri D. Venkateswarlu, Director (Production) & Additional Charge Director (HR) in English, and Shri Rakesh Chandra Tiwari, Director (Marketing) in Hindi to all the Employees at its Corporate Office.



### Lieutenant General Basant Kumar Repswal, AVSM, VSM, Commandant, Army Service Corps Centre and College, Bangalore Visits ITI Limited

Lieutenant General Basant Kumar Repswal, AVSM, VSM, Commandant, Army Service Corps Centre and College, Bangalore visited ITI Corporate Office on June 15, 2022. He held discussions with Shri D. Venkateswarlu, Director (Production) and Additional Charge Director (HR), Shri Rajeev Srivastava, Director (Finance), and Shri Rakesh Chandra Tiwari, Director (Marketing) and Senior Officers and reviewed the progress of ongoing projects.



### Dr. Rita Bahuguna Joshi, Hon'ble Member of Parliament, Lok Sabha Visits ITI Limited



Dr. Rita Bahuguna Joshi, Hon'ble Member of Parliament, Lok Sabha visited ITI Limited on August 28, 2022. Dr. During the visit, Dr. Rita Bahuguna Joshi witnessed the facilities of the plant at SMT Line, 4G Hangar, EVM's Hangar, Telecom Testing Lab, R&D Centre, DATA Centre, and Startup HUB.



Dr. Rita Bahuguna Joshi also visited ITI Corporate Office. During the visit, a presentation was made highlighting the performance of the Company and status of ongoing projects in the presence of Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), Shri B. Kasiviswanathan, CVO, and Senior Officers.

### ITI Limited Celebrates 76<sup>th</sup> Independence Day

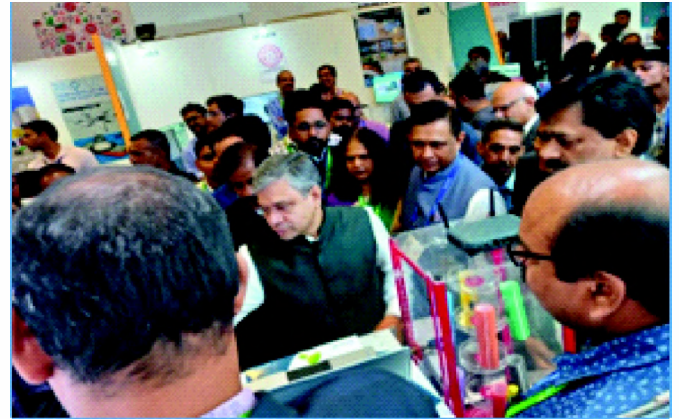


ITI Limited commemorated 75<sup>th</sup> anniversary of India's Independence - Azadi Ka Amrit Mahotsav and celebrated the 76<sup>th</sup> Independence Day with great fervor and patriotism at its Corporate Office on August 15, 2022. Shri D. Venkateswarlu, Additional Charge CMD, and Director (Production), 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 Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), Shri B. Kasiviswanathan, CVO, Senior Officers, Employees & family members, representatives of Employees' Union and Officers' Association at its Corporate Office, Bengaluru.

## ITI Limited Participates in India Mobile Congress 2022

ITI Limited participated in the 6<sup>th</sup> edition of India Mobile Congress 2022 (IMC 2022), the largest digital technology festival in Asia which was organized by Department of Telecommunications (DoT), Government of India, in association with Cellular Operator Association of India from October 1 to October 4, 2022 at Pragati Maidan, New Delhi. ITI Limited showcased its Products and Services like OFC, HDPE Duct, Solar Panels, Telecom product portfolio of 4G RAN,

GPON, Encryptors for Defense, Laptops, Smash PCs under 'Aatmanirbhar Bharat', 'Make in India' and 'Digital India' initiatives of GoI in the event. Hon'ble Minister for Communications, Electronics & Information Technology and Railways, Shri Ashwini Vaishnav visited the ITI stall and had glimpses of the products displayed.



**Shri Ashwini Vaishnav, Hon'ble Minister for Railways, Communications, Electronics & IT visits ITI Stall at India Mobile Congress 2022, New Delhi**

## Dr. Mahesh Shukla, Member (Services), Digital Communications Commission (DCC) Visits ITI Limited

Dr. Mahesh Shukla, Member (Services), DCC and Shri Hemendra Kumar Sharma, Director (PSU-II), DoT, Ministry of Communications, GoI visited ITI Limited on September 5, 2022. During the visit, Dr. Mahesh Shukla and Shri Hemendra Kumar Sharma were taken around the facilities of the plant at Telecom Testing Lab, EVM's Hangar, New PCB Plant, SMT Line, R&D Centre, Data Centre, and Startup HUB.

Dr. Mahesh Shukla, Member (Services), DCC and Shri Hemendra Kumar Sharma, Director (PSU-II), DoT also visited ITI Corporate Office. During their visit, a presentation was made on the overview of the Company in the presence of Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), and Senior Officers.





## Shri Anand Singh, IAS, Joint Secretary (Telecom), DoT and CMD, ITI Limited Visits ITI Limited

Shri Anand Singh, IAS, Joint Secretary (Telecom), DoT and CMD, ITI Limited visited ITI Corporate Office on September 8, 2022. Shri Anand Singh, CMD, ITI Limited held discussions with Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing) in the presence of Shri B. Kasiviswanathan, CVO and Senior Officers.

Shri Anand Singh, CMD, ITI Limited also visited ITI Bangalore Plant and witnessed the facilities of the plant at Telecom Testing Lab, EVM's Hangar, 4G Hangar, SMT Line, PCB Plant, R&D Centre, Data Centre, Startup HUB and ITI Hospital.



## ITI Limited Observes National Constitution Day

ITI Limited observed National Constitution Day at Corporate Office and across its Manufacturing Plants/Units to commemorate the adoption of the Constitution of India on November 26, 2022. The day aimed to create awareness of fundamental duties of citizens as enshrined in the Constitution. To mark the

day, a Preamble of Constitution was read by Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing) in English, followed by Shri Rajeev Srivastava, Director (Finance) in Hindi along with Officers and Employees at ITI Corporate Office.





## ITI Limited Participates in Bengaluru Tech Summit 2022

ITI Limited has participated in Bengaluru Tech Summit 2022 held at Bangalore Palace from November 16 to 18, 2022. ITI has showcased its Products and Services like Telecom Products 4G RAN, GPON, Indigenously developed Defence Products, Laptop/Mini PC's, OFC, HDPE Duct, Solar Modules etc., at VoICE Consortium, Stall No-T33-T35A. Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing), Shri Rajiv Dubey, GM-B and R&D, Unit Head, ITI Bangalore Plant and Senior Officers interacted with the visitors at the stall.



## ITI Limited Observes Swachhata Pakhwada

ITI Limited observed Swachhata Pakhwada at Corporate Office and across its Manufacturing Plants/Units to create awareness of cleanliness among employees from November 16 to 30, 2022. To begin the observation of Swachhata Pakhwada, a Swachhata Pledge was administered by Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing) in Hindi, followed by Shri Rajeev Srivastava, Director (Finance) in English to Officers and Employees at ITI Corporate Office.



## Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing) Inaugurates 1200 KW Captive Solar Power Plant

Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing) inaugurated 1200 KW Captive Solar Power Plant in the presence of Shri Rajeev



Srivastava, Director (Finance), Shri Rajiv Dubey, GM-B and R&D, Unit Head, ITI Bangalore Plant, Senior Officers and Employees at ITI Bangalore Plant on December 27, 2022.

## Study Visit of the Standing Committee on Communications and Information Technology (2022-23) to Hyderabad, Bengaluru, Pune and Mumbai from January 19 to January 24, 2023

A study visit of the Standing Committee on Communications and Information Technology (2022-23) to Hyderabad, Bengaluru, Pune and Mumbai was organized from January 19 to January 24, 2023. As part of the study visit, the Standing Committee Members of Parliament, Shri Kartikeya Sharma, Shri Karti P Chidambaram, Shri Sanjay Seth, Dr. John Brittas, Dr. Anil Agrawal and Shri Nishant Mehra, Deputy Secretary, Shri Arjun Choudhry, Executive Officer and other Standing Committee Members under the Chairmanship of Shri Prataprao Jadhav visited Taj Hotel, MG Road, Bangalore on January 21, 2023.



During their visit they held discussions on the subject 'Review of Indian Telecom Industries (ITI) and its modernization' with Shri Bijoy Kumar Nath, DDG (SU) and Shri Hemendra K Sharma, Director (PSU-II) from DoT, Ministry of Communications, GoI and Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing), Shri Rajeev Srivastava, Director (Finance), and Senior Officers from ITI Limited.



## Shri Uma Shanker Pandey, Adviser and OSD to Member (Services), DoT Visits ITI Limited



Shri Uma Shanker Pandey, Adviser and OSD to Member (Services), DoT, Ministry of Communications, GoI visited ITI Limited on January 23, 2023.



During the visit to ITI Corporate Office, a presentation was made highlighting the performance of the Company and status of ongoing projects in the presence of Shri Rajeev Srivastava, Director (Finance), and Senior Officers. Shri Uma Shanker Pandey also visited ITI Bangalore Plant and inspected the facilities of the plant at Telecom Testing Lab in the presence of Shri Rajeev Srivastava, Director (Finance), Shri T S Sudhakar, GM-B and R&D, Unit Head, ITI Bangalore Plant and Senior Officers.

### ITI Limited Celebrates 74<sup>th</sup> Republic Day



ITI Limited celebrated nation's 74<sup>th</sup> Republic Day with great fervor and enthusiasm at Corporate Office and across its Manufacturing Plants/Units on January 26, 2023. Shri Rakesh Chandra Tiwari, Additional Charge CMD, and Director (Marketing), ITI Limited hoisted the national flag after inspecting the guard of honour which was followed by salute and national anthem in the presence Shri Rajeev Srivastava, Director (Finance), Shri B. Kasiviswanathan, CVO, Senior Officers, representatives of Employees' Union and Officers Association, Officers, Employees & family members at its Corporate Office, Bengaluru.

### Shri Rajesh Rai, CMD, ITI Limited Inaugurates 1 MW Grid Connected Solar PV Power Plant at ITI Palakkad Plant

Shri Rajesh Rai, CMD, ITI Limited inaugurated 1 MW Grid Connected Solar PV Power Plant in the presence of Shri K V Nagaraj, GM-PKD, Unit Head, ITI Palakkad Plant and Senior Officers at ITI Palakkad Plant on March 13, 2023.



### Shri Satinder Kumar Jain, Sr. DDG (SU), DoT Visits ITI Limited

Shri Satinder Kumar Jain, Sr. DDG (SU), DoT, Ministry of Communications, GoI visited ITI Limited on April 15, 2023. During the visit, Shri Satinder Kumar Jain was taken around the facilities of Bangalore Plant at SMT Line, 4G Hangar, PCB, HDPE Duct, Telecom Testing Lab, 3D Printing, R&D Centre, Data Centre and Startup Hub.



Shri Satinder Kumar Jain also visited ITI Corporate Office. On the occasion, Shri Rajesh Rai, CMD, ITI Limited highlighted the progress of ongoing projects in the presence of Shri Rajeev Srivastava, Director (Finance), Shri Rakesh Chandra Tiwari, Director (Marketing), Smt Jeyanthi S, Additional Charge Director (HR), Smt Vasanthi R, Additional Charge Director (Production) and Senior Officers.



### ITI Limited Celebrates International Women's Day 2023

ITI Limited celebrated International Women's Day 2023 with the theme is 'DigitALL: Innovation and technology for gender equality' on March 9, 2023. Shri Rajesh Rai, CMD, ITI Limited presided over the function in the presence of Shri Rajeev Srivastava, Director (Finance), Smt Jeyanthi S, Additional Charge Director (HR), Smt Vasanthi R, Additional Charge Director (Production), Shri T S Sudhakar, GM-B and R&D, Unit Head, ITI Bangalore Plant, Special Guest, Dr. Savitha Rani, Smt Rekha Rai and Senior Officers and Women Employees. 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.



### ITI Limited Participates in Aviation Exhibition held during Aero India Show 2023

An Aero India Show 2023, the biggest aero show in Asia was organized by the Ministry of Defense's Defense Exhibition Organization with the theme 'The Runway to a Billion Opportunities' at Air Force Station, Yelahanka, Bengaluru from February 13 to February 17, 2023. An aviation exhibition was also organized during the event. ITI Limited participated in the exhibition and showcased its spectrum of Products and Services like Encryptions for Defense, OFC, HDPE Duct, Solar Panels, Telecom product portfolio of 4G RAN, GPON,



EVM's, Laptops, Smash PCs and Data Centre under 'Aatmanirbhar Bharat', 'Make in India' and 'Digital India' initiatives of Gol at Hall H, Stall No. HR.4.4 A in the event.



### ITI Limited Participates in Uttar Pradesh Global Investors Summit (UPGIS) 2023

An Uttar Pradesh Global Investors Summit (UPGIS) 2023 was organized by the Government of Uttar Pradesh from February 10 to February 12, 2023 at Lucknow, UP. ITI Limited participated in the event and showcased its spectrum of Products and Services like EVM's, OFC, HDPE Duct, Solar Panels, Telecom product portfolio of 4G RAN, GPON, Encryptions for Defense, Laptops, Smash PCs and Data Centre under 'Aatmanirbhar Bharat', 'Make in India' and 'Digital India' initiatives of Gol.





# 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 Bareli 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:

- 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.
- 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.
- 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.
- 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.

As per our report of even date

**For GRSM & Associates**

Chartered Accountants

Firm's Registration No. 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No. 205296

**RAJEEV SRIVASTAVA**

Chief Financial Officer

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date: 29<sup>th</sup> May 2023



## Standalone Balance Sheet as at 31.03.2023

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
<b>I. ASSETS</b>					
(1) Non-current assets					
(a) Property, Plant & Equipment	1	268408.07		266105.11	
(b) Capital work-in-progress	2	13863.12		14964.58	
(c) Investment Property	3	6827.78		6838.00	
(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)	19646.74		23622.30	
(iii) Loans	4(c)	0.00		0.00	
(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	308789.79	0.52	311574.06
(2) Current assets					
(a) Inventories	6	24975.23		19339.54	
(b) Financial Assets					
(i) Investments		0.00		0.00	
(ii) Trade receivables	7	242927.83		272989.62	
(iii) Cash and cash equivalents	8(a)	935.78		1556.54	
(iv) Bank Balances other than (iii) above	8(b)	20548.13		29093.25	
(v) Loans	9(a)	73302.93		75304.97	
(vi) Others	9(b)	257975.43		230593.53	
(c) Current Tax Assets (Net)	0.00	0.00			
(d) Other current assets	10	16207.31	636872.64	13578.72	642456.18
<b>TOTAL</b>			<b>945662.45</b>		<b>954030.25</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share Capital	11	94957.74		93352.29	
(b) Other Equity	12	139001.88	233959.62	163996.00	257348.29
<b>LIABILITIES</b>					
(1) Non-Current Liabilities					
(a) Government Grants Unutilised	13	4501.06		4250.12	
(b) Financial Liabilities					
(i) Borrowings	14(a)	18000.00		24000.00	
(ia) Lease Liabilities	14(b)	59.66		74.67	
(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		17399.02		22381.00	
(iii) Others	14(d)	7631.29		7386.26	



## Standalone Balance Sheet as at 31.03.2023 Contd...

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
(c) Provisions	15	5141.35		4619.26	
(d) Deferred Tax Liabilities		0.00		0.00	
(e) Other Non current Liabilities	16	0.00	52732.38	0.00	62711.32
(2) Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	17(a)	169583.52		137199.25	
(ia) Lease Liabilities	17(b)	15.01		13.48	
(ii) Trade Payables	17(c)				
(A) Total outstanding dues of Micro Enterprises & Small Enterprises		12895.01		20606.69	
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		124773.18		148399.64	
(iii) Others	18	229040.32		205577.47	
(b) Other current liabilities	19	103221.54		106775.23	
(c) Provisions	20	19441.86		15398.90	
(d) Current Tax Liabilities	21	0.00	658970.45	0.00	633970.64
<b>TOTAL</b>			<b>945662.45</b>		<b>954030.25</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's Registration No. 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No. 205296

**RAJEEV SRIVASTAVA**

Chief Financial Officer

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date: 29<sup>th</sup> May 2023

## Statement of Standalone Changes in Equity

### A. Equity Share Capital

₹ in Lakhs

Particulars	2022-23	2021-22
<b>Balance at the beginning</b>	<b>93,352.29</b>	<b>93,352.29</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	1,605.45	-
<b>Balance as at end</b>	<b>94,957.74</b>	<b>93,352.29</b>

### B. Other Equity

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 01.04.2022</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.38</b>	<b>-</b>	<b>-1,79,426.37</b>	<b>-</b>	<b>-</b>	<b>1,63,996.05</b>
Changes in accounting policy / Period errors									-
<b>Restated balance at the beginning of the current reporting period</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.38</b>	<b>-</b>	<b>-1,79,426.37</b>	<b>-</b>	<b>-</b>	<b>1,63,996.05</b>
Total Comprehensive Income for the current year				-6,079.04					-6,079.04
Dividends									
Transfer to retained earnings						-36,009.63			-36,009.63
Any other change	-7,156.30		13,550.85						6,394.55
Capital Grant received during the year *	10,700.00								10,700.00
<b>Balance as at 31.03.2023</b>	<b>10,700.00</b>	<b>3,05,827.30</b>	<b>35,230.29</b>	<b>2,680.34</b>	<b>-</b>	<b>-2,15,436.00</b>	<b>-</b>	<b>-</b>	<b>1,39,001.93</b>
<b>Balance as at 01.04.2021</b>	<b>-</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	<b>-</b>	<b>-1,90,282.59</b>	<b>-</b>	<b>-</b>	<b>1,47,469.61</b>
Changes in accounting policy / Period errors *						-1,151.55			-1,151.55
<b>Restated balance at the beginning of the current reporting period</b>	<b>-</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	<b>-</b>	<b>-1,91,434.14</b>	<b>-</b>	<b>-</b>	<b>1,46,318.06</b>
Total Comprehensive Income for the current year				-1,486.07					-1,486.07
Dividends									
Transfer to retained earnings						12,007.78			12,007.78
Capital Grant received during the year *	7,156.30								7,156.30
Any other change									-
<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>8,759.38</b>	<b>-</b>	<b>-1,79,426.37</b>	<b>-</b>	<b>-</b>	<b>1,63,996.06</b>

**\* Note:**

- The company rectified an error of delay in the capitalisation of a few items of property, plant & equipment. Based on the date of installation of these assets, they ought to have been capitalised prior to the comparable period covered in these financial statements, which has resulted in the non-provision of depreciation in the prior years. There were also cases of short provision of depreciation in the year 2021-22. These errors have been rectified by (i) increasing the depreciation of the comparable year FY 2021-22 by Rs 98.48 lakhs (ii) decreasing the retained earnings by Rs 117.42 lakhs on account of depreciation pertaining to earlier periods. (iii) corresponding retrospective restatement as at 1-4-2021 by decreasing the carrying value of capital work in progress by Rs 2390.98 lakhs, corresponding increase by the same amount in the carrying value of the property, plant and equipment.
- Expenditure of Rs 1593 lakhs related to unbilled revenue recognised during the financial year 2020-21 was erroneously missed out to be accounted for and the error has been rectified in the current financial year by a retrospective restatement of trade payables.



- (iii) Grant-in-aid of Rs 558.87 lakhs received during the financial year 2017-18 under the Swachh Bharath Scheme was erroneously carried as a liability and the corresponding expenditure were incurred during the financial years 2017-18, 2018-19 and 2019-20. However, erroneously the grant was not recognised as income proportionately to match the costs. This error is rectified by a retrospective restatement of other current liabilities.
- (iv) The company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹ 8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022(each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹ 10700.00 lakhs has been accounted in the books as share application money pending allotment

Note: The accompanying Significant Accounting Policies and notes form part of the financial statements.

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date : 29<sup>th</sup> May 2023

## Standalone Statement of Profit and Loss for the year ended 31.03.2023

₹ in Lakhs

Particulars	Note No.	For the year ended	
		31.03.2023	31.03.2022
<b>III. INCOME</b>			
I. Revenue from operations	22	139544.51	186073.13
II. Other Income	23	5254.88	25456.63
III. Total Income (I + II)		<b>144799.38</b>	<b>211529.76</b>
<b>IV. EXPENSES:</b>			
Cost of materials consumed	24	16441.53	12045.53
Purchase of Stock-in-Trade	25 (a)	27337.18	62017.36
Installation & Maintenance Charges	25 (b)	77664.74	71390.78
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(3322.78)	(1928.37)
Employee benefit expense	27	22887.13	22217.84
Finance costs	28	20958.40	19222.60
Depreciation and amortization expense	29	4949.84	5101.43
Other expenses	30	13892.97	9454.82
Total Expenses		<b>180809.02</b>	199521.98
V. Profit/(Loss) before exceptional items and tax (III-IV)		<b>(36009.63)</b>	12007.78
VI. Exceptional Items			
(i) Income		0.00	0.00
(ii) Expenses		0.00	0.00
VII. Profit/(Loss) before tax (V + VI)		<b>(36009.63)</b>	12007.78
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)		<b>(36009.63)</b>	12007.78
X. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(6079.04)	(1486.07)
Change in Fair Value of Equity instrument through OCI		0.00	0.00
B. (i) Items that will be reclassified to profit or loss		0.00	0.00
XI. Total Comprehensive Income for the year (IX+X) Comprising Profit (Loss) and Other comprehensive Income for the year		<b>(42088.67)</b>	10521.70
XII. Earnings per equity share (for continuing operation):			
Basic & Diluted (Face value of ₹ 10/- each):		<b>(3.81)</b>	1.29
Weighted average number of shares		<b>944488639</b>	933522869

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

For **M/s. GRSM & ASSOCIATES**  
Chartered Accountants  
Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**  
Partner  
M. No. 205296  
Place: Bengaluru  
Date : 29<sup>th</sup> May 2023

**RAJEEV SRIVASTAVA**  
Director Finance & CFO  
DIN: 08921307

**RAJESH RAI**  
Chairman & Managing Director  
DIN: 10052045



## Standalone Cash Flow Statement for the year ended 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		(36009.63)		12007.78
<b>Adjustment For :</b>				
Depreciation	4949.84		5101.43	
Financing Charges	20958.40		19222.60	
Profit On Sale Of Investments	0.00		0.00	
Interest/Dividend Received	(541.27)		(485.26)	
Loss On Sale Of Asset	0.00		0.00	
Profit On Sale Of Asset	(1628.83)		(344.48)	
Transfer From Grant-In-Aid	250.94		(21912.40)	
Transfer From Grant-In-Aid	0.00		0.00	
Other Comprehensive Income	(6079.04)		(1486.07)	
Non-Cash Expenditure	2660.62	20570.67	1042.20	1138.02
<b>OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>		(15438.97)		13145.80
<b>Adjustment For:</b>				
Trade And Other Receivables	3297.07		(90721.87)	
Inventories	(5635.69)		30.36	
Trade Payables	(11600.83)		33926.98	
Direct Taxes Paid	0.00	(13939.45)	10.08	(56754.45)
<b>CASH GENERATED FROM OPERATIONS</b>		(29378.41)		(43608.66)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		(29378.41)		(43608.66)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
<b>Purchase Of Fixed Assets Including:</b>				
Capital Work-In-Progress	(6069.96)		(6016.08)	
Sale Of Fixed Assets	1628.83		344.48	
Investments	0.00		0.00	
Interest Received	541.27		485.26	
Proceeds from maturity/Deposit of Other Bank Balances	8545.12		22873.62	
Dividend Received	0.00		0.00	
<b>NET CASH USED IN INVESTING ACTIVITIES [B]</b>		4645.26		17687.29
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds From Short Term Borrowings	26370.79		14760.83	
Share Application Money	10700.00		7156.30	
Capex Grant Received and shares allotted	8000.00		0.00	
Adjustment with surplus	0.00		0.00	
Grant-In-Aid Received	0.00		21989.76	
Financing Expenses	(20958.40)		(19222.60)	
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>		24112.39		24684.30
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>		(620.76)		(1237.08)
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>		1556.54		2793.66
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		935.78		1556.54

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No. 205296

Place: Bengaluru

Date : 29<sup>th</sup> May 2023

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045





## Notes to the Financial Statements

Note No.1

Property, Plant & Equipment

₹ in Lakhs  
FY 2022-23

PARTICULARS	GROSS BLOCK						DEPRECIATION					Net Carrying Value as at 31.03.2023
	GROSS AMOUNT 01.04.2022	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUST-MENTS	TOTAL 31.03.2023	ACCUMU-LATED DEP. 01.04.2022	FOR THE PERIOD	DELETION	ADJUST-MENTS	TOTAL 31.03.2023	
<b>LAND:</b>												
-FREE HOLD	2,20,957.17	-	67.08	-	-	2,20,890.09	-	-	-	-	-	2,20,890.09
-LEASE HOLD	777.13	-	-	-	-	777.13	1.62	0.27	-	-	1.89	775.24
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	14,706.58	251.73	-	-	-	14,958.31	4,400.43	705.21	-	-	5,105.64	9,852.67
PLANT& MACHINERY	44,848.89	5,925.54	60.36	-	-	50,714.07	14,649.31	3,694.17	59.98	-	18,283.50	32,430.57
OTHER EQUIPMENT	5,263.96	946.12	14.61	-	-	6,195.47	1,735.50	435.38	14.61	-	2,156.27	4,039.20
OFFICE M/C & EQPT	409.94	147.33	1.49	-	-	555.78	293.66	54.74	1.25	-	347.15	208.63
FURNITURE FIXTURE& FITTINGS	106.74	7.96	-	-	-	114.70	51.09	9.36	-	-	60.45	54.25
VEHICLES	148.06	27.74	-	-	-	175.80	87.75	16.24	-	-	103.99	71.81
ELECTRICAL INSTALLATION	29.49	-	-	-	-	29.49	-	-	-	-	-	29.49
RIGHT OF USE (CAR LEASE)	102.03	-	-	-	-	102.03	25.51	20.41	-	-	45.91	56.12
<b>TOTAL</b>	<b>2,87,350.00</b>	<b>7,306.42</b>	<b>143.53</b>	<b>-</b>	<b>-</b>	<b>2,94,512.89</b>	<b>21,244.88</b>	<b>4,935.79</b>	<b>75.84</b>	<b>-</b>	<b>26,104.82</b>	<b>2,68,408.07</b>

# Notes to the Financial Statements

Note No.1

Property, Plant & Equipment

₹ in Lakhs  
FY 2021-22

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:												
-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	3,709.11	704.46	-	-13.15	4,400.44	10,306.14
PLANT & MACHINERY	41,827.70	3,224.99	203.79	-	-	44,848.89	10,884.80	3,683.56	85.17	166.12	14,649.31	30,199.58
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	75.79	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>2,81,989.30</b>	<b>5,666.16</b>	<b>305.46</b>	<b>-</b>	<b>-</b>	<b>2,87,350.00</b>	<b>16,134.12</b>	<b>5,209.44</b>	<b>85.17</b>	<b>-13.52</b>	<b>21,244.88</b>	<b>2,66,105.12</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 357,694 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 Financial Statements

Note No. 3

Investment Property

₹ in Lakhs  
FY 2022-23

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2023	
	GROSS AMOUNT 01.04.2022	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUST-MENTS	TOTAL 31.03.2023	ACCUMU-LATED DEP. 01.04.2022	FOR THE PERIOD	DELETION	ADJUST-MENTS		TOTAL 31.03.2023
LAND	6,497.55	-	-	-	-	6,497.55	-	-	-	-	-	6,497.55
BUILDING	382.35	-	-	-	-	382.35	41.90	10.22	-	-	52.12	330.24
TOTAL	6,879.90	-	-	-	-	6,879.90	41.90	10.22	-	-	52.12	6,827.78

Investment Property

FY 2021-22

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)	ADJUST-MENTS	TOTAL 31.03.2022	ACCUMU-LATED DEP. 01.04.2021	FOR THE PERIOD	DELETION	ADJUST-MENTS		TOTAL 31.03.2022
LAND	6,395.87	101.67	-	-	-	6,497.55	-	-	-	-	-	6,497.55
BUILDING	382.35	-	-	-	-	382.35	31.69	10.21	-	-	41.90	340.45
TOTAL	6,778.22	101.67	-	-	-	6,879.90	31.69	10.21	-	-	41.90	6,838.00

Notes:

- 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. 1.83 acres of land is leased to Southern Railways and 0.286 acres of land is leased to ESI corporation.
- 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) Thumby 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.
- 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

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 2</b>				
<b>CAPITAL WORK-IN-PROGRESS</b>				
Capital Work-in-Progress at Cost	7075.28		9004.29	
Less: Provision	0.00		0.00	
<b>TOTAL</b>		<b>7075.28</b>		<b>9004.29</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>
Machinery at Cost				
In-Transit	7.93		60.84	
Awaiting Acceptance / Installation	6786.44		5905.98	
	6794.38		5966.82	
Less:Provision	6.53		6.53	
<b>TOTAL</b>		<b>6787.84</b>		<b>5960.29</b>
<b>GRAND TOTAL</b>		<b>13863.12</b>		<b>14964.58</b>

### Capital Work in Progress Ageing Schedule

Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
Projects in progress	166.75	160.27	0.00	6593.48	6920.50
Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
Machinery at cost - In Transit, Awaiting acceptance / Installation	1733.05	1329.07	2234.16	1646.34	6942.62
<b>TOTAL</b>	<b>1899.80</b>	<b>1489.34</b>	<b>2234.16</b>	<b>8239.82</b>	<b>13863.12</b>
Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
Projects in progress	1,922.78	225.17	118.06	6,738.28	9004.29
Projects temporarily suspended	-	-	-	-	0.00
Machinery at cost- In Transit, Awaiting acceptance / Installation	1,220.27	2,234.16	1,824.54	681.32	5960.29
<b>TOTAL</b>	<b>3143.05</b>	<b>2459.33</b>	<b>1942.60</b>	<b>7419.60</b>	<b>14964.58</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 than1 year	1-2 years	2-3 years	More than 3 years
1- NIFT	0.00	0.00	0.00	6582.06
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6582.06</b>
Project Name	Less than1 year	1-2 years	2-3 years	More than 3 years
1- NIFT	0.00	0.00	6582.05	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>6582.05</b>	<b>0.00</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. ₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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 Ventures 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	19646.74		23622.30	
Less: Allowance for Bad and doubtful debts	0.00		0.00	
<b>TOTAL</b>		<b>19646.74</b>		<b>23622.30</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>19646.74</b>		<b>23622.30</b>

**Trade Receivables ageing schedule**

Particular	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
(i) Undisputed Trade receivables – considered good	0.00	0.00	1440.54	15535.04	2671.16	19646.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>1440.54</b>	<b>15535.04</b>	<b>2671.16</b>	<b>19646.74</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

**Trade Receivables ageing schedule.**

**OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT**

Particular	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	0.00	0.00	0.00	20703.30	2919.00	23622.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20703.30</b>	<b>2919.00</b>	<b>23622.30</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts



Particulars	As at 31.03.2023		As at 31.03.2022	
<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	
	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	0.00		0.00	
Deposits	0.00		0.00	
Loans & Advances to related parties	0.00		0.00	
Others	0.00		0.00	
	0.00		0.00	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		<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>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>0.00</b>		<b>0.00</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 6</b>				
<b>INVENTORIES</b>				
a) Raw material and Production stores	8041.77		8196.77	
Less: Provision for Obsolescence	1754.22		1754.22	
		<b>6287.55</b>		<b>6442.55</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	949.10		843.96	
Less: Provision for Obsolescence	237.41		237.41	
		<b>711.69</b>		<b>606.55</b>
d) Work-in-Process Production	5626.31		6934.06	
Less: Provision	606.76		606.76	
		<b>5019.55</b>		<b>6327.30</b>
e) Work-in-Process Installation	0.00		0.00	
Less: Provision	0.00		0.00	
		<b>0.00</b>		<b>0.00</b>
f) Manufactured Components	4914.19		4285.07	
Less: Provision	40.13		40.13	
		<b>4874.06</b>		<b>4244.94</b>
g) Finished Goods				
Stock-in-Trade	6580.92		2579.52	
Less: Provision	1019.56		1019.56	
		<b>5561.36</b>		<b>1559.96</b>
h) Stock Reconciliation Account	19.47		19.47	
Less: Provision	10.33		10.33	
		<b>9.14</b>		<b>9.14</b>
i) Goods Pending Inspection / Acceptance		<b>1141.60</b>		<b>3.89</b>
j) Material-in-Transit Advances				
Considered Good	493.99		143.77	
Considered Doubtful	238.76		238.76	
	732.75		382.53	
Less: Provision	238.76		238.76	
		<b>493.99</b>		<b>143.77</b>
k) Material received and In-Transit Advances		<b>874.86</b>		<b>0.00</b>
l) Tools and Gauges		<b>0.00</b>		<b>0.00</b>
<b>GRAND TOTAL</b>		<b>24975.23</b>		<b>19339.54</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 7</b>				
<b>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 Receivables Considered Good - UnSecured				
- Gujnet	6419.28		26000.32	
- Other than Gujnet	236508.55		246989.30	
	<b>242927.83</b>		<b>272989.63</b>	
Less: Allowance for Bad and doubtful debts	0.00		0.00	
<b>TOTAL</b>		<b>242927.83</b>		<b>272989.63</b>
Trade Receivables which have significant increase in Credit Risk	7070.95		4974.00	
Less: Allowance for Bad and doubtful debts	7070.95		4974.00	
<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>242927.83</b>		<b>272989.63</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 a 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.

₹ in Lakhs

Trade Receivables ageing schedule						
Particular	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
(i) Undisputed Trade receivables – considered good	32713.80	10856.19	32345.44	32116.04	117494.54	225526.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>32713.80</b>	<b>10856.19</b>	<b>32345.44</b>	<b>32116.04</b>	<b>134896.35</b>	<b>242927.83</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

Trade Receivables ageing schedule

OUTSTANDING FOR FOLLOWING PERIODS FROM DUE DATE OF PAYMENT

Particular	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	43863.81	48114.98	43612.17	23434.67	96562.18	255587.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>43863.81</b>	<b>48114.98</b>	<b>43612.17</b>	<b>23434.67</b>	<b>113963.99</b>	<b>272989.63</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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	3.56		4.18	
c) Cheques & Stamps on Hand	0.46		0.59	
d) Balance with Banks :				
- On Current Account	931.76		1551.77	
<b>TOTAL</b>		<b>935.78</b>		<b>1556.54</b>
<b>NOTE No. 8 (b)</b>				
<b>CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE</b>				
Balance with Banks :				
- On Escrow Account	16240.59		20830.29	
- On Current Account (Apprentices)	424.46		54.76	
Unpaid Dividend	0.00		0.00	
LC Margin money	0.00		0.00	
On Savings Account(Apprentices Security Deposits)"	0.00		0.00	
On short term deposit (margin money)	173.07		157.82	
On current Account(Margin money)	0.00		0.00	
On Fixed Deposit Account- More than 3 months but Less than 12 months maturity	3710.01		8050.37	
Others	0.00		0.00	
		<b>20548.13</b>		<b>29093.25</b>
<b>NOTE No. 9 (a)</b>				
<b>CURRENT FINANCIAL ASSETS - LOANS</b>				
Secured Advances recoverable in cash or for value to be received				
Vehicles	0.00		0.00	
House building	0.00		0.00	
Other Deposits	1147.76		1182.22	
Less: Provision	0.00		0.00	
<b>TOTAL</b>		<b>1147.76</b>		<b>1182.22</b>
Un secured Advances recoverable in cash for value to be received				
Advances Recoverable -Considered Good	27744.09		27939.38	
Less : Provision	0.00		0.00	
		<b>27744.09</b>		<b>27939.38</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>27744.09</b>		<b>27939.38</b>
Claims and Expenses Recoverable - Inland				
Considered Good	41428.03		41054.37	
Less : Provision	0.00		0.00	
		<b>41428.03</b>		<b>41054.37</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Loans Receivables which have significant increase in Credit Risk	992.29		992.29	
Less : Provision	992.29		992.29	
		0.00		0.00
Loans Receivables – credit impaired	10.32		10.32	
Less : Provision	10.32		10.32	
		0.00		0.00
<b>TOTAL</b>		<b>41428.03</b>		<b>41054.37</b>
Claims and expenses recoverable - Foreign				
Considered Good	6.10		1.54	
Less : Provision	0.00		0.00	
		6.10		1.54
Loans Receivables which have significant increase in Credit Risk	1204.32		1204.32	
Less : Provision	1204.32		1204.32	
		(0.00)		(0.00)
Loans Receivables – credit impaired	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
<b>TOTAL</b>		<b>6.10</b>		<b>1.54</b>
Advance for Civil Works / Capital Goods				
Considered Good	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
Loans Receivables which have significant increase in Credit Risk	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
Loans Receivables – credit impaired	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
<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	3387.01		5531.19	
Less: Provision	421.47		421.47	
	2965.54		5109.72	
Interest accrued but not due on short term deposits	11.42		17.74	
<b>TOTAL</b>		<b>2976.96</b>		<b>5127.46</b>
<b>GRAND TOTAL</b>		<b>73302.93</b>		<b>75304.96</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.

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 9(b)</b>				
<b>CURRENT FINANCIAL ASSETS OTHERS</b>				
Other Financial assets				
(i) Security Deposits		35.61		80.81
(ii) Unbilled Revenue				
Government				
- Gujnet	5307.00		7462.75	
- Others	252548.00		223038.57	
Non Government	0.00	257855.00	0.00	230501.32
(iii) Others		84.82		11.39
<b>TOTAL</b>		<b>257975.43</b>		<b>230593.52</b>

The Other Current Financial assets include UBR of Rs 257855 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

<b>NOTE No. 10</b>				
<b>OTHER CURRENT ASSETS</b>				
Taxes & Duties in put	14827.89		12827.37	
Deposits with Customs Department	942.30		328.61	
Payment of Advance tax (Net of refunds)	0.00		0.00	
Deposits with Excise Authorities	437.12		422.74	
WCT Recoverable	0.00		0.00	
<b>TOTAL</b>		<b>16207.31</b>		<b>13578.72</b>

<b>NOTE No. 11</b>				
<b>I. EQUITY SHARE CAPITAL</b>				
a) Authorised 2,80,00,00,000 equity shares of ₹ 10 each	280000.00		280000.00	
b) Issued 949577352 equity shares of ₹ 10 each (Previous Year 93,35,22,869 equity shares of ₹ 10 each )	94957.74		93352.29	
c) Subscribed and Fully Paid-up 949577352 equity shares of ₹ 10 each (Previous Year 93,35,22,869 equity shares of ₹ 10 each )	94957.74		93352.29	
d) Subscribed & not fully paid up	0.00		0.00	
e) Par value per share	10.00		10.00	
f) Call in 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				

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of shares		No. of shares	
Number of shares outstanding O.B	933522869		933522869	
Add: Issues during the year*	16054483		0	
Less: Buy back/forfeiture during the year	0		0	
Number of shares outstanding C.B	<b>949577352</b>		<b>933522869</b>	

\*The Company has allotted 8321279 equity shares issued at Rs 86 to the President of India on 25.05.2022, against capital grant of Rs 7156.30 Lakhs and 7733204 equity shares issued at Rs 103.45 to the President of India on 28.09.2022, against capital grant of Rs 8000 Lakhs 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	855912566		839858083
2. Special National Investment Fund	73132976		73132976
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
	<b>As at 31.03.2023</b>		<b>As at 31.03.2022</b>
<b>II. PREFERENCE SHARES:</b>			
<b>a) Authorised</b>			
70000000 Preference Shares of ₹ 100 each	7000.00		7000.00
l) Shareholding of Promoters			
Name of the Promoter	Shares held at 31.03.2023		
	No of shares	% of total shares	% change during the period ended 31.03.2023
1. President of India	855912566	90.14	1.91
2. Government of Karnataka	312500	0.03	0.00

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 12</b>				
<b>OTHER EQUITY</b>				
<b>1) Capital Reserves</b>				
<b>i) Free Land Gifted</b>				
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
<b>ii) Capital Grant in aid</b>				
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>
<b>2) Securities premium reserve</b>				
O.B as per last B/S	21679.44		21679.44	
Additions	13550.85		0.00	
Total	35230.29		21679.44	
Less: FPO Issue Expenses *	0.00		0.00	
Closing balance		35230.29		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>		<b>0.00</b>		<b>0.00</b>

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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		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	(414753.31)		(425609.53)	
Add: Profit/(Loss) for the year	(36009.63)		12007.78	
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>(450762.95)</b>		<b>(413601.76)</b>	
Less- Appropriations	0.00		1151.55	
Less-Transfer from P&L A/C-(Loss for the year)	0.00		0.00	
Closing Balance		<b>(450762.95)</b>		<b>(414753.31)</b>
<b>TOTAL - RETAINED EARNINGS</b>		<b>(215436.05)</b>		<b>(179426.41)</b>
<b>5) Share application money pending allotment</b>		<b>10700.00</b>		<b>7156.30</b>
<b>6) Other Comprehensive Income</b>				
Remeasurement of Defined Benefit Plans (Actuarial Gain)				
Opening Balance	8759.38		10245.45	
Changes during the Year	(6079.04)		(1486.07)	
Closing balance		<b>2680.34</b>		<b>8759.38</b>
<b>GRAND TOTAL - OTHER EQUITY</b>		<b>139001.88</b>		<b>163996.00</b>
<p>- 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 expensess 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 202021, after actual payment of FPO expenses the excess estimated has been reversed by Rs 165.51 lakhs</p> <p>- The company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹ 8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022(each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹ 10700.00 lakhs has been accounted in the books as share application money pending allotment</p>				



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 13</b>				
<b>NON-CURRENT LIABILITIES</b>				
<b>Government Grants Unutilised:</b>				
<b>i) Free Equipment gifted</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>ii) Grant-in-aid (Capital) :</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		4.64
<b>iii) Grant-in-aid (Revenue)</b>				
As per last Balance Sheet	4245.48		4726.98	
Add : Receipts during the year*	0.00		21430.89	
<b>TOTAL</b>	<b>4245.48</b>		<b>26157.87</b>	
Less: Transfer to Profit & Loss Account	(250.94)		21912.40	
Closing Balance		4496.42		4245.48
<b>GRAND TOTAL</b>		<b>4501.06</b>		<b>4250.12</b>

- During the Year 2021-22, 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.

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 14 (a)</b>				
<b>NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>				
<b>I. Borrowings - Secured</b>				
(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>
<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 *	18000.00		24000.00	
Interest accrued and due on above	0.00		0.00	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
(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>18000.00</b>		<b>24000.00</b>
<b>GRAND TOTAL</b>		<b>18000.00</b>		<b>24000.00</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

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 14(b)</b>				
<b>NON-CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES</b>				
Finance Lease Liabilities	59.66		74.67	
Operating lease liabilities	0.00		0.00	
<b>GRAND TOTAL</b>		<b>59.66</b>		<b>74.67</b>
<b>NOTE No. 14(c)</b>				
<b>NON CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>				
For goods supplied				
- Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	17399.02		22381.00	
- Other than Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	0.00		0.00	
<b>TOTAL</b>		<b>17399.02</b>		<b>22381.00</b>
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>		<b>0.00</b>
For Other Liabilities				
- 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>
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>17399.02</b>		<b>22381.00</b>



₹ in Lakhs

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 31.03.2023
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	882.38	4181.57	2015.59	10319.48	17399.02
(iii) Disputed Dues - MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues - Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>882.38</b>	<b>4181.57</b>	<b>2015.59</b>	<b>10319.48</b>	<b>17399.02</b>
Trade Payables Ageing Schedule					
Particular	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	0.00	0.00	0.00	0.00	0.00
(ii) Others	1439.14	5301.92	2555.61	13084.33	22381.00
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>1439.14</b>	<b>5301.92</b>	<b>2555.61</b>	<b>13084.33</b>	<b>22381.00</b>
<b>NOTE No. 14(d)</b> <b>NON-CURRENT FINANCIAL LIABILITIES - OTHERS</b>					
Security deposit received		7631.29		7386.26	
<b>GRAND TOTAL</b>			<b>7631.29</b>		<b>7386.26</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 15</b> <b>STATEMENT OF NON CURRENT PROVISIONS</b>				
(i) For Employee Benefits				
<b>For privilege Leave</b>				
As per Last Balance Sheet	4572.04		5268.57	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	539.61		(696.53)	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>5111.65</b>		<b>4572.04</b>
<b>For sick Leave</b>				
As per Last Balance Sheet	47.23		56.34	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	(17.52)		(9.12)	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>29.71</b>		<b>47.23</b>
(ii) Others		0.00		0.00
<b>GRAND TOTAL</b>		<b>5141.35</b>		<b>4619.26</b>
<b>NOTE No. 16</b> <b>OTHER NON-CURRENT LIABILITIES</b>				
	0.00		0.00	
	0.00		0.00	
<b>GRAND TOTAL</b>		<b>0.00</b>		<b>0.00</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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.	157561.05		131189.85	
(ii) From Others	22.47		9.40	
(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>		157583.52		131199.25
<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	12000.00		6000.00	
(e) Others	0.00		0.00	
<b>TOTAL</b>		12000.00		6000.00
<b>GRAND TOTAL</b>		169583.52		137199.25
Deposits, fallen due and not claimed for refunds, is shown as current liabilities as at 31.03.2023				
<b>NOTE No. 17(b)</b>				
<b>CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES</b>				
Finance Lease Liabilities	15.01		13.48	
Operating lease liabilities	0.00		0.00	
<b>GRAND TOTAL</b>		15.01		13.48
<b>NOTE No. 17(c)</b>				
<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>				
<b>For goods supplied</b>				
- Gujnet				
- Micro small and medium enterprises	0.00		345.08	
- Others	5767.42		12705.91	
- Other than Gujnet				
- Micro small and medium enterprises	12895.01		20261.61	
- Others	111152.25		128098.77	
<b>TOTAL</b>		129814.68		161411.36
<b>For Expenses and Services</b>				
- Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	489.77		923.65	
- Other than Gujnet				
- Micro small and medium enterprises	0.00		0.00	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
- Others	3537.07		4295.17	
<b>TOTAL</b>		<b>4026.84</b>		<b>5218.82</b>
For Other Liabilities				
- Micro small and medium enterprises	0.00		0.00	
- Others	3826.67		2376.14	
<b>TOTAL</b>		<b>3826.67</b>		<b>2376.14</b>
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>137668.19</b>		<b>169006.33</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 31.03.2023
(i) MSME	3859.89	2799.52	2273.09	3962.52	12895.01
(ii) Others	28104.90	18378.17	22839.33	39049.94	108372.34
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	0.00	0.00	16400.82	16400.82
<b>TOTAL</b>	<b>31964.79</b>	<b>21177.69</b>	<b>25112.42</b>	<b>59413.28</b>	<b>137668.19</b>

Particular	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	16223.06	1860.04	968.14	1555.45	20606.69
(ii) Others	54885.25	30101.34	26955.25	18106.71	130048.55
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	1771.00	0.00	16580.08	18351.08
<b>TOTAL</b>	<b>71108.31</b>	<b>33732.38</b>	<b>27923.39</b>	<b>36242.24</b>	<b>169006.33</b>

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>AS PER ENCLOSURE:</b>				
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	12895.01		20606.69	
(b) Interest due thereon remaining unpaid for the period ended.	68.25		31.03	
(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	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
(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	
<b>NOTE No. 18</b>				
<b>CURRENT FINANCIAL LIABILITIES - OTHERS</b>				
Unbilled Dues				
Government				
- Gujnet	5011.06		4554.71	
- Other than Gujnet	140547.18		120525.01	
Non Government	0.00		0.00	
Interest Accrued but not due on Borrowings	2556.20		2256.20	
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	11485.08		11864.70	
For Other Liabilities	26675.34		26632.85	
Other payables	660.60		468.48	
Salary Payable	2747.87		2542.05	
Royalty Payable	1007.54		212.80	
Wage revision Arrears	1006.28		1014.89	
Deposits from Contractors	7263.30		6898.06	
Misc. Liabilities	30079.87		28607.72	
Preference Shares	0.00		0.00	
<b>TOTAL</b>		<b>229040.32</b>		<b>205577.47</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 19</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Income received in advance	2.66		0.00	
Duties & Taxes	3628.85		3414.24	
Advances from Customers	99590.03		103360.99	
<b>TOTAL</b>		<b>103221.54</b>		<b>106775.23</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>For Gratuity</b>				
As per Last Balance Sheet	13226.54		11446.44	
Add: Provision for the period	4397.69		2317.10	
Less: Transfer to gratuity trust	1019.00		537.00	
Add: Transfer from gratuity trust	2724.78		4647.98	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Add: Transfer from Corporate	0.00		0.00	
Less: Payments	2724.78		4647.98	
<b>TOTAL</b>		<b>16605.23</b>		<b>13226.54</b>
<b>For Privilege Leave</b>				
As per Last Balance Sheet	1992.69		2008.05	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	3443.48		2124.80	
Less: Payments	2771.66		2140.16	
<b>TOTAL</b>		<b>2664.52</b>		<b>1992.69</b>
<b>For Sick Leave</b>				
As per Last Balance Sheet	2.50		1.45	
Add: Provision for the period	(0.97)		1.05	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>1.52</b>		<b>2.50</b>
<b>For L L T C provision</b>				
As per Last Balance Sheet	177.16		208.63	
Add: Provision for the period	57.76		69.02	
Less: Payments	64.35		100.49	
<b>TOTAL</b>		<b>170.58</b>		<b>177.16</b>
<b>GRAND TOTAL</b>		<b>19441.86</b>		<b>15398.90</b>
<b>NOTE No. 21</b>				
<b>CURRENT TAX LIABILITIES</b>				
	0.00		0.00	
	0.00		0.00	
	0.00		0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>0.00</b>
Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
<b>NOTE No. 22</b>				
<b>REVENUE FROM OPERATIONS</b>				
i) <b>Sale of Products (net of GST)</b>				
Sale of Finished Goods	5944.54		6857.45	
Sale of Traded Goods	16198.06		51998.38	
<b>TOTAL</b>		<b>22142.60</b>		<b>58855.83</b>
ii) <b>Sale of services</b>		<b>117399.93</b>		<b>127217.30</b>
iii) <b>Other Operating Revenues:</b>				
a) Sale of Scrap	1.98		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	<b>1.98</b>	0.00	<b>0.00</b>
<b>TOTAL</b>		<b>139544.51</b>		<b>186073.13</b>
<b>Sales under broad heads :</b>				
1. Mini PDO	1.21		0.00	
2. Electronic Switching Equipments/SMPS/SSTP	750.64		1687.90	
3. MLLN	0.00		0.00	
4. Inverter Trolley	0.00		0.00	
5. NCM	0.00		0.00	
6. Telephone	18.47		9.44	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
7. G-PoN	0.10		60.90	
8. Job Work	0.00		0.00	
9. Solar Panel	122.29		1254.28	
10. SMPS	0.00		0.00	
11. 4G Radio	0.00		0.00	
12. GSM Franchise	0.00		0.00	
13. NGN	0.00		16.10	
14. NFS	595.18		1694.89	
15. ASCON	0.00		0.00	
16. DEFENCE	399.88		22994.66	
17. Smart Energy meters	(1155.62)		0.00	
18. BBWT	0.00		0.00	
19. HDPE Pipe	251.97		34.87	
20. OFC	1139.08		9693.03	
21. MAHANET	412.79		21.18	
22. WIFI-HOTSPOT	0.00		0.00	
23. GUJNET	0.00		0.00	
24. BNG	0.00		0.00	
25. DDOS	0.00		0.00	
26. Min PC Mfg / Tab PC	3548.92		72.38	
27. CCMS	0.00		0.00	
28. GSM WZ	0.00		0.00	
29. ONT/OLT	0.00		0.00	
30. SSTP	0.00		0.00	
31. STM	0.00		0.00	
32. SEM(NET)	0.00		0.00	
33. MOBILE SHOWROOM	52.77		99.35	
34. MCEU	0.00		0.00	
35. WIFI ACCESS POINT	2.50		0.00	
36. IP ENCRYPTORS MHA	0.00		0.00	
37. SOLAR LED STREET LIGHT	1378.86		1470.80	
38. FACE SHIELD / Sanitary Napkin Vending Machine	20.21		16.96	
39. SMART PARCEL DELIVERY SYSTEM	0.00		0.00	
40. COMPONENT SCREENING VSSC	0.00		0.00	
41. SMART CARD	31.52		44.11	
42. VENTILATOR/MEDICAL DEVICES	0.00		0.00	
43. USOF Bharath Net Project	0.00		0.00	
44. TANFINET	0.00		0.00	
45. IAF DATA CENTRE UPGRADATION	0.00		0.00	
46. IAF 4G LTE	10066.92		0.00	
47. ASCON PHASE IV	0.00		0.00	
48. AIRTEL FTTH ROLLOUT	0.00		0.00	
49. BHARATNET ANDAMAN & NICOBAR	0.00		56.96	
50. FMS-MCWWB	215.64		0.00	
51. CCTV	0.00		0.00	
52. POLES	597.81		0.00	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
53. Installation Trading OMC	0.00		0.00	
54. 3D PRINTING	23.25		80.61	
55. CONTRACT MANUFACTURING	6.45		14.03	
56. IT- COMPUTER ACCESSORIES	1168.98		17781.97	
57. OTHER STATE GOVT.	1814.15		559.83	
58. OTHERS	678.64		1191.57	
<b>TOTAL</b>		<b>22142.60</b>		<b>58855.83</b>
<b>Service Income under broad heads :</b>				
1. SSTP AMC	56.21		1944.51	
2. TELECOM TESTING & LABS	76.28		0.00	
3. SMART PAECEL SERVICES	0.00		0.00	
4. Data Center	2616.94		1926.21	
5. Skill Development	31.49		0.00	
6. SWAN	0.00		374.84	
7. GSM	5519.78		8734.30	
7a. GSM AMC (GST Turnover)	121.40		0.00	
8. NFS	6654.22		8111.16	
9. G-PoN I&C	1054.57		723.73	
10. ASCON AMC	665.04		1577.82	
11. DEFENCE AMC	85.94		1278.23	
12. NGN AMC	321.87		321.31	
13. BBWT	0.00		0.00	
14. MAHANET UNBILLED	24829.19		24462.50	
14a. MAHANET (GST Turnover)	0.00		0.00	
15. WIFI-HOTSPOT	0.00		47.86	
16. GUJNET	6655.23		4440.70	
17. BNG	482.90		474.45	
18. DDOS	450.11		0.00	
19. MLLN AMC	1571.27		23.26	
20. CCMS AMC	77.77		34.79	
21. E-TENDERING	1648.16		2573.47	
22. FMS-MCWWB	2619.88		0.00	
23. SMPS	81.07		41.46	
24. USOF Bharath Net Project	675.31		0.00	
25. GSM WZ	0.00		0.00	
26. WIFI ACCESS POINT	0.00		0.00	
27. SWM-ICT-WASTE MANAGEMENT	324.54		0.00	
28. IAF DATA CENTRE UPGRADATION	0.00		0.00	
29. Geo Fencing Project	243.08		0.00	
30. COMPONENT SCREENING VSSC	667.11		0.00	
31. IT - WEB PORTAL	412.50		3128.77	
32. OMC AMC	320.77		0.00	
33. TANFINET	12803.43		0.00	
34. IAF 4G LTE	0.00		0.00	
35. FIBER NETWORK	0.00		159.56	
36. RAILWAY	138.71		120.41	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
37. NMS	55.31		110.62	
38. E-GOVERNANCE/E-SEVA	0.00		0.00	
39. OCB AMC	7.18		0.00	
40. TPA	502.76		777.58	
41. AADHAR BUSINESS/SAAS	4.98		0.00	
42. Reliability Labs	161.91		113.49	
43. AIRTEL FTTH ROLLOUT	1539.97		572.50	
44. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
45. CCTV Services	947.82		0.00	
46. Survey work	0.00		0.00	
47. ASCON -PHASE IV	37648.34		59956.57	
48. SAAS	171.90		190.46	
49. CONTRACT MFG	111.74		9.90	
50. MLLN I&C	4.87		25.63	
51. OTHER AMC	4960.58		3473.86	
52. Others	77.80		1487.35	
<b>TOTAL</b>		<b>117399.93</b>		<b>127217.30</b>
<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>		<b>0.00</b>		<b>0.00</b>
<b>NOTE No. 23</b>				
<b>OTHER INCOME</b>				
a) Interest Income				
i) Interest on Inter Corporate Advances	0.00		0.00	
ii) Interest - Others	541.27		485.26	
<b>TOTAL</b>		<b>541.27</b>		<b>485.26</b>
b) Dividend from Non-Trading Investments		0.00		0.00
c) Net Gain/Loss on Sale of Investment		0.00		0.00
d) <u>Other Non-operating income (Net of expenses directly attributable to such income)</u>				
i) Profit on Sale of Assets	89.66		0.00	
Less: Transfer to Capital Reserves	0.00		0.00	
<b>TOTAL</b>	<b>89.66</b>		<b>0.00</b>	
ii) Commission	0.00		0.00	
iii) Rent	1806.11		1928.77	
iv) Lease Rent	309.15		309.15	
v) Transport Charges	0.00		0.02	
vi) Sale of Scrap	675.56		104.69	
vii) Water Charges/Electricity Charges	5.21		5.42	
viii) Forfeited Bank Guarantee	16.10		7.31	
ix) Excess Provision Withdrawn	0.00		0.10	
x) Reimbursement of VRS	0.00		0.00	
xi) Withdrawal of Liability no Longer Required	3.80		289.18	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
xii) Waiver of Liquidated Damages	0.00		3.08	
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	0.00		481.48	
xvii) Revenue Grant-in-Aid*	0.00		21429.03	
xviii) Transfer from Capital Grant-in-Aid	0.00		0.00	
xix) Compensation for Acquisition of Land by SWR/NHAI	1539.17		344.48	
xx) Misc. Income	268.84		68.64	
<b>TOTAL ( i to xx )</b>		<b>4713.61</b>		<b>24971.36</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>5254.88</b>		<b>25456.62</b>

- 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.

**NOTE No. 24**

**CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES**

Opening Stock	8293.69		8483.92	
Add: Prior Period Adjustment due to Price Revision	0.00		0.00	
Purchases/Transfers	16534.65		11641.54	
Material for Installation & Maintenance	0.00		0.00	
<b>TOTAL</b>		<b>24828.34</b>		<b>20125.46</b>
Less:				
Closing Stock	8138.69		8076.46	
Issue to Revenue and Others	248.12		3.48	
Material Transferred to Other Units	(0.00)		(0.00)	
<b>TOTAL</b>		<b>8386.81</b>		<b>8079.94</b>
Add: Stores Indirect expenses relating to RM & Prodn. Stores		0.00		0.00
<b>CONSUMPTION</b>		<b>16441.53</b>		<b>12045.52</b>
<b>Raw materials consumed under broad heads</b>				
Particulars				
1. Electronic Goods & Components	14734.40		11911.12	
2. MNIC	12.23		0.00	
<b>TOTAL</b>		<b>14746.63</b>		<b>11911.12</b>
<b>Value of Imports on CIF basis</b>				
Raw Materials and Production Stores		521.25		53.38
Components and Spare Parts		0.00		0.00
Material in transit		0.00		0.00
Capital Goods		0.00		946.87
<b>TOTAL</b>		<b>521.25</b>		<b>1000.25</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	March, 2023	%	March, 2022	%
Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.				
<b>Particulars</b>				
Imported	521.25	3.17	53.38	0.44
Indigenous	15920.27	96.83	11992.14	99.56
<b>TOTAL</b>	<b>16441.53</b>	<b>100.00</b>	<b>12045.52</b>	<b>100.00</b>
<b>NOTE No. 25 (a)</b>				
<b>PURCHASE OF STOCK-IN-TRADE</b>				
<b>Goods purchased under broad heads</b>				
<b>Particulars</b>				
1. Mini PDO	0.00		0.00	
2. Electronic Switching Equipments/SMPS/SSTP	0.00		0.00	
3. MLLN	0.00		0.00	
4. Inverter Trolley	0.00		0.00	
5. NCM	0.00		0.00	
6. Telephone	0.00		0.00	
7. G-PoN	0.00		0.00	
8. Job Work	0.00		0.00	
9. Solar Panel	0.00		0.00	
10. SMPS	0.00		0.00	
11. 4G Radio	0.00		0.00	
12. GSM Franchise	0.00		0.00	
13. NGN	0.00		14.81	
14. NFS	572.86		1631.34	
15. ASCON	0.00		69.85	
16. DEFENCE	0.00		20821.83	
17. Smart Energy meters	0.00		0.00	
18. BBWT	0.00		0.00	
19. HDPE Pipe	0.00		0.00	
20. OFC	657.59		8576.08	
21. MAHANET	400.41		0.00	
22. WIFI-HOTSPOT	0.00		0.00	
23. GUJNET	396.14		498.35	
24. BNG	0.00		0.00	
25. DDOS	0.00		0.00	
26. Min PC Mfg / Tab PC	0.00		0.00	
27. CCMS	0.00		0.00	
28. GSM WZ	0.00		0.00	
29. ONT/OLT	0.00		0.00	
30. SSTP	0.00		0.00	
31. STM	0.00		0.00	
32. SEM(NET)	0.00		0.00	
33. MOBILE SHOWROOM	40.89		82.48	
34. MCEU	0.00		0.00	
35. WIFI ACCESS POINT	0.00		0.00	
36. IP ENCRYPTORS MHA	0.00		0.00	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
37. SOLAR LED STREET LIGHT	0.00		1396.48	
38. FACE SHIELD / Sanitary Napkin Vending Machine	3.59		0.05	
39. SMART PARCEL DELIVERY SYSTEM	0.00		0.00	
40. COMPONENT SCREENING VSSC	0.00		0.00	
41. SMART CARD	0.00		0.00	
42. VENTILATOR/MEDICAL DEVICES	0.00		0.00	
43. USOF Bharath Net Project	13.39		0.00	
44. TANFINET	7259.73		0.00	
45. IAF DATA CENTRE UPGRADATION	0.00		0.00	
46. IAF 4G LTE	9158.71		0.00	
47. ASCON PHASE IV	4759.19		11961.01	
48. AIRTEL FTTH ROLLOUT	0.00		0.00	
49. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
50. FMS-MCWWB	202.70		0.00	
51. CCTV	0.00		0.00	
52. POLES	553.53		0.00	
53. Installation Trading OMC	0.00		0.00	
54. 3D PRINTING	0.00		0.00	
55. CONTRACT MANUFACTURING	0.00		0.00	
56. IT- COMPUTER ACCESSORIES	1080.02		15365.07	
57. OTHER STATE GOVT.	1669.02		515.04	
58. OTHERS	569.41		1084.98	
<b>TOTAL</b>		<b>27337.18</b>		<b>62017.37</b>
<b>NOTE No. 25 (b)</b>				
<b>Service Expenses under broad heads :</b>				
1. SSTP AMC	11.75		1161.01	
2. TELECOM TESTING & LABS	0.00		0.00	
3. SMART PAECCEL SERVICES	0.00		0.00	
4. Data Center	2091.81		1547.40	
5. Skill Development	27.71		0.00	
6. SWAN	0.00		344.85	
7. GSM	5216.19		8361.67	
7a. GSM AMC (GST Turnover)	0.00		0.00	
8. NFS	6388.00		7795.27	
9. G-PoN I&C	513.26		361.44	
10. ASCON AMC	594.21		1520.33	
11. DEFENCE AMC	0.00		0.00	
12. NGN AMC	312.22		311.67	
13. BBWT	0.00		0.00	
14. MAHANET UNBILLED	24084.32		23728.63	
14a. MAHANET (GST Turnover)	0.00		0.00	
15. WIFI-HOTSPOT	0.00		52.21	
16. GUJNET	4344.63		3025.99	
17. BNG	383.23		383.23	
18. DDOS	425.35		0.00	
19. MLLN AMC	435.08		17.76	
20. CCMS AMC	71.55		32.00	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
21. E-TENDERING	1235.29		2184.87	
22. FMS-MCWVB	2462.69		0.00	
23. SMPS	60.71		31.36	
24. USOF Bharath Net Project	482.13		0.00	
25. GSM WZ	0.00		0.00	
26. WIFI ACCESS POINT	0.00		0.00	
27. SWM-ICT-WASTE MANAGEMENT	298.58		0.00	
28. IAF DATA CENTRE UPGRADATION	0.00		0.00	
29. Geo Fencing Project	222.51		0.00	
30. COMPONENT SCREENING VSSC	613.75		0.00	
31. IT - WEB PORTAL	377.44		2917.15	
32. OMC AMC	294.09		0.00	
33. TANFINET	2034.73		0.00	
34. IAF 4G LTE	0.00		0.00	
35. FIBER NETWORK	0.00		109.93	
36. RAILWAY	126.69		109.04	
37. NMS	51.16		102.32	
38. E-GOVERNANCE/E-SEVA	0.00		0.00	
39. OCB AMC	0.00		0.00	
40. TPA	0.00		0.00	
41. AADHAR BUSINESS/SAAS	4.58		0.00	
42. Reliability Labs	0.00		0.00	
43. AIRTEL FTTH ROLLOUT	1077.18		637.91	
44. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
45. CCTV Services	876.54		0.00	
46. Survey work	0.00		0.00	
47. ASCON -PHASE IV	17709.90		12354.75	
48. SAAS	123.18		142.85	
49. CONTRACT MFG	0.00		0.00	
50. MLLN I&C	4.38		20.90	
51. OTHER AMC	4404.84		3109.07	
52. Others	305.08		1027.17	
<b>TOTAL</b>		<b>77664.74</b>		<b>71390.78</b>
<b>NOTE No. 26</b>				
<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</u></b>				
Accretion/(Decretion) to WIP				
<b><u>WIP - Production :</u></b>				
Closing Balance	5594.97		6902.72	
Less: Opening Balance	6902.72		7375.41	
<b>TOTAL</b>	<b>(1307.75)</b>		<b>(472.69)</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>(1307.75)</b>		<b>(472.69)</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>	
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>Accretion/(Decretion) to Manufacturing Components</b>				
Closing Balance	4900.12		4270.98	
Less: Opening Balance	4270.98		2132.56	
<b>TOTAL</b>	<b>629.13</b>		<b>2138.42</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>629.13</b>		<b>2138.42</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>	
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	6431.14		2429.74	
Less: Opening Balance	2429.75		2102.07	
<b>TOTAL</b>	<b>4001.40</b>		<b>327.67</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>4001.40</b>		<b>327.67</b>
<b>Stock of Scrap</b>				
Closing Balance	0.00		0.00	
Less: Opening Balance	0.00		0.00	
Add : Prior Period Adjustments	0.00		(65.03)	
<b>TOTAL</b>		<b>0.00</b>		<b>(65.03)</b>
<b>GRAND TOTAL</b>		<b>3322.78</b>		<b>1928.37</b>

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 27</b>				
<b>EMPLOYEE BENEFIT EXPENSES</b>				
i) <b>SALARIES &amp; WAGES</b>				
Salaries & Wages	17162.32		16539.36	
Less: Other Revenue Accounts	0.00		0.00	
<b>TOTAL</b>	<b>17162.32</b>		<b>16539.36</b>	
Bonus	5.38		12.75	
Wage revision arrear payments	0.00		0.00	
Incentive	10.55		9.02	
<b>TOTAL</b>		<b>17178.25</b>		<b>16561.13</b>
ii) <b>CO'S CONTRIBUTION TO PF AND OTHER FUNDS:</b>				
Providend Fund & Pension Fund	1881.52		1690.83	
Employees State Insurance	18.94		14.79	
Gratuity Trust Fund	4397.69		2317.10	
Leave Salary- PL	3983.09		1428.27	
Sick Leave	(18.49)		(8.08)	
Deposit Linked Insurance/Group Insurance	22.26		23.50	
<b>TOTAL</b>		<b>10285.01</b>		<b>5466.41</b>
iii) <b>WORKMEN AND STAFF WELFARE EXPENSES</b>				
Welfare Expenses - Canteen	300.24		274.72	
Welfare Expenses - Education	3.73		25.37	
Medical Expenses	546.76		623.75	
LTC/LLTC	57.76		69.20	
Uniforms	1.84		0.62	
Others	341.63		201.22	
<b>TOTAL</b>		<b>1251.96</b>		<b>1194.89</b>
iv) <b>VOLUNTARY RETIREMENT SCHEME</b>				
VRS Payments		250.94		481.48
v) <b>Actuarial Gain/(Loss)</b>		(6079.04)		(1486.07)
<b>GRAND TOTAL</b>		<b>22887.13</b>		<b>22217.84</b>
<b>RELATED PARTY TRANSACTIONS</b>				
<b>KEY MANAGERIAL PERSONNEL-SALARY &amp; PERQUISITES</b>				
<b>Name</b>		<b>Mar, 2023</b>		<b>Mar, 2022</b>
Shri Rajesh Rai - CMD w.e.f. 21.02.2023		4.12		0.00
Shri R M Agarwal - Ex-CMD		8.87		36.48
Shri Rajeev Srivastava - Director Finance		24.22		19.12
Shri Shashi Prakash Gupta - Ex-Director HR		0.00		7.84
Shri Venkateswarlu - Ex-Director Production		39.07		19.65
Shri Rakesh Chandra Tiwari - Director Marketing		45.98		42.38
Smt Shanmuga Priya - Ex-Company Secretary		16.20		13.27
Smt R Vasanthi - Director (Production) - Addl. Charge w.e.f. 28.02.2023		2.04		0.00
Smt S Jeyanthi - Director - HR - Addl.charge - w.e.f. 28.02.2023		2.04		0.00



# 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. (Rupees in lakhs)

		Gratuity		Privilege Leave		Sick Leave	
<b>I. Summary of results</b>							
S.N	Assets / Liability	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a	Present value of obligation	16,729	15,007	7,776	6,565	31	50
b	Fair value of plan assets	124	1,781	0	0	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-16,605	-13,227	-7,776	-6,565	-31	-50
<b>II. Actuarial &amp; Demographic Assumptions</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a	Discounting Rate	7.18	6.86	7.18	6.86	7.18	6.86
b	Future salary Increase	2.75	2.00	2.75	2.00	2.75	2.00
c	Attrition at Ages	12.35	2.45	12.35	2.45	12.35	2.45
<b>III. Plan Liability</b>							
Date Ending		31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	Present value of obligation as at the end of the period	16,729	15,007	7,776	6,565	31	50
<b>IV. Service Cost</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Current Service Cost	526	480	537	528	3	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	526	480	537	528	3	2
<b>V. Net Interest Cost</b>							
S.N.	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Interest Cost on Defined Benefit Obligation	1030	1,055	450	448	3	4
b)	Interest Income on Plan Assets	122	351	0	0	0	0
c)	Net Interest Cost (Income)	907	704	450	448	3	4
<b>VI. Change in Benefit Obligation</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Present value of obligation as at the beginning of the period	15007	17148	6565	7277	50	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Interest Cost	1030	1055	450	448	3	4
d)	Service Cost	526	480	537	528	3	2
e)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
f)	Benefits Paid	-2725	-4648	-2915	-2054	0	0
g)	Total Actuarial (Gain)/Loss on Obligation	2891	973	3139	367	-24	-14
h)	Present value of obligation as at the End of the period	16729	15007	7776	6565	31	50

## Disclosure Report Under Ind As 19... Contd...

		Gratuity		Privilege Leave		Sick Leave	
<b>VII. Bifurcation of Actuarial Gain/Loss on Obligation</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	568	0	349	0	2	0
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	112	-265	111	-142	0	-1
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	2211	1,238	2679	509	-27	-13
<b>VIII. Actuarial Gain/Loss on Plan Asset</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Expected Interest Income	122	351	0	0	0	0
b)	Actual Income on Plan Asset	49	191	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-73	-160	0	0	0	0
<b>IX. Balance Sheet and related analysis</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Present Value of the obligation at end	16,729	15,007	7,776	6,565	31	50
b)	Fair value of plan assets	124	1,781	0	0	0	0
c)	Unfunded Liability/provision in Balance Sheet	-16,605	-13,227	-7,776	-6,565	-31	-50
<b>X. The amounts recognized in the income statement.</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Total Service Cost	526	480	537	528	3	2
b)	Net Interest Cost	907	704	450	448	3	4
c)	Net actuarial (gain) / loss recognized in the period	0	0	3,139	367	-24	-14
d)	Expense recognized in the Income Statement	1,434	1,184	4,127	1,342	-19	-8
<b>XI. Other Comprehensive Income (OCI)</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Net cumulative unrecognized actuarial gain/(loss) opening	0	0	0	0	0	0
b)	Actuarial gain / (loss) for the year on PBO	-2,891	-973	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-73	-160	0	0	0	0
d)	Unrecognized actuarial gain/(loss) for the year	-2,964	-1,133	0	0	0	0
<b>XII. Change in plan assets</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Fair value of plan assets at the beginning of the period	1781	5,701	0	0	0	0
b)	Actual return on plan assets	49	191	0	0	0	0
c)	Employer contribution	1019	537	0	0	0	0
d)	Benefits paid	-2,725	-4,648	0	0	0	0
e)	Fair value of plan assets at the end of the period	124	1,781	0	0	0	0



## Disclosure Report Under Ind As 19... Contd...

	Gratuity	Privilege Leave	Sick Leave
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### XIII. Major categories of plan assets (as percentage of total plan assets)

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
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	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Net defined benefit liability at the start of the period	13,227	11,446	6,565	7,277	50	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Total Service Cost	526	480	537	528	3	2
d)	Net Interest cost (Income)	907	704	450	448	3	4
e)	Re-measurements	2,964	1,133	3,139	367	-24	-14
	Difference in Opening	-1,019	-537	0	0	0	0
f)	Contribution paid to the Fund	0	0	-2,915	-2,054	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	16,605	13,227	7,776	6,565	31	50

### XV. Bifurcation of PBO at the end of year in current and non current

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Current liability (Amount due within one year)	5972	4,869	2,665	1,993	2	2
b)	Non-Current liability (Amount due over one year)	10758	10,139	5112	4,572	30	47
	<b>Total PBO at the end of year</b>	<b>16,729</b>	<b>15,007</b>	<b>7,776</b>	<b>6,565</b>	<b>31</b>	<b>50</b>

### XVI. Expected contribution for the next Annual reporting period

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Service Cost	517	431	427	443	14	11
b)	Net Interest Cost	1192	907	558	450	2	3
c)	Expected Expense for the next annual reporting period	1709	1,338	985	893	16	15

### XVII. Sensitivity Analysis of the defined benefit obligation

a)	Impact of the change in discount rate	31-03-2023	31-03-2023	31-03-2023
	Present Value of Obligation at the end of the period	16,729	7,776	31
a)	Impact due to increase of 0.50%	-167	-100	0
b)	Impact due to decrease of 0.50 %	170	103	0

b)	Impact of the change in salary increase	31-03-2023	31-03-2023	31-03-2023
	Present Value of Obligation at the end of the period	16,729	7,776	31
a)	Impact due to increase of 0.50%	133	107	0
b)	Impact due to decrease of 0.50 %	-133	-105	0



## Disclosure Report Under Ind As 19... Contd...

	Gratuity	Privilege Leave	Sick Leave
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### XVIII. Maturity Profile of Defined Benefit Obligation

Year	Amount	Amount	Amount
a) 0 to 1 Year	5,972	2,665	2
b) 1 to 2 Year	3,716	1,630	15
c) 2 to 3 Year	2,636	1,195	6
d) 3 to 4 Year	1,780	810	3
e) 4 to 5 Year	1,010	508	2
f) 5 to 6 Year	660	350	1
g) 6 Year onwards	956	619	3

### XIX. Summary of results

S.N	Assets / Liability	Leave Travel Concession	
		31-03-2023	31-03-2022
a	Present value of obligation	171	177
b	Fair value of plan assets	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-171	-177

### XX. Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2023	31-03-2022
a	Discounting Rate	7.18	6.86
b	Future salary Increase	2.75	2.00
c	Attrition at Ages	0	0

### XXI. Actuarial Value

Present value of obligation as at the end of period	171	177
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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	31-03-2023	31-03-2022
a)	Current liability (Amount due within one year)	64	52
b)	Non-Current liability (Amount due over one year)	107	125
c)	Total PBO at the end of year	171	177



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 28</b>				
<b>FINANCE COSTS</b>				
i) Interest Expense:				
Cash Credit	14422.22		10761.60	
Public Deposits	0.00		0.00	
Bonds	0.00		0.00	
Term Loan	0.00		0.00	
Others*	3720.67		5809.68	
ii) Bank charges	2785.67		2647.95	
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	29.85		3.37	
<b>TOTAL</b>		<b>20958.40</b>		<b>19222.60</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	4946.02		5101.42	
Tools and Gauges	3.82		0.00	
<b>TOTAL</b>	<b>4949.84</b>		<b>5101.42</b>	
Less: Transfer from Revaluation Reserve	0.00		0.00	
<b>NET DEPRECIATION</b>		<b>4949.84</b>		<b>5101.42</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		9.57		49.91
Power and Light		1849.09		1756.64
Water Charges		333.66		285.62
Excise Duty		0.00		0.00
<b>REPAIRS AND MAINTENANCE:</b>				
i) Plant Machinery and Equipment	270.71		175.37	
ii) Vehicles	88.84		58.91	
iii) Buildings	877.03		948.09	
iv) Other Equipments	158.29	1394.87	65.17	1247.54
Cost and Expenses on Tools		0.00		0.00
Experimental Work and Training Expenses		6.78		2.00
Expenses on Minor Equipment & Work		0.75		6.08
Royalty		884.61		0.00
Loss of Stock due to Fire		88.25		0.00
Scrap and Salvages		0.00		0.00
Factory Expenses		926.29		828.29

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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	0.00	0.00	0.00
Liquidated Damages		1246.75		531.26
Demurrage Charges		0.67		0.00
Netgain /loss on foreign currency translation and transaction (other than considered as finance cost)		0.00		(0.01)
<b>TOTAL MANUFACTURING EXPENSES</b>		<b>6741.28</b>		<b>4707.33</b>
<b>ADMINISTRATION EXPENSES:</b>				
Rent	154.69		161.52	
Rates and Taxes	1056.47		157.66	
Insurance	129.75		74.06	
<b>TRAVELLING EXPENSES</b>				
Inland	562.09		432.69	
Foreign	0.00		0.00	
Postage, Telegram, Telex Expenses	25.61		31.78	
Telephone and Trunk Call Charges	44.24		68.92	
<b>Remuneration to Auditors</b>				
Audit Fees	27.04		23.96	
For Taxation Matters	1.50		1.66	
For Company Law Matters	0.00		0.00	
For Management Services	0.00		0.00	
For Reimbursement of Expenses	1.18		0.38	
For Other Services	1.33		0.48	
Legal fees	135.76		92.10	
Other Professional fees	264.36		283.06	
CISF/ Private Security Expenses	1002.28		960.60	
Printing, Stationary and Duplicating Charges	64.94		45.25	
Transport Expenses	291.40		287.84	
News Papers, Magazines & Periodicals	14.70		23.33	
Mechanised Accounting Expenses	2.40		3.73	
Lease Charges	0.00		0.00	
Licence fee/Segment Charges	2.40		4.07	
CSR Expenditure	16.64		68.00	
Expenses on Follow on Public Offer (FPO)	0.00		0.00	
Office Expenses	580.43		598.39	
Provision for Obsolescence of RM Stores	0.00		0.00	
Obsolete RM & Production Stores Write off	0.00		0.00	
Provision for Capital WIP Write off	0.00		0.00	
Provision for Debtors/Advance	2639.38		700.00	
Bad Debts Write off	0.78		323.02	
Claims and Expenses Charge off	20.47		19.18	
Loss on Sale of Assets	0.00		0.00	
Penalties and Late fees	17.35		15.24	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Adjustment to the Carrying Amount Investments	0.00		0.00	
Net Loss on Sale of Investments	0.00		0.00	
<b>TOTAL ADMINISTRATION EXPENSES</b>		<b>7057.17</b>		<b>4376.92</b>
<b>C. SELLING EXPENSES</b>				
Selling Agency Commission	4.11		6.38	
Advertisement Expenses	16.98		24.72	
Exhibition and Publicity Expenses	9.64		0.40	
Packing Expenses	6.70		0.16	
Forwarding Expenses	53.68		322.40	
Discount Allowed	0.00		0.00	
Warrenty Expenses	0.00		0.53	
Sales Promotion Expenses	0.00		9.03	
Entertainment Expenses	1.56		2.58	
Cost of Tender Forms	1.84		4.37	
<b>TOTAL SELLING EXPENSES</b>		<b>94.51</b>		<b>370.57</b>
<b>TOTAL OTHER EXPENSES</b>		<b>13892.97</b>		<b>9454.83</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...)

### Additional Disclosures

PARTICULARS	31.03.2023	31.03.2022
<b>NOTE No. 31</b>		
1 Corporate information:		
ITI Limited is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of Manufacture, sale and servicing of Telecommunication equipments.		
2 An amount of ₹16500 Lakhs has been received from the government towards payment of wage revision arrears during 2014-2015. An Amount of ₹15493.72 lakhs has been paid towards payment of wage revision arrears and remaining amount of ₹1006.28 lakhs kept under Other Current Liabilities.		
3 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.		
4 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.		
5 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).		
	<b>31.03.2023</b>	<b>31.03.2022</b>
Purchase of goods\Services	-	-
Sale of goods\Services	-	-
Amount Outstanding:		
- Due from the related party	-	-
- Due to the related party	-	-
Provision for doubtful debts against dues from related party.	-	-
Written Off during the period	-	-
b) Remuneration paid to Key Management Personnel [As required under Ind AS 24]	<b>Mar, 2023</b>	<b>Mar, 2022</b>
Shri Rajesh Rai - CMD w.e.f. 21.02.2023	<b>4.12</b>	0.00
Shri R M Agarwal- Ex- CMD	<b>8.87</b>	36.48
Shri Rajeev Srivastava - Director Finance	<b>24.22</b>	19.12
Shri Shashi Prakash Gupta - Ex-Director HR	<b>0.00</b>	7.84
Shri Venkateswarlu - Ex-Director Production	<b>39.07</b>	19.65
Shri Rakesh Chandra Tiwari - Director Marketing	<b>45.98</b>	42.38
Smt Shanmuga Priya - Ex-Company Secretary	<b>16.20</b>	13.27
Smt R Vasanthi-Director (Production) - Addl. Charge w.e.f. 28.02.2023	<b>2.04</b>	0.00
Smt S Jeyanthi -Director - HR - Addl. Charge - w.e.f. 28.02.2023	<b>2.04</b>	0.00
6 Earnings Per Share (for continuing operation):	<b>31.03.2023</b>	<b>31.03.2022</b>
Profit after tax	<b>-36009.63</b>	12007.78
(-) Preference Dividend	<b>0.00</b>	0.00
Dividend tax	<b>0.00</b>	0.00
Profit available to equity shareholders	<b>-36009.63</b>	12007.78
No. of Shares at beginning of the year	<b>933522869</b>	933522869
No. of Shares at the end of the year	<b>949577352</b>	933522869
Weighted average number of shares during the period	<b>944488639</b>	933522869
Earning per equity share (for continuing operation): Basic & Diluted (in ₹)	<b>-3.81</b>	1.29
7 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"		
8 <u>JOINT VENTURES:</u>		
The financial reporting of interests in Joint Ventures as per Ind AS 28:		
(a) India Satcom Limited	31.03.2023	31.03.2022
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...)

9	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,033.31	1,621.58
	b) Commitments in respect of other contracts not provided for-	-	-
10	Contingent Liabilities & Commitments		
	<u>(a) Claims against the companies not acknowledged as debt</u>		
	- Outstanding letters of credit & guarantees	<b>1,32,149.64</b>	1,47,253.97
	- Tax Dues		
	---- Litigations		
	-----Direct Tax matters	<b>691.72</b>	691.72
	-----Indirect Tax matters	<b>13,371.38</b>	16,338.54
	----Other tax dues		
	-----Direct Tax matters	<b>177.51</b>	-
	-----Indirect Tax matters	<b>5,915.37</b>	14,139.51
	- Other claims - litigated	<b>27,718.38</b>	21,380.42
	- Other claims - others	<b>18.20</b>	-

i) Claims against the company not acknowledged as debt includes ₹ 16700.00 Lakhs calimed by M/s Alphon Corporation, Company has to recover ₹ 17096 Lakhs from BSNL on a back to back basis contract related to GPON.

ii) The Company has received a demand for property tax from BBMP for the years from 2008-09 to 2022-23 based on revised rates along with interest and penalties totalling to Rs 7938.21 lakhs. The company has paid/ provided for the property tax at the rates at which the taxes were paid in the past and contested the revision of the property tax by filing a writ petition before the High Court of Karnataka on the ground that the Company is a sick industry under a revival plan sanctioned by the BIFR and are eligible for an exemption from such revision.

(iii) The company has received notices levying penalties amounting to Rs 18.20 from BSE/ NSE for not having sufficient number of independent directors/ women directors. However, on a request to BSE/ NSE stating the reason for non-compliance being a public sector undertaking, the penalties have been waived till the second quarter of FY 2022-23. The company is confident that the subsequent levies would also be waived. Hence, no provision has been made for these penalties.

(iv) The claims amount includes claim by HFCL of Rs 1485.60 lakhs towards Liquidated Damages and confirmed by the Arbitrator. However, the Company has filed an appeal against the said claim in the High Court of Delhi.

(v) The claims against the company includes claim of balance amount by RECAP Ventures Pvt Ltd of Rs 615.13 lakhs from the due date till the filling of petition for providing CCMS boxes under EESL tender .

vi.) 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.

vii.) The company has disclosed a contingent liability of ₹ 5,915.37 lakhs (Previous Year ₹ 14,139.51 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.

viii.) Out of the claims against the company not acknowledged as debt of ₹ 26,800.10 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.

(ix) Interest and penalties on arrears of all overdue statutory liabilities (including undisputed) could arise as and when assessed and determined by the respective authorities.

(x) 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.

### (b) Other litigations

(i) Claim Recoverable - (inland) - ₹1049.41 lakhs due from M/S Himachal futuristic communications on account of Liquidated Damages. The Company has filed a legal case and the matter is pending before Delhi High court.

(ii) 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.

ITI Limited filed a complaint in the Magistrate Civil Court dated 18.05.2022 in furtherance of acting against M/s Mind array Systeme Private Limited. The case is under city commercial court Bengaluru.

ITI Limited supplied LED Street Light to Infos park , the realisation for the same is pending. ITI has filed a case against M/s Infos Park for the cheque which was dishoured by the bank.

Karnataka Power Transmission Corporation Limited is using 5 Acres of Land and no lease agreement has been entered for the same.

Karnataka General Labour Union has filled a case for non payment of lockdown wages for VUSS & Muss amounting to Rs 248.17 lakhs.

## Notes to the Standalone Financial Statements (Contd...)

11 Write-back of liabilities of earlier years amounting to ₹3.80 lakhs comprises Naini Unit ₹2.86 lakhs and RO BGP ₹ 0.94 lakhs (Previous year ₹289.18 Lakhs comprises rae bareli Unit unit ₹161.46 Lakhs, NS unit ₹127.72 Lakhs ).

12 Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption :

	31.03.2023	31.03.2022
Imported	521.25	53.38
Indigenous	15,920.27	11,992.14
<b>Total</b>	<b>16,441.53</b>	<b>12,045.52</b>

13 Accretion/Decretion to stock-in-trade is arrived at after considering due adjustment to difference in excise duty element in respect of opening stock.

14 The Company is a Sick Company as per provisions of the Sick Industrial Companies Act (SICA), 1985 and is currently under a revival plan after it was referred to the Board for Industrial and Financial Reconstruction (BIFR). The Cabinet Committee on Economic Affairs (CCEA) approved financial assistance of ₹415679 lakhs in February 2014 for the revival of the Company under the Rehabilitation Scheme.

As a part of the approved financial assistance, until the beginning of the financial year 2022-23, an amount of Rs 94556 lakhs have been received towards Capital Grant and Rs 189279 lakhs towards revenue grant. Shares have been allotted to the President of India towards the Capital Grant received, on various dates in accordance with the BIFR order dated 08.01.2013 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Of the revenue grant, Rs 15500 lakhs was towards a VRS scheme of which an amount of Rs 11003.58 lakhs has been disbursed to the employees towards VRS and the remaining amount is lying in the account.

Further to the above, the company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022 (each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹10700.00 lakhs has been accounted in the books as share application money pending allotment. The total financial assistance received till the balance sheet date amounts to Rs 302535 lakhs.

15 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.

16 During the period under Audit, the DoT had not agreed with the proposal of the Company to provide VRS to employees on Medical ground out of VRS Grant in Aid. Hence VRS expenses on Medical ground which was paid during FY 2019-20 and adjusted against the Grant in Aid is now recognised as expense.

17 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.

18 Value of Imports on CIF basis

Raw Materials and Production Stores	349.64	49.48
Components and Spare Parts	171.62	3.90
Material in transit	-	-
Capital Goods	-	163.60
<b>TOTAL</b>	<b>521.25</b>	<b>216.98</b>

19 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 ₹ 11,779.92 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 & 2022-23 on accrual basis is deferred, which is in conformity with Ind AS.

20 Southern Railways were paying rent for 1.83 acres of land used as access road to their facilities, without any written lease agreement till June 1990. However, since the approach road was being used by the public and the residents of the locality, Southern Railways stopped paying rent. Presently, the land is used by the public as right of way.

21 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:

(i) 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.

(ii) 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.



## Notes to the Standalone Financial Statements (Contd...)

- (iii) 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 dated 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
- 22 An amount of Rs 2144 lakhs is receivable from M/s.Karvy Data Management Services Limited and M/s.Telva Systems, which is overdue. The company has not made any provision for bad debts in this case as the corresponding liability of similar amount to vendors (back-end partners) is payable only upon recovery of this amount. Provision is made for Rs 242 lakhs being the difference between the amount receivable and payable.
- 23 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.
- 24 No proceedings has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 19488 (45 of 1988) and the rules made thereunder.
- 25 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
- 26 The Company has not been declared as a Wilful Defaulter by any banks or other Financial Institutions or other lenders
- 27 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.
- 28 The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period
- 29 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- 30 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
- 31 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
- 32 The Company has not traded or invested in Crypto or Virtual Currency during the Current or Previous year.
- 33 The borrowings obtained by the Company from banks and financial institutions have been applied for the purpose for which such loans are taken
- 34 The ratios and the formula used for calculating the ratios are as under:

	31.03.2023	31.03.2022
(a) Current Ratio	0.97	1.01
(b) Debt Equity Ratio	0.81	0.64
(c) Debt Service Coverage Ratio	-0.55	1.38
(d) Return on Equity Ratio	-0.15	0.13
(e) Inventory Turnover Ratio	6.89	9.07
(f) Trade Receivables Turnover ratio	0.50	0.63
(g) Trade Payables Turnvoer ratio	0.61	0.70
(h) Net Capital Turnover ratio	-6.31	21.93
(i) Net Profit Ratio	-25.81%	6.45%
(j) Return on Capital employed	-0.04	0.04
(k) Operating Profit Margin without Grant in Aid (Operating Profit / Net Sales)	-9.10%	-5.37%
(l) Operating Profit Margin with Grant in Aid (Operating Profit / Net Sales)	-9.10%	6.40%
(m) Sales to Total Assets ( Sales incl. Taxes/ Total Assets (Net Fixed Assets +Investments + Gross Current Assets)	0.17	0.22
(n) Profit to Sales (Profit before tax to sales incl. GST)	-22.67%	5.78%
(o) Operating Profit to Capital employed (Profit before tax / (Share holders' funds + Loan funds)	-6.34%	3.62%
The turnover ratios having more than 25% variance are due to operational changes		



## Notes to the Standalone Financial Statements (Contd...)

### 35 Details of CSR activities

(i) Amount required to be spent by the Company during the year	Nil	110.55
(ii) Amount of expenditure incurred	5.00	99.09
(iii) Shortfall at the end of the year	0	11.46
(iv) Total previous years shortfall	Nil	Nil
(v) Reason for shortfall (* Shortfall of Rs 11.46 Lacs was deposited on 29.09.2022 in PM Cares Fund)	NA	
(vi) Nature of CSR activities	Armed Forces Flag Fund (AFFDF)	Education / Health & Hygiene, Eradicating Hunger, Environment etc
(vii) Details of related party transaction e.g contribution to trust controlled by the Company		Nil

36 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. However, the proposal for the appointment of requisite number of Independent Directors on the Board of the company is under process with the Administrative Ministry. The company also does not have the Company Secretary as on 31st March 2023.

37 Finance Cost includes interest on delayed remittances of statutory dues of provident fund (Rs 3006.98 Lakhs) at the year end.

38 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.

39 Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's classification.

40 Figures in brackets indicated in the Accounts reflect negative balances.

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date : 29<sup>th</sup> May 2023



## ANNEXURE - 1

### Disclosure of Related Party Transactions (Standalone) for the Quarter & Year ended 31.03.2023

#### 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	
INDIA SATCOM LIMITED	India	49.06%	49.06%	50.94%	50.94%	VSAT Manufacturing & Servicing

##### b) Key Managerial Personnel's Details:

₹ in Lakhs

Name of Directors/ Key Management Personnel's	For the Quarter ended 31.03.2023	For the year ended 31.03.2023	For the year ended 31.03.2022
Shri Rajesh Rai - CMD - w.e.f. 21.02.2023	4.12	4.12	-
Shri. Anand Singh - CMD (Addl. Charge) (From 01.09.2022 to 30.09.2022)	-	-	-
Shri Rakesh Chandra Tiwari - Director (Marketing)	12.59	45.98	42.38
Shri Rajeev Srivastava - Director (Finance) & CFO	7.04	24.22	19.12
Smt R Vasanthi - Director (Production) - Addl. Charge - w.e.f. 28.02.2023*	2.04	2.04	-
Smt S Jeyanthi - Director (HR) - Addl. Charge - w.e.f. 28.02.2023*	2.04	2.04	-
Shri R M Agarwal - Ex-CMD	-	8.87	36.48
Shri D. Venkateswarlu - Ex-Director (Production)	-	42.07	19.65
Shri Shashi Prakash Gupta - Ex-Director (HR)	-	-	7.84
Smt Shanmuga Priya - Ex-Company Secretary	3.78	16.20	13.27
Dr. Akhilesh Dube - Independent Director	-	-	0.15
Dr. K R Shanmugam - Independent Director	-	-	0.45
Shri. Mayank Gupta - Independent Director	-	-	0.40
Shri. Rajen Vidyarthi - Independent Director	-	-	0.20
Dr. Raja Nayak - Independent Director	0.60	1.80	0.65
Shri. Shri Billeswar Sinha - Independent Director	0.30	1.30	0.50
Smt Mamta Palariya - Independent Director	0.50	1.80	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 31.03.2023	
Trade Payables Outstanding as on 31.03.2023	
Trade Receivables Outstanding as on 31.03.2023	
Investment in Equity as on 31.03.2023	40.55 lakhs (40.55L)
Advances for Purchase Outstanding as on 31.03.2023	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 below.
f)	<p><b>Loans to Related Parties.</b></p> <p>Nil</p>
g)	<p><b>Management Contracts including deputation of Employees:-</b></p> <p>Nil</p>
h)	<p><b>Transaction with Government and Government Related Entities</b></p> <p>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:</p> <ol style="list-style-type: none"> <li>1. Buyback of Shares.</li> <li>2. Bonus Issued.</li> <li>3. Dividend Paid.</li> </ol>



## CAPITAL EXPENDITURE ON AMENITIES 2022-23

₹ in Crores

PARTICULARS	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK	
	AS AT 31-03-2022	ADDITIONS DURING THE YEAR	ASSETS SOLD/SCRAPPED DURING THE YEAR	TRANSFERS AND ADJUSTMENTS	AS AT 31-03-2023	UPTO 31-03-2022	FOR THE YEAR	ASSETS SOLD/SCRAPPED DURING THE YEAR	TRANSFERS AND ADJUSTMENTS	UPTO 31-03-2023	AS AT 31-03-2023	AS AT 31-03-2022
TOWNSHIP	1104.24	0.10	0.00	0.00	1104.34	110.03	0.87	0.00	0.00	110.90	993.44	994.21
TRANSPORT	7.00	0.27	0.00	0.00	7.27	6.49	0.15	0.00	0.00	6.64	0.63	0.51
MEDICAL	8.34	0.03	0.00	0.00	8.37	3.63	0.06	0.00	0.00	3.69	4.68	4.71
CANTEEN	6.16	0.00	0.00	0.00	6.16	3.32	0.10	0.00	0.00	3.42	2.74	2.83
SCHOOL CLUBS, AUDITORIUM SOCIAL AND CULTURAL ACTIVITIES	12.85	0.00	0.00	0.00	12.85	5.56	0.08	0.00	0.00	5.64	7.21	7.29
VEGETABLE FARMS, PARKS ETC.	0.05	0.00	0.00	0.00	0.05	0.03	0.00	0.00	0.00	0.03	0.02	0.02
<b>TOTAL</b>	<b>1138.64</b>	<b>0.40</b>	<b>0.00</b>	<b>0.00</b>	<b>1139.04</b>	<b>129.06</b>	<b>1.26</b>	<b>0.00</b>	<b>0.00</b>	<b>130.32</b>	<b>1008.72</b>	<b>1009.57</b>

## REVENUE EXPENDITURE ON AMENITIES 2022-23

₹ in Crores

PARTICULARS	TOWNSHIP	TRANSPORT	MEDICAL	CANTEEN	SCHOOLS, CLUBS, AUDITORIUM, SOCIAL AND CULTURAL ACTIVITIES	VEGETABLES FARMS, PARKS ETC.	2022-23	2021-22
Pay and Allowances	8.46	1.08	2.68	0.35	0.25	0.00	12.82	12.30
Uniforms	0.00	0.02	0.00	0.01	0.00	0.00	0.03	0.02
Grants	0.00	0.00	0.00	0.00	0.05	0.00	0.05	0.29
Supplies and Other Services	0.01	0.03	3.22	2.26	0.00	0.00	5.52	6.65
Power, light & water	3.23	0.00	0.10	0.03	0.00	0.00	3.36	3.19
Transport Charges	0.01	1.63	0.00	0.00	0.00	0.00	1.64	1.41
Rent, Rates, Taxes and Insurance	0.14	0.04	0.00	0.00	0.00	0.00	0.18	0.44
Maintenance and repairs	2.02	0.53	0.09	0.02	0.07	0.19	2.92	2.42
Depreciation - Buildings	0.37	0.05	0.02	0.11	0.08	0.00	0.63	0.59
Depreciation - Plant, Machinery, Equipment & Vehicles	0.25	0.06	0.04	0.00	0.01	0.00	0.36	0.64
General Overheads	0.02	0.00	0.60	0.00	0.00	0.00	0.62	0.06
	<b>14.51</b>	<b>3.44</b>	<b>6.75</b>	<b>2.78</b>	<b>0.46</b>	<b>0.19</b>	<b>28.13</b>	<b>28.01</b>
<b>LESS :</b>								
Recoveries/adjustments								
Rent	17.48	0.00	0.00	0.00	0.00	0.00	17.48	18.72
Power, Light & Water	0.85	0.00	0.00	0.00	0.00	0.00	0.85	1.34
Transport Charges	0.00	0.05	0.00	0.00	0.00	0.00	0.05	0.08
Capitation & other Recoveries	0.00	0.00	0.05	0.06	0.00	0.00	0.11	0.02
Sales proceeds	0.00	0.00	0.00	0.15	0.00	0.00	0.15	0.12
Indirect expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.09
Allocated to Township, Medical & office use	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>18.33</b>	<b>0.05</b>	<b>0.05</b>	<b>0.21</b>	<b>0.00</b>	<b>0.00</b>	<b>18.64</b>	<b>20.37</b>
Net Expenditure	-3.82	3.39	6.70	2.57	0.46	0.19	9.49	7.64
Interest on Capital outlay notional	0.00	0.25	0.13	0.09	0.01	0.00	0.48	0.83
<b>TOTAL EXPENDITURE</b>	<b>-3.82</b>	<b>3.64</b>	<b>6.83</b>	<b>2.66</b>	<b>0.47</b>	<b>0.19</b>	<b>9.97</b>	<b>8.47</b>
<b>Previous year</b>	<b>-9.17</b>	<b>4.06</b>	<b>7.47</b>	<b>4.74</b>	<b>0.99</b>	<b>0.62</b>	<b>8.47</b>	<b>8.47</b>

# STANDALONE 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, 2023, 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, 2023, the profit/ (loss) and total comprehensive income/ (loss), 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 debts (credit losses) in respect of the following items included under Current Assets - Financial Assets, which are doubtful of recovery:

- a) Rs 5,847.90 lakhs, receivable from C-DOT towards rent from premises leased out to them up to the period ending 31-3-2011.
- b) Recoverable from HCL Infosystems Limited of Rs 1,690.20 lakhs as compensation on account of the 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

Accordingly, if provision for credit losses were made by the Company, the loss for the year would have been higher and the net current assets lesser by Rs 9610.51 lakhs.

2) 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. The Naini Unit carries a debit balance of Rs 94.42 lakhs towards unavailed input tax credits that are time-barred. Consequently, the net profit for the year is overstated by Rs 983.42 lakhs, plus applicable interest.

3) In respect of the below-mentioned issues, the impact on the items of financial statements is not quantifiable/ unascertained:

- a) The Company carries long outstanding balances under trade receivable, unbilled debtor balances, claims receivable, and rent receivable. These balances are subject to confirmation by the parties and reconciliations. The effect of the adjustment arising from reconciliation and the delay in settlement of the dues may result in a possible loss due to short/non-recovery. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such unascertained losses on the carrying value of these receivables as well as on the Other Comprehensive Income.
- b) The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
- c) 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 credits reflected in the portal. Adjustment entries and reversal of ineligible input tax credits are pending.
- d) The Company carries certain items of property, plant & equipment under Capital Work-in-Progress pending acceptance/ installation. This includes a let-out building costing Rs 6582.06 that is not yet capitalised as an investment property. A detailed list of such items, along with the date available for use, was not made available to ascertain the shortfall in providing depreciation, if any, as under Ind AS 16/ 40, depreciation shall commence from the date the items are available for use. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such delayed capitalisation and the resultant shortfall in charging depreciation on the Other Comprehensive Income.
- 4) Finance costs for the year include the interest of Rs 3,006.98 lakhs towards delayed remittance of Provident Fund. This amount includes interest for current and previous years, and such a break-up is unavailable.
- 5) 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 verify whether the provision for interest on delayed payments is complete and comment on MSME Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Companies Act 2013.

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.

- i. The Company had 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 the Sick Industrial Companies Act, 1985. [Note No.31.14]
- ii. 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 the finalisation of the terms of the lease and not entering into formal agreements. [Note Nos. 31.10(b), 31.15, 31.17 and 31.19]
- iii. The Company carries under 'other financial assets- current' accumulated unbilled revenue of Rs 2,57,855 lakhs that were recognised during the current as well as the previous few years. [Note No. 9(b)]
- iv. The Company has not provided for the demand of property tax based on the demand notice from BBMP, as it has disputed the demand

by filing a writ in the High Court of Karnataka. [Note No.31.10 (a)(ii)]

- v. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary. [Note No.31.36]
- vi. 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.31.21.(i)]
- vii. Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.3(iv)]
- viii. The Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs 242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.[Note No.31.22]

**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	Auditors' Response
<p>Revenue from contracts with customers:</p> <p>Accounting for revenue is an exercise of recognising revenue based on accounting policies 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 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> <ul 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> </ul> <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



2,96,230.66 lakhs as at March 31, 2023 and total income of Rs 17,057.64 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 31.10 to the financial statements)
    - 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.

- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

- 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".

For **GRSM & ASSOCIATES**

Chartered Accountants

[FRN: 000863S]

UDIN: 23205296BGWRPM3312

**RAJGOPAL A**

Partner

M.No. 205296

Place: Bangalore

Date: 29<sup>th</sup> May 2023



## "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, 2023

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, Regional Offices, Corporate Office and at Raebareli (Furniture and Vehicles). 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. 31.21 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, 2023 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) Regional Offices. 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.

(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 31-3-2023 for a period of more than six months from the date they became payable is given in the below table:

Rs in Lakhs

Particulars	BG Plant (Including RO Hyd)	Srinagar	NAINI	Raebareli	Mankapur	Palakkad	TOTAL
Statutory Dues PF	2,372.22	-	3,314.66	10,729.72	6,384.88	290.96	23092.44
WCT	-	-	8.08	-	-	-	8.08
Excise Duty	-	-	0.44	-	-	-	0.44
Sales Tax	-	-	1.23	-	-	-	1.23
TDS on GST	-	-	0.26	42.11	-	-	42.37
GST	66.08	-	-	35.37	-	-	101.45
GSLI	-	-	3.19	-	-	-	3.19
Service Tax	-	-	1.29	2,417.74	-	-	2,419.03
<b>Total</b>	<b>2,438.30</b>	<b>-</b>	<b>3,329.15</b>	<b>13,224.94</b>	<b>6,384.88</b>	<b>290.96</b>	<b>25,668.23</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 31.03.2023)	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 Rs 14.00)	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	5,510.14	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
12	Central Sales Tax	Demand of other dues and Additional Tax against FORM 'C'	2.12	2009-10	Deputy Commissioner, Commercial Tax, Allahabad	NNI



Sl. No.	Name of the statute	Nature of dues	Amount in Rs Lakhs (As on 31.03.2023)	Period to which the dispute relates	Forum where the dispute is pending	Unit
13	CST/ UPVAT	Demand of other dues and Additional Tax against FORM 'C'	60.57	2010-11	Additional Commissioner (Appeals), Commercial Tax, Allahabad	NNI
14	CST	Demand of other dues and Additional Tax against FORM 'C'	10.96	2011-12	Tribunal, Commercial Tax, Allahabad	NNI
15	CST/ UPVAT	Demand of other dues and FORM 'C'	146.75	2012-13	Deputy Commissioner Sector 14, Commercial Tax, Allahabad	NNI
16	CST/ UPVAT	Demand of Tax	86.75	2013-14	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	2001-02	High Court, Eranakulam	PKD
23	CST	Sales Tax	504.13	2003-04	KVAT Tribunal, Palakkad	PKD
24	Customs, Central Excise & Service Tax	Service Tax	143.42	2016-17 & 2017-18	Commissioner Appeals, Kochi	PKD
25	Customs, Central Excise & Service Tax	Service Tax	3.93	Apr 2015 to Jun 2 2017	Commissioner Appeals, Kochi	PKD
26	Sales Tax Act	Sales Tax	117.70	2010-11	Trade Tax Tribunal, Lucknow	RBL
27	Sales Tax Act	Sales Tax	87.39	2014-15	Trade Tax Tribunal, Lucknow	RBL
28	Karnataka VAT Act, 2003	Turnover Suppression	26.47	2013-14	Commercial Tax Officer, Thirpunnithura	RO BG
29	Karnataka VAT Act, 2003	Turnover Suppression	48.92	2014-15	Appellate Assistant Commissioner, Commercial Taxes, Ernakulam	RO BG
30	Service Tax	Non payment of Service Tax on Royalty payments received	44.78	2012-13 to 2014-15	Commissioner of Central Excise	RO BG
31	KVAT	Turnover suppression	65.87	2012-13	Dy Commr (Appeals) - Commercial Tax, Ernakulam	RO BG
32	Sales Tax	Sales Tax	733.36	1987-88 to 1989-90, 1996-97, 1999-00, 2002-03	High Court, J & K	SNR
33	Sales Tax	Sales Tax	226.05	2013-14	Commissioner of Sales Tax Bhubaneswar	RO BBSR
34	Income Tax	Income Tax	691.72	2017-18	Commissioner of Income Tax	CORP
35	Income Tax	Income Tax	305.00	2020-21	Commissioner of Income Tax	CORP
		<b>Total</b>	<b>14,368.10</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. As per the latest

communications, the repayment of 1/5th principal would start from 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 the 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.

Nature of borrowing, including debt securities	Name of lender*	Amount not paid on the due date	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Loan	GOI, Ministry of Communications & IT Dept. of Telecommunications	Rs 6000.00 lakhs	Principal	Payable during FY 22-23	The letter of sanction does not specify the date of repayment but only states that 1/5th is payable annually.

- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has taken a term loan during the year, and the loan was applied for the purpose for which the loan was obtained.
- (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 incurred cash losses during the financial year covered by our audit but not in 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.
- (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.

**For GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

UDIN: 23205296BGWRPM3312

**RAJGOPAL A**

Partner

M.No. 205296

Place: Bangalore  
Date: 29<sup>th</sup> May 2023



# "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, 2023 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, 2023:

- 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.
- iv. The internal control system to ensure no delay in the information furnished by the user departments to the accounts department regarding installation and acceptance of items of property, plant and equipment is weak, resulting in accounting for backlog depreciation in a few cases.

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, 2023, 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 2,96,230.66 lakhs as at March 31, 2023 and total income of Rs 17,057.64 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, 2023 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.

For **GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

UDIN: 23205296BGWRPM3312

**RAJGOPAL A**

Partner

M.No. 205296

Place: Bangalore  
Date: 29<sup>th</sup> May 2023

## "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 2022-23

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 easing 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 31-3-2023 is as follows:</p> <ol style="list-style-type: none"> <li>1) Grant towards VRS - Rs 4,496.42 lakhs</li> <li>2) Grant-in-aid (capital) - Rs 10700.00 lakhs</li> </ol>

For **GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

UDIN: 23205296BGWRPM3312  
**RAJGOPAL A**  
Partner  
M.No. 205296

Place: Bangalore  
Date: 29<sup>th</sup> May 2023

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of ITI LIMITED for the year ended 31-3-2023 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.

For **GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

UDIN: 23205296BGWRPM3312

Place: Bangalore  
Date: 29<sup>th</sup> May 2023

**RAJGOPAL A**  
Partner  
M. No. 205296



# 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:

- 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:

- 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.
- 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.
- 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.
- 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 **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date : 29<sup>th</sup> May 2023

## Consolidated Balance Sheet as at 31.03.2023

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
<b>I. ASSETS</b>					
(1) Non-current assets					
(a) Property, Plant & Equipment	1	268408.07		266105.11	
(b) Capital work-in-progress	2	13863.12		14964.58	
(c) Investment Property	3	6827.78		6838.00	
(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)	3514.27		3490.00	
(ii) Trade receivables	4(b)	19646.74		23622.30	
(iii) Loans	4(c)	0.00		0.00	
(iv) Others	4(d)	3.00		3.00	
(i) Deferred Tax Assets (net)		0.00			
(j) Other non current assets	5	0.52	312263.51	0.52	315023.51
(2) Current assets					
(a) Inventories	6	24975.23		19339.54	
(b) Financial Assets					
(i) Investments		0.00		0.00	
(ii) Trade receivables	7	242927.83		272989.62	
(iii) Cash and cash equivalents	8(a)	935.78		1556.54	
(iv) Bank Balances other than (iii) above	8(b)	20548.13		29093.25	
(v) Loans	9(a)	73302.93		75304.97	
(vii) Others	9(b)	257975.43		230593.53	
(c) Current Tax Assets (Net)		0.00		0.00	
(d) Other current assets	10	16207.31	636872.64	13578.72	642456.17
<b>TOTAL</b>			<b>949136.16</b>		<b>957479.69</b>
<b>II. EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
(a) Equity Share Capital	11	94957.74		93352.29	
(b) Other Equity	12	142475.59	237433.33	167445.44	260797.73
<b>LIABILITIES</b>					
(1) Non-Current Liabilities					
(a) Government Grants Unutilised	13	4501.06		4250.12	
(b) Financial Liabilities					
(i) Borrowings	14(a)	18000.00		24000.00	
(i) Lease Liabilities	14(b)	59.66		74.67	
(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		17399.02		22381.00	



## Consolidated Balance Sheet as at 31.03.2023 Contd...

₹ in Lakhs

Particulars	Note No.	As at 31.03.2023		As at 31.03.2022	
(iii) Others	14(d)	7631.29		7386.26	
(c) Provisions	15	5141.35		4619.26	
(d) Deferred Tax Liabilities		0.00		0.00	
(e) Other Non current Liabilities	16	0.00	52732.38	0.00	62711.32
<b>(2) Current Liabilities</b>					
(a) Financial Liabilities					
(i) Borrowings	17(a)	169583.52		137199.25	
(ia) Lease Liabilities	17(b)	15.01		13.48	
(ii) Trade Payables	17(c)				
(A) Total outstanding dues of Micro Enterprises & Small Enterprises		12895.01		20606.69	
(B) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises		124773.18		148399.64	
(iii) Others	18	229040.32		205577.47	
(b) Other current liabilities	19	103221.54		106775.23	
(c) Provisions	20	19441.86		15398.90	
(d) Current Tax Liabilities	21	0.00	658970.45	0.00	633970.64
<b>TOTAL</b>			<b>949136.16</b>		<b>957479.69</b>

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements.

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date : 29<sup>th</sup> May 2023



## Statement of Consolidated Changes in Equity

### A. Equity Share Capital

₹ in Lakhs

Particulars	2022-23	2021-22
<b>Balance at the beginning</b>	<b>93,352.29</b>	<b>93,352.29</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	1,605.45	-
<b>Balance as at end</b>	<b>94,957.74</b>	<b>93,352.29</b>

### B. Other Equity

Particulars	Share application money pending allotment	Reserves and Surplus					Revaluation Surplus	Other items of Other Comprehensive Income	Total
		Capital Reserve	Securities Premium	OCI-Re measurement of DBP	Other Reserves	Retained Earnings			
<b>Balance as at 01.04.2022</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.37</b>	<b>-</b>	<b>-1,75,976.96</b>	<b>-</b>	<b>-</b>	<b>1,67,445.45</b>
Changes in accounting policy / Period errors									-
<b>Restated balance at the beginning of the current reporting period</b>	<b>7,156.30</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>8,759.37</b>	<b>-</b>	<b>-1,75,976.96</b>	<b>-</b>	<b>-</b>	<b>1,67,445.45</b>
Total Comprehensive Income for the current year				-6,079.04					<b>-6,079.04</b>
Dividends									
Transfer to retained earnings						-35,985.36			<b>-35,985.36</b>
Any other change	-7,156.30		13,550.85						<b>6,394.55</b>
Capital Grant received during the year *	10,700.00								<b>10,700.00</b>
<b>Balance as at 31.03.2023</b>	<b>10,700.00</b>	<b>3,05,827.30</b>	<b>35,230.29</b>	<b>2,680.34</b>	<b>-</b>	<b>-2,11,962.32</b>	<b>-</b>	<b>-</b>	<b>1,42,475.59</b>
<b>Balance as at 01.04.2021</b>	<b>-</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	<b>-</b>	<b>-1,86,696.56</b>	<b>-</b>	<b>-</b>	<b>1,51,055.63</b>
Changes in accounting policy / Period errors *						-1,151.55			<b>-1,151.55</b>
<b>Restated balance at the beginning of the current reporting period</b>	<b>-</b>	<b>3,05,827.30</b>	<b>21,679.44</b>	<b>10,245.45</b>	<b>-</b>	<b>-1,91,434.14</b>	<b>-</b>	<b>-</b>	<b>1,46,318.06</b>
Total Comprehensive Income for the current year				-1,486.07					<b>-1,486.07</b>
Dividends									-
Capital Grant received during the year *	7,156.30								<b>7,156.30</b>
Transfer to retained earnings						11,871.15			<b>11,871.15</b>
Any other change									-
<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>-</b>	<b>-1,75,976.96</b>	<b>-</b>	<b>-</b>	<b>1,67,445.45</b>

**\* Note:**

- The company rectified an error of delay in the capitalisation of a few items of property, plant & equipment. Based on the date of installation of these assets, they ought to have been capitalised prior to the comparable period covered in these financial statements, which has resulted in the non-provision of depreciation in the prior years. There were also cases of short provision of depreciation in the year 2021-22. These errors have been rectified by (i) increasing the depreciation of the comparable year FY 2021-22 by Rs 98.48 lakhs (ii) decreasing the retained earnings by Rs 117.42 lakhs on account of depreciation pertaining to earlier periods. (iii) corresponding retrospective restatement as at 1-4-2021 by decreasing the carrying value of capital work in progress by Rs 2390.98 lakhs, corresponding increase by the same amount in the carrying value of the property, plant and equipment
- Expenditure of Rs 1593 lakhs related to unbilled revenue recognised during the financial year 2020-21 was erroneously missed out to be accounted for and the error has been rectified in the current financial year by a retrospective restatement of trade payables.



- (iii) Grant-in-aid of Rs 558.87 lakhs received during the financial year 2017-18 under the Swachh Bharath Scheme was erroneously carried as a liability and the corresponding expenditure were incurred during the financial years 2017-18, 2018-19 and 2019-20. However, erroneously the grant was not recognised as income proportionately to match the costs. This error is rectified by a retrospective restatement of other current liabilities.
- (iv) The company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹ 8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022(each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹ 10700.00 lakhs has been accounted in the books as share application money pending allotment

**Note: The accompanying Significant Accounting Policies and notes form part of the financial statements.**

As per our report of even date

For **M/s. GRSM & ASSOCIATES**  
Chartered Accountants  
Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**  
Partner  
M. No.205296

**RAJEEV SRIVASTAVA**  
Director Finance & CFO  
DIN: 08921307

**RAJESH RAI**  
Chairman & Managing Director  
DIN: 10052045

Place: Bengaluru  
Date : 29<sup>th</sup> May 2023

## Consolidated Statement of Profit and Loss for the year ended 31.03.2023

₹ in Lakhs

Particulars	Note No.	For the year ended	
		31.03.2023	31.03.2022
<b>INCOME</b>			
I. Revenue from operations	22	139544.51	186073.13
II. Other Income	23	5254.88	25456.63
III. Total Income (I + II)		144799.38	211529.76
<b>IV. EXPENSES:</b>			
Cost of materials consumed	24	16441.53	12045.53
Purchase of Stock-in-Trade	25 (a)	27337.18	62017.36
Installation & Maintenance Charges	25 (b)	77664.74	71390.78
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	(3322.78)	(1928.37)
Employee benefit expense	27	22887.13	22217.84
Finance costs	28	20958.40	19222.60
Depreciation and amortization expense	29	4949.84	5101.43
Other expenses	30	13892.97	9454.83
<b>IV. Total Expenses</b>		180809.02	199521.99
Share of net profit of associates and joint ventures accounted for using the Equity Method		24.27	(136.61)
V. Profit/(Loss) before exceptional items and tax (III-IV)		(35985.36)	11871.15
VI. Exceptional Items			
(i) Income		0.00	0.00
(ii) Expenses		0.00	0.00
VII. Profit/(Loss) before tax (V + VI)		(35985.36)	11871.15
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)		(35985.36)	11871.15
X. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss			
Remeasurements of Defined Benefit Plans		(6079.04)	(1486.07)
Change in Fair Value of Equity instrument through OCI		0.00	0.00
B. (i) Items that will be reclassified to profit or loss		0.00	0.00
XI. Total Comprehensive Income for the year (IX+X) Comprising Profit (Loss) and Other comprehensive Income for the year		(42064.40)	10385.08
XII. Earnings per equity share (for continuing operation):			
Basic & Diluted (Face value of ₹ 10/- each):		(3.81)	1.27
Weighted average number of shares		944488639	933522869

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

Place: Bengaluru

Date : 29<sup>th</sup> May 2023

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045



## Consolidated Cash Flow Statement for the year ended 31.03.2023

₹ in Lakhs

Particulars	For the year ended 31.03.2023		For the year ended 31.03.2022	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>				
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		(35985.36)		11871.15
<b>Adjustment For :</b>				
Depreciation	4949.84		5101.43	
Financing Charges	20958.40		19222.60	
Profit On Sale Of Investments	0.00		0.00	
Interest/Dividend Received	(541.27)		(485.26)	
Loss On Sale Of Asset	0.00		0.00	
Profit On Sale Of Asset	(1628.83)		(344.48)	
Transfer From Grant-In-Aid	250.94		(21912.40)	
Transfer From Grant-In-Aid	0.00		0.00	
Other Comprehensive Income	(6079.04)		(1486.07)	
Non-Cash Expenditure	2660.62	20570.67	1042.20	1138.02
<b>OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>		(15414.70)		13009.17
<b>Adjustment For:</b>				
Trade And Other Receivables	3297.07		(90721.87)	
Inventories	(5635.69)		30.36	
Trade Payables	(11600.83)		33927.00	
Direct Taxes Paid	0.00	(13939.45)	10.08	(56754.43)
<b>CASH GENERATED FROM OPERATIONS</b>		(29354.15)		(43745.26)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		(29354.15)		(43745.26)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
<b>Purchase Of Fixed Assets Including:</b>				
Capital Work-In-Progress	(6069.96)		(6016.08)	
Sale Of Fixed Assets	1628.83		344.48	
Investments	(24.27)		136.61	
Interest Received	541.27		485.26	
Proceeds from maturity/Deposit of Other Bank Balances	8545.12		22873.62	
Dividend Received	0.00		0.00	
<b>NET CASH USED IN INVESTING ACTIVITIES [B]</b>		4620.99		17823.90
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds From Short Term Borrowings	26370.79		14760.83	
Share Application Money	10700.00		7156.30	
Capex Grant Received and shares allotted				
Adjustment with surplus	8000.00		0.00	
Grant-In-Aid Received	0.00		21989.76	
Financing Expenses	(20958.40)		(19222.60)	
<b>NET CASH USED IN FINANCING ACTIVITIES [C]</b>		24112.39		24684.30
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]</b>		(620.76)		(1237.08)
<b>OPENING BALANCE OF CASH AND CASH EQUIVALENTS</b>		1556.54		2793.67
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALENTS</b>		935.78		1556.54

**Note:** The accompanying Significant Accounting Policies and notes form part of the financial statements

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

Place: Bengaluru

Date : 29<sup>th</sup> May 2023

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

# Notes to the Financial Statements

Note No.1

Property, Plant & Equipment

₹ in Lakhs  
FY 2022-23

PARTICULARS	GROSS BLOCK						DEPRECIATION					Net Carrying Value as at 31.03.2023
	GROSS AMOUNT 01.04.2022	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUST-MENTS	TOTAL 31.03.2023	ACCUMU-LATED DEP. 01.04.2022	FOR THE PERIOD	DELETION	ADJUST-MENTS	TOTAL 31.03.2023	
<b>LAND:</b>												
-FREE HOLD	2,20,957.17	-	67.08	-	-	2,20,890.09	-	-	-	-	-	2,20,890.09
-LEASE HOLD	777.13	-	-	-	-	777.13	1.62	0.27	-	-	1.89	775.24
ASSETS GIVEN ON LEASE	-	-	-	-	-	-	-	-	-	-	-	-
LAND DEVELOPMENT	-	-	-	-	-	-	-	-	-	-	-	-
BUILDING	14,706.58	251.73	-	-	-	14,958.31	4,400.43	705.21	-	-	5,105.64	9,852.67
PLANT& MACHINERY	44,848.89	5,925.54	60.36	-	-	50,714.07	14,649.31	3,694.17	59.98	-	18,283.50	32,430.57
OTHER EQUIPMENT	5,263.96	946.12	14.61	-	-	6,195.47	1,735.50	435.38	14.61	-	2,156.27	4,039.20
OFFICE M/C & EQPT	409.94	147.33	1.49	-	-	555.78	293.66	54.74	1.25	-	347.15	208.63
FURNITURE FIXTURE& FITTINGS	106.74	7.96	-	-	-	114.70	51.09	9.36	-	-	60.45	54.25
VEHICLES	148.06	27.74	-	-	-	175.80	87.75	16.24	-	-	103.99	71.81
ELECTRICAL INSTALLATION	29.49	-	-	-	-	29.49	-	-	-	-	-	29.49
RIGHT OF USE (CAR LEASE)	102.03	-	-	-	-	102.03	25.51	20.41	-	-	45.91	56.12
<b>TOTAL</b>	<b>2,87,350.00</b>	<b>7,306.42</b>	<b>143.53</b>	<b>-</b>	<b>-</b>	<b>2,94,512.89</b>	<b>21,244.88</b>	<b>4,935.79</b>	<b>75.84</b>	<b>-</b>	<b>26,104.82</b>	<b>2,68,408.07</b>

# Notes to the Financial Statements

Note No.1

Property, Plant & Equipment

₹ in Lakhs  
FY 2021-22

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)	ADJUST-MENTS	TOTAL 31.03.2022	ACCUMULATED DEP. 01.04.2021	FOR THE PERIOD	DELETION	ADJUST-MENTS	TOTAL 31.03.2022	
LAND:												
-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	3,709.11	704.46	-	-13.15	4,400.44	10,306.14
PLANT & MACHINERY	41,827.70	3,224.99	203.79	-	-	44,848.89	10,884.80	3,683.56	85.17	166.12	14,649.31	30,199.58
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	75.79	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>2,81,989.30</b>	<b>5,666.16</b>	<b>305.46</b>	<b>-</b>	<b>-</b>	<b>2,87,350.00</b>	<b>16,134.12</b>	<b>5,209.44</b>	<b>85.17</b>	<b>-13.52</b>	<b>21,244.88</b>	<b>2,66,105.12</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 357,694 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 Financial Statements

Note No. 3

Investment Property

₹ in Lakhs  
FY 2022-23

PARTICULARS	GROSS BLOCK					DEPRECIATION					Net Carrying Value as at 31.03.2023	
	GROSS AMOUNT 01.04.2022	ADDITIONS	DELETION	Amount of change due to revaluation (if revaluation is more than 10% of the aggregate net carrying amount)	ADJUST-MENTS	TOTAL 31.03.2023	ACCUMU-LATED DEP. 01.04.2022	FOR THE PERIOD	DELETION	ADJUST-MENTS		TOTAL 31.03.2023
LAND	6,497.55	-	-	-	-	6,497.55	-	-	-	-	-	6,497.55
BUILDING	382.35	-	-	-	-	382.35	41.90	10.22	-	-	52.12	330.24
TOTAL	6,879.90	-	-	-	-	6,879.90	41.90	10.22	-	-	52.12	6,827.78

Investment Property

FY 2021-22

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)	ADJUST-MENTS	TOTAL 31.03.2022	ACCUMU-LATED DEP. 01.04.2021	FOR THE PERIOD	DELETION	ADJUST-MENTS		TOTAL 31.03.2022
LAND	6,395.87	101.67	-	-	-	6,497.55	-	-	-	-	-	6,497.55
BUILDING	382.35	-	-	-	-	382.35	31.69	10.21	-	-	41.90	340.45
TOTAL	6,778.22	101.67	-	-	-	6,879.90	31.69	10.21	-	-	41.90	6,838.00

Notes:

- 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. (e) 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) HPCIL 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) Thumby 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.
- 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

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 2</b>				
<b>CAPITAL WORK-IN-PROGRESS</b>				
Capital Work-in-Progress at Cost	7075.28		9004.29	
Less: Provision	0.00		0.00	
<b>TOTAL</b>		<b>7075.28</b>		<b>9004.29</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>
Machinery at Cost				
In-Transit	7.93		60.84	
Awaiting Acceptance / Installation	6786.44		5905.98	
	6794.38		5966.82	
Less:Provision	6.53		6.53	
<b>TOTAL</b>		<b>6787.84</b>		<b>5960.29</b>
<b>GRAND TOTAL</b>		<b>13863.12</b>		<b>14964.58</b>

### Capital Work in Progress Ageing Schedule

Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
Projects in progress	166.75	160.27	0.00	6593.48	6920.50
Projects temporarily suspended	0.00	0.00	0.00	0.00	0.00
Machinery at cost - In Transit, Awaiting acceptance / Installation	1733.05	1329.07	2234.16	1646.34	6942.62
<b>TOTAL</b>	<b>1899.80</b>	<b>1489.34</b>	<b>2234.16</b>	<b>8239.82</b>	<b>13863.12</b>
Particulars	Less than1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2022
Projects in progress	1,922.78	225.17	118.06	6,738.28	9004.29
Projects temporarily suspended	-	-	-	-	0.00
Machinery at cost- In Transit, Awaiting acceptance / Installation	1,220.27	2,234.16	1,824.54	681.32	5960.29
<b>TOTAL</b>	<b>3143.05</b>	<b>2459.33</b>	<b>1942.60</b>	<b>7419.60</b>	<b>14964.58</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 than1 year	1-2 years	2-3 years	More than 3 years
1- NIFT	0.00	0.00	0.00	6582.06
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6582.06</b>
Project Name	Less than1 year	1-2 years	2-3 years	More than 3 years
1- NIFT	0.00	0.00	6582.05	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>6582.05</b>	<b>0.00</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



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 4 (a)</b>				
<b>NON- CURRENT FINANCIAL ASSETS-INVESTMENTS</b>				
Investment in Equity instruments				
Fully Paid at Cost (unquoted)	3490.00		3626.61	
16,21,800 Equity Shares of ₹ 10/- each fully paid up in India Satcom Limited	24.27		(136.61)	
<b>TOTAL</b>		<b>3514.27</b>		<b>3490.00</b>

As per IND AS 27 Separate Financial Statements, Investment in Joint Ventures is being carried at cost in the Standalone Financial Statements.

**Calculation of Change in fair value of equity instruments in Indian Satcom Limited (49%)**

Particulars	As at 31.03.2023		As at 31.03.2022	
Total Assets of Indian Satcom Limited	12013.13		12098.03	
Less: Total Outside Liabilities of Indian Satcom Limited	(4841.15)		(4975.58)	
Net Worth(100%)	7171.98		7122.45	
Share of ITI(49%)/Closing Balance	3514.27		3490.00	
Less: Opening Balance	(3490.00)		(3626.61)	
Change in Fair value during the year	24.27		(136.61)	
<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	19646.74		23622.30	
Less: Allowance for Bad and doubtful debts	0.00		0.00	
<b>TOTAL</b>		<b>19646.74</b>		<b>23622.30</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>19646.74</b>		<b>23622.30</b>

**Trade Receivables ageing schedule**

Particular	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
(i) Undisputed Trade receivables – considered good	0.00	0.00	1440.54	15535.04	2671.16	19646.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>1440.54</b>	<b>15535.04</b>	<b>2671.16</b>	<b>19646.74</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

Trade Receivables ageing schedule - Outstanding for following periods from due date of payment



Particular	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	0.00	0.00	0.00	20703.30	2919.00	23622.30
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	0.00	0.00
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20703.30</b>	<b>2919.00</b>	<b>23622.30</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

Particulars	As at 31.03.2023		As at 31.03.2022	
<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	
	0.00		0.00	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		0.00		0.00
Loans Receivables considered good- UnSecured				
Loans & Advances	0.00		0.00	
Deposits	0.00		0.00	
Loans & Advances to related parties	0.00		0.00	
Others	0.00		0.00	
	0.00		0.00	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		0.00		0.00
Loans Receivables which have significant increase in Credit Risk	0.00		0.00	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		0.00		0.00
Loans Receivables – credit impaired	0.00		0.00	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		0.00		0.00
<b>GRAND TOTAL</b>		0.00		0.00

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>		3.00		3.00

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>
<b>NOTE No. 6</b>				
<b>INVENTORIES</b>				
a) Raw material and Production stores	8041.77		8196.77	
Less: Provision for Obsolescence	1754.22		1754.22	
		<b>6287.55</b>		<b>6442.55</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	949.10		843.96	
Less: Provision for Obsolescence	237.41		237.41	
		<b>711.69</b>		<b>606.55</b>
d) Work-in-Process Production	5626.31		6934.06	
Less: Provision	606.76		606.76	
		<b>5019.55</b>		<b>6327.30</b>
e) Work-in-Process Installation	0.00		0.00	
Less: Provision	0.00		0.00	
		<b>0.00</b>		<b>0.00</b>
f) Manufactured Components	4914.19		4285.07	
Less: Provision	40.13		40.13	
		<b>4874.06</b>		<b>4244.94</b>
g) Finished Goods				
Stock-in-Trade	6580.92		2579.52	
Less: Provision	1019.56		1019.56	
		<b>5561.36</b>		<b>1559.96</b>
h) Stock Reconciliation Account	19.47		19.47	
Less: Provision	10.33		10.33	
		<b>9.14</b>		<b>9.14</b>
i) Goods Pending Inspection / Acceptance		<b>1141.60</b>		<b>3.89</b>
j) Material-in-Transit Advances				
Considered Good	493.99		143.77	
Considered Doubtful	238.76		238.76	
	732.75		382.53	
Less: Provision	238.76		238.76	
		<b>493.99</b>		<b>143.77</b>
k) Material received and In-Transit Advances		<b>874.86</b>		<b>0.00</b>
l) Tools and Gauges		<b>0.00</b>		<b>0.00</b>
<b>GRAND TOTAL</b>		<b>24975.23</b>		<b>19339.54</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 7</b>				
<b>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 Receivables Considered Good - UnSecured				
- Gujnet	6419.28		26000.32	
- Other than Gujnet	236508.55		246989.30	
	242927.83		272989.63	
Less: Allowance for Bad and doubtful debts	0.00		0.00	
<b>TOTAL</b>		<b>242927.83</b>		<b>272989.63</b>
Trade Receivables which have significant increase in Credit Risk	7070.95		4974.00	
Less: Allowance for Bad and doubtful debts	7070.95		4974.00	
<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>242927.83</b>		<b>272989.63</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 a 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.

₹ in Lakhs

Trade Receivables ageing schedule						
Particular	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	As at 31.03.2023
(i) Undisputed Trade receivables – considered good	32713.80	10856.19	32345.44	32116.04	117494.54	225526.01
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables – considered good	0.00	0.00	0.00	0.00	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>32713.80</b>	<b>10856.19</b>	<b>32345.44</b>	<b>32116.04</b>	<b>134896.35</b>	<b>242927.83</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

Trade Receivables ageing schedule						
Particular	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	43863.81	48114.98	43612.17	23434.67	96562.18	255587.81
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Undisputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Trade Receivables–considered good	0.00	0.00	0.00	0.00	17401.81	17401.81
(v) Disputed Trade Receivables – which have significant increase in credit risk	0.00	0.00	0.00	0.00	0.00	0.00
(vi) Disputed Trade Receivables – credit impaired	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>43863.81</b>	<b>48114.98</b>	<b>43612.17</b>	<b>23434.67</b>	<b>113963.99</b>	<b>272989.63</b>

Ageing Schedule is not provided for disputed trade receivables since the allowance is already provided for Bad and Doubtful debts

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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	3.56		4.18	
c) Cheques & Stamps on Hand	0.46		0.59	
d) Balance with Banks :				
- On Current Account	931.76		1551.77	
<b>TOTAL</b>		<b>935.78</b>		<b>1556.54</b>
<b>NOTE No. 8 (b)</b>				
<b>CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE"</b>				
Balance with Banks :				
- On Escrow Account	16240.59		20830.29	
- On Current Account (Apprentices)	424.46		54.76	
Unpaid Dividend	0.00		0.00	
LC Margin money	0.00		0.00	
On Savings Account(Apprentices Security Deposits)"	0.00		0.00	
On short term deposit (margin money)	173.07		157.82	
On current Account(Margin money)	0.00		0.00	
On Fixed Deposit Account- More than 3 months but Less than 12 months maturity	3710.01		8050.37	
Others	0.00		0.00	
<b>TOTAL</b>		<b>20548.13</b>		<b>29093.25</b>
<b>NOTE No. 9 (a)</b>				
<b>CURRENT FINANCIAL ASSETS - LOANS</b>				
Secured Advances recoverable in cash or for value to be received				
Vehicles	0.00		0.00	
House building	0.00		0.00	
Other Deposits	1147.76		1182.22	
Less: Provision	0.00		0.00	
<b>TOTAL</b>		<b>1147.76</b>		<b>1182.22</b>
Un secured Advances recoverable in cash for value to be received				
Advances Recoverable -Considered Good	27744.09		27939.38	
Less : Provision	0.00		0.00	
		<b>27744.09</b>		<b>27939.38</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>27744.09</b>		<b>27939.38</b>
Claims and Expenses Recoverable - Inland				
Considered Good	41428.03		41054.37	
Less : Provision	0.00		0.00	
<b>TOTAL</b>		<b>41428.03</b>		<b>41054.37</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Loans Receivables which have significant increase in Credit Risk	992.29		992.29	
Less : Provision	992.29		992.29	
		0.00		0.00
Loans Receivables – credit impaired	10.32		10.32	
Less : Provision	10.32		10.32	
		0.00		0.00
<b>TOTAL</b>		<b>41428.03</b>		<b>41054.37</b>
Claims and expenses recoverable - Foreign				
Considered Good	6.10		1.54	
Less : Provision	0.00		0.00	
		6.10		1.54
Loans Receivables which have significant increase in Credit Risk	1204.32		1204.32	
Less : Provision	1204.32		1204.32	
		(0.00)		(0.00)
Loans Receivables – credit impaired	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
<b>TOTAL</b>		<b>6.10</b>		<b>1.54</b>
Advance for Civil Works / Capital Goods				
Considered Good	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
Loans Receivables which have significant increase in Credit Risk	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
Loans Receivables – credit impaired	0.00		0.00	
Less : Provision	0.00		0.00	
		0.00		0.00
<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	3387.01		5531.19	
Less: Provision	421.47		421.47	
	2965.54		5109.72	
Interest accrued but not due on short term deposits	11.42		17.74	
<b>TOTAL</b>		<b>2976.96</b>		<b>5127.46</b>
<b>GRAND TOTAL</b>		<b>73302.93</b>		<b>75304.96</b>

- 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.
- 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.
- 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.
- Claim Receivable includes of ₹ 1023.00 Lakhs receivable from M/s. Mindarray towards encashment of letter of credit.

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 9(b)</b>				
<b>CURRENT FINANCIAL ASSETS OTHERS</b>				
Other Financial assets				
(i) Security Deposits		35.61		80.81
(ii) Unbilled Revenue				
Government				
- Gujnet	5307.00		7462.75	
- Others	252548.00		223038.57	
Non Government	0.00	257855.00	0.00	230501.32
(iii) Others		84.82		11.39
<b>TOTAL</b>		<b>257975.43</b>		<b>230593.52</b>

The Other Current Financial assets include UBR of Rs 257855 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.

<b>NOTE No. 10</b>				
<b>OTHER CURRENT ASSETS</b>				
Taxes & Duties in put	14827.89		12827.37	
Deposits with Customs Department	942.30		328.61	
Payment of Advance tax (Net of refunds)	0.00		0.00	
Deposits with Excise Authorities	437.12		422.74	
WCT Recoverable	0.00		0.00	
<b>TOTAL</b>		<b>16207.31</b>		<b>13578.72</b>

<b>NOTE No. 11</b>				
<b>I. EQUITY SHARE CAPITAL</b>				
a) Authorised 2,80,00,00,000 equity shares of ₹ 10 each	280000.00		280000.00	
b) Issued 949577352 equity shares of ₹ 10 each (Previous Year 93,35,22,869 equity shares of ₹ 10 each)	94957.74		93352.29	
c) Subscribed and Fully Paid-up 949577352 equity shares of ₹ 10 each (Previous Year 93,35,22,869 equity shares of ₹ 10 each)	94957.74		93352.29	
d) Subscribed & not fully paid up	0.00		0.00	
e) Par value per share	10.00		10.00	
f) Calles un paid	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>As at 31.03.2023</b>		<b>As at 31.03.2022</b>
		<b>No.of shares</b>		<b>No.of shares</b>
Number of shares outstanding O.B		933522869		933522869
Add: Issues during the year*		16054483		0
Less: Buy back/forfiture during the year		0		0
Number of shares outstanding C.B		<b>949577352</b>		<b>933522869</b>

\*The Company has allotted 8321279 equity shares issued at Rs 86 to the President of India on 25.05.2022, against capital grant of Rs 7156.30 Lakhs and 7733204 equity shares issued at Rs 103.45 to the President of India on 28.09.2022, against capital grant of Rs 8000 Lakhs 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	855912566		839858083
2. Special National Investment Fund	73132976		73132976
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
	<b>As at 31.03.2023</b>		<b>As at 31.03.2022</b>
<b>II. PREFERENCE SHARES:</b>			
<b>a) Authorised</b>			
70000000 Preference Shares of ₹ 100 each	7000.00		7000.00
l) Shareholding of Promoters			
Name of the Promoter	Shares held at 31.03.2023		
	No of shares	% of total shares	% change during the period ended 31.03.2023
1. President of India	855912566	90.14	1.91
2. Government of Karnataka	312500	0.03	0.00

Particulars	As at 31.03.2023	As at 31.03.2022
<b>NOTE No. 12</b>		
<b>OTHER EQUITY</b>		
<b>1) Capital Reserves</b>		
<b>i) Free Land Gifted</b>		
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
<b>ii) Capital Grant in aid</b>		
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>
<b>2) Securities premium reserve</b>		
O.B as per last B/S	21679.44	21679.44
Additions	13550.85	0.00
Total	35230.29	21679.44
Less: FPO Issue Expenses *	0.00	0.00
Closing balance	35230.29	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>	<b>0.00</b>	<b>0.00</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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		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	(411303.87)		(422023.46)	
Add: Profit/(Loss) for the year	(35985.36)		11871.15	
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>(447289.23)</b>		<b>(410152.32)</b>	
Less- Appropriations	0.00		1151.55	
Less-Transfer from P&L A/C-(Loss for the year)	0.00		0.00	
Closing Balance		<b>(447289.23)</b>		<b>(411303.87)</b>
<b>TOTAL-RETAINED EARNINGS</b>		<b>(211962.34)</b>		<b>(175976.97)</b>
<b>5) Share application money pending allotment</b>		<b>10700.00</b>		<b>7156.30</b>
<b>6) Other Comprehensive Income</b>				
Remeasurement of Defined Benefit Plans (Actuarial Gain)				
Opening Balance	8759.38		10245.45	
Changes during the Year	(6079.04)		(1486.07)	
Closing balance		<b>2680.34</b>		<b>8759.38</b>
<b>GRAND TOTAL - OTHER EQUITY</b>		<b>142475.59</b>		<b>167445.44</b>
<p>- 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 expensess 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 202021, after actual payment of FPO expenses the excess estimated has been reversed by Rs 165.51 lakhs</p> <p>- The company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹ 8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022(each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹ 10700.00 lakhs has been accounted in the books as share application money pending allotment.</p>				



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 13</b>				
<b>NON-CURRENT LIABILITIES</b>				
Government Grants Unutilised:				
<b>i) Free Equipment gifted</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>ii) Grant-in-aid (Capital) :</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		4.64
<b>iii) Grant-in-aid (Revenue)</b>				
As per last Balance Sheet	4245.48		4726.98	
Add : Receipts during the year*	0.00		21430.89	
<b>TOTAL</b>	<b>4245.48</b>		<b>26157.87</b>	
Less: Transfer to Profit & Loss Account	(250.94)		21912.40	
Closing Balance		4496.42		4245.48
<b>GRAND TOTAL</b>		<b>4501.06</b>		<b>4250.12</b>

- During the Year 2021-22, 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.

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 14 (a)</b>				
<b>NON-CURRENT FINANCIAL LIABILITIES -BORROWINGS</b>				
<b>I. Borrowings - Secured</b>				
(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>
<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 *	18000.00		24000.00	
Interest accrued and due on above	0.00		0.00	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
(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>18000.00</b>		<b>24000.00</b>
<b>GRAND TOTAL</b>		<b>18000.00</b>		<b>24000.00</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

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 14(b)</b>				
<b>NON-CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES</b>				
Finance Lease Liabilities	59.66		74.67	
Operating lease liabilities	0.00		0.00	
<b>GRAND TOTAL</b>		<b>59.66</b>		<b>74.67</b>
<b>NOTE No. 14(c)</b>				
<b>NON CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>				
For goods supplied				
- Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	17399.02		22381.00	
- Other than Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	0.00		0.00	
<b>TOTAL</b>		<b>17399.02</b>		<b>22381.00</b>
For Expenses and Services				
- Gujnet	0.00		0.00	
- 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>
For Other Liabilities				
- 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>
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>17399.02</b>		<b>22381.00</b>



₹ in Lakhs

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 31.03.2023
(i) MSME	0.00	0.00	0.00	0.00	0.00
(ii) Others	882.38	4181.57	2015.59	10319.48	17399.02
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>882.38</b>	<b>4181.57</b>	<b>2015.59</b>	<b>10319.48</b>	<b>17399.02</b>
Trade Payables Ageing Schedule					
Particular	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	0.00	0.00	0.00	0.00	0.00
(ii) Others	0.00	0.00	0.00	0.00	0.00
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>NOTE No. 14(d)</b> <b>NON-CURRENT FINANCIAL LIABILITIES - OTHERS</b> Security deposit received		7631.29		7386.26	
<b>GRAND TOTAL</b>			<b>7631.29</b>		<b>7386.26</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 15</b> <b>STATEMENT OF NON CURRENT PROVISIONS</b>				
(i) For Employee Benefits				
<b>For privilege Leave</b>				
As per Last Balance Sheet	4572.04		5268.57	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	539.61		(696.53)	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>5111.65</b>		<b>4572.04</b>
<b>For sick Leave</b>				
As per Last Balance Sheet	47.23		56.34	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	(17.52)		(9.12)	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>29.71</b>		<b>47.23</b>
(ii) Others		0.00		0.00
<b>GRAND TOTAL</b>		<b>5141.35</b>		<b>4619.26</b>
<b>NOTE No. 16</b> <b>OTHER NON-CURRENT LIABILITIES</b>				
	0.00		0.00	
	0.00		0.00	
<b>GRAND TOTAL</b>		<b>0.00</b>		<b>0.00</b>

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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.	157561.05		131189.85	
(ii) From Others	22.47		9.40	
(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>157583.52</b>		<b>131199.25</b>
<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	12000.00		6000.00	
(e) Others	0.00		0.00	
<b>TOTAL</b>		<b>12000.00</b>		<b>6000.00</b>
<b>GRAND TOTAL</b>		<b>169583.52</b>		<b>137199.25</b>
Deposits, fallen due and not claimed for refunds, is shown as current liabilities as at 31.03.2023				
<b>NOTE No. 17(b)</b>				
<b>CURRENT FINANCIAL LIABILITIES -LEASE LIABILITIES</b>				
Finance Lease Liabilities	15.01		13.48	
Operating lease liabilities	0.00		0.00	
<b>GRAND TOTAL</b>		<b>15.01</b>		<b>13.48</b>
<b>NOTE No. 17(c)</b>				
<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>				
<b>For goods supplied</b>				
- Gujnet				
- Micro small and medium enterprises	0.00		345.08	
- Others	5767.42		12705.91	
- Other than Gujnet				
- Micro small and medium enterprises	12895.01		20261.61	
- Others	111152.25		128098.77	
<b>TOTAL</b>		<b>129814.68</b>		<b>161411.36</b>
<b>For Expenses and Services</b>				
- Gujnet				
- Micro small and medium enterprises	0.00		0.00	
- Others	489.77		923.65	
- Other than Gujnet				
- Micro small and medium enterprises	0.00		0.00	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
- Others	3537.07		4295.17	
<b>TOTAL</b>		<b>4026.84</b>		<b>5218.82</b>
For Other Liabilities				
- Micro small and medium enterprises	0.00		0.00	
- Others	3826.67		2376.14	
<b>TOTAL</b>		<b>3826.67</b>		<b>2376.14</b>
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>137668.19</b>		<b>169006.33</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 31.03.2023
(i) MSME	3859.89	2799.52	2273.09	3962.52	12895.01
(ii) Others	28104.90	18378.17	22839.33	39049.94	108372.34
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	0.00	0.00	16400.82	16400.82
<b>TOTAL</b>	<b>31964.79</b>	<b>21177.69</b>	<b>25112.42</b>	<b>59413.28</b>	<b>137668.19</b>

Trade Payables Ageing Schedule					
Particular	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	16223.06	1860.04	968.14	1555.45	20606.69
(ii) Others	54885.25	30101.34	26955.25	18106.71	130048.55
(iii) Disputed Dues- MSME	0.00	0.00	0.00	0.00	0.00
(iv) Disputed Dues- Others	0.00	1771.00	0.00	16580.08	18351.08
<b>TOTAL</b>	<b>71108.31</b>	<b>33732.38</b>	<b>27923.39</b>	<b>36242.24</b>	<b>169006.33</b>

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>AS PER ENCLOSURE:</b>				
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	12895.01		20606.69	
(b) Interest due thereon remaining unpaid for the period ended.	68.25		31.03	
(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	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
(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	
<b>NOTE No. 18</b>				
<b>CURRENT FINANCIAL LIABILITIES - OTHERS</b>				
Unbilled Dues				
Government				
- Gujnet	5011.06		4554.71	
- Other than Gujnet	140547.18		120525.01	
Non Government	0.00		0.00	
Interest Accrued but not due on Borrowings	2556.20		2256.20	
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	11485.08		11864.70	
For Other Liabilities	26675.34		26632.85	
Other payables	660.60		468.48	
Salary Payable	2747.87		2542.05	
Royalty Payable	1007.54		212.80	
Wage revision Arrears	1006.28		1014.89	
Deposits from Contractors	7263.30		6898.06	
Misc. Liabilities	30079.87		28607.72	
Preference Shares	0.00		0.00	
<b>TOTAL</b>		<b>229040.32</b>		<b>205577.47</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 19</b>				
<b>OTHER CURRENT LIABILITIES</b>				
Income received in advance	2.66		0.00	
Duties & Taxes	3628.85		3414.24	
Advances from Customers	99590.03		103360.99	
<b>TOTAL</b>		<b>103221.54</b>		<b>106775.23</b>

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>For Gratuity</b>				
As per Last Balance Sheet	13226.54		11446.44	
Add: Provision for the period	4397.69		2317.10	
Less: Transfer to gratuity trust	1019.00		537.00	
Add: Transfer from gratuity trust	2724.78		4647.98	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Add: Transfer from Corporate	0.00		0.00	
Less: Payments	2724.78		4647.98	
<b>TOTAL</b>		<b>16605.23</b>		<b>13226.54</b>
For Privilege Leave				
As per Last Balance Sheet	1992.69		2008.05	
Less : Transfer to Corporate	0.00		0.00	
Add: Provision for the period	3443.48		2124.80	
Less: Payments	2771.66		2140.16	
<b>TOTAL</b>		<b>2664.52</b>		<b>1992.69</b>
For Sick Leave				
As per Last Balance Sheet	2.50		1.45	
Add: Provision for the period	(0.97)		1.05	
Less: Payments	0.00		0.00	
<b>TOTAL</b>		<b>1.52</b>		<b>2.50</b>
For L L T C provision				
As per Last Balance Sheet	177.16		208.63	
Add: Provision for the period	57.76		69.02	
Less: Payments	64.35		100.49	
<b>TOTAL</b>		<b>170.58</b>		<b>177.16</b>
<b>GRAND TOTAL</b>		<b>19441.86</b>		<b>15398.90</b>
<b>NOTE No. 21</b>				
<b>CURRENT TAX LIABILITIES</b>				
	0.00		0.00	
	0.00		0.00	
	0.00		0.00	
<b>TOTAL</b>		<b>0.00</b>		<b>0.00</b>
<b>NOTE No. 22</b>				
<b>REVENUE FROM OPERATIONS</b>				
<b>i) Sale of Products (net of GST)</b>				
Sale of Finished Goods	5944.54		6857.45	
Sale of Traded Goods	16198.06		51998.38	
<b>TOTAL</b>		<b>22142.60</b>		<b>58855.83</b>
<b>ii) Sale of services</b>		<b>117399.93</b>		<b>127217.30</b>
<b>iii) Other Operating Revenues:</b>				
a) Sale of Scrap	1.98		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	1.98	0.00	0.00
<b>TOTAL</b>		<b>139544.51</b>		<b>186073.13</b>
<b>Sales under broad heads :</b>				
1. Mini PDO	1.21		0.00	
2. Electronic Switching Equipments/SMPS/SSTP	750.64		1687.90	
3. MLLN	0.00		0.00	
4. Inverter Trolley	0.00		0.00	
5. NCM	0.00		0.00	
6. Telephone	18.47		9.44	



₹ in Lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
7. G-PoN	0.10	60.90
8. Job Work	0.00	0.00
9. Solar Panel	122.29	1254.28
10. SMPS	0.00	0.00
11. 4G Radio	0.00	0.00
12. GSM Franchise	0.00	0.00
13. NGN	0.00	16.10
14. NFS	595.18	1694.89
15. ASCON	0.00	0.00
16. DEFENCE	399.88	22994.66
17. Smart Energy meters	(1155.62)	0.00
18. BBWT	0.00	0.00
19. HDPE Pipe	251.97	34.87
20. OFC	1139.08	9693.03
21. MAHANET	412.79	21.18
22. WIFI-HOTSPOT	0.00	0.00
23. GUJNET	0.00	0.00
24. BNG	0.00	0.00
25. DDOS	0.00	0.00
26. Min PC Mfg / Tab PC	3548.92	72.38
27. CCMS	0.00	0.00
28. GSM WZ	0.00	0.00
29. ONT/OLT	0.00	0.00
30. SSTP	0.00	0.00
31. STM	0.00	0.00
32. SEM(NET)	0.00	0.00
33. MOBILE SHOWROOM	52.77	99.35
34. MCEU	0.00	0.00
35. WIFI ACCESS POINT	2.50	0.00
36. IP ENCRYPTORS MHA	0.00	0.00
37. SOLAR LED STREET LIGHT	1378.86	1470.80
38. FACE SHIELD / Sanitary Napkin Vending Machine	20.21	16.96
39. SMART PARCEL DELIVERY SYSTEM	0.00	0.00
40. COMPONENT SCREENING VSSC	0.00	0.00
41. SMART CARD	31.52	44.11
42. VENTILATOR/MEDICAL DEVICES	0.00	0.00
43. USOF Bharath Net Project	0.00	0.00
44. TANFINET	0.00	0.00
45. IAF DATA CENTRE UPGRADATION	0.00	0.00
46. IAF 4G LTE	10066.92	0.00
47. ASCON PHASE IV	0.00	0.00
48. AIRTEL FTTH ROLLOUT	0.00	0.00
49. BHARATNET ANDAMAN & NICOBAR	0.00	56.96
50. FMS-MCWWB	215.64	0.00
51. CCTV	0.00	0.00
52. POLES	597.81	0.00



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
53. Installation Trading OMC	0.00		0.00	
54. 3D PRINTING	23.25		80.61	
55. CONTRACT MANUFACTURING	6.45		14.03	
56. IT- COMPUTER ACCESSORIES	1168.98		17781.97	
57. OTHER STATE GOVT.	1814.15		559.83	
58. OTHERS	678.64		1191.57	
<b>TOTAL</b>		<b>22142.60</b>		<b>58855.83</b>
<b>Service Income under broad heads :</b>				
1. SSTP AMC	56.21		1944.51	
2. TELECOM TESTING & LABS	76.28		0.00	
3. SMART PAECEL SERVICES	0.00		0.00	
4. Data Center	2616.94		1926.21	
5. Skill Development	31.49		0.00	
6. SWAN	0.00		374.84	
7. GSM	5519.78		8734.30	
7a. GSM AMC (GST Turnover)	121.40		0.00	
8. NFS	6654.22		8111.16	
9. G-PoN I&C	1054.57		723.73	
10. ASCON AMC	665.04		1577.82	
11. DEFENCE AMC	85.94		1278.23	
12. NGN AMC	321.87		321.31	
13. BBWT	0.00		0.00	
14. MAHANET UNBILLED	24829.19		24462.50	
14a. MAHANET (GST Turnover)	0.00		0.00	
15. WIFI-HOTSPOT	0.00		47.86	
16. GUJNET	6655.23		4440.70	
17. BNG	482.90		474.45	
18. DDOS	450.11		0.00	
19. MLLN AMC	1571.27		23.26	
20. CCMS AMC	77.77		34.79	
21. E-TENDERING	1648.16		2573.47	
22. FMS-MCWWB	2619.88		0.00	
23. SMPS	81.07		41.46	
24. USOF Bharath Net Project	675.31		0.00	
25. GSM WZ	0.00		0.00	
26. WIFI ACCESS POINT	0.00		0.00	
27. SWM-ICT-WASTE MANAGEMENT	324.54		0.00	
28. IAF DATA CENTRE UPGRADATION	0.00		0.00	
29. Geo Fencing Project	243.08		0.00	
30. COMPONENT SCREENING VSSC	667.11		0.00	
31. IT - WEB PORTAL	412.50		3128.77	
32. OMC AMC	320.77		0.00	
33. TANFINET	12803.43		0.00	
34. IAF 4G LTE	0.00		0.00	
35. FIBER NETWORK	0.00		159.56	
36. RAILWAY	138.71		120.41	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
37. NMS	55.31		110.62	
38. E-GOVERNANCE/E-SEVA	0.00		0.00	
39. OCB AMC	7.18		0.00	
40. TPA	502.76		777.58	
41. AADHAR BUSINESS/SAAS	4.98		0.00	
42. Reliability Labs	161.91		113.49	
43. AIRTEL FTTH ROLLOUT	1539.97		572.50	
44. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
45. CCTV Services	947.82		0.00	
46. Survey work	0.00		0.00	
47. ASCON -PHASE IV	37648.34		59956.57	
48. SAAS	171.90		190.46	
49. CONTRACT MFG	111.74		9.90	
50. MLLN I&C	4.87		25.63	
51. OTHER AMC	4960.58		3473.86	
52. Others	77.80		1487.35	
<b>TOTAL</b>		<b>117399.93</b>		<b>127217.30</b>
<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>		<b>0.00</b>		<b>0.00</b>
<b>NOTE No. 23</b>				
<b>OTHER INCOME</b>				
a) <b>Interest Income</b>				
i) Interest on Inter Corporate Advances	0.00		0.00	
ii) Interest - Others	541.27		485.26	
<b>TOTAL</b>		<b>541.27</b>		<b>485.26</b>
b) <b>Dividend from Non-Trading Investments</b>		<b>0.00</b>		<b>0.00</b>
c) <b>Net Gain/Loss on Sale of Investment</b>		<b>0.00</b>		<b>0.00</b>
d) <b>Other Non-operating income (Net of expenses directly attributable to such income)</b>				
i) Profit on Sale of Assets	89.66		0.00	
Less: Transfer to Capital Reserves	0.00		0.00	
<b>TOTAL</b>	<b>89.66</b>		<b>0.00</b>	
ii) Commission	0.00		0.00	
iii) Rent	1806.11		1928.77	
iv) Lease Rent	309.15		309.15	
v) Transport Charges	0.00		0.02	
vi) Sale of Scrap	675.56		104.69	
vii) Water Charges/Electricity Charges	5.21		5.42	
viii) Forfeited Bank Guarantee	16.10		7.31	
ix) Excess Provision Withdrawn	0.00		0.10	
x) Reimbursement of VRS	0.00		0.00	
xi) Withdrawal of Liability no Longer Required	3.80		289.18	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
xii) Waiver of Liquidated Damages	0.00		3.08	
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	0.00		481.48	
xvii) Revenue Grant-in-Aid*	0.00		21429.03	
xviii) Transfer from Capital Grant-in-Aid	0.00		0.00	
xix) Compensation for Acquisition of Land by SWR/NHAI	1539.17		344.48	
xx) Misc. Income	268.84		68.64	
<b>TOTAL ( i to xx )</b>		<b>4713.61</b>		<b>24971.36</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>5254.88</b>		<b>25456.62</b>

- Revenue Grant in Aid of Rs 558.87 lacs was received during the FY 2017-18 and 2018-19 for Swachh Bharat
- 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.

**NOTE No. 24**

**CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES**

Opening Stock	8293.69		8483.92	
Add: Prior Period Adjustment due to Price Revision	0.00		0.00	
Purchases/Transfers	16534.65		11641.54	
Material for Installation & Maintenance	0.00		0.00	
<b>TOTAL</b>		<b>24828.34</b>		<b>20125.46</b>
Less:				
Closing Stock	8138.69		8076.46	
Issue to Revenue and Others	248.12		3.48	
Material Transferred to Other Units	(0.00)		(0.00)	
<b>TOTAL</b>		<b>8386.81</b>		<b>8079.94</b>
Add: Stores Indirect expenses relating to RM & Prodn. Stores		0.00		0.00
<b>CONSUMPTION</b>		<b>16441.53</b>		<b>12045.52</b>
<b>Rawmaterials consumed under broad heads</b>				
Particulars				
1. Electronic Goods & Components	14734.40		11911.12	
2. MNIC	12.23		0.00	
<b>TOTAL</b>		<b>14746.63</b>		<b>11911.12</b>
<b>Value of Imports on CIF basis</b>				
Raw Materials and Production Stores		521.25		53.38
Components and Spare Parts		0.00		0.00
Material in transit		0.00		0.00
Capital Goods		0.00		946.87
<b>TOTAL</b>		<b>521.25</b>		<b>1000.25</b>

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	March, 2023	%	March, 2022	%
Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.				
<b>Particulars</b>	<b>March, 2023</b>	<b>%</b>	<b>March, 2022</b>	<b>%</b>
Imported	521.25	3.17	53.38	0.44
Indigenous	15920.27	96.83	11992.14	99.56
<b>TOTAL</b>	<b>16441.53</b>	<b>100.00</b>	<b>12045.52</b>	<b>100.00</b>
<b>NOTE No. 25 (a)</b>				
<b><u>PURCHASE OF STOCK-IN-TRADE</u></b>				
<b><u>Goods purchased under broad heads</u></b>				
<b><u>Particulars</u></b>				
1. Mini PDO	0.00		0.00	
2. Electronic Switching Equipments/SMPS/SSTP	0.00		0.00	
3. MLLN	0.00		0.00	
4. Inverter Trolley	0.00		0.00	
5. NCM	0.00		0.00	
6. Telephone	0.00		0.00	
7. G-PoN	0.00		0.00	
8. Job Work	0.00		0.00	
9. Solar Panel	0.00		0.00	
10. SMPS	0.00		0.00	
11. 4G Radio	0.00		0.00	
12. GSM Franchise	0.00		0.00	
13. NGN	0.00		14.81	
14. NFS	572.86		1631.34	
15. ASCON	0.00		69.85	
16. DEFENCE	0.00		20821.83	
17. Smart Energy meters	0.00		0.00	
18. BBWT	0.00		0.00	
19. HDPE Pipe	0.00		0.00	
20. OFC	657.59		8576.08	
21. MAHANET	400.41		0.00	
22. WIFI-HOTSPOT	0.00		0.00	
23. GUJNET	396.14		498.35	
24. BNG	0.00		0.00	
25. DDOS	0.00		0.00	
26. Min PC Mfg / Tab PC	0.00		0.00	
27. CCMS	0.00		0.00	
28. GSM WZ	0.00		0.00	
29. ONT/OLT	0.00		0.00	
30.SSTP	0.00		0.00	
31.STM	0.00		0.00	
32.SEM(NET)	0.00		0.00	
33. MOBILE SHOWROOM	40.89		82.48	
34. MCEU	0.00		0.00	
35. WIFI ACCESS POINT	0.00		0.00	
36. IP ENCRYPTORS MHA	0.00		0.00	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
37. SOLAR LED STREET LIGHT	0.00		1396.48	
38. FACE SHIELD / Sanitary Napkin Vending Machine	3.59		0.05	
39. SMART PARCEL DELIVERY SYSTEM	0.00		0.00	
40. COMPONENT SCREENING VSSC	0.00		0.00	
41. SMART CARD	0.00		0.00	
42. VENTILATOR/MEDICAL DEVICES	0.00		0.00	
43. USOF Bharath Net Project	13.39		0.00	
44. TANFINET	7259.73		0.00	
45. IAF DATA CENTRE UPGRADATION	0.00		0.00	
46. IAF 4G LTE	9158.71		0.00	
47. ASCON PHASE IV	4759.19		11961.01	
48. AIRTEL FTTH ROLLOUT	0.00		0.00	
49. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
50. FMS-MCWWB	202.70		0.00	
51. CCTV	0.00		0.00	
52. POLES	553.53		0.00	
53. Installation Trading OMC	0.00		0.00	
54. 3D PRINTING	0.00		0.00	
55. CONTRACT MANUFACTURING	0.00		0.00	
56. IT- COMPUTER ACCESSORIES	1080.02		15365.07	
57. OTHER STATE GOVT.	1669.02		515.04	
58. OTHERS	569.41		1084.98	
<b>TOTAL</b>		<b>27337.18</b>		<b>62017.37</b>
<b>NOTE No. 25 (b)</b>				
<b>Service Expenses under broad heads :</b>				
1. SSTP AMC	11.75		1161.01	
2. TELECOM TESTING & LABS	0.00		0.00	
3. SMART PAECEL SERVICES	0.00		0.00	
4. Data Center	2091.81		1547.40	
5. Skill Development	27.71		0.00	
6. SWAN	0.00		344.85	
7. GSM	5216.19		8361.67	
7a. GSM AMC (GST Turnover)	0.00		0.00	
8. NFS	6388.00		7795.27	
9. G-PoN I&C	513.26		361.44	
10. ASCON AMC	594.21		1520.33	
11. DEFENCE AMC	0.00		0.00	
12. NGN AMC	312.22		311.67	
13. BBWT	0.00		0.00	
14. MAHANET UNBILLED	24084.32		23728.63	
14a. MAHANET (GST Turnover)	0.00		0.00	
15. WIFI-HOTSPOT	0.00		52.21	
16. GUJNET	4344.63		3025.99	
17. BNG	383.23		383.23	
18. DDOS	425.35		0.00	
19. MLLN AMC	435.08		17.76	
20. CCMS AMC	71.55		32.00	

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
21. E-TENDERING	1235.29		2184.87	
22. FMS-MCWVB	2462.69		0.00	
23. SMPS	60.71		31.36	
24. USOF Bharath Net Project	482.13		0.00	
25. GSM WZ	0.00		0.00	
26. WIFI ACCESS POINT	0.00		0.00	
27. SWM-ICT-WASTE MANAGEMENT	298.58		0.00	
28. IAF DATA CENTRE UPGRADATION	0.00		0.00	
29. Geo Fencing Project	222.51		0.00	
30. COMPONENT SCREENING VSSC	613.75		0.00	
31. IT - WEB PORTAL	377.44		2917.15	
32. OMC AMC	294.09		0.00	
33. TANFINET	2034.73		0.00	
34. IAF 4G LTE	0.00		0.00	
35. FIBER NETWORK	0.00		109.93	
36. RAILWAY	126.69		109.04	
37. NMS	51.16		102.32	
38. E-GOVERNANCE/E-SEVA	0.00		0.00	
39. OCB AMC	0.00		0.00	
40. TPA 0.00	0.00			
41. AADHAR BUSINESS/SAAS	4.58		0.00	
42. Reliability Labs	0.00		0.00	
43. AIRTEL FTTH ROLLOUT	1077.18		637.91	
44. BHARATNET ANDAMAN & NICOBAR	0.00		0.00	
45. CCTV Services	876.54		0.00	
46. Survey work	0.00		0.00	
47. ASCON -PHASE IV	17709.90		12354.75	
48. SAAS	123.18		142.85	
49. CONTRACT MFG	0.00		0.00	
50. MLLN I&C	4.38		20.90	
51. OTHER AMC	4404.84		3109.07	
52. Others	305.08		1027.17	
<b>TOTAL</b>		<b>77664.74</b>		<b>71390.78</b>
<b>NOTE No. 26</b>				
<b><u>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE</u></b>				
<b><u>Accretion/(Decretion) to WIP</u></b>				
<b><u>WIP - Production :</u></b>				
Closing Balance	5594.97		6902.72	
Less: Opening Balance	6902.72		7375.41	
<b>TOTAL</b>	<b>(1307.75)</b>		<b>(472.69)</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>(1307.75)</b>		<b>(472.69)</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<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>
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>Accretion/(Decretion) to Manufacturing Components</b>				
Closing Balance	4900.12		4270.98	
Less: Opening Balance	4270.98		2132.56	
<b>TOTAL</b>		<b>629.13</b>		<b>2138.42</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>629.13</b>		<b>2138.42</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>
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>				
Stock-in-Trade :				
Closing Balance	6431.14		2429.74	
Less: Opening Balance	2429.75		2102.07	
<b>TOTAL</b>		<b>4001.40</b>		<b>327.67</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>4001.40</b>		<b>327.67</b>
<b>Stock of Scrap</b>				
Closing Balance	0.00		0.00	
Less: Opening Balance	0.00		0.00	
Add : Prior Period Adjustments	0.00		(65.03)	
<b>TOTAL</b>		<b>0.00</b>		<b>(65.03)</b>
<b>GRAND TOTAL</b>		<b>3322.78</b>		<b>1928.37</b>



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 27</b>				
<b>EMPLOYEE BENEFIT EXPENSES</b>				
<b>i) SALARIES &amp; WAGES</b>				
Salaries & Wages	17162.32		16539.36	
Less: Other Revenue Accounts	0.00		0.00	
<b>TOTAL</b>	<b>17162.32</b>		<b>16539.36</b>	
Bonus	5.38		12.75	
Wage revision arrear payments	0.00		0.00	
Incentive	10.55		9.02	
<b>TOTAL</b>		<b>17178.25</b>		<b>16561.13</b>
<b>ii) CO'S CONTRIBUTION TO PF AND OTHER FUNDS:</b>				
Providend Fund & Pension Fund	1881.52		1690.83	
Employees State Insurance	18.94		14.79	
Gratuity Trust Fund	4397.69		2317.10	
Leave Salary- PL	3983.09		1428.27	
Sick Leave	(18.49)		(8.08)	
Deposit Linked Insurance/Group Insurance	22.26		23.50	
<b>TOTAL</b>		<b>10285.01</b>		<b>5466.41</b>
<b>iii) WORKMEN AND STAFF WELFARE EXPENSES</b>				
Welfare Expenses - Canteen	300.24		274.72	
Welfare Expenses - Education	3.73		25.37	
Medical Expenses	546.76		623.75	
LTC/LLTC	57.76		69.20	
Uniforms	1.84		0.62	
Others	341.63		201.22	
<b>TOTAL</b>		<b>1251.96</b>		<b>1194.89</b>
<b>iv) VOLUNTARY RETIREMENT SCHEME</b>				
VRS Payments		250.94		481.48
<b>v) Actuarial Gain/(Loss)</b>		<b>(6079.04)</b>		<b>(1486.07)</b>
<b>GRAND TOTAL</b>		<b>22887.13</b>		<b>22217.84</b>
<b>RELATED PARTY TRANSACTIONS</b>				
<b>KEY MANAGERIAL PERSONNEL-SALARY &amp; PERQUISITES</b>				
<b>Name</b>		<b>Mar, 2023</b>		<b>Mar, 2022</b>
Shri Rajesh Rai - CMD w.e.f. 21.02.2023		4.12		0.00
Shri R M Agarwal- Ex-CMD		8.87		36.48
Shri Rajeev Srivastava - Director Finance		24.22		19.12
Shri Shashi Prakash Gupta - Ex-Director HR		0.00		7.84
Shri Venkateswarlu - Ex-Director Production		39.07		19.65
Shri Rakesh Chandra Tiwari - Director Marketing		45.98		42.38
Smt Shanmuga Priya - Ex-Company Secretary		16.20		13.27
Smt R Vasanthi - Director (Production) - Addl. Charge w.e.f. 28.02.2023		2.04		0.00
Smt S Jeyanthi - Director - HR - Addl.charge - w.e.f. 28.02.2023		2.04		0.00



# 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. (Rupees in lakhs)

		Gratuity		Privilege Leave		Sick Leave	
<b>I. Summary of results</b>							
S.N	Assets / Liability	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a	Present value of obligation	16,729	15,007	7,776	6,565	31	50
b	Fair value of plan assets	124	1,781	0	0	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-16,605	-13,227	-7,776	-6,565	-31	-50
<b>II. Actuarial &amp; Demographic Assumptions</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a	Discounting Rate	7.18	6.86	7.18	6.86	7.18	6.86
b	Future salary Increase	2.75	2.00	2.75	2.00	2.75	2.00
c	Attrition at Ages	12.35	2.45	12.35	2.45	12.35	2.45
<b>III. Plan Liability</b>							
Date Ending		31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
	Present value of obligation as at the end of the period	16,729	15,007	7,776	6,565	31	50
<b>IV. Service Cost</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Current Service Cost	526	480	537	528	3	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	526	480	537	528	3	2
<b>V. Net Interest Cost</b>							
S.N.	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Interest Cost on Defined Benefit Obligation	1030	1,055	450	448	3	4
b)	Interest Income on Plan Assets	122	351	0	0	0	0
c)	Net Interest Cost (Income)	907	704	450	448	3	4
<b>VI. Change in Benefit Obligation</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Present value of obligation as at the beginning of the period	15007	17148	6565	7277	50	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Interest Cost	1030	1055	450	448	3	4
d)	Service Cost	526	480	537	528	3	2
e)	Past Service Cost including curtailment Gains/Losses	0	0	0	0	0	0
f)	Benefits Paid	-2725	-4648	-2915	-2054	0	0
g)	Total Actuarial (Gain)/Loss on Obligation	2891	973	3139	367	-24	-14
h)	Present value of obligation as at the End of the period	16729	15007	7776	6565	31	50

## Disclosure Report Under Ind As 19... Contd...

		Gratuity		Privilege Leave		Sick Leave	
<b>VII. Bifurcation of Actuarial Gain/Loss on Obligation</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	568	0	349	0	2	0
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	112	-265	111	-142	0	-1
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	2211	1,238	2679	509	-27	-13
<b>VIII. Actuarial Gain/Loss on Plan Asset</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Expected Interest Income	122	351	0	0	0	0
b)	Actual Income on Plan Asset	49	191	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-73	-160	0	0	0	0
<b>IX. Balance Sheet and related analysis</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Present Value of the obligation at end	16,729	15,007	7,776	6,565	31	50
b)	Fair value of plan assets	124	1,781	0	0	0	0
c)	Unfunded Liability/provision in Balance Sheet	-16,605	-13,227	-7,776	-6,565	-31	-50
<b>X. The amounts recognized in the income statement.</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Total Service Cost	526	480	537	528	3	2
b)	Net Interest Cost	907	704	450	448	3	4
c)	Net actuarial (gain) / loss recognized in the period	0	0	3,139	367	-24	-14
d)	Expense recognized in the Income Statement	1,434	1,184	4,127	1,342	-19	-8
<b>XI. Other Comprehensive Income (OCI)</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Net cumulative unrecognized actuarial gain/(loss) opening	0	0	0	0	0	0
b)	Actuarial gain / (loss) for the year on PBO	-2,891	-973	0	0	0	0
c)	Actuarial gain /(loss) for the year on Asset	-73	-160	0	0	0	0
d)	Unrecognized actuarial gain/(loss) for the year	-2,964	-1,133	0	0	0	0
<b>XII. Change in plan assets</b>							
S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Fair value of plan assets at the beginning of the period	1781	5,701	0	0	0	0
b)	Actual return on plan assets	49	191	0	0	0	0
c)	Employer contribution	1019	537	0	0	0	0
d)	Benefits paid	-2,725	-4,648	0	0	0	0
e)	Fair value of plan assets at the end of the period	124	1,781	0	0	0	0



## Disclosure Report Under Ind As 19... Contd...

	Gratuity	Privilege Leave	Sick Leave
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### XIII. Major categories of plan assets (as percentage of total plan assets)

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
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	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Net defined benefit liability at the start of the period	13,227	11,446	6,565	7,277	50	58
b)	Acquisition adjustment	0	0	0	0	0	0
c)	Total Service Cost	526	480	537	528	3	2
d)	Net Interest cost (Income)	907	704	450	448	3	4
e)	Re-measurements	2,964	1,133	3,139	367	-24	-14
	Difference in Opening	-1,019	-537	0	0	0	0
f)	Contribution paid to the Fund	0	0	-2,915	-2,054	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	16,605	13,227	7,776	6,565	31	50

### XV. Bifurcation of PBO at the end of year in current and non current

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Current liability (Amount due within one year)	5972	4,869	2,665	1,993	2	2
b)	Non-Current liability (Amount due over one year)	10758	10,139	5112	4,572	30	47
	<b>Total PBO at the end of year</b>	<b>16,729</b>	<b>15,007</b>	<b>7,776</b>	<b>6,565</b>	<b>31</b>	<b>50</b>

### XVI. Expected contribution for the next Annual reporting period

S.N	Particulars	31-03-2023	31-03-2022	31-03-2023	31-03-2022	31-03-2023	31-03-2022
a)	Service Cost	517	431	427	443	14	11
b)	Net Interest Cost	1192	907	558	450	2	3
c)	Expected Expense for the next annual reporting period	1709	1,338	985	893	16	15

### XVII. Sensitivity Analysis of the defined benefit obligation

a)	Impact of the change in discount rate	31-03-2023	31-03-2023	31-03-2023
	Present Value of Obligation at the end of the period	16,729	7,776	31
a)	Impact due to increase of 0.50%	-167	-100	0
b)	Impact due to decrease of 0.50 %	170	103	0

b)	Impact of the change in salary increase	31-03-2023	31-03-2023	31-03-2023
	Present Value of Obligation at the end of the period	16,729	7,776	31
a)	Impact due to increase of 0.50%	133	107	0
b)	Impact due to decrease of 0.50 %	-133	-105	0



## Disclosure Report Under Ind As 19... Contd...

	Gratuity	Privilege Leave	Sick Leave
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### XVIII. Maturity Profile of Defined Benefit Obligation

Year	Amount	Amount	Amount
a) 0 to 1 Year	5,972	2,665	2
b) 1 to 2 Year	3,716	1,630	15
c) 2 to 3 Year	2,636	1,195	6
d) 3 to 4 Year	1,780	810	3
e) 4 to 5 Year	1,010	508	2
f) 5 to 6 Year	660	350	1
g) 6 Year onwards	956	619	3

### XIX. Summary of results

S.N	Assets / Liability	Leave Travel Concession	
		31-03-2023	31-03-2022
a	Present value of obligation	171	177
b	Fair value of plan assets	0	0
c	Net assets / (liability) recognized in balance sheet as provision	-171	-177

### XX. Actuarial & Demographic Assumptions

S.N	Particulars	31-03-2023	31-03-2022
a	Discounting Rate	7.18	6.86
b	Future salary Increase	2.75	2.00
c	Attrition at Ages	0	0

### XXI. Actuarial Value

Present value of obligation as at the end of period	171	177
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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	31-03-2023	31-03-2022
a)	Current liability (Amount due within one year)	64	52
b)	Non-Current liability (Amount due over one year)	107	125
c)	Total PBO at the end of year	171	177



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>NOTE No. 28</b>				
<b>FINANCE COSTS</b>				
<b>i) Interest Expense:</b>				
Cash Credit	14422.22		10761.60	
Public Deposits	0.00		0.00	
Bonds	0.00		0.00	
Term Loan	0.00		0.00	
Others*	3720.67		5809.68	
<b>ii) Bank charges</b>	2785.67		2647.95	
<b>iii) Government Guarantee Fee</b>	0.00		0.00	
<b>iv) Expenses on Issue of Bonds/Loans</b>	0.00		0.00	
<b>v) Net Gain / Loss from Foreign Currency Translations &amp; Transactions</b>	29.85		3.37	
<b>TOTAL</b>		<b>20958.40</b>		<b>19222.60</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	4946.02		5101.42	
Tools and Gauges	3.82		0.00	
<b>TOTAL</b>	4949.84		5101.42	
Less: Transfer from Revaluation Reserve	0.00		0.00	
<b>NET DEPRECIATION</b>		<b>4949.84</b>		<b>5101.42</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		9.57		49.91
Power and Light		1849.09		1756.64
Water Charges		333.66		285.62
Excise Duty		0.00		0.00
<b>REPAIRS AND MAINTENANCE:</b>				
i) Plant Machinery and Equipment	270.71		175.37	
ii) Vehicles	88.84		58.91	
iii) Buildings	877.03		948.09	
iv) Other Equipments	158.29	1394.87	65.17	1247.54
Cost and Expenses on Tools		0.00		0.00
Experimental Work and Training Expenses		6.78		2.00
Expenses on Minor Equipment & Work		0.75		6.08
Royalty 884.61		0.00		
Loss of Stock due to Fire		88.25		0.00
Scrap and Salvages		0.00		0.00
Factory Expenses		926.29		828.29

₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>TOTAL 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	0.00	0.00	0.00
Liquidated Damages		1246.75		531.26
Demurrage Charges		0.67		0.00
Netgain /loss on foreign currency translation and transaction (other than considered as finance cost)		0.00		(0.01)
<b>TOTAL MANUFACTURING EXPENSES</b>		<b>6741.28</b>		<b>4707.33</b>
<b>ADMINISTRATION EXPENSES:</b>				
Rent	154.69		161.52	
Rates and Taxes	1056.47		157.66	
Insurance	129.75		74.06	
<b>TRAVELLING EXPENSES</b>				
Inland	562.09		432.69	
Foreign	0.00		0.00	
Postage, Telegram, Telex Expenses	25.61		31.78	
Telephone and Trunk Call Charges	44.24		68.92	
<b>REMUNERATION TO AUDITORS</b>				
Audit Fees	27.04		23.96	
For Taxation Matters	1.50		1.66	
For Company Law Matters	0.00		0.00	
For Management Services	0.00		0.00	
For Reimbursement of Expenses	1.18		0.38	
For Other Services	1.33		0.48	
Legal fees	135.76		92.10	
Other Professional fees	264.36		283.06	
CISF/ Private Security Expenses	1002.28		960.60	
Printing, Stationary and Duplicating Charges	64.94		45.25	
Transport Expenses	291.40		287.84	
News Papers, Magazines & Periodicals	14.70		23.33	
Mechanised Accounting Expenses	2.40		3.73	
Lease Charges	0.00		0.00	
Licence fee/Segment Charges	2.40		4.07	
CSR Expenditure	16.64		68.00	
Expenses on Follow on Public Offer (FPO)	0.00		0.00	
Office Expenses	580.43		598.39	
Provision for Obsolescence of RM Stores	0.00		0.00	
Obsolete RM & Production Stores Write off	0.00		0.00	
Provision for Capital WIP Write off	0.00		0.00	
Provision for Debtors/Advance	2639.38		700.00	
Bad Debts Write off	0.78		323.02	
Claims and Expenses Charge off	20.47		19.18	
Loss on Sale of Assets	0.00		0.00	
Penalties and Late fees	17.35		15.24	



₹ in Lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
Adjustment to the Carrying Amount Investments	0.00		0.00	
Net Loss on Sale of Investments	0.00		0.00	
<b>TOTAL ADMINISTRATION EXPENSES</b>		<b>7057.17</b>		<b>4376.92</b>
<b>C. SELLING EXPENSES</b>				
Selling Agency Commission	4.11		6.38	
Advertisement Expenses	16.98		24.72	
Exhibition and Publicity Expenses	9.64		0.40	
Packing Expenses	6.70		0.16	
Forwarding Expenses	53.68		322.40	
Discount Allowed	0.00		0.00	
Warrenty Expenses	0.00		0.53	
Sales Promotion Expenses	0.00		9.03	
Entertainment Expenses	1.56		2.58	
Cost of Tender Forms	1.84		4.37	
<b>TOTAL SELLING EXPENSES</b>		<b>94.51</b>		<b>370.57</b>
<b>TOTAL OTHER EXPENSES</b>		<b>13892.97</b>		<b>9454.83</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 Consolidated Financial Statements (Contd...)

### Additional Disclosures

₹ in Lakhs

PARTICULARS	31.03.2023	31.03.2022
<b>Note No. 31</b>		
1 Corporate information:		
ITI Limited is a Public Limited Company incorporated under the provisions of the Companies Act, 1956. The Company is primarily engaged in the business of Manufacture, sale and servicing of Telecommunication equipments.		
2 An amount of ₹ 16500 Lakhs has been received from the government towards payment of wage revision arrears during 2014-2015. An Amount of ₹ 15493.72 lakhs has been paid towards payment of wage revision arrears and remaining amount of ₹ 1006.28 lakhs kept under Other Current Liabilities.		
3 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.		
4 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.		
5 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).		
	<b>31.03.2023</b>	<b>31.03.2022</b>
Purchase of goods\Services	-	-
Sale of goods\Services	-	-
Amount Outstanding:		
- Due from the related party	-	-
- Due to the related party	-	-
Provision for doubtful debts against dues from related party.	-	-
Written Off during the period	-	-
b) <b>Remuneration paid to Key Management Personnel [As required under Ind AS 24]</b>	<b>Mar, 2023</b>	<b>Mar, 2022</b>
Shri Rajesh Rai - CMD w.e.f. 21.02.2023	4.12	0.00
Shri R M Agarwal- Ex-CMD	8.87	36.48
Shri Rajeev Srivastava - Director Finance	24.22	19.12
Shri Shashi Prakash Gupta - Ex-Director HR	0.00	7.84
Shri Venkateswarlu - Ex-Director Production	39.07	19.65
Shri Rakesh Chandra Tiwari - Director Marketing	45.98	42.38
Smt Shanmuga Priya - Ex-Company Secretary	16.20	13.27
Smt R Vasanthi - Director (Production) - Addl. Charge w.e.f. 28.02.2023	2.04	0.00
Smt S Jeyanthi - Director - HR - Addl. Charge - w.e.f. 28.02.2023	2.04	0.00
6 <b>Earnings Per Share (for continuing operation):</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Profit after tax	-36009.63	12007.78
(-) Preference Dividend	0.00	0.00
Dividend tax	0.00	0.00
Profit available to equity shareholders	-36009.63	12007.78
No. of Shares at beginning of the year	933522869	933522869
No. of Shares at the end of the year	949577352	933522869
Weighted average number of shares during the period	944488639	933522869
Earning per equity share (for continuing operation): Basic & Diluted ( in ₹ )	-3.81	1.29
7 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"		
8 <b>JOINT VENTURES:</b>		
The financial reporting of interests in Joint Ventures as per Ind AS 28:		
(a) India Satcom Limited	<b>31.03.2023</b>	<b>31.03.2022</b>
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 Consolidated Financial Statements (Contd...)

9	a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	<b>2,033.31</b>	1,621.58
	b) Commitments in respect of other contracts not provided for:	-	-
10	<b>Contingent Liabilities &amp; Commitments</b>		
	(a) Claims against the companies not acknowledged as debt		
	- Outstanding letters of credit & guarantees	<b>1,32,149.64</b>	1,47,253.97
	- Tax Dues		
	---- Litigations		
	-----Direct Tax matters	<b>691.72</b>	691.72
	-----Indirect Tax matters	<b>13,371.38</b>	16,338.54
	----Other tax dues		
	-----Direct Tax matters	<b>177.51</b>	-
	-----Indirect Tax matters	<b>5,915.37</b>	14,139.51
	- Other claims - litigated	<b>27,718.38</b>	21,380.42
	- Other claims - others	<b>18.20</b>	-

i) Claims against the company not acknowledged as debt includes ₹ 16700.00 Lakhs calimed by M/s Alphon Corporation, Company has to recover ₹ 17096 Lakhs from BSNL on a back to back basis contract related to GPON.

ii) The Company has received a demand for property tax from BBMP for the years from 2008-09 to 2022-23 based on revised rates along with interest and penalties totalling to Rs 7938.21 lakhs. The company has paid/ provided for the property tax at the rates at which the taxes were paid in the past and contested the revision of the property tax by filing a writ petition before the High Court of Karnataka on the ground that the Company is a sick industry under a revival plan sanctioned by the BIFR and are eligible for an exemption from such revision.

(iii) The company has received notices levying penalties amounting to Rs 18.20 from BSE/ NSE for not having sufficient number of independent directors/ women directors. However, on a request to BSE/ NSE stating the reason for non-compliance being a public sector undertaking, the penalties have been waived till the second quarter of FY 2022-23. The company is confident that the subsequent levies would also be waived. Hence, no provision has been made for these penalties.

(iv) The claims amount includes claim by HFCL of Rs 1485.60 lakhs towards Liquidated Damages and confirmed by the Arbitrator. However, the Company has filed an appeal against the said claim in the High Court of Delhi.

(v) The claims against the company includes claim of balance amount by RECAP Ventures Pvt Ltd of Rs 615.13 lakhs from the due date till the filling of petition for providing CCMS boxes under EESL tender .

vi.) 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.

"vii.) The company has disclosed a contingent liability of ₹ 5,915.37 lakhs (Previous Year ₹ 14,139.51 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.

viii.) Out of the claims against the company not acknowledged as debt of ₹ 26,800.10 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.

(ix) Interest and penalties on arrears of all overdue statutory liabilities (including undisputed) could arise as and when assessed and determined by the respective authorities.

(x) 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.

### (b) Other litigations

(i) Claim Recoverable - (inland) - ₹1049.41 lakhs due from M/S Himachal futuristic communications on account of Liquidated Damages. The Company has filed a legal case and the matter is pending before Delhi High court.

(ii) 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.

ITI Limited filed a complaint in the Magistrate Civil Court dated 18.05.2022 in furtherance of acting against M/s Mind array Systeme Private Limited. The case is under city commercial court Bengaluru.

ITI Limited supplied LED Street Light to Infos park , the realisation for the same is pending. ITI has filed a case against M/s Infos Park for the cheque which was dishoured by the bank.

Karnataka Power Transmission Corporation Limited is using 5 Acres of Land and no lease agreement has been entered for the same.

Karnataka General Labour Union has filed a case for non payment of lockdown wages for VUSS & Muss amounting to Rs 248.17 lakhs.

## Notes to the Consolidated Financial Statements (Contd...)

11 Write-back of liabilities of earlier years amounting to ₹ 3.80 lakhs comprises Naini Unit ₹ 2.86 lakhs and RO BGP ₹ 0.94 lakhs (Previous year ₹ 289.18 Lakhs comprises rae bareli Unit ₹ 161.46 Lakhs, NS unit ₹ 127.72 Lakhs ).

12 Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption :

	31.03.2023	31.03.2022
Imported	521.25	53.38
Indigenous	15,920.27	11,992.14
<b>Total</b>	<b>16,441.53</b>	<b>12,045.52</b>

13 Accretion/Decretion to stock-in-trade is arrived at after considering due adjustment to difference in excise duty element in respect of opening stock.

14 The Company is a Sick Company as per provisions of the Sick Industrial Companies Act (SICA), 1985 and is currently under a revival plan after it was referred to the Board for Industrial and Financial Reconstruction (BIFR). The Cabinet Committee on Economic Affairs (CCEA) approved financial assistance of ₹ 415679 lakhs in February 2014 for the revival of the Company under the Rehabilitation Scheme.

As a part of the approved financial assistance, until the beginning of the financial year 2022-23, an amount of Rs 94556 lakhs have been received towards Capital Grant and Rs 189279 lakhs towards revenue grant. Shares have been allotted to the President of India towards the Capital Grant received, on various dates in accordance with the BIFR order dated 08.01.2013 at prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Of the revenue grant, Rs 15500 lakhs was towards a VRS scheme of which an amount of Rs 11003.58 lakhs has been disbursed to the employees towards VRS and the remaining amount is lying in the account.

Further to the above, the company received a capital grant of Rs 18700 lakhs during the FY 2022-23. Of this, towards ₹8,000.00 lakhs grant amount 77,33,204 shares @ Rs 103.45 per share have been allotted on 28.09.2022(each Rs 10 fully paid up at premium of Rs 93.45 per share) and the balance of ₹10700.00 lakhs has been accounted in the books as share application money pending allotment. The total financial assistance received till the balance sheet date amounts to Rs 302535 lakhs.

15 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.

16 During the period under Audit, the DoT had not agreed with the proposal of the Company to provide VRS to employees on Medical ground out of VRS Grant in Aid. Hence VRS expenses on Medical ground which was paid during FY 2019-20 and adjusted against the Grant in Aid is now recognised as expense

17 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.

18 Value of Imports on CIF basis

Raw Materials and Production Stores	349.64	49.48
Components and Spare Parts	171.62	3.90
Material in transit	-	-
Capital Goods	-	163.60
<b>TOTAL</b>	<b>521.25</b>	<b>216.98</b>

19 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 ₹ 11,779.92 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 & 2022-23 on accrual basis is deferred, which is in conformity with Ind AS.

20 Southern Railways were paying rent for 1.83 acres of land used as access road to their facilities, without any written lease agreement till June 1990. However, since the approach road was being used by the public and the residents of the locality, Southern Railways stopped paying rent. Presently, the land is used by the public as right of way.

21 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:

(i) 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.

(ii) 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.



## Notes to the Consolidated Financial Statements (Contd...)

- (iii) 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 dated 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
- 22 An amount of Rs 2144 lakhs is receivable from M/s.Karvy Data Management Services Limited and M/s.Telva Systems, which is overdue. The company has not made any provision for bad debts in this case as the corresponding liability of similar amount to vendors (back-end partners) is payable only upon recovery of this amount. Provision is made for Rs 242 lakhs being the difference between the amount receivable and payable.
- 23 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.
- 24 No proceedings has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act 19488 (45 of 1988) and the rules made thereunder.
- 25 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
- 26 The Company has not been declared as a Wilful Defaulter by any banks or other Financial Institutions or other lenders
- 27 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.
- 28 The Company does not have any charges or satisfaction of charges which is yet to be registered with ROC beyond the statutory period
- 29 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year
- 30 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
- 31 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
- 32 The Company has not traded or invested in Crypto or Virtual Currency during the Current or Previous year.
- 33 The borrowings obtained by the Company from banks and financial institutions have been applied for the purpose for which such loans are taken
- 34 The ratios and the formula used for calculating the ratios are as under:

	31.03.2023	31.03.2022
(a) Current Ratio	0.97	1.01
(b) Debt Equity Ratio	0.80	0.63
(c) Debt Service Coverage Ratio	-0.55	1.38
(d) Return on Equity Ratio	-0.15	0.13
(e) Inventory Turnover Ratio	6.89	9.07
(f) Trade Receivables Turnover ratio	0.50	0.63
(g) Trade Payables Turnvoer ratio	0.61	0.67
(h) Net Capital Turnover ratio	-6.31	-26.65
(i) Net Profit Ratio	-25.79%	6.38%
(j) Return on Capital employed	-0.04	0.04
(k) Operating Profit Margin without Grant in Aid (Operating Profit / Net Sales)	-9.08%	6.33%
(l) Operating Profit Margin with Grant in Aid (Operating Profit / Net Sales)	-9.08%	6.33%
(m) Sales to Total Assets ( Sales incl. Taxes/ Total Assets (Net Fixed Assets +Investments + Gross Current Assets)	0.17	0.22
(n) Profit to Sales (Profit before tax to sales incl. GST)	-22.65%	5.71%
(o) Operating Profit to Capital employed (Profit before tax / (Share holders' funds + Loan funds)	-6.43%	3.52%
The turnover ratios having more than 25% variance are due to operational changes		

## Notes to the Consolidated Financial Statements (Contd...)

### 35 Details of CSR activities

(i) Amount required to be spent by the Company during the year	Nil	110.55
(ii) Amount of expenditure incurred	5.00	99.09
(iii) Shortfall at the end of the year *	0	11.46
(iv) Total previous years shortfall	Nil	Nil
(v) Reason for shortfall* (* Shortfall of Rs 11.46 Lacs was deposited on 29.09.2022 in PM Cares Fund)	NA	
(vi) Nature of CSR activities	Armed Forces Flag Fund (AFFDF)	Education, Health & Hygiene, Eradicating Hunger, Environment etc
(vii) Details of related party transaction e.g contribution to trust controlled by the Company	Nil	

36 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. However, the proposal for the appointment of requisite number of Independent Directors on the Board of the company is under process with the Administrative Ministry. The company also does not have the Company Secretary as on 31st March 2023.

37 Finance Cost includes interest on delayed remittances of statutory dues of provident fund (Rs 3006.98 Lakhs) at the year end.

38 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.

39 Previous period's figures have been regrouped and reclassified wherever necessary to conform to current period's classification.

40 Figures in brackets indicated in the Accounts reflect negative balances.

As per our report of even date

For **M/s. GRSM & ASSOCIATES**

Chartered Accountants

Firm Reg No.: 000863S

For & On Behalf of Board of Directors

**A RAJGOPAL**

Partner

M. No.205296

**RAJEEV SRIVASTAVA**

Director Finance & CFO

DIN: 08921307

**RAJESH RAI**

Chairman & Managing Director

DIN: 10052045

Place: Bengaluru

Date : 29<sup>th</sup> May 2023



## ANNEXURE - 1

### Disclosure of Related Party Transactions (Consolidated) for the Quarter & Year ended 31.03.2023

#### 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 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	
INDIA SATCOM LIMITED	India	49.06%	49.06%	50.94%	50.94%	VSAT Manufacturing & Servicing

##### b) Key Managerial Personnel's Details:

₹ in Lakhs

Name of Directors/ Key Management Personnel's	For the Quarter ended 31.03.2023	For the year ended 31.03.2023	For the year ended 31.03.2022
Shri Rajesh Rai - CMD - w.e.f. 21.02.2023 *	4.12	4.12	-
Shri. Anand Singh - CMD (Addl. Charge) (From 01.09.2022 to 30.09.2022)	-	-	-
Shri Rakesh Chandra Tiwari - Director (Marketing)	12.59	45.98	42.38
Shri Rajeev Srivastava - Director (Finance) & CFO	7.04	24.22	19.12
Smt R Vasanthi - Director (Production) - Addl. Charge - w.e.f. 28.02.2023 *	2.04	2.04	-
Smt S Jeyanthi - Director (HR) - Addl. charge - w.e.f. 28. /02.2023 *	2.04	2.04	-
Shri R M Agarwal-Ex- CMD	-	8.87	36.48
Shri D. Venkateswarlu -Ex- Director (Production)	-	42.07	19.65
Shri Shashi Prakash Gupta-Ex - Director (HR)	-	-	7.84
Smt Shanmuga Priya - Ex- Company Secretary	3.78	16.20	13.27
Dr. Akhilesh Dube - Independent Director	-	-	0.15
Dr. K R Shanmugam - Independent Director	-	-	0.45
Shri. Mayank Gupta - Independent Director	-	-	0.40
Shri. Rajen Vidyarthi - Independent Director	-	-	0.20
Dr. Raja Nayak - Independent Director	0.60	1.80	0.65
Shri. Shri Billeswar Sinha - Independent Director	0.30	1.30	0.50
Smt Mamta Palariya - Independent Director	0.50	1.80	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	Nil	
Sale of Goods		
Rendering Services		
Services Received		
Rent Received (Lease)		
Interest Income		
Dividend Income on Investments		
Loan Outstanding (including Interest) as on 31.03.2023		
Trade Payables Outstanding as on 31.03.2023		
Trade Receivables Outstanding as on 31.03.2023		
Investment in Equity as on 31.03.2023		40.55 lakhs (40.55L)
Advances for Purchase Outstanding as on 31.03.2023		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 below.
f)	<p><b>Loans to Related Parties.</b></p> <p>Nil</p>
g)	<p><b>Management Contracts including deputation of Employees:-</b></p> <p>Nil</p>
h)	<p><b>Transaction with Government and Government Related Entities</b></p> <p>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 :</p> <ol style="list-style-type: none"> <li>1. Buyback of Shares.</li> <li>2. Bonus Issued.</li> <li>3. Dividend Paid</li> </ol>



# CONSOLIDATED 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 joint venture/ associate (the Company and its one associate collectively referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2023, 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 2023, 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 debts (credit losses) in respect of the following items included under Current Assets - Financial Assets, which are doubtful of recovery:

- a) Rs 5,847.90 lakhs, receivable from C-DOT towards rent from premises leased out to them up to the period ending 31-3-2011.
- b) Recoverable from HCL Infosystems Limited of Rs 1,690.20 lakhs as compensation on account of the 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.

Accordingly, if provision for credit losses were made by the Company, the loss for the year would have been higher and the net current assets lesser by Rs 9610.51 lakhs.

2. 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. The Naini Unit carries a debit balance of Rs 94.42 lakhs towards unavailed input tax credits that are time-barred. Consequently, the net profit for the year is overstated by Rs 983.42 lakhs, plus applicable interest.

3. In respect of the below-mentioned issues, the impact on the items of financial statements is not quantifiable / unascertained:

- a. The Company carries long outstanding balances under trade receivable, unbilled debtor balances, claims receivable, and rent receivable. These balances are subject to confirmation by the parties and reconciliations. The effect of the adjustment arising from reconciliation and the delay in settlement of the dues may result in a possible loss due to short/non-recovery. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such unascertained losses on the carrying value of these receivables as well as on the Other Comprehensive Income.
  - b. The Company's inventories include old inventory, and it is in the process of an assessment of the ageing, usefulness, and serviceability of the inventories held at various units to ascertain the quantum of obsolete inventory. Consequently, we are unable to comment on whether the valuation of the inventories is at the lower of cost and net realisable value, which constitutes a departure from the requirements of Ind AS 2.
  - c. 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 credits reflected in the portal. Adjustment entries and reversal of ineligible input tax credits are pending.
  - d. The Company carries certain items of property, plant & equipment under Capital Work-in-Progress pending acceptance/ installation. This includes a let-out building costing Rs 6582.06 that is not yet capitalised as an investment property. A detailed list of such items, along with the date available for use, was not made available to ascertain the shortfall in providing depreciation, if any, as under Ind AS 16/ 40, depreciation shall commence from the date the items are available for use. In the absence of sufficient and appropriate evidence, we are unable to comment on the impact of such delayed capitalisation and the resultant shortfall in charging depreciation on the Other Comprehensive Income.
4. Finance costs for the year include the interest of Rs 3,006.98 lakhs towards delayed remittance of Provident Fund. This amount includes interest for current and previous years, and such a break-up is unavailable.
  5. 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 verify whether the provision for interest on delayed payments is complete and comment on MSME Act 2006 compliance or correctness of disclosure made by the Company under Schedule III of the Companies Act 2013.

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.

- i. The Company had 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 the Sick Industrial Companies Act, 1985. [Note No.31.14]
- ii. 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 the finalisation of the terms of the lease and not entering into formal agreements. [Note Nos. 31.10(b), 31.15, 31.17 and 31.19]
- iii. The Company carries under 'other financial assets- current' accumulated unbilled revenue of Rs 2,57,855 lakhs that were recognised during the current as well as the previous few years. [Note No.9(b)]
- iv. The Company has not provided for the demand of property tax based on the demand notice from BBMP, as it has disputed the demand by filing a writ in the High Court of Karnataka. [Note No.31.10 (a)(ii)]

- v. The Company is not in compliance with the requirements of having a specified proportion/ number of independent directors and appointment of a Company Secretary. [Note No.31.36]
- vi. 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.31.21.(i)]
- vii. Non-disclosure of fair value on the balance sheet date in respect of Investment Properties [Note No.3(iv)]
- viii. The Palakkad Unit of the Company has made provision for bad debts only to the extent of Rs 242 lakhs after netting off the corresponding liability to the back-end partners in respect of overdue receivables from M/s.Karvy Data Management Services Limited and M/s.Telva Systems.[Note No.31.22]

**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	Auditors' Response
<p>Revenue from contracts with customers:</p> <p>Accounting for revenue is an exercise of recognising revenue based on accounting policies 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 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> <ul 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> </ul> <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

- a) The consolidated financial results include the group's share of net profit of Rs 24 lakhs in respect of a joint venture/ associate for the year ended March 31, 2023 whose financial statement have been audited by its Independent auditors. The independent auditors' report on the Financial Results of this entity has been furnished to us, and our opinion on the consolidated Financial Results 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.
- b) We did not audit the financial statements of the Mankapur, Raebareli, Srinagar, Naini & Palakkad Branches included in the financial results of the Company, whose financial statements reflect total assets of Rs 2,96,230.66 lakhs as at March 31, 2023 and total income of Rs 17,057.64 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 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(xxi) 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:

Sr. No.	Name / CIN	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
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 (xvii)
2.	INDIA SATCOM LIMITED	U85110KA1987PLC008639	Associate Company	Clauses (xvii)

**For GRSM & ASSOCIATES**

Chartered Accountants

[FRN: 000863S]

UDIN: 23205296BGWRPS3755

**RAJGOPAL A**

Partner

M.No. 205296

Place: Bangalore

Date: 29<sup>th</sup> May 2023

# 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 2023, 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 (i) one associate company, which is companies incorporated in India, is audited by its auditor; and (ii) 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 2023 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 31 March 2023:

- 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.
- iv. The internal control system to ensure no delay in the information furnished by the user departments to the accounts department regarding installation and acceptance of items of property, plant and equipment is weak, resulting in accounting for backlog depreciation in a few cases.

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 31 March 2023, 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: 29 May 2023

For **GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

UDIN: 23205296BGWRPS3755  
**RAJGOPAL A**  
Partner  
M.No. 205296

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of ITI LIMITED for the year ended 31-3-2023 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.

UDIN: 23205296BGWRPM3312

Place: Bangalore  
Date: 29<sup>th</sup> May 2023

For **GRSM & ASSOCIATES**  
Chartered Accountants  
[FRN: 000863S]

**RAJGOPAL A**  
Partner  
M. No. 205296

# 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 31<sup>st</sup> MARCH 2023

The preparation of Financial Statements of ITI Limited for the year ended 31<sup>st</sup> March 2023 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 29.05.2023.

1, 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<sup>st</sup> March 2023 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

#### Expenses

#### 1. Finance Cost (Note 28) - Rs 20958.40 Lakhs

The above head is understated by an amount of Rs 85.56 lakhs due to non-inclusion of provision on account of penal interest payable to Department of Telecommunications on interest and principal amount overdue on soft loan for the year 2022-23.

This has also resulted in understatement of loss by the same amount.

#### 2. Other Expenses (Note 30) - Rs 13892.97 Lakhs

The above head is understated by an amount of Rs 115.66 lakhs due to non-provision of bills payable to various vendors on account of

services rendered by them during the year 2022-23 in Bangalore Plant, NS Unit and RO Kolkata.

This has also resulted in understatement of loss by the same amount.

#### 3. Additional disclosures (Note no 31)

(i) ITI Limited has shown Rs 2908.01 lakh as amount receivable from South Western Railways on account of compensation for 1320 sqm acquired in K.R. Puram, Bangalore. However, as per the minutes of the meeting held between ITI Ltd. and south Western Railways on 16<sup>th</sup> March, 2023, this amount is Rs 1172.16 Lakhs. This fact has not been disclosed in the books of accounts.

(ii) ITI Ltd has not disclosed the undertaking given to Karnataka Industrial Area Development Board (KIADB) for acquisition of land mortgaged with consortium Bankers with SBI as leading bank. The company had given an undertaking to KIADB that in case consortium Banks raise any objection with regard to the above acquisition, the amount of compensation would be duly deposited with SBI. The company has recognized Rs 1539.17 Lakhs as its income which is the compensation amount received from KIADB for acquiring this land.

#### 4. Contingent Liability - Note 31(10)

The above head is understated by an amount of Rs 375.79 lakhs due to under disclosure of amount payable to M/s Alphon Corporation by ITI Ltd. In compliance of arbitration award.

**For and on behalf of the  
Comptroller and Auditor General of India**

**(Roli Shukla Malge)**  
Principal Director General of Audit  
(Finance & Communication)

Place: Delhi  
Date: 10<sup>th</sup> August 2023



## Comments Of The Comptroller and Auditor General Of India under Section 143 (6) (b) Of The Companies Act, 2013 on The Financial Statement Of ITI Limited (Standalone) For The Year Ended 31st March 2023 and the Company's reply for the same.

	Comments of C&AG	Company's Reply
1	<p><b>Comment on Profitability Statement of Profit &amp; Loss Expenses:</b></p> <p>1. <b>Finance Cost (Note 28) - Rs 20958.40 Lakhs</b></p> <p>The above head is understated by an amount of Rs 85.86 lakhs due to non-inclusion of provision on account of penal interest payable to Department of Telecommunications on interest and principal amount overdue on soft loan for the year 2022-23.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>In view of the financial crunch &amp; paucity of funds, ITI could not repay the soft loan to DoT.</p> <p>Since the ASCON-IV POC is pending, the billing could not take place which has affected the fund inflow, consequently the company could not achieve the targeted turnover and suffered loss during FY 2022-23. Hence, the principal instalment could not be made.</p> <p>ITI limited is continuously requesting DoT to convert the said soft loan into Grant in Aid as was done earlier and the company still has not come out of the BIFR.</p>
2	<p><b>Other Expenses (Note 30) - Rs 13892.97 Lakhs</b></p> <p>The above head is understated by an amount of Rs 115.66 lakhs due to non-provision of bills payable to various vendors on account of services rendered by them during the year 2022-23 in Bangalore Plant. NS Unit and RO Kolkata. This has also resulted in understatement of loss by the same amount.</p>	<p>Due to delay in receiving the bills and not passing the same during the period, accounting of the same was missed in the books inadvertently.</p>
3	<p><b>Additional disclosures (Note no 31)</b></p> <p>(i) ITI Limited has shown Rs 2908.01 lakh as amount receivable from South Western Railways on account of compensation for 1320 sqm acquired in K.R. Puram, Bangalore. However, as per the minutes of the meeting held between ITI Ltd. and south Western Railways on 16th March, 2023, this amount is Rs 1172.16 Lakhs. This fact has not been disclosed in the books of accounts.</p>	<p>ITI Limited vide letter no. ITI/BGP/HR/2021/8009 dated 08.05.2023 submitted to the Special Land Acquisition officer, that company rejects the rate offered vide letter dated 14.03.2023 and request kind intervention and retain the originally fixed compensation value of Rs 2,908.01 lakhs fixed during 29.02.2020.</p> <p>The unilateral decision taken by the authority is not acceptable to ITI and hence it was decided to take the matter to the appropriate authority for restoring the original amount.</p> <p>Hence, the reduction was not accounted in the books.</p>
	<p>(ii) ITI Ltd has not disclosed the undertaking given to Karnataka Industrial Area Development Board (KIADB) for acquisition of land mortgaged with consortium Bankers with SBI as leading bank. The company had given an undertaking to KIADB that in case consortium of Banks raise any objection with regard to the above acquisition, the amount of compensation would be duly deposited with SBI. The company has recognized Rs, 1539.17 Lakhs as its income which is the compensation amount received from KIADB for acquiring this land.</p>	<p>Company vide its letter dated 06.04.2022 to SBI, the Lead Bank of Consortium, has duly disclosed the status of land at Electronic City, Bengaluru with details of land acquisition by NHAI and BMRCL in the past and sought NoC w.r.t. acquisition of 738 sq. mtr. of land at Electronic City, Bengaluru by Karnataka Industrial Area Development Board [KIADB] for Bengaluru Metro Rail Project.</p> <p>Since SBI did not raise any objection within reasonable time. We presume that SBI did not have any objection and hence not provided any disclosure.</p>
4	<p><b>Contingent Liability-Note 31(10)</b></p> <p>The above head is understated by an amount of Rs 375.79 lakhs due to under disclosure of amount payable to M/s Alphon Corporation by ITI Ltd. In compliance of arbitration award.</p>	<p>Since there were few developments in the case, the note ought to have been revised considering these developments. The amount was not correctly stated.</p> <p>The company undertakes to give a more comprehensive &amp; correct disclosure in the year 2023-24.</p>

For on behalf of Board of Director  
**RAJESH RAI**  
Chairman & Managing Director

Place: Bangalore  
Date: 11<sup>th</sup> August 2023

DIN: 10052045



# 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<sup>st</sup> MARCH 2023

The preparation of Consolidated Financial Statements of ITI Limited for the year ended 31 March 2023 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) 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 29<sup>th</sup> May 2023.

1, 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<sup>st</sup> March 2023 under Section 143(6)(a) read with Section 129 (4) of the Act. We conducted 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

#### Expenses

#### 1. Finance Cost (Note 28) - Rs 20958.40 Lakhs

The above head is understated by an amount of Rs 85.56 lakhs due to non-inclusion of provision on account of penal interest payable to Department of Telecommunications on interest and principal amount overdue on soft loan for the year 2022-23.

This has also resulted in understatement of loss by the same amount.

#### 2. Other Expenses (Note 30) - Rs 13892.97 Lakhs

The above head is understated by an amount of Rs 115.66 lakhs due to non-provision of bills payable to various vendors on account of services rendered by them during the year 2022-23 in Bangalore Plant. NS Unit and RO Kolkata.

This has also resulted in understatement of loss by the same amount.

#### 3. Comment on Disclosure (Note no 31)

i. ITI Limited has shown Rs 2908.01 lakh as amount receivable from South Western Railways on account of compensation for 1320 sqm acquired in K.R. Puram, Bangalore. However, as per the minutes of the meeting held between ITI Ltd. and south Western Railways on 16<sup>th</sup> March, 2023, this amount is Rs 1172.16 Lakhs. This fact has not been disclosed in the books of accounts.

ii. ITI Ltd has not disclosed the undertaking given to Karnataka Industrial Area Development Board (KIADB) for acquisition of land mortgaged with consortium Bankers with SBI as leading bank. The company had given an undertaking to KIADB that in case consortium of Banks raise any objection with regard to the above acquisition, the amount of compensation would be duly deposited with SBI. The company has recognized Rs 1539.17 Lakhs as its income which is the compensation amount received from KIADB for acquiring this land.

#### 4. Contingent Liability - Note 31(10)

The above head is understated by an amount of Rs 375.79 lakhs due to under disclosure of amount payable to M/s Alphon Corporation by ITI Ltd. In compliance of arbitration award.

For and on behalf of the  
Comptroller and Auditor General of India

(Roli Shukla Malge)  
Principal Director of Audit  
(Finance & Communication)

Place: Delhi  
Date: 10<sup>th</sup> August 2023



## Comments Of The Comptroller and Auditor General Of India under Section 143 (6) (b) Of The Companies Act, 2013 on The Financial Statement Of ITI Limited (Consolidated) For The Year Ended 31st March 2023 and the Company's reply for the same.

	Comments of C&AG	Company's Reply
1	<p><b>Comment on Profitability Statement of Profit &amp; Loss Expenses:</b></p> <p><b>1. Finance Cost (Note 28) - Rs 20958.40 Lakhs</b></p> <p>The above head is understated by an amount of Rs 85.86 lakhs due to non-inclusion of provision on account of penal interest payable to Department of Telecommunications on interest and principal amount overdue on soft loan for the year 2022-23.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>In view of the financial crunch &amp; paucity of funds, ITI could not repay the soft loan to DoT.</p> <p>Since the ASCON-IV POC is pending, the billing could not take place which has affected the fund inflow, consequently the company could not achieve the targeted turnover and suffered loss during FY 2022-23. Hence, the principal instalment could not be made.</p> <p>ITI limited is continuously requesting DoT to convert the said soft loan into Grant in Aid as was done earlier and the company still has not come out of the BIFR.</p>
2	<p><b>Other Expenses (Note 30) - Rs 13892.97 Lakhs</b></p> <p>The above head is understated by an amount of Rs 115.66 lakhs due to non-provision of bills payable to various vendors on account of services rendered by them during the year 2022-23 in Bangalore Plant, NS Unit and RO Kolkata.</p> <p>This has also resulted in understatement of loss by the same amount.</p>	<p>Due to delay in receiving the bills and not passing the same during the period, accounting of the same was missed in the books inadvertently.</p>
3	<p><b>Additional disclosures (Note no 31)</b></p> <p>(i) ITI Limited has shown Rs 2908.01 lakh as amount receivable from South Western Railways on account of compensation for 1320 sqm acquired in K.R. Puram, Bangalore. However, as per the minutes of the meeting held between ITI Ltd. and south Western Railways on 16th March, 2023, this amount is Rs 1172.16 Lakhs. This fact has not been disclosed in the books of accounts.</p>	<p>ITI Limited vide letter no. ITI/BGP/HR/2021/8009 dated 08.05.2023 submitted to the Special Land Acquisition officer, that company rejects the rate offered vide letter dated 14.03.2023 and request kind intervention and retain the originally fixed compensation value of Rs 2,908.01 lakhs fixed during 29.02.2020.</p> <p>The unilateral decision taken by the authority is not acceptable to ITI and hence it was decided to take the matter to the appropriate authority for restoring the original amount.</p> <p>Hence, the reduction was not accounted in the books.</p>
	<p>(ii) ITI Ltd has not disclosed the undertaking given to Karnataka Industrial Area Development Board (KIADB) for acquisition of land mortgaged with consortium Bankers with SBI as leading bank. The company had given an undertaking to KIADB that in case consortium of Banks raise any objection with regard to the above acquisition, the amount of compensation would be duly deposited with SBI. The company has recognized Rs, 1539.17 Lakhs as its income which is the compensation amount received from KIADB for acquiring this land.</p>	<p>Company vide its letter dated 06.04.2022 to SBI, the Lead Bank of Consortium, has duly disclosed the status of land at Electronic City, Bengaluru with details of land acquisition by NHAI and BMRL in the past and sought NoC w.r.t. acquisition of 738 sq. mtr. of land at Electronic City, Bengaluru by Karnataka Industrial Area Development Board [KIADB] for Bengaluru Metro Rail Project.</p> <p>Since SBI did not raise any objection within reasonable time. We presume that SBI did not have any objection and hence not provided any disclosure.</p>
4	<p><b>Contingent Liability-Note 31(10)</b></p> <p>The above head is understated by an amount of Rs 375.79 lakhs due to under disclosure of amount payable to M/s Alphon Corporation by ITI Ltd. In compliance of arbitration award.</p>	<p>Since there were few developments in the case, the note ought to have been revised considering these developments. The amount was not correctly stated.</p> <p>The company undertakes to give a more comprehensive &amp; correct disclosure in the year 2023-24.</p>

For on behalf of Board of Director  
**RAJESH RAI**  
Chairman & Managing Director

Place: Bangalore  
Date: 11<sup>th</sup> August 2023

DIN: 10052045



# PRODUCTS & SERVICES OF ITI LIMITED



Partner In Nation Building Since 1948





# ITI LIMITED

(A Government of India Undertaking)

**CIN:** L32202KA1950GOI000640

**Registered & Corporate Office:**

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